

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688, Oakland, CA 94604-2688

Board of Directors
Minutes of the 1,510th Meeting
June 28, 2007

A regular meeting of the Board of Directors was held June 28, 2007, convening at 9:05 a.m. The meeting was held via simultaneous teleconference in the Board Room, 344 20th Street, Oakland, California, and the Park South Hotel, 122 East 28th Street, New York, New York. Vice President Murray presided; Kenneth A. Duron, District Secretary.

Directors present in Oakland: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, and Ward Allen.

Director present in New York: President Sweet.

Absent: None.

Director Fang introduced Mr. Dermot Philpott, former San Francisco Deputy Chief of Police, and Mr. Tom Murphy, of the United Irish Societies of San Francisco. Mr. Philpott and Mr. Murphy addressed the Board.

Vice President Murray announced that there would be revisions to the printed order of the agenda items, and that Item 8, Closed Session, would not be held.

Consent Calendar items brought before the Board were:

1. Approval of the Minutes of the Meeting of June 14, 2007.
2. Proposed Support for State Legislation.
3. Approval of Agreement with San Francisco Municipal Transportation Agency (SFMTA) for the Employer Ticket Sales Program.
4. Change Order to Agreement No. 6G1138, for the Provision of Legal Services, with Jay Powell, Esq., to Fund Ongoing Legal Work (Change Order No. 2).

Consent Calendar motions, as follow, were moved as a unit by Director Keller. Director Blalock seconded the motions, which carried unanimously. Ayes – 9: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, Ward Allen, and Sweet. Noes – 0. Absent – 0.

1. That the Minutes of the Meeting of June 14, 2007, be approved.
2. That the Board support the following legislation before the State Legislature considered by BART staff to be non-controversial: Assembly

Bill (AB) 444 (Hancock) – Congestion management fees; AB 490 (Hancock) – Board compensation; and AB 1326 (Houston) – Technical correction bill.

3. That the General Manager be authorized to enter into an agreement for Fiscal Year 2008 through Fiscal Year 2009, with two one-year options, with the City and County of San Francisco Municipal Transportation Agency, for the delivery and sale of transit passes or tickets (the Employer Ticket Sales Program), at a cost to BART not to exceed \$0.60 per ticket sold, and that the General Manager be authorized to exercise the first or both of the one-year options at the same per-ticket cost, the total cost under this agreement not to exceed \$500,000.00.
4. That the General Counsel be authorized to execute Change Order No. 2 to Agreement No. 6G1138, with Jay Powell, for an amount not to exceed \$175,000.00.

The Board Meeting recessed at 9:13 a.m.

The Board Meeting reconvened at 9:17 a.m.

Directors present in Oakland: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, and Ward Allen.

Director present in New York: President Sweet.

Absent: None.

Director Franklin, Chairperson of the Administration Committee, brought the matter of General Obligation Bonds 2007 Series B, Selection of Underwriters and Selection of Financial Advisor, before the Board. Director Keller moved that the Controller-Treasurer be authorized to enter into an agreement with the Joint Venture of UBS Securities, LLC, acting as senior manager, and Morgan Stanley & Co., LLC; Backstrom, McCarley, Berry & Co., LLC; Jackson Securities, LLC; and Siebert Brandford and Shank & Co., LLC, acting as co-managers, as underwriters for the issuance of the General Obligation Bonds 2007 Series B; and that the Controller-Treasurer be authorized to enter into an agreement with Public Financial Management, Inc., as Financial advisor relating to the General Obligation Bonds 2007 Series B, pursuant to notification by the Controller-Treasurer and subject to the District's protest procedures. The cost of issuance for the General Obligation Bonds 2007 Series B shall not exceed \$3.0 million. Director Blalock seconded the motions, which carried. Ayes – 8: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, and Ward Allen. Noes – 1: President Sweet. Absent – 0.

Vice President Murray brought the matter of Authorize the Issuance and Sale of \$400 Million General Obligation (GO) 2007 Series B Bonds and the Execution and Delivery of the Required Documents before the Board. Director Keller moved adoption of Resolution No. 5019,

Authorizing and Approving the Issuance and Sale of Not to Exceed \$400,000,000.00 Aggregate Principal Amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2007 Series B; Authorizing the Execution and Delivery of a First Supplemental Paying Agent Agreement Pursuant to Which Such Bonds Are to Be Issued, a Bond Purchase Agreement Pursuant to Which Such Bonds Are to Be Sold by Negotiated Sale; Approving an Official Statement Relating to Such Bonds; Authorizing Execution and Delivery of the Official Statement and Certain Documents in Connection with the Issuance, Sale and Security of Such Bonds, Including a Continuing Disclosure Agreement; Delegating to the Controller/Treasurer of the District Power to Determine Final Terms of Such Bonds, Complete Said Documents and Negotiate Credit Support for Said Bonds; and Authorizing Certain Other Matters Relating Thereto. Director Blalock seconded the motion, which carried. Ayes – 9: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, Ward Allen, and Sweet. Noes – 0. Absent – 0.

