A G E N D A

REGULAR MEETING

Governing Board of the Alameda Corridor Transportation Authority

Meeting Date and Time:	March 21, 2024, 10:00 A.M.
Location:	Long Beach City College Liberal Arts Campus Board Room 4901 East Carson Street, Building T1100 Long Beach, CA 90808
The public may attend the meeting in person or view the meeting online via Zoom:	https://us02web.zoom.us/j/5622477111 Meeting ID: 562 247 7111 Passcode: boardmtg

OPPORTUNITIES FOR THE PUBLIC TO ATTEND THE MEETING AND PROVIDE PUBLIC COMMENTS

In-person comments may be provided at the meeting but will not be accepted via Zoom. Members of the public attending the meeting in person will be given an opportunity to address the Board on (1) any item on the agenda prior to the Board's consideration of that item, including the consent and closed session agendas; and (2) subjects within the subject matter jurisdiction of the Governing Board during Public Comment on Non-Agenda Items. Members of the public who wish to speak should complete a speaker card indicating the agenda item number on which they will comment or designate "general public comment" and return the card to the Board Secretary. Each speaker will be allowed to speak for up to 3 minutes per agenda item.

Written comments or materials may be submitted by emailing publiccomment@acta.org or brought to the meeting. If you request to distribute documents to the Governing Board, please present the Board Secretary with twelve (12) copies. All written comments or materials submitted for the meeting will be entered into the official meeting minutes. For comments by email, please submit written comments prior to 3:00 pm on the day before the scheduled meeting. Comments submitted by email will be distributed to the Governing Board prior to the meeting and entered into the official meeting minutes.

As a covered entity under Title II of the Americans with Disabilities Act, the Alameda Corridor Transportation Authority (ACTA) does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the ACTA Office at (562) 247-7777.

ROLL CALL

CLOSED SESSION

None

OPEN SESSION

A. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

B. REPORTS AND PRESENTATIONS

- 2023 Year End & January 2024 Performance Report
- 2024 Bond Tender and Issuance
- 2024 Emergency Preparedness Exercise Report

C. APPROVAL OF THE MINUTES

- Minutes of the December 14, 2023 Regular Governing Board Meeting of the Alameda Corridor Transportation Authority

D. AGENDA ITEMS

Consent Agenda (1):

1. RECEIVE AND FILE Monthly Financial Reports as of December 31, 2023

Regular Agenda (2-6):

2. INFORMATION on Fiscal Year 2024/2025 (FY 2025) Preliminary Budget Schedule
3. APPROVE Revised Alameda Corridor Transportation Authority Investment Policy
4. APPROVE 2024-2025 Renewal of ACTA Insurance Coverages
5. APPROVE First Amendment to Agreement No. C0906 with Dudek to add an additional 12 months for CEQA consulting services
6. APPROVE Amendment No. 2 to Contract C0885 to extend term of RailWorks Track Services LLC agreement for an additional 5 years and modify certain terms and definitions in the agreement

ADJOURNMENT

B. REPORTS AND PRESENTATIONS

Item 1

Performance Report
Year End 2023 & January 2024

Port Container Throughput (TEUs) – December 2023

	POLA		POLB		Combined	
	Dec-23	%Change*	Dec-23	%Change*	Dec-23	%Change*
Imports	364,661	3.6%	333,329	37.9%	697,990	17.6%
Exports	121,575	26.0%	103,688	-10.4%	225,263	6.1%
Total Loaded	486,236	8.4%	437,017	22.3%	923,253	14.5%
Empty	256,283	-8.6%	272,803	46.1%	529,086	13.3%
Total	742,519	1.9%	709,820	30.5%	1,452,339	14.1%
	YTD	% Change*	YTD	% Change*	YTD	% Change*
Imports	4,441,330	-10.7%	3,804,357	-12.7%	8,245,687	-11.7%
Exports	1,291,997	8.8%	1,282,438	-9.4%	2,574,435	-1.1%
Total Loaded	5,733,327	-7.0%	5,086,795	-11.9%	10,820,122	-9.4%
Empty	2,896,354	-22.7%	2,931,879	-12.7%	5,828,233	-18.0%
Total	8,629,681	-12.9%	8,018,674	-12.2%	16,648,355	-12.6%

ACTA
Alameda Corridor Transportation Authority

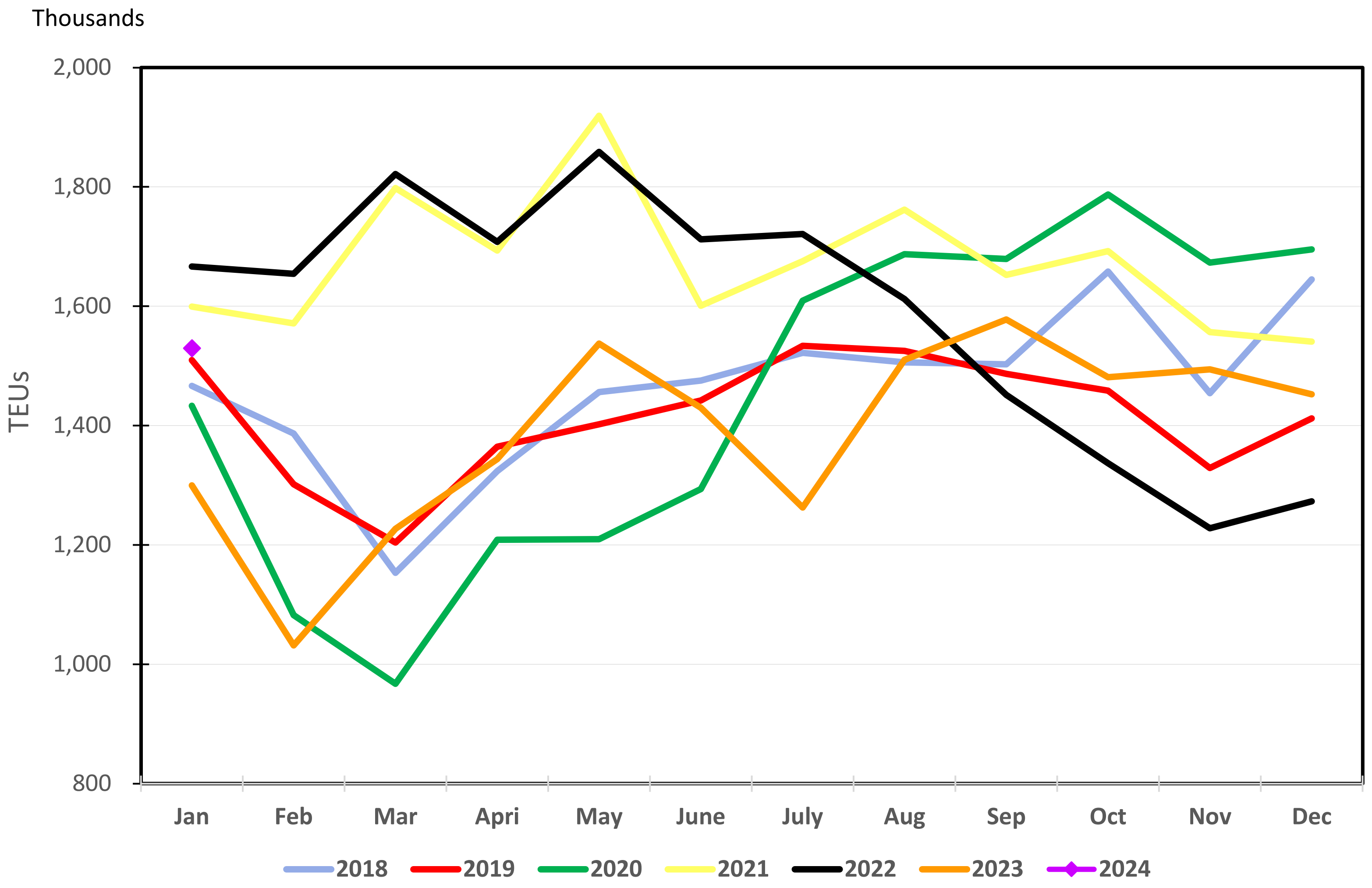
Port Container Throughput (TEUs) – January 2024

	POLA		POLB		Combined	
	Jan-24	% Change	Jan-24	% Change	Jan-24	% Change
Imports	441,763	18.7%	325,339	23.5%	767,102	20.7%
Exports	126,554	23.2%	86,525	-18.1%	213,079	2.3%
Total Loaded	568,317	19.7%	411,864	11.6%	980,181	16.2%
Empty	287,336	14.4%	262,151	28.0%	549,487	20.5%
Total	855,652	17.9%	674,015	17.5%	1,529,667	17.7%

* Relative to same period in CY 2023

ACTA
Alameda Corridor Transportation Authority

SP Bay Port TEUs Trends through January 2024



Alameda Corridor Performance
December 2023

	Dec 2023	CY23	FY24
Revenue	$9.3 M	$99.4 M	$52.8 M
Change from 2022	26.6 %	0.6 %	4.1 %
TEU's	410,045	4,405,893	2,352,141
Change from 2022	21.5%	- 6.4%	- 4.5%

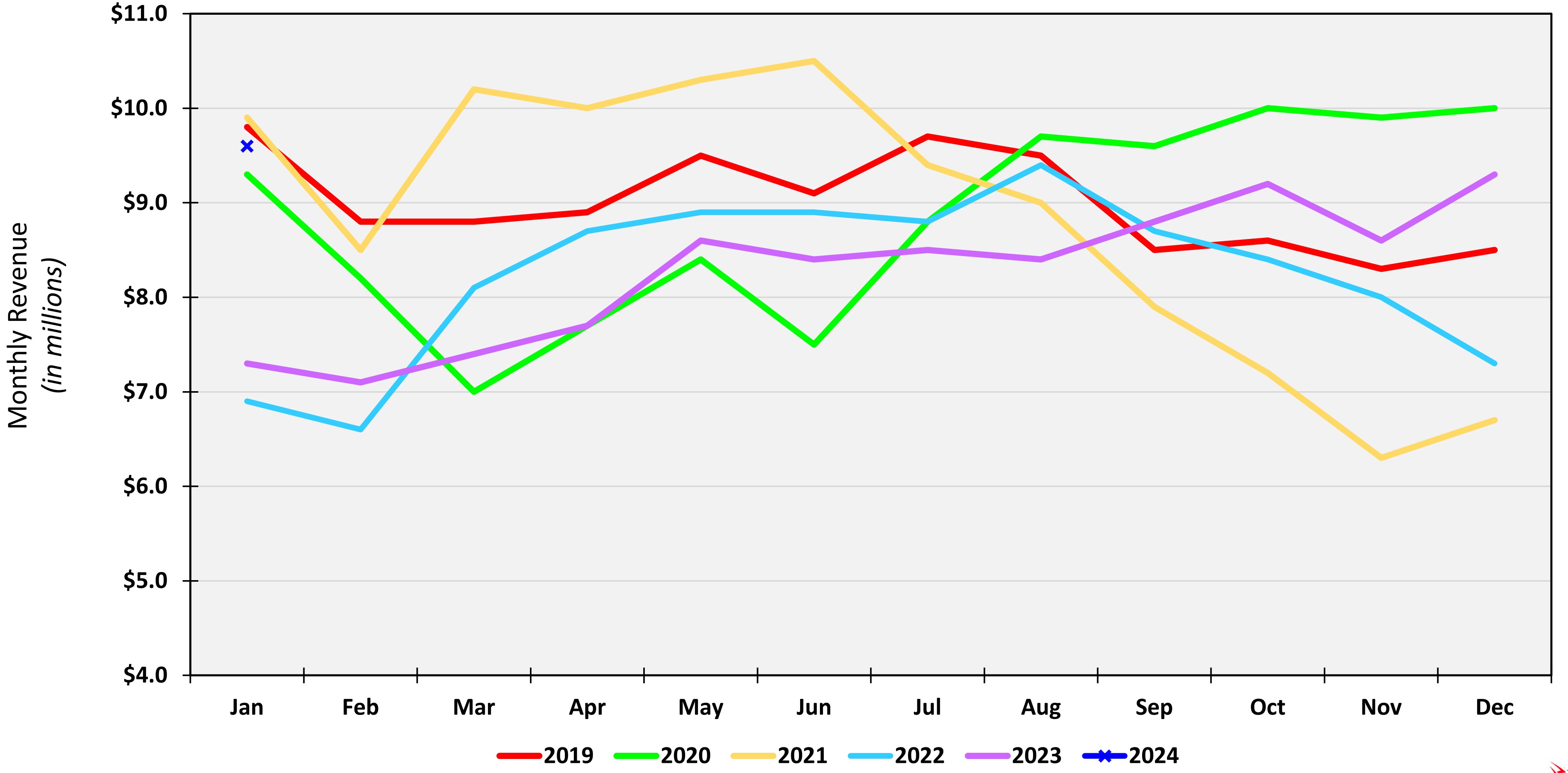
ACTA
Alameda Corridor Transportation Authority

Alameda Corridor Performance
January 2024

	Jan 2024	CY24	FY24
Revenue	$9.5M	$9.5 M	$62.4 M
Change from 2023	30.3 %	30.3 %	7.4 %
TEU's	415,754	415,754	2,767,895
Change from 2023	28.8 %	28.8 %	- 0.6 %

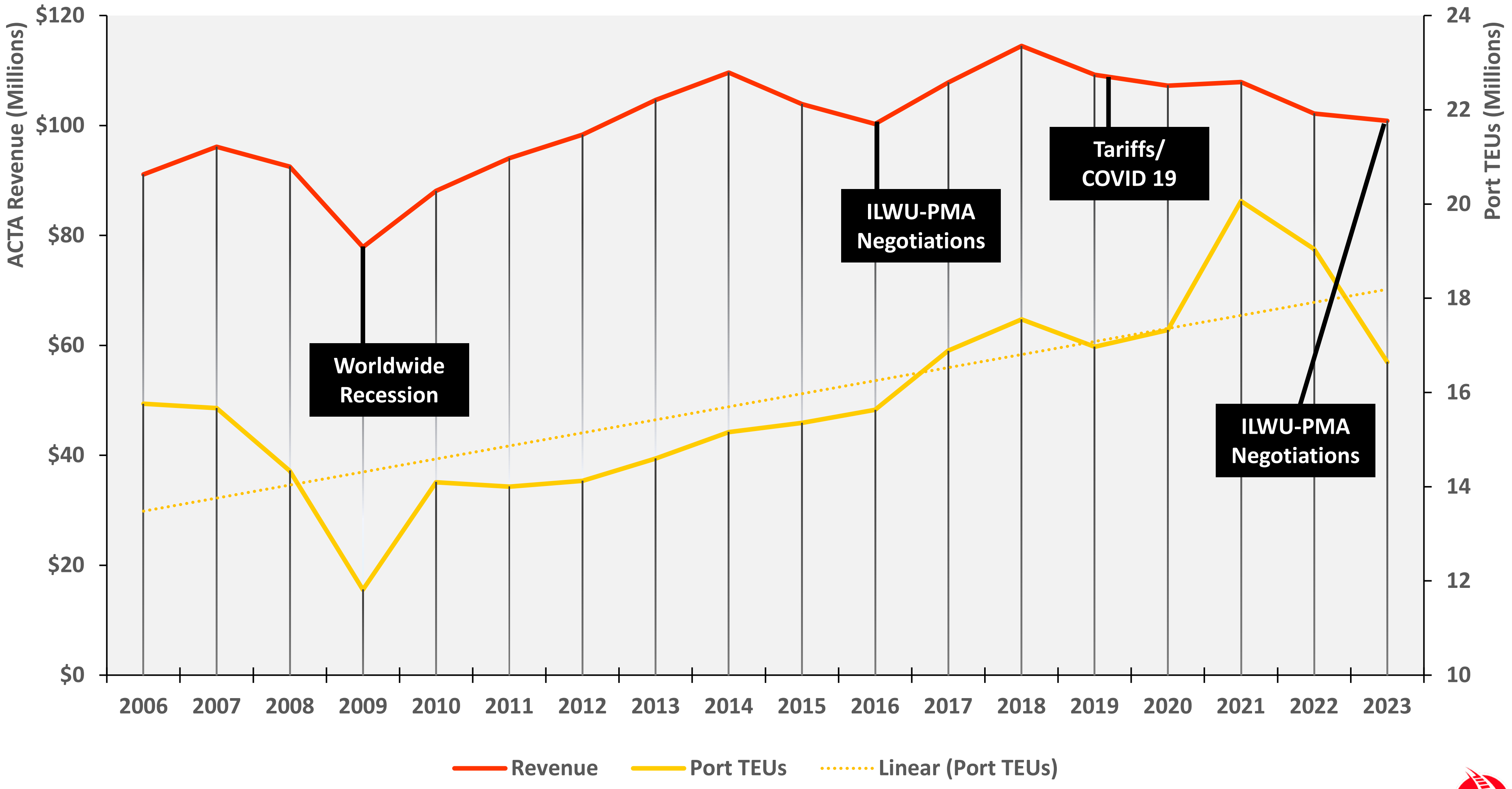
ACTA
Alameda Corridor Transportation Authority

