BOARD MEETING
STATE OF CALIFORNIA
SECRETARY OF STATE
VOTING MODERNIZATION BOARD

SECRETARY OF STATE BUILDING
1500 11TH STREET
AUDITORIUM
SACRAMENTO, CALIFORNIA

WEDNESDAY, JANUARY 17, 2007
10:50 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
APPEARANCES

BOARD MEMBERS
Mr. John A. Pérez, Chairperson
Mr. Stephen Kaufman, Vice Chairperson
Mr. Michael Bustamante
Mr. Tal Finney (via teleconference)
Mr. Carl Guardino

STAFF
Mr. Michael Kanotz, Staff Counsel
Ms. Jana Lean, Staff Consultant
Mr. Bruce McDannold
Ms. Katherine Montgomery

ALSO PRESENT
Ms. Billie Alvarez, Santa Barbara County
Ms. Riva Correa, Yolo County
Ms. Carolyn Crinch, Humboldt County
Ms. Connie McCormack, Los Angeles County
Ms. Kathleen Smith, Nevada County

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CHAIRPERSON PÉREZ: I'd like to call to order the meeting of the Voting Modernization Board for January of 2007.

And, Jana, do you want to call the roll for us?

STAFF CONSULTANT LEAN: Sure.

John Pérez?

CHAIRPERSON PÉREZ: Here.

STAFF CONSULTANT LEAN: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Here.

STAFF CONSULTANT LEAN: Tal Finney?

BOARD MEMBER FINNEY: Here.

STAFF CONSULTANT LEAN: Michael Bustamante and Carl Guardino are absent at this time.

CHAIRPERSON PÉREZ: Okay. And we're expecting Mr. Bustamante and Mr. Guardino to join us in person shortly. They both said they would be 15 minutes late. They're now 5 minutes late of their 15-minute late period.

(Laughter.)

CHAIRPERSON PÉREZ: We do have a quorum.

The next item before us is public comments on items not specifically agendized. I don't see any cards for that.

Is there anybody seeking recognition for an item not on our agenda?
Seeing not, we'll move forward to adoption of our October 25th meeting minutes.

Mr. Kaufman.

VICE CHAIRPERSON KAUFMAN: And I'll move adoption of the minutes.

BOARD MEMBER FINNEY: I'll second.

CHAIRPERSON PÉREZ: It's been moved and seconded. I just have one question. When I'm looking at the actual report transcript, it lists panel members, but it also includes staff under the designation as panel members. Is that fine for our uses or should we separate that out?

STAFF CONSULTANT LEAN: We can separate that.

CHAIRPERSON PÉREZ: Okay. So if you can just separate out the panel members for that one to be listed as Stephen, Michael Bustamante telephonically and Carl Guardino telephonically, and then list the others as staff members. Make sure that for consistency sake we do the same as this meeting.

VICE CHAIRPERSON KAUFMAN: It also has my middle initial as S. So maybe we can correct that since it's J.

CHAIRPERSON PÉREZ: All the other issues I had were just very minor. For example, using the term "extension" instead of "abstention" in a couple places. But I think that for content they're fine.
So it's been moved and seconded.

Any other discussion?

All in favor of approving the minutes, please say aye.

(Ayes.)

CHAIRPERSON PÉREZ: Mr. Guardino, welcome.

BOARD MEMBER GUARDINO: Thank you.

CHAIRPERSON PÉREZ: The next item before us is Item 5, Project Documentation Plan Review and Funding.

I've been informed that the representatives from Lassen County have to catch a plane. And so, unless there's objection, I'd like to hear Item 5B first, Lassen County - Phase 2.

So, Jana, if you'd walk us through that.

STAFF CONSULTANT LEAN: Lassen County has come forward with their Phase 2 Project Documentation Plan. And staff is recommending funding of $81,528.66. They have purchased the Diebold AccuVote-TSX with the AccuVote Printer Module, 15 units.

Lassen County secured this new voting equipment in late September of '06. And this equipment was used for the first time during the March 2006 General Election.

The voter verified paper audit trail -- Okay. A voter verified paper audit trail requirement is met, as at the AccuVote-TSX with the AccuVote printer component being
purchased by Lassen is a voter verified paper receipt. Lassen County's Phase 2 Project Documentation Plan meets the requirements for completeness. And the Diebold AccuVote-TSX touch screen units are certified for use in California.

At the July 16th, 2003, meeting of the Voting Modernization Board, the Board approved Lassen County's Phase 1 Project Documentation Plan and awarded funding in the amount of $105,635.48. Lassen County has received this funding for the reimbursement of purchase of 15 AccuVote optical scan precinct ballot tabulators. Lassen County will continue to use the AccuVote optical scan units as their primary voting system.

Lassen County believes that the deployment of one optical scan unit and one DRE unit in every polling place brought the county into full compliance with requirements of the Help America Vote Act.

Lassen County began securing their new AccuVote-TSX units only 48 days prior to the November 2006 General Election. However, the county was able to conduct staff and poll worker training on the new equipment and develop voter education materials about the new system. The county recognized the need for extensive training on the new equipment and offered their poll workers and election day troubleshooters several
opportunities to attend hands-on training. Lassen County is conducting post-election surveys to determine the effectiveness and overall impact of their new voting system.

Lassen County will only receive VMB payments once it has submitted detailed invoices for its certified voting equipment. Please note that the staff-proposed funding award is based upon allowable reimburse under Proposition 41 only for voting equipment hardware and software. The training and election support services listed in Lassen County's contract with Diebold would not be covered as reimbursable claim under Proposition 41.

It is our staff recommendation that Lassen County's Phase 2 Project Documentation Plan be approved and a funding award letter be issued in the amount of $81,528.66.

CHAIRPERSON PÉREZ: Okay. Are there any questions on Lassen County?

BOARD MEMBER FINNEY: I have nothing.

And I'll move approval, Mr. Chairman.

CHAIRPERSON PÉREZ: Thank you.

Mr. Finney moves.

VICE CHAIRPERSON KAUFMAN: I'll second.

CHAIRPERSON PÉREZ: Mr. Kaufman seconds.

Seeing no further discussion, Jana, will you call

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the roll.

STAFF CONSULTANT LEAN: John Pérez?
CHAIRPERSON PÉREZ: Aye.
STAFF CONSULTANT LEAN: Stephen Kaufman?
VICE CHAIRPERSON KAUFMAN: Aye.
STAFF CONSULTANT LEAN: Michael Bustamante is absent.
Tal Finney?
BOARD MEMBER FINNEY: Aye.
STAFF CONSULTANT LEAN: Carl Guardino?
BOARD MEMBER GUARDINO: Aye.
CHAIRPERSON PÉREZ: Four ayes. We have approval.
Thank you.

Next item before us is Item 5A, Humboldt County.
STAFF CONSULTANT LEAN: Can we turn off any cell phones?
CHAIRPERSON PÉREZ: Yeah, if somebody's got a cell phone, if they would --
STAFF CONSULTANT LEAN: Any cell phones or Blackberries.
CHAIRPERSON PÉREZ: Tal, turn off your cell phone.
BOARD MEMBER FINNEY: I don't need my cell phone. I actually have my phone -- my land line is on most of the time.
CHAIRPERSON PÉREZ: Do your clients have to pay extra for you to stay on mute call?

(Laughter.)

CHAIRPERSON PÉREZ: Okay. I guess we don't know what that feedback problem is.

STAFF CONSULTANT LEAN: I'm sorry. I thought it -- we were told that it was cell phones or Blackberries,

CHAIRPERSON PÉREZ: We'll have to just marshal through.

So Humboldt County.

STAFF CONSULTANT LEAN: Okay. Humboldt county is requesting and staff is recommending an allocation of $467,470.58. They have purchased a Hart InterCivic, the eSlate, 80 units. And Humboldt County has secured its new voting equipment and this equipment was used for the first time during the November 7th, 2006, General Election.

The Hart eSlate purchased by Humboldt includes a verified ballot option, which is a VVPAT component.

Humboldt County's Project Documentation Plan meets the requirements for completeness. And the eSlate and corresponding components are certified for use in California.

Humboldt County has implemented a blended system.

