

**Metro Gold Line Foothill Extension Construction Authority Special Board Meeting  
 Construction Authority Offices  
 406 E. Huntington Drive, Suite 202  
 Maria Dalton Community Room  
 Monrovia, California 91016**

**June 25, 2014  
 7:00 P.M.**

**1. Call to Order:**

Chairman Tessitor called the meeting to order at approximately 7:12 pm.

**2. Roll Call:**

<b>Member</b>	<b>Appointing Entity</b>	<b>Present</b>	<b>Absent</b>
<b><i>Voting Members</i></b>			
Doug Tessitor, <i>Chair</i>	City of Pasadena	X	
Sam Pedroza, <i>Vice Chair</i>	SGVCOG	X	
Vacant	City of Los Angeles	—	—
Paul Leon	City of South Pasadena	X	
John Fasana	LACMTA	X	
<b><i>Non-Voting Members</i></b>			
Carrie Bowen	Governor of California		X
Bill Bogaard	City of Pasadena	X	
Daniel Evans	City of South Pasadena	X	
Alan Wapner	SANBAG	X	
<b><i>Alternate Members</i></b>			
Marisol Salguero	City of Los Angeles		X
Mary Ann Lutz	SGVCOG	—	—
Deborah Robertson	SANBAG	—	—

**3. Pledge of Allegiance**

John Fasana led the Pledge of Allegiance.

Chairman Tessitor indicated that staff had received correspondence on Monday, June 23<sup>rd</sup>, regarding the Short-range Transportation Plan (SRTP) and that the Board would like to discuss the item. General Counsel Estrada indicated that the Board must find there must be some urgency to the item in order before it could consider the matter at its next regularly scheduled meeting and that the matter was not made aware to the Board or staff when the Agenda was published. General Counsel Estrada indicated that since the correspondence was received on Monday after the Agenda was posted that it satisfies that requirement. General Counsel Estrada inquired if there was a reason that the item had to be discussed at this meeting instead of the next Board meeting. Mr. Balian indicated that Metro would be considering the matter at its next Board meeting and that the Board would not be meeting again before that meeting. General Counsel indicated that a two-thirds vote was needed in order to add the item. Chairman Tessitor requested a roll-call vote by the Clerk to place the item on

the Agenda. The Clerk conducted a roll-call vote and the item passed unanimously (Affirmative: Tessitor, Pedroza, Fasana and Leon and Absent: Salguero). The item was place on the Agenda as Agenda Item 7.a.(i). and 7.a would be moved to 7.a.(ii).

#### **4. Public Comments on Items On/Off Agenda**

Chairman Tessitor opened the Public Comment portion of the meeting and requested if anyone wished to address the Board on items on or off the Agenda – hearing and seeing none, Chairman Tessitor closed the public comment period.

#### **5. CEO's Monthly Report**

Mr. Balian reviewed the Critical Path Schedule which indicated completion of the Foothill bridge in June; completion of the Virginia and Magnolia crossings in July; completion of the Huntington bridge in August; completion of the all light rail track in September and completion of the Mountain Ave. crossing in December. Mr. Balian indicated that the first powered train test would occur at the Gold Lien Operation Campus (GLOC) in December.

Mr. Balian highlighted work in the City of Azusa which included final existing rail demolition near Foothill Blvd. bridge and completion of freight track relocation. Mr. Balian highlighted work in the City of Irwindale which included construction of the station and an overview of the fabrication of the LithoMosaic concrete pavers to be installed at the Irwindale Station. Mr. Balian highlighted work in the City of Duarte which included ongoing construction at the Mountain Ave. crossing; and installation of right-of-way fencing. Mr. Balian highlighted work in the City of Monrovia which included Monrovia parking station construction and installation of the fire life safety access stairs at the 5<sup>th</sup> Ave. bridge. Mr. Balian highlighted work at the Gold Line Operations Campus in the City of Monrovia which included construction of the Main Shop building. Mr. Balian highlighted work in the City of Arcadia which included sound wall installation near the Huntington Blvd. bridge and construction at the Arcadia station parking facility. Mr. Balian highlighted work along the I-210 median which included drilling for rebar dowels for westbound track installation; ballast delivery and installation of track signal equipment. Mr. Balian highlighted community outreach which included a project tour with Metro Board Member and Los Angeles City Council Member Mike Bonin and a project update and site tour for Streetsblog LA and the LA Register.