Corridor Revenue Performance
CY2019 to CY2024

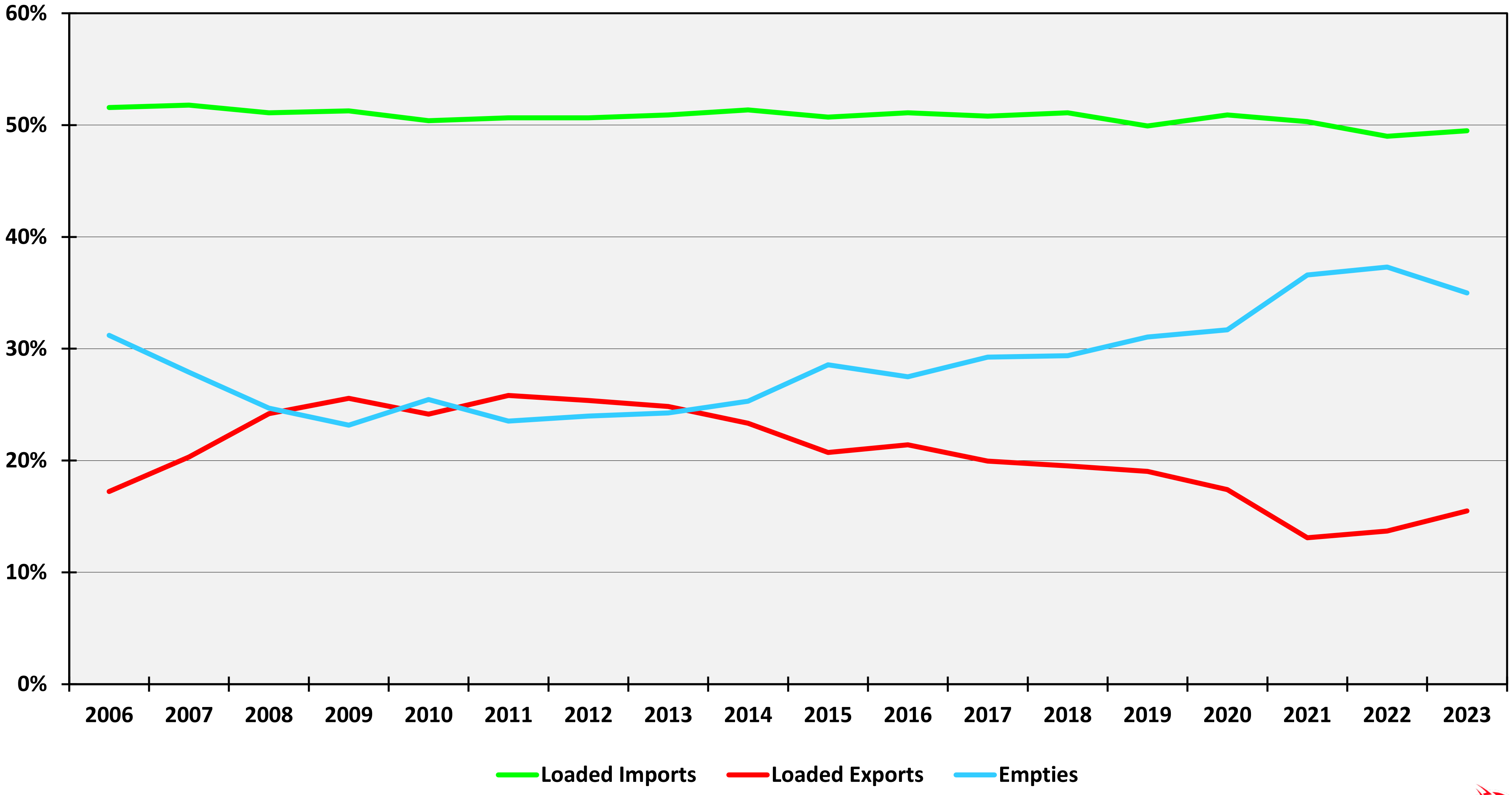


ACTA
Alameda Corridor Transportation Authority

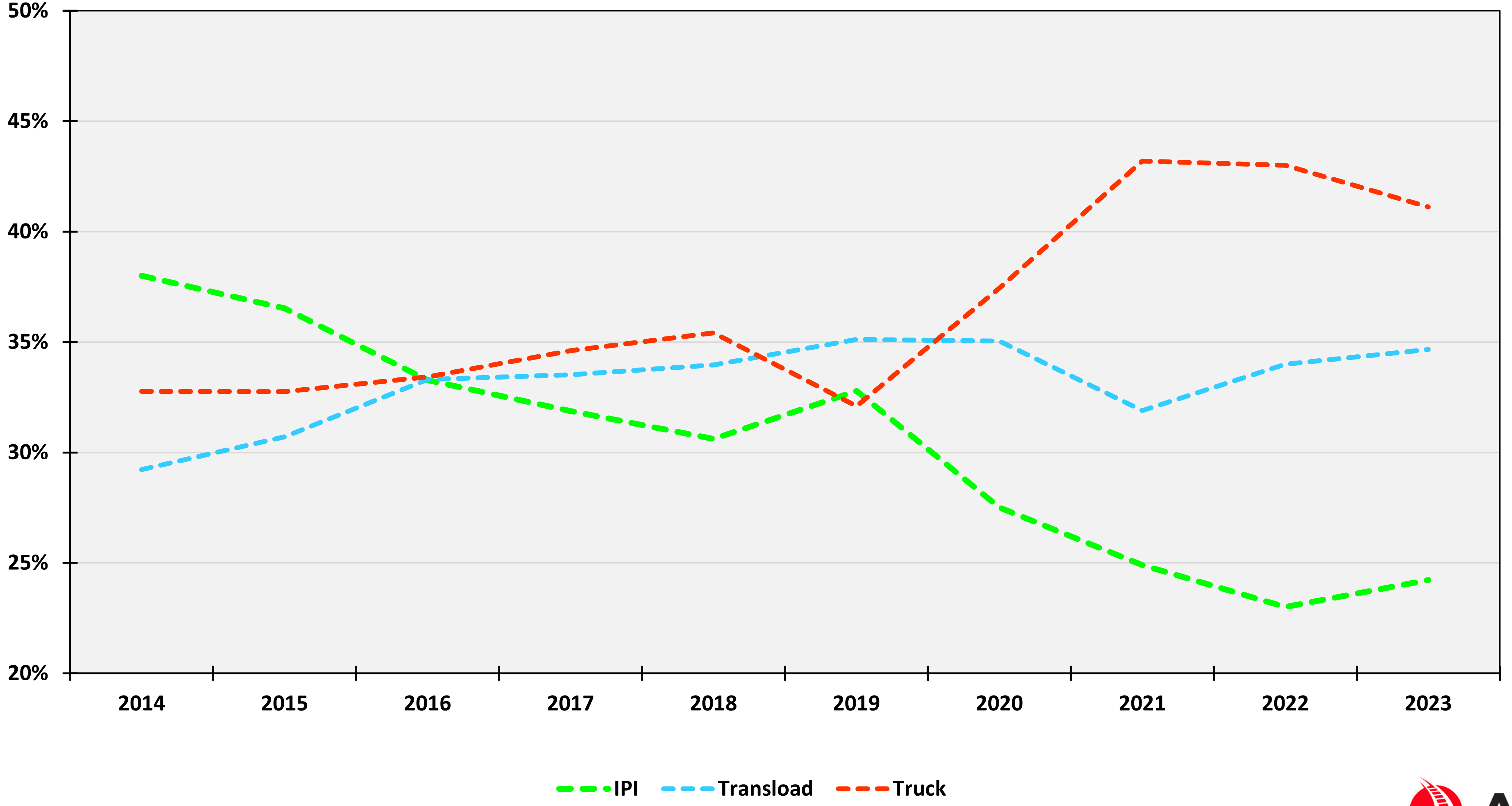
ACTA Revenue & Port TEUS



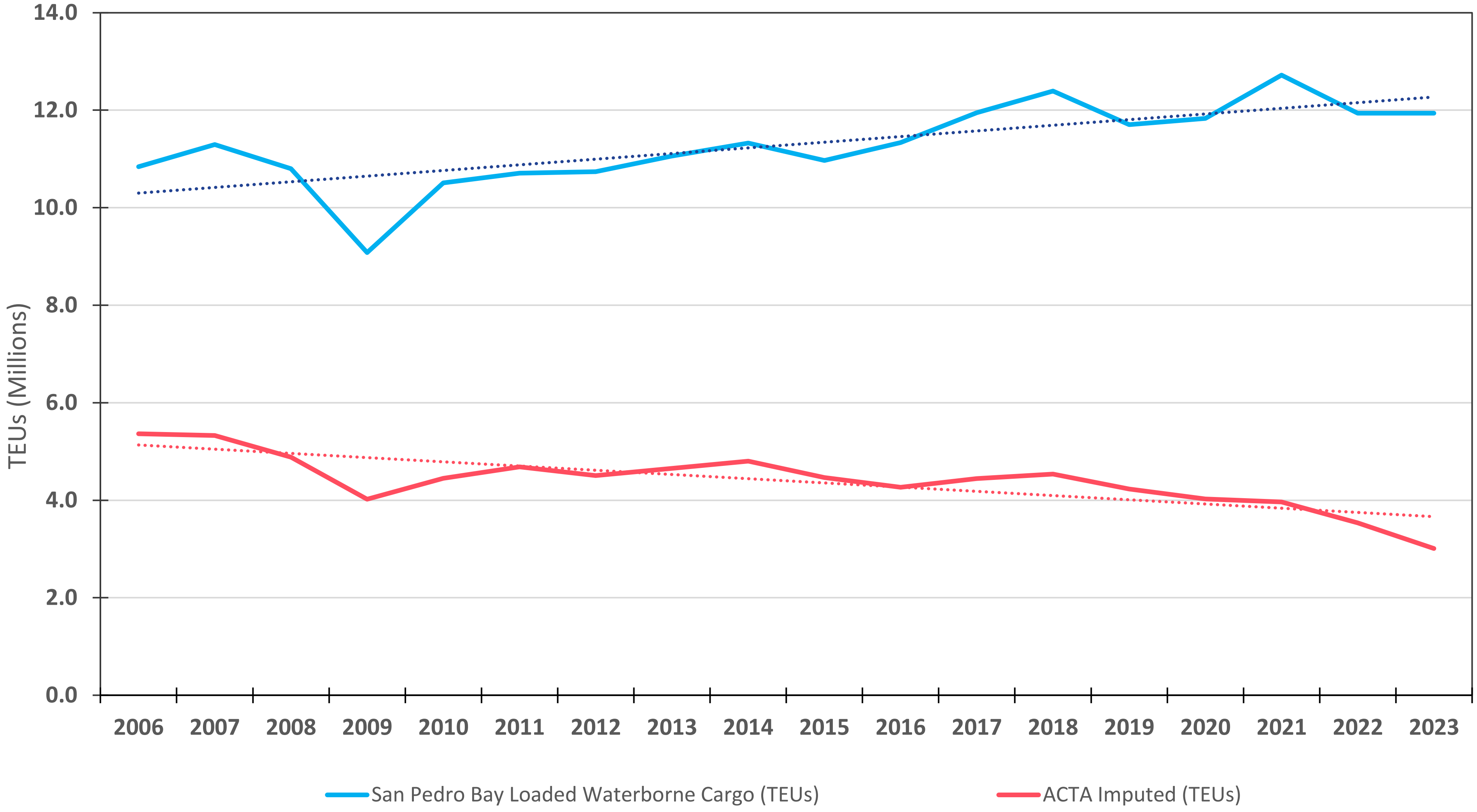
Port Cargo Components



Mode Split
Ports Loaded Import Cargo



Port & ACTA Cargo Volumes



ACTA
Alameda Corridor Transportation Authority

Alameda Corridor Transportation Authority

Summary of Transaction Results

Senior Lien Revenue Refunding Bonds, Series 2024A-B

Subordinate Lien Revenue Refunding Bonds, Series 2024C-D

March 2024

Transaction Key Results and Findings

- On January 23rd, ACTA sold $216.2 million in senior and 1st subordinate, taxable and tax-exempt bonds to tender and defease targeted maturities for debt service relief
- A tender notice was issued on January 5th and due January 19th targeting the following Series:
  - Series 1999A Tax-Exempt Capital Appreciation Bonds
  - Series 1999C Taxable Capital Appreciation Bonds
  - Series 2004A Tax-Exempt Capital Appreciation Bonds
  - Series 2004B Taxable Capital Appreciation Bonds
  - Series 2022B Taxable Current Interest Bonds
- The Series 2024ABCD Bonds restructured debt service shortfalls to now fall within the contingent port obligation amounts
- Additional tenders or advance refundings may be required in order to address remaining debt service shortfalls
- ACTA’s credit ratings were affirmed by all three of the major rating agencies on both the senior and subordinate liens
  - S&P: A- (Senior Lien); BBB+ (1st Subordinate); BBB+ (2nd Subordinate)
  - Moody’s: A3 (Senior Lien); Baa2 (1st Subordinate); Baa2 (2nd Subordinate)
  - Fitch: A (Senior Lien); BBB+ (1st Subordinate); BBB (2nd Subordinate)

Series 2024A, B, C, & D Bonds Summary

	Series 2024A	Series 2024B	Series 2024C	Series 2024D
Lien	Senior	Senior	1st Subordinate	1st Subordinate
Interest Type	Capital Appreciation Bonds & Current Interest Bonds	Capital Appreciation Bonds	Capital Appreciation Bonds	Capital Appreciation Bonds
Tax Status	Tax-Exempt	Taxable	Tax-Exempt	Taxable
Syndicate	Senior Manager: J.P. Morgan Securities LLC Co-Senior Manager: RBC Capital Markets Co-Managers: Goldman Sachs & Co. LLC, Ramirez & Co., Inc., Siebert Williams Shank and Co.,LLC			
Joint Dealer Manager	J.P. Morgan and RBC			
Reserve Fund	Assured Guaranty Municipal ("AGM") Bond Insurance Reserves			

Table of Sources & Uses

	2024A Bonds (Senior Tax-Exempt)	2024B Bonds (Senior Taxable)	2024C Bonds (1st Sub. Tax-Exempt)	2024D Bonds (1st Sub. Taxable)	Total
Sources of Funds					
Par Amount	41,012,719.60	10,903,892.10	29,683,160.50	134,632,983.10	216,232,755.30
Premium	821,793.70	-	-	-	821,793.70
Bond Proceeds	*41,834,513.30*	*10,903,892.10*	*29,683,160.50*	*134,632,983.10*	*217,054,549.00*
2022B Accrued Interest	137,991.43	-	-	-	137,991.43
2004A DSRF Release	-	-	18,372,448.00	-	18,372,448.00
ACTA Contribution	-	-	21,559,813.00	-	21,559,813.00
Other Sources of Funds	*137,991.43*	-	*39,932,261.00*	-	*40,070,252.43*
Total Sources of Funds	***$41,972,504.73***	***$10,903,892.10***	***$69,615,421.50***	***$134,632,983.10***	***$257,124,801.43***
Uses of Funds					
Escrow Cash Deposit	39,641,939.53	10,198,881.70	66,929,239.80	124,643,281.60	241,413,342.63
Total Escrow Deposits	*39,641,939.53*	*10,198,881.70*	*66,929,239.80*	*124,643,281.60*	*241,413,342.63*
Cost of Issuance	347,410.73	92,695.18	251,384.98	1,141,341.68	1,832,832.57
Underwriter's Discount	220,494.15	60,427.15	179,339.60	760,668.94	1,220,929.84
Dealer Manager Fee	115,362.50	34,650.00	194,425.00	284,150.00	628,587.50
Bond Insurance	1,483,246.94	473,622.50	1,853,250.00	6,861,110.00	10,671,229.44
Surety Policy	164,050.88	43,615.57	207,782.12	942,430.88	1,357,879.45
Total Delivery Date Expenses	*2,330,565.20*	*705,010.40*	*2,686,181.70*	*9,989,701.50*	*15,711,458.80*
Total Uses of Funds	***$41,972,504.73***	***$10,903,892.10***	***$69,615,421.50***	***$134,632,983.10***	***$257,124,801.43***

Tender Results

- ACTA successfully tendered 46.71% of targeted tax-exempt par
- ACTA successfully tendered 15.10% of targeted taxable par

	Target Maturities Principal	Amount Tendered	Escrowed Bonds	Remaining Principal Amount
Series 1999A Tax-Exempt Capital Appreciation Bonds				
2030	$27,345,000	$575,000	$0	$26,770,000
2031	$19,550,000	$14,525,000	$0	$5,025,000
2032	$28,255,000	$23,405,000	$0	$4,850,000
2033	$16,695,000	$275,000	$0	$16,420,000
Series 1999C Taxable Capital Appreciation Bonds				
2030	$28,680,000	$13,720,000	$0	$14,960,000
2031	$3,445,000	$55,000	$0	$3,390,000
2032	$31,520,000	$25,000	$0	$31,495,000
2033	$59,115,000	$60,000	$0	$59,055,000

Tender Results (continued)

	Target Maturities Principal	Amount Tendered	Escrowed Bonds	Remaining Principal Amount
Series 2004A Tax-Exempt Capital Appreciation Bonds				
2029	$57,015,000	$30,585,000	$0	$26,430,000
2030	$100,665,000	$47,185,000	$0	$53,480,000
Series 2004B Taxable Capital Appreciation Bonds				
2026	$100,675,000	$3,500,000	$35,000,000	$62,175,000
2027	$100,675,000	$46,365,000	$0	$54,310,000
2028	$100,670,000	$23,425,000	$0	$77,245,000
2029	$43,660,000	$5,665,000	$0	$37,995,000
2031	$100,670,000	$13,195,000	$0	$87,475,000
2032	$100,670,000	$12,690,000	$0	$87,980,000
2033	$100,675,000	$8,820,000	$0	$91,855,000
Series 2022B Taxable Current Interest Bonds				
2046	$232,250,000	$23,930,000	$0	$224,885,000

