



## C. APPROVAL OF MINUTES

Approval of minutes of the special meeting of October 23, 2013.



# Special Meeting of the Governing Board of the Intermodal Container Transfer Facility Joint Powers Authority Minutes

Minutes of the Special Meeting of the Governing Board of the Intermodal Container Transfer Facility Joint Powers Authority, held at the Silverado Park Social Hall, Long Beach, California, on Wednesday, October 23, 2013 at 6:00 p.m. Transcript and Video of this meeting are available at <http://ictf-jpa.org/>

Present: Board Members: Sramek, Knatz, Krause, Moro  
Absent: None  
Chairperson Sramek presided

Also present:

D.	Thiessen	Executive Director
R.	Cameron	Port of Long Beach
C.	Cannon	Port of Los Angeles
J.	Croce	Acting General Counsel
J.	Sidley	Los Angeles Harbor Department General Counsel
Y.	Nicholson	Secretary of the ICTF JPA

Public Speakers:

A.	Logan	East Yard Communities for Environmental Justice
W.	Baker	President of Jobs First Alliance
T.	Faavae	
J.	Cross	President of West Long Beach Neighborhood Association
T.	Rivera	West Side PAC
Z.	Gonzalez	City of Carson Planning Department
S.	Moore	Vice President of Public Affairs at Union Pacific Railroad

## Public Comments on Non-Agenda Items

None.

## Approval of Minutes – October 23, 2013

Knatz moved, seconded by Krause, carried by the following vote:

Ayes: Board Members: Knatz, Krause, Moro, Sramek  
Noes: Board Members: None

### **2013 Officers Election – Item D**

Krause nominated Sramek for Chair, seconded by Moro, carried by the following vote:

Ayes: Board Members: Krause, Knatz, Moro, Sramek  
Noes: Board Members: None

Sramek nominated Krause for Vice Chair, seconded by Knatz, carried by the following vote:

Ayes: Board Members: Krause, Knatz, Moro, Sramek  
Noes: Board Members: None

### **Board Reports of Executive Director – Item E Agenda Items**

Executive Director Thiessen makes an opening statement regarding the fact that Item 6 on the agenda (progress of the ICTF Modernization Project Draft EIR is not yet been released for comments from the public. Additionally he clarified that comments on the Port of Los Angeles SCIG Project proposed by the BNSF Railway is not the subject being presented before the ICTF Board tonight and so public comments should not address that issue.

Chairperson Sramek asked how many audience members wished to speak on Item 6, but since there were no responses, he declined to suggest Item 6 be moved to last.

#### **I. Approval of the new General Counsel**

Executive Director Thiessen recommended that the Board appoint General Counsel for the City of Los Angeles Harbor Department, Ms. Janna B. Sidley.

Knatz moved, seconded by Moro, carried by the following vote:

Ayes: Board Members: Knatz, Krause, Moro, Sramek  
Noes: Board Members: None

#### **II. Financial Audit**

Executive Director Thiessen stated the financial audit for the fiscal year ending June 30<sup>th</sup>, 2012 is completed. The audit determined that the fiscal year documents the financial positions, the change in the financial position, and the cash flows are presented fairly and accurately. The operating revenues for the

fiscal year decreased 4.5% to \$3,800,000. Net assets have decreased, as the JPA has approved distribution to the Joint ventures.

The volume of containers that moved through the fiscal year ending June 30<sup>th</sup>, 2012 remained relatively flat through the ICTF, as on-dock rail has continued to grow in both ports. That decreased by 2.6% to just under 406,000 container lifts.

It is recommended that the governing Board receive and file the Financial Audit Report prepared by KPMG for the fiscal year ending June 30<sup>th</sup>, 2012.

It is also recommended the Board make the following finding, that this activity is an administrative activity that will not result in direct or indirect physical changes in the environment, and as such is not a project as defined by CEQA Guideline Section 15378.

