VOTING MODERNIZATION BOARD

BOARD MEETING

WEDNESDAY, AUGUST 9, 2006

Community Redevelopment Agency of Los Angeles

Board Room

354 South Spring Street

Los Angeles, California
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<th>ATTENDEES:</th>
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THE CHAIRMAN: I would like to call to order the
Voting Modernization Board meeting. This is John Perez.

MS. MONTGOMERY: Stephen Kaufman?

MR. KAUFMAN: Here.

MS. MONTGOMERY: Carl Guardino?

THE CHAIRMAN: Carl, are you still with us? Carl, can you hear us?

As soon as Carl joins us, we'll start our meeting. We'll hold off until he either comes back on line or we get another member in.

MR. GUARDINO: Mr. Guardino is present.

THE CHAIRMAN: We now have that quorum.

The first item before us or the next item before us is public comment. Do I have any cards for public comment for items on the agenda?

MS. MONTGOMERY: No, sir.

THE CHAIRMAN: Okay. Items 4, June 21 action items and the meeting minutes. Did you have that change to review that?

MR. KAUFMAN: I did, and I actually have one change and then I will make a motion. On the transcript on Page 5 on Line 20 it says "Imperial County will get a Funding Award later." I think that's supposed to be "letter." And pending that one change, or with that one change, I will move to adopt the action items and
meeting minutes from the May 25 meeting.

MR. GUARDINO: Second.

THE CHAIRMAN: Then moved and seconded. Any discussion? Hearing none all, in favor say aye.

MR. GUARDINO: Aye.

MR. KAUFMAN: Aye.

THE CHAIRMAN: Next Item 5, Project documentation of plan Review and Funding Award Approval. First up is 5(A) Solano County Phase 2.

MS. LEAN: Solano County is coming in for their Phase 2. They are purchasing the ES&S AutoMARK 160 units. They are also getting some additional ES&S Model 100 Precinct Counters, 46 units, and a Ballot on Demand Printer. Staff is recommending a Funding Award letter of $914,332.41. This will leave them with an additional allocation of $131,827.09. Solano County used the AutoMARK units for the first time during the June 6, 2006 Primary Election. The VVPAT requirement doesn't apply to Solano as it's a paper-based optical scan system.

Solano County's Phase 2 Project Documentation Plan meets the requirements for completeness and the ES&S AutoMARK Voter Assist Terminals and the Model 100 optical scan units are certified for use in California.

At the September 23, 2005 meeting of the
1. Voting Modernization Board, the Board approved Solano County's Phase 1 Project Documentation Plan and awarded funding for reimbursement of the county's purchase of 225 ES&S Model 100 precinct-based optical scan units and 2 Model 650 high-speed central count optical scan ballot tabulators.

    Solano County's Phase 2 plan includes the purchase of not only the 160 AutoMARK units, as I mentioned earlier, but also the 46 additional Model 100 units. And 250 ADA-compliant voting booths, one additional ballot on demand printer and 225 upgrade ballot boxes.

    Solano County is requesting reimbursement of $415,000 that was expended by the county to lease voting equipment and software, and for the services provided by Diebold for the purpose of the March 2004 -- purposes for the March 2004 Presidential Primary Election. Election Code Section 19234(d) requires the Voting Modernization Act funding to be used only for the purchase of voting systems. Thus, reimbursement for leasing cost and services related to the voting system are not allowable expenses under the Act; therefore, staff would not recommend reimbursement for these expenses.

    Solano County believes that the deployment of
the Phase 2 AutoMARK Voter Assist Terminal optical scan units will bring the county into compliance with the HAVA and state accessibility requirements.

Solano County will only receive VMB payments once it has submitted detailed invoices for the Phase 2 certified voting equipment. Please note that the staff-proposed Funding Award is based upon allowable reimbursement under Proposition 41 for voting equipment hardware and software only. The "Election Support Service" listed in the Solano County contract with ES&S, the maintenance and warranty cost associated with the Ballot on Demand Printer, and the Diebold settlement costs would not be covered as a reimbursable claim under Proposition 41.

It's our recommendation that Solano County's Phase 2 Project Documentation Plan be approved and a Funding Award letter to be issued in the amount of $914,332.41.

We do have Solano County here present if you have any questions for them.

THE CHAIRMAN: Sure. If they would like to come forward and make any comments.

MS. LEAN: This is Ira Rosenthal.

MR. ROSENTHAL: Ira Rosenthal for the county of Solano. We really have no comments. I think the
summary is concise and accurate.

THE CHAIRMAN: Very good. Mr. Kaufman, any questions?

MR. KAUFMAN: I just had a question about the equipment itself. What is a Ballot on Demand Printer?

MR. ROSENTHAL: It's a particular model ink jet printer that will print the ballot, the same ballot that the M100 or the M650 can use. So it's a six-color printer, high quality and can handle the 17-inch long ballot to print both sides. You essentially have an identical document as you would sending it out to a professional printer.

MR. KAUFMAN: So is that so that you can just continue to print them or is that some backup for a specific purpose?

MR. ROSENTHAL: Well, especially for a primary when we have so many different ballot types and small parties we use that to take care of that need, we need ten ballots for a precinct. We also could use it in some other settings if we ever wanted to actually print ballots at a vote center which is something we have submitted legislation for, but you know it's essentially a backup small volume, you know, it can handle small volumes. It also helps us with doing testing on the -- on those machines because we can get that printed ahead
of when our printer has our large bulk shipments.

MR. KAUFMAN: And also, again, just on the
equipment. Upgraded ballot boxes just trying to keep up
with all the changes here. What is different about
these ballot boxes?

MR. ROSENTHAL: These ballot boxes have a diverter
for write-in votes so if the scanner detects that a
write in space has been filