BEFORE THE VOTING MODERNIZATION BOARD
STATE OF CALIFORNIA
JOHN A. PEREZ, CHAIRMAN

Voting Modernization Board
Board Meeting

TRANSCRIPT OF PROCEEDINGS, taken at
354 South Spring Street, Sixth Floor Boardroom,
Los Angeles, California, commencing at 10:40 a.m.,
on Wednesday, January 16, 2008, heard before
JOHN A. PEREZ, Chairman, reported by
Marcena M. Munguia, CSR No. 10420, a Certified
Shorthand Reporter in and for the State Of
California.
APPEARANCES:

Board Members:  John A. Perez, Chairman
                Stephen Kaufman, Vice Chairman
                Michael Bustamante
                Tal Finney
                (appearing telephonically)
                Carl Guardino
                (appearing telephonically)

Elections Analyst: Katherine Montgomery

Program Manager:  Jana M. Lean

Also Present:  John Arntz
<table>
<thead>
<tr>
<th>INDEX</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceedings on the record</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXHIBITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(None)</td>
</tr>
</tbody>
</table>
Los Angeles, California, Wednesday, January 16, 2008

10:40 a.m.

CHAIRMAN PEREZ: I'd like to call to order the
meeting of the Voting Modernization Board for
January 16th, 2008. If you would, please call the roll.

MS. MONTGOMERY: John Perez?
CHAIRMAN PEREZ: Here.

MS. MONTGOMERY: Stephen Kaufman?
MR. KAUFMAN: Here.

MS. MONTGOMERY: Michael Bustamante?
MR. BUSTAMANTE: Here.

MS. MONTGOMERY: Tal Finney?
MR. FINNEY: Present.

MS. MONTGOMERY: Carl Guardino?
MR. GUARDINO: Here.

CHAIRMAN PEREZ: I'm happy to note that we not only
have a quorum, but a Board that's fully present today.

The next item before us is public comment for
items not on our agendas. I don't see any cards.

Next is Item IV, adoption of the November 19th,
2007 Actions and Meeting minutes.

MR. KAUFMAN: I'll move the action.

CHAIRMAN PEREZ: Mr. Kaufman moves.
MR. GUARDINO: Second.

CHAIRMAN PEREZ: Mr. Guardino seconds?

MR. GUARDINO: Yes.

CHAIRMAN PEREZ: All in favor?

(Whereupon all Board members responded "Aye")

CHAIRMAN PEREZ: It is unanimous and approved.

Next is the change to the Approved Project Documentation Plan for the City and County of San Francisco. Can we bifurcate this and just approve the City and not the County or --

MS. LEAN: I don't think you can do that. It's all one big package.

CHAIRMAN PEREZ: Okay.

MS. LEAN: Okay. We're ready?

CHAIRMAN PEREZ: Yes, please.

MS. LEAN: Okay. So San Francisco has come forward to change their existing Phase 2 Project Documentation Plan.

We do have San Francisco here, John Arntz, who is the Director of Elections in San Francisco, and is here to answer any questions on behalf of our Board.

The Phase 2 plan is being changed to now come forward for their entire allocation of $3,544,109.50. They are now purchasing the Sequoia AVC Edge DRE with printers, 610 units; the Optech Insight Precinct
tabulators, 610 units; and two 400-C high-speed scanners, optical scan units.

The City and County of San Francisco has secured its new voting equipment and this new equipment will be used for the first time during the February 5th, 2008 Presidential Primary Election.

The AVC Edge II DRE units purchased by San Francisco include a printer, which will fulfill the VVPAT component requirement.

San Francisco's new Phase 2 Project Documentation Plan meets the requirements for completeness under Prop 41, and the Sequoia AVC Edge II DRE units, Optech Insight scan units, and the 400-C high-speed optical scan units are certified for use in California.

San Francisco came forward first on March 19th of 2003 and the Board approved their Phase 1 Project Documentation Plan and awarded funding for reimbursement of the County's purchase of the 682 ES&S Optech III-P Eagle precinct-based optical scan units. San Francisco received a total of $2,198,230.32 for the reimbursement of this precinct-based voting system, and it is not eligible for reimbursement for costs associated with the purchase of another precinct-based system.

At the May 2005 -- sorry.
At the May 25th, 2006 meeting of the Voting Modernization Board, the Board approved San Francisco's original Phase 2 Project Documentation Plan to purchase the voting equipment to meet the Help America Vote Act accessibility requirements. San Francisco was awarded funding for the purchase of 565 ES&S AutoMARK units, but did not seek reimbursement for this equipment from the VMB. The AutoMARK units were used by San Francisco to meet the State and Federal accessibility requirements during the 2006 election cycle. However, the certification status of the ES&S voting systems was called into question when ES&S chose to exclude its voting systems from the Secretary of State's top-to-bottom review of the voting machines certified for use in California. San Francisco now views the purchase of the AutoMARK units as a temporary solution to meet the HAVA requirement that each polling place have at least one accessible voting unit.

