



Citizens' Oversight Committee Meeting Minutes

Meeting No. 2 – Transition Meeting	Meeting Date July 1, 2008						
Meeting Time 4:30 – 6:06 p.m.	Recorded By A. Charles						
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 William Kaplan Claudia Spencer </td> <td style="width: 33%; vertical-align: top;"> Staff: Angela Charles Tom Horton Kathy Mayo Molly McArthur </td> </tr> <tr> <td colspan="3" style="vertical-align: top; padding-top: 10px;"> First Term Members: Bob Barksdale Raymond Jee </td> </tr> </table>		Current Members: Amin Almuti H. Andy Franklin Linda Lautenberger Elmo Wedderburn James Zumwalt	Alternates: Bob Barksdale William Kaplan Claudia Spencer	Staff: Angela Charles Tom Horton Kathy Mayo Molly McArthur	First Term Members: Bob Barksdale Raymond Jee		
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Agenda Item	Action Taken						
<i>Welcome & Introduction</i>	Introduction of Current Members, First Term Members, Alternates, and Staff present.						
<i>Public Comment</i>	No comments.						
<i>Review of Administrative Matters</i>	The COC members reviewed the minutes from the April 1, 2008 meeting. It was suggested that where the minutes read “COC board” it should be changed to read “COC committee” and that the minutes be proofread for typos. The committee members present voted unanimously to approve the corrected minutes for posting on the BART website. L. Lautenberger was not present for the vote.						
<i>Project Update</i>	Staff provided an overview of the project progress to date. K Mayo asked T Horton to review the Segment 1 components for the COC members. Segment 1 includes the area between the Western Portal of the Berkeley Hills Tunnel through Oakland and the Transbay Tube to the Montgomery Station. This portion of work was advanced						



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first as it is part of the core system. The environmental clearance and design were advanced using the funding that was available at the time to get it completed as quickly as possible.

COC members asked if BART intends to rebuild at the Lake Merritt Administration Site. The project team indicated that BART is planning to restore the plaza to a safe and stable condition. BART is participating in a planning effort with the City of Oakland for the three square block area around the building for the best use of the space.

COC members asked if the team is advertising contracts for construction. The project team confirmed that they are and added that the federal funding process requires that once everything is complete BART provide a submittal for Caltrans and FHWA review for release of funding. BART is working with Caltrans and FHWA to make this process go smoothly.

COC members asked if the underground utility relocation work is done for utilities that would interfere with the new foundation work. The project team indicated that it is, however, where ever possible utilities are not moved unless they will be physically in the way of the foundation work. COC members asked if it is possible to sleeve the utilities. The project team indicated that in some cases they have added sleeves, however if that if the utility is too large it will not work as well as relocation.



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Financial Report

The project team indicated that to date the project has expended \$104 million in bond funds. The first tranch of funds has been expended. As requested at the April 1st meeting, the project team has broken out the management reserve costs on the financial report. The management reserve is \$107 million, which is in addition to the construction contingency. Project staff indicated that the management reserve has grown due to some project design savings. An additional change to the report is that the Transbay Tube Uplift Retrofit, which included densification, may not need to be done. During the course of the review of that project some individual sites along the alignment that might need densification were discovered and the \$45 million on the report is for those retrofits.

The COC members asked if there is a timeline required by the Bond measure for the completion of these retrofits. Project staff indicated that it required completion by 2014 and the team is aiming for 2012. COC members inquired about funds that need to be spent by a certain time that the COC members would need to be concerned with. The project staff indicated that the bonds must be sized so that the funds can be expended within three years. BART issues the bonds in tranches, so that the District will not have to ask for more money than is needed. The project team is not aware of any meaningful restrictions or deadlines on any of the other funding sources.

The COC members noticed that there has been some slippage in the schedules and inquired as to how the schedules are linked and if there



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is anything in one activity that has slipped that might make might make another activity slip. The project team indicated that the designs are somewhat independent of each other and that there are areas of overlap, for example with the station contracts and the aerial structures adjacent to the stations. Where there are overlaps, restrictions are placed in the construction contract documents that indicate when the contractor can access areas that need to interface. The COC members asked for an example of two areas that are dependent upon each other. The project team indicated that the Rockridge Station contract and the North Oakland Aerials have some overlap. Some of the aerials in the North Oakland contract are located in the Rockridge Station parking lot. If both contractors were working simultaneously in the area they would take up a large portion of the parking lot, which is unacceptable to BART operations. The Stations contractor will need to complete retrofits to the station before the North Oakland Aerials contractor can begin work in that area. However, there are still a number of aerials within north Oakland that the contractor can work on until the Rockridge Station retrofits are complete.