Krause moved, Knatz seconded, carried by the following vote:

Ayes:	Board Members:	Krause, Moro, Knatz, Sramek
Noes:	Board Members:	None
Absent:	Board Members:	None

### **III. Net Facility Revenue Report**

Executive Director Thiessen discussed the Annual Revenue Report for 2012. This reporting period differs slightly from the financial reporting period reflected in the previous staff report. KPMG completed review of the net revenues for the revenue year ending November 1<sup>st</sup>, 2012. There were 416,259 gross container lifts generating \$12,487,770 in gross revenues in gate receipts, a small increase of 1.6% from the revenue year 2011. The gate fees collected by the ICTF less the allowable deductions result in a net facility revenue of \$7,860,595. These revenues are to be equally shared by both Joint Powers Authority and the Union Pacific Railroad. Union Pacific transferred \$3,930,297 to the ICTF investment accounting, representing the 50% share. The investment account is maintained by the City of Long Beach.

The auditors and the JPA staff are in full agreement of all issues.

Executive Director Thiessen recommended the governing Board receive and file the Net Facility Revenue Report for the year ending November 1<sup>st</sup>, 2012. It is also recommended that the Board find this to be an administrative activity that will not result in a direct or indirect physical change in the environment, and as such is not a project defined by CEQA Guideline Section 15378.

Knatz moved, Moro seconded, carried by the following vote:

Ayes:	Board Members:	Krause, Knatz, Moro, Sramek
Noes:	Board Members:	None
Absent:	Board Members:	None

#### **IV. Proposed 2013 – 2014 Budget**

Executive Director Thiessen stated the proposed budget is \$3.9 MM which included approximately \$1.59 MM anticipated for legal and consulting services in connection with Union Pacific Railroad's Application for Modernization of the ICTF. Added to the funds spent in previous years, this totals \$4.9 MM for the staff administration and preparation of the Application for Modernization EIR, which are all reimbursable by Union Pacific Railroad. Operating expenses and items such as audit fees, and meeting expenses will also all be reimbursed by Union Pacific Railroad up to \$100,000 per year. These expenses were accounted for in the 2013 – 2014 budget. Union Pacific Railroad also advances funds to the City of Carson for maintenance costs, which totaled \$107,000 in 2012 – 2013 and were estimated to increase slightly to \$107,837 for 2013 – 2014.

The largest budget item is an expected \$2.2 MM capital improvement cost by the City of Carson. This item has been carried for many years on the ICTF Annual Budget, and the City of Carson has repeatedly requested the funds remain available. These funds have been escalated from previous years, based on the original agreement between the JPA and the City of Carson, which includes a CPI adjustment.

Executive Director Thiessen recommended the Board adopt the 2013 – 2014 budget in the amount of \$3,941,157.

Board Member Sramek asked if there is a schedule on the capital improvement project yet.

Executive Director Thiessen responded that a representative from the City of Carson was present last year and asked if the current representative from the City of Carson would respond to the question before the Board.

Associate Planner from the Planning Division of the City of Carson Zak Gonzalez spoke and indicated that he believed Mr. Masoud from the Engineering Division of the City of Carson sent a letter to the JPA Board staff identifying the agreement that is in place and how the City of Carson will work with the Board staff to implement it. He indicated that it was still ongoing.

Board Member Sramek followed up, saying that it is a needed improvement. He expanded for those who don't know that it is a widening of Sepulveda from ICTF over to Alameda and improving the street.

Mr. Gonzalez said that he can touch base with the engineering staff and report back after the meeting.

Board Member Sramek and Executive Director Thiessen thanked Mr. Gonzalez for his update.

Moro moved, Knatz seconded, carried by the following vote:

Ayes:	Board Members:	Krause, Knatz, Moro, Sramek
Noes:	Board Members:	None
Absent:	Board Members:	None

**V. Distribution of Funds**

Executive Director Thiessen stated that the net revenue distribution from the tenant Union Pacific Railroad is placed into the ICTF revenue account, and was received in November 2012. There is an attachment to the recommendation, which shows the distribution of funds and funds received for the actual year, when they were received, and the estimated amount for the subsequent year. The cash balance in the JPA, before any distribution to partners, is estimated to be \$4.3 MM.

The agreement with the City of Carson required that the JPA contribute to grade separations and the street improvement project discussed previously, and therefore recommended \$2.2 MM be reserved for those capital improvement programs in anticipation for the request from the City of Carson. A distribution of \$4 MM to the joint ventures of the Port of Los Angeles and the Port of Long Beach, was recommended, which left a balance of \$2.0 MM carried forward to 2013 – 2014 fiscal year. This balance is deemed appropriate given the cash-flow requirements in the operational expenses of the ICTF-JPA in the coming years.

Executive Director Thiessen recommended the Board authorize distribution of \$4 MM to be shared equally, \$2 MM to each the Port of Long Beach and Los Angeles.

Board Member Sramek pointed out that the amount is lower than in previous years.

Executive Director Thiessen answered that in previous years, the recommendation had been for larger distributions. He added that the revenues of the ICTF have remained relatively flat in the last few years and that the distributions to the ports has lowered the amount of the investment fund. Therefore, without significant increases, it is expected that distributions would remain at this level.

Knatz moved, Krause seconded, carried by the following vote:

Ayes:	Board Members:	Krause, Moro, Knatz, Sramek
Noes:	Board Members:	None
Absent:	Board Members:	None

**VI. Progress/Status Report on preparation of the Environmental Impact Report of the proposed modernization project**

Joint Powers Authority Staff Richard Cameron provided an update on the status: In the 2012 Board meeting, JPA staff gave a status update of the Draft Environmental document for the proposed modernization of the ICTF. At that time, the Draft or admin Draft EIR had not been completed. Also at that time,

they had received a letter from Union Pacific which moved the schedule further out, but they were unsure as to the types of effects that adjustment would have for the analysis that was being conducted for the modeling of the proposed project.

Since that time, the JPA worked with Union Pacific, determining that the letter moved the construction schedule out, and thereby the project schedule out, but did not change the proposed project.

Additionally, the impact proposed by the models was updated, which was critical for the air quality and what is required for analysis of this type of project under CEQA. Some other recommended changes by staff in terms of updating throughput were implemented because of the change in the schedule so that the most accurate data set was in place. This allowed for a clear objective and accurate analysis for a Draft document.

Mr. Cameron stated that the JPA plans to have the first complete admin draft in the next several weeks. He continued, saying that the next milestone is to get a final Draft EIR that would be ready for public review in late March/April, dependent on internal review.

Joint Powers Authority Staff Chris Cannon agreed that JPA Staff Member Cameron covered the progress well, and added that they are in the process of putting the Draft EIR together and hope to have it ready in late spring.

Board Member Sramek asked if Mr. Cameron or Mr. Cannon could explain the model for environmental quality and what changed from what was being done previously.

Mr. Cameron explained that the models used for environmental analysis in the documents are prepared by CARB (California Air Resources Board), and that the particular model they had been using was from 2007. Since CARB updated the model in January or February of 2013, they decided to use the newest version of the model, which took a little extra time. Their reasoning was that most air agencies, including the AQMD and CEQA lead agencies use the model for the purpose of air quality for mobile sources.

Mr. Cannon added that there was a court case that spoke to the issue of whether a company is obligated to use a newer version of a model if it is dated.

Mr. Cameron stated that Union Pacific, though they wanted to get this document to the next level in terms of the public review, have been very cooperative and understanding. Union Pacific want to make sure that the Draft EIR is accurate and objective, and have been very good in understanding the delay involved in making the changes and updates.

Board Member Sramek stated that he agrees that it is correct to use the newer model.

Executive Director Thiessen saw that no other Board Members had any questions, so he allowed the public to comment. Mr. Dan Hoffman from the Wilmington Chamber of Commerce had submitted a card stating his intent to comment.