Humboldt county has augmented its existing Diebold
AccuVote Optical Scan Precinct Ballot Tabulators with the placement of one eSlate DRE in every polling place in the county. Humboldt believes that the deployment of the eSlate DRE units brought the county into compliance with the Help America Vote Act and the state accessibility requirements.

Humboldt County was allowed to use the above-stated independently tested and certified voting equipment together to meet the federal and state requirements so long as their interface was limited to the exchange of aggregate vote totals. The continued authorization to use this blended system will be contingent upon review and evaluation by the new Secretary of State administration.

Given the compressed timeframes in which Humboldt County implemented its new DRE voting equipment, the county plans to make greater efforts to provide outreach to its disabled community and to expand training efforts to poll workers and county staff on how to effectively operate the new eSlate machines.

Humboldt County's Project Documentation Plan explicitly states that it is the county's desire and intention that the remaining of its Proposition 41 allocation continue to be available to Humboldt for future voting system modernization plans.
The InFusion voting software listed in Humboldt County's contract with Hart InterCivic has not yet gained certification in California and, therefore, is not eligible for reimbursement under Proposition 41.

Humboldt County will only receive VMB payments once it has submitted detailed invoices for its certified voting equipment. Please note that the staff-proposed funding award is based upon allowable reimbursement under Proposition 41 only. And it's for voting equipment hardware and software. The professional services and optional extended warranty line items listed in Humboldt County's contract with Hart would not be covered as a reimbursable claim under Proposition 41.

It is our staff recommendation that Humboldt County's Project Documentation Plan be approved and a funding award letter be issued in the amount of $467,470.58.

We do have a representative from Humboldt County here today.

CHAIRPERSON PÉREZ: Okay. Would the representative like to come forward.

MS. CRINCH: I'm Ms. Carolyn Sernich, and I'm the County Registrar of Voters for Humboldt County.

CHAIRPERSON PÉREZ: Good morning. Thank you for being with us.
Your request basically uses less than 50 percent of the total allocation that we've set aside for Humboldt. And then you've asked for us to basically set aside the remaining amount for future phases.

MS. CRINCH: Yes.

CHAIRPERSON PÉREZ: Are there any specific future allocations that you have in mind that you're working on, or you just want to reserve your rights?

MS. CRINCH: Both. We're not at the point yet that we would be comfortable submitting to you a plan for the next phase. But it is our hope that we would be able to upgrade our central count system to more effectively manage the necessity of counting returns, and we hope that we can do that -- be used for that.

CHAIRPERSON PÉREZ: Mr. Kaufman.

VICE CHAIRPERSON KAUFMAN: Thank you, Mr. Chair. You went in the very direction that I was intending to go. And I just wanted to know further whether that contingency that you built in -- or the request that you made to build the contingency, was it all tied to the Secretary of State's review of the current system or the integration of the system that you were employing, or whether it was just more general than that?

MS. CRINCH: Well, yes, it was contingent upon that, but also more general. There may be other areas
that we need improvement. After all, most of our system is over ten years old. And it could be that this is the point -- and it could be that this is the point and the opportunity that upgrades would become necessary for the system that's in place now.

And first review of our blending system, which worked well for us in November, but we need to -- there's more work that we can do to make it work better for the voters in Humboldt County.

VICE CHAIRPERSON KAUFMAN: Thank you.

CHAIRPERSON PÉREZ: Thank you.

Anybody else have any questions?

Welcome, Mr. Bustamante.

BOARD MEMBER BUSTAMANTE: Thank you. I apologize for being so late.

BOARD MEMBER FINNEY: No questions from me.

CHAIRPERSON PÉREZ: Okay. Is there a motion?

VICE CHAIRPERSON KAUFMAN: Yeah, I'll move to approve Humboldt County's funding award request.

BOARD MEMBER FINNEY: I'll second it.

CHAIRPERSON PÉREZ: Mr. Kaufman moves, Mr. Finney seconds.

No further discussion.

Katherine, if you could call the roll.

MS. MONTGOMERY: John Pérez.
CHAIRPERSON PÉREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

BOARD MEMBER BUSTAMANTE: Aye.

MS. MONTGOMERY: Tal Finney?

BOARD MEMBER FINNEY: Aye.

MS. MONTGOMERY: Carl Guardino?

BOARD MEMBER GUARDINO: Aye.

CHAIRPERSON PÉREZ: Very good. We have approval.

Thank you. Congratulations.

MS. CRINCH: Thank you.

CHAIRPERSON PÉREZ: Next item is Item 5C, Marin County - Phase 2.

STAFF CONSULTANT LEAN: Marin County has brought forward a Phase 2 Project Documentation Plan. And staff is recommending funding of $541,379. This will leave an allocation of $658,116.98.

Marin County has upgraded to the ES&S AutoMARK Voter Assist Terminals, 130 units. Marin used the AutoMARK units for the first time during the June 2006 Primary Election.

The VVPAT requirement does not apply to Marin County's Phase 2 Project Documentation Plan, as the system is a paper-based optical scan voting system.
Marin County's Phase 2 Project Documentation Plan meets all the requirements for completeness. The ES&S AutoMARK Voter Assist Terminals are certified for use in California.

Marin County has implemented a blended system. They are augmenting their existing Diebold AccuVote Optical Scan Precinct Ballot Tabulators with the placement of one AutoMARK unit in every polling place in their county. Marin County believes that the deployment of the Phase 2 AutoMARK Voter Assist Terminal optical scan units bring their county into compliance with the Help America Vote Act and state accessibility requirements.

Marin County's blended system has gained permanent approval for the use by the Secretary of State, with the caveat that the county adhere to the official use procedures adopted for the use of the ES&S AutoMARK in conjunction with the Diebold GEMS/AccuVote Optical Scan system.

Marin County fully implemented and deployed the AutoMARK units in the June 2006 election. While there was minimal use of the AutoMARK during the past two election cycles, the county has committed to track the use of this equipment and has solicited feedback from voters about how to improve future use.

Marin County plans to continue upgrading their
voting equipment through a Phase 3. The county's ultimate goal is to achieve optimal integration of the optical scan and ballot marking devices and to maintain compliance with state and federal voting system requirements.

The "Unity On-Line" voting system software listed in Marin County's contract with ES&S has not gained certification in California and, therefore, would not be eligible for reimbursement under Provision 41.

Marin County will only receive VMB payments once it has submitted detailed invoices for its certified voting equipment. Please note that the staff-proposed funding award is based upon allowable reimbursement under Proposition 41 for only voting equipment hardware and software. The elections support services and installation line items listed in Marin County's contract with ES&S would not be covered as reimbursable claims under Proposition 41.

It is our staff recommendation that Marin County's Phase 2 Project Documentation Plan be approved and a funding award letter be issued in the amount of $554,379.

We do have a representatives here from Marin County.

CHAIRPERSON PÉREZ: Any questions for Marin?

Okay. Is there a motion?
BOARD MEMBER FINNEY: I'll move it, move approval of the staff.

CHAIRPERSON PÉREZ: Mr. Finney moves approval of the staff -- and their recommendation?

BOARD MEMBER FINNEY: Absolutely.

CHAIRPERSON PÉREZ: Oh, okay.

(Laughter.)

BOARD MEMBER GUARDINO: I'll second that.

CHAIRPERSON PÉREZ: Mr. Guardino seconds.

On the question, Katherine will take the vote.

MS. MONTGOMERY: John Pérez?

CHAIRPERSON PÉREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

BOARD MEMBER BUSTAMANTE: Aye.

MS. MONTGOMERY: Tal Finney?

BOARD MEMBER FINNEY: Aye.

MS. MONTGOMERY: Carl Guardino?

BOARD MEMBER GUARDINO: Aye.

CHAIRPERSON PÉREZ: Five ayes. We have approval.

Thank you.

Next item is 5D, Modoc county.

Jana.

STAFF CONSULTANT LEAN: Modoc County has
submitted their Project Documentation Plan for their full allocation at $76,314.42. They have purchased a Diebold AccuVote Optical Scan Ballot Tabulator, 12 units; and the Diebold AccuVote-TSX, AccuView Printer Module (Touch Screen), 10 units.

Marin County acquired optical scan voting equipment --

CHAIRPERSON PÉREZ: Modoc.

STAFF CONSULTANT LEAN: Did I say Marin County? Sorry.

Modoc County acquired an optical -- I should actually read it and not try to --

(Laughter.)

STAFF CONSULTANT LEAN: All right. Modoc County acquired its optical scan voting equipment prior to the 2002 Primary Election, and it was used for the first time during that election. Modoc County secured the new DRE voting equipment in October of 2006 and used the equipment for the first time during the November 2006 General Election.

The voter verified paper audit trail requirement is fulfilled as the AccuVote-TSX has a component of the AccuView printer component.

Modoc County's Project Documentation Plan meets the requirements for completeness and the AccuVote Optical
Scan Ballot Tabulator and the AccuVote-TSX touch screen units are certified for use in California.

Modoc County originally converted from the Datavote punch card voting system to a blended optical scan and touch screen voting system. Modoc County has 20 precincts, 11 of which are designated as all-mail ballots. Modoc County chose to purchase the Diebold system because the equipment allowed the county to maintain a paper-based optical scan system for the majority of its voters while adhering to state and federal accessibility and language requirements.

Modoc County believes that the deployment of one optical scan unit and one DRE unit in each polling place brought the county into full compliance with the requirements of the Help America Vote Act.

Modoc County will only receive VMB payments once it has submitted detailed invoices for its certified voting equipment. Please note that the staff-proposed funding award was based upon allowable reimbursement under Proposition 41. And the support services listed in Modoc County's contract with Diebold would not be covered as a reimbursable claim under Proposition 41.

It is our staff recommendation that Modoc County's Project Documentation Plan be approved and a funding award letter be issued in their full allocation of funding.
CHAIRPERSON PÉREZ: Any questions with regard to Modoc's application?

VICE CHAIRPERSON KAUFMAN: I'll move to approve the Project Documentation Plan and the funding award.

BOARD MEMBER FINNEY: I'll second it.

CHAIRPERSON PÉREZ: Mr. Kaufman moves, Mr. Finney seconds.

MS. MONTGOMERY: John Pérez?

CHAIRPERSON PÉREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

BOARD MEMBER BUSTAMANTE: Aye.

MS. MONTGOMERY: Tal Finney?

BOARD MEMBER FINNEY: Aye.

MS. MONTGOMERY: Carl Guardino?

BOARD MEMBER GUARDINO: Aye.

CHAIRPERSON PÉREZ: Five ayes. We have approval.

Our last item under 5 is 5E, Yolo County.

STAFF CONSULTANT LEAN: All right. Yolo County has moved forward with their Project Documentation Plan.

And staff are recommending their full allocation of $1,085,882.12.

They are purchasing the Hart InterCivic eSlate.
And they have also purchased five high volume scanners. Yolo County acquired its optical scan voting equipment prior to the 2006 Primary Election, and it was used for the first time during that election. Yolo County secured the new DRE equipment in September of 2006 and this equipment was used for the first time during the November 2006 General Election.

The Hart eSlate units being purchased by Yolo County include a Verified Ballot Option printer, which is a VVPAT component.

Yolo County's Project Documentation Plan meets the requirements for completeness. And the eSlate and corresponding components are certified for use in California.

Yolo County began a comprehensive research of replacing their punch card system in 2003. Yolo County converted from the Datavote punch card optical scan system.

Yolo County chose to purchase the Hart Intercivic optical scan because the equipment allowed the county to maintain a paper-based optical scan system for a majority of its voters, while adhering to state and federal accessibility requirements. Yolo County will continue to use optical scan technology as its primary voting system and has a policy to only encourage the use of the DRE.
units by people who cannot independently vote a paper ballot.

Yolo County deployed the eSlate DREs at their polling sites during the November 2006 General Election. Yolo County believes that the deployment of the DRE units in all its polling places brought the county into full compliance with the requirements of the Help America Vote Act.

Yolo County will only receive VMB payments once it has submitted detailed invoices for its certified voting equipment. Please note that the staff-proposed funding award is based upon allowable reimbursement under Proposition 41. And the professional services, optional extended warranty line items, and the Fusion and the InFusion software were listed in Yolo County's contract with Hart would not be covered as reimbursable claims under Proposition 41.

It is our recommendation that Yolo County's Project Documentation Plan be approved and a funding award letter be issued in their full allocation of $1,085,882.12.

We do have a representative from Yolo if you would like to talk to them.

CHAIRPERSON PÉREZ: Okay.

VICE CHAIRPERSON KAUFMAN: I had a question of
Yolo completely unrelated to the --

CHAIRPERSON PÉREZ: Sure, for the representative of Yolo.

MS. CORREA: I'm Riva Correa from Yolo County.

CHAIRPERSON PÉREZ: I'm sorry. Your name again?

MS. CORREA: Riva Correa.

CHAIRPERSON PÉREZ: Riva Correa.

VICE CHAIRPERSON KAUFMAN: Good morning, Ms. Correa. I just wanted to ask you -- because I saw something noted in the staff report here about the fact that your county hired computer technology students from University of California at Davis to assist with the implementation of the new equipment, I guess both on election day and in training poll workers. And I wondered if you could just share with us your experience and how that helped or hindered the process on election day.

MS. CORREA: Well, it helped in the delivery. Because we didn't want to have the machines spend the night with the inspectors, and so we had them meet us in our parking lot at 4 a.m. in the morning. And we had a technology person and a ride-along county staff go. And they covered, like we gave -- we gave them two to four polling places to go set up and do the zero tape. And it worked very well. It got us open by 7 a.m. in the morning. So it worked -- it worked good.
VICE CHAIRPERSON KAUFMAN: Were they also available to assist voters with the technology on election day?

MS. CORREA: We kept 30 of them during the day to -- we also had rovers, but they were kind of a roving technology person. And so they kept in touch with us and we were able to send them out if there were any problems. Actually we experienced very little problems.

CHAIRPERSON PÉREZ: How many polling places did you have?

MS. CORREA: We had 114.

VICE CHAIRPERSON KAUFMAN: Okay.

CHAIRPERSON PÉREZ: And you didn't have problems with your parent?

MS. CORREA: Pardon me?

CHAIRPERSON PÉREZ: You didn't have problems with the VVPAT on the equipment?

MS. CORREA: No, not the printer. We had just very few issues. Set up in the wrong place, had to go in and change the position. But there were very few issues that we had. And we think that that happened because we did use the technology people.

Now we think that the inspectors are, you know, experienced enough to where they may be able to handle it and -- along with our roving inspectors.
VICE CHAIRPERSON KAUFMAN: Thank you.

CHAIRPERSON PÉREZ: Any other questions?

Is there a motion?

BOARD MEMBER BUSTAMANTE: I'll move the staff report and recommendation.

BOARD MEMBER FINNEY: I'll second it.

CHAIRPERSON PÉREZ: Mr. Bustamante moves, Mr. Finney seconds.

Seeing no further discussion.

MS. MONTGOMERY: John Pérez?

CHAIRPERSON PÉREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamente?

BOARD MEMBER BUSTAMANTE: Aye.

MS. MONTGOMERY: Tal Finney?

BOARD MEMBER FINNEY: Aye.

MS. MONTGOMERY: Carl Guardino?

BOARD MEMBER GUARDINO: Aye.

CHAIRPERSON PÉREZ: Very good. Five ayes. We have approval.

Thank you.

Okay. The next item is Item 6, Project Documentation Submittal Deadlines.

First we'll hear from the staff. And then I have
two cards for folks in the audience seeking to speak on this. If anybody else would like to speak on Item 6, make sure you fill out a card and pass it forward as well.

BOARD MEMBER GUARDINO: Mr. Chair, I have to leave at 11:20, so just to let you know. But for purposes of a quorum, obviously we'll be fine too.

CHAIRPERSON PÉREZ: Thank you.

STAFF CONSULTANT LEAN: Okay. So at the last -- at the October 25th meeting you asked that we survey the counties to find out what their preference was on actually extending the March 1st, 2007, deadline for the six remaining counties, which is now the three remaining counties. And you also asked that we get some more feedback on setting a deadline for the phased counties and what kind of formula should be use. So we'll just walk through it.

With respect to the question of: Should the March 1st, 2007, deadline be extended? Overwhelmingly -- of the counties that did respond, it was overwhelming yes, that this deadline should be extended further. We've gotten four letters from counties. They're in your packets and they're posted on the website. And all of them have -- actually feel the same way, that this deadline should be extended; and to go even further, that the January 1, 2008, deadline that has been proposed not
be implemented.

So with regards to: Should the Board establish a January 1, 2008, deadline on the use of funds for counties who've submitted phased approach project documentation plans? Overwhelming amount of the people who did respond voted that this deadline -- actually they did respond that, yes, this deadline should be established. We had 22 counties responding yes. We had 10 counties responding no. And we had some undecided. So based on that, actually most of the counties that did respond to the deadline -- or to the survey said that there should be a deadline established.

Whether or not any of the counties will be using the remaining of their allocation if they haven't already submitted invoices, also these counties all responded, yes, they're going to use their money. We have 18 counties still pending that have submitted complete plans -- and invoices, and 7 counties with phased-approach, counties who are interested in using their allocation -- their initial allocation.

We did have three counties who said they would be interested in reverting the funds that weren't used under their initial allocation. And also -- overwhelmingly. And we asked whether their counties would be interested in applying for a second funding round. And 26
of the counties that responded -- that's a majority of the counties -- 65 percent of the counties who responded said, yes, they would definitely be interested in a second funding round.

Also we asked: Should the Board use the same formula to distribute the second funding round? A majority of the counties said yes. But some did point out that they would like the Board to update the registration numbers based on that formula.

So 17 counties did not respond to the survey. So we -- we have a good idea of what most of the counties are looking at.

But I would just like to open it up for discussion or if the Board has any questions of me.

CHAIRPERSON PÉREZ: Do we want to hear from our two speakers first and then come back to us?

Okay. The first card I have is from Kathleen Smith from Nevada County.

And thank you for having been with us in Los Angeles at our last meeting too.

MS. SMITH: Thank you. It was a nice trip. Good morning. I believe our county is one of the counties that you have received information in your packet. So I won't go over that. But ideally -- I just have a few more salient points to make, which is that:
Nevada County is currently without an election vendor, as all of our software and hardware maintenance agreements have expired. So for the November election what we did do is we rented HAVA compliant equipment.

Nevada County's Voting Modernization Project includes an absentee solution as well as to address the HAVA mandates. We're very close to completing our project and submitting the Project Documentation Plan to you.

And our ultimate goal is to use our full allocation as long as it is available to us. So we are in favor of extending the March deadline. And I had written that I was undecided on the remainder of the questions on the survey, because I feel like I'm not in a position to really make an intelligent recommendation to that since we haven't -- we're probably behind the 8 ball as far as the rest of the counties in the state.

We have showed good faith effort since I've been in office July 1st of '04. And this is our third RFP process that we've gone through. And I believe that it will be successful. We do have two vendors that have responded and we've set up our demonstrations for later on this month.

I'd be happy to address any questions.

CHAIRPERSON PÉREZ: Well, in your letter I see that you're looking at January 23rd and 29th for a formal
vendor presentation and public demonstration. And I understand you think March is too soon. And I'm not asking you to say when do you think the appropriate deadline is. But when do you think you'll probably come to us?

MS. SMITH: Depending upon your schedule, we -- and if we you'll be meeting monthly basis, I would like to present our plan to you no later than the June meeting. That gives us -- I mean there is quite a bit of lead time involved in putting that together.

CHAIRPERSON PÉREZ: Mr. Bustamante.

BOARD MEMBER BUSTAMANTE: Didn't your letter say something about July of 2007?

MS. SMITH: I think basically we were talking about July 1st.

BOARD MEMBER BUSTAMANTE: Oh, okay. So it probably -- it may not be June and it probably will be August, but it would be right in that ballpark?

MS. SMITH: Yes.

CHAIRPERSON PÉREZ: Okay.

MS. SMITH: Obviously we need to be prepared to proceed with the Primary Election in 2008.

CHAIRPERSON PÉREZ: Okay. Anybody else?

Thank you.

MS. SMITH: I really appreciate your
consideration on these issues. Thank you.

CHAIRPERSON PÉREZ: The next card we have is from Conny McCormack from Los Angeles.

MS. MCCORMACK: Good morning. Conny McCormack, Los Angeles County.

And I'd like to start by thanking the members of the Voting Modernization Board. The stability you have offered in this process has been invaluable to all the counties. I can recall, Mr. Chair, your saying at several meetings a couple of years ago you thought you'd come into this and you'd have about a two years job to give out this money and you'd be out of there. And here we are five years later and --

CHAIRPERSON PÉREZ: And four Secretaries of State later.

(Laughter.)

MS. MCCORMACK: Oh, that was -- my next comment is the difference is that in the five years your Board has been very stable, knowledgeable. You've had the benefit of a great staff consultant in Jana. And we haven't had that in the Secretary of State. We've had constant change and it's been very disruptive and stressful to everyone. And so I just wanted to say thank you for your knowledge, your background. And as we go into this very important issue of where you're heading in with the funding, I think
that's really going to serve you well and serve all of us
well. So I'd like to start by saying that.

The second thing I'd like to say is that when we
started the process in L.A., we came to you I believe as
the first county with a phased-in approach to voting
system acquisition. And this is back at a time when
things looked a lot more stable than they do now. But we
still felt that we were not ready for our county to embark
upon a beginning and end solution. And indeed I believe
subsequent to that quite a few other counties chose a
phased-in approach and are moving along in that manner.

And I know for myself, and I'm assuming those
other counties, we've advised our board of supervisors
that the funding -- in many reports to them and constant
reports to them, they're on our website, that this process
and this funding is available, that we do do periodic
reports as to where we are. And I think it's really
important for you to realize too, and you probably already
do, that as counties move into '08 many of us are
reassessing the amount of equipment that we had in '06 and
the higher expected voter turnout in '08, and I know for
the case of Los Angeles County we fully expect within the
next few months to purchase more equipment --
significantly more equipment to be prepared for those
elections. And I think other counties will be doing the
same thing. And this is the year to make those
assessments and to get ready to get them fully tested and
ready to go for '08.

So I think it's really important that we could
maintain the flexibility of the Phase 1 funders with those
who have put in project documentation for. You set up a
formula that everyone sort of thought we had a floor in
what we would expect. Beyond that of course there's a
Phase 2. And that I think is what you're grappling with.
And we've heard from you on one of the counties that is in
a situation that's pretty unique that didn't apply yet.
In my thought, and this is just my personal opinion, on
the survey -- it's really always interesting to see how
counties respond to a survey like this. But to me the
most important thing is how the counties who haven't
applied at all would answer that. And I don't know how
many there are.

And certainly we just heard, and I thought, a
very legitimate argument from Nevada County.

But in terms of the second concept of putting a
deadline on funding that we -- and phase the project and
expect to continue, it would seem to me that it probably
is a little self-serving to ask counties who have spent
their money if they'd like to tack on, you know, something
else. It's the money, I mean being logical, that if I'd
spend all my money, I see L.A.'s still has got, you know, $40 million sitting there, that I'd like to have a piece of that. So I'm not sure that it isn't just everyone just responding that they would like to get some money rather than more intellectually what is appropriate policy-wise. So I'd just like to add that to the record. But I think -- I do apologize that we didn't formally respond. I knew I'd be here today.

But I think it's very important for the stability that we have the opportunity as we move forward and are buying more equipment and the systems are changing almost hourly, federal laws are getting ready to change, I mean all kinds of things are happening, that we not be limited to when we can spend this money. So I just wanted to get on the record for that.

And that's really all I wanted to comment on.

CHAIRPERSON PÉREZ: Thank you very much.

Mr. Kaufman.

VICE CHAIRPERSON KAUFMAN: I had a question, Conny.

You addressed the -- you know, the proposed deadline or the date that's been thrown out there more than anything for counties using -- counties like yourself that were awarded funds and hadn't yet used them, which Jana told us 22 counties responded yes to establishing a
deadline. And, again, there was also a fairly strong
response from counties who were interested in applying for
a second round of funding. Of course your county would be
presumably a beneficiary of the second round as well. So
I'm just wondering, you know, how you see that playing
into the thought process with respect to any deadline
or -- I mean there is a pot of money that's going to be
sitting out there again to reallocate --

MS. McCORMACK: I don't think that pot of
money --

VICE CHAIRPERSON KAUFMAN: -- even apart from
your use -- your county's use and other counties who are
using a phased approach, using up that pot of money.

