

**Peninsula Corridor Joint Powers Board (JPB)
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

**Minutes
August 2, 2012**

MEMBERS PRESENT: J. Cisneros, M. Cohen, J. Deal, A. Kalra, L. Kniss, A. Lloyd, T. Nolan, A. Tissier, K. Yeager

MEMBERS ABSENT: None

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, G. Harrington, C. Harvey, R. Haskin, M. Lee, M. Martinez, N. McKenna, S. Murphy, M. Scanlon, M. Simon

Chair Adrienne Tissier called the meeting to order at 10:07 a.m. and led the Pledge of Allegiance.

Director Liz Kniss arrived at 10:08 a.m.

PUBLIC COMMENT

George Chang, Tom's Metal Specialists, said six months ago their company successfully finished work on the Santa Clara and South Terminal Station Improvement Project. To-date they have not received their \$200,000 retention fees from S.J. Amoroso. Retention fees are required to be paid within 30 days and the Peninsula Corridor Joint Powers Board has not done anything to have this money paid back. He is asking the Board to intervene to get these fees paid back immediately.

Executive Director Michael Scanlon said staff will be discussing this issue and the matter of the prime contractor in closed session today.

Director Kniss left at 10:12 a.m.

Greg Conlon, Atherton, congratulated the Board and staff for receiving funds for electrification. He said a discussion needs to occur regarding the two-track and four-track issue to accommodate seven trains per hour to San Francisco.

Jim Maloney, Port of San Francisco, said he wanted to recognize the support the Port has received from Caltrain staff. The Port has regular freight rail cargo coming in and out of the Port that travels up and down the Caltrain line.

CONSENT CALENDAR

- a. Approval of Minutes of June 7, 2012
- b. Information on Preliminary Statement of Revenues and Expenses for June 2012

The Board approved the Consent Calendar (Nolan/Lloyd).

CHAIRPERSON'S REPORT

Recognition of State Legislature Delegation for Support of Caltrain Modernization

Chair Tissier said the signing of Senate Bill 1029 by Governor Brown on July 18, 2012 was a historic moment. The Board and staff want to recognize the legislators who represent us in casting votes to approve legislation that funds the Caltrain Modernization Program. This definitely sets us on a course for a high-speed rail (HSR) system that will transform California and points us clearly towards the future.

Chair Tissier said Caltrain riders and Bay Area residents will benefit from more train service, more stations, train service that will be cleaner, quieter, and will take more cars off the roads and highways. No such achievement would have occurred without the efforts of many.

Chair Tissier said some of the key partners were the Bay Area Council led by Jim Wunderman, the San Mateo County Economic Development Association led by Rosanne Foust who is represented today by Christine Madrigal, the Silicon Valley Leadership Group led by Carl Guardino and the Friends of Caltrain represented by Adina Levin. These organizations saw the value of a modernized Caltrain early on and have been committed to this system and its role in bringing HSR to the Bay Area.

Chair Tissier said as a San Mateo County Supervisor and as a member of regional transportation boards she understands elected office requires tough choices, choices that sometimes are met with concerted and vocal opposition. She said sometimes in the face of such opposition and with considerable political risk, you have to cast that vote for what you think is right, that serves the long-term best interests of all, even if it is momentarily unpopular.

Chair Tissier said our legislators cast such a vote and we want to take this moment to say we recognize the courage they showed, the vision they demonstrated, and to say thank you and well done, and to celebrate the bright future for Caltrain they have helped ensure. The following were recognized but could not be present:

- Assemblyman Tom Ammiano
- Assemblyman Jim Beal
- Assemblywoman Nora Campos
- Assemblyman Paul Fong
- Congresswoman Anna Eshoo
- Senator Mark Leno
- Senator Leland Yee

The following were in attendance:

- Assemblyman Rich Gordon, represented by Jeremy Dennis
- Assemblyman Jerry Hill
- Assemblywoman Fiona Ma, represented by Kelenia Olson
- Congresswoman Jackie Speier, represented by Brian Perkins
- Senator Elaine Alquist, represented by Sailaja Rajappan

Chair Tissier said we need to take note of the tremendous help received at the Federal level by Congresswomen Anna Eshoo and Jackie Speier who made sure the Federal funds would be

available for this project and stood in firm support of Caltrain modernization. Chair Tissier said we want to take special note of the work by Assemblymen Jerry Hill and Rich Gordon for their early and steadfast support of the modernization of Caltrain and their work on the legislation to make it better, address the concerns of their constituents and ensure the interests of Caltrain are in parallel with the interests of the people they serve.