Mr. Hoffman introduced himself as the Executive Director for the Wilmington Chamber of Commerce speaking on behalf of Patrick Wilson, the President of the Wilmington Chamber of Commerce. Mr. Wilson requested Mr. Hoffman read a letter, copies of which were given to the Board. The letter stated that the Wilmington Chamber of Commerce supports the ICTF Modernization and Expansion Project due to its leading to a decrease in emissions and ability to efficiently and cleanly move goods. The Wilmington Chamber of Commerce recognized that this modernization will lead to their customers seeing an improvement in their bottom line, which is important in the current economic climate. The Chamber felt that "there should be a sense of urgency to clean our air, create jobs, new tax revenues, and take action now to ensure our ports are a desirable destination to the goods movement." The Wilmington Chamber of Commerce recognized that there are other ports near those of Los Angeles and Long Beach that would love to take business away from the joint ports. The Chamber felt that this modernization will do much to keep the Ports of Long Beach and Los Angeles competitive in the marketplace.

Board Member Sramek thanked Mr. Hoffman and asked if anyone else would like to speak. He also reiterated that the Draft EIR will be out for public comment in late March or early April. He stated that a 45 day comment period is typical but can be extended if necessary.

Mr. Cameron supported Board Member Sramek's statement, saying that a 45 day comment period is the statutory requirement.

Board Member Sramek stated that another meeting should be held when the Draft EIR is out.

Executive Director Thiessen said that they will be in contact with the JPA Board members to schedule a public hearing before the Draft EIR is released.

Board Member Sramek commented that when the SCIG happened, there were many issues with it that have become lessons learned for the JPA Modernization project. Those same issues will not be encountered with this project, that the new model should help to mitigate public issues.

Krause moved to receive the staff update, Knatz seconded, carried by the following vote:

Ayes:	Board Members:	Krause, Moro, Knatz, Sramek
Noes:	Board Members:	None



**VII. Third Amendment to the contract with Environ International Corporation**

Executive Director Thiessen explained that Environ is preparing the ICTF Modernization EIR. They were hired under a one-year contract in 2011 for \$150,000 and the initial authorization was executed to allow Environ to commence work. The agreement has been amended twice, and Executive Director Thiessen recommended it be amended a third time for \$381,120 to continue EIR preparation services. This amendment would adjust the contract with Environ to a new dollar amount of \$1,941,240. Executive Director Thiessen explained that all of these expenses are reimbursable to the Joint Powers Authority by Union Pacific Railroad, who is the Project Applicant. He continued, stating that Mr. Cameron and Mr. Cannon described some of the technical analyses that will be undertaken by Environ and that other technical experts were in the audience to respond to any questions about the particular efforts that will be undertaken with the amendment.

Executive Director Thiessen recommended that the governing board approve the execution of the proposed amendment to the contract with Environ, authorizing funding in the amount not to exceed \$381,120.

Moro moved, Knatz seconded, carried by the following vote:

Ayes:	Board Members:	Moro, Knatz, Krause, Sramek
Noes:	Board Members:	None

**VIII. Recommendation to approve the first amendment to contract with Ascent Environmental for third party and independent EIR review**

Executive Director Thiessen reminded the Board that at previous JPA meetings there was a discussion about the quality of review and protocols that would be used by JPA staff to review the EIR. Ascent Environmental was hired in 2012 for a contract in the amount of \$100,000 to perform this work. Executive Director Thiessen pointed out that due to delays to the EIR, Ascent's efforts need to be extended and recommended that this term be extended from one year to two years. This is a time only extension, no additional funding was recommended.

Executive Director Thiessen recommended the JPA Board approve this amendment to the contract with Ascent to extend the contract term one year.

Board Member Sramek asked if the reason the amendment was for no additional funding was because they come in at the end of the process to review the EIR, and since that has been delayed.

Mr. Cameron said that Board Member Sramek is correct, and that Ascent will be starting their efforts shortly. Since the modeling efforts were just finished and the majority of the results are in, it will be time to finish the admin draft and use the efforts of Ascent.

Knatz moved, Moro seconded, carried by the following vote:

Ayes: Board Members: Krause, Moro, Knatz, Sramek  
Noes: Board Members: None

Board Member Sramek welcomed Acting Executive Director from the Port of Long Beach, Al Moro and thanked Doug Krause for being a Board Member for one Board meeting. He congratulated Geraldine for all of the great years she's had, that none of the environmental things could have been done without her.

## **Adjournment**

*The meeting was adjourned at 6:47 p.m.*