Vice President Murray brought the matter of Resolution Commending Thomas E. Margro, before the Board. Director Blalock moved adoption of Resolution No. 5021, Resolution Commending Thomas E. Margro. Director Ward Allen seconded the motion, which carried. Ayes – 8: Directors Blalock, Fang, Franklin, Keller, Murray, Radulovich, Ward Allen, and Sweet. Noes – 0. Abstain – 1: Director Luce. Absent – 0. The Board members offered comments and congratulations to Mr. Margro. Vice President Murray presented Mr. Margro with the Resolution and a retirement certificate recognizing his service to the District.

President Sweet exited the meeting.

The Board Meeting recessed at 9:36 a.m.

The Board Meeting reconvened at 10:39 a.m.

Directors present: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, and Ward Allen.

Absent: President Sweet.

Consent Calendar Addenda items brought before the Board were:

1. Extension of Muni Fast Pass Agreement.
2. On-Call Property Development Consultant Services:
 - a. Agreement No. 6M6006A with CBRE Consulting, Inc.
 - b. Agreement No. 6M6017 with Economic & Planning Systems.
3. Appointment of Kay and Stevens as Special Counsel for Labor and Employment Law Matters.

4. State Budget Update and Legislative Endorsements.

Consent Calendar Addenda motions, as follow, were moved as a unit by Director Blalock. Director Franklin seconded the motions, which carried by unanimous voice vote. Ayes – 8: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, Radulovich, and Ward Allen. Noes – 0. Absent – 1: President Sweet.

1. That the General Manager be authorized to execute the Special Transit Fare (Fast Pass®) Agreement between the City and County of San Francisco and the San Francisco Bay Area Rapid Transit District, covering the period July 1, 2007, through December 31, 2007.
2. That the General Manager or his designee be authorized to execute the following agreements to provide on-call property development consultant services for a five-year period, for an amount not to exceed \$1,000,000.00 per agreement, pursuant to notification to be issued by the General Manager and subject to the District's protest procedures:
 - a. Agreement No. 6M6006A, with CBRE Consulting, Inc.
 - b. Agreement No. 6M6017, with Economic & Planning Systems.
3. Adoption of Resolution No. 5020, In the Matter of the Designation of Special Counsel for Labor and Employment Matters.
4.
 - a. That the Board support the following legislation before the State Legislature: AB 1221 (Ma) – Tax Increment Financing for Transit Oriented Development; AB 1358 (Leno) – Complete Streets Act; Senate Bill (SB) 445 (Torlakson) – Road User Task Force; and SB 717 (Perata) – Transportation Investment Fund.
 - b. That the Board watch the following legislation before the State Legislature: SB 375 (Steinberg) – Regional Transportation Plans – Greenhouse Gas Reductions.

Director Franklin, Chairperson of the Administration Committee, reported that Items A-3, A-4, and A-5 had been forwarded to the Consent Calendar Addenda, and that the committee had received and discussed a presentation on Best Value Purchasing Process for Materials and Equipment.

Director Franklin brought the matter of On-Call Property Development Consultant Services: Agreement No. 6M6018 with Economics Research Associates and Agreement No. 6M6019 with Keyser Marston Associates, Inc., before the Board. Director Fang moved that the General Manager or his designee be authorized to execute Agreement No. 6M6018 and Agreement No. 6M6019 to provide on-call property development consultant services for a five-year period, for an amount not to exceed \$1,000,000.00 per agreement, pursuant to notification to be issued by the General Manager and subject to the District's protest procedures. Director Blalock seconded

the motions, which carried. Ayes – 7: Directors Blalock, Fang, Franklin, Keller, Luce, Murray, and Ward Allen. Noes – 0. Abstain – 1: Director Radulovich, due to potential conflict of interest. Absent – 1: President Sweet.

Director Fang, Chairperson of the Engineering and Operations Committee, had no report.

Director Radulovich, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, reported that the sole item on the committee agenda had been forwarded to Consent Calendar Addenda.

Vice President Murray asked for the General Manager's Report. General Manager Thomas E. Margro reported that the Metropolitan Transportation Commission had acted on a recommended distribution of Proposition 1B funds, and that staff would report further to the Board at the next meeting. Mr. Margro shared comments on his years of employment with the District.

Director Ward Allen, Chairperson of the District Security Advocacy Ad Hoc Committee, had no report.

Director Blalock, Chairperson of the District Organizational Review Ad Hoc Committee, reported that the ad hoc Committee's final set of proposed recommendations had been approved by the Board at the June 21, 2007, Special Meeting of the Board of Directors, a discussion on key areas of Strategic Issues, including Human Resources, Labor Relations, Customer Experience, and Technology had been held, and the ad hoc committee expected to reconvene in November.

Vice President Murray brought Roll Call for Introductions before the Board. No items were introduced.

Vic President Murray called for General Discussion and Public Comment. Mr. Jerry Grace addressed the Board.

The Board Meeting adjourned at 10:54 a.m.

Kenneth A. Duron
District Secretary