

**GATEWAY CITIES COUNCIL OF GOVERNMENTS
JOINT MEETING OF THE BOARD OF DIRECTORS and
EXECUTIVE COMMITTEE**

Wednesday, August 6, 2008

5:30 p. m. Buffet

6:00 p. m. Meeting

Gateway Cities Council of Governments

16401 Paramount Boulevard

Paramount, California

AGENDA

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS ARE AVAILABLE IN THE GATEWAY CITIES COUNCIL OF GOVERNMENTS OFFICES, 16401 PARAMOUNT BOULEVARD, PARAMOUNT, CALIFORNIA. ANY PERSON HAVING QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE COG STAFF AT (562) 663-6850.

FOR YOUR INFORMATION: The Board of Directors will hear from the public on any item on the agenda or an item of interest that is not on the agenda. The Board of Directors cannot take action on any item not scheduled on the agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Board of Directors, and each speaker will only have one opportunity to speak on any one topic. You have the opportunity to address the Board of Directors at the following times:

- A. **AGENDA ITEM:** at this time the Board of Directors considers the agenda item OR during Public Comments, and
- B. **NON-AGENDA ITEMS:** during Public Comments, comments will be received for a maximum 20-minute period; any additional requests will be heard following the completion of the Board of Directors agenda; and
- C. **PUBLIC HEARINGS:** at the time for public hearings.

Please keep your comments brief and complete a speaker card for the President.

- I. **CALL TO ORDER**
- II. **ROLL CALL – BY SELF INTRODUCTIONS**
- III. **PLEDGE OF ALLEGIANCE**
- IV. **AMENDMENTS TO THE AGENDA** - This is the time and place to change the order of the agenda, delete or add any agenda item(s).
- V. **PUBLIC COMMENTS** - Three minutes for each speaker.

VI. MATTERS FROM STAFF

VII. CONSENT CALENDAR: All items under the Consent Calendar may be enacted by one motion. Any item may be removed from the Consent Calendar and acted upon separately by the Board of Directors.

- A. Approval of Minutes – Minutes of the Board of Directors Meeting of July 2, 2008, is presented for approval. Approval receives and files the minutes of July 2nd, Board of Directors meeting.
- B. Approval of Warrant Register - Request for Approval of Warrant Register dated August 6, 2008
- C. June 2008 Local Agency Investment Fund Statement
- D. Status Report on Gateway Cities Clean Air Program
- E. Status Report from Lobbyist, Government Relations Consultants

CONSENT CALENDAR ACTION:

A MOTION TO APPROVE THE RECOMMENDATIONS FOR CONSENT CALENDAR ITEMS A THROUGH E.

VIII. REPORTS

- A. Low-Cost Maglev Using Existing Rails and Roads, Presentation by Andrew W. Hayes, CEO, Fastransit Inc.

15 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

- B. Electric Transportation and Impact to Municipalities, Presentation by Felix Oduyemi, Manager, Electric Transportation Division, Southern California Edison

15 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

- C. Alternative Fuel Vehicles, Presentation by David Madsen, South Coast Air Quality Management District

10 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

- D. Gateway Cities COG Comment Letter on SCAG Regional Comprehensive Plan

5 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT AND APPROVED RECOMMENDATION OR GIVE DIRECTION TO STAFF

VIII. REPORTS (continued)

E. RMC Request Regarding Governor's Water Bond

SUGGESTED ACTION: A MOTION TO HEAR REPORT AND APPROVED RECOMMENDATION OR GIVE DIRECTION TO STAFF

IX. REPORTS – COMMITTEES/ AGENCIES – ALL COMMITTEE / AGENCY REPORTS ARE LIMITED TO 3 MINUTES UNLESS ADDITIONAL TIME IS GRANTED BY THE BOARD PRESIDENT

A. Matters from Southern California Association of Governments (SCAG) – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

B. Matters from the League of California Cities – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

C. Matters from California Contract Cities Association – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

D. Matters from The I-5 Consortium Cities Joint Powers Authority – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

E. Matters from the Orangeline Development Authority-Maglev – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

F. Matters from the Metro Gateway Cities Service Sector – Oral Report

3 Min SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

X. REPORTS FROM COMMITTEES

A. Report from the Conservancy Committee

3 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

B. Report from the I-710 EIR/EIS Project Committee – Oral Report

3 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

C. Report from the SR-91/I-605/I-405 Corridor Cities Committee – Oral Report

3 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

D. Report from the Transportation Committee – Oral Report

3 Min

SUGGESTED ACTION: A MOTION TO HEAR REPORT, POSSIBLE ACTION AND/OR GIVE DIRECTION TO STAFF

XI. MATTERS FROM THE BOARD OF DIRECTORS

A. Introduction of New Edison Representative to the Gateway Cities by Board Member Larry Nelson

XII. MATTERS FROM PRESIDENT

XIII. ADJOURNMENT

NOTICE: New items will not be considered after 9:00 p.m. unless the Board of Directors votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors meeting scheduled for Wednesday, September 3, 2008, 6:00 PM.

IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE COG OFFICE AT (562) 663-6850. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE COUNCIL OF GOVERNMENTS TO MAKE REASONABLE ARRANGEMENT TO ENSURE ACCESSIBILITY TO THIS MEETING.

VII. CONSENT CALENDAR
Item A
Approval of Minutes

MINUTES OF THE MEETING
OF THE JOINT MEETING OF THE
BOARD OF DIRECTORS OF THE
GATEWAY CITIES COUNCIL OF GOVERNMENTS
AND THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS
Gateway Cities Council of Governments
16401 Paramount Boulevard
Paramount, California
July 2, 2008

President Guerrero called the meeting to order at 6:00 p.m.

PRESENT: President Elba Guerrero, City of Huntington Park
First Vice President Anne Bayer, City of Downey
Second Vice President Gordon Stefenhagen, City of Norwalk
Immediate Past President Larry R. Nelson, City of Artesia
Member George Mirabal, City of Bell
Member Raymond Dunton, City of Bellflower
Member Jim Edwards, City of Cerritos
Member Joe Aguilar, City of Commerce
Member Lillie Dobson, City of Compton
Member Frank Gurule, City of Cudahy
Member Victor Farfan, City of Hawaiian Gardens
Member Stan Carroll, City of La Habra Heights
Member Diane DuBois, City of Lakewood
Member Bonnie Lowenthal, City of Long Beach
Member Patrick O'Donnell, City of Long Beach
Member Felipe Aguirre, City of Maywood
Member Kathy Salazar, City of Montebello
Member Gene Daniels, City of Paramount
Member Gracie Gallegos-Smith, City of Pico Rivera
Member Betty Putnam, City of Santa Fe Springs
Member Edward H. J. Wilson, City of Signal Hill
Member Gil Hurtado, City of South Gate
Member William Davis, City of Vernon
Member Greg Nordbak, City of Whittier
Member Curt Pedersen, Office of Supervisor Don Knabe
Member Gerry Hertzberg, Office of Supervisor Gloria Molina
Member Richard Steinke, Ex Officio Member, Port of Long Beach

ABSENT: Member Bob Kennedy, City of Avalon
Member Mario Beltran, City of Bell Gardens
Member Pete Dames, City of La Mirada
Member Maria Teresa Santillan, City of Lynwood

ALSO PRESENT: Norwalk Vice Mayor Cheri Kelley; South Gate City Manager Ron Bates; Commerce City Administrator Jorge Rifa; Santa Fe Springs City Manager Fred Latham; La Mirada Director of Public Works Steve Forster; Lakewood Director of Community Development Jack Gonsalves; Long Beach Government Affairs Manager Tom Modica; Port of Long Beach Director of Communications Heather Morris; Port of Long Beach Media Relations Manager John Pope; David Tokofsy, City of Bell; Luis Marquez, Deputy, Office of Senator Alan Lowenthal; Michael Hollon, Office of Assemblyman Hector De La Torre; Alex Clifford, General Manager, Metro Gateway Cities Service Sector; Ernest T. Morales, Deputy Executive Officer, Metro; David Hershenson, Community Relations Manager, Metro; Michael Sieckert, Planning Manager, Metro Gateway Cities Service Sector; Joseph Magaddino, Professor of Economics, Cal State Long Beach; Kristine Guerrero, Public Affairs Manager, League of California Cities; Alina Bokde, Deputy Executive Director, Rivers and Mountains Conservancy; J.J. Hoffman, River Ride Chair, Los Angeles County Bicycle Coalition; Tracy A. Young, Anchor, Local Edition, CNN Headline News; Marianne Kim, Policy Analyst, Automobile Club of Southern California; Frank Osgood, Author, Region Aroused; GCCCOG Executive Director Richard Powers; GCCCOG General Counsel Richard D. Jones; GCCCOG Deputy Executive Director Jack Joseph; GCCCOG Transportation Deputy Karen Heit; GCCCOG Director of Regional Planning Nancy Pfeffer; GCCCOG Consultant Engineer Jerry R. Wood.

Roll was taken through self-introductions.

President Guerrero led the Pledge of Allegiance.

There were no amendments to the agenda.

No one wished to speak during public comments.

The Transportation Deputy gave a power point presentation regarding the proposed one-half cent sales tax that is being considered by the MTA Board of Directors. She explained that the Gateway Cities subregion is not currently slated to receive any funding for transit projects out of the proposed new tax. South Gate City Manager Ron Bates, speaking on behalf of the City Managers Steering Committee, said that equity is the key issue. The Gateway Cities subregion would produce about 20% of the proceeds of the tax and should be expected to receive a return approximating its contributions. He suggested working with other COGs, such as the San Gabriel Valley and North County, to find a joint way to advance the issue of equity.

Member Lowenthal said that she was one of three MTA Board members to vote against the sales tax, with supervisors Knabe and Molina being the others. She said that Gateway Cities has an opportunity because of the equity issues to work to get a larger share of the sales tax returned to the subregion. She asked for authorization to go back and work with the other members of the MTA Board toward a fair guaranteed percentage of the proceeds of the tax.

Member Hertzberg said that another venue people should be working on is the State Legislature, which is still considering the legislation that would authorize the tax. Member Pedersen said that Supervisor Knabe is opposed to any tax increase.

Member Lowenthal said, if the votes are there anyway, if we don't appear collaborative, we won't get anything. She asked for discussion on this issue. She asked if the Board would authorize the Executive Director and her to initiate discussions based on the equity issues.

Member Hurtado asked how this would impact the City of South Gate's recently approved sales tax. Would this tax be on top of the state law maximum of 9½%? The Transportation Deputy responded that the proposed legislation would exempt this tax from the state cap.

Member Wilson said another problem is that it is a temporary tax, even if it is allowed for 30 years. He said a temporary tax should only be used for capital expenses, not for operations.

President Guerrero asked how the tax affects us. Member Lowenthal said that the tax would require a two-thirds vote of approval if it makes it to the ballot in November. The challenge is that portions of the pie chart showing the proposed distribution of the proceeds have nothing for us.

Member DuBois said we felt strongly as a group last meeting that we could not support a tax increase. She said if we go forward and endorse it, then the COG is endorsing a tax increase. Member Hurtado asked if we oppose it, will the MTA keep that in mind when we go looking for funding in the future. Member Lowenthal said that the proponents have said that this could be our only hope for building a world class transit system.

Member Nordbak said that he does not subscribe to the theory that we should worry about a threat to cut off funding. Member Aguirre said that a majority of the Metro Gateway Cities Service Sector Council's recommendations to the MTA Board were overruled. Member Hurtado said that maybe we shouldn't have put out a list of projects but just said no to the tax.

