



Meeting No. 5 – Scheduled Meeting	Meeting Date April 7, 2009			
Meeting Time 4:30 – 5:46 p.m.	Recorded By A. Charles			
Attendees: <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> Current Members: H. Andy Franklin Linda Lautenberger Elmo Wedderburn James Zumwalt </td> <td style="width: 33%; vertical-align: top;"> Alternates: Bob Barksdale Claudia Spender </td> <td style="width: 33%; vertical-align: top;"> Staff: Angela Charles Tom Horton John Love Kathy Mayo Molly McArthur </td> </tr> </table>		Current Members: H. Andy Franklin Linda Lautenberger Elmo Wedderburn James Zumwalt	Alternates: Bob Barksdale Claudia Spender	Staff: Angela Charles Tom Horton John Love Kathy Mayo Molly McArthur
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Agenda Item	Action Taken			
<i>Welcome & Introduction</i>	Introduction of Members, Alternates, and Staff present.			
<i>Public Comment</i>	No comments.			
<i>Review of Administrative Matters</i>	A COC Member noted that on page 4 in the top box there appears to be a word missing from the last sentence. It reads that the technical side should be left to the project. Should it read project team or project manager? Staff indicated that it should read project team. The committee members voted unanimously to approve the corrected minutes for posting on the BART website.			
<i>Presentation of Audit Report</i>	John Love, Principal Internal Auditor for BART, provided the Committee with the audit report. J. Love indicated that nothing in the report is different from what was reported at the January 6 meeting. The Auditors found that the Committee is acting within their designated responsibilities. They have some recommendations for the committee. J. Love formally presented the report and was prepared to take questions from the Committee. No questions were asked at that time. J. Love indicated that any questions that might come up after			



	<p>reading report can be sent to the project team and answers will be sent through the chair to the Committee.</p> <p>The COC chair expressed appreciation for the audit team's work and found it informative. He indicated that the Committee has already accepted and begun implementing their recommendation to go to site visits to view construction in progress.</p>
<p><i>Bond Fund Investment</i></p>	<p>Scott Schroeder, BART Controller/Treasurer, was called out of town and unable to attend the meeting. He provided a response to the questions raised by the Committee via an email exchange after the last meeting. He will be available to attend the next meeting to answer any additional questions. (See attachment <i>Response to Questions</i>.)</p> <p>An alternate asked when they could ask additional questions regarding the information provided by the Controller/Treasurer. The questions asked are as follows:</p> <ol style="list-style-type: none">1) Principal value is the initial cost value as opposed to fair market value. What is current fair market value of each?2) Are these level 1 investments or level 2? Assume level 1.3) BART has elected equal draws, if one is at higher risk why not do higher proportion or draws from the highest risk?4) Can the Controller/Treasurer provide clarification on the definition of substantial damages should BART request their funds?5) The document states that there is a 50/50 change of prevailing in court. There is a concern that BART has entered a contract



	<p>and is not sure how it will prevail.</p> <p>Staff will get the questions to the Controller/Treasurer.</p> <p>The COC Chair asked if the Controller/Treasurer would be able to come present at the next meeting. Staff indicated that he would. The Chair expressed appreciation for the written material in his absence.</p>
<i>Ad Hoc Subcommittee Procedure</i>	<p>At the January 6, 2009 meeting the Committee discussed creating Ad Hoc Subcommittees and requested that staff develop procedures for creating Ad Hoc Subcommittees. Staff presented the procedures for creating Ad Hoc Subcommittees to the Committee. Staff suggests that when an issue comes up that an Ad Hoc Subcommittee be created to address it. The Ad Hoc Subcommittees would have no more than two members, which would not qualify as a quorum and no public notification would be needed. The Committee would engage in a discussion of which members would be best suited to address the topic in question, and Ad Hoc Subcommittee members would be nominated through the chair. The Ad Hoc Subcommittee would be empanelled until they meet and then report back to the Committee. The findings of the Ad Hoc Subcommittee will be made available publically via the minutes.</p> <p>For example, if further discussion of the Bond Fund Investment is needed, an Ad Hoc Subcommittee could be suggested and the Auditing chair and alternate could be appointed to the Ad Hoc Subcommittee. They would meet with BART staff, then come back to the Committee to discuss their findings. An Ad Hoc Subcommittee can be requested at any time.</p>