MS. McCORMACK: I think it would be easier for us
to -- all of us to know what that potential pot of money
is. But I would imagine it's pretty small. But for
counties that haven't applied yet, out of 200 million or
195, it's probably a very small amount if those counties
chose not to apply at all and miss the deadline,
whatever that deadline might be. I'm assuming that could
be an extremely small amount of money.

So, you know, I'm not that concerned about that
pot of money as I am the money that we've already -- and
we haven't been allocated it, but it's been reserved. I
guess we should call it a reserve, because if you're not
allocated, I think that's appropriate and I supported it.

Do not allocate until you've actually got a purchase order.

But it's money in reserve that counties have held. And I would suspect, although I haven't looked, the 22 counties that say, "Yeah, I'll put that money back in," are counties that have spent their money. I mean if I had spent my money, I probably would have answered that way to the survey too. So I just don't know whether the survey is particularly the way to make policy decisions based on a decision we've had for five years, that counties who are moving at a different pace, and we feel a very successful pace in L.A. County, would potentially be penalized and not have an opportunity to get money for future improvements to our voting system, which all of us are wanting to do continuous improvement.

And this is an area that hasn't stabilized yet. Equipment is changing almost hourly, software, hardware, everything. So our board is -- my board of supervisors has been advised by me -- and of course it was a change -- I had to let them know that we had this money and it's there as we move along. So I just think it's -- again, 22 counties, maybe they didn't all spend their money, but I would kind of think they probably did.

And I would just hope that that open-endedness of
the policy you had so far would remain, especially given
the environment right now. If we had a stable environment
and everybody knew we had the same equipment for ten
years, that might be a different picture. But we're never
near that kind of environment.

CHAIRPERSON PÉREZ: Mr. Bustamante.

BOARD MEMBER BUSTAMANTE: Yeah, a couple things.

First off, I don't know that our policy is
open-ended. I think we've kind of -- the tail is kind of
wagging the dog here. I mean I think we've tried to set
guidelines and tried to set dates. And, you know, as a
result of a variety of different factors we ended up
having to be patient and flexible.

Since you didn't have a chance to answer the
question -- maybe I wasn't listening carefully enough.

Should the Board establish a January 1, 2008,
deadline?

MS. McCORMACK: I would say no. I don't want to
see a deadline established.

BOARD MEMBER BUSTAMANTE: So you would propose no
deadline at all?

MS. McCORMACK: Going back to old VMB hearing
minutes, that it's -- my impression that when you had a
phased-in program, as long as you were showing where you
were in your phases, it was pretty open-ended. And there
hasn't been talk of a deadline, except for finalizing the initial so that there could be a second pot of money. And I totally support that. I think probably everyone does. And there's just a few counties that haven't applied.

BOARD MEMBER BUSTAMANTE: So you think 2010, 2012?

MS. McCORMACK: I would think right now on this environment --

BOARD MEMBER BUSTAMANTE: I mean my point is that you need to just -- I mean whenever you want --

MS. McCORMACK: I think, you know, maybe five years ago how many of us would have been shocked to think that we'd be sitting here five years later and not have spent this money. But that's not the environment that was thrust on any of us. And so now, if anything, it seems almost less stable than it's been a couple years ago. So I think we just need to let the debate play out a little bit. And that's what I would request.

CHAIRPERSON PÉREZ: I guess -- if I may, there are a couple of different situations. There are one, two, three -- there are seven counties that are in phased approaches, as is Los Angeles. And I think that you were very clear when you came in with your first allocation request or award request that you wanted to establish on the record then that you were reserving the full amount,
but that you were only drawing down that first phase at that point in time.

MS. MCCORMACK: That's correct.

CHAIRPERSON PÉREZ: So I look at the situation of those seven counties somewhat differently than the remaining 51 counties. And there are at least two different situations for the remaining 51. Some are counties -- for example, there are three counties that as of the end of today's meeting will have not requested any money, will have not submitted any funding award allocations. And that only totals about $2 million.

VICE CHAIRPERSON KAUFMAN: Including Nevada County?

CHAIRPERSON PÉREZ: Right, right. Merced, Nevada, and Trinity. That comes out to about $2 million.

Then there are other counties who came forward for a single-phased approach, drew down a certain amount of money. In some cases it was the entirety of their allocations. In some cases it was less than the entirety. Of those, some of them spent the entire allocation, so they basically spent the entirety of Phase 1.

The other counties that may have come in under budget still have money in their Phase 1 allocation but have completed the work in their single phase, and that totals 4.239 million. So we're talking about 6 million
out of 195 million that's -- that obviously compared to
the 48 million that Los Angeles still has in reserve to
use in future phases is small. But for small counties,
that 4.239 million may be a significant amount of money to
supplement the work that they've done up to that point.
So I am more concerned about making that money available,
if it's not going to be used by the counties that it's
originally allocated for, to assist counties who have
spent down their entire money and still have more work to
be done. And I'd be interested to hear your responses to
that.

MS. McCORMACK: I think that's a very good
description of the history of where we are. But I also
cautions that with '08 some of those counties may say, "We
need to take another look if we have enough equipment."
The turnout -- there's always 20 to 25 percent more
turnout in a presidential year. And it could be
shortsighted if some of them think they're done. They may
be. They may have bought plenty of equipment. I don't
know. But I would imagine there'll be some counties
looking at that this year. And maybe even in '08 after
the first primary somebody says, "Whoa. Wait a minute. I
think we need to relook at that."

So perhaps they could be surveyed, whoever those
counties are that didn't do a phase, and say, "Do you
really feel like you're done?" or "Are you looking at buying more equipment, are you considering that?" It's a good question to continue to --

CHAIRPERSON PÉREZ: But shouldn't we then say, you're either done and we should revert this money back after a date certain, or you should come back and propose a second phase to draw down that money? Otherwise that money will go back into a pool that we look to allocate for the benefit of all the communities.

MS. McCORMACK: I think that would make a lot of sense, Mr. Chairman, because they -- as you've said, they are -- they didn't apply for a phase-in. They said they were going to a new system. And now maybe spur them into, "Well, this is going to happen. I'm either going to not have it or I am. Maybe I'd better take a quick look to see if I have enough equipment and go from there." So maybe a deadline for that would spur some decision making.

For those of us in the phased-in, I do appreciate the additional -- the continuation of the flexibility you've shown so far to us.

CHAIRPERSON PÉREZ: My only concern is also not encouraging counties to say, "It's a use-it or lose-it situation. I better go buy something just so that I don't lose the money," and encourage people to buy something that isn't necessarily the optimum for their needs in the
out years.

MS. McCORMACK: That's always a risk.

CHAIRPERSON PÉREZ: Mr. Kaufman.

VICE CHAIRPERSON KAUFMAN: Once again, Mr. Chair, you went exactly where I wanted to go with this in looking at the distinction between counties that have taken a phased approach and those that haven't expressed a phased approach but may want to use a phased approach. So I mean in that sense I'm not sure there's a big distinction in the seven and the others. But I do like the concept of placing some requirement on it, because even though some of them may have said, "Jana, no. You know, we don't intend to use the money. We'll let it revert back," I would hardly consider this chart a legally binding document and I think that we should take some action to basically either commit those counties to taking a phased approach or not, so that we know if there is at least some set of a pooled money, we could then reallocate that.

STAFF CONSULTANT LEAN: I would totally agree.

CHAIRPERSON PÉREZ: See, I was looking at this as an election and that 17 counties chose not to vote, some undervoted --

(Laughter.)

CHAIRPERSON PÉREZ: -- somebody I think spoiled her ballot on the first question.
CHAIRPERSON PÉREZ: I agree.

MS. McCORMACK: I would also like to say that some of us had to spend our HAVA 301 -- our HAVA 301 money by a certain date. And one of the reasons, for example, L.A. County spent something like 28 million so far in new voting equipment. If we hadn't of spent the 16 or 17 million in one category and another cat -- there were some hard deadlines. So we were very cognizant of this sort of shell game, that we have to go spend this money by this deadline, this money by this deadline. This money let's you do voter outreach, but, as you know, VMB money doesn't. We've really spent a lot of time. And now we've sort of drawn down a lot of those other accounts. So now for the -- there's 700 more equipment I want to buy -- we just had a meeting the other day -- we're going to go into the VMB money now.