Transaction Reduced Shortfalls Between FY 2027 and FY 2038 by 49%

Pre-2024 Transaction			
Fiscal Year	**Use Fees and Container Charges***	**Total Net Debt Service**	**Shortfall****
2024	$86,474,794	$65,464,048	-
2025	89,384,393	65,710,995	-
2026	98,083,069	61,311,570	-
2027	107,433,403	199,088,694	($92,946,346)
2028	115,171,590	198,685,405	(84,830,783)
2029	121,002,152	198,255,428	(78,596,583)
2030	127,127,886	197,831,366	(72,073,654)
2031	133,563,735	164,419,423	(32,253,265)
2032	140,325,399	163,991,038	(25,091,168)
2033	147,429,372	199,854,661	(53,879,328)
2034	154,892,984	190,336,320	(36,926,455)
2035	162,734,442	214,370,588	(53,148,928)
2036	170,972,873	178,317,498	(8,887,663)
2037	179,628,374	210,013,288	(31,958,812)
2038	188,722,061	229,837,478	(42,720,794)
Total			**(613,313,779)**

Post-2024 Transaction			
Fiscal Year	**Use Fees and Container Charges***	**Total Net Debt Service**	**Shortfall****
2024	$95,853,718	$65,455,200	-
2025	92,585,448	65,653,080	-
2026	101,596,972	61,253,655	-
2027	111,283,626	160,530,779	($50,538,298)
2028	119,332,804	152,262,490	(34,246,653)
2029	125,374,028	174,772,512	(50,741,792)
2030	131,721,088	161,523,450	(31,172,536)
2031	138,389,468	121,358,035	-
2032	145,395,435	136,158,123	-
2033	152,756,079	163,676,746	(12,374,706)
2034	160,489,355	181,123,404	(22,117,169)
2035	168,614,129	214,312,672	(47,211,326)
2036	177,150,219	178,259,583	(2,652,402)
2037	186,118,449	209,955,373	(25,410,823)
2038	195,540,695	229,779,563	(35,844,244)
Total			**(312,309,949)**

- *Base case revenues pre-transaction are reflective of the revenues in the 2024ABCD POS. Base case revenues post-transaction are reflective of the ACTA planning model distributed 3/5/2024
- **Shortfalls are inclusive of the payment of financing fees

ACTA had a highly successful transaction

- ACTA had strong investor demand for its offering of long-term taxable and tax-exempt, senior and 1st subordinate lien bonds
    - Senior lien taxable bonds were nearly 12.0x oversubscribed
    - Senior lien tax-exempt bonds were over 7.5x oversubscribed
    - 1st Subordinate lien taxable bonds were over 6.0x oversubscribed
    - 1st Subordinate lien tax-exempt bonds were nearly 5.0x oversubscribed
- ACTA was also able to structure the new bonds with redemption features, which the tendered bonds lacked
- The tender participation and defeasance made meaningful reductions in debt service shortfalls
- Additional transactions may be needed as shortfalls remain, although they are within the amounts supported by the Ports' contingent obligations
    - ACTA must also address expense and reserve replenishment funding in years with debt service shortfalls
- The successful transaction places ACTA in an improved credit position which supports the investor interest and market access that may be required for future transactions

Annual Emergency Response Exercise

Conducted by ACTA

March 3, 2024

ACTA
Alameda Corridor Transportation Authority

Emergency Response Exercise

- Sunday, March 3
- Over 100 Firefighters, Police and Railroad Personnel
- Preparedness training for incidents in the trench
- New location in the City of Compton

ACTA
Alameda Corridor Transportation Authority

Emergency Response Exercise

Agencies involved

Fire departments

- Los Angeles County
- Los Angeles City
- Compton
- Downey
- Santa Fe Springs
- LACo Urban Search/Rescue
- Union Pacific Hazmat

Police

- FBI
- Compton
- Vernon
- LA Co Sheriffs
- LA City
- Union Pacific Railroad
- BNSF Railway
- POLA Emergency Management Unit

Emergency Response Exercise

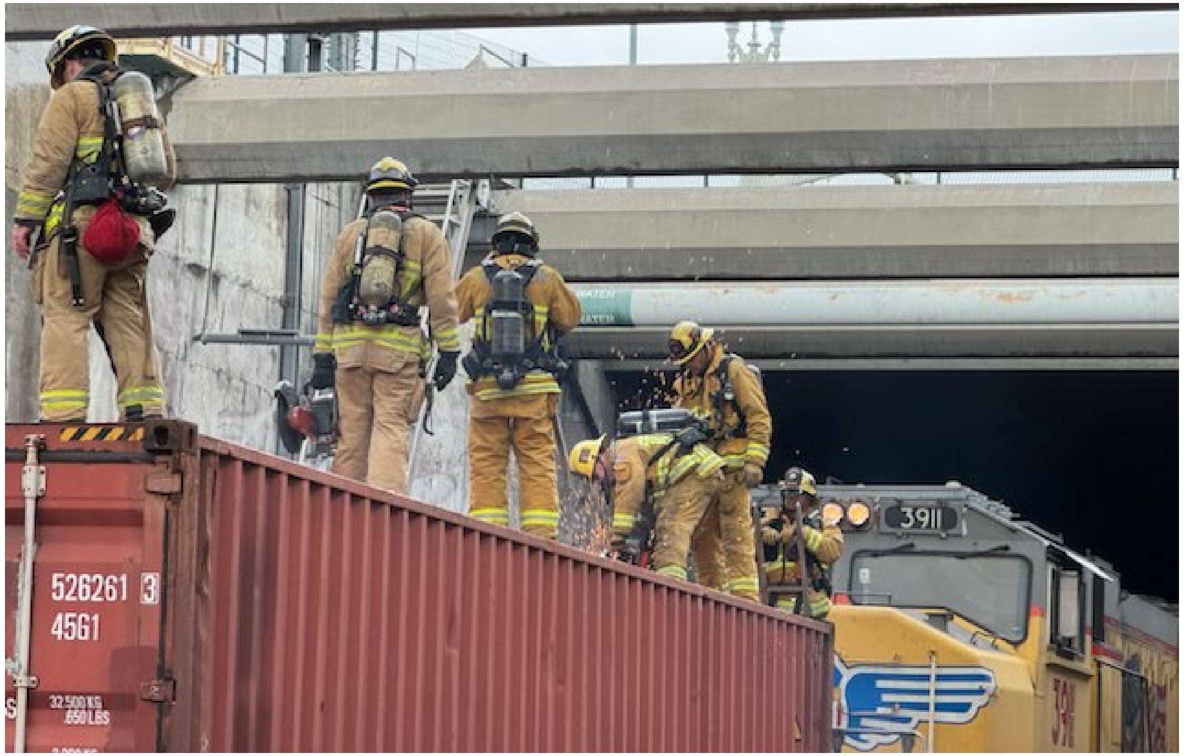
- **Rescue Scenario**
  Paramedic and fire crews extract an injured person out of the trench using a crane

ACTA
Alameda Corridor Transportation Authority

Emergency Response Exercise

- **Fire Scenario**

  Cutting access ways and fire fighting in container



ACTA
Alameda Corridor Transportation Authority

Emergency Response Exercise

- **Hazmat Scenario**
  Leaking tank car

ACTA
Alameda Corridor Transportation Authority

Emergency Response Exercise

Media coverage

- NBC 4
- KMEX –Univision 34
- KVEA – Telemundo 52
- Spectrum News 1
- LB Press-Telegram
- Daily Breeze

LOCAL NEWS

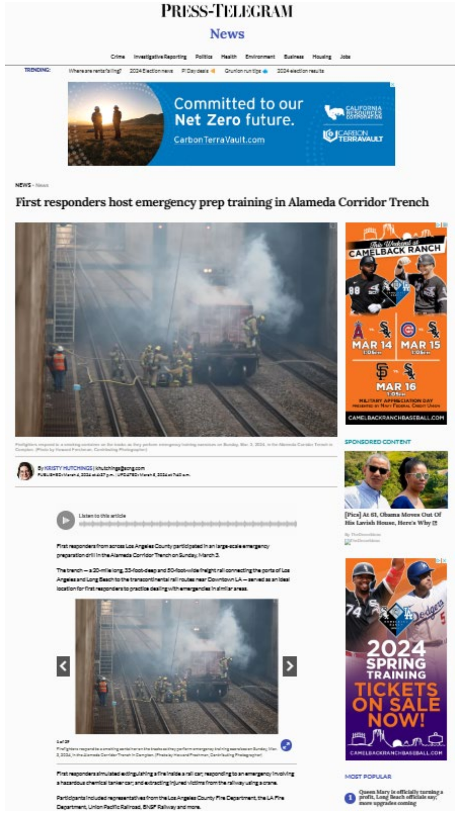
Tuesday, March 5, 2024

ALAMEDA CORRIDOR

First responders conduct emergency prep training

Massive emergency training exercises held Sunday in 20-mile trench in Compton

Press-Telegram / Daily Breeze



Press-Telegram (online)

KNBC-TV Channel 4

KVEA-Telemundo

ACTA
Alameda Corridor Transportation Authority

C. APPROVAL OF MINUTES

MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD AT LONG BEACH CITY COLLEGE LIBERAL ARTS CAMPUS BOARD ROOM, 4901 E. CARSON STREET, BUILDING T1100, LONG BEACH, CALIFORNIA 90808 ON DECEMBER 14, 2023 AT 10:00 A.M.

ROLL CALL

Members present:

Michael Cano, Los Angeles County Metro

Frank Colonna, Port of Long Beach

Mario Cordero, Port of Long Beach

Edward Renwick, Port of Los Angeles

Suely Saro, City of Long Beach

Alternate members present:

Michael DiBernardo, Port of Los Angeles

Members absent:

Tim McOsker, City of Los Angeles

Also present:

Michael Leue, ACTA, Chief Executive Officer

Kevin Scott, ACTA, Chief Financial Officer

Heather McCloskey, ACTA, Co-General Counsel

Thomas Oh, ACTA, Co-General Counsel

Maria Melendres, ACTA, Governing Board Secretary

CHAIR SARO PRESIDED AS CHAIR.

The meeting was called to order at 10:02 a.m.

CLOSED SESSION

At 10:03 a.m., Chair Saro recessed the Governing Board meeting to consider the appointment and employment of ACTA's Chief Operating Officer (Government Code Section 54957).

At 10:20 a.m., the meeting was again called to order. Ms. Heather McCloskey, ACTA Co-General Counsel, announced that the Governing Board addressed the items on the Governing Board agenda on page 1 and there were no reportable items.

OPEN SESSION

A. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

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

B. REPORTS AND PRESENTATION

- OCTOBER 2023 CORRIDOR PERFORMANCE

  Michael Leue presented the Corridor performance statistics through October 2023.

- AUDIT COMMITTEE REPORT

  Audit Committee Chair Renwick provided a report of the Audit Committee meeting held on December 14, 2023.

- CARLO LUZZI RECOGNITION

  Carlo Luzzi was recognized for his service to ACTA upon his retirement from the Port of Long Beach.

C. MINUTES

ACTA GOVERNING BOARD REGULAR MEETING OF SEPTEMBER 14, 2023 – APPROVED.

Minutes of the Regular Meeting of September 14, 2023, of the Governing Board of the Alameda Corridor Transportation Authority, were presented to the Governing Board.

Board Member Cano motioned, seconded by Board Member DiBernardo that the minutes of the September 14, 2023, Regular Meeting of the Alameda Corridor Transportation Authority be approved as submitted. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

D. AGENDA ITEMS

<u>Consent Agenda</u>

1. MONTHLY FINANCIAL REPORTS AS OF SEPTEMBER 30, 2023 – RECEIVED AND FILED.

   Communication from Kevin L. Scott, Chief Financial Officer, dated December 14, 2023, recommending that the monthly financial reports as of September 30, 2023, be received and filed, was presented to the Governing Board.

   No public comment was received on the Consent Agenda. Board Member Cano motioned, seconded by Board Member Colonna that the Monthly Financial Reports as of September 30, 2023, be received and filed. Carried by the following vote:

   AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
   NOES: None
   ABSENT: McOsker

<u>Regular Agenda</u>

2. 2024 REVENUE REFUNDING BONDS & TENDER OF CERTAIN PREVIOUSLY ISSUED BONDS – APPROVED.

   Communication from Kevin L. Scott, Chief Financial Officer, dated December 14, 2023, recommending the adoption of Resolution JPA 23-8 approving and authorizing the issuance of 2024 Revenue Refunding Bonds and a Tender of Certain Previously Issued Bonds, was presented to the Governing Board.

   No public comment was received on Item No. 2.

Board Member Renwick made a motion to approve Item No. 2, seconded by Board Member Cano. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

3. ALAMEDA CORRIDOR ENGINEERING TEAM FY23 – FY23 CLOSEOUT CHANGE ORDERS 81 & 62 – AGREEMENT NO. 27 – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending the authorization of the Chief Executive Officer or Chief Financial Officer to issue Change Orders to Contract Work Orders with the Alameda Corridor Engineering Team for FY23 as follows: 1) Change Order No. 81 for ACTA Support Work in the decreased amount of $21,231; and 2) Change Order No. 62 for SR47 Project in the decreased amount of $120,677, decreasing the total contract value for FY23 in the amount of $141,908, was presented to the Governing Board.

No public comment was received on Item No. 3.

Board Member DiBernardo motioned, seconded by Board Member Renwick that Item No. 3 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

4. CITY OF LONG BEACH HARBOR DEPARTMENT – PIER B ON-DOCK RAIL SUPPORT FACILITY PROJECT– FIRST AMENDMENT TO AGREEMENT NO. C0905 – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending the authorization of the Chief Executive Officer or his designee to execute the First Amendment to Reimbursement Agreement No. C0905 with the City of Long Beach Harbor Department (POLB) to cover ACTA expenditures for legal, environmental review, engineering and flagging services associated with POLB's Pier B On-Dock Rail Support Facility per the Agreement, was presented to the Governing Board.

No public comment was received on Item No. 4.

Board Member Colonna motioned, seconded by Board Member Cordero that Item No. 4 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

5. UNION PACIFIC RAILROAD – DOLORES YARD CROSSOVER PROJECT – SECOND AMENDMENT TO AGREEMENT NO. M0899 – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending the authorization of the Chief Executive Officer or his designee to execute the Second Amendment to Reimbursement Agreement No. M0899 with the Union Pacific Railroad Co. (UPRR) for the UPRR's Dolores Yard Crossover Project per the project Memorandum of Agreement increasing the costs associated with construction on ACTA right-of-way, design review and administration by $493,000 to a total amount of $2,150,000 to be reimbursed by UPRR, was presented to the Governing Board.

No public comment was received on Item No. 5.

Board Member DiBernardo motioned, seconded by Board Member Cordero that Item No. 5 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

6. PACIFIC RAILWAY ENTERPRISE, INC. – SIGNAL DESIGN SERVICES – SECOND AMENDMENT TO AGREEMENT NO. C0889 – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending the authorization of the Chief Executive Officer or his designee to execute the Second Amendment to Agreement No. C0889 with Pacific Railway Enterprise, Inc. for additional compensation in the amount of $630,200 for the continuation of signal design services, was presented to the Governing Board.

No public comment was received on Item No. 6.

Board Member Cordero motioned, seconded by Board Member Colonna that Item No. 6 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

7. RESOLUTION NO. JPA 23-5 – 2024 GOVERNING BOARD MEETING SCHEDULE – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending that the Board approve Resolution No. JPA 23-5 setting the date and time for regular meetings of the ACTA Governing Board in 2024, was presented to the Governing Board.

No public comment was received on Item No. 7.

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

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

8. RESOLUTION NO. JPA 23-6 – ACTA OFFICER POSITIONS – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending that the Board approve Resolution No. JPA 23-6 clarifying and affirming the current ACTA Officers as required under the Amended and Restated Joint Exercise of Powers Agreement dated December 18, 1996 (as amended, the "Joint Powers Agreement"), and approving the added position of Chief Operating Officer, was presented to the Governing Board.

No public comment was received on Item No. 8.

Board Member Renwick motioned, seconded by Chair Saro that Item No. 8 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

9. RESOLUTION NO. JPA 23-7 – CHIEF OPERATING OFFICER APPOINTMENT – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending that the Board approve Resolution No. JPA 23-7 for the appointment of Graham Christie as Chief Operating Officer of the Alameda Corridor Transportation Authority, effective December 18, 2023, and approve the COO's annual salary of $250,000 and all other employee benefits offered to salaried Fair Labor Standards Act exempt employees with an adjustment to the Chief Operating Officer's biweekly vacation accrual rate at 6.15 hours, was presented to the Governing Board.

No public comment was received on Item No. 9.

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

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

10. MOU AMONGST POLA, METRO, UPRR, POLB & ACTA – WEST SANTA ANA BRANCH TRANSIT CORRIDOR PROJECT –APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated December 14, 2023, recommending the approval of a Memorandum of Understanding (MOU) for the proposed West Santa Ana Branch Transit Corridor Project amongst the City of Los Angeles Harbor Department (POLA), the Los Angeles County Metropolitan Transportation Authority (Metro), Union Pacific Railroad Company (UPRR), and the Alameda Corridor Transportation Authority (ACTA), regarding Metro's proposed West Santa Ana Branch Transit Corridor Project, was presented to the Governing Board.

No public comment was received on Item No. 10.

Board Member Cano motioned, seconded by Board Member DiBernardo that Item No. 10 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, Cordero, DiBernardo, Renwick, Saro
NOES: None
ABSENT: McOsker

ADJOURNMENT

At 10:58 a.m., the meeting was adjourned sine die.

D. AGENDA ITEMS

ACTA
Alameda Corridor Transportation Authority

ITEM #1

M E M O

Alameda Corridor Transportation Authority

To:	Governing Board
Meeting Date:	March 21, 2024
From:	Kevin L. Scott, Chief Financial Officer
Subject:	RECEIVE AND FILE Monthly Financial Reports as of December 31, 2023

Recommendation:

Receive and file the Monthly Financial Reports as of December 2023.

Discussion:

The financial package includes the following:

- Executive Summary – Monthly key financial activity (See Transmittal 1).

  Performance Comparisons – Current Month (December) and year-to-date (both by fiscal year and calendar year) of ***Revenue*** (corridor use fee) and corresponding ***TEU*** information; ***Change*** is compared to prior year actuals by month, fiscal year and calendar year.

  Use Fees and Container Charges – Use fee and container charge information is provided in a bar chart by fiscal year. The current year shows the actuals to date overlain on the approved fiscal year budget, and with a notation of the latest forecast for fiscal year revenue.

- Monthly Financial Statements (See Transmittal 2).

  Statements of Net Position - Unaudited statement of ACTA's assets and liabilities as of December 31, 2023. The audited June 30, 2023 financial information is also included for comparative purposes to the beginning of the fiscal year.

  Statement of Revenues, Expenses and Changes in Net Position – Fiscal Year 2024 unaudited statement of revenues, expenses and changes in net position through December 31, 2023. Also included is the statement as of December 2022 which has been included for comparative purposes for six months of information.

  Comparison of Budget Functional Expenses – Operating Budget by Expense Type - The fiscal year-to-date budget is compared to actual revenue and expenditures incurred as of December 31, 2023.

  Comparison of Budget Functional Expenses – Operating Budget by Funds - The fiscal year-to-date budget is compared to actual revenue and expenditures incurred as of December 31, 2023.

Cash and Investment Summary – Cash and investment balances and the corresponding investment schedule are being presented as of December 31, 2023. The cash and investment balances are segregated by institution, account number reference, and account description. Balances are presented in book and market value. Also included are the grant funds received for the SR-47 project during the current fiscal year. The investment schedule summarizes the composition of the agency's investment portfolio and how the portfolio complies with the Board approved Investment Policy.

Cash Flow – Cash flow for the month of December 2023 is presented. It is presented in both a summary format and a detailed format. A fiscal year-to-date cash flow showing all activity through December 31, 2023 is also presented in both a summary format and a detailed format. The dollar amounts represent the book values for each account.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.

Transmittals:

Transmittal 1 - Executive Summary – Key financial activity

Transmittal 2 - Monthly Financial Statements as of December 31, 2023

Key Financial Activity

December ‘23 vs. ‘22

Corridor Performance

December ’23 vs. ’22

Railroad Self-Assessment Revenue

	’23	’22	Change
Dec Revenue	**$9.3 M**	**$7.3 M**	**26.6 %**
Calendar Year to Date (Jan-Dec) *	**$99.4 M**	**$98.8 M**	**0.6 %**
Fiscal Year to Date (July-Dec) *	**$52.8 M**	**$50.7 M**	**4.1 %**

* Note: Does not include reconciliations / adjustments for fiscal year-end.

ACTA
Alameda Corridor Transportation Authority

Corridor Volumes

December ’23 vs. ’22

TEUs (Daily Containers)

Operations – On Corridor

	’23	’22	Change
TEU’s *	**398,178 (6,979)**	**329,514 (5,776)**	**20.8 %**
Calendar Year to Date	**4,275,561 (6,365)**	**4,546,692 (6,768)**	**- 6.0 %**
Fiscal Year to Date	**2,281,972 (6,739)**	**2,382,056 (7,034)**	**- 4.2 %**

Operations – Around Corridor (Container Charges)

	’23	’22	Change
TEU’s *	**11,867 (208)**	**8,065 (141)**	**47.2 %**
Calendar Year to Date	**130,332 (194)**	**157,798 (235)**	**- 17.4 %**
Fiscal Year to Date	**70,169 (207)**	**79,696 (235)**	**- 12.0 %**

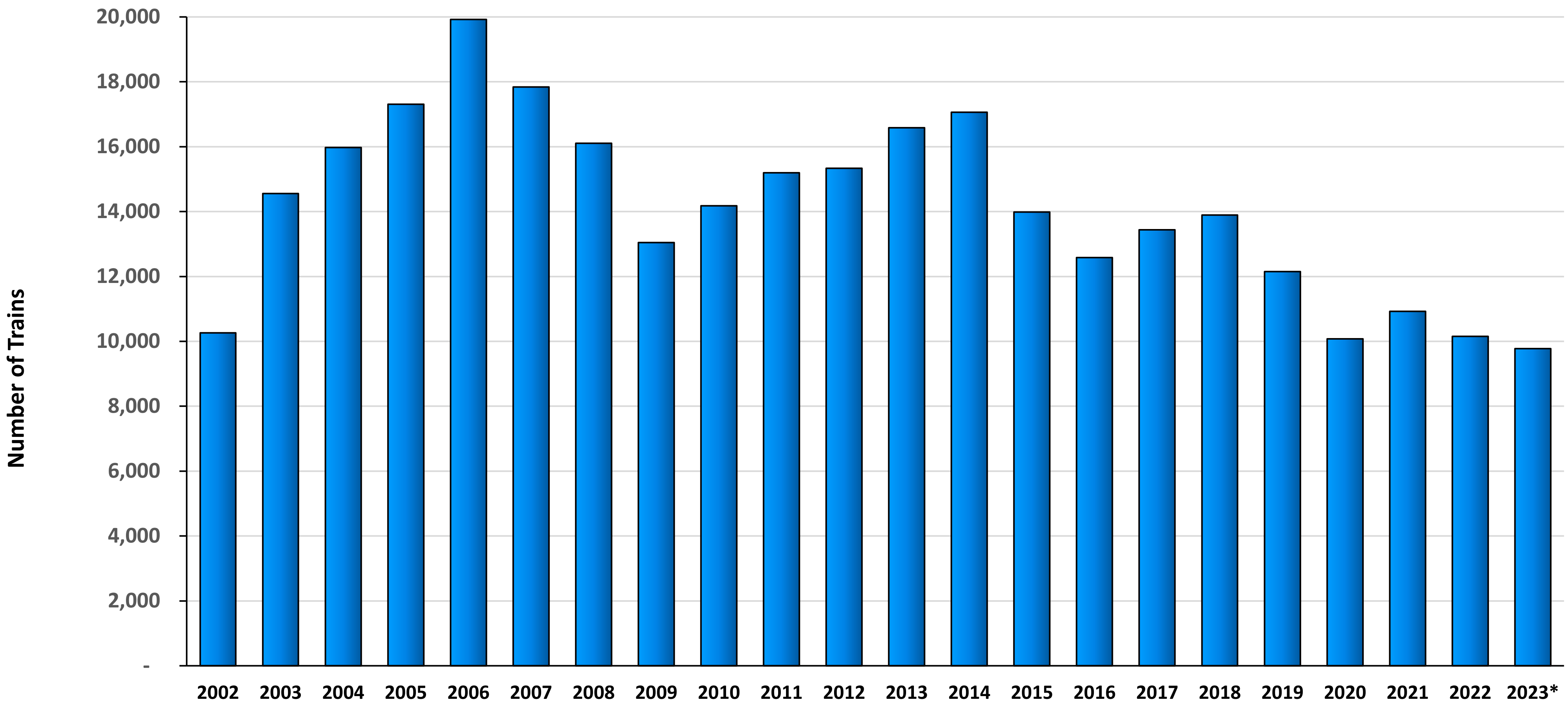
Operations – Combined

	’23	’22	Change
TEU’s *	**410,045 (7,187)**	**337,579 (5,917)**	**21.5 %**
Calendar Year to Date	**4,405,893 (6,559)**	**4,704,491 (7,003)**	**- 6.4 %**
Fiscal Year to Date	**2,352,141 (6,946)**	**2,461,751 (7,270)**	**- 4.5 %**

Note: Numbers in ( ) are the Average Daily Containers, Daily TEU’s ÷ 1.84 = Containers

* Containers trucked to off-dock intermodal yards that are charged ACTA fee

Alameda Corridor Train Counts



Average Daily Trains*:

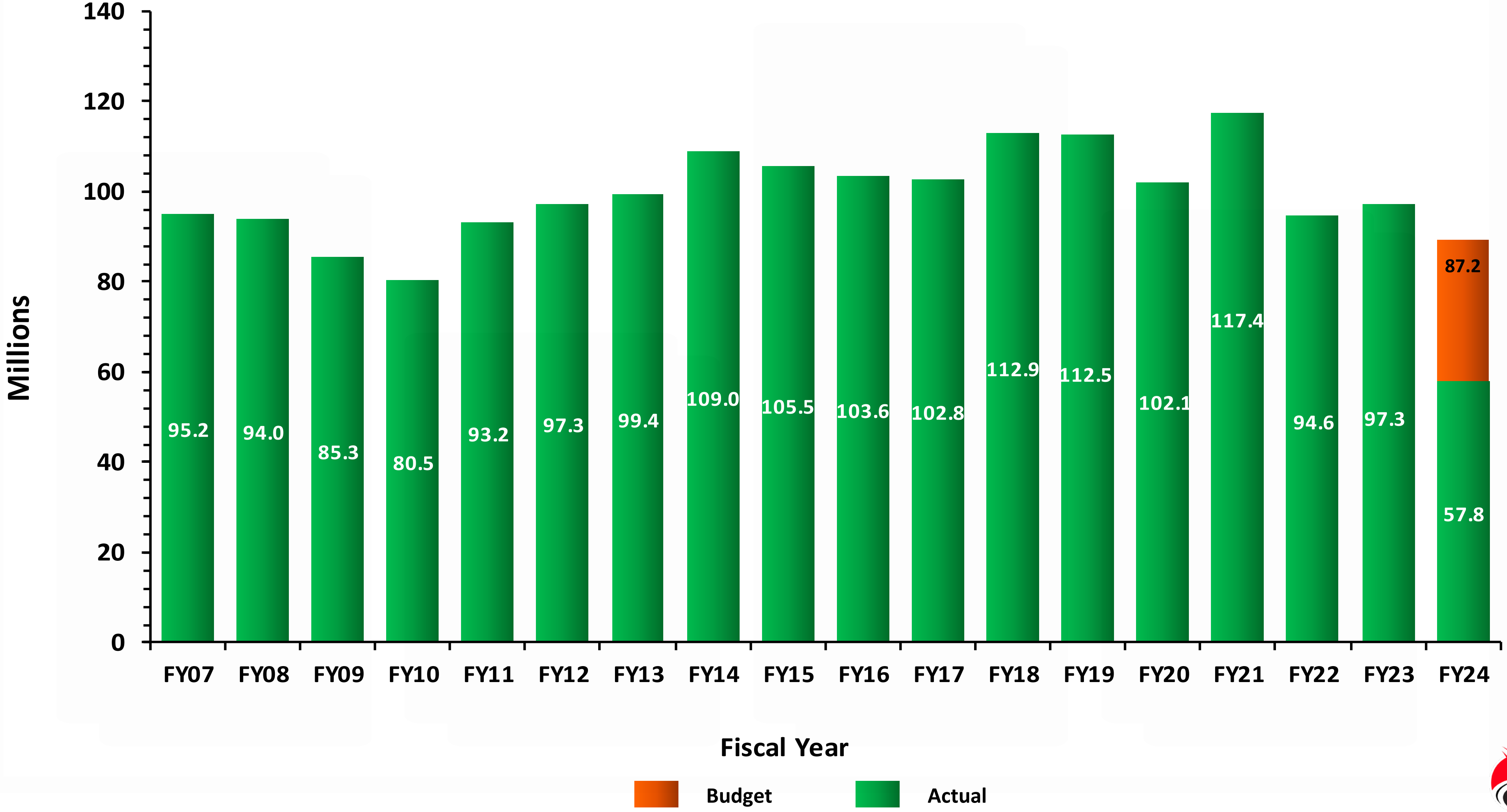
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
39	40	44	47	55	49	44	36	39	42	42
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
45	47	38	34	37	38	33	28	30	28	27

* Corridor Capacity 150 Trains per Day

ACTA
Alameda Corridor Transportation Authority

Use Fees & Container Charges

as of December 31, 2023



Statements of Net Position
December 31, 2023 & June 30, 2023

	December 2023	June 2023
Assets & Deferred Outflows of Resources		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	$ 76,948,371	$ 107,715,005
Receivables	10,672,190	17,496,962
Prepaid Expenses	935,375	2,294,731
Total Current Assets	88,555,936	127,506,698
Prepaid Bond Insurance Premiums, net	18,195,206	18,539,640
Restricted Investments *	121,542,061	72,450,394
Assets Held for Transfer	3,116,329	3,116,329
Net OPEB Asset	271,917	271,917
Capital Assets Not Being Depreciated	438,148,732	438,148,732
Capital Assets, Net	1,023,841,751	1,034,397,519
Total Assets	1,693,671,932	1,694,431,229
Deferred Outflows of Resources:		
Loss on Refunding	41,903,768	45,012,155
Pension and OPEB Related Items	1,611,550	1,611,550
Total Assets & Deferred Outflows of Resources	$ 1,737,187,251	$ 1,741,054,934
Liabilities, Deferred Inflows of Resources, & Net Position		
Current Liabilities:		
Accounts Payable	$ 5,724,633	$ 6,784,529
Unearned Revenue	5,628,819	4,425,838
Accrued Interest Payable, Current Portion	12,434,391	12,550,134
Revenue Bonds Payable, Current Portion	16,255,000	15,495,000
Other Liabilities	559,836	628,447
Total Current Liabilities	40,602,679	39,883,948
Noncurrent Liabilities:		
Shortfall Advances Payable to Ports	13,481,974	13,115,138
Net Pension Liability	2,304,499	2,304,499
Accrued Interest Payable, Net of Current Portion	657,886,024	621,655,133
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,631,453,854	1,649,289,843
Total Noncurrent Liabilities	2,305,126,351	2,286,364,613
Total Liabilities	$ 2,345,729,030	$ 2,326,248,561
Deferred Inflows of Resources	346,107	346,107
Net Position		
Net Investment in Capital Assets	-	-
Restricted for Debt Service	146,427,406	119,498,555
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	63,258,968	79,612,842
Unrestricted	(818,574,260)	(784,651,131)
Total Net Position	(608,887,886)	(585,539,734)
Total Liabilities, Deferred Inflows of Resources, & Net Position	$ 1,737,187,251	$ 1,741,054,934

* All investments with a maturity within three months are considered cash for the year-end financial statements. Monthly, unaudited financial statements, carry all investments, regardless of maturity date(s), as Restricted Investments. Fully detailed classifications are only done at year-end in accordance with GASB 41, therefore classification differences exist.

	December 2023	June 2023	FY2024 Increase
Current	$ 76,948,371	$ 107,715,005	
Noncurrent	121,542,061	72,450,394	
	$ 198,490,432	$ 180,165,399	$ 18,325,033

Statement of Revenues, Expenses, & Changes in Net Position

For six months ended December 31, 2023 & December 31, 2022

	December 2023	December 2022
Operating Revenues:		
Use Fees & Container Charges	$ 53,399,223	$ 52,216,924
Maintenance-of-Way Charges	5,195,846	4,619,136
Total Operating Revenues	58,595,069	56,836,060
Operating Expenses:		
Salaries & Benefits	1,128,673	1,124,886
Administrative Expenses	967,449	956,497
Professional Services	475,015	425,056
Maintenance-of-Way	8,934,581	8,215,693
Depreciation	10,555,768	10,555,768
Total Operating Expenses	22,061,486	21,277,900
Operating Income (Loss)	36,533,583	35,558,160
Nonoperating Revenues:		
Interest & Investment Revenue, Net	4,417,770	755,008
Public Benefit Income	54,185	77,415
Miscellaneous Revenue	389,769	344,223
Total Nonoperating Revenues	4,861,724	1,176,646
Nonoperating Expenses:		
Interest Expense	63,454,082	49,089,949
Expenses for Public Benefit & Pass Thru Expenses	1,289,342	290,891
Costs of Issuance	35	29,598,476
Gain/Loss Sale or Transfer of Capital Assets	-	-
Total Nonoperating Expenses, Net	64,743,459	78,979,316
Changes in Net Position	(23,348,152)	(42,244,510)
Net Position:		
Net Positon, Beginning of Year	(585,539,734)	(524,018,290)
Net Position - End of Year	$ (608,887,886)	$ (566,262,800)

Comparison of Budget By Expense Type
as of December 31, 2023

($ in thousands)	Fiscal Year-to-Date Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	$ 43,583,939	$ 53,399,223	$ 9,815,284
Maintenance-of-Way Charges	7,330,328	5,195,846	(2,134,482)
Total Operating Revenues	50,914,267	58,595,069	7,680,802
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
EPA Order & Pass Thru Income	584,918	-	(584,918)
Subtotal Projects	614,918	30,000	(584,918)
Miscellaneous			
Public Benefit Income	1,496,425	54,185	(1,442,240)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	33,046	359,769	326,723
Investment Income	755,009	4,417,770	3,662,761
Subtotal Miscellaneous	2,284,480	4,831,724	2,547,244
Subtotal Other Revenues	2,899,398	4,861,724	1,962,326
Total Sources of Funds	53,813,665	63,456,793	9,643,128
Expenses			
Salaries	1,121,605	855,073	(266,532)
Benefits	520,380	273,600	(246,780)
Office Expenses	252,617	262,238	9,621
Other Management Expenses	51,950	11,016	(40,934)
Information Technologies	91,750	67,452	(24,298)
Bank & Investment	87,500	77,346	(10,154)
ACET Administrative & Capital Support	772,972	549,397	(223,575)
Audit	103,064	126,987	23,923
Legal	340,000	155,748	(184,252)
Governmental Affairs	42,500	45,404	2,904
Other Professional Services	960,811	146,876	(813,935)
Pass Thru Expenses & EPA Order	584,918	242,203	(342,715)
Expenses for Public Benefit	1,496,425	1,047,139	(449,286)
Total Administrative Expenses	6,426,492	3,860,479	(2,566,013)
Maintenance-of-Way Expenses-Rail - Contractors	5,772,341	3,188,760	(2,583,581)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,557,988	2,007,086	449,098
Maintenance-of-Way Expenses-Nonrail - Contractors	719,618	661,463	(58,155)
Maintenance-of-Way Expenses-Nonrail - Capital	3,105,770	2,804,014	(301,756)
Maintenance-of-Way Expenses-Nonrail - Other	132,414	175,279	42,865
Maintenance-of-Way Expenses - ACTA	95,450	97,979	2,529
Total Maintenance-of-Way Expenses	11,383,581	8,934,581	(2,449,000)
Subtotal Administrative and M&O Expenses	17,810,073	12,795,060	(5,015,013)
Financing Expenses			
Debt Service - Interest	24,983,114	27,223,191	2,240,077
Debt Service - Accrued CAB Interest	37,803,544	36,230,891	(1,572,653)
Subtotal Financing Expenses	62,786,658	63,454,082	667,424
Depreciation & Amortization Expenses			
Depreciation	10,492,582	10,555,768	63,186
Cost of Issuance	-	35	35
Subtotal Depreciation & Amortization Expenses	10,492,582	10,555,803	63,221
Total Operating Expenses	91,089,313	86,804,945	(4,284,369)
Income (Loss)	$ (37,275,648)	$ (23,348,152)	$ 13,927,496

* Y-T-D Budget calculated on a straight line basis.

Comparison of Budget By Funds
as of December 31, 2023

($ in thousands)	Budget*	Actuals	Variance
	Fiscal Year-to-Date		
Revenues			
Operating Revenues			
Use Fees & Container Charges	$ 43,583,939	$ 53,399,223	$ 9,815,284
Maintenance-of-Way Charges	7,330,328	5,195,846	(2,134,482)
Total Operating Revenues	50,914,267	58,595,069	7,680,802
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
EPA Order & Pass Thru Income	584,918	-	(584,918)
Subtotal Projects	614,918	30,000	(584,918)
Miscellaneous			
Public Benefit Income	1,496,425	54,185	(1,442,240)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	33,046	359,769	326,723
Investment Income	755,009	4,417,770	3,662,761
Subtotal Miscellaneous	2,284,480	4,831,724	2,547,243
Subtotal Other Revenues	2,899,398	4,861,724	1,962,326
Total Sources of Funds	53,813,665	63,456,793	9,643,128
Expenses			
Financing Fees	589,647	234,241	(355,406)
Administrative Costs	3,755,502	2,336,896	(1,418,606)
Capital	-	-	-
Railroads-M&O	7,330,329	5,195,846	(2,134,482)
Reserve-M&O	3,957,802	3,640,756	(317,046)
Financing Fees-M&O	95,450	97,979	2,529
Revenue Fund-Interest & COI	24,983,114	27,223,191	2,240,077
Expenses for Public Benefit	1,496,425	1,047,139	(449,286)
LAIF General Fund-Pass Thru & EPA	584,918	242,203	(342,715)
Total Expenses	42,793,187	40,018,251	(2,774,935)
Non Cash Expenses			
Accrued CAB Debt Service Interest	37,803,544	36,230,891	(1,572,653)
Depreciation	10,492,582	10,555,768	63,186
Cost of Issuance	-	35	35
Subtotal Interest, Depreciation, & Amortization Expenses	48,296,126	46,786,694	(1,509,432)
Total Operating Expenses	91,089,313	86,804,945	(4,284,368)
Income (Loss)	$ (37,275,648)	$ (23,348,152)	$ 13,927,496

* Y-T-D Budget calculated on a straight line basis.

Cash & Investment Summary
as of December 31, 2023

Cash and Investment Balances **($ in thousands)**

Institution	Bank Reference #	Chandler Reference #	Account Description	Book Value	Market Value
Bank of America					
	0457 & 0796	-	Concentration & Disbursement	565	565
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,528	4,606
Grant Reimbursement Received this Month $13,395					
Grant Reimbursement Received FY to Date $2,060,005					
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	9,889	9,889
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	22,501	22,529
	1171	508	M & O Fund	6,813	6,833
	1172	509	Reserve Account	13,257	13,370
	1189	518	Administrative Costs	11,029	11,155
			Subtotal Revenue Funds	53,600	53,887
Debt Service Funds					
	61180	-	99A Interest	1	1
	61181	-	99A Principal	-	-
	61183	-	99A Redemption	-	-
	61192		99A Senior Lien	377	377
	61193		99A 17th Level	21,479	21,479
	61186	-	99A Construction	1	1
	61200	-	99C Interest Account	3,361	3,361
	61201	-	99C Principal Account	25,490	25,634
	38003	-	04B Debt Service Reserve	25,276	24,503
	39004	-	04A Debt Service Reserve	34,454	33,217
	38000	516	04B Debt Service	-	-
	39006	-	04A Financing fee	2,351	2,362
	39002	515	04A Debt Service Principal Account	-	-
	59001	-	12 Debt Service Interest Account	475	475
	59002	-	12 Debt Service Principal Account	2,745	2,745
	59004	516	12 Debt Service Reserve Account	7,814	7,501
	67001	-	13A Debt Service Interest Account	-	-
	67002	-	13A Debt Service Principal Account	-	-
	27000	-	16A Debt Service	14	14
	27004	-	16A Debt Service Reserve	3,698	3,567
	108006	-	16B- Financing fee	783	787
	108000	-	16B- Financing fee	26	26
	98000	-	2022 A - DS Fund	32	32
	98001	-	2022 A - DS Reserve Fund	-	-
	98002	-	2022 A - Interest Account	-	-
	98003	-	2022 A - Principal Account	-	-
	98004	-	2022 A - Redemption Account	-	-
	98005	-	2022 A - Cost of Issuance Fund	-	-
	98006	-	2022 A - Bond Proceeds Account	-	-
	53000	-	2022 B - DS Fund	64	64
	53001	-	2022 B - DS Reserve Fund	-	-
	53002	-	2022 B - Interest Account	3,360	3,360
	53003	-	2022 B - Principal Account	-	-
	53004	-	2022 B - Redemption Account	-	-
	53005	-	2022 B - Cost of Issuance Fund	-	-
	53006	-	2022 B - Bond Proceeds Account	-	-
	86000	-	2022 C - DS Fund	39	39
	86001	-	2022 C - DS Reserve Fund	-	-
	86002	-	2022 C - Interest Account	-	-
	86003	-	2022 C - Principal Account	-	-
	86004	-	2022 C - Redemption Account	-	-
	86005	-	2022 C - Cost of Issuance Fund	-	-
	86006	-	2022 C - Bond Proceeds Account	-	-
			Subtotal Debt Service Funds	131,841	129,545
			Total 1999, 2004, 2012, 2016, 2022 Bond Funds- U.S. Bank	185,440	183,432
Total Cash & Investment Balances				**$ 200,422**	**198,492**

Cash & Investment Summary (cont'd)
as of December 31, 2023

Investment Schedule ($ in thousands)

Type of Investment	Book Value	Market Value	Percentage of Total	Investment Policy Limit
Money Market Funds	$ 53,575	$ 53,575	26.99%	20.00%
U.S. Government & Agency Obligations	58,555	58,066	29.25%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	64,878	63,395	31.94%	100.00%
Corporate Bonds	12,960	13,002	6.55%	30.00%
Bank of America	565	565	0.28%	20.00%
Local Agency Investment Fund	9,889	9,889	4.98%	$40 Million
Total	**$ 200,422**	**$ 198,492**	**100.00%**	

Monthly Cash Flow

			December 2023
Total Beginning Cash			$ 49,878,821
Receipts			
	Use Fees & Container Charges	$ 8,241,626	
	M&O & Misc. Revenues, & Funds Transfers	2,405,613	
	Total Receipts	10,647,239	
Disbursements			
	Debt Service - Transfer to Accounts	3,078,075	
	M&O, Administrative, & Financing Expenses	336,421	
	Total Disbursements	3,414,496	
Cash Flow for Month			$ 7,232,743
	Total Ending Cash		$ 57,111,564

Cash Flow
as of December 31, 2023

	December 2023
Beginning Cash	
Master Indenture Revenue Fund 1170	17,276,904
Master Indenture M&O Fund 1171	4,595,424
Master Indenture Reserve Fund 1172	13,212,570
Admin Fund 1189	11,237,793
Financing Fee-Senior	379,211
Financing Fee-1st Sub	2,394,744
Financing Fee-2nd Sub	782,175
Total Beginning Cash	49,878,821
Receipts	
Use Fee & Container Charges	8,241,626
M&O	2,241,220
Funds Transferred from BOA to Admin Fund	-
Funds Transferred from BOA to Reserve Fund	-
Interest Income / Loss	164,393
Total Receipts	10,647,239
Total Cash	$ 60,526,060
Disbursements	
Debt Service - transfer to 1999C Principal	-
Debt Service - transfer to 1999C Interest	1,050,830
Debt Service - transfer to 2012 Interest	149,978
Debt Service- transfer to 2012 Principal	832,917
Debt Service- transfer to 2022B Interest	1,044,351
Debt Service - transfer to 2013A Principal	-
Semi-Annual Accounting - Transfers & Debt Service	-
Transfer to 2012 Reserve	-
Transfer to 2004A Financing Fee	-
Transfer to 2016B Financing fee	-
Transfer to 1999A Financing fee	-
Transfer to Admin Fund	-
Transfer to Master Reserve	-
Transfer to 2016A Reserve	-
Transfer to 2016B Financing Fee	-
Transfer to 2022C Reserve Fund	-
Transfer to 17th level	-
Debt service payment - 2016A Interest	-
Debt service payment - 2016B Interest	-
Debt service payment - 2004	-
M&O - Railroads expense payments	41,162
M&O - Reserve expense payments	-
Administrative expense payments	236,578
Financing expense payments	58,680
Total Disbursements	3,414,496
Net Ending Cash	$ 57,111,564
Ending Cash	
Master Indenture Revenue Fund 1170	22,501,068
Master Indenture M&O Fund 1171	6,812,820
Master Indenture Reserve Fund 1172	13,257,146
Admin Fund 1189	11,028,728
Financing Fee-Senior	377,333
Financing Fee-1st Sub	2,351,187
Financing Fee-2nd Sub	783,282
Total Ending Cash	$ 57,111,564

* Adjustment due to adding 3 financing accounts.

Cash Flow – YTD
as of December 31, 2023

Cash Flow - Fiscal Year-to-Date

		December 2023
Total Beginning Cash as of 7/1/23		$ 66,180,891
Receipts		
Use Fees & Container Charges	$ 52,776,877	
M&O & Misc. Revenues, & Funds Transfers	27,100,233	
Total Receipts	79,877,109	
Disbursements		
Debt Service - Transfer to Accounts	68,005,860	
M&O, Administrative, & Financing Expenses	20,940,576	
Total Disbursements	88,946,436	
Cash Flow for Fiscal Year		$ (9,069,327)
Total Ending Cash		$ 57,111,564

Cash Flow – YTD
as of December 31, 2023

	December 2023
Beginning Cash as of 7/1/23	
Master Indenture Revenue Fund 1170	46,932,116
Master Indenture M&O Fund 1171	928,185
Master Indenture Reserve Fund 1172	11,323,311
Admin Fund 1189	6,997,279
Financing Fee-Senior	-
Financing Fee-1st Sub	-
Financing Fee-2nd Sub	-
Total Beginning Cash	66,180,891 *
Receipts	
Use Fee & Container Charges	52,776,877
M&O	11,089,010
Funds Transferred from BOA to Admin Fund	130,630
Funds Transferred from BOA to Reserve Fund	-
Annual Accounting - Transfer from Revenue Fund	14,324,673
Interest Income / Loss	1,555,919
Total Receipts	79,877,109
Total Cash	$ 146,058,000
Disbursements	
Debt Service - transfer to 1999C Principal	11,559,130
Debt Service - transfer to 1999C Interest	4,203,320
Debt Service - transfer to 2012 Interest	966,161
Debt Service- transfer to 2012 Principal	5,136,250
Debt Service - transfer to 2022A Interest	6,266,105
Debt Service- transfer to 2013A Principal	-
Semi-Annual Accounting - Transfers & Debt Service	-
Transfer to 2012 Reserve	-
Transfer to 2004A Financing Fee	1,067,345
Transfer to 2016B Financing fee	227,635
Transfer to 1999A Financing fee	387,851
Transfer to Admin Fund	435,431
Transfer to Master Reserve	31,441
Transfer to 2016A Reserve	-
Transfer to 2016B Financing Fee	-
Transfer to 2022C Reserv Fee	-
Transfer to 17th level	21,283,462
Debt service payment - 2016A Interest	5,364,400
Debt service payment - 2016B Interest	8,424,703
Debt service payment - 2004	2,652,625
M&O - Railroads expense payments	5,303,296
M&O - Reserve expense payments	7,365,720
Administrative expense payments	8,147,749
Financing expense payments	123,812
Total Disbursements	88,946,436
Net Ending Cash	$ 57,111,564
Ending Cash	
Master Indenture Revenue Fund 1170	22,501,068
Master Indenture M&O Fund 1171	6,812,820
Master Indenture Reserve Fund 1172	13,257,146
Admin Fund 1189	11,028,728
Financing Fee-Senior	377,333
Financing Fee-1st Sub	2,351,187
Financing Fee-2nd Sub	783,282
Total Ending Cash	$ 57,111,564

* Adjustment due to adding 3 financing accounts.

ACTA
Alameda Corridor Transportation Authority

ITEM #2

M E M O

Alameda Corridor Transportation Authority

To:	Governing Board
Meeting Date:	March 21, 2024
From:	Kevin L. Scott, Chief Financial Officer
Subject:	INFORMATION on Fiscal Year 2024/2025 (FY 2025) Preliminary Budget Schedule

Information:

To ensure the timely preparation of the annual budget, ACTA staff has developed a preliminary budget schedule as follows. It includes the key budget preparation, review, and approval dates.

Discussion:

- March 7, 2024 – Draft operating budget completed by ACTA staff.
- March 14, 2024 – Draft budget circulated in-house for review by ACTA management.
- March 21, 2024 – Draft budget emailed to Ports' staff for review/comment.
- April 11, 2024 – Draft budget included in Governing Board package.
- April 18, 2024 – Draft budget presented as information to the Governing Board at regularly scheduled Governing Board meeting.
- May 30, 2024 – Draft budget included in the Governing Board package.
- June 20, 2024 – Final FY 2025 Budget presented to Governing Board for adoption.

Should the April Governing Board meeting be cancelled, the draft budget will be presented at the May Governing Board meeting. Should the June Governing Board meeting be cancelled, a special meeting will be required prior to July 1, 2024, to adopt the budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.

ACTA
Alameda Corridor Transportation Authority

ITEM #3

M E M O

Alameda Corridor Transportation Authority

To:	Governing Board
Meeting Date:	March 21, 2024
From:	Kevin L. Scott, Chief Financial Officer
Subject:	Approve Revised Alameda Corridor Transportation Authority Investment Policy

Recommendation:

ACTA Staff recommends that the Governing Board approve the revised Alameda Corridor Transportation Authority Investment Policy.

Discussion:

ACTA's Investment Policy ("Investment Policy") provides the basis for ACTA to invest of all of its funds, including approximately $10 million invested in the Local Agency Investment Fund (LAIF) and SR-47 funds. A separate but parallel investment policy, included in the Master Trust Indenture under Permitted Investments, provides authority for investment of more than $130 million in bond related funds.

Shortly after the end of each month, staff provides the Governing Board a report showing ACTA's investments in bond related funds and non-bond funds as invested by ACTA's Investment Manager, Chandler Asset Management (CAM). The Investment Policy requires that the Governing Board review the Investment Policy annually and approve or amend the Policy as may be recommended by staff.