San Francisco is changing its Phase 2 plan to now implement the Sequoia voting system that is certified for use in California and meets the present-day testing standards. The Sequoia voting system underwent the Secretary of State's top-to-bottom review and the Rank Choice Voting software component, which is mandated by the City and County of San Francisco's charter, has been
filed with the Federal Testing Authority for review.
San Francisco will place one AVC Edge III -- AVC II DRE
and one Optech Insight optical scan unit in every polling place. San Francisco believes that upgrading to this new
voting system equipment and software will allow them more
efficient and effective methods of processing their
ballots and allay the uncertainty of the certification
status of their voting system.
San Francisco plans to conduct a voter education
and outreach program for voters in their County on how to
use the new system. The County has been developing
several methods to evaluate the effectiveness and overall
impact of the new system on the voters.
San Francisco will only receive a VMB payment
once it has submitted detailed invoices for the certified
voting equipment and software. Please note that the
staff-proposed funding award is based upon allowable
reimbursement under Proposition 41 for voting equipment
hardware and software only. The charges associated with
the purchase of the precinct-based optical scan units,
installation and training, outreach materials, and all
warehouse line items listed in San Francisco's contract
with Sequoia would not be covered as a reimbursable claim
under Proposition 41.
It is our staff recommendation that
San Francisco's Phase 2 Project Documentation Plan be approved and a Funding Award letter be issued in the amount of $3,544,109.50.

CHAIRMAN PEREZ: Any questions?

MR. KAUFMAN: Yeah. I had one. I had one question.

So essentially San Francisco came to us before, we awarded the funding, it was never issued, and the funding was never paid?

MS. LEAN: Correct.

MR. KAUFMAN: And now they've had to change their system yet again?

MS. LEAN: That's correct.

MR. KAUFMAN: I was just going back and looking at the Phase 2 -- a copy of the Phase 2, the original Phase 2 plan --

MS. LEAN: Yes.

MR. KAUFMAN: -- where we had a remaining allocation amount of 1,151,000 and change, and now the remaining allocation amount is 928,000 and change, and I was just wondering where the money's going.

MS. LEAN: If you go to the next page, there was an amendment to that phase, the Phase 2 plan, for the taxes that were associated with the purchase of that system, so we upped it. Then it was 928,605.57.

MR. KAUFMAN: So there was a Phase 2 that never got
paid and then an amendment to Phase 2, and now we've got
a change to Phase 2?

   MS. LEAN: That's correct.

  MR. KAUFMAN: Okay.

   MS. LEAN: It's very complicated, but because of the
certification issues, this is what's happened to
San Francisco.

  CHAIRMAN PEREZ: And the difference is the taxes?

   MS. LEAN: From the amendment, to the taxes, yes.

  CHAIRMAN PEREZ: Who gets the 1 percent for local
fiscal sales?

   MS. LEAN: I have no idea, sir.

  CHAIRMAN PEREZ: 1 percent of sales tax stays in the
place in which the transaction occurred.

  MR. KAUFMAN: Okay.

  CHAIRMAN PEREZ: One of the great issues of our state
and local fiscal alignment.

  Gentlemen on the phone, Carl, Tal, any
questions?

  MR. FINNEY: I have no questions.

  CHAIRMAN PEREZ: Okay. Is there a motion?

  MR. GUARDINO: Not from me.

  I'd make a motion to approve staff's
recommendation.

  MR. BUSTAMANTE: I'll second the motion.
MR. PINNEY: I'll second.

CHAIRMAN PEREZ: Mr. Guardino moves; Mr. Bustamante seconds. Before we go proceed to a vote, if Mr. Arntz has anything he'd like to say.

MR. ARNTZ: No. I just want to thank you guys for coming today and holding this meeting, a one-item agenda. I really appreciate the time you're putting into this and I know this is the fourth time I've been before the committee.

We were talking about it before the meeting in 2002 and you were saying, "Let's get this done." So we're done now. It's taken a while and I really appreciate it. Thank you.

Also, I want to thank Jana. I think everyone knows her job on this and the job that she does.

CHAIRMAN PEREZ: Thank you.

So we have a motion by Mr. Guardino, seconded by Mr. Bustamante.

Would you please call the roll.

MS. MONTGOMERY: John Perez?

CHAIRMAN PEREZ: Aye.

MS. MONTGOMERY: Stephen Kaufman?

MR. KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

MR. BUSTAMANTE: Aye.
MS. MONTGOMERY: Tal Finney?
MR. FINNEY: Aye.
MS. MONTGOMERY: Carl Guardino?
MR. GUARDINO: Aye.
CHAIRMAN PEREZ: Very good. We have an approved plan. I see nothing else before us except for adjournment.

MS. MONTGOMERY: That's correct.
CHAIRMAN PEREZ: Very well. We stand adjourned.

(Proceedings concluded at 10:48 a.m.)