

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 NOVEMBER 12, 2015 AT 9:00 A.M.

Members present:

Lena Gonzalez, City of Long Beach  
Joe Buscaino, City of Los Angeles  
Don R. Knabe, Los Angeles County  
Metropolitan Transportation Authority  
Edward Renwick, Port of Los Angeles  
Gene Seroka, Port of Los Angeles

Alternate Members present:

Steve Rubin, Port of Long Beach

Members absent:

Rich Dines, Port of Long Beach

Also present:

John T. Doherty, ACTA, Chief Executive Officer  
James P. Preusch, ACTA, Chief Financial Officer  
Charles Gale, ACTA, Co-General Counsel  
Heather McCloskey, ACTA, Co-General Counsel

CHAIR GONZALEZ PRESIDED.

The meeting was called to order at 9:40 a.m. after the conclusion of the Audit Committee meeting that was scheduled at 8:15 a.m. Roll call was taken.

CONSENT CALENDAR - ITEMS NOS. 1-5

1. MINUTES - ACTA GOVERNING BOARD MEETING OF OCTOBER 8, 2015-APPROVED.

Minutes of the regular meeting of October 8, 2015 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

2. MINUTES - ACTA GOVERNING BOARD SPECIAL MEETING OF OCTOBER 14, 2015- APPROVED.

Minutes of the special meeting of October 14, 2015 of the Governing Board of the Alameda Corridor Transportation Authority were presented to the Governing Board.

3. ACCIDENT AT 55<sup>TH</sup> STREET, VERNON - SETTLEMENT OF PROPERTY DAMAGE CLAIM – APPROVED.

Communication from John T. Doherty, Chief Executive Officer, dated November 12, 2015, recommending authorization for the Chief Executive Officer or Chief Financial Officer to execute a Release of Property Damage Claim and accept a \$42,028.94 settlement amount damage to ACTA property resulting from a March 4, 2014 traffic accident at 55<sup>th</sup> Street in the City of Vernon, was presented to the Governing Board.

4. ALAMEDA CORRIDOR ENGINEERING TEAM (ACET) – FY15 CLOSEOUT CHANGE ORDERS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated November 12, 2015 recommending the authorization of the Chief Executive Officer or Chief Financial Officer to issue Change Orders to Contract Work Orders (CWO) with the Alameda Corridor Engineering Team (ACET) for FY15 final adjustments in the aggregate decreased amount of \$70,550 including:

- 1) Change Order for Base CWO in the decreased amount of <\$45,952>;
- 2) Change Order for PCH CWO in the decreased amount of <\$20,164>; and
- 3) Change Order for SR-47 CWO in the increased amount of <\$4,434>; and
- 4) Adjust total contract value for FY15 in the decreased amount of <\$70,550> from \$2,280,707 to \$2,210,157,

was presented to the Governing Board.

5. INSURANCE BROKER-OF-RECORD SERVICES AND CORRIDOR MAINTENANCE CONTRACTOR – NEW RFPs/RFQs – INFORMATION ITEM.

Communication from James P. Preusch, Chief Financial Officer, dated November 12, 2015, regarding new RFQ for broker-of-record services in March 2016 and a new RFP for Corridor maintenance services in spring, 2016, was presented to the Governing Board for information only.

Board Member Seroka motioned, seconded by Vice Chair Buscaino that Item No. 5 be received and filed and that Items Nos. 1-4 be approved. Carried by the following vote:

AYES: Members: Gonzalez, Buscaino, Knabe, Renwick, Seroka, Rubin

NOES: None

ABSENT: Dines

6. AUDIT COMMITTEE REPORT– RECEIVED AND FILED.

Communication from James P. Preusch, Chief Financial Officer, dated November 12, 2015, recommending that the Audit Committee Chair discuss and/or recommend appropriate action(s) regarding the FY15 Audited Financial Statements, the Single Audit Report, completed CY15 Internal Audits, the FY17 Audit Plan and other procedural matters, if any, was presented to the Governing Board.

Board Member Renwick informed the Board that the Audit Committee reviewed the FY15 Audited Financial Statements, Single Audit Report, CY15 Internal Audits and FY17 Audit Plan and found them all to be acceptable. The committee recommends one-year extensions to the agreements with Vasquez & Company and BCA Watson Rice.

Board Member Renwick motioned, seconded by Board Member Knabe, that the item be received and filed. Carried by the following vote:

AYES: Members: Gonzalez, Buscaino, Knabe, Renwick, Seroka, Rubin

NOES: None

ABSENT: Dines

#### 7. FY17 INTERNAL AUDIT PLAN AND EXTENSION OF AUDIT AGREEMENTS – APPROVED.

Communication from James P. Preusch, Chief Financial Officer, dated November 12, 2015, recommending that the Board authorize staff to either:

- 1) Amend existing audit service agreements with Vasquez & Company and BCA Watson Rice, which expire June 30, 2016, exercising the three-year extension option provided for in the agreement; or
- 2) Initiate a new Request for Proposals

was presented to the Governing Board.

Board Member Knabe made a motion to extend the audit service agreements with Vasquez & Company and BCA Watson Rice to a one-year extension as stated previously by Board Member Renwick. The motion was seconded by Board Member Renwick.

AYES: Members: Gonzalez, Buscaino, Knabe, Renwick, Seroka, Rubin

NOES: None

ABSENT: Dines

#### 8. ACTA BOND RESTRUCTURING/REFUNDING - UPDATE - INFORMATION ITEM.

Communication from James P. Preusch, Chief Financial Officer, dated November 12, 2015 providing an update on ACTA's Bond Restructuring/Refunding and preliminary actions by the finance team and others to restructure a portion of ACTA's outstanding debt,

was presented to the Governing Board.

Mr. Preusch presented a summary of the October 14, 2015 Board authorization for the restructuring. He also discussed recent activity including: 1) preparation of preliminary bond documents for review by the finance team at a meeting scheduled for November 16, 2015; 2) notice that Fitch has recently affirmed ratings on ACTA's outstanding debt, and that preliminary meetings have been scheduled in December with bond insurers and rating agencies to discuss certain debt restructuring; 3) completion of a preliminary financing schedule; and 4) affirmation that staff will work with Ports and Board working group sub-committee to ensure agreement with approach, TEU projections and timelines.

Mr. Preusch then reviewed the highlights of the Preliminary Financing Timetable with key dates, predicated on a November 30, 2015 release of the Ports TEU study

Board Member Renwick stated that the package should be put together before the study is delivered. He proposed that preliminary information be gathered from the consultants regarding the anticipated study results. He stressed the importance of moving forward quickly, because there is no control over interest rates, interest spreads and yield curve, which are now favorable.

Mr. Doherty informed the Board that the first draft of the Preliminary Operating Statement has been prepared and is anticipated to be completed by the end of 2015 for approvals by the Ports and the ACTA Board in early 2016.

#### 9. SR-47 PROJECT UPDATE – INFORMATION ITEM.

Mr. Doherty presented an update on the SR-47 Project – Segment 1 Heim Bridge Replacement. He provided an overview of ACTA responsibilities per Caltrans agreements, which include utility and ROW management as well as design support. He informed the Board that most all costs are reimbursable from Caltrans or Federal grants, and that the project is approximately 40% complete. He also stated that ACTA has or will make offers to both ports on behalf of Caltrans for the value of the ports' property necessary for the project. He advised that, in the unlikely event that the value of the property cannot be successfully negotiated within one year following the offers, ACTA will be obliged to begin condemnation proceedings on Caltrans' behalf.

#### 10. SEPTEMBER PERFORMANCE – INFORMATION ITEM.

Mr. Doherty gave an update of Corridor performance statistics including train counts, revenue and cargo volume for September 2015. He advised that at this time it would appear that the combined volume of port imports and exports for 2015 will be less than that of 2014, which has a corresponding impact on ACTA revenue. This makes ACTA's debt restructuring efforts at this time all the more important.

#### 11. CLOSED SESSION

At 10:18 a.m., Chair Gonzalez recessed the Governing Board meeting to hold a conference with legal counsel regarding existing litigation pursuant to Government Code Section 54956.9, Subdivision [a], (one case).

Board Member Knabe recused himself from closed session.

At 10:33 a.m., the meeting was again called to order.

Ms. Heather McCloskey, ACTA Co-General Counsel, announced there were no reportable actions from the closed session.

## 12. PUBLIC COMMENT

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

## 13. ADJOURNMENT

At 10:34 a.m., the meeting was adjourned sine die.