#### **6. Consent Calendar**

- a. Approval of Minutes of Board Meeting held May 28, 2014**
- b. Receive and file a report on the pending Change Order to the Phase 2A Alignment Contract (C1135) with Foothill Transit Constructors (FTC) for changes to the body shop at the Gold Line Operations Campus (GLOC) in an amount not-to-exceed \$500,000**
- c. Authorize the CEO to Execute a Change Order to the Phase 2A Alignment Contract (C1135) with Foothill Transit Constructors (FTC) for**

**modifications to the signaling system at the Gold Line Operations Campus (GLOC) in an amount not-to-exceed \$1,150,000**

- d. Authorize the CEO to Execute a Change Order to the Phase 2A Alignment Contract (C1135) with Foothill Transit Constructors (FTC) to add a supplemental fire water system at the Gold Line Operations Campus (GLOC) in an amount not-to-exceed \$1,725,000**
- e. Approval of LACDPW Work Authorization to support the Pasadena to Azusa segment through FY 2015 in the amount of \$35,000**
- f. Receive and File a Report on PARS Defined Benefit Plan Valuation**

Chairman Tessitor requested a motion to approve the Consent Calendar. Mr. Balian requested that Item 6.f. be pulled to provide an update on the item.

Board Member Pedroza made a motion to approve the Agenda Items 6.a – 6.e on the Consent Calendar which was seconded by Board Member Fasana and approved unanimously.

Mr. Balian indicated that per the request of the Board, staff has received further information regarding the unfunded liability of the Authority with regard to CalPERS. Mr. Balian indicated that CalPERS indicated last year that the unfunded liability as of 2011 was approximately \$3.8 million dollars. Mr. Balian indicated that CalPERS' estimates are typically a few years behind due to year-end evaluations and other internal accounting measures. Mr. Balian indicated that the Board approved a resolution in November 2013, which would request that CalPERS provide a more current amount for the unfunded liability. Mr. Balian indicated that CalPERS has provided the information as of January 2012. Mr. Balian indicated that the amount has grown substantially to \$7.8 million dollars. Mr. Balian indicated that staff believes that the amount will grow rapidly in the years to come. Chairman Tessitor inquired if there was an estimate as to what the amount would be today. Mr. Balian indicated that it is estimated to be over \$10 million dollars. Mr. Balian indicated that because the Construction Authority is different from most agencies, such as local municipalities, Metro, etc., in that it is a "Sunset Agency" and will eventually cease to exist one day, the Board requested staff to investigate alternatives to CalPERS. Mr. Balian indicated that the Board directed staff to explore options that was within the current budget and would not carry an unfunded liability like CalPERS. Mr. Balian also indicated that due to recent financial accounting rules, that the Construction Authority must carry the amount of the CalPERS unfunded liability on the books with a plan as to how it will be managed. Mr. Balian indicated that staff explored a path forward to pay the current unfunded liability and to replace the program with something similar. Board Member Fasana inquired if the Board resolution passed in 2013 was to terminate the CalPERS program. Mr. Balian indicated that it was not and that the resolution in 2013 in no way committed the Construction Authority to terminate the program, but was the only mechanism offer by CalPERS to request a current accounting of the unfunded liability. Mr. Balian indicated that there are additional steps required in order to terminate the program. Mr. Balian indicated that staff plans to bring back the item to the Board in July or August to consider

termination of the program in December 2015. Mr. Balian indicated that the process takes approximately 1 year. Mr. Balian indicated that staff has worked with outside consultants to explore possible options. Mr. Balian indicated that a three-tier plan is currently be explored. Mr. Balian indicated that the item being presented to the Board in the report is for PARS, which would be one of the three tiers of the program. Mr. Balian indicated per the request of the Chairman, staff has explored a replacement plan that is sustainable would not place a large financial burden on the Construction Authority at the end. Mr. Balian indicated that additional information will be provided to the Board at its next meeting with regard to the other proposed tiers of the replacement plan.

Board Member Fasana inquired if the information to be provided at the next Board meeting will indicate the costs of the various tiers of the plan. Board Member Fasana further inquired if the plan will also encompass the type of benefits available due to recent legislation vis-à-vis new and old employees. Mr. Balian indicated that the information being presented in the Board report addresses long-term employees or "Classic Members" and the new employees will following the new "PEPRA" guideline in the legislation. Board Member Fasana inquired if the PEPRA guidelines still created an issue for short-term or Sunset Agencies. Crandal Jue, Chief Financial Officer, indicated that under the PEPRA guideline, the amounts are greatly reduced due to a different retirement formula and employee-matching.

Board Member Leon indicated he has been impressed with the work and level of detail that staff has presented to the Committee. Board Member Leon also indicated that Chairman Tessitor also has a level of knowledge regarding alternative programs that has proven beneficial and informative.

Mr. Balian indicated that when the Construction Authority was created, the issue of unfunded liability was discussed at the time of selection of CalPERS. Mr. Balian indicated that at that time, there was a "Pool" that would assume the liability of a Sunset Agency. Mr. Balian indicated that since that time, the Pool no longer exists and the unfunded liability rest squarely on the shoulders of each entity. Mr. Balian indicated that due to the foresight of the staff and the Board, that the Construction Authority has the ability to resolve the issue.

Chairman Tessitor thanked Crandal for his efforts over the past several months in what is a very complex matter.

Chairman Tessitor indicated that the item was received and filed unless there was an objection – hearing none; the item was received and filed.

## **7. General Board Items**

### **a.(i) Discussion of the Short Range Transportation Plan**

Mr. Balian provided the report on the item. Mr. Balian indicated that staff had received a copy of a letter from Metro CEO Art Leahy to Board Member John Fasana in response to a letter that was sent from the SGVCOG to Mr. Leahy

regarding the SRTP> Mr. Balian distributed copies of the correspondence. Mr. Balian summarized the content of the letter to the Board. Mr. Balian indicated that Mr. Leahy indicated that he would make the following changes to the SRTP: (1) remove footnote #7 on Page 10 of the SRTP which originally indicated that the Foothill Gold Line was a “first priority project” to be addressed for closing any funding gaps. Mr. Balian indicated that the table on the same page lists the Foothill Gold Line project, but only to Azusa and not to its LA County terminus of Claremont. Board Member Fasana indicated the language on the page made the project and the funding status unclear. Board Member Fasana indicated that Metro in 2009 committed to build the project to Claremont and he thought the language on this page may be seen as a way to re-write history. Mr. Balian indicated that the only thing that is clear in the SRTP in the Phase 2B of the project is not recognized by Metro. Mr. Balian indicated that Mr. Leahy indicated that Metro staff would (2) delete Figure M on page 26 of the SRTP which lists all the Measure R projects that are being accelerated – it does not list the Foothill Gold Line as one of the projects. Mr. Balian indicated that instead of adding the project to Figure M, Metro staff decided to delete it in its entirety. Board Member Fasana indicated that the SGVCOG was concerned about the Figure, because it only indicated “Transit” projects and not “Highway” projects which the SGVCOG thought all should be accelerated and not just Transit. Board Member Fasana indicated that the SGVCOG requested that language be placed in the document that references the project in the LRTP which would then include the Foothill Gold Line to Claremont. Chairman Tessitor indicated that his concern was even if the Figure is deleted, the projects slated to receive the additional revenues in the SRTP over the next 10 years as the “6 transit and 10 highways projects” still does not include the Foothill Gold Line Board Member Pedroza indicated that it was his concern that Metro may use the SRTP as a basis for the next possible tax measure in 2016 to request additional funding. Board Member Fasana indicated that the projects in Measure R have their funding that the SRTP does not anticipate new revenues. Mr. Balian indicated that Metro is indicating that they are going to accelerate 6 project that were included in Measure R, which would mean additional funding and not the Foothill Gold Line which would be the seventh project from the Measure R projects. Chairman Tessitor indicated that Metro staff keeps trying to indicate that the Foothill Gold Line is only to Azusa and therefore no additional funding or acceleration is needed. Chairman Tessitor indicated that the Construction Authority needs to break that premises and hold Metro promise to complete the project to Claremont. MR. Balian indicated that the next change (3) was on page 27 in the last paragraph of the SRTP which talks about possible revenue streams for acceleration. Mr. Balian indicated that the final change (4) was on page 9, Figure A which is a map of LA County projects where Metro would add a dotted line for the Foothill Gold Line from Azusa to Claremont. Mr. Balian indicated that while graphically this is nice, the substance of SRTP does not address or make real the graphical change on Page 9. Board Member Pedroza indicated that the Foothill Gold Line project is not being treated equally with other Measure R projects and that it appears that Metro staff are up to their “old tricks”. Chairman Tessitor inquired of Board Member Fasana that in his discussions