Member Dobson said that Compton is opposed to additional taxes. What is Compton going to get is the next question that will be asked. Member Nordbak said that the real issue is what our residents who pay the tax are going to get for it.

The Transportation Deputy showed the major regional projects for which the Gateway Cities Council of Governments would be looking for funding. South Gate City Manager Bates said this sales tax measure would produce \$31.5 billion, of which \$5.5 billion comes from Gateway Cities. He said two City of Los Angeles transit projects would take up 47% of the proceeds. Member Hurtado said that he is skeptical that Los Angeles would give up funding for its projects for Gateway Cities.

President Guerrero asked for direction from the Board. She read the City Managers

Steering Committee recommendation to continue to oppose the implementation of a half cent sales tax unless the MTA ordinance is amended to include representational equity based upon subregional sales tax contributions.

It was moved by Immediate Past President Nelson, seconded by Member O'Donnell, to approve the recommendation of the City Managers Steering Committee.

Member Mirabal said that it was understood that our target would be 20%.

ROLL CALL

AYES: Member Mirabal, Member Edwards, Member Aguilar, Member Dobson, Member Gurule, Member Farfan, Member Lowenthal, Member O'Donnell, Member Aguirre, Member Salazar, Member Daniels, Member Putnam, Member Wilson, Member Davis, Member Hertzberg, Immediate Past President Nelson, Second Vice President Stefenhagen, First Vice President Bayer, President Guerrero.

NOES: Member Dunton, Member Carroll, Member DuBois, Member Gallegos-Smith, Member Nordbak, Member Pedersen.

ABSENT: Member Kennedy, Member Beltran, Member Dames, Member Santillan.

Member Hurtado requested that Consent Calendar item A, the minutes of the meeting of June 4, 2008, be considered separately.

It was moved by Member Wilson, seconded by Member Hurtado, to approve the consent calendar as presented, with the exception of item A. The motion was approved unanimously.

Member Hurtado pointed out that the minutes of June 4 reflect that when he asked the question as to whether the proposed half cent sales tax increase would affect the City of South Gate's recently approved sales tax he was told there would be no effect. He said he would like the record to reflect that it does have an effect in that it would move South Gate's sales tax to 9¾%, which is above the state limit of 9½%. It was then moved by Member Hurtado, seconded by Member Gurule, to approve the minutes of June 4, 2008. The motion was approved unanimously.

Alina Bokde, Deputy Executive Director of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, thanked the Board for its support of the recent Los Angeles River Bicycle Ride. She showed videos of three news reports on the event. J.J. Hoffman of the Los Angeles Bicycle Coalition likewise thanked the Board for its support and presented a commemorative poster of the Ride to President Guerrero.

Richard D. Steinke, Executive Director of the Port of Long Beach, gave a power point presentation regarding the Port's Middle Harbor Project. He said the \$750 million project will combine and upgrade two aging, irregularly shaped cargo terminals to create one

rectangular shaped terminal that will operate in a more efficient and environmentally friendly manner, utilizing cold ironing so that ships do not need to burn diesel fuel while in the harbor. He said about 14,000 permanent jobs will be created as a result of the project.

Immediate Past President Nelson asked if Southern California Edison has the capability to electrify the terminal. Mr. Steinke responded that the Port's power grid would have to be upgraded in the future, but that there will be significant environmental improvements. Immediate Past President Nelson asked if the Port will use what it drudges for backfill. Mr. Steinke said that there will be limited drudging, and the Port will use it for backfill.

It was moved by Member Hurtado, seconded by Member Gurule, to receive and file the report. The motion was approved unanimously.

Joseph Magaddino, Chair and Professor of Economics, Cal State University, Long Beach, gave a presentation on the Southern California Regional Economic Forecast. He said that the general slowing in the national economy has impacted the region. In addition, the housing slump has affected other southern California counties more than Los Angeles County. However, there will be negative job formation in Los Angeles County in 2008.

Dr. Magaddino said that there had been declines in the finance and construction industries in 2007-08, but that he is looking for both to bounce back in 2009. There will continue to be a decline in retail employment in the near future. He said the good news is that employment of temporary workers increased this year.

Dr. Magaddino said that the health services, transportation/warehousing, and utilities sectors have all shown growth, but we continue to lose jobs in manufacturing. He said the forecast is for relatively small taxable sales growth, but that it will trail the rate of inflation. Overall, the economy will retract, largely due to the housing sector.

It was moved by Member Gurule, seconded by Member Hurtado, to receive and file the report. The motion was approved unanimously.

The Deputy Executive Director presented the proposed Fiscal Year 2008-09 Budget. He said that the single most significant factor in the budget is the termination of the Clean Air Program, due to the ports' decision to seek a large environmental firm to implement the truck replacement program in addition to their very complex concessionaire program.

It was moved by Member DuBois, seconded by Member Hurtado, to approve the Fiscal Year 2008-09 Budget and to approve Resolution Number 2008-03 A Resolution of the Board of Directors of the Gateway Cities Council of Governments Approving and Adopting the 2008-2009 Annual Budget of the Gateway Cities Council of Governments. The motion was approved unanimously.

There was no report from SCAG.

Kristine Guerrero presented a report from the League of California Cities. She passed out

an update on the State budget. She said they were now hearing that there may be some borrowing of Proposition 1A monies to balance the budget. However, the State can only borrow Proposition 1A funds twice during a ten year period and must back it back with interest within three years. It was moved by Immediate Past President Nelson, seconded by Member Hurtado, to receive and file the report. The motion was approved unanimously.

Member DuBois distributed a flyer regarding the August meeting of the California Contract Cities Association.

There was no report from the I-5 Consortium Cities Joint Powers Authority.

There was no report from the Orangeline Development Authority.

There was no report from the South Coast Air Quality Management District.

