



**ACE Construction Authority
Board Meeting
December 22, 2008**

Vice Chairman Spohn called the meeting to order at 2:01PM in the Irwindale City Council Chambers.

1. In attendance were:

Tim Spohn, Vice Chairman
Ernest Gutierrez, El Monte
Harry Baldwin, San Gabriel
Gloria Molina, County of Los Angeles
Rosemarie Vasquez, Montebello

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Cynthia Ambrose
Lou Cluster
Charles Tsang
Victoria Butler
Ricky Choi
Regina Talamantez

Guests

Kevin Klaus, CBM Consulting
Bruce Russell, Jacobs Engineering

2. Pledge of Allegiance

Member Vasquez led the pledge of allegiance.

3. Approval of Minutes of November 24, 2008.

A motion was made to approve the meeting minutes of November 24, 2008.

M/S/C: Gutierrez/Vasquez/Unanimous

4. Public Comment

There were no public comments.

5. Chairman's Remarks

Vice Chairman Spohn announced Pomona's appointment of Councilmember Steve Atchley who will serve as member and Freddie Rodriguez, alternate.

6. Chief Executive Officer Report

Mr. Richmond reviewed the report on pages 4 and 5 of the agenda.

Ms. Victoria Butler reviewed progress photos of Sunset Avenue grade separation

project.

7. Approval of the ACE Project Finance Working Group

Mr. Richmond indicated four Board members have expressed an interest in being a part of the finance working group and member City Managers would be invited. As outlined in the staff report, the group would meet at least quarterly. The meeting would provide an opportunity for members to become more thoroughly knowledgeable in the financial structure and on-going activities of the ACE Project. He indicated the first meeting will be held in mid-January.

A motion was made to approve the formation of a Finance Working Group.
M/S/C: Guitierrez/Vasquez/Unanimous

8. Approval of the Nogales Street Grade Separation Project Definition Report

Mr. Richmond reminded the Board that ACE assumed the Nogales project from the County of LA and City of Industry at which point the design was well under way. Charles Tsang, Senior Project Manager reviewed the elements of the project. He indicated existing conditions were: three lanes of traffic each direction with an average daily vehicle count of 45,000. The train crossings were protected by gates, cantilevers and flashing lights. The crossing averages 33 trains per day at speeds up to 60 mph. Metrolink and the Union Pacific uses the tracks. He reviewed proposed project elements which included: depress Nogales at the UPRR railroad tracks, construct a two track railroad bridge. Cul-de-sac eastbound Railroad Street at Nogales, widen Nogales Street and Gale Avenue, provide exclusive turn lanes onto Gale Ave and onto the Pomona (60) Freeway and new traffic signal at San Jose Ave. He indicated affected businesses took issue with the proposed traffic detour during construction and staff would continue to examine alternatives. He indicated the project cost was \$84 million with six funding sources. The ISEA should complete circulation in January thereby allowing right-of-way acquisitions to begin and late 2009 construction RFP should be released.

A motion was made to approve the Project Definition Report for the grade Separation at Nogales Street in the City of Industry and unincorporated area of Los Angeles County.
M/S/C:Gutierrez/Baldwin/Unanimous

9. Approval of Amendment to Design Contract for the Nogales Street Grade Separation for Traffic Study with DMJM+Harris

Mr. Richmond indicated the original traffic study done for this project used assumptions before and after construction but did not address traffic during construction. In order to allow for adequate traffic flow during construction

alternatives needed to be studied further including updated traffic counts. He reminded the Board that Nogales Street was heavily traveled and traffic impacts from construction needed to be addressed as quickly as possible. He recommended a contract amendment to the designer, DMJM+Harris, be approved to conduct the traffic study.

A motion was made to authorize the Chief Executive Officer to amend the contract with DMJM+Harris Inc. for the Nogales Street (LA subdivision) grade separation to add \$79,000 for a new contract value of \$3,089,045.
M/S/C: Baldwin/Gutierrez/Unanimous

10. Approval of Increased Authorization for the East End/Reservoir Grade Separation

Mr. Richmond reviewed the contributing factors to cost increases. He indicated the contract was awarded in March 2004 for both the East End Ave and Reservoir grade separations. Construction of the Reservoir project began first. He explained the Caltrans price index reflected a rather extreme escalation in material costs during the duration of construction of the Reservoir project which, in turn affected construction costs for both projects. The key components affected by escalation and by third party delays resulted in a 61% increase. Simultaneously, increased quantities were needed for the project, primarily asphalt and structural concrete. Lastly, changes in the project as requested by third parties also contributed to the increase. He forewarned the board that these costs were negotiated with the contractor and there remain issues unresolved which likely will come before the board at a later date.

A motion was made to increase the Chief Executive Officer's change order authorization by \$2,463,024 for a total contract authorization of \$36,866,484 to accommodate change orders compensating the general contractor and subcontractors for cost escalation, changes and delays as outlined in the staff report.

M/S/C: Gutierrez/Baldwin/Approved Molina: Abstain

11. Approval of Task Order Amendment for Environmental Services for the San Gabriel Trench with Terry A Hayes & Associates

Mr. Richmond indicated the environmental work for the San Gabriel Trench was tasked to Terry A Hayes Associates. Their scope was to complete the Initial Study/Environmental Assessment for the project. However, as the environmental process progressed and with design underway it became apparent that a more substantial analysis would be required and Caltrans concurred. In addition, Section 106 of the National Historic Preservation Act required more extensive evaluation of the site impacts, due to the proximity to the historic San Gabriel Mission. It is likely archeological finds will be unveiled

during excavation. It was also noted that with the extensive excavation air quality issues would need to be addressed.

A motion was made to amend the fiscal year 2009 task order with Terry A Hayes Associates to provide additional services for an EIR/EA and Section 106 historical preservation services for the San Gabriel Trench. The additional costs will not exceed \$252,000 resulting in a new 2009 task order of \$500,981.
M/S/C: Baldwin/Gutierrez/Unanimous

12. Approval to Execute Highway-Railroad Crossing Safety Account Agreement

Mr. Richmond reported the California Transportation Commission committed \$25.6 million in Prop 1B funds to the Nogales Street project. In order to access funding a Highway-Railroad Crossing Safety Account Agreement was required. He highlighted provisions of the agreement which included a construction start date by December 2010, quarterly cost and project progress reporting, securing additional funds as needed for increased project costs, and making available for auditing all engineering and financial data. He indicated all provisions were reasonable and requested the Board's approval to execute the agreement.

A motion was made to authorize the Chief Executive Officer to execute the Baseline Agreement for receipt of Proposition 1B Highway-Railroad Crossing Safety Account funds for the Nogales Street grade separation project.
M/S/C: Vasquez/Spohn/Unanimous

13. Approval of 2009 Board Meeting Dates

The Board reviewed the schedule of 2009 Board meeting dates. Member Vasquez requested approval of the schedule with a change of the May meeting to May 11th.

A motion was made to approve the amended Board meeting schedule.

14. Adjournment. The Board adjourned at 2:59PM.