On April 12, 2018, the Board approved revisions to the Investment Policy pertaining to non-bond funds in response to change in state law. Certain investment options (in particular, Bills of Exchange and Repurchase Agreements) were identified as no longer available or appropriate for ACTA and therefore were removed from Section VIII - Authorized Investments. In a number of other instances throughout Section VIII - Authorized Investments, revisions were made to restrict the percentage amount for portfolio investments in order to limit the amounts that may be invested in certain investment instruments. The policy revisions reduced exposure to losses by limiting the amount of money which can be invested in any one type of instrument or with a single issuer. However, the investment limitations reduced investment flexibility.

The SB-882 Local Government Omnibus Act of 2023, signed into law by Governor Newsom on September 8, 2023, and effective from January 1, 2024, revised California Government Code Section 53601 which impacts ACTA's current Investment Policy and necessitates that revisions to the Policy be made accordingly. The current Investment Policy has been reviewed by CAM and they concur with staff's recommendation that revisions are necessary at this time.

SB-882 amended California Government Code 53601 subsection (o), revising when local agencies may invest in certain types of securities, namely mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. SB-882 did not change when local agencies may invest in these types of securities, namely when the security 1) is rated in a rating category of "AA" or its equivalent or better, 2) has a maximum remaining maturity of five years or less and 3) the investment does not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to Government Code Section 53601. However, SB-882 amended Section 53601(o) to exempt the listed securities from these restrictions when the security is guaranteed or issued by the United States Government or its agencies as set forth in Government Code Sections 53601(b) and (f). These Government Code sections define when a security is considered guaranteed or issued by the United States Government or its agencies. By exempting these certain government guaranteed or issued securities from Government Code Section 53601(o), a local agency's investible universe is expanded.

Under ACTA's current Investment Policy ACTA, up to 20% of its investable funds may be allocated to the securities listed in Government Code Section 53601(o), which remains the current portfolio investment percentage restriction for non-government guaranteed or issued securities. The proposed changes to the Investment Policy reflect the legislative updates to Government Code Section 53601(o), thus allowing ACTA to invest in United States government guaranteed or issued securities as set forth in Government Code Sections 53601 (b) and (f).

As part of the required annual review and approval process, staff and its investment advisor, Chandler Asset Management, review and propose changes to the Investment Policy. This year staff recommends that the Board amend the Investment Policy attached as shown in Transmittal 1, page 6, Section M. The Investment Policy is based on the California Government Code Sections as set forth in the Investment Policy. The investment policy for bond related funds included in the Permitted Investments definition of the Master Trust Indenture is unchanged, as any change would require an Amendment of the Master Trust Indenture.

Budget Impact:

Approving the revised Investment Policy will have no budget impact to the approved FY2024 ACTA Program Budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this board report and there are no legal issues at this time.

Transmittals:

Transmittal 1 – Revised Alameda Corridor Transportation Authority Investment Policy highlighting revisions

Transmittal 2 – Revised Alameda Corridor Transportation Authority Investment Policy not highlighting changes (Clean version)

ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is to set forth the policies and procedures for a prudent and systematic investment policy and to organize and formalize investment-related activities with respect to certain Alameda Corridor Transportation Authority ("ACTA") funds. This version of the ACTA Investment Policy was approved by the ACTA Governing Board at a meeting held on Thursday, April 12, 2018.

The investment policies and practices of ACTA are based upon compliance with the California Government Code Sections 53600 and 53635 et seq., other state laws as applicable and prudent investment management as described herein. Should the provisions of the Government Code change from those contained herein, such provisions will be considered incorporated in this Policy. It is the policy of ACTA to comply with all federal, state and local laws governing the investment of certain monies under the control of ACTA. The monies under the control of ACTA (referred to as the "Funds" throughout the remainder of this document) will be invested, reinvested, administered, and reported according to this Policy.

ACTA's Chief Financial Officer and its Treasurer shall act in accordance with this Policy and the Prudent Investor Rule in the management of ACTA's Funds. When acting in accordance with this Policy, written portfolio guidelines and procedures, and exercising due diligence, ACTA's Chief Financial Officer and its Treasurer shall be relieved of personal responsibility for individual security's credit risk and/or market price changes, provided that deviations from expectations are reported in the monthly and quarterly investment reports to the ACTA Governing Board, and appropriate action is taken to control adverse developments.

Generally, investments shall be made in the context of the "Prudent Investor Rule" as described in California Government Code Section 53600.3, which states that,

> *" . . . all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."*

This Policy shall remain in effect until the ACTA Governing Board approves a subsequent revision.

II. SCOPE

It is intended that this Policy cover all Funds and investment activities of ACTA unless specifically excluded by the Governing Board of ACTA, such as bond funds covered by ACTA's Master Trust Indenture.

III. INVESTMENT OBJECTIVES

A. Safety of Principal

ACTA's foremost investment objective shall be safety of principal. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The Treasurer and the Chief Financial Officer of ACTA shall seek to preserve principal by mitigating the two major types of risk: credit risk and market risk.

1. Credit Risk. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing only with issuers whose financial strength and reputation can be verified to be highly rated by nationally recognized rating agencies (see Section VIII. Authorized Investments for detailed limitations on credit risk), and by diversifying the investment portfolio, consisting of ACTA's Local Agency Investment Fund and ACTA's SR-47 Fund (Investment Portfolio), so that the failure of any one issuer would not unduly harm ACTA's cash flow.

2. Market Risk. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by (a) structuring the portfolio so that securities mature at or near the timing of ACTA's major anticipated cash outflows, thus reducing the need to sell securities prior to their maturity; (b) prohibiting the use of leverage and margin accounts; and (c) prohibiting the use of short positions-that is, selling securities which ACTA does not own. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

ACTA's second objective shall be to have an Investment Portfolio that is sufficiently liquid to ensure that ACTA can meet all normal operating requirements and reasonably expected expenditures.

C. Rate of Return on Investment

The third objective for ACTA's Investment Portfolio shall be to attain a market-average rate of return through economic cycles consistent with risk limitations as defined herein, and prudent investment principles. Through implementation of this Policy, the Treasurer and Chief Financial Officer of ACTA shall seek to enhance returns above the market average rate of return.

IV. DELEGATION OF AUTHORITY

The Board delegates its authority to invest Funds of ACTA to the Treasurer and Chief Financial Officer, who have full responsibility for transactions until the Board delegation of authority is revoked. The authority to execute investment transactions that will affect the Fund will be limited to the Treasurer and Chief Financial Officer. ACTA may engage the services of an Independent Investment Consultant(s) to assist in the management of ACTA's Funds. Such Independent Investment Consultant(s) may be granted discretion to purchase and sell investment securities in accordance with this Policy. Such Independent Investment Consultant(s) must be registered under the Investment Advisers Act of 1940. All investment decisions and transactions shall be made in strict accordance with state and federal law and this Policy.

V. SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by ACTA shall be held in safekeeping by a bank trust department, acting as agent for ACTA under the terms of a custody agreement executed by the bank and ACTA, as authorized by the Governing Board. All securities will be received and delivered using standard delivery versus payment procedures, i.e., ACTA's safekeeping agent will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit; and (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of these instruments will be held by the Treasurer or his designee.

VI. REPORTING

MONTHLY REPORTS

Monthly investment reports will be submitted by the Treasurer or Chief Financial Officer to the Governing Body within 30 days of the end of each month. Monthly reports will disclose, at a minimum, the following information about the characteristics of ACTA's portfolio:

1. An asset listing of each security showing its par value, cost, independent third-party fair market value as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.

2. Transactions during the reporting period.

3. A one-page summary report that shows:
   a. Average maturity of the portfolio and modified duration of the portfolio;
   b. Maturity distribution of the portfolio;
   c. Average portfolio credit quality; and,

d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to ACTA's market benchmark returns for the same periods.

4. A statement of compliance with ACTA's Investment Policy, including a schedule of any transactions or holdings which do not comply with this Investment Policy or the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.

5. A statement denoting ACTA's ability to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall not be available.

Annual Reports

A comprehensive annual report will be presented to the Governing Board. This report will include comparisons of ACTA's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

VII. QUALIFIED DEALERS

ACTA shall transact business only with banks, savings and loans, Federal savings banks, and investment security dealers in compliance with MSRB Rule G-37. ACTA's Independent Investment Consultant(s), if any, shall transact business only with those securities firms which are on their "approved broker list" and whose annual reports are on file at the Independent Investment Consultant's place of business.

VIII. AUTHORIZED INVESTMENTS

ACTA's Investment Policy is governed by the California Government Code. This Policy conforms to the Code as well as to customary standards of prudent investment management. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this Policy. Percentage holding limits listed in this section apply at the time the security is purchased.

Within the context of these limitations, the following investments are authorized, as further limited herein:

A. Bonds issued by ACTA, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by ACTA. Investments in Bonds issued by ACTA shall not exceed 20% of the portfolio.

B. United States Treasury Bills, Bonds, and Notes, or "when issued" securities of the United States Government for such securities, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

C. Registered State Warrants or Treasury notes or bonds (Debt) of the State of California, including bonds, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State of California or by a department, board, agency, or authority of the State, so long as such Debt of the State is rated "A" or higher by a nationally recognized statistical-rating organization. Investments in Debt shall not exceed 5% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

D. Registered Treasury notes or bonds (Local Debt) of any of the other 49 states of the United States of America in addition to California, including bonds, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the a state or by a department, board, agency, or authority of any other of the 49 states of the United States of America in addition to California, so long as such Local Debt of the State of California or any other of the 49 states of the United States of America is rated "A" or higher by a nationally recognized statistical-rating organization. Investments in Local Debt shall not exceed 5% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

E. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises (Federal Agency Debt). Investments in Federal Agency Debt shall not exceed 50% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

F. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

1. The entity meets the following criteria: (a) Is organized and operating in the United States as a general corporation; (b) Has total assets in excess of five hundred million dollars ($500,000,000); and (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

2. The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 25% of the market value of the portfolio. No more than 5% of the market value of the portfolio may be invested in commercial paper issued by any one corporation. Maturity shall not exceed 270 days.

G. Negotiable certificates of deposit issued by a nationally or state-chartered bank or state or federal saving and loan association. Negotiable certificates of deposit (NCDs) differ from other certificates of deposit by their deposit liquidity. They are issued against funds deposited for specified periods of time and earn specified or variable rates of interest. NCDs are traded actively in secondary markets. The maximum maturity of NCDs shall not exceed two years. Transactions in NCDs shall not collectively exceed 20% of the total portfolio. No more than 5% of the market value of the portfolio may be invested in NCDs issued by any one institution. Purchases are limited to institutions which have long-term debt rated "A" or better and/or have short-term debt rated at least "A1" by a nationally recognized statistical-rating organization.

H. Local Agency Investment Fund. ACTA may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law.

I. Time Deposits. ACTA may invest in non-negotiable time deposits collateralized in accordance with the California Government Code and do so in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit. Since time deposits are not liquid, no more than 15% of the portfolio may be invested in this category. No more than 5% of the market value of the portfolio may be invested in non-negotiable time deposits issued by any one issuer. The issuer firm shall have been in existence for at least five years prior to the time of investment. Time deposits are required to be collateralized as specified under Government Code Section 53630 et seq. ACTA may waive the first $100,000 of collateral security for such deposits if the issue is insured pursuant to federal law. Real estate mortgages may not be accepted as collateral. The maximum term for deposits shall be one year. In general, the issuer firm must have a minimum 6% net worth to assets ratio. The issuer firm's operations must have been profitable during their last reporting period. The issuer firm must have received a minimum overall "satisfactory" rating for meeting the credit needs of California Communities in its most recent evaluation, as provided by Government Code Section 53635.2.

J. Los Angeles County Treasurer Investment Pool. ACTA may invest in the County's Investment Pool as prescribed by the California Government Code.

K. Money Market Funds. ACTA may invest in Money Market Funds that invest solely in U.S. Treasury securities and U.S. Government Agency securities, and repurchase agreements secured by U.S. Treasury securities and U.S. Government Agency securities and which shall have also met the following criteria in either Paragraph (1) or Paragraph (2):

1. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical-rating organizations.

2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience

investing in U.S. Treasury securities and U.S. Government Agency securities and with assets under management in excess of $500 million.

No more than 20% of the portfolio may be invested in Money Market Funds, with no more than 10% invested in any one Money Market Fund.

L. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated "A" or better by a nationally recognized statistical-rating organization. ACTA may invest no more than 30% of the portfolio in Corporate Bonds or Notes and no more than 5% of the portfolio with a single corporate issuer. Maturity shall not exceed the projected dates of ACTA's cash needs.

M. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond from issuers not defined in sections B and E of the authorized investments section of this policy-of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be ~~issued by an issuer having an "A" or higher rating for the issuer's debt by a nationally recognized statistical rating organization and~~ rated in a rating of category of "AA." Purchase of securities authorized by this subdivision may not exceed 20% of ACTA's money that may be invested pursuant to this Section M. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage issuer. There is no limitation on any mortgage security where the issuer is the U.S. Treasury or a Federal Agency/Government Sponsored Enterprise. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

N. Supranational Organizations, provided that issues are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated "AA" or higher by a nationally recognized statistical-rating organization, with a maximum maturity not exceeding five years. No more than 30% of the portfolio may be invested in these securities, and no more than 10% of the portfolio may be invested in any single issuer.

O. Authorized Investments for Bond Funds and Proceeds. Bond funds and proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond funds and proceeds will be invested in securities permitted by this Policy.

In addition to securities authorized for the investment of bond funds and proceeds, bond funds and proceeds may be invested in Guaranteed Investment Contracts and Investment Agreements with issuers of "AA" rating or better by a nationally recognized statistical-rating organization. Such contracts shall have a maximum of five years maturity. Unless otherwise authorized by the applicable bond documents, no more than 25% of the portfolio may be invested in such contracts and no more than 5% of the portfolio may be placed under contract with a single entity.

With respect to maximum maturities, unless otherwise authorized by the applicable bond documents, bond reserve fund proceeds may be invested in securities with maturities that exceed five years if in the opinion of the Treasurer or Chief Financial Officer it is prudent to make such an investment.

XIV. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to, repurchase agreements and reverse repurchase agreements, Bankers Acceptances, and common stocks are prohibited from use in ACTA's portfolio. Section 53601.6 of the Government Code specifically disallows investments in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

X. TRADING OF SECURITIES

The purchase and sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

XI. PORTFOLIO ADJUSTMENTS

In the event that an investment percentage-of-portfolio limitation in Section VIII is exceeded due to an incident such as a fluctuation in the portfolio's size, the affected securities may continue to be held to avoid losses. If the sale of an affected security would not result in a loss, the Treasurer or Chief Financial Officer shall consider restructuring the portfolio through sale of the affected securities or other means, and base their decision in part on the expected length of time the portfolio would be out of compliance with the Policy if no sale were made.

XII. PORTFOLIO DURATION LIMITATION

The objective of this Policy is to provide a system which will accurately monitor and forecast revenues and expenditures so that ACTA can invest Funds to the fullest extent possible.

The maximum maturity of individual investments shall not exceed the limits set forth in Section VIII. Authorized Investments. However, no investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either 1) specifically, 2) as part of the investment provisions relating to a bond issuance and authorized by the applicable bond documents, or 3) as part of an investment program approved by the Board no less than one month prior to the investment. The weighted average duration of the entire portfolio shall not exceed three (3) years.

XIII. CERTIFICATION OF UNDERSTANDING

All Financial Institutions and Independent Investment Consultant(s) who do investment-related business with ACTA shall receive a copy of this Policy and sign a Certification of

Understanding. The Certification of Understanding shall state that each employee of the entity serving ACTA:

A. Has read and understands ACTA's Investment Policy, as well as applicable federal and state laws;

B. Meets the requirements of Article VII of ACTA's Investment Policy;

C. Agrees to make every reasonable effort to protect the assets of ACTA from loss;

D. Agrees to notify ACTA in writing of any potential conflicts of interest; and

E. Agrees to notify ACTA in writing of any changes in personnel with decision-making authority over ACTA's funds within 24 hours of such event.

XIV. MONITORING CREDIT RATINGS

Independent Investment Consultant(s), if any, shall monitor the ratings of all investments in assigned portfolios on a continuous basis. Independent Investment Consultant(s), if any, shall report to the Chief Financial Officer in writing within 24 hours of any credit event for any investment in which there is a credit downgrade to a rating that is lower than that required by Section VIII Authorized Investments. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this Policy, the Independent Investment Consultant(s) shall also make a written recommendation to the Treasurer and Chief Financial Officer as to whether the downgraded security should be held or sold.

XV. POLICY REVIEW

This Investment Policy shall be reviewed regularly by the Treasurer or Chief Financial Officer, and submitted to the Board for its approval at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this Investment Policy to ensure that ACTA can adapt readily to changing market conditions, and approve any modification to the Investment Policy prior to implementation. Any changes in the Investment Policy shall be reviewed and approved by the Board at a public meeting.

Summary report: **Litera Compare for Word 11.4.0.111 Document comparison done on 3/6/2024 3:46:07 PM**	
Style name: SMRH Standard	
Intelligent Table Comparison: Active	
Original filename: 03 March 2024 Transmittal 1 - Investment-Policy-Confirmed-February-2023 - v2.docx	
Modified filename: 03 March 2024 Transmittal 1 - Investment-Policy-Confirmed-February-2023 - v1.docx	
Changes:	
Add	1
~~Delete~~	1
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	2

ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is to set forth the policies and procedures for a prudent and systematic investment policy and to organize and formalize investment-related activities with respect to certain Alameda Corridor Transportation Authority ("ACTA") funds. This version of the ACTA Investment Policy was approved by the ACTA Governing Board at a meeting held on Thursday, April 12, 2018.