Director Kniss returned 10:24 a.m.

Assemblyman Hill said he appreciated the sentiment and hard work the staff and Board have put into this project and the modernization plan. He said this decision was quite easy for him as someone who sat on this Board because of the value and real appreciation for rail on the Peninsula and the success of the system, the vibrancy of the system and what it does for public transportation.

Director Ash Kalra arrived at 10:26 a.m.

Director Kniss said it was a difficult vote that Assemblyman Hill took and it took courage and she admires his vote.

Director Ken Yeager recognized Chair Tissier as Chair of the JPB and the Metropolitan Transportation Commission (MTC) for her hard work. It was through her leadership and direction as Chair of MTC that led to a workable Memorandum of Understanding (MOU) bringing all the stakeholders together. The effort led to regional agreement on the important projects that can now be moved forward and, more significantly identify the local funds necessary to match the State contribution. He said none of the Caltrain partners individually could have come up with a funding strategy necessary to provide the local match and it was only with the creative leadership of MTC and the significant contributions by the partners that we were able to achieve this goal. Director Yeager said Chair Tissier has been tireless in advocating on behalf of both organizations, particularly Caltrain, and how she continues to be so polite and considerate to everybody is something all elected officials admire and is one reason why everyone has been able to come together on the funding needed to electrify Caltrain. On behalf of the Board, he presented Chair Tissier with a bouquet of flowers.

Director Malia Cohen arrived at 10:28 a.m.

Chair Tissier recognized lobbyists Mike Robson and Trent Smith from Edelstein, Gilbert, Robson and Smith, and Gus Khouri from Shaw, Yoder.

Director Tom Nolan said he was at the signing ceremony in San Francisco. He said it was great hearing Governor Brown talk about Caltrain in glowing terms and how important it is to the region.

Public Comment

Jeff Carter, Millbrae, thanked the Board and all the elected officials who had the courage to vote for the funds for Caltrain electrification. He said no one knows what the future holds so we shouldn't be limited to two tracks.

REPORT OF THE CAC

CAC member Bruce Jenkins reported on the July 18 meeting:

- Welcomed four new members.
- A presentation was given on the Caltrain Modernization Program.
- Staff provided an update on the new rail operator.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – May 2012 compared to May 2011
 - Total Ridership was 1,333,901, an increase of 16.7 percent.
 - Average Weekday Ridership was 49,017, an increase of 15.3 percent.
 - Total Revenue was \$5,689,723, an increase of 23.4 percent.
 - On-time Performance was 90.9 percent, an increase of 0.8 percent.
 - Caltrain Shuttle Ridership was 7,643, an increase of 10.3 percent.
 - Monthly Performance Statistics – June 2012 compared to June 2011
 - Total Ridership was 1,319,404, an increase of 11 percent.
 - Average Weekday Ridership was 50,390, an increase of 13.4 percent.
 - Total Revenue was \$5,778,347, an increase of 18.1 percent.
 - On-time Performance was 90.5 percent, an increase of 2.5 percent.
 - Caltrain Shuttle Ridership was 7,521, an increase of 8.7 percent.
 - Year-to-Date Performance Statistics – June 2012 compared to June 2011
 - Total Ridership was 14,134,117, an increase of 11.5 percent.
 - Average Weekday Ridership was 44,212, an increase of 10.8 percent.
 - Total Revenue was \$59,884,490, an increase of 22.1 percent.
 - On-time Performance was 93 percent, an increase of 0.3 percent.
 - Caltrain Shuttle Ridership was 7,195, an increase of 25.6 percent.
- Increased ridership is indicative of job recovery in the area.
- July service changes include modifications to fares, primarily aimed to encourage people to use Clipper.
- The Bicycle Advisory Committee cancelled their July meeting and will meet on September 20.
- Staff is working to add the additional service in October, but it is contingent on finding the appropriate level of crew resources.
- Staff participated in the Out of Darkness Overnight Walk to raise awareness on suicide and exceeded their \$12,000 goal.
- Special service:
 - The Warped Tour event at AT&T Park carried an additional 6,700 riders.
 - The Earthquakes played at Stanford Stadium and with an additional 1,600 riders.
 - The Giants had 16 home games in June and averaged about 7,322 additional riders per game. Year-to-date an additional 365,000 riders have been carried, an 11 percent increase over the same number of games last year.
 - Extra service was provided on July 4 to accommodate the fireworks and carried an additional 3,000 passengers, an increase of 14 percent from last year.
- Extra service will not be provided for the America's Cup because of the extra service being provided for other events occurring at the same time. Staff will caution people that there could be overcrowding.

