

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD IN THE CITY HALL COUNCIL CHAMBER OF THE CITY OF LONG BEACH AT 333 W. OCEAN BOULEVARD, LONG BEACH, CALIFORNIA, ON OCTOBER 13, 2016 AT 9:00 A.M.

Members present:

Suzie Price, City of Long Beach  
Don R. Knabe, Los Angeles County  
Metropolitan Transportation Authority  
Rich Dines, Port of Long Beach  
Edward Renwick, Port of Los Angeles

Alternate Members present:

Tony Gioiello, Port of Los Angeles  
Steve Rubin, Port of Long Beach

Members absent:

Joe Buscaino, City of Los Angeles

Also present:

John T. Doherty, ACTA, Chief Executive Officer  
James P. Preusch, ACTA, Chief Financial Officer  
Heather McCloskey, ACTA, Co-General Counsel  
Lauren Misajon, Deputy City Attorney, City of Long Beach

CHAIR PRICE PRESIDED.

The meeting was called to order at 9:11 a.m. Roll call was taken.

CONSENT CALENDAR - ITEM NOS. 1-2

1. MINUTES - ACTA GOVERNING BOARD REGULAR MEETING OF SEPTEMBER 8, 2016 – APPROVED.

Minutes of the regular meeting of September 8, 2016 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

2. SR-47 PROJECT – FEDERAL GRANT FUNDING – FUNDING TIME EXTENSION - APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated October 13, 2016, recommending the authorization of the Chief Executive Officer or Chief Financial Officer to complete and execute the federal funding authorization for the design of the SR-47 Project, was presented to the Governing Board.

Board Member Knabe motioned, seconded by Board Member Dines that Items No. 1 and 2 be approved. Carried by the following vote:

AYES: Dines, Gioiello, Knabe, Price, Rubin

NOES: None

ABSENT: Buscaino, Renwick

### 3. INVESTMENT MANAGER SERVICES - APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated October 13, 2016, recommending approval of the selection of Chandler Asset Management to serve at ACTA's Investment Manager for all investment and re-investment of ACTA Funds; and authorization of the Chief Executive Officer or Chief Financial Officer to sign an agreement with Chandler Asset Management to provide Investment Management Services for a three-year contract from November 7, 2016 through November 6, 2019 in an amount not to exceed \$300,000, was presented to the Governing Board.

Board Member Knabe asked for the names of all the proposers. Mr. Preusch informed the Board that the eleven proposers were: Reams Asset Management; PFM Group; CS McKee; Garcia Hamilton & Associates, L.P.; Public Trust Advisors; Graystone Consulting; Goldman Sachs Asset Management; The TCW Group, Inc.; GW & K Investment Management; Insight Investment; and Chandler Asset Management. Mr. Preusch stated that of the 11 proposers, 9 were headquartered out of the area.

Board Member Dines motioned, seconded by Board Member Rubin that Item 3 be approved. Carried by the following vote:

AYES: Dines, Gioiello, Knabe, Price, Rubin

NOES: None

ABSENT: Buscaino, Renwick

### 4. USE AND OPERATING AGREEMENT – AMENDED AND RESTATED – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated October 13, 2016, recommending the adoption of a resolution (1) authorizing and approving the execution and delivery of an Amended and Restated Alameda Corridor Use and Operating Agreement (UOA), by and among the Ports, the Railroads and ACTA, which, among other things: (a) incorporates the amendments set forth in the First Amendment dated as of July 5, 2006; (b) replaces the Operating Committee with an alternative decision making process for the management of Alameda Corridor maintenance and operations; and (c) removes construction related provisions and updates certain other provisions to reflect current

conditions and practices; and (2) authorizing such other actions as are necessary or desirable in connection with the same, was presented to the Governing Board.

Mr. Doherty provided background information on the previous 2006 First Amendment to the original 1998 UOA, as well as the reason for the new 2016 Amended and Restated UOA. He stated that all of the changes in the new agreement were reviewed and negotiated by legal representatives of the five entities that are parties to the UOA.

Board Member Price asked if staff was permitted to hold discussions of relevant matters prior to submitting formal requests through the approval processes of the entities. Mr. Doherty referred to a flowchart outlining the new Mutual Agreement and Unanimous Consent Process. He stated that the railroad and port representatives can meet as a group or in any combinations to deliberate matters before they are advanced for formal decisions or on any matters of common interest that do not require formal approval. Once group deliberations are completed, ACTA prepares a written notice to the ports and railroads pursuant to the agreement and the matter moves through the internal review/approval processes of the Ports and Railroads, who in turn notify ACTA of the approval or rejection. ACTA then sends a notice of the result. Most of the decision-making requires three of the four parties to agree, but there are instances where the vote of the four parties must be unanimous.

