



Citizens' Oversight Committee Meeting Minutes

Meeting No. – Scheduled Meeting	Meeting Date January 20, 2010			
Meeting Time 4:30 – 6:20 p.m.	Recorded By N. Briley			
Attendees: <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> Current Members: Amin Almuti H. Andy Franklin Linda Lautenberger Elmo Wedderburn James Zumwalt </td> <td style="width: 33%; vertical-align: top;"> Alternates: Bob Barksdale Lawrence Donovan William Kaplan Claudia Spencer </td> <td style="width: 33%; vertical-align: top;"> Staff: Naomi Briley Tom Horton Molly McArthur </td> </tr> </table>		Current Members: Amin Almuti H. Andy Franklin Linda Lautenberger Elmo Wedderburn James Zumwalt	Alternates: Bob Barksdale Lawrence Donovan William Kaplan Claudia Spencer	Staff: Naomi Briley Tom Horton 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>	<p>M McArthur noted that this meeting was the final of the term. Staff thanked the members for service on the COC during the last two years to assist with the ESP program, as the COC is consistently viewed by the BART Board of Directors as one of the key activities to reassure the public that we are doing our jobs properly.</p> <p>A COC member requested five minutes at the end of the agenda for comments from COC members and alternates to speak about recommendations and experiences.</p> <p>The COC reviewed the minutes from the October 13, 2009 meeting and approved for posting to BART website.</p>			



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<p><i>Presentation of Bond Investment Report</i></p>	<p>Scott Schroeder, BART Controller Treasurer, provided the Committee with a summary of the quarterly financial report and answers to questions COC members raised at the last meeting:</p> <p><i>Q: What are the current balance and earning rate of investments?</i></p> <p>A: MBIA \$186, 153, 387.80 earning at a rate of 4.756%</p> <p>FSA \$186,056,978.85 earning at a rate of 4.735%</p> <p><i>Q: Is the interest from investments invested in the same pool or a different pool?</i></p> <p>A: The interest is reinvested into each GIC</p> <p><i>Q: What will be the course of action if the program should determine that not all funds would be necessary?</i></p> <p>A:</p> <ol style="list-style-type: none"> 1) Go back to the tax payers and expand the scope of work which these funds would be proposed to cover 2) Simply don't issue all of the authorized bonds <p>A staff member noted that another course of action could also be to combine 1 and 2 above.</p> <p>Staff also stated that if there are excess funds at the end of the project (because we issued more bonds than we ended up needing), then ESP could repurchase some of the bonds and retire them, saving taxpayers' money.</p>
<p><i>Updates to 2010- 2012 Term</i></p>	<p>Staff stated that they had performed outreach for the upcoming term and noted that five current COC members and alternates were</p>



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	<p>interested in serving a second term. A member expressed that he previously emailed the name of a friend who may be interested in the COC and asked staff to contact him. Staff noted that they would contact the recommendation.</p> <p>A COC member asked if the outreach efforts were the same as two years ago.</p> <p>Staff noted that outreach efforts were similar to years past but staff did not send quite as many requests for interest.</p>
<p><i>Program Update Board Presentation</i></p>	<p>Staff stated that ESP staff will go to the BART Board of Directors for an ESP Update on February 11, 2010. Staff stated that ESP had not addressed the Board for some time and that it was time for the Program to brief the Board on ESP's activities.</p> <p>A member asked if ESP had gone to the BART Board to approve the increased operability.</p> <p>Staff replied that "ESP had to go to the Board for an increase in Bechtel's contract, and as part of the increase, we had to do the design for the additional work. We gave the board several options on how much additional money they wanted to spend, so the Board did approve the additional work."</p> <p>Staff noted that the presentation on February 11 will be very short and</p>



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	<p>basic. Staff will give the Board a rundown on the budget and schedule and a few other items.</p>
<p><i>Management Summary Overview</i></p>	<p>At the request of a COC member, project staff presented several slides outlining the management structure and project management summary.</p> <p>Staff gave examples of several typical processes that ESP uses in order to demonstrate how relationships work and how the organization is put together.</p> <p>Staff began with an example flow chart describing a standard BART award process for construction contracts. The chart showed a time frame including bid period, bid evaluation, executive decision document, authorization of contract and notice to proceed.</p> <p>The next slide outlined the Change Order process and interactions between different BART departments.</p> <p>A member asked how often the Internal Audit department reviews the change order process.</p> <p>Staff answered that internal audit does not usually get involved in this particular process and that audit is required only for very large change orders (\$500K or more). Staff stated that "our contracting division includes people who will review the Change Order process.</p>



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Generally Internal Audit reviews the financial aspects of the project.”