- Construction on the San Bruno Grade Separation Projection continues to go well. Over the past three weekends, crews have lifted six girders into place without any incident.
- The reading file contains a combined May/June Safety & Security Report, the latest *Track the Fun* brochure and a special Stanford football service schedule.

Executive Officer Caltrain Modernization Program Marian Lee said based on the recent actions and approvals, there are two key timeframes to keep in mind, 2019 and 2029. By 2019 staff is focused on delivering an electrified Caltrain system with the advanced signal system. The signal system would be done by the end of 2015. Funding is in place so the need now is to focus on a cash flow strategy to allow staff to deliver the project. Ms. Lee said by 2029 is when staff is expecting to receive the HSR trains from the Central Valley. In order to do this, staff needs to identify additional improvements beyond Caltrain electrification. For those additional improvements, staff needs to come up with additional monies and a funding plan.

Ms. Lee said there are some projects local stakeholders or project sponsors would like to achieve before 2029 such as the Downtown Extension Project and potential grade separations. While staff focuses on electrification delivery, they will be working in parallel with the stakeholders to try to advance some of these additional improvements needed.

Ms. Lee said associated with the 2019 timeframe, staff will need to do a couple of things in parallel. The Board has approved a team in place for the Advanced Signal System Project and will move this project from critical design to the final design phase. At the same time, staff will need to update and recirculate the Caltrain electrification environmental document and the goal is to complete it by the end of 2013. She said a team will need to be pulled together to explore different project delivery options for the electrification infrastructure as well as procuring the electric vehicles. This will be done with the mindset of trying to shorten the timeframe, but at the same time balancing a thoughtful process with the communities and think through the type of public/private partnership that is going to distribute the risks in the appropriate way. Ms. Lee said lastly, but very importantly, staff has to fine tune the communications structure with stakeholders. Last year when outreach was being done there were lots of venues and lots of meetings and she is not sure how efficient and effective that was. Specific to that, there are 17 cities in the electrified corridor and Caltrain staff has been asked to facilitate a meeting with these cities to figure out how they might have a stronger voice in moving forward. Ms. Lee said there has been some discussion of having some type of task force or advisory policy level committee. She said a venue needs to be created for the MOU partners. The Friends of Caltrain have reached out to staff that they would like to support and help in providing greater public outreach.

Ms. Lee said work continues on the blended system planning efforts with the local stakeholders to specifically determine additional improvements beyond Caltrain electrification, such as potential passing tracks and potential grade separations. The two planning efforts active right now are running what-if operation scenarios in the simulation model and looking at the grade crossings and the relationship with local traffic. Ms. Lee said staff's priority is delivery of the electrification project and determine what needs to be done in parallel or sequentially.

Director Kniss said she is getting her ticket checked all the time now, stations are being announced and conductors are asking people to not take up two seats.

Director Kniss left 10:55 a.m.

Public Comment

Jeff Carter, Millbrae, said he is glad to hear average weekday ridership is over 50,000. He said it would benefit everyone if there was a frequently asked question page on positive train control, what is envisioned for Caltrain and how it compares to the systems used in Europe.

Andy Chow, Bay Rail Alliance, congratulated Caltrain on the funding for electrification. Bay Rail Alliance would like to see electrification happen before 2019 and their organization is committed to work with staff to make sure the process for the environmental updates is done as smooth as possible. He congratulated the staff and Board for reaching the 50,000 ridership milestone. Once again, the public has been proven wrong, Caltrain is a valuable service.

Pat Giorni, Burlingame, said Ms. Lee has developed a great level of trust among the public. She asked if 2019 is full electrification or running mixed-use equipment. Mr. Scanlon said it will be mixed use with diesel still running to Gilroy.

Ed DeLanoy, San Carlos, said at the last meeting, Director Jerry Deal had many questions regarding the fuel hedging and his concern about hedging unless you have to is absolutely correct.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR MAY 2012

Deputy CEO Gigi Harrington said the May revenue is \$5 million over budget and there are about \$5 million in savings in expenses. Last week fuel was \$2.78 per gallon and year-to-date is \$2.79 per gallon. The new fuel hedge was tripped last month and \$14,000 was received from the bank. She said after the June books are closed staff will be back to recommend putting any surplus from Fiscal Year (FY) 2012 towards FY2014.

A motion (Nolan/Lloyd) to accept the May 2012 statement was approved unanimously.

UPDATE ON THE EXECUTION OF THE FISCAL YEAR 2013 FUEL HEDGE PROGRAM

Ms. Harrington said 50 percent of the fuel portfolio was hedged in late May at \$2.80 per gallon. This year the counterparty is Barclays. Legal costs were significantly below budget because there was no need for legal opinions this year.

AUTHORIZE APPROVAL AND RATIFICATION OF THE FISCAL YEAR 2013 INSURANCE PROGRAM FOR A TOTAL PREMIUM COST NOT-TO-EXCEED AMOUNT OF \$3,408,388

Ms. Harrington said insurance was procured for the JPB on July 1, 2012. There is a \$2 million deductible on the liability insurance which is the biggest portion of the cost. Insurance is purchased from \$2 million to \$200 million and in the Transit America Services contract they agreed to pick up the layer from \$200 million to \$300 million. The total cost was \$3.4 million and is within budget, although higher than last year.

Director Nolan asked what the deductible is for liability. Ms. Harrington said \$2 million and sometimes attorney fees do not go against the deductible. She said when she brings the cases to

the Board in closed session she puts aside reserves and runs it through the income statement for any known or anticipated claims so the deductible is fully fundable when staff closes out a transaction.

A motion (Cisneros/Yeager) to approve and ratify the Fiscal Year 2013 Insurance Program for a total premium cost not-to-exceed amount of \$3,408,388 was approved unanimously.

AUTHORIZE REJECTION OF ALL PROPOSALS FOR PROVIDING GEC DESIGN SERVICES AND GEC DESIGN-REVIEW SERVICES

Ms. Harrington said staff went through a solicitation process for two design services contracts. A vendor identified some concerns over some potential irregularities. Deputy CEO Chuck Harvey investigated those and found no significant irregularities, but in an abundance of caution, staff is recommending rejecting the two proposals and resoliciting. There is cost capacity in the current GEC contracts and staff is asking to extend the term, which is within the Executive Director's authority. Ms. Harrington said staff is committed to begin a new procurement process to be completed in 12-14 months. Staff wants to take some time with the new information available on the Caltrain Modernization Program to relook at the scope of services before they reissue the solicitation for these services. Staff plans on following the Board approved Contracts and Procurement Process and have the Disadvantaged Business Enterprise office actively involved in this process and looking at the solicitation.

Director Yeager said Mr. Kal Krishnan contacted his office. Director Yeager asked when this procurement will be reissued. Ms. Harrington said staff will take about 90 days to relook at the scope because of the changes in the Caltrain Modernization Program and staff wants to make sure they are thoughtful on what services are included in this procurement and then it is a nine month process from start to finish.

Director Malia Cohen asked if there is a lot of work anticipated in rewriting the scope. Ms. Harrington said they are not sure. Staff wants to sit down and do some brainstorming and think about delivery methods and form a recommendation on the scope of services and it could be broader than the current solicitation.

Director Cohen asked if all parties are on board with the recommendation. She said her office also received some calls on this Request for Proposal (RFP). Ms. Harrington said she is not sure if there is full consensus.

