

**BART Earthquake Safety Program
Citizen's Oversight Committee**

Report to the BART Board of Directors

**Report No. 1
June 14, 2007**

I. Introduction

Establishment of the Citizen's Oversight Committee

The BART Earthquake Safety Program Citizen's Oversight Committee was created as required following the passage of Measure AA November 2, 2004. The measure, which authorized the BART District to issue bonds for \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda counties, stipulated that BART establish a Citizens' Oversight Committee (COC) to verify that bond revenues are spent as promised.

The measure called for a five-member panel to be created from interested individuals who must reside within the three-county BART District. Each member must have specific expertise and fulfill one of the following:

- ❑ One member shall have expertise in seismic retrofitting
- ❑ One member shall have expertise in auditing
- ❑ One member shall have expertise in engineering
- ❑ One member shall have expertise in public financing or project management
- ❑ One member shall represent the community at large

II. Duties and Responsibilities of the Committee

The members of the COC have three key duties to fulfill, as set forth in BART Board Resolution 4920, passed by the BART Board in June 2004. They are to:

- ❑ Review scheduling and budgeting of projects to be funded by the bond measure.
- ❑ Confirm that work is completed and bond funds are expended in accordance with the bond measure.
- ❑ Inform the public concerning the expenditure of bond revenues.

III. Selection of the COC

On February 9, 2006, the BART Board of Directors selected five members and five alternates to serve as the first Citizen's Oversight Committee. The length of service for this panel will be two years – from February 9, 2006 to February 9, 2008.

2006-2008 Membership

- ❑ Bob Barksdale, Public Financing/Project Management Seat
- ❑ Colin Paul, Engineering Seat
- ❑ Raymond Jee, Auditing Seat
- ❑ Mei Kuen Liu, Seismic Seat
- ❑ Guy Miller, Community At Large Seat

IV. COC Meetings Report

April 27, 2006 Orientation Meeting

An orientation meeting was held on April 27, 2006 for COC Members and Alternates. Members were provided with an overview of the function of the Citizens' Oversight Committee and a review of its responsibilities and duties.

A three ring binder of reference materials was prepared for each Committee member that included copies of the following:

- General Obligation Bond language
- Resolution 4920
- Committee By-Laws
- Brown Act
- Conflict of Interest Code
- Earthquake Safety Program Scope
- BART contacts information

The COC Members were given a sample Financial Status report, showing each project within the program and staff reviewed the documents with the Committee and discussed the future presentation of financial material.

The Committee selected Bob Barksdale to serve as its Chair for year one of their two-year term.

The Committee was pleased with the materials presented and set the next meeting for June 2006.

Minutes of the meeting were prepared and sent to the members for review and concurrence.

June 8, 2006 Second Meeting

The second COC meeting was held on June 8, 2006. Members were provided the following reports:

- Update on the Earthquake Safety Program's engineering and design progress
- Financial Report on Bond Fund spending to date
- Contracting Status Report showing the active contracts for the program

COC members asked for data on the Financial Report to clarify contingency and escalation. The Committee requested information about project audits, and requested a

presentation at the next meeting to provide an overview of that function. The Committee also requested information on how the project bids will be publicized.

The Committee was pleased with the presentation of materials and the response to questions. The next meeting was scheduled for February 2007

February 15, 2007 Third Meeting

The third COC meeting was held on February 15, 2007. Members were provided with the following reports;

- Update on the Earthquake Safety Program's progress
- Financial Report on Bond Fund spending to date
- Contracting Status Report showing active contracts for the program

The modifications to the report requested at the April 27th meeting were incorporated. The BART Controller Treasurer attended the February 15th meeting to provide an overview of the auditing process. The COC members asked for a copy of the Forecast and Complete report, to review the audit plan for the Earthquake Safety Program, and to have a member of the Internal Audit Department attend the next meeting to provide an overview of the department's function.

Committee members expressed their appreciation that the requested changes to their Financial Reports were made and their satisfaction that the information conveyed what they had requested.

The presentation made by the BART Controller Treasurer gave the members insight into the audit process at BART. They requested that Internal Audit provide a similar presentation at their next meeting.

The next meeting was scheduled for September 2007.

V. Public Access to the COC

The Earthquake Safety Program has established a number of systems for the public to contact them with questions. These include:

- a dedicated COC telephone information line
- an email address
- COC section of the BART website

The telephone and email are checked daily by project staff. Any inquiries that are received via phone or email are sent on to the COC Chair and the appropriate COC seat holder to provide a response. Project staff provides the Chair with additional information or assistance as required.

VI. Summary Committee Report

The consensus of the members of the Citizens' Oversight Committee and Alternates is that the information provided by staff has been clear and informative. The members report they have a very good understanding of the Earthquake Safety Program and its elements. They have reviewed the schedule and budget for projects funded by the bond measure and confirm that the work is being completed and bond funds are being expended in accordance with the bond measure. Members are satisfied that the project has planned for contingency and cost escalation in its budgeting and that the project has demonstrated cost consciousness, such as the Value Engineering that has taken place.

The COC members understand that the project staff is properly organized to complete the project and that they have identified the critical issues that will result in satisfactorily completing the project.