

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON OCTOBER 8, 2009, AT 9:00 A.M.

Board Members present:

Gary DeLong, City of Long Beach  
Janice Hahn, City of Los Angeles  
Don R. Knabe, Los Angeles County  
Metropolitan Transportation Authority  
Susan E. Anderson Wise, Port of Long Beach  
Richard D. Steinke, Port of Long Beach  
Douglas Krause, Port of Los Angeles  
Mike Christensen, Port of Los Angeles

Board Members absent:

None

Also present:

John T. Doherty, ACTA, Chief Executive Officer  
James P. Preusch, ACTA, Chief Financial Officer  
Art Goodwin, ACTA, Director of Planning  
Charles Gale, ACTA, Co-General Counsel  
Thomas A. Russell, ACTA, Co-General Counsel  
Heather McCloskey, ACTA, Co-General Counsel

CHAIRPERSON DeLONG PRESIDED.

CLOSED SESSION

At 9:05 a.m., Chairperson DeLong recessed the Governing Board meeting to hold an attorney-client meeting pursuant to Government Code Section 54956.9, Subdivision (a), regarding existing litigation – NRDC et al vs. California Department of Transportation District 7 with ACTA as Real Party in Interest, Los Angeles Superior Court Case BS 122539, and Government Code Section 54956.9, Subdivision (b), regarding anticipated litigation.

At 9:15 a.m., Board Member Hahn arrived at the meeting during the closed session.

At 10:05 a.m., the meeting was again called to order by Chairperson DeLong.

Mr. Thomas Russell reported that there were no reportable actions from the closed session.

CONSENT CALENDAR - ITEMS NOS. 2-3.

Mr. John Doherty reported that Item No. 3 on the Consent Calendar is an approval item, not a receive-and-file item.

2. MINUTES OF THE AUGUST 21, 2009, SPECIAL MEETING OF THE ACTA GOVERNING BOARD - APPROVED.

The minutes of the August 21, 2009, special meeting of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

3. ADOPTION OF REVISED INVESTMENT POLICY – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated October 8, 2009, recommending the Board adopt the revised Investment Policy, was presented to the Governing Board.

Board Member Knabe motioned, seconded by Board Member Hahn, that the communications be received and filed and that Items Nos. 2-3 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, Knabe, Hahn, DeLong  
NOES: None  
ABSENT: None

Mr. John Doherty recommended Items Nos. 4, 5, and 6 be held over to the next Governing Board meeting for further discussion.

Board Member Christensen motioned, seconded by Board Member Steinke, that Items Nos. 4, 5, and 6 be held over to the next Governing Board meeting for further discussion. Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, Knabe, Hahn, DeLong  
NOES: None  
ABSENT: None

Mr. John Doherty recommended Items Nos. 10 and 11 be presented before Items Nos. 7, 8 and 9 because Items 10 and 11 give some context to Items 7, 8, and 9.

10. REVIEW OF UNSPENT ACTA PROJECT FUNDS – INFORMATION ITEM.

Communication from John T. Doherty, Chief Executive Officer, and James P. Preusch, Chief Financial Officer, dated September 25, 2009, prepared at the request of the Governing Board, providing an analysis of unspent ACTA project funds to help the Board determine whether some of those projects funds should be reprogrammed for debt service purposes, was provided to the Governing Board for information only.

11. DEFERRAL OF NEW CERRITOS CHANNEL RAIL BRIDGE PROJECT AND THE THENARD TRACK CONNECTION PROJECT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated October 8, 2009, recommending authorization for the Chief Executive Officer to:

a) Defer further work on the Phase 2 Thenard Track Connection Project and the New Cerritos Channel Rail Bridge Project, except for the seismic analysis of the existing rail bridge, and

b) Reserve the \$10 million in savings from these deferrals for possible future offset of port shortfall advances necessary for ACTA debt service, was presented to the Governing Board.

Board Member Knabe motioned, seconded by Board Member Christensen, that Item No. 11 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, Knabe, Hahn, DeLong  
NOES: None  
ABSENT: None

At 10:25 a.m. Board Member Knabe left the meeting.

7. SELECTION OF HNTB AS CERRITOS CHANNEL RAIL BRIDGE CONSULTANT – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated October 8, 2009, recommending authorization for the Chief Executive Officer to:

a) Negotiate a “cost plus fixed fee” amount with HNTB for analytic and design services for the Badger Rail Bridge seismic retrofit; and

b) Upon successful completion of negotiations, execute an agreement and issue a notice-to-proceed for the first phase analytic work at the negotiated amount, which amount is not expected to exceed \$1,000,000, was presented to the Governing Board.

Board Member Christensen motioned, seconded by Board Member Wise, that Item No. 7 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, Hahn, DeLong  
NOES: None  
ABSENT: Knabe

8. DESIGNATION OF ACTA'S INVESTMENT BANKING TEAM – APPROVED AS AMENDED.

Communication from James P. Preusch, Chief Financial Officer, dated October 8, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer, having completed a competitive qualifications-based selection process, to:

a) Designate the following three firms as comprising ACTA's investment banking team: Bank of America/Merrill Lynch, Stone & Youngberg, and De La Rosa & Company;

b) Authorize the team to work with ACTA staff and financial advisor to explore restructuring portions of ACTA's debt; and

c) Further designate the following additional six firms to augment ACTA's investment banking team, if and as needed: Barclays Capital, Citibank, Jefferies & Company, Inc., Wedbush Morgan Securities, Loop Capital Markets, and MR Beal & Company, was presented to the Governing Board.

Board Member Krause recommended that information about what proportion of work goes to the various firms be provided to the Governing Board before proceeding with the underwriting agreements.

Mr. Preusch concurred that the information requested would be provided.

Board Member Hahn asked about the DBE firms and how they get placed into the transaction.

Mr. Preusch stated that all of the proposals are considered at every level.

Board Member Hahn asked if any of the recommended firms are women-owned.

Mr. Preusch stated there were no women-owned firms that applied.

Board Member Hahn stated that she would like to see the investment banking team be more reflective of minorities and a high participation of women, more diversity and job creation. She requested more information be provided on the selection process.

Board Member Wise requested more information be provided on the principals who would be a part of the teams, such as their names and bios.

Board Member DeLong motioned to move forward on this item, with the amendment to come back to the Governing Board with information about the review process and, if there's an opportunity to evolve the investment banking team or be more inclusive or take any more positive action, then also come back to the Governing Board at a future date to review that as well. He stated at this point to keep in mind that this is not completely finished. The motion was seconded by Board Member Steinke.

Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, DeLong  
NOES: Hahn  
ABSENT: Knabe

9. O'MELVENY & MYERS – AMENDMENT TO LEGAL SERVICES AGREEMENT  
CO799 – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated October 8, 2009, recommending authorization for the Chief Executive Officer or Chief Financial Officer to issue an amendment to Agreement CO799 with O'Melveny & Myers, in the additional amount of \$250,000, for legal services through June 30, 2010, was presented to the Governing Board.

Board Member Krause motioned, seconded by Board Member Hahn, that Item No. 9 be approved as recommended. Carried by the following vote:

AYES: Members: Krause, Christensen, Wise, Steinke, Hahn, DeLong  
NOES: None  
ABSENT: Knabe

12. LEGISLATIVE UPDATE – INFORMATION ITEM.

Mr. Norm Emerson gave a legislative update.

13. AUGUST PERFORMANCE UPDATE – INFORMATION ITEM.

Mr. John Doherty gave an August performance update.

14. PUBLIC COMMENT.

There was no one present to address the Governing Board.

15. ADJOURNMENT

At 11:00 a.m., the meeting was adjourned sine die.