Public Comment

Kal Krishnan, Kal Krishnan Consulting, said his company spent nine months tracking the proposal, putting a team together to submit a proposal, and now the proposals are rejected. He would like the contracts awarded to the two finalists and keep the current contractors, too. There are several highly skilled members of staff who can write the new scope of services within 24 hours and the rest of the RFP is boiler plate. Mr. Krishnan said it should not take 14-18 months to award a new contract. He would ask the Board to reconsider staff's request to reject all proposals.

Luay Aljamal, Kal Krishnan Consulting, said Mr. Scanlon and staff have done an excellent job. He would like to see the extension changed to December 31, 2012. He said the scope is well

written. Mr. Aljamal asked the Board to postpone this decision today until next month to give staff a chance to review and ensure this is the best approach. He said there is no need to reject all bids.

Lee Davis, Oakland, said he is a small business owner and this is an issue that impacts small and minority businesses. He said he is the former president of the Northern California Chapter of the Conference of Minority Transportation Officials. Mr. Davis said this kind of solicitation has significant dollar value and tremendous impact on the small business community. He encouraged staff to look at the duration of time they are estimating that it will take to get the RFP back out on the street and give the consideration it needs for the small, minority and women owned businesses in the community.

Chair Tissier asked if there is something staff can do to attempt to shorten the timeframe. Mr. Scanlon said staff hopes to get it back on the street in 90 days, but the procurement process takes long. Ms. Harrington said she is reluctant to shorten the time until she is able to talk to staff, but would be happy to report back at the next meeting.

Director José Cisneros said he would like to approve this recommendation today and hear back from staff next month on a schedule, but take all the proper precautions and safeguards along the way so this doesn't happen again.

Director Cohen said she would like to table this until next month.

Chair Tissier said the Board is asking staff to look at the timeframe of awarding this contract.

Legal Counsel Joan Cassman said this recommendation is to bring closure to the current solicitation and allow staff to regroup and look at the scope. She said the two firms who were found to be in the competitive range and were being interviewed for the design review services were not finalists in that sense of the term. They were being reviewed to determine one awardee and the RFP was very clear that only one contract was going to be awarded per solicitation. Ms. Cassman said the best course of action is to close the solicitation and allow staff to move forward with all due deliberate speed to get the solicitation back out on the street. She said postponing the rejection of bids doesn't help, it keeps this chaos alive and staff would be back next month with the same recommendation.

Director Kalra supports moving forward with the recommendation, but would appreciate staff coming back next month to see if the timeframe can be tightened at all. He said part of the process is to renegotiate the current contracts to the end of next year and asked if staff waits to hear the new timeline before the end date is set on these contracts. Ms. Cassman said the flexibility staff desires would be made clear in the negotiations, and in any written addendum, staff has the right to terminate at any time.

Deputy CEO Chuck Harvey said he has spoken to the engineering and construction staff and has received assurances from them they will look very carefully at giving any additional work to the existing GECs and will only use them for current projects and only if absolutely necessary.

A motion (Nolan/Yeager) to reject all bids for GEC design services and GEC design-review services was approved unanimously.

LEGISLATIVE UPDATE

Director, Government and Community Affairs Seamus Murphy said the State funding for Caltrain Modernization is the big piece of legislative news. There has been some significant action at the Federal level on surface transportation reauthorization. After almost three years Congress finally passed a reauthorization bill, Moving Ahead for Progress in the 21st Century (MAP-21), and it essentially maintains the existing funding levels for formula transit programs for the next couple of years through FY2014. He said there are some significant structural and policy changes associated with the bill. It doesn't include any earmarks and will increase the percentage of formula funding coming to the region. It also guarantees states will receive 95 percent of the revenue gasoline purchasers give to the Federal government back for transportation projects in California.