So we're making these strategic decisions, but they've been driven by some other decisions. And, indeed, we had a discussion with the Secretary of State's people that these contracts for the 301 HAVA money by state law have to be annual. They can get renewed, but we're really worried that -- the next deadline is June of '07, and of course we're certainly hoping that those are going to be renewed, and we anticipate they will be, but we don't
I know. I mean right now our contract says June of '07.

So, again, we've been under a little bit of a complexity here and the -- the freeing up of all this absentee money to buy absentee systems, because a lot of people have upgraded absentees given how many absentees there are. That's another factor in here that really wasn't around so much three or four years ago.

So there are a lot of factors into this. But all of you know them because you've been around and you're familiar with them. But I appreciate the opportunity to give some input on that.

CHAIRPERSON PÉREZ: Mr. Bustamante.

BOARD MEMBER BUSTAMANTE: How many phases do you see in your phased-in approach?

MS. McCORMACK: Well, you know, we had this chart on our wall at the office. And every time we'd go in one direction, it seems to -- something out of our control happens. It's a joke now in our office, how many phases. I don't mean it to be a joke. But, you know, it's pretty disturbing to sit there and go along the path and then realize that you aren't going to get to that part of that path, and what does that mean? And so we're sort of in a reassessment mode on that.

When we started our project, it was the Two in Two Committee, two voting systems in two years. And now
we -- and we have an internal advisory committee, with our chief administrative officer, our county counsel, our -- chief administrative officer, our CIO -- all these people on our internal advisory committee. And somehow that's sort of like -- how many voting systems in how many years is -- we don't call it the Two in Two Committee anymore. It's another -- it's now the Elections Advisory Committee. So I can't answer that question because we're in flux. And we appreciate the opportunity that we can be in flux. There's Still money left. To be in flux without money is much worse than being in flux with money.

CHAIRPERSON PÉREZ: Okay.

MS. McCORMACK: That answer did not help you, but --

(Laughter.)

CHAIRPERSON PÉREZ: Well, it actually made me feel better because in describing it I've sometimes said I think Los Angeles has 10 phases and then I say I think Los Angeles has 63 phases. So I'm somewhere in the ballpark?

MS. McCORMACK: Probably.

CHAIRPERSON PÉREZ: Okay. Thank you.

MS. McCORMACK: Thank you.

CHAIRPERSON PÉREZ: Mr. Finney, anything?

BOARD MEMBER FINNEY: No, I'm good.

It's okay if she answers these questions. I'm in
the same area.

CHAIRPERSON PÉREZ: Okay. Anybody else seeking
to shed light on this?

Come on up and you can fill out a card after
you're done speaking.

It's an important issue. I want to make sure
everybody who wants to speak has a chance.

MS. ALVAREZ: Well, I'm Billie Alvarez from Santa
Barbara County. And our registrar submitted a letter to
the Board in regards to our concern for a deadline for a
phased approach.

And I'd like to reiterate a lot of what Conny
said. Over 50 percent of our vote is done by absentee
ballot now. And we're counting on that Phase 3 approach
to get the new equipment to more efficiently process those
ballots.

Well, because of the changes that have happened,
including the equipment was in federal testing and because
of a recent EAC decision, it has to go through E-testing
again through the Cisco Lab, I think it is. So,
consequently, we don't really know when this is going to
be certified. And by establishing a deadline on it, it
makes it very difficult for us.

CHAIRPERSON PÉREZ: Yes, please.

VICE CHAIRPERSON KAUFMAN: And you are an
example, at least according to our list, of a county that
did not necessarily indicate that you were taking a phased
approach but now nonetheless --

MS. ALVAREZ: Well, we did submit a project
documentation plan that has three phases.

STAFF CONSULTANT LEAN: The last one that they
submitted was a Phase 2 with a potential for a Phase 3.
But there wasn't anything submitted for a Phase 3 yet. So
there was a potential.

CHAIRPERSON PÉREZ: Okay.

VICE CHAIRPERSON KAUFMAN: Because they're --

actually now they should be probably --

CHAIRPERSON PÉREZ: They should be in this
first --

VICE CHAIRPERSON KAUFMAN: -- moved up in this
first group.

STAFF CONSULTANT LEAN: They were never allocated
that money though. So -- I mean your initial -- certain
counties who were allocated money based upon the project
plan that was submitted. So the project plans that
they've submitted thus far is for Phase 1 and 2. They
have not submitted a project documentation plan for that
$1 million.

CHAIRPERSON PÉREZ: So we approved $1,721,151.32
for Phases 1 and 2?

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STAFF CONSULTANT LEAN: Correct.

CHAIRPERSON PÉREZ: And we've disbursed that amount as well?

STAFF CONSULTANT LEAN: Correct.

CHAIRPERSON PÉREZ: Leaving them with $1,028,642.74?

STAFF CONSULTANT LEAN: Correct.

MS. ALVAREZ: And we have indicated in that original response our intent to have that Phase 3 approach. And we will be submitting that detailed documentation on that.

STAFF CONSULTANT LEAN: And there is a letter, as she said, in your packet.

CHAIRPERSON PÉREZ: Got the letter.

VICE CHAIRPERSON KAUFMAN: So there may actually be more people in that phased category and that four million two hundred plus thousand that you referred to may actually be a smaller pool?

STAFF CONSULTANT LEAN: I believe that will be true.

MS. ALVAREZ: This is a huge impact. I mean you'll -- bringing absentees, because it's growing dramatically throughout the state.

CHAIRPERSON PÉREZ: Thank you.

Is there anybody from Merced or from Trinity?
Because, in looking at the responses, Merced did respond to all the questions, but didn't give us any additional comments and hasn't yet come forward. And I'm wondering, you know, where they're at. And then Trinity -- Trinity didn't even respond and they've never come forward. So I'm trying to figure out the status of that county as well.

STAFF CONSULTANT LEAN: Well, I have been in contact with Merced County, and they were interested in submitting a plan before the March 1st deadline. So they -- at the last CACEO meeting they did contact me and said that they will submit a plan. They did purchase the ES&S AutoMARK units and they do plan to submit a plan on that equipment.

CHAIRPERSON PÉREZ: And they're in favor of a January 1st, 2008, deadline.

Okay. And Trinity?

STAFF CONSULTANT LEAN: I have not heard from Trinity County.

VICE CHAIRPERSON KAUFMAN: Sounds like it's one county voting with no date.

CHAIRPERSON PÉREZ: I think Mr. Kaufman and I should go to find Trinity County.

BOARD MEMBER BUSTAMANTE: Mr. Chair?

CHAIRPERSON PÉREZ: Mr. Bustamante.
BOARD MEMBER BUSTAMANTE: I may be in the minority, but -- I mean I really -- when I look at this list, I kind of -- you know, it really comes down to -- in my mind it comes down to three counties. I mean it comes down to the one county who hasn't done anything that you were just referring to. And then, you know, my concern isn't so much about the counties who have already drawn down a majority of their funds, but really the two counties with a phased approach that kind of have a toe-in-the-water approach; I mean Los Angeles being one of them. I mean just what, $49 million sitting out there, 600,000 is basically used.

I mean I appreciate -- I mean I've been here since the first day. So I've lived through all these problems and various Secretaries of state. But I think in the end I mean the problem -- my concerns really come down to those three counties: San Luis Obispo; Los Angeles; you know, and the one county that hasn't even bothered to, you know, answer any of our requests.

And I think, you know, the other counties who have -- even the counties with phased-in approaches who have drawn down the majority of their funds, I mean clearly there's a path that's been taken and difficulties that, you know, folks have encountered, but at least there's an effort that's been underway that seems to be
meeting the spirit of what we started with in 2000. And, you know, I'm curious to hear what you guys have to say, but I mean I'm just -- for my part I think those are the three counties that I'm most concerned about.

VICE CHAIRPERSON KAUFMAN: And I guess I share your concern about the counties we haven't heard from. But I think we -- Los Angeles is the obvious focal point, but we just heard from Ms. McCormack that L.A. has in fact done a lot with respect to its voting systems over the last few years, but it's these other pools of money that have been available. So --

BOARD MEMBER BUSTAMANTE: That weren't VMBs?

VICE CHAIRPERSON KAUFMAN: That were not --

CHAIRPERSON PÉREZ: Yeah, basically they drew down the equivalent of the majority of their VMB allocation, but they drew it down from other sources that were available to them.

VICE CHAIRPERSON KAUFMAN: Right. So I don't think they should be penalized for the fact that they chose to use other available funds rather than these funds in going through those phases, whereas other counties may have used these funds first. I mean we don't really know the full picture as we sit here because there are so many other pots available. We only know based on the numbers
CHAIRPERSON PÉREZ: I guess what I look at is, for example, the Orange County example since it's, you know, where my office is, where they originally came to us, they drew down the entirety of their funds; and then because of changes in both federal and state law, came back to us, reimbursed the entirety of the funds that were allocated to them, availed themselves of federal money, and then reapplied for money from us to make sure that they maximized utilization. We went through extensive steps to make sure that they were doing all that in compliance with state and federal law and to maximize, you know, the impact of what we were trying to do in assisting the county's technology.

That a county like Los Angeles had the forethought to identify which funds to use for which purposes early on is of less concern to me. If they hadn't been making progress, if the 600,000 that we've expended from VMB were the extent of their modernization efforts, I think I'd be very frustrated. But since it represents 600,000 of what, 26 million in change?

MS. McCORMACK: (Nods head.)

CHAIRPERSON PÉREZ: -- it's of less concern to me because I see -- while I joke about how many phases, I do see some real progress there, and I do see the complexity
of the voting system there.

STAFF CONSULTANT LEAN: And they have responded to quarterly reports we've asked them to respond to. So they have let the Board know that they are moving forward and they have steps that they're taking.

BOARD MEMBER BUSTAMANTE: Is that the same for San Luis Obispo County as well?

STAFF CONSULTANT LEAN: Yes.

CHAIRPERSON PÉREZ: I think where we all -- we all share, just from a slightly different perspective, the same frustrations that the counties do in that the rules keep getting changed. The overall vision may be similar, but the rules and how you get there keep getting changed. And we're all -- we're frustrated because we thought we'd be done, you're frustrated because you thought you'd be done. And we just want to make sure that we're not a big impediment and that we're not letting folks be an anchor on the system at the same time.

The other thing I would add is in conversations with the Secretary, it's my understanding that the Secretary's office will be doing a pretty thorough review of systems. And while I'm anxious to set a deadline that's sooner rather than later, I also don't want to create an artificial deadline that's in conflict with reality on the ground for counties once the Secretary's
review is complete.

With that, maybe we should move on to the next item.

VICE CHAIRPERSON KAUFMAN: Well, do we need to deal with the March date on this -- 2007?

CHAIRPERSON PÉREZ: Well, that's what this item is --

VICE CHAIRPERSON KAUFMAN: Okay.

CHAIRPERSON PÉREZ: -- consideration of extension of the March 1st, 2007, deadline.

VICE CHAIRPERSON KAUFMAN: See, I read ahead.

(Laughter.)

CHAIRPERSON PÉREZ: So the next specific sub-items here is 6B and C.

6B is consideration of extension of the March 1st, 2007, deadline for counties to submit their first Project Documentation Plan.

The second is discussion of January 1st, 2008, deadline on the use of funds for counties who have submitted a phased approach Project Documentation Plan.

So really 6B only at this point relates to Merced, Trinity, and Nevada.

STAFF CONSULTANT LEAN: Correct.

BOARD MEMBER BUSTAMANTE: And Nevada, you said, was --
CHAIRPERSON PÉREZ: Nevada was saying that March last doesn't give them the time they need because they anticipate being before us in June or July.

BOARD MEMBER BUSTAMANTE: It's what -- what year am I in?

CHAIRPERSON PÉREZ: So we're in 2007.

BOARD MEMBER BUSTAMANTE: That's right. Sorry.

CHAIRPERSON PÉREZ: So mindful of where Nevada's coming from, what deadline do we want to set for those counties?

BOARD MEMBER BUSTAMANTE: Let me ask just one question.

Does June the 1st work for you -- or July 1?

MS. SMITH: We've had failed negotiations with vendors in the past. So --

BOARD MEMBER BUSTAMANTE: Because it sounds like you're close.

MS. SMITH: We are close. But the negotiation process is the most arduous and can take the longest time. So I'm -- we're using a consultant as part of our process. And so I feel optimistic that -- I would prefer July 1st deadline myself.

BOARD MEMBER BUSTAMANTE: Right. But you'd have to have it in June --

MS. SMITH: So that would give us all of June to
dot the i's and cross the t's.

CHAIRPERSON PÉREZ: And we're expecting to hear from Merced prior to March, correct?

STAFF CONSULTANT LEAN: Correct. That's what they indicated.

VICE CHAIRPERSON KAUFMAN: Except they also said in their response that they'd like to see the March 1st deadline extended. So I suspect maybe we won't if we extend it.

BOARD MEMBER BUSTAMANTE: Jana probably -- you were saying probably June, right?

CHAIRPERSON PÉREZ: So if we did July 1st, that would cover -- understanding that things can change -- and, quite frankly, we're clear about that because we've extended the deadline several times to respond to, you know, reality on the ground --

MS. SMITH: Yes, you'd have to.

CHAIRPERSON PÉREZ: I'm sorry?

BOARD MEMBER BUSTAMANTE: Nothing.

CHAIRPERSON PÉREZ: So July would probably be responsive to the needs of Merced and Nevada.

BOARD MEMBER BUSTAMANTE: Then that would be that.

CHAIRPERSON PÉREZ: And that would be that, yeah.

So is there a motion?
BOARD MEMBER BUSTAMANTE: Yeah, Mr. Chair, I'll move that we extend the deadline for counties submitting their first Project Documentation Plan to July 1, 2007.

VICE CHAIRPERSON KAUFMAN: And I'll second.

CHAIRPERSON PÉREZ: Mr. Bustamante moves, Mr. -- I almost called you Mr. Finney. Sorry.

VICE CHAIRPERSON KAUFMAN: Please. There are a lot of things you could call me, but don't call me that.

(Laughter.)

CHAIRPERSON PÉREZ: Mr. Kaufman seconds.

On the question?

MS. MONTGOMERY: John Pérez.

CHAIRPERSON PÉREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

VICE CHAIRPERSON KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

BOARD MEMBER BUSTAMANTE: Aye.

MS. MONTGOMERY: Tal Finney.

BOARD MEMBER FINNEY: I wanted to vote on behalf of Carl Guardino.

(Laughter.)

BOARD MEMBER FINNEY: I'll say aye.

CHAIRPERSON PÉREZ: Very good.

Next is 6C, discussion of setting a January 1st, 2008, deadline for the use of funds for counties who have
submitted a phased approach Project Documentation Plans.

Right now there is no deadline, correct?

STAFF CONSULTANT LEAN: Correct, there's no deadline.

CHAIRPERSON PÉREZ: Okay. So this would be establishing a deadline where none has existed before.

I would suggest that -- I've been working under a misperception about which counties are truly in a phased approach. I thought it was limited to the handful of counties on the top of the one report. So I thought it was Colusa, Lassen, Los Angeles, Marin, Placer, San Luis Obispo, and Siskiyou. I'm now hearing that it's actually -- Santa Barbara's included. There are other counties.

STAFF CONSULTANT LEAN: Could potentially be.

They have not -- Santa Barbara's the only other county indicated -- out of those 12 that indicated that they may want to submit another phase.

CHAIRPERSON PÉREZ: So maybe what we can do is get our arms around which counties are really included in this universe, and not set a deadline without having a full understanding of who we're setting the deadline for.

VICE CHAIRPERSON KAUFMAN: Yeah, I mean my -- I agree. I think that's a perfectly responsible approach. And I'm just wondering if we can couple that with some
sort of -- I don't know, maybe this is overstepping -- but some kind of a deadline for a commitment that they may undertake a phased approach. So that if --

CHAIRPERSON PÉREZ: May possibly.

VICE CHAIRPERSON KAUFMAN: May possibly.

So if the county says, "Absolutely not. We're done. We're not coming back to you," we know we have a pot of money.

CHAIRPERSON PÉREZ: Is that something that you can --

STAFF CONSULTANT LEAN: Yes.

CHAIRPERSON PÉREZ: Mr. Bustamante, are you comfortable with us -- having that for us at the next Board meeting and considering once we have a fuller set of data?

