



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, December 10, 2014 at 6:12 p.m. Transcript and Video of this meeting are available at <http://ictf-jpa.org/>

Present: Board Members: Seroka, Castellanos, Dines, Slangerup
Absent: Board Members: None
Chairperson Dines presided

Also present:

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

Public Speakers:

J. Greenwood
E. Warren Executive Director of Future Ports
G. Alexander E2 ManageTech
D. Pettit Attorney with the Natural Resources Defense Council
in Santa Monica
A. Logan East Yard Communities for Environmental Justice
J. Cross President of West Long Beach Neighborhood
Association

Election of Officers – Item B

Executive Director Thiessen recommended that the JPA Board nominate a Chair and Vice Chair.

Castellanos nominated Board Member Dines to be Chair, Slangerup seconded, carried by the following vote:

Ayes: Board Members: Seroka, Castellanos, Slangerup, Dines
Noes: Board Members: None

Dines nominated Commissioner Castellanos to be Vice Chair, Slangerup seconded, carried by the following vote:

Ayes: Board Members: Seroka, Castellanos, Slangerup, Dines
Noes: Board Members: None

Receive and File of Minutes – October 23, 2013 – Item C

General Counsel Sidley stated that the current Board Members were not at the prior Board Meeting and are unable to approve the minutes and can only receive and file them.

Slangerup moved, seconded by Castellanos, carried by the following vote:

Ayes: Board Members: Dines, Slangerup, Seroka, Castellanos
Noes: Board Members: None

Public Comments on Non-Agenda Items

Joan Greenwood stated that she noticed factual errors in the presentation at the Long Beach City Council about the covered coal train cars and covered petroleum coke train cars. She wanted to know who has jurisdiction over the cars, and referenced a paper published by Congress that concluded the issue is local or state, not federal, as well as a 1997 Virginia state law requiring that railroads take precautions to ensure the petroleum coke and coal dust does not leave the car during transport. Greenwood said highest levels of emissions came when the cars were going slowly. Greenwood stated that ultrafine particles have the potential to have a large negative impact on the health of people living near the ports where the trains slow down.

Elizabeth Warren, the Executive Director of Future Ports, talked about the positive impact on jobs the modernized ICTF will have. Warren pointed out the positive economic impact that additional jobs and the flow of income will have on the area. Warren brought up the potential negative impact on the ports that can come with unemployment; without the ICTF jobs, people will not be able to buy items that come into the ports, no cargo would lead to port layoffs which would lead to a negative feedback loop. Warren stated that while actions are being taken to improve our environment, other things are much different now. Future Ports wants to see economic stability and growth in this region. Warren said that UP is willing to create green jobs and do what's necessary for the environment. Warren urged the Board to expedite the EIR so that jobs will be created.

Board Reports of Executive Director – Item E Agenda Items

I. Amendment to the By-Laws of the ICTF JPA

Executive Director Thiessen recommended that the Board amend the by-laws to state that the Board meet at least once a year on or about October, targeting the second Wednesday of that month.

Slangerup stated the desire to see the Board meet more frequently, preferably quarterly, and that October is a difficult for the Board Members to meet. Slangerup stated the meetings could occur on March, June, September, and December.

General Counsel Sidley clarified that the item of consideration is the minimum of one annual meeting.

Board Member Castellanos asked the process required to schedule more meetings.

General Counsel Sidley said that the Board Member could have a motion to suggest increased meetings as a policy matter.

Board Member Castellanos suggested the annual meeting occur on September or December based on the travel schedules of the Board Members.

General Counsel Sidley stated the cleanest most efficient way to move forward is to first address the annual meeting date selection, changing the current date of July, and then a second Motion to have quarterly meetings as a policy matter. Board Member Dines asked the port directors to suggest a month for annual meetings.

Board Member Seroka said September is okay.

Board Member Slangerup said September is good.

Board Member Castellanos said that September works.

Castellanos moved that the annual meeting be moved to September, Dines seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slangerup, Dines, Castellanos
Noes:	Board Members:	None

Castellanos moved that the Board meet quarterly, Dines seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slangerup, Dines, Castellanos
Noes:	Board Members:	None

II. Financial Audit

Executive Director Thiessen stated the financial audit for the fiscal year ending June 30th, 2013 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 increased 9.6% to \$4,187,005.

The volume of containers that moved through the fiscal year ending June 30th, 2013 was up 5.1% to 426,698.

It is recommended that the governing Board receive and file the Financial Audit Report for the fiscal year ending June 30th, 2013.

Seroka moved, Slangerup seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slangerup, Castellanos, Dines
Noes:	Board Members:	None

III. Net Facility Revenue Report and AUP

Executive Director Thiessen discussed an Annual Revenue Report for the ending period November 1st, 2013. The ICTF's net revenue during the year was reviewed by Simpson and Simpson. There were 421,029 gross container moves generating gross revenues of \$12,630,870, a slight increase of 1.2% from 2012 over the specific reporting period. The gate fees collected by the ICTF, less the allowable deductions, result in a net facility revenue of \$8,412,618. These revenues are to be equally shared by both Joint Powers Authority and the Union Pacific Railroad. On November 1st, Union Pacific transferred \$4,206,309 to the ICTF investment accounting, representing the 50% share.

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 1st, 2013.

Castellanos moved, Slangerup seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slangerup, Dines
Noes:	Board Members:	None

IV. 2014 – 2015 Budget

Executive Director Thiessen stated the proposed budget is \$3.7 MM; the majority of the costs estimated for the coming year include \$1.3 MM primarily devoted to environmental and legal costs associated with the modernization of the ICTF proposed project. Operating expenses for the JPA are estimated to be less than \$100,000 a year, include costs for the accounting fees, and are outlined in the proposed 2014 – 2015 budget.

The other large expenditure is an estimated \$2.25 MM for the widening of Sepulveda Boulevard between Alameda Street and the entrance to the ICTF. This project is awaiting the completion of environmental reviews from the City of Carson, which might request the funds.

Board Member Slangerup asked what the JPA has done to press the City of Carson to fulfill its obligation.

Executive Director Thiessen responded that there was a member of the City of Carson present at last year's meeting who gave an update on the status, and asked Greg Alexander if he had an update on what the City of Carson staff said.

Greg Alexander with E2 ManageTech stated that they have reached out to the City of Carson and had not heard back in the last month or so. Alexander said they know that the City of Carson continues to look at it. He thought they were following the developments in the EIR and want to ensure any improvements done align with changes to the entrance or approach to the facility. The City of Carson has indicated they intend to move forward on the project.

Executive Director Thiessen stated that in the minutes from last year's meeting there was a representative from the City of Carson and that they were working on the EIR for the widening. Thiessen proposed that they reach out again to the City of Carson and send an update to the JPA Board on the status.

Slangerup moved, Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slangerup, Castellanos, Dines
Noes:	Board Members:	None

V. Distribution of Funds

Executive Director Thiessen told the Board that the cash balance in the JPA account at the end of the fiscal 2014 year is \$6.2 MM. \$2.25 MM is set aside for improvements on Sepulveda Boulevard. Executive Director Thiessen recommended a distribution from the reserves to both Ports of approximately \$4 MM, \$2 MM to each Port, to be carried over into the 2015-2016 fiscal year.

Board Member Dines asked if there is a restriction on how the ports spend the funds once they have been distributed.

Executive Director Thiessen said he does not believe so and referred to the legal counsel.

General Counsel Sidley stated that the general counsel agrees that the distributions just go into the general fund for general use, according to the by-laws.

Castellanos moved, Slangerup seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slangerup, Dines, Castellanos
Noes:	Board Members:	None

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

JPA Staff Cameron provided an update on the status: In December 2007 Union Pacific submitted an Application for Development Permit (ADP) that the JPA accepted. The staff determined an EIR was needed to evaluate the proposed project under CEQA. Later in 2008, a Notice of Preparation went out for public review. The JPA Board proposed the AQMD prepare the EIR. Two years later the AQMD bowed out of EIR preparation. The JPA then brought Environ, who was assisting the JPA with the technical project management, on to prepare the EIR.