Staff also reviewed slides on interfaces during construction, submittal review and Request for Information (RFI) reviews.

A COC member asked when flow charts and management charts were developed.

Staff answered that they were developed about 3 - 4 years ago.

A COC member asked staff to explain ‘Wong CMS.’

Staff stated that Wong CMS is the name of the construction management software that the ESP uses.

Staff asked the COC if the explanation helped to clarify the management structure.

COC members stated that the explanation did help clarify previous questions raised.

A COC member explained that the Boston Big Dig project conducted a “lessons learned” study. The COC member brought a summary of the study to share with the Committee and ESP staff and suggested that BART conduct a similar “lessons learned” study.



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<p><i>Project Update</i></p>	<p>Project staff provided an overview of the project progress to date. Staff stated that the project is rapidly approaching 100% design for most of its projects.</p> <p>A member asked if there was any more design work for the operability extensions.</p> <p>Staff stated that there are a few more; the R Line South is finishing up in a few months; the C Line aerals contract is almost done and should go for bid in March.</p> <p>A COC member asked why it appears that the LMA Dismantling site restoration has not made progress.</p> <p>Staff stated that the LMA Dismantling project numbers may be outdated and that the dismantling of the building is almost complete. The portion listed in design refers to the site restoration contract that follows the dismantling.</p> <p>Staff stated that the West Oakland aerals contract was just awarded. Construction has been completed at Lake Merritt Station, MacArthur Station, Rockridge Station and Pleasant Hill Parking Structure.</p> <p>A COC member asked if the parking garages were owned by BART</p>
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	<p>and if ESP was retrofitting parking garages as well as stations.</p> <p>Staff stated that the parking garages are, in fact, owned by BART and that several are part of the ESP retrofit work.</p> <p>Staff stated that R Line stations contract went out for bid on January 5, Concord Station will go out within the next few weeks.</p>
<i>Financial Report</i>	<p>The project has expended \$185, 729, 969 in bond funds. The program budget is now \$1.2 billion as opposed to \$1.3 billion. The budget went down because the passenger revenues and money from Regional Measure 2 were taken back. The schedule of completion for the North and South Fremont line contracts has been pushed back to 2012.</p>
<i>Discussion of Individual Experiences and Recommendations from COC Members</i>	<p>A COC Member stated that they enjoyed working with the group and that BART has been very forthcoming with information. The member noted that BART could have taken advantage of the group to a greater extent and that the group's opinions and expertise could have helped solve different issues such as savings evaluations. The member noted that he would like to be more involved with the project engineers. The member thanked the staff and members.</p> <p>A COC member noted that he had made suggestions to staff and that questions were always answered in an open manner. The member gave a summary of conversations with the community and noted that</p>



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community members were glad to know they could call BART with questions about its projects.

A COC member stated that they were not sure how much they were able to help as a financial expert.

A COC member referred to the report compiled by the Internal Audit department and stated that the Committee should look into suggestions made by the Internal Audit department. The member complimented staff on the organizational charts and diagrams that staff compiled.

A COC member noted that he had his "eyes opened" by the experience of serving on the COC and stated that he enjoyed his service.

A COC member stated that the ESP has a "good story" and is a good example of how to manage a project the right way. The member stated that the financial environment was favorable and that ESP took advantage of it. The member stated that he hadn't seen any misspending of public funds. As it is sometimes hard to measure what the COC's contribution is, he was glad to have a straightforward approach with ESP staff.

A COC member stated that he was humbled by serving on the



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	<p>Committee. The member suggested that meeting minutes should be sent out about 1 week after the meeting so that information is fresher in the minds of members. The member also asked if more of the meeting materials could be sent out to members prior to meetings. The member also suggested that the committee ask BART staff to make a presentation on how BART does cost accounting on program costs.</p> <p>A COC member stated that the staff was extraordinary with presenting data and that any questions presented were always returned with a follow up.</p> <p>Staff thanked COC members and stated that the COC members' service was very valuable to BART. Staff stated that BART may have a checkered image in the public domain and that the committee was established for the purpose of having a group of knowledgeable, authoritative people looking over [BART'S] shoulders in an open book fashion on the public's behalf. This helps BART justify asking the public for funds and allows the public to trust that the money is being spent properly. Staff stated that the committee's value to BART is [the COC's] critical minds and experience. Staff continued that the COC allows ESP to go to the BART Board with the credibility of a third party's review.</p>
<i>Public Comment</i>	No public comment.
<i>Adjournment</i>	The meeting was adjourned at approximately 6:20 p.m.



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