BOARD MEMBER BUSTAMANTE: Sure.

STAFF CONSULTANT LEAN: I'd like to send a formal letter to all these counties. And I'll have the Chair review it before we send it out. Just basically request them to let us know if they will in fact be doing a phased approach.

VICE CHAIRPERSON KAUFMAN: Or if they -- or if it's something they'll get -- if it's something they'll contemplate, I don't want them to do it.

CHAIRPERSON PÉREZ: Mr. Bustamante.
VICE CHAIRPERSON KAUFMAN: They may not be able to commit this month, but they're absolutely going to do it. But if it's something that they want --

CHAIRPERSON PÉREZ: I think Mr. Bustamante wants to tighten up the language.

BOARD MEMBER BUSTAMANTE: Well, I'm just curious if the Secretary of State's office contemplates any type of closure of this Board and the funding.

STAFF CONSULTANT LEAN: I'm not sure I understand your question.

CHAIRPERSON PÉREZ: They can't --

VICE CHAIRPERSON KAUFMAN: -- till our job is done.

CHAIRPERSON PÉREZ: They can't because we're not established by the Secretary of State but rather by the Act.

STAFF CONSULTANT LEAN: It's by the Act, and there's no --

BOARD MEMBER BUSTAMANTE: -- there is no end to the Act.

(Laughter.)

STAFF CONSULTANT LEAN: No, sir.

CHAIRPERSON PÉREZ: We were looking for a second act.

VICE CHAIRPERSON KAUFMAN: I'm just wondering if
1 we should give people more time than the next meeting.
2                    CHAIRPERSON PÉREZ:  Sure. Well, how about if we
give them till March 1st?
3                    BOARD MEMBER BUSTAMANTE:  We don't have anybody
up in February, right?
4                    STAFF CONSULTANT LEAN:  Not at this time.
5                    VICE CHAIRPERSON KAUFMAN:  Then maybe we can --
when we March 1st to report to us at the March meeting.
6                    STAFF CONSULTANT LEAN:  Okay. And I'll work with
the Chair and Vice Chair on the language, and so that
we're asking the questions you want to ask.
7                    CHAIRPERSON PÉREZ:  Mr. Finney, are you
comfortable?
8                    BOARD MEMBER FINNEY:  I am comfortable with that.
9                    BOARD MEMBER BUSTAMANTE:  He's in a smoking
jacket --
10                   (Laughter.)
11                    BOARD MEMBER FINNEY:  And I didn't hear that.
12                    CHAIRPERSON PÉREZ:  Mr. Bustamante was --
13                    BOARD MEMBER FINNEY:  That I was wearing a nice
warm jacket or something?
14                    CHAIRPERSON PÉREZ:  Smoking jacket.
15                   (Laughter.)
16                    CHAIRPERSON PÉREZ:  All right. Then I think, you
know, we've basically put 6C over to our March meeting.
Next, Item 7, Staff Reports on Related Issues.

7A is regarding a second funding round. That's really not an appropriate discussion to have at this point, so let's put that off.

7B is the 2007 VMB meeting schedule. And if you'd like to walk us through that, Jana.

STAFF CONSULTANT LEAN: I did have a chance to talk to the Chair prior to this meeting. And we were hoping to go to quarterly meetings. We did come up with some dates, today being one of the dates that's in your packet. February 21st is a potential date if Merced were to submit something or if another phased county wanted to submit a plan, setting the February 21st, 2007, date. Our March 21st, 2007, date. And then going quarterly to June 20th, September 19th, and December 19th.

CHAIRPERSON PÉREZ: The only thing I would say is because we're setting a July 1st deadline, we may want to move that June date to be a July meeting.

STAFF CONSULTANT LEAN: Okay.

CHAIRPERSON PÉREZ: So maybe can we make the June meeting a July meeting instead, and we'll keep September and December, if that's okay with everybody.

VICE CHAIRPERSON KAUFMAN: Conceptually it's fine with me. Check your dates.

BOARD MEMBER BUSTAMANTE: Is it quarterly or are
we going to --

CHAIRPERSON PÉREZ: Well, see, we basically do --

BOARD MEMBER BUSTAMANTE: No, no. I mean are we going to do quarterly or not?

CHAIRPERSON PÉREZ: Well, we basically do monthly until March.

BOARD MEMBER BUSTAMANTE: Well, we don't have -- it doesn't look like we're going to have a February meeting at this point.

VICE CHAIRPERSON KAUFMAN: Well, that will come off if Merced does --

CHAIRPERSON PÉREZ: Right. You know, if that would go off, then we would do March, July, September and December. So it's quasi-quarterly.

BOARD MEMBER BUSTAMANTE: Well, I was thinking rather than July, September, and December, that we would just do July and then maybe November.

CHAIRPERSON PÉREZ: And --

BOARD MEMBER BUSTAMANTE: So do you want to just leave it at that?

CHAIRPERSON PÉREZ: July and November?

BOARD MEMBER BUSTAMANTE: So we actually have quarterly meetings.

CHAIRPERSON PÉREZ: Then it will be October and January. So it would be July, October, and January?
BOARD MEMBER BUSTAMANTE: No. It would be --

VICE CHAIRPERSON KAUFMAN: Quarter ends September.

BOARD MEMBER BUSTAMANTE: It ends September.

CHAIRPERSON PÉREZ: Yeah.

BOARD MEMBER BUSTAMANTE: So it would be November and January.

VICE CHAIRPERSON KAUFMAN: What happened to October?

BOARD MEMBER BUSTAMANTE: Well, that's what July's for.

VICE CHAIRPERSON KAUFMAN: I'm going to leave this to you, Mr. Chair.

CHAIRPERSON PÉREZ: So we've got January obviously. We're doing it. In all likelihood we will not meet in February.

BOARD MEMBER BUSTAMANTE: Right.

CHAIRPERSON PÉREZ: We will meet in March.

BOARD MEMBER BUSTAMANTE: Right.

CHAIRPERSON PÉREZ: We will meet in July.

BOARD MEMBER BUSTAMANTE: Right. July or September is the third quarter.

CHAIRPERSON PÉREZ: Right. But then it would be -- the meeting in July. It's going to be August -- October would be the next meeting.
BOARD MEMBER BUSTAMANTE: Oh, okay.

CHAIRPERSON PÉREZ: So if we did October --

BOARD MEMBER FINNEY: We're looking at the completion of a quarter and then a meeting --

BOARD MEMBER BUSTAMANTE: Okay.

CHAIRPERSON PÉREZ: So then if we did October, maybe we wouldn't do another meeting until 2008.

BOARD MEMBER BUSTAMANTE: Unless of course there's something that came up.

STAFF CONSULTANT LEAN: Right. All subject to change. If you want to have another meeting to discuss things, we could do that.

CHAIRPERSON PÉREZ: And --

STAFF CONSULTANT LEAN: Let's do the third Wednesday --

CHAIRPERSON PÉREZ: Let us establish now that the March meeting will be in Los Angeles.

STAFF CONSULTANT LEAN: March in Los Angeles?

Okay.

CHAIRPERSON PÉREZ: And we've got to enjoy July in Sacramento.

(Laughter.)

STAFF CONSULTANT LEAN: I have looked at this room. It is available for every third Wednesday of the month. So we can move those dates and I'll send them back.
CHAIRPERSON PÉREZ: Perfect.

VICE CHAIRPERSON KAUFMAN: So July 18th?

CHAIRPERSON PÉREZ: So July 18th and October --
you're quicker with your Treo than I am with my
Blackberry.

VICE CHAIRPERSON KAUFMAN: It will be October the
17th.

CHAIRPERSON PÉREZ: October 17th.

Okay. Very good.

Let's see. That's all I have before us.

Is there any other item of business to come
before us?

STAFF CONSULTANT LEAN: No. I just wanted to let
you know that you will be having to fill out your Form 700
again soon, but I'll be sending it out to you.

CHAIRPERSON PÉREZ: Nobody likes us. Nobody
gives us gifts. Nobody gives the Secretary any money.

Okay. With that, we are adjourned.

Thank you.

(Thereupon the Voting Modernization Board
adjourned at 11:57 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing Secretary of State's, Voting Modernization Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of January, 2007.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
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