The investment policies and practices of ACTA are based upon compliance with the California Government Code Sections 53600 and 53635 et seq., other state laws as applicable and prudent investment management as described herein. Should the provisions of the Government Code change from those contained herein, such provisions will be considered incorporated in this Policy. It is the policy of ACTA to comply with all federal, state and local laws governing the investment of certain monies under the control of ACTA. The monies under the control of ACTA (referred to as the "Funds" throughout the remainder of this document) will be invested, reinvested, administered, and reported according to this Policy.

ACTA's Chief Financial Officer and its Treasurer shall act in accordance with this Policy and the Prudent Investor Rule in the management of ACTA's Funds. When acting in accordance with this Policy, written portfolio guidelines and procedures, and exercising due diligence, ACTA's Chief Financial Officer and its Treasurer shall be relieved of personal responsibility for individual security's credit risk and/or market price changes, provided that deviations from expectations are reported in the monthly and quarterly investment reports to the ACTA Governing Board, and appropriate action is taken to control adverse developments.

Generally, investments shall be made in the context of the "Prudent Investor Rule" as described in California Government Code Section 53600.3, which states that,

> *". . . all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."*

This Policy shall remain in effect until the ACTA Governing Board approves a subsequent revision.

II. SCOPE

It is intended that this Policy cover all Funds and investment activities of ACTA unless specifically excluded by the Governing Board of ACTA, such as bond funds covered by ACTA's Master Trust Indenture.

III. INVESTMENT OBJECTIVES

A. Safety of Principal

ACTA's foremost investment objective shall be safety of principal. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The Treasurer and the Chief Financial Officer of ACTA shall seek to preserve principal by mitigating the two major types of risk: credit risk and market risk.

1. Credit Risk. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing only with issuers whose financial strength and reputation can be verified to be highly rated by nationally recognized rating agencies (see Section VIII. Authorized Investments for detailed limitations on credit risk), and by diversifying the investment portfolio, consisting of ACTA's Local Agency Investment Fund and ACTA's SR-47 Fund (Investment Portfolio), so that the failure of any one issuer would not unduly harm ACTA's cash flow.

2. Market Risk. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by (a) structuring the portfolio so that securities mature at or near the timing of ACTA's major anticipated cash outflows, thus reducing the need to sell securities prior to their maturity; (b) prohibiting the use of leverage and margin accounts; and (c) prohibiting the use of short positions-that is, selling securities which ACTA does not own. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

B. Liquidity

ACTA's second objective shall be to have an Investment Portfolio that is sufficiently liquid to ensure that ACTA can meet all normal operating requirements and reasonably expected expenditures.

C. Rate of Return on Investment

The third objective for ACTA's Investment Portfolio shall be to attain a market-average rate of return through economic cycles consistent with risk limitations as defined herein, and prudent investment principles. Through implementation of this Policy, the Treasurer and Chief Financial Officer of ACTA shall seek to enhance returns above the market average rate of return.

IV. DELEGATION OF AUTHORITY

The Board delegates its authority to invest Funds of ACTA to the Treasurer and Chief Financial Officer, who have full responsibility for transactions until the Board delegation of authority is revoked. The authority to execute investment transactions that will affect the Fund will be limited to the Treasurer and Chief Financial Officer. ACTA may engage the services of an Independent Investment Consultant(s) to assist in the management of ACTA's Funds. Such Independent Investment Consultant(s) may be granted discretion to purchase and sell investment securities in accordance with this Policy. Such Independent Investment Consultant(s) must be registered under the Investment Advisers Act of 1940. All investment decisions and transactions shall be made in strict accordance with state and federal law and this Policy.

V. SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by ACTA shall be held in safekeeping by a bank trust department, acting as agent for ACTA under the terms of a custody agreement executed by the bank and ACTA, as authorized by the Governing Board. All securities will be received and delivered using standard delivery versus payment procedures, i.e., ACTA's safekeeping agent will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit; and (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of these instruments will be held by the Treasurer or his designee.

VI. REPORTING

MONTHLY REPORTS

Monthly investment reports will be submitted by the Treasurer or Chief Financial Officer to the Governing Body within 30 days of the end of each month. Monthly reports will disclose, at a minimum, the following information about the characteristics of ACTA's portfolio:

1. An asset listing of each security showing its par value, cost, independent third-party fair market value as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.

2. Transactions during the reporting period.

3. A one-page summary report that shows:
   a. Average maturity of the portfolio and modified duration of the portfolio;
   b. Maturity distribution of the portfolio;
   c. Average portfolio credit quality; and,

d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to ACTA's market benchmark returns for the same periods.

4. A statement of compliance with ACTA's Investment Policy, including a schedule of any transactions or holdings which do not comply with this Investment Policy or the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.

5. A statement denoting ACTA's ability to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall not be available.

ANNUAL REPORTS

A comprehensive annual report will be presented to the Governing Board. This report will include comparisons of ACTA's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

VII. QUALIFIED DEALERS

ACTA shall transact business only with banks, savings and loans, Federal savings banks, and investment security dealers in compliance with MSRB Rule G-37. ACTA's Independent Investment Consultant(s), if any, shall transact business only with those securities firms which are on their "approved broker list" and whose annual reports are on file at the Independent Investment Consultant's place of business.

VIII. AUTHORIZED INVESTMENTS

ACTA's Investment Policy is governed by the California Government Code. This Policy conforms to the Code as well as to customary standards of prudent investment management. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this Policy. Percentage holding limits listed in this section apply at the time the security is purchased.

Within the context of these limitations, the following investments are authorized, as further limited herein:

A. Bonds issued by ACTA, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by ACTA. Investments in Bonds issued by ACTA shall not exceed 20% of the portfolio.

B. United States Treasury Bills, Bonds, and Notes, or "when issued" securities of the United States Government for such securities, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

C. Registered State Warrants or Treasury notes or bonds (Debt) of the State of California, including bonds, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State of California or by a department, board, agency, or authority of the State, so long as such Debt of the State is rated "A" or higher by a nationally recognized statistical-rating organization. Investments in Debt shall not exceed 5% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

D. Registered Treasury notes or bonds (Local Debt) of any of the other 49 states of the United States of America in addition to California, including bonds, payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the a state or by a department, board, agency, or authority of any other of the 49 states of the United States of America in addition to California, so long as such Local Debt of the State of California or any other of the 49 states of the United States of America is rated "A" or higher by a nationally recognized statistical-rating organization. Investments in Local Debt shall not exceed 5% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

E. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises (Federal Agency Debt). Investments in Federal Agency Debt shall not exceed 50% of the portfolio. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

F. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

1. The entity meets the following criteria: (a) Is organized and operating in the United States as a general corporation; (b) Has total assets in excess of five hundred million dollars ($500,000,000); and (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

2. The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company; (b) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 25% of the market value of the portfolio. No more than 5% of the market value of the portfolio may be invested in commercial paper issued by any one corporation. Maturity shall not exceed 270 days.

G. Negotiable certificates of deposit issued by a nationally or state-chartered bank or state or federal saving and loan association. Negotiable certificates of deposit (NCDs) differ from other certificates of deposit by their deposit liquidity. They are issued against funds deposited for specified periods of time and earn specified or variable rates of interest. NCDs are traded actively in secondary markets. The maximum maturity of NCDs shall not exceed two years. Transactions in NCDs shall not collectively exceed 20% of the total portfolio. No more than 5% of the market value of the portfolio may be invested in NCDs issued by any one institution. Purchases are limited to institutions which have long-term debt rated "A" or better and/or have short-term debt rated at least "A1" by a nationally recognized statistical-rating organization.

H. Local Agency Investment Fund. ACTA may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law.

I. Time Deposits. ACTA may invest in non-negotiable time deposits collateralized in accordance with the California Government Code and do so in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit. Since time deposits are not liquid, no more than 15% of the portfolio may be invested in this category. No more than 5% of the market value of the portfolio may be invested in non-negotiable time deposits issued by any one issuer. The issuer firm shall have been in existence for at least five years prior to the time of investment. Time deposits are required to be collateralized as specified under Government Code Section 53630 et seq. ACTA may waive the first $100,000 of collateral security for such deposits if the issue is insured pursuant to federal law. Real estate mortgages may not be accepted as collateral. The maximum term for deposits shall be one year. In general, the issuer firm must have a minimum 6% net worth to assets ratio. The issuer firm's operations must have been profitable during their last reporting period. The issuer firm must have received a minimum overall "satisfactory" rating for meeting the credit needs of California Communities in its most recent evaluation, as provided by Government Code Section 53635.2.

J. Los Angeles County Treasurer Investment Pool. ACTA may invest in the County's Investment Pool as prescribed by the California Government Code.

K. Money Market Funds. ACTA may invest in Money Market Funds that invest solely in U.S. Treasury securities and U.S. Government Agency securities, and repurchase agreements secured by U.S. Treasury securities and U.S. Government Agency securities and which shall have also met the following criteria in either Paragraph (1) or Paragraph (2):

1. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical-rating organizations.

2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience

investing in U.S. Treasury securities and U.S. Government Agency securities and with assets under management in excess of $500 million.

No more than 20% of the portfolio may be invested in Money Market Funds, with no more than 10% invested in any one Money Market Fund.

L. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated "A" or better by a nationally recognized statistical-rating organization. ACTA may invest no more than 30% of the portfolio in Corporate Bonds or Notes and no more than 5% of the portfolio with a single corporate issuer. Maturity shall not exceed the projected dates of ACTA's cash needs.

M. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond from issuers not defined in sections B and E of the authorized investments section of this policy of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be rated in a rating of category of "AA" or higher. Purchase of securities authorized by this subdivision may not exceed 20% of ACTA's money that may be invested pursuant to this Section M. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage issuer. There is no limitation on any mortgage security where the issuer is the U.S. Treasury or a Federal Agency/Government Sponsored Enterprise. Maturity shall not exceed the projected dates of ACTA's cash needs or five years, whichever is less.

N. Supranational Organizations, provided that issues are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated "AA" or higher by a nationally recognized statistical-rating organization, with a maximum maturity not exceeding five years. No more than 30% of the portfolio may be invested in these securities, and no more than 10% of the portfolio may be invested in any single issuer.

O. Authorized Investments for Bond Funds and Proceeds. Bond funds and proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond funds and proceeds will be invested in securities permitted by this Policy.

In addition to securities authorized for the investment of bond funds and proceeds, bond funds and proceeds may be invested in Guaranteed Investment Contracts and Investment Agreements with issuers of "AA" rating or better by a nationally recognized statistical-rating organization. Such contracts shall have a maximum of five years maturity. Unless otherwise authorized by the applicable bond documents, no more than 25% of the portfolio may be invested in such contracts and no more than 5% of the portfolio may be placed under contract with a single entity.

With respect to maximum maturities, unless otherwise authorized by the applicable bond documents, bond reserve fund proceeds may be invested in securities with maturities that exceed five years if in the opinion of the Treasurer or Chief Financial Officer it is prudent to make such an investment.

XIV. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to, repurchase agreements and reverse repurchase agreements, Bankers Acceptances, and common stocks are prohibited from use in ACTA's portfolio. Section 53601.6 of the Government Code specifically disallows investments in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

X. TRADING OF SECURITIES

The purchase and sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

XI. PORTFOLIO ADJUSTMENTS

In the event that an investment percentage-of-portfolio limitation in Section VIII is exceeded due to an incident such as a fluctuation in the portfolio's size, the affected securities may continue to be held to avoid losses. If the sale of an affected security would not result in a loss, the Treasurer or Chief Financial Officer shall consider restructuring the portfolio through sale of the affected securities or other means, and base their decision in part on the expected length of time the portfolio would be out of compliance with the Policy if no sale were made.

XII. PORTFOLIO DURATION LIMITATION

The objective of this Policy is to provide a system which will accurately monitor and forecast revenues and expenditures so that ACTA can invest Funds to the fullest extent possible.

The maximum maturity of individual investments shall not exceed the limits set forth in Section VIII. Authorized Investments. However, no investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either 1) specifically, 2) as part of the investment provisions relating to a bond issuance and authorized by the applicable bond documents, or 3) as part of an investment program approved by the Board no less than one month prior to the investment. The weighted average duration of the entire portfolio shall not exceed three (3) years.

XIII. CERTIFICATION OF UNDERSTANDING

All Financial Institutions and Independent Investment Consultant(s) who do investment-related business with ACTA shall receive a copy of this Policy and sign a Certification of

Understanding. The Certification of Understanding shall state that each employee of the entity serving ACTA:

A. Has read and understands ACTA's Investment Policy, as well as applicable federal and state laws;

B. Meets the requirements of Article VII of ACTA's Investment Policy;

C. Agrees to make every reasonable effort to protect the assets of ACTA from loss;

D. Agrees to notify ACTA in writing of any potential conflicts of interest; and

E. Agrees to notify ACTA in writing of any changes in personnel with decision-making authority over ACTA's funds within 24 hours of such event.

XIV. MONITORING CREDIT RATINGS

Independent Investment Consultant(s), if any, shall monitor the ratings of all investments in assigned portfolios on a continuous basis. Independent Investment Consultant(s), if any, shall report to the Chief Financial Officer in writing within 24 hours of any credit event for any investment in which there is a credit downgrade to a rating that is lower than that required by Section VIII Authorized Investments. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this Policy, the Independent Investment Consultant(s) shall also make a written recommendation to the Treasurer and Chief Financial Officer as to whether the downgraded security should be held or sold.

XV. POLICY REVIEW

This Investment Policy shall be reviewed regularly by the Treasurer or Chief Financial Officer, and submitted to the Board for its approval at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this Investment Policy to ensure that ACTA can adapt readily to changing market conditions, and approve any modification to the Investment Policy prior to implementation. Any changes in the Investment Policy shall be reviewed and approved by the Board at a public meeting.

ACTA
Alameda Corridor Transportation Authority

ITEM #4

M E M O

Alameda Corridor Transportation Authority

To:	Governing Board
Meeting Date:	March 21, 2024
From:	Kevin L. Scott, Chief Financial Officer
Subject:	APPROVE 2024-2025 Renewal of Insurance Coverage

Recommendation:

It recommended that the Governing Board authorize the Chief Financial Officer or his designee to:

1. Negotiate and accept the recommendations of Willis Towers Watson ("Willis"), ACTA's Broker of Record, for placement of required insurance for the period April 15, 2024 through April 14, 2025; and
2. Bind insurance, on behalf of ACTA, in accordance with the recommendations of Willis.

Renewal Process:

Each year ACTA's Broker of Record reviews ACTA's insurance needs and solicits bids for insurance coverage on behalf of ACTA. The current insurance policies will need to be renewed effective April 15, 2024. ACTA carries eight types of insurance coverage, as shown on the attached Insurance Program Schematic in Transmittal 1.

ACTA's insurance year begins on April 15 and ends on April 14 of the following year. ACTA purchases insurance policies covering Corridor Property, Difference in Conditions, Terrorism, Railroad Liability, Auto Liability, Office Property, Workers' Compensation, Directors & Officers Liability, and Crime Insurance. Certain policies, including Corridor Property Insurance with an associated Business Interruption Rider are required by the terms of the Master Trust Indenture. Under the terms of the Use & Operating Agreement, the Railroads reimburse ACTA for premiums for the Corridor Property and Railroad Liability policies.

On February 6, 2024, ACTA staff met with representatives from ACTA's Broker of Record, Willis, to begin the annual insurance policy renewal process. During the preliminary meeting, Willis indicated that, as a result of market factors, insurance premiums can be expected to increase by about 5% to 8% this year. With Willis's assistance, ACTA completed the insurance applications for use by prospective carriers. Willis has presented ACTA's insurance needs, business model, and financial credentials to appropriate insurance markets to solicit coverage proposals on ACTA's behalf. As of the present, ACTA has received a proposal from the incumbent, which is a 1.6% increase from the prior year's renewal. Willis continues seeking additional proposals from other carriers to ensure annual premium competitiveness for the required coverage. Upon finalization, ACTA and Willis will meet with risk managers from both railroads to review and approve the coverage. Upon authorization of the Governing Board, the Chief Financial Officer or his designee will bind the final insurance portfolio. See Transmittal 2 for a Preliminary Premium Summary.

Budget Impact:

Willis is compensated directly by ACTA and receives no commission compensation from any insurance company or provider. Costs for the premiums and for Willis are included in the FY24 Budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.