The COC members asked about the slippage in the stations line and if that would impact the north Oakland line. The project team indicated that the slippage is happening in the aerial structures out side of Segment 1 and is because we are staggering the retrofits so that two adjacent stations will not have work being done concurrently. There is a delicate balance to how much disruption passengers will tolerate.



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	<p>The project staff reviewed the contracting status report for upcoming contracts for bond work. The COC members asked why BART would hire so many designers and engineers rather than have just one or two. Wouldn't it save some money to just have a couple of companies involved? The project team explained that the section designers are all subcontractors to Bechtel. Bechtel has to manage them. The physical size of the work was a factor. For example, the Richmond, Fremont, and Concord lines are about 45 miles of railroad across the East Bay. It includes a lot of work, and BART felt that it should be broken down to better manage it. Another factor was the variety of the designs that were involved. The project includes the Transbay Tube, yards and shops, and the building and aerial structure retrofits. Each is very different and BART felt it would be better to have specialists for the different types. The COC members asked if any thought has been given to how much extra this approach might cost. The project staff indicated that a lot of thought was put into making sure that the work was spread out amongst various firms in the area, including large, medium and small firms with the expertise needed for the various areas. If one large firm was used it would probably have expanded the schedule as firms are currently struggling with resources.</p>
<i>New Business Items</i>	<p>The COC members raised the retrofit of the Transbay Tube as an item for discussion. The members asked if there is a consensus among the experts in this area regarding soil compaction as a retrofit option. What would happen if a magnitude 6.0 earthquake occurs; who will check the status of the compacted soils and if the soils needed to be</p>



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recompacted who would pay for that? How often will the compaction be checked and what criteria would be used? The project team responded that the peer review panel and the design review board evaluated and approved the solution for the uplift problem. However, this week BART is anticipating receiving a report that indicates that densification is not necessary. The explanation is that using a number of physical model techniques it was determined that the amount of uplift is not as great as was previously feared and would not impact the structural or operational capability of the tube. There are only two areas that may require some retrofit to protect the tube.

First term COC members asked if the cost savings identified as the management reserve line item were the savings identified at the February 2007 COC meeting as potential savings due to value engineering for a number of projects. Staff confirmed this, and indicated that part of the savings is from the retrofit of the Transbay Tube. At one time the estimated cost was close to \$200 million and is now \$45 million. The cost of the study to determine what type of retrofit is needed for the tube comes out of the Environmental, Engineering and Construction Management line item, rather than the Construction line item. This makes the first line item look inflated; however, by spending more money on the design of the tube BART saw an opportunity to save more money by studying the issue further. COC members concluded that by spending the money to investigate the retrofit BART has reduced risk.



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COC members asked if there was a log or report that shows the various alternatives studied and how the risks have been resolved. BART confirmed that there are a number of reports that show the alternatives that were considered for the various components of the program. BART also confirmed that two independent review panels have concurred with the reports.

COC members asked how much the study for the Transbay Tube retrofit cost. Staff indicated that the cost of the study had not been quantified, however the contractor responsible for that study has a contract for several million dollars. COC members asked if the balance of the cost savings was absorbed by other projects as there was not \$150 million on the management reserve. Staff indicated that the bond funds are not the only source of funding for the Transbay Tube retrofits, therefore the cost savings is shared with other funding sources.

COC members asked if the carbon fiber wrap process that will be used for the Daly City Station Bent strengthening has been substantiated by tests at U.C. San Diego. Staff indicated that the process has been extensively tested. Caltrans uses it in their retrofit work. It is a new technology, however it is a fairly proven product for this type of work.

COC members asked what the section designer's response was when they were told that there would not need to be densification of the



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Tube. BART staff indicated that the section designer was responsible for telling the District that the densification would not be necessary.

COC members asked if it might be possible to create a graph of expenditures summarized from start to finish, with a cumulative line to allow staff to see quickly where the biggest expenditures are. BART staff indicated that they do have these numbers and will create a graphic for the next COC meeting.

COC members asked if the body of the resolution passed by the BART Board contains the language of the bond. BART staff responded that the resolution does contain the bond language and it is included in the COC members binders as a separate page. The bond measure is a one paragraph statement that is included in the resolution.

COC members commented that while the COC is not a technical review committee, the members ask detailed technical questions because they have a professional obligation to ask so that they have confidence that the funds are used for designs that are valid and credible. If they did not ask the questions they would be remiss in their duty, but they do not want to imply any sort of technical review by the COC. The COC relies on the technical review undertaken by BART to certify the design. BART staff commented that part of the reason that the BART Board wanted to have people with various areas of expertise on the COC was so that the members could ask these types of questions using their varied backgrounds. The value of the



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COC is incalculable to BART in ensuring that we are spending the public's money wisely.

COC members asked if the forum for informing the public regarding the expenditure of the funds is in the COC meetings and also by the report provided by the COC Chair to the BART Board. BART staff confirmed this, and indicated that the third forum is via the BART website. All agendas and minutes of the meetings are posted on the COC section of the BART website. The public can submit questions or inquiries via email, which are in turn passed on to the appropriate COC member through the COC chair. The COC members asked how many inquires we had received via email over the course of the COC. BART staff responded that there had been one inquiry in the two years of the COC. Staff also confirmed that the COC meetings are noticed per the Brown Act, as well as postings on the BART website, and within BART stations on the electronic destination signs.

COC members asked how they could get visibility into the pieces of work being funded by other agencies and the invoicing process. BART staff clarified that the portion of the funding that the COC is responsible for is the \$980 million in bond funds. While staff is happy to tell the COC about the other funding sources, review of those funds is not part of the COC's charter. During the first COC term, the internal controls group made a presentation regarding how the process is handled. The group could be asked to present again, or staff can add something to the report to provide that information. First



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term COC members indicated that during the first term they had presentations made by the contract compliance, controller and internal audit departments. The first term COC asked for feedback to make sure there was transparency between the internal and external audit departments. While at that point there were no contracts under way, there was a process and procedures that were developing. One of the recommendations that were made by the COC was to have the internal and external auditors coordinate with each other to ensure transparency in the process. The first term COC members asked if the current committee had received a copy of the minutes from the September 13, 2007 meeting, which contain a summary of the internal controls, the contracts compliance, and the internal audit processes. At that meeting the first term COC members asked what types of audits had been performed on BART recently, and received three documents that addressed controls and found no material weaknesses in the system. The audits addressed how BART tracks the funds from the various funding sources. The current COC members asked if the report found any significant deficiencies. The reports did not find any significant deficiencies. The first term Audit Seat holder provided the audit reports to the new Audit Seat holder.

The COC Chair indicated that it would be very helpful for the current COC members to have the meeting minutes from the September 2007 COC meeting. Staff will provide copies of the minutes for the COC members.



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	<p>The first term COC members indicated that they requested that the internal audit department review the COC materials to ensure that they were satisfying the requirements. Staff reported that the auditors are in the process of drafting their final report and staff hopes to have the report at the next COC meeting.</p> <p>Staff reported that there is a revised expense report and updated contact list in the package of materials presented to the COC members. Any expense reports submitted going forward should use the new form with the updated mileage rate.</p> <p>COC members asked if there was an alternate missing from the meeting. BART staff indicated that the Community At Large Alternate was not present and that staff would check into his willingness to continue serving as an alternate.</p>
<i>Selection of Future Meeting Time and Date</i>	<p>The COC members had a discussion regarding the frequency of meetings for the committee. The members decided upon quarterly meetings. The best day is Tuesday; the preferred time is 4:30 p.m. The meeting schedule for the next year was suggested as October 7th, January 6th, April 7th, and July 7, 2009.</p> <p>The COC members asked if it would be possible for the committee members to meet separately to discuss their effectiveness as a committee. BART staff reminded the COC members that according to the Brown Act that three or more members meeting would constitute a public meeting, which would need to be publicly noticed. An</p>



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	<p>alternative would be to add a workshop session to a future meeting agenda that would not be moderated by BART staff. There was discussion regarding the pros and cons of adding an agenda item to talk about the effectiveness of the committee. The COC members decided to wait until they received a report from the auditor regarding the committee before deciding to add an agenda item.</p>
<i>Public Comment</i>	No comments.
<i>Adjournment</i>	Meeting was adjourned at approximately 6:06 p.m.