Since that time, there have been changes to the models that are crucial to overall analysis conducted for the EIR. This has required stopping and starting at least twice in order to best model health-risk assessments and traffic. During the prior year's Board update, the JPA staff made abundantly clear that they want to make sure they're doing things correctly, and are re-validating information received from the Applicant.

Last year they were hoping to have had a draft EIR for public review, but adjustments had to be made on modeling. A lot of the overall comprehensive, quantitative analysis has been completed and the administrative draft EIR is being prepared, which will probably take four or five months.

The current goal is to have the EIR ready for public review by mid-June. After that public hearings will be held, and then there will be a collection and review of all comments.

JPA Staff Cannon added that UP has been involved in extensive technical-exchange discussions with the JPA in working through technical issues needed to develop the EIR and continue to be involved in discussions.

Board Member Slangerup asked Cannon or Cameron to comment or provide additional comments on why the process has been restarted a couple of times, and the nature of the additional modelling to better understand what is taking so long.

JPA Staff Cameron responded that in the middle of a model run with the old model, the JPA staff decided that they were better off scrapping what they had and redoing it with the new model since major updates had occurred. This accounted for a significant amount of time. In addition, updates to data points for the air quality section, noise, and baseline were also made. Additionally, a CEQA case came out regarding CEQA baseline and time was spent figuring out the implications what needs to be done.

Board Member Dines asked for comments from the public.

Joan Greenwood spoke regarding health-risk assessments and the models that have been used. Greenwood expressed concern regarding whether Environmental

Impact Reports and their air quality sections are reviewed and signed off by a Board-certified toxicologist. Greenwood noted that the HARP model, according to AQMD, under-estimates risk by a factor of 2.74 for air toxics, especially with regards to carcinogens. Greenwood added that scientific research done over the past two decades addressing health impacts were not addressed in the model and may not be in the revised model. Abstracts and statements are attached to Greenwood's printed comments distributed to the board. Greenwood stated that these air toxins, ultrafine particles, can be traced to genes in DNA and exposure in the womb and critiqued the reporting unit methodology.

David Pettit, an attorney with the Natural Resources Defense Council in Santa Monica, spoke regarding the cumulative impacts portion of the EIR and how it is affected by work that Environ has done in the Southern California International Gateway (SCIG) matter, such as traffic. Pettit noted that the SCIG Project estimates roughly 1,000,000 new truck trips per year in the neighborhood which needs to be considered within the scope of the ICTF. Mr. Pettit said that the ICTF needs to be looked at in conjunction with SCIG and the cumulative impacts. Pettit noted the link between new truck trips and an increase in NO_x from truck emissions and its precursor to smog. Pettit stated a possible conflict with the Air District's plan to meet EPA smog limits by 2016 and the SCIG. Pettit said this needs to be considered as a baseline for this project. Pettit said there is more information within the appendices of the SCIG EIR and questioned whether there is a need for ICTF.

Angelo Logan, with East Yard Communities for Environmental Justice, requested that the JPA prepare the EIR on the Modernization or Expansion of the ICTF after any and all issues are resolved on the SCIG Project. Logan suggested doing so would provide an opportunity to analyze the cumulative impacts from the ICTF and the SCIG. In addition, the pause would afford the opportunity to analyze potential conflicts with design changes that may occur in the SCIG Project. Logan highly recommended preparations for the ICTF occur after SCIG issues are resolved.

John Cross, with the West Long Beach Neighborhood Association, agreed with Angelo Logan and David Pettit regarding postponement of the ICTF and EIR until SCIG is settled. Cross mentioned a comment by Executive Director Geraldine Knatz from a previous meeting regarding whether or not UP was in a rush to complete the project since they recently built a rail facility in New Mexico. Cross stated his belief that the AQMD bowed out from preparing the EIR because they were afraid of being sued.

Slangerup moved, Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slangerup, Dines
Noes:	Board Members:	None

Acting General Counsel Sidley noted there is no motion, this was a report.

Board member Dines acknowledged that Item VI is a report and there is no motion.