Board Member Dines stated that formerly a decision that had been made by the designated representative to the Operating Committee was sent in a report to the Harbor Commission. However, with the new process, the Executive Director makes a recommendation to the Harbor Commission for its consideration and vote.

Chair Price suggested that for clarity the word “decisions” be changed to “recommendations” where the flowchart states, “Decisions requiring Mutual Agreement or unanimous consent.” Mr. Doherty stated that the change would be made.

Board Member Knabe motioned, seconded by Board Member Rubin that Item 4 be approved. Carried by the following vote:

AYES: Dines, Gioiello, Knabe, Price, Rubin

NOES: None

ABSENT: Buscaino, Renwick

#### 5. DRAFT SMALL BUSINESS ENTERPRISE PROGRAM – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated October 13, 2016, authorizing ACTA staff to finalize an ACTA Small Business Enterprise (SBE) based on the draft offered for consideration with the final SBE Program to be brought to the Board for approval at the November 2016 meeting, was presented to the Governing Board.

Mr. Doherty presented background on: 1) the request by the Board to investigate establishing an ACTA SBE Program for non-federal funded contracts, 2) the key proposed features of the Program, 3) sample SBE goals at other agencies, 4) proposed outreach to prospective bidders and proposers, and 5) the types and values of ACTA contracts. Mr. Doherty stated that ACTA staff consulted with Ports’ staffs and researched other agency

programs. In accordance with Proposition 209, the SBE programs are race and gender neutral, and provide opportunities for small business participation that meeting certain financial criteria. The ACTA SBE Program, if adopted, would be effective for most non-legal contracts to be executed after January 1, 2017. The key proposed features in the draft SBE Program include: establishing contract-specific goals on a case-by-case basis; allowing demonstration of good faith effort by a bidder or proposer if a goal can't be met; permitting SBE certification through any State or local agency certification process; conducting outreach including online subscription database(s), ACTA website, and media advertisements; and employing no separate VSBE goal.

(Board Member Renwick arrived at 9:36 a.m.)

Board Member Knabe encouraged incorporating participation by all veteran owned or managed businesses, not just disabled veteran business. Board Member Dines concurred. Board Member Renwick encouraged the use of preference points for specific categories of businesses, giving them some advantage but not necessarily determinative on whether they are awarded the contract.

As regards to goal setting, Mr. Doherty informed the Board that ACTA has 14 non-legal contracts that would be periodically rebid, 7 of which will be awarded in 2017. Of the fourteen contracts, the signal and track maintenance contract is valued at about \$6 million per year, and SBE subcontracting opportunities are relatively small due to the specialized nature of the work and the large size of firms that provide such work. The remaining contracts are all generally less than \$150,000 per year.

Board Member Knabe stated that the smaller contracts provide a better opportunity for SBE's. Mr. Doherty stated that some agencies have set-aside solicitations for SBE firms only, when it can be established that there are a sufficient number of SBE firms that can perform the work. This could also be an effective way to achieve goals, and will be investigated. Chair Price stated that it would be suitable to target SBE firms for the nine contracts under the \$60,000 value.

Mr. Doherty stated that a more formal set of recommendations would be brought back to the Governing Board in November.

Board Member Renwick asked Mr. Doherty to summarize the recommendations made by the Board. Mr. Doherty stated that the additional recommendations included providing veteran participation, examining preference points and set-asides, and accepting good faith efforts in lieu of meeting goals.

Board Member Renwick stated that there may be opportunities on the finance side to set and meet the goals, and that participating with the ports in outreach efforts would be beneficial as well.

(Board Member Knabe left meeting at 10:01 a.m.)

Board Member Dines motioned, seconded by Chair Price that Item 5 be approved. Carried by the following vote:

AYES: Dines, Gioiello, Price, Renwick, Rubin  
NOES: None  
ABSENT: Buscaino, Knabe

6. AUGUST PERFORMANCE – INFORMATION ITEM.

Mr. Doherty gave an update of Corridor performance for August 2016.

7. PUBLIC COMMENT

There were no requests by the public to address the Governing Board.

8. ADJOURNMENT

At 10:28 a.m., the meeting was adjourned sine die.