Alex Clifford, General Manager, presented a report from the Metro Gateway Cities Service Sector. He said that no new service changes were being proposed for December. He said that additional funding for marketing had been received. It was moved by Member Gurule, seconded by Member Davis, to receive and file the report. The motion was approved unanimously.

Member Wilson presented a report from the Conservancy Committee. He said that the Los Angeles River Ride was extremely well attended. He said that other cities are asking to host the event in 2009. He said the Los Angeles Department of Water and Power had repainted the striping all the way to the Port of Long Beach and had removed graffiti. Member Wilson said that over 100 applications had been received by the Conservancy for Proposition 4 projects. He said that the Whittier Greenway Trail project had been approved for funding. It was moved by Member Gurule, seconded by Immediate Past President Nelson, to receive and file the report. The motion was approved unanimously.

The Executive Director presented a report from the I-710 EIR/EIS Project Committee. He said that the Project Committee is expected to meet in August.

The Executive Director presented a report from the SR-91/I-605/I-405 Corridor Cities Committee. He said that the initial studies for the Major Corridor Study had all been completed.

There was no report from the Transportation Committee.

Member Daniels said that attendance at SCAG policy committee meetings by Board appointees to the committees had been spotty and proposed that the Board adopt a policy that absence at two consecutive policy committee meetings by a committee member would result in the position being declared vacant. The General Counsel asked if the proposed policy would provide for excused absences. Member Daniels responded that it would and that SCAG makes available on a quarterly basis an attendance record that shows which absences are excused. Member Wilson said that the Board had already adopted a policy that states that the committee representatives agree to attend at least 75% of the meetings.

After discussion among the Board members, it was moved by Member Daniels, seconded by Member Nordbak, to amend the current Board policy to state that two consecutive unexcused absences from SCAG policy committee meetings would result in a vacancy in that position and that an attendance record on policy committee meetings be presented to the Board quarterly. The motion was approved, with Member Wilson voting no.

There were no matters from the President.

The General Counsel announced that now was the time for the annual election of officers. President Guerrero nominated First Vice President Bayer for the position of President. There were no other nominations. It was moved by Member Wilson, seconded by Member DuBois, to close nominations and to elect First Vice President Bayer as President. The motion was approved unanimously.

First Vice President Bayer nominated Second Vice President Stefenhagen for the position of First Vice President. There were no other nominations. It was moved by Member Wilson, seconded by Member DuBois, to close nominations and to elect Second Vice President Stefenhagen as First Vice President. The motion was approved unanimously.

Second Vice President Stefenhagen nominated Member DuBois for the position of Second Vice President. There were no other nominations. It was moved by Member Gurule, seconded by Member Davis, to close nominations and elect Member DuBois as Second Vice President. The motion was approved unanimously.

It was moved by Member DuBois, seconded by Member Gurule, to elect President Guerrero as Immediate Past President. The motion was approved unanimously.

The General Counsel asked for self nominations of cities to fill the remaining eight positions on the Executive Committee. The following cities self-nominated: Artesia, Bellflower, Cerritos, Compton, Cudahy, Maywood, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, and Whittier. The General Counsel asked that Board members fill out ballots and vote for up to eight members of the Executive Committee. He said the eight cities receiving the highest vote totals would be elected to the Executive Committee.

Following the collection of the ballots, the following vote totals were announced by the General Counsel, with the cities with the eight highest vote totals being elected to the Executive Committee: Whittier 20; Artesia 19; Pico Rivera 19; South Gate 19; Paramount 17; Cerritos 16; Bellflower 15; Signal Hill 14; Santa Fe Springs 12; Cudahy 11; Maywood 8; Compton 7.

First Vice President Bayer presented flowers and a plaque to President Guerrero commending her on her year of service as President.

Adjournment: The meeting was adjourned by consensus at 8:15 p.m.

Respectfully submitted,

Richard Powers, Secretary

VII. CONSENT CALENDAR
ITEM B
Approval of Warrant Register

**VII. CONSENT CALENDAR
ITEM C
June 2008 Local Agency
Investment Fund Statement**

STATE OF CALIFORNIA

BILL LOCKYER, *Treasurer*

OFFICE OF THE TREASURER
SACRAMENTO

Local Agency Investment Fund
PO Box 942809
Sacramento, CA 94209-0001
(916) 653-3001
www.treasurer.ca.gov/pmia-laif



June, 2008 Statement

GATEWAY CITIES COUNCIL OF GOVERNMENTS
Attn: TREASURER
16401 PARAMOUNT BOULEVARD
PARAMOUNT CA 90723

Account Number : 40-19-045

Transactions

<u>Effective Date</u>	<u>Transaction Date</u>	<u>Tran Type</u>	<u>Confirm Number</u>	<u>Authorized Caller</u>	<u>Amount</u>
06-06-2008	06-05-2008	RW	1174069	JACK JOSEPH	- 150,000.00

Account Summary

Total Deposit :	0.00	Beginning Balance :	994,039.56
Total Withdrawal :	- 150,000.00	Ending Balance :	844,039.56

**VII. CONSENT CALENDAR
ITEM D
Status Report on Gateway Cities
Clean Air Program**

TO: Board of Directors
FROM: Richard Powers
SUBJECT: Status Report on Clean Air Program

This report provides a status update on the Clean Air Program for the period of June 25, 2008 through July 29, 2008.

Status of Existing Fleet Modernization Program

The Gateway Cities Fleet Modernization Program is now dormant; all currently available incentive funds have been expended. Until further funds are provided by the San Pedro Bay Ports (or other sources), no new awards can be made under the fleet modernization program. Since program inception in October 2002, 642 older in-use heavy-duty trucks have been replaced with lower-emitting newer trucks, through \$24.692 million in grants provided by five different funding agencies. The Port of Los Angeles provided approximately 78% (\$19.2 million) of these funds used for truck replacement grants. Table 1 in Appendix A lists all five funding agencies and provides additional information.

The existing Gateway Cities fleet modernization program has been a solid model that has been used by the Ports to help develop their large-scale, landmark “clean trucks program.” On July 17th, the Port of Long Beach Board of Harbor Commissioners approved Tetra Tech as the entity that will administer and manage the program, which is designed to replace approximately 10,000 trucks serving the San Pedro Bay terminals by 2012. The Port of Long Beach is expected to vote on a similar resolution in early August.

Although the existing Gateway Cities fleet modernization program is currently closed to new awards, the 642 lower-emitting replacement trucks funded through the program are making major contributions towards improved air quality and human health in the South Coast Air Basin. Perhaps the most valuable benefit – reduced human exposure to emissions of harmful diesel particulate matter – is especially being realized throughout the Gateway Cities sub-region, including within and around the Ports and along key goods movement corridors.

Also, it is notable that participants continue to regularly reach the end of their 5-year contractual obligation to the COG. Approximately 15 to 20 participants are exiting the program each month, having been released per program guidelines.

Status of Pilot Port Truck Retrofit Program

The Port Truck Retrofit Program continues to be an active element of the COG’s Clean Air Program. Funded by POLB, the retrofit program is a “pilot” effort to retrofit 50 port trucks with CARB-approved diesel emissions control devices. As of July 29, 21 trucks have

completed retrofit installation, and 14 are in the process of being prepped for retrofit. In the case of one retrofitted truck, the retrofit device was removed after the owner/participant complained of vehicle performance issues. We continue to monitor participant activities and assist them with any issues they encounter. Post-installation 90-day check-ups have been completed for nine awardees and six inspections are in the process of being scheduled.

Currently the COG team is working on about 21 existing retrofit applications, which are in various stages of completion. As previously reported, the COG team has been working with POLB staff, potential end users (port truckers), and the retrofit device manufacturer to increase interest in the retrofit program among port truckers. Success continues to be mixed, however. In part, this is because the Ports have focused most of their attention on truck replacements rather than truck retrofits. Whereas truck replacements offer many tangible benefits to truckers (newer, safer, more fuel-efficient trucks), the retrofit option offers benefits that are less obvious and more long-term in nature. The net effect is that truckers (to date) have had little urgency to get their rigs retrofitted. This may change when the Ports further define the CTP's retrofit provisions and requirements.

A meeting was held with representatives of POLA, POLB, and the retrofit device vendor (Ironman Parts) to clarify questions and concerns regarding port fees for future retrofit applicants. Ironman and the end user of the trucks are concerned that the truck owners will be required to pay fees and replace their trucks in three years. The Port representatives and the Gateway team explained more about the fee structure, which is complex and still evolving. It now appears that the trucking company will move forward with getting their trucks retrofitted.

One new issue involves a driver who has complained of reduced power and failed engine parts since the installation of his retrofit. After multiple discussions with the driver, he has decided that he wants the unit removed. The team is working with the ports to determine if the program should pay to have the retrofit unit removed.

Another issue, previously reported, involves ongoing assistance for approximately 38 owners of POLA-funded trucks that received CARB-verified retrofit devices back in 2004. The COG team has been working hard to solve problems in the field and ensure that participants have access to a special filter needed to help the retrofit system significantly reduce particulate emissions, as designed.

Other Recent Accomplishments by the COG Clean Air Team

Other accomplishments by the COG team since the last update include the following:

- Attended a successful meeting of the Port of Long Beach, Port of Los Angeles, and the Manufacturers of Emission Controls Association (MECA) and gave a presentation on the San Pedro Bay Ports Pilot Port Truck Retrofit Program, which is administered by the Gateway team on behalf of the ports. This included discussion regarding port truck drivers' concerns that retrofitted trucks will be banned in three yrs because they don't meet 2007 emissions standards as required by the ports' Clean Truck Program.

- Continued discussions with Webtech Wireless to improve the reporting of the repair status of Automatic Vehicle Locators (AVLs).
- Continued assisting the Ports with selection of truck manufacturers to supply new, “purpose-built” port trucks at volume discounts.
- Continued to work with fleet modernization and retrofit program participants having problems or issues, or failing to meet program requirements.

Anticipated Activities for August 2008

During August 2008, we anticipate working on the following:

- Set up a teleconference with Webtech Wireless to discuss how to resolve the issue of inadequate repair status feedback.
- Continue to implement the day-to-day management of the existing fleet modernization and retrofit program, including ongoing retrofitting of port trucks for the 50 truck “pilot” demonstration program
- Process “exit” paperwork for additional program awardees (those awarded in July 2003) who are now completing their five-year contractual obligations
- Continue working with any participants of both program elements who may have problems or issues
- Continue working with the COG legal team to help resolve issues involving program participants (if any)

Appendix A: Status of Fleet Modernization Program (Currently Dormant)

Table 1 provides a breakout of all incentive awards and funding allocations since program inception, by specific agencies.

Table 1. Total Amount of Funds Spent to Date for Fleet Modernization Incentive Awards

Funding Agency	Funds Spent to Date for Fleet Modernization Awards*	Total Number of Replaced Trucks	Status as Active Component of Program
CARB / EPA	\$2,178,175	86	Completed late 2003
MSRC (First Allocation)	\$900,000	34	Completed mid 2004
MSRC (Second Allocation)	\$1,193,851	33	Completed mid 2007
Port of Los Angeles	\$19,179,690	472	Funding exhausted 12/07
Port of Long Beach	\$1,240,532	17	Funding exhausted 12/07
TOTAL PROGRAM	\$24,692,248	642	
*Refers to funds actually spent and does not include funds allowed for program administration.			

As the above table shows, the Port of Los Angeles (POLA) has provided 78% (\$19.2 million) of the funding for fleet modernization awards since program inception. A combined \$4.3 million in award funds have been provided by CARB, EPA, and the MSRC (AB 2766 funding). The Port of Long Beach (POLB), which became a program funder in 2007, has contributed \$1.24 million in grant funding to replace port trucks.