with Mr. Leahy, that Mr. Leahy had indicated that if Board Member Fasna proposed a deal to Mr. Leahy that he would have those incorporated into the SRTP. Board Member Fasana indicated that it was indeed the discussion and that he worked with staff to make the case that the Foothill Gold Line project was not treated equitably with the other projects in terms of funding within Measure R. Board Member Fasana indicated that additional funds to Claremont were not identified in Measure R and the whole purpose was to have the Foothill Gold Line be treated as a "first priority" project. Board Member Fasana indicated that the changes in the SRTP reflect something that can be approved by the Board and does not put the Gold Line in a different position than a first priority project. Chairman Tessitor inquired if aren't all the proposed accelerated projects on Page 26 subject to new funds from a new sales tax measure. Board Member Fasana indicated that it does not anticipate a new sales tax measure but only some possible federal dollars, however they do talk about it in the document. Board Member Fasana indicated that we may need to look at Cap-and-Trade funding and look to be included in the next sales tax measure. Chairman Tessitor indicated that his concern is that Construction Authority has had to continue to apply pressure to Metro in order to be recognized as a viable project and that if we do not do that here for the SRTP that the Project may take a step backwards. Chairman Tessitor indicated that the SRTP treats us differently than all the other Measure R projects and the Board should not stand for that. Board Member Fasana indicated that there will be a discussion in the next year or so as the next sales tax measure is discussed and formulated. Board Member Fasana indicated that Metro will need to build consensus within the entire LA County region in order to get the measure passed and that the Foothill Gold Line must be included in those discussion. Board Member Fasana indicated that the SRTP does not do anything for the project and the changes being proposed does not allow Metro to re-write history. Chairman Tessitor indicated that the Board should not allow an opportunity to pass to make sure that Metro staff understand that the Foothill Gold Line must be treated the same as all other Measure R projects. Chairman Tessitor indicated that the Board should reiterate our position on this matter. Board Member Pedroza indicated that letters from alignment cities, legislators and other have been sent to Metro regarding the unfair treatment in the SRTP and the Board should follow-up to those letters. Board Member Fasana indicated that he understands that position but thinks that the SRTP with the proposed changes by Metro is acceptable. Mr. Balian indicated that while the summary SRTP document may be acceptable, but the technical document that supports the SRTP treat us differently and that it needs to be addressed. Chairman Tessitor indicated that Metro staff needs to understand the Board position and needs to be reminded. Chairman Tessitor indicated that he would like staff to prepare a letter to Metro to outline the position discussed by the Board this evening and the Foothill Gold Line be treated the same as all other Measure R projects and the SRTP does not do that. Board Member Pedroza requested that the letter be copied to the SGVCOG so they are aware of the response to the letter from Mr. Leahy.

Chairman Tessitor requested a motion by the Board to send correspondence to Metro staff requesting fair and equal treatment as all other Measure R projects with regard to the SRTP and whenever additional funding is being sought. Board Member Pedroza made a motion which was seconded by Board Member Leon. Board Member Fasana abstained from the vote – the item passed unanimously.

**a.(ii) Receive and File Project Update: Change Control Procedure for Design-Build Construction Contracts**

Mr. Balian introduced Chris Burner, Chief Project Officer, to provide the report. Mr. Balian indicated that an analysis of key budget items that with a year to go, the project remains on budget and is a very good place to be. Mr. Burner indicated that with regard to the Alignment Contract (DB2) which is close to a \$500 million that there are three key areas. Mr. Burner indicated that the first key areas in for Contract Modifications, which has a budget of approximately \$22 million and to date \$7.3 million has been committed. Mr. Burner indicated that the \$22 million includes changes to the contract that are currently known and are being worked through the process. Mr. Burner indicated that the second key area is for Property Acquisitions which has a budget of \$21 million and \$14 million has been committed. Mr. Burner indicated that the final area is Hill International which has a \$40 million budget and \$31 million has been committed. Mr. Burner indicated that based upon everything that is known today, that we are in a very good position. Board Member Fasana indicated that he was very impressed. Mr. Burner indicated that the contract is nearly 70% complete and the risk percentage is very low. Mr. Burner review the Change Control procedure. Mr. Burner indicated that the purpose of Change Control Procedure (CCP) is to ensure compliance with Authority's Procurement Policy (part of Administrative Code) and is revised as necessary. Mr. Burner indicated that the process was adopted on August 17, 2000 during Phase I and that there have been two further revisions made in December 2010 and November 2011. MR. Burner indicated that the CCP defines process and responsibilities for identifying, initiating, reviewing, processing, tracking, approving, and executing changes to Authority design-build contracts. Mr. Burner reviewed the detailed process and flowchart as to how the change order process works.

Board Member Fasana indicated that Metro has just issued its audit of the Foothill Gold Line and has indicated that there are no issues or items found and that the execution of the contract has a total clean bill of health. Board Member Fasana indicated that he has rarely if ever published on a Metro project.

Chairman Tessitor congratulated the staff on a great report.

Item received and filed.

**b. Receive and File Project Report on Metro Delivery Schedule of Traction**

**Powers Substations (TPSS) for Foothill Gold Line Phase 2A project**

Mr. Burner provided the report. Mr. Burner indicated that the Traction Power Substations (TPSS) transform utility power to power required for light rail vehicles (LRVs), and then distribute power to LRVs via overhead wires. Mr. Burner indicated that per the Master Cooperative Agreement with Metro (MCA) and the Funding Agreement, Metro is responsible for providing TPSS for Foothill Extension Project. Mr. Burner indicated that BBRI is Metro's TPSS supplier and the schedule currently indicates late delivery of all TPSS. Mr. Burner indicated that the schedule indicates a six (6) month delay on delivery of Operations Campus TPSS – resulting in possible impact to critical path. Mr. Burner indicated that the Authority believes FTC can mitigate impacts of late delivery of Operations Campus TPSS which may result in some additional costs associated due to acceleration of schedule and Metro is responsible for costs of acceleration per MCA and Funding Agreement. Mr. Burner indicated that the Authority has worked with Metro to develop plan to avoid future delays to TPSS deliveries which includes the assignment of full-time Metro employee to monitor BBRI's progress; regular factory visits by Authority; weekly conference calls with BBRI to monitor progress; and periodic meetings with BBRI's executive management. Mr. Burner reviewed the TPSS schedule.

Chairman Tessitor inquired as to what the problem for the delay is. Mr. Burner indicated that the root problem is that BBRI and Metro have not managed the project very well as well as some minor technical issues.

Board Member Fasana inquired if both Expo and the Foothill Gold Line have been negatively affected equally. Mr. Burner indicated that he believed so. Mr. Burner indicated that in the most recent visit a systemic problem had been addressed and a single person has been placed in charge to manage the schedule.

Item received and filed.

General Counsel Estrada removed himself from the Board of Directors table and re-located into the general public seating area.

**c. Award of Contract No. C1163 with Nossaman LLP for General Counsel and Design-Build Legal**

Mr. Balian presented the report. Mr. Balian indicated that an RFP was issued for the Construction Authority Design-Build and General Counsel Legal Services. Mr. Balian indicated that the Board in the past these services were procured separately, but the Board had directly staff to combine the two as the next phase of the project was going to be a very large design-build contract and those synergies and savings could be realized. Mr. Balian indicated that the RFP was issued in April and that 5 responses were received on June 14. The proposals were reviewed by a committee comprised by Habib Balian, Chairman Tessitor and Vice Chair Pedroza. Mr. Balian indicated that the

proposals were reviewed based upon (1) qualifications; (2) staffing and personnel; (3) understanding of the projects and (4) fees. Mr. Balian indicated that committee reviewed and scored the proposals per the criteria. Mr. Balian indicated that Nossaman received the top score. Mr. Balian indicated that it was the committee's recommendation that Nossaman be awarded the contract.

Chairman Tessitor requested a motion to Award Contract No. C1163 for General Counsel and Design-Build Legal Services to Nossaman LLP. Board Member Leon made a motion which was seconded by Board Member Pedroza. Chairman Tessitor requested the Clerk to conduct a roll call vote. The Clerk of the Board requested a roll call vote - 4 affirmative votes (Tessitor, Pedroza, Fasana and Leon) and 1 absent (Salguero); the item passed unanimously.

Mr. Balian indicated that the incumbent firm, RWG, will continue on some various matters to assure a smooth transitions.