VII. First Amendment to Contract with Environ International Corporation

Executive Director Thiessen gave a background for new JPA members, as a condition of the request to enter into a project application to modernize the ICTF, Union Pacific railroad agreed to reimburse the Joint Powers Authority for all costs associated with the preparation of the Environmental Impact Report associated with the proposed modernization. Items 7 through 11 are associated with that project application.

Item 7 is an amendment to a contract with Environ International. As noted by JPA Staff Cameron, Environ was hired in 2011 to assist in the preparation of the EIR. That agreement was amended a couple of times, and the current agreement expired November 10th, 2014 with \$1,095,000 remaining in the budget. JPA entered into a \$150,000 contract under the Executive Director's authority to continue work associated with EIR preparation.

The proposed amendment is for three years and \$1,028,975 to continue Environ's services for continued preparation of the Environmental Impact Report.

Board Member Castellanos asked what of the \$1.8 million in environmental legal fees in the 2014-2015 budget is expected to be spent on Environ in the coming fiscal year. Castellanos notes that there is close to \$1.2 million left of the contract, signifying not much work has been done.

JPA Staff Cameron responded that they are not sure how much work will be needed on the back end and that they are being proactive by putting extra dollars in the contract so work can continue.

Executive Director Thiessen added that Item Number 4 estimated just under \$780,000 for EIR preparation in 2014 and 2015 and that they are expecting some of those costs to extend beyond 2014 and 2015.

Dines moved, Slangerup seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slangerup, Dines
Noes:	Board Members:	None

VIII. Contract with Ascent Environmental

Executive Director Thiessen stated Ascent has been hired for third party review due to delays in the preparation of the draft environmental document. They have spent just under \$7,000 to date. The contract with Ascent expired in November 2014 and they anticipate Ascent's review to last at least one year. They recommend an extension for a period of three years and funds to remain at \$100,000.

Castellanos moved, Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slingerup, Dines
Noes:	Board Members:	None

IX. First Amendment to Contract with E2 ManageTech

Executive Director Thiessen stated E2 ManageTech is providing project management associated with review of the Applicant's project and environmental services associated with preparation of the EIR. E2 ManageTech is also involved with coordinating JPA Board meetings. E2 ManageTech's previous contract of three years and \$471,000 expired September 2014. There is currently a contract with E2 ManageTech for \$150,000 and one year to continue project management services. This amendment would extend that contract to three years and increase the amount of \$150,000 to \$183,296.

Board Member Dines asked if the bulk of the work has been completed but more time is needed, noting the discrepancy between the previous three years at \$471,000 and the additional three years at only \$183,000.

Executive Director Thiessen explained that a large portion of work has been done, as well as the JPA is scaling back E2 ManageTech's services and having some of those performed by other consultants.

JPA staff member Cameron confirmed and added that they are separating out some technical services and bringing Cambridge (Systematics) on to help with the technical aspects. E2 ManageTech will continue to provide more of the contract administrative support and other logistical support.

Slingerup moved, Castellanos seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slingerup, Dines
Noes:	Board Members:	None

X. First Amendment to Contract with the Sohagi Law Group, PLC

Executive Director Thiessen stated the Sohagi Law Group has provided legal services associated with the preparation of the EIR and legal issues associated with the Application for Modernization. Sohagi signed a three year agreement with JPA in 2011 that expired in 2014. They entered into a new one year agreement of \$150,000. The amendment recommends an increase to \$236,000 and three years. It is noted that the previous agreements as well as Item Numbers 10 and 11 are reimbursed to the JPA by Union Pacific Railroad.

Castellanos moved, Seroka seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Slingerup, Dines, Castellanos
Noes:	Board Members:	None

XI. First Amendment to Contract with Cambridge Systematics

Executive Director Thiessen stated that Cambridge Systematics is a new consultant that JPA has brought on board. They entered into a one year \$150,000 contract with Cambridge Systematics. The amendment requests a time extension only to three years, to provide technical assistance and preparation of the EIR.

Seroka moved, Slangerup seconded, carried by the following vote:

Ayes:	Board Members:	Seroka, Castellanos, Slangerup, Dines
Noes:	Board Members:	None

Adjournment

The meeting was adjourned at 7:24 p.m.