The COC Chair indicated that he discussed the procedures with staff and approved them as a way to take some action on what the auditors recommended. He further indicated that he had hoped that there would be discussion amongst the Committee members and alternates and then there would be nomination of some construction sites for an Ad Hoc Subcommittee to go visit. He further indicated that he can't speak to what areas the auditing seat would like to get a higher level of reassurance.

Staff reported that currently there is work happening at Rockridge, West Oakland, Muni Church street, and the North Oakland Aerials. Staff suggested combining more than one site in a site visit and/or have multiple site visits in one day. Staff provided an overview of some of the types of construction that the Committee would be able to see at the various locations.

The members and alternates present indicated their preference for attending a site tour. Staff indicated that the safety requirements vary by site and that staff would provide safety equipment for the Ad Hoc Subcommittee members.

A COC Alternate expressed interest in attending project management reviews, where the team sits down to review the budget and schedule and any type of QA concerns. Staff indicated that meetings are held weekly and monthly. The COC chair asked if it would be possible to



	<p>have a couple of the members attend a project meeting. Staff indicated that the weekly meetings are by project, so it would be possible to pick one project and attend the meeting. The monthly meeting is a program wide meeting. The Project Management/Public Finance member and alternate expressed interest in attending one weekly and one monthly meeting.</p> <p>A COC member asked about the possibility of reviewing any of the tube work. Staff suggested that due to the security sensitive nature of the tube work, it might be easier to do photo documentation and get together with an Ad Hoc Subcommittee interested in reviewing that work.</p> <p>Staff will offer some dates and sites and coordinate the first site visits.</p>
<i>Election of COC Committee Chair and Vice Chair</i>	<p>Annually the Committee Chair and Vice Chair need to be reviewed. Staff asked if there was a preference for staying as they are or choosing a new chair and vice chair. The COC Chair indicated that one member and one alternate were not in attendance, however he is prepared to continue as is or to change. The Vice Chair echoed his sentiment.</p> <p>A COC member asked if the vote could be postponed to the July meeting as one member and two alternates were not present.</p> <p>There was concurrence to postponing the election of the COC Chair and Vice Chair to the July meeting.</p>
<i>COC Committee Report to BART Board</i>	<p>After the first year of service the COC Chair is required to report to the BART Board. Staff will compile the minutes from all of the</p>



	<p>meetings and draft a summary of all of the activities the Committee has undertaken during the year. The COC members and alternates will get the draft report for review and comment. The report to the BART Board can be initiated this summer.</p> <p>A COC member asked how many pages are in the report. Staff reported that the summary was two to three pages.</p> <p>A COC member asked if the report could be sent electronically to track changes for editing. Staff indicated that it could be.</p> <p>A COC member asked if it would be possible to get the previous Committee's report for review. Staff indicated the previous report would be provided to the current Committee.</p>
<i>Project Update</i>	<p>Project staff provided an overview of project progress to date. A COC member asked about the 80% of design for the LMA Dismantling project. Staff indicated that design of the site restoration portion of the project is at 80%.</p> <p>A COC member asked if there was any stimulus money impacting any of these projects. Staff indicated that none of the Earthquake Safety Projects have received stimulus money, but that BART has received stimulus funds for other projects.</p> <p>A COC member asked about how the Van Ness Muni Station fits in with BART. Staff indicated that BART owns the Van Ness Muni Station, however there are only Muni tracks in it. It was included in the Vulnerability Study but BART determined it does not require retrofitting.</p> <p>A COC member asked if Daly City is the end of the line for the earthquake upgrade work. Staff indicated that the Daly City Station is</p>