Mr. Murphy said the loan program known as Transportation Infrastructure Finance and Innovation Act was expanded greatly from a \$120 million per year program to \$1.75 billion program over the next few years. The New Starts Program was expanded in terms of eligibility to allow for the renovation of transit systems to be funded through New Starts instead of just transit expansion projects and this can be a critical policy change for Caltrain moving forward. Mr. Murphy said the fact there is some Federal funding stability over the next two years is great news for the industry and Caltrain. He said there are still some elements that MAP-21 doesn't touch on that staff will need to work on over the next year or so. The first is it does not include a Rail Title. It included a Rail Title in the Senate, but was removed in Conference Committee which means the task of reauthorizing the HSR program, reauthorizing Amtrak, and dealing with the Positive Train Control Federal mandate still needs to be addressed. There was a proposal to extend that mandate through a series of one year extensions that agencies would need to apply for, but it was taken out of the bill and will need to be addressed in the reauthorization of the rail authorization measure in effect for another year. MAP-21 also doesn't address the issue of tax benefit parity between drivers and transit riders. This is a critical issue for many riders. Drivers are currently eligible for a \$240 a month benefit and transit riders saw that benefit reduced from a level that was on par with drivers to a \$125 per month. There is a proposal being marked up, as part of the tax extenders package, that the Finance Committee is considering which would bring the benefit for transit riders back to the same level drivers benefit from and staff will be supporting the bill aggressively.

Mr. Murphy said MAP-21 also reduces funding for some key multimodal discretionary programs. One key program is the Transit Enhancements Program. This program is for the bike and pedestrian projects and has been reduced by 34 percent and the MTC is working on some potential State legislation that could bring those discretionary program funding levels back up to where they were in the past, at least for the Bay Area region. Mr. Murphy said the overall transportation funding challenge continues. MAP-21 maintains existing funding levels because of \$19 billion in fund transfers from the Federal General Fund. The gas tax is not sufficient to fulfill the transportation funding needs we have nationally. In FY2014, Congress is going to need to make another transfer in order to maintain these levels or find some additional supplementary revenue source to complement the gas tax revenue generated every year. He said

it is great news for public transportation overall to have this kind of reliability for the next few years.

Director Nolan asked if staff is following Representative Tom McClintock's bill relating to the Central Subway in San Francisco. Mr. Murphy said he has been following it, but staff hasn't officially weighed in on it.

Director Nolan asked if this Board can take an opposition to Representative's McClintock's bill. Ms. Cassman said yes but it must be agendized. Director Nolan asked staff to place this item on the September agenda for discussion.

Public Comment

Adina Levin, Friends of Caltrain, said the July 6 vote was a real nail biter and everyone is very excited with electrification moving forward. She has seen some people put attention to some potential loopholes in the bill [1025] that could put the funding at risk.

Director Cohen left at 11:40 a.m.

CORRESPONDENCE

No discussion.

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

The next meeting will be Thursday, September 6, 2012, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

GENERAL COUNSEL REPORT

- Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): Robert Lightfoot v. Peninsula Corridor Joint Powers Board, City and County of San Francisco, et al., San Francisco Superior Court Case No. CGC-08-483640
- Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): Drill Tech Drilling and Shoring, Inc. v. West Bay Builders, Inc. and Peninsula Corridor Joint Powers Board, San Mateo County Superior Court Case No. CIV514126
- Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): W.C. Maloney, Inc. and Professional Asbestos and Lead Services, Inc. v. Disney Construction, Inc. and Peninsula Corridor Joint Powers Board, San Mateo County Superior Court Case No. CIV514744

- Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): Hammer & Steal, Inc., v. CEM Builders, dba Tucker Engineering, Santa Clara County Superior Court Case No. 111-CV-213492 and S.J. Amoroso Construction Company, Inc. v. CEM Builders, dba Tucker Engineering, San Mateo County Superior Court Case No. CIV511216

Ms. Cassman said the item concerning the Lightfoot case will be delayed until a later date. The other three items have existing formal litigation as well as claims and potential claims related to three construction projects the JPB is near closing.

Adjourned to closed session at 11:40 a.m.

Reconvened to open session at 12:00 p.m.

Ms. Cassman said the Board met in closed session, as permitted by the Brown Act, to discuss three matters of existing and potential litigation.

Ms. Cassman said there is an action the Board will need to take pertaining to the Drill Tech Drilling and Shoring, Inc. item. In order to facilitate a settlement on the San Mateo Bridges Construction Project, the Board will now authorize an increase in the Executive Director's authority to issue change orders under this contract up to a cumulative additional amount of \$130,000.

A motion (Kalra/Nolan) to increase the Executive Director's change order authority up to \$130,000 was approved unanimously.

Ms. Cassman said there are no reportable actions on the other two construction items listed on the agenda.

Adjourned at 12:05 p.m.