Transmittals:

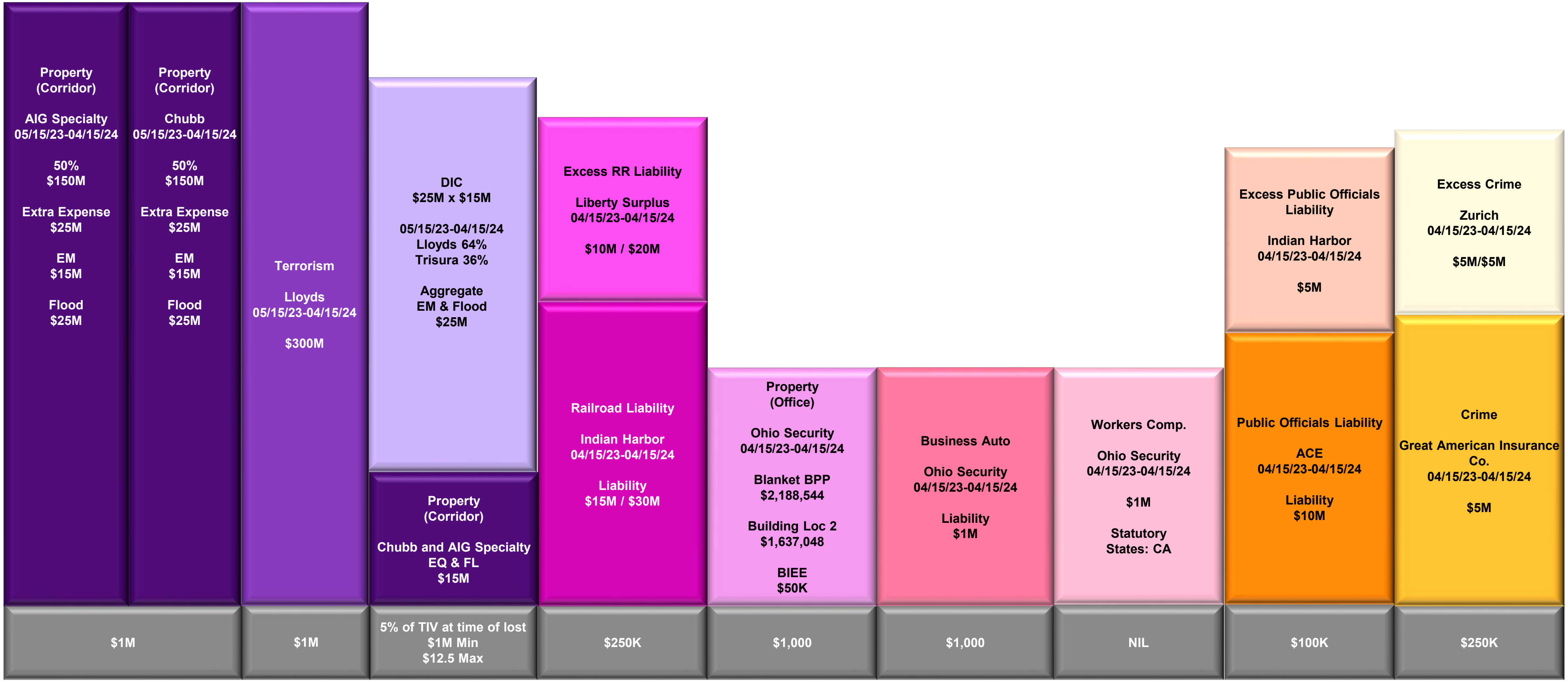
Transmittal 1 – 2024-2025 Insurance Program Schematic
Transmittal 2 – 2024 Preliminary Premium Summary and Comparison to 2023 Insurance Policies

Alameda Corridor Transportation Authority

Transmittal 1 - 2024- 2025 Program Schematic: Updated 03/13/2024

LEGEND

Deductible



Transmittal 2 – Preliminary Premium Summary and Comparison

Coverage	2024 Exposure	Exposure% Change from 2023	2023 Premium (A) (Includes 1 month extension for Corridor Property and DIC)	2023 Premium Adj for 2024 Exposure Change (B)	2024 Premium (C)	2024 Premium Change before Adj (C-A)	2024 Premium Change after Exposure Adj (C –B)
Corridor Property (AIG)	$1,738,036,876 TIV	2.33%	$1,081,693	$1,106,896	$0	$(1,081,693)	$(1,106,89)
Corridor Property (Chubb)	$1,738,036,876 TIV	2.33%	$834,201	$853,638	$1,906,031	$1,071,830	$1,052,393
Terrorism (2022 coverage included in Corridor Property AIG placement)	$1,761,557,657	2.33%	$42,345	43,332	39,708	($2,637)	$(3,624)
DIC	$1,761,557,657 TIV	2.33%	$352,830	$361,051	$385,000	$32,170	$23,949
Railroad Liability	$1,579,245 Payroll	7%	$144,160	$154,496	$149,375	$5,215	($5,121)
Excess Railroad Liability	$1,579,245 Payroll	7%	$57,690	$61,826	$59,770	$2,080	($2,056)
Auto	0 Vehicle	0%	$297	$297	$297	$0	$0
Office Property	$6,968,447 TIV	82%	$8,080	$14,706	$11,240	$3,160	($3,466)
Workers Compensation	$1,579,245 Payroll	7%	$8,351	$8,351	$9,120	$764	$764
Crime	11 FTE	0%	$11,218	$11,218	$11,982	$764	$764
Excess Crime	11 FTE	0%	$4,599	$4,599	$5,881	$1,282	$1,282
Directors & Officers / EPL	$107,627,326 revenue	7%	$61,342	$65,636	$69,213	$7,871	$3,577
Excess Directors & Officers / EPL	$107,627,326 revenue	7%	$13,500	$14,445	$14,375	$875	($70)
TOTAL			**$2,620,306**		**$2,660,310**	**$40,004**	**($40,181)**

ACTA
Alameda Corridor Transportation Authority

ITEM #5

M E M O

Alameda Corridor Transportation Authority

Meeting Date:	March 21, 2024
From:	Michael C. Leue, Chief Executive Officer
Subject:	APPROVE First Amendment to Agreement No. C0906 with Dudek to add an additional 12 months for CEQA consulting services

Recommendation:

1) Approve the First Amendment to Agreement No. C0906 with Dudek to add an additional 12 months to the term for the continuation of CEQA consulting services.
2) Authorize the Chief Executive Officer or his delegate to execute said amendment to extend the term of agreement C0906 for 12 months through April 09, 2025.

Background:

At its February 24, 2023 meeting, the Governing Board authorized the execution of an agreement with Dudek for CEQA consulting services related to the Port of Long Beach (POLB) Pier B On-Dock Rail Support Facility Project (Pier B Project) Environmental Impact Report (EIR). The agreement provided for a one-year term and a compensation not-to-exceed amount of $50,000.00. ACTA's CEO executed the agreement on April 10, 2023.

The POLB Pier B Project is intended to provide railroad tracks for staging and storing railcars in support of on-dock facilities, thereby increasing rail capacity and efficiency which would benefit ACTA with capabilities to facilitate handling increasing rail volumes.

The POLB Pier B Project EIR/EIS did not name ACTA as an authorizing or coordinating agency. Therefore, ACTA needs to perform an independent assessment of those environmental documents to verify that the impact analyses and findings were appropriately performed. The original schedule to conduct this work in 12 months has been exceeded due to Pier B Project delays by POLB.

Discussion:

Dudek is nearly complete in providing the CEQA consulting services necessary for the Pier B EIR review. However, additional services may be needed to support ACTA Governing Board approval process with responses to questions or requests for additional information. Sufficient funds remain available to fund anticipated additional services and therefore only a term extension is requested at this time.

ACTA staff requests approval of the first amendment to allow Dudek to continue providing CEQA consulting services for the POLB Pier B Project. Approval of the amendment will extend the term of the agreement for an additional 12 months, through April 09, 2025.

Budget Impact:

There will be no net impact to the ACTA Program Budget because there are remaining funds in the agreement budget and all expenditures made under the agreement are reimbursed by POLB. ACTA pays up-front for Dudek's services utilizing funds from ACTA's Local Agency Investment Fund (LAIF) account. The LAIF account is subsequently reimbursed by funds from POLB.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed first amendment as to form.

Transmittals:

Transmittal 1 – First Amendment to Dudek Agreement No. C0906

FIRST AMENDMENT
TO AGREEMENT NO. C0906
BETWEEN
THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
AND DUDEK

THIS FIRST AMENDMENT to Agreement No. C0906 is made and entered into by the Alameda Corridor Transportation Authority ("ACTA"), acting by and through its Governing Board, and Dudek (“Consultant”) as follows:

1. Article 4.2 is hereby removed and replaced in its entirety, as follows:

“4.2 Commencing on the Agreement’s effective date, this Agreement shall be in full force and effect until the earlier of the following occurs:

a. Two (2) years has lapsed from the effective date of this Agreement; or

b. ACTA’s Board, in its sole discretion, terminates this Agreement pursuant to Section 6.”

Except as amended herein, all remaining terms and conditions of Agreement No. C0906 shall remain in full force and effect.

The effective date of this amendment shall be the date of its execution by ACTA’s Chief Executive Officer or his designee.

/ / / / /

/ / / / /

/ / / / /

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Agreement No. C0906 on the date to the left of their signatures.

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

Date:______________________ By:_______________________________
Michael C. Leue, P.E.
Chief Executive Officer

Attest: ____________________________
Secretary

DUDEK

Date: _____________________ By:_______________________________

Name: ____________________________

Title: _____________________________

Attest: ____________________________

Name:____________________________

Title: ____________________________

APPROVED AS TO FORM
____________________________, 2024
HYDEE FELSTEIN SOTO, Los Angeles City Attorney

By ________________________________
Heather M. McCloskey, Deputy
ACTA Co-General Counsel

ITEM #6

M E M O

Alameda Corridor Transportation Authority

Meeting Date:	March 21, 2024
From:	Michael C. Leue, Chief Executive Officer
Subject:	APPROVE Amendment No. 2 to Contract C0885 to extend term of RailWorks Track Services LLC agreement for an additional 5 years and modify certain terms and definitions in the agreement

Recommendation:

Authorize the Chief Executive Officer or his delegate to execute Amendment No. 2 to extend the term of the RailWorks Track Services LLC Agreement C0885 for an additional 5 years and modify certain terms and definitions in the agreement.

Background:

At its April 11, 2019, meeting, the Governing Board authorized the execution of an agreement with RailWorks Track Services, Inc. (RailWorks) to provide maintenance services including track, signal, communications systems and appurtenances of the Corridor. The selection of RailWorks was the result of a competitive RFP process recommendation, and approval by Notice of Mutual Agreement (NMA) from the Parties of the Use & Operating Agreement. The contract provided for a five-year term through April 2024 with an option for a five-year extension through April 2029 with Governing Board approval.

Certain definitions and terms of the Agreement C0885 were changed by executed Amendment No. 1, effective January 01, 2020.

At its May 19, 2022 meeting, the Governing Board authorized the execution of an Assignment and Assumption Agreement to accommodate the assignment of the agreement when RailWorks Track Services, Inc. changed from a corporation to a limited liability company, RailWorks Track Services, LLC. The initial term ends at 11:59 p.m. on April 14, 2024 and ACTA has not selected a replacement contractor.

Discussion:

ACTA staff recommends extension of Agreement C0885, which will enable continuation of maintenance services while providing flexibility to evaluate the costs and benefits of recompeting the contract in the coming year. Recompeting the Maintenance Services Contract is a significant effort and extending Agreement C0885 will enable the decision to recompete to be made and, if necessary, the RFP process to be conducted while continuing the maintenance services under the current agreement. Amendment 2 to the agreement will also clarify some terms that were found to be ambiguous during the first 5 years of the maintenance services.

To enable continuation of maintenance services, the Board is requested to authorize the Chief Executive Officer or his delegate to execute Amendment 2 of agreement C0885 to extend the term for an additional 5 years, through April 15, 2029. Also, terms and definitions are modified in the agreement for clarification.

Budget Impact:

Funds for the Maintenance Services Agreement are already included in ACTA's FY24 Program Budget and the extended term will be included in the future years' Program Budgets.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittals:

Transmittal 1 – Second Amendment to RailWorks Agreement No. C0885

SECOND AMENDMENT TO AGREEMENT NO. C0885 BETWEEN
THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
AND RAILWORKS TRACK SERVICES LLC

THIS SECOND AGREEMENT to Agreement No. C0885 ("Second Amendment") is made and entered into by and between the ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY, a California Joint Powers Authority, ("ACTA"), and RAILWORKS TRACK SERVICES LLC, an Indiana limited liability company, ("Contractor").

WHEREAS, Agreement No. C0885 between ACTA and Contractor was entered into commencing May 1, 2019 and amended by that certain First Amendment to Agreement No. C0885, effective as of January 1, 2020, (collectively, the "Agreement"); and

WHEREAS, pursuant to such Agreement, Contractor provides required maintenance services for the Rail Corridor and Non-Rail Components; and

WHEREAS, the parties now desire to amend the Agreement to extend the term of the Agreement for an additional five (5) years, revise the definitions of "Allowed Markup" and "Local Administrative and Office Support Costs," and modify ACTA's audit rights.

NOW, THEREFORE, in consideration of the premises and the terms, covenants, and conditions hereinafter provided, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Pursuant to Section 4.1 of the Agreement, the term of the Agreement is hereby extended for an additional term of five (5) years, commencing on April 14, 2024 and terminating at 11:59 p.m. Los Angeles time on April 15, 2029.

2. The definition of "Allowed Markup" is hereby deleted in its entirety and replaced with the following:

> "'**<u>Allowed Markup'</u>** means a percentage which shall be added to the costs and expenses actually incurred by Contractor in purchasing or providing equipment, materials, supplies and/or other Direct Costs, including the costs of subcontracting and vendor services, in connection with Contractor's performance of the Services under this Agreement. This percentage shall equal 5 percent (5%) for labor, 5 percent (5%) for Subcontractors' entire costs (including Subcontractors' materials, equipment, and supplies), and 10 percent (10%) for materials (any items built into construction). The Allowed Markup shall not apply to Contractor's Fully Burdened Labor Rates, Contractor-owned or leased vehicles and equipment, Services performed under this Agreement by an Affiliate of the Contractor, and Services transferred to a Subcontractor that were to be performed by the Contractor under the Approved Maintenance Plan unless otherwise approved by ACTA."

3. The definition of "Local Administrative and Office Support Costs" is hereby deleted in its entirety and replaced with the following:

> "**'Local Administrative and Office Support Costs'** means costs of items such as office supplies, cleaning supplies, office equipment, computers and accessories, office furniture, photography equipment and accessories, cell phone service and phone accessories, telephone and internet services, postal & courier service and supplies, ice/water for the office, soda & coffee (and related supplies), food (including catering) for meetings/training sessions/holidays, marketing materials, auto cleaning supplies, gifts for safety awards, tools (including but not limited to hand tools, motorized, electrical, test devices, cordless, or any other tools which would be necessary to perform the "Services" as described in Article 6 of this agreement), and personal work boots. These costs shall be included in the Fully Burdened Labor Rates."

4. The last paragraph of Section 5.6.1 is hereby deleted in its entirety and replaced with the following:

> "Each such invoice shall be in reasonable detail, shall include such supporting documentation as reasonably required by ACTA, and shall be subject to ACTA's audit rights as set forth in Section 13.3. Contractor shall attach to each such invoice signed timecards detailing the time each employee of Contractor spent performing Services under this Agreement and payroll registers for that time period. In the event that Contractor used subcontracting services during such period, Contractor shall also provide the information and documents required under Section 5.7 (including the invoice for subcontracting Services performed for the prior calendar month, which invoice shall be in the same form and contain the same information, as may be applicable, as required under this Section 5.6.1)."

5. Section 13.3 is hereby deleted in its entirety and replaced with the following:

> "**13.3 Audit Rights.** At any time during the term of this Agreement and for a period of not less than three (3) calendar years after the termination of this Agreement, ACTA has the right to inspect and audit Contractor's statements, books and records with respect to Contractor's performance of Services under this Agreement. Contractor agrees to accept the results of ACTA's audit(s), including, but not limited to, when questioned or disputed costs are extrapolated or applied to the entire population or Contract Year, and to pay or reimburse ACTA for any amounts due under this

Agreement pursuant to such audit results. ACTA acknowledges and agrees, however, that the rates set forth in the Approved Maintenance Plan are negotiated rates that are not subject to audit; provided, however, that ACTA shall have the right to audit whether or not the correct rate was applied in such instance, and/or the correct number of hours were applied to such rate, and whether wages meet or exceed the minimum prevailing wage rate requirement. ACTA has the right to enter, or cause its agent to enter, Contractor's or Subcontractor's place of business (or such other facilities where such books or records are stored pursuant to Section 13.6) during normal business hours to perform such inspection and audit; provided, that ACTA shall give Contractor and Subcontractor reasonable prior notice of its desire to inspect such books and records at Contractor's or Subcontractor's place of business (or such other facilities where such books or records are stored). Contractor shall also cause similar audit provisions to be a part of any subcontract agreement into which Contractor shall enter into in connection with this Agreement."

6. Except as amended in this Second Amendment herein, all remaining terms and conditions of the Agreement remain in full force and effect.

7. Capitalized terms not otherwise defined herein shall have the meaning assigned thereto in the Agreement.

8. This Second Amendment shall be effective upon the date of execution by ACTA's Chief Executive Officer.

///

///

///

///

///

///

///

///

///

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Agreement No. C0885 on the date next to their signatures.

ALAMEDA CORRIDOR
TRANSPORTATION AUTHORITY

Date:______________________

By:______________________________
Michael C. Leue, P.E.
Chief Executive Officer

Attest: ____________________________
Secretary

RAILWORKS TRACK SERVICES LLC,
an Indiana limited liability company

Date: _____________________

By:______________________________

Name: ___________________________

Title: ____________________________

Attest:____________________________

Name:____________________________

Title: ____________________________

APPROVED AS TO FORM

____________________________, 2024
Dawn McIntosh, Long Beach City Attorney

By ________________________________
Thomas Y. Oh, ACTA Co-General Counsel