	<p>not quite the end of the line for the work; there are a few piers on the aerial structures outside the station that need work. There is also work that needs to be done at the Daly City Yard.</p>
<i>Financial Report</i>	<p>The project has expended \$144 million in bond funds. The program costs have increased considerably, notably the management reserve. This does not include the operability retrofits. The project savings are being tracked in the management reserve line item. Some of the savings will be used to pay for the operability retrofits.</p> <p>A COC alternate asked if there was any way of looking to see what items were under or over the original forecast budget. Staff indicated that a column can be added to the report to include the baseline budget.</p> <p>A COC member asked why none of the bond costs had been expended. Staff indicated that originally the project thought that there would be costs associated with placing the bonds and created a line item to pay the costs, however the Controller/Treasurer built those costs into the interest rate. The project now views that bond costs line item as additional contingency.</p> <p>A COC alternate asked why the Transbay Tube work was being forecast as zero dollars. Staff indicated that no bond funds will be used in the retrofit of the Tube. The project has received and will use RM2 funding for the Tube work. RM2 funding can only be used to pay for the Tube retrofits.</p> <p>Staff reviewed the program funding information with the Committee members. The funding mix will continue to change.</p>



	<p>Staff reviewed the program schedule with the COC members. The most notable change is due to the addition of the operability retrofits. Additionally, the number of stations being considered for retrofits has increased to 19 as there may need to be retrofits at the Lafayette station for operability.</p> <p>A COC member asked if the operability retrofits would allow for faster recovery after an event and safety retrofits are for survivability. Staff indicated that with safety retrofits the structures might need to be rebuilt after the event, and that the operability retrofits would protect from having to do major repairs.</p> <p>A COC alternate asked if there could be further operability retrofits, assuming that the management reserve continues to grow. Staff indicated that they don't expect so, as the project would be too far along in construction to go back to design. BART is taking a bit of a risk in anticipating that they will continue to get low bids. If the economic climate changes, the project can go back to the existing design for safety retrofits only.</p> <p>A COC member asked if the contracts were far enough along to know if there was a correlation between change orders and low bid prices. Staff indicated that there hasn't been anything along those lines so far. Most of the change orders have been for changed site conditions. Each contract has 15% contingency to help offset the cost of this, and there are allowances for changed site conditions in the contracts.</p>
<i>New Business Items</i>	<p>Metro Article – The COC Chair provided an article regarding spending at Washington's Metro. The chair asked if it would be possible to have someone within BART review the article and</p>



	<p>comment back on how this could or could not happen at the District. Staff indicated that the article would be provided to the appropriate department for review and comment. The Chair commented that he is submitting the article not because he has a concern, but because the article shows how things can go wrong in a similar organization.</p> <p>Public Feedback – Staff wanted to let the Committee know that the increased amount of construction has not impacted ridership.</p> <p>Additionally, we have not received many complaints regarding the construction impacts. Two calls have been received regarding impacts to traffic at the Rockridge Station. There has been extensive outreach regarding the work being conducted and staff is pleased that we have gotten so few complaints.</p> <p>A COC member expressed appreciation for how BART has made information publically available via the website and email mailing lists. The member indicated that this could be a factor in the low number of complaints received. Staff asked the Committee to let them know if there are any suggestions or concerns regarding how the project is communicating with the public.</p>
<i>Selection of Future Meeting Time and Date</i>	Future meeting dates for the COC are July 7 and October 6, 2009.
<i>Request to Add Items to Future Agenda</i>	<ol style="list-style-type: none"> 1) Election of Chair & Vice Chair 2) Presentation by BART Controller/Treasurer
<i>Public Comment</i>	No public comment.
<i>Adjournment</i>	The meeting was adjourned at approximately 5:46 p.m.