**VII. CONSENT CALENDAR
ITEM E**

**Status Report from Lobbyist,
Government Relations Consultants**

G O V E R N M E N T R E L A T I O N S C O N S U L T A N T S

To: Richard Powers
Gateway Cities Council of Governments

From: Allynn Howe
Government Relations Consultants

July 31, 2008

Monthly Report

Gateway Cities

TRANSPORTATION

House delays vote on new bridge funds. House debate this week on the “National Highway Bridge Reconstruction and Inspection Act of 2007” (HR 3999) was postponed so that lawmakers could consider legislation on the high profile issue of domestic oil and gas drilling. The House will likely consider the bridge bill next week.

HR 3999 was introduced in response to the I-35 West bridge collapse in Minneapolis last year and would authorize an additional \$1 billion in FY 2009 for the reconstruction and repair of structurally deficient bridges on the National Highway System. The funds would be distributed using the existing federal-aid highway formulas. States would be required to compile a list of structurally deficient bridges using criteria crafted by FHWA. The measure would also require the Federal Highway Administration (FHWA) to update national standards for bridge inspection and provide improved training to highway bridge inspectors.

House Republicans are objecting to a provision in the bill that would prevent states from transferring the new bridge funds to any other Federal-aid highway account. The 2005 SAFETEA-LU law granted states more flexibility to transfer funds between various federal funding accounts. The White House issued a brief Statement of Administration Policy (SAP) opposing the legislation, but did not specifically indicate a veto threat. According to the SAP, “the Administration’s requested funding level of \$39.4 billion for the Federal-aid Highway program is both responsive to current needs and consistent with budgetary realities.” The Highway Bridge Program typically receives 10 percent of the total Federal-aid Highway program funds.

The House Transportation and Infrastructure’s Subcommittee on Highways and Transit is preparing to write a new comprehensive transportation authorization bill next year. Many are arguing for a doubling of current spending because of the growing backlog of infrastructure needs. Reps. Napolitano and Richardson (both members of the Transportation Committee) are in

ongoing discussions with Chairman Oberstar about conducting some hearings in the Gateway Cities.

HOUSING

In the wake of the alarming news about the potential insolvency of Fannie Mae and Freddie Mac and of several banks, it appears that Congress will take quick action next week to finalize legislation (HR 3221) designed to address the mounting foreclosure crisis. Lawmakers plan to add language to the bill that would implement portions of the Administration's plan to rescue faltering mortgage giants Fannie Mae and Freddie Mac and negotiate other details of the bill over the weekend so that the House and Senate can clear the bill for the President's signature next week.

Although lawmakers and the Administration are still ironing out the details of the bill, it will likely include:

- a \$300 billion increase in the Federal Housing Administration (FHA) loan limit to allow for the refinancing of mortgages facing foreclosure;
- a \$14.5 billion tax title to assist homeowners and homebuyers, including a tax credit for homebuyers, allowing taxpayers who do not itemize their deductions to take a \$500 deduction (\$1,000 for couples) for state and local property taxes, an increase in the cap on the Low-Income Housing Tax Credit, and an increase in the cap on mortgage revenue bonds;
- an overhaul of FHA, and
- creation of a new, stronger regulator for Fannie Mae and Freddie Mac.

The legislation will also include portions of the Administration's plan to bail out Fannie and Freddie. The plan calls for making a federal line of credit available to the two government-sponsored enterprises (GSEs) and for allowing the federal government to acquire an equity stake in the two mortgage giants. Some lawmakers are pushing for a cap on the line of credit and the size of the federal stake in the two GSE's. However, the Administration is pushing back, arguing that the situation and the volatility of the markets require maximum flexibility.

The Treasury Department also points out that with the federal debt standing at approximately \$9.4 trillion and the statutory debt limit set at \$9.8 trillion, there will already be a \$400 billion cap on the line of credit and on the amount Treasury can spend acquiring shares in Fannie and Freddie. The Fannie and Freddie bailout probably means that the final version of HR 3221 will now likely include \$3.9 billion in grants to state and local governments for the purchase and rehabilitation of foreclosed homes. The Administration has been adamant that it would veto any bill that includes the funding for state and governments, even in the wake of an overwhelming, veto-proof Senate vote in favor of the funding. However, in an about-face from his previously conciliatory remarks on the issue, House Financial Services Committee Chairman Barney Frank (D-MA) told reporters that with Congress poised to authorize a \$400 billion bailout of two private companies, the administration's position of "oh, we can't afford to send \$4 billion to the

cities to buy foreclosed property” is no longer a politically tenable argument.

HOUSING BUDGET

Senate panel approves recommended FY 2009 HUD budget. Last week, the Senate Appropriations Committee approved its version of a FY 2009 budget for the Department of Housing and Urban Development. The \$42.4 billion that would be spent at the agency represents a \$4.73 billion increase over the FY 2008 level.

Due to the threat of a Presidential veto, Senate leaders are not inclined to spend time debating the HUD spending bill on the floor this year. In the interim, Congress is expected to approve a Continuing Resolution (CR) that would fund HUD and other federal agencies at or near their FY 2008 levels until after a new President is sworn in. However, below are the recommendations of the committee for some selected HUD programs (with differences from FY 2008 level in parentheses):

- \$3.7 billion for CDBG formula grants (+\$208m),
- \$1.97 billion for the HOME program (+\$270m),
- \$1.667 billion for homeless assistance (+\$82m),
- \$4.4 billion for public housing operating grants (+\$200m),
- \$2.44 billion for public housing capital grants (same),
- \$100 million for HOPE VI severely distressed public housing (same),
- \$315 million for housing for persons with AIDS (+\$15m),
- \$765 million for housing for elderly (+\$30m)
- \$250 million for housing for the disabled (+\$13m),
- \$16.7 billion for Section 8 tenant-based assistance (+\$300m) and
- \$8.45 billion for Section 8 project-based assistance (+2.07b).

The House has approved its version of a FY 2008 budget on the subcommittee level but is not expected to take up the measure on the full committee level this year due to some of the same concerns mentioned above.

FINAL NOTE:

Due to unresolvable differences between Republicans and Democrats, the mark up for the House Transportation/HUD Appropriations Subcommittee was deferred to full committee for consideration. All earmarks and other details of the subcommittee draft were embargoed until further notice.

VIII. REPORTS

ITEM A

**Low-Cost Maglev Using Existing Rails
and Roads, Presentation by Andrew W.
Hayes, CEO, Fastransit Inc.**



Summary of Gateway Cities Presentation

Using the only magnetic levitation ("maglev") system that is fully inter-operable with existing rails and roads, Fastransit offers a seamless transition to a high-capacity network of point-to-point travel for passengers, goods and vehicles over urban and inter-city routes. With capital costs under \$10M/mile and lower energy costs than any other system (even other maglev), Fastransit is the ideal transportation system for Southland ports and passengers.

Fastransit looks like a railroad, but its rails are made of special magnet arrays that create permanent levitation—no ground contact, ever. Lateral stabilization and switching between tracks is instantaneous, via electronic signals (not mechanical switches). This design allows for point-to-point routing of individual carriages—no need to run "in train". The result is a high-capacity, high-value transportation system with a wide range of applications:

- Port facilities can multiply their throughput, offering just-in-time deliveries from zero-emission docksides with each container securely identified for its destination.
- Trucks and intermodal freight can make just-in-time deliveries over a congestion-free "freight interstate" for \$1.60/mile – less than the current cost per mile of trucking.
- Mass transit riders can have faster, more frequent rush hour service and on-demand point-to-point service at off hours, for the same cost as current mass transit systems.
- Inter-city passengers and cars can travel up to 600 miles faster than by air, for less than the cost of driving – \$0.25/mile for cars on a flatbed, pennies per mile for passengers.

Fastransit can offer these services because it is a multi-modal local/long-distance network with instantaneous switching to offline stations. It can offer these prices because its capital costs are similar to a railway's: the rail magnets cost \$3M/mi, but site prep costs are less than steel rails because the vehicle's weight is spread over long maglev "skis", reducing ground pressure to a fraction of that of a truck, and 0.0007% of that of a rail car.

Fastransit's operating costs are much less than rail or roads, since there are no wheels and no contact points, and it is the most energy-efficient means of transport: moving a 68,000 lb. container one mile at 50 mph uses 0.4 Kwh – at 10 cents per Kwh, *four cents per mile*.

Because maglev does not generate the noise, emissions, or vibrations of roads or rail, Fastransit also increases the value of adjoining properties, and maximizes the value of transit-oriented development in the most sustainable locations – along existing transit lines. And Fastransit can be installed on rail tracks without disrupting existing rail operations, making a changeover feasible in the short term, with no disruption in operations.

Our first prototype has been levitating, without power, in our California facility for several years. Subsequent prototypes have validated the switch, motor, and stabilization systems, and we are now planning to build a full-scale pilot project and track. For more information, please contact Fastransit CEO Andrew Hayes at ahayes@fastransitinc.com.

VIII. REPORTS
ITEM B

**Electric Transportation and Impact to
Municipalities**

(Oral Presentation)

**VIII. REPORTS
ITEM C**

**Alternative Fuel Vehicles, Presentation by
David Madsen, South Coast Air Quality
Management District**

(Oral Presentation)

VIII. REPORTS

ITEM D

Gateway Cities COG Comment Letter on SCAG Regional Comprehensive Plan

TO: Board of Directors

FROM: Richard Powers, Executive Director

SUBJECT: Gateway Cities COG Comment Letter on SCAG Regional Comprehensive Plan

Background

To quote from the Executive Summary, “The Regional Comprehensive Plan (RCP) is a problem-solving guidance document that directly responds to what we’ve learned about Southern California’s challenges through the annual State of the Region report card. It responds to SCAG’s Regional Council directive in the 2002 Strategic Plan to develop a holistic, strategic plan for defining and solving our inter-related housing, traffic, water, air quality, and other regional challenges.”

SCAG is not mandated by any law to develop or adopt a Regional Comprehensive Plan. The last such plan was adopted in 1996, and various individual chapters have been updated. This is the first completely new RCP since that time. The areas covered by the 2008 RCP are:

- Land Use and Housing
- Open Space and Habitat
- Water
- Energy
- Air Quality
- Solid Waste
- Transportation
- Security and Emergency Preparedness
- Economy

The policies and guidance contained in the RCP are not mandatory. The policies in the RCP are used by SCAG staff in evaluating Environmental Impact Reports for regionally significant projects under SCAG’s statutory Intergovernmental Review authority. SCAG reviews these EIRs for consistency with regional plans. The new RCP does suggest several areas for SCAG to incorporate in its work program in succeeding years.

Issue

A draft COG comment letter to SCAG is attached. In summary, the letter requests that SCAG work closely with the Gateway Cities COG and other subregions to allow for full and continuing participation as performance measures and suggested local government policies are further developed.

Attachments

Draft comment letter to SCAG on 2008 RCP.

Recommended Action

Provide direction and approve comment letter to SCAG.

DRAFT

Mr. Hasan Ikhata
Executive Director
Southern California Association of Governments
818 West 7th Street, 12th Floor
Los Angeles, CA 90017

Subject: Comments on Draft 2008 Regional Comprehensive Plan

Dear Mr. Ikhata:

On behalf of the Gateway Cities Council of Governments, I am pleased to submit the following comments on the draft 2008 Regional Comprehensive Plan.

We appreciate that SCAG has undertaken the effort to identify constructive regional policies on a wide range of inter-related planning issues.

It is our understanding that the policies in the RCP are voluntary and not binding on us or any jurisdiction other than SCAG. However, numerous suggested policies in the RCP are directly relevant to actions taken by local government. Primary among these is the authority to make land use decisions. Many other local government recommendations are included in the RCP policy lists.

Moreover, the RCP refers to the development of performance measures that will allow SCAG to gauge how well local governments are adhering to suggested regional policies.

In light of SCAG's intention to track local governments' progress and performance, we request that SCAG continue to work closely with the Gateway Cities COG following RCP adoption. In particular, we ask that a technical working group be convened involving the subregions, including the Gateway Cities, and other stakeholders. This will help ensure that there is a full and continuing opportunity for input on the development of any RCP performance measures and on the further evolution of suggested local government policies. We also request that periodic briefings on these policies be provided to our Board.

Again, we thank you for the opportunity to comment on this Plan and look forward to working with SCAG to develop it further.

Sincerely,

Anne M. Bayer, President, Board of Directors
Gateway Cities Council of Governments

VIII. REPORTS
ITEM E
RMC Request Regarding Governor's
Water Bond

TO: Board of Directors

FROM: Richard Powers, Executive Director

SUBJECT: RMC Request Regarding Governor's Water Bond

Background

Governor Schwarzenegger has developed a proposed water bond measure for possible placement on the November ballot. The Rivers & Mountains Conservancy contacted the COG to alert us that the proposed bond did not contain a specific allocation of funds to the RMC. As such, it would be the first state measure not to provide such an allocation. Without it, RMC would have to go back to the legislature for appropriations to obtain funding. The legislature must act by August 15 for the measure to go on the ballot.

Issue

RMC has distributed funds from several prior water bonds via a competitive grant process among cities in its watersheds, which include the San Gabriel Valley and portions of Orange County in addition to Gateway Cities. They would handle funds from this water bond measure likewise, should the measure pass. A total of \$3.6 million has so far been provided to the Gateway Cities.

City Managers in the Gateway region have had some concerns that the past grant allocation process has not always resulted in a fair distribution of funds among the Gateway Cities. They have met with RMC staff to work on ways to ensure a fair distribution in future.

As a result, staff recommends that the COG provide a conditional support to the RMC's request for assistance in obtaining a funding earmark in the Governor's bill. Staff has drafted a letter to the Governor supportive of a \$100 million earmark, and a separate letter to the RMC Executive Officer expressing our concern about the allocation process.

Attachments

- Proposed letter to the Governor
- Proposed letter to the RMC Executive Officer

Recommended Action

Review proposed comment letters; provide direction to staff and approve submittal of letters.

DRAFT

August 7, 2008

Ms. Belinda Faustinos
Executive Officer
Rivers & Mountains Conservancy
100 N. Old San Gabriel Canyon Road
Azusa, CA 91702

Subject: Gateway Cities Request Regarding Governor's Proposed Water Bond

Dear Ms. Faustinos:

Thank you for contacting the Gateway Cities COG regarding the Governor's proposed water bond, and for making us aware that the proposed bond did not allocate specific funding to the Rivers & Mountains Conservancy (RMC).

Enclosed for your information is a copy of our letter to the Governor requesting that he consider adding a specific allocation of \$100 million to the RMC in the bond language.

However, please understand that our support of your request is not unconditional. As you are aware, COG member cities have been concerned that past allocations of RMC funding have not resulted in an equitable distribution of project funds among all cities. We will continue to work with the RMC to ensure that Gateway cities are given a fair share allocation of future funds.

Again, thank you for contacting us regarding this issue.

Sincerely,

Anne M. Bayer
President
City of Downey

DRAFT

August 7, 2008

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

Subject: Proposed State Water Bond – San Gabriel and Lower Los Angeles Rivers
& Mountains Conservancy

Dear Governor Schwarzenegger:

On behalf of our Board of Directors, I am writing to request that you include a specific funding allocation in your proposed water bond measure for the San Gabriel and Lower Los Angeles Rivers & Mountains Conservancy (RMC).

The Gateway Cities subregion is one of the three main areas served by this conservancy. The 27 cities of the Gateway Cities Council of Governments have a combined population of over two million people, who live and work in communities as diverse as their populations. Positioned on the Pacific Rim, the Gateway Cities are the industrial powerhouse of Los Angeles County.

Given our high population, dense development, and industrial focus, the nature of the services provided to our region by the RMC is especially important. The residents of many of our member cities and unincorporated areas have benefited directly from projects funded by the RMC, including parks, recreation trails, and acquisition of natural areas for preservation.

We understand that your proposal as drafted does not specify funds to be allocated to RMC so that they may continue to fund these beneficial programs. We respectfully request that you consider designating an allocation of \$100 million in bond funds to the RMC.

Sincerely,

Anne M. Bayer
President
City of Downey

IX. REPORTS FROM COMMITTEES
ITEM A
Conservancy Committee

TO: Board of Directors

FROM: Councilmember Patrick O'Donnell
Councilmember Edward Wilson

SUBJECT: San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Update

Background

The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) was established by State Legislation in which the COG was an active participant. The Gateway Cities are represented on the RMC Board by two members listed above.

Issue

The Board of Directors of the RMC met on July 28, 2008, in Paramount.

The board approved a \$1 million grant to the City of Paramount for the expansion of Ralph C. Dills Park. The Board also authorized grant amendments for projects ongoing in the Cities of Long Beach and Cerritos.

The Board authorized a grant to the Watershed Conservation Authority to acquire a tax-defaulted parcel in the City of Long Beach, should it be made available for sale by the County.

The Board approved submittal of a grant application for in-kind technical assistance from a local office of the National Park Service to work on a Pedestrian/Bike Path along Randolph Avenue, a former Union Pacific rail right-of-way passing through the Cities of Maywood, Huntington Park, and Bell.

Recommended Action

Receive and file this report.