Chairman Tessitor thanked General Counsel Estrada and his firm for all the work over the many years. General Counsel Estrada thanked Chairman Tessitor for his comments.

**d. Award of Contract No. C1165 with 20/20 Network LLC for Strategic Media and Public Relations Consulting Services**

Mr. Balian provided the report. Mr. Balian indicated that an RFP was issued and three proposals were received. Mr. Balian indicated that the proposal were reviewed and scored by an evaluation committee and the 20/20 Network was scored the highest.

Chairman Tessitor requested a motion to Award Contract No. C1165 for Strategic Media and Public Relations Consulting Services to 20/20 Network LLC. Board Member Fasana made a motion which was seconded by Board Member Pedroza and passed unanimously.

**e. Receive and File Monthly Update**

Mr. Burner provided the report. Mr. Burner indicated that with respect to the Pasadena to Azusa portion of the project that work continues at Arcadia, Monrovia, Duarte, Irwindale, Azusa-Downtown and Azusa-Citrus stations; construction of grade crossings at Virginia, Magnolia and Mountain continues; continued bridge work at Foothill and Huntington; completed bridge work at Kincaid; completed construction of retaining walls and continued construction of sound walls (94% complete) throughout the alignment; continued light rail mainline track placement; continued installation of train control cases/bungalows and associated equipment; continued mainline OCS pole installation (26% complete) and foundation work (95% complete) throughout alignment; continued OCS pole installation (29% complete) and foundation work (87% complete) at Gold Line Operations Campus (Campus); continued trackwork at the Campus; nearing completion of structural steel work at the

Main Shop Building in the Campus; and completed structural steel welding for the car cleaning building in the Campus.

Mr. Burner reviewed in detail the project schedule.

Mr. Burner indicated that with respect to the Azusa to Montclair portion of the contact that Authority staff performing the following tasks: continuing advancement of plan and profile drawings; holding meetings with AECOM to discuss scope of work for ROW and composite Utility drawings; developing AECOM's scope of work for geotechnical work; developing AECOM's scope of work for parking facilities; developing AECOM's scope of work for Phase I and II ESAs; attending coordination meetings with corridor City staff to discuss project and finalize MCA and preparing to initiate Station Design Art Program (SDAR).

Mr. Burner indicated that over the next 3 to 4 months staff will complete trackwork at the Campus; complete construction of bridges at Foothill and Huntington; complete Virginia, Magnolia, and Mountain crossings; complete construction of all stations (except architectural elements); complete OCS foundation installation and pole installation; complete sound wall installation throughout the alignment; complete mainline LRT trackwork construction and finalize MCA with Phase 2B cities

Item received and filed.

**8. General Counsel's Report**

General Counsel Estrada thanked the Board for being allowed to serve the project for the past 15 years during Phase 1 and Phase 2A and looks forward to its continued success.

**9. Board Member Comments**

Chairman Tessitor thanked Mike Estrada for all his contributions to the Construction Authority Board from its early beginning through many of its successes and challenges. Chairman Tessitor wished Mike Estrada well.

Board Member Pedroza echoed Chairman Tessitor comments.

**10. Closed Session**

General Counsel Estrada reviewed the various items that would be considered in Closed Session and indicated that there would be no reportable action after Closed Session. Chairman Tessitor recessed the Board into Closed Session at approximately 8:32 pm.

- A. CONFERENCE WITH LEGAL COUNSEL: .....G.C. 54956.9(a)  
Pending Litigation

- (i) Metro Gold Line Foothill Extension Construction Authority v.  
223 North First Street I, LLC, et al.  
Case No. BC531266
- (iii) Metro Gold Line Foothill Extension Construction Authority v.  
Hydraulic Units, Inc., et al.  
Case No. BC498261
- (ii) Metro Gold Line Foothill Extension Construction Authority v.  
MillerCoors LLC, et al.  
Case No. BC497583

**B. CONFERENCE WITH LEGAL COUNSEL: ..... G.C. 54956.9(d)(2)  
Anticipated Litigation**

- (i) Significant Exposure to litigation based on a letter received from the law firm of Lagerlof, Senecal, Gosney & Kruse LLP dated June 12, 2014, asserting claim(s) and threatening litigation

The Chairman reconvened the Board Meeting at 8:56 pm.

**11. Adjournment**

The Board Meeting was adjourned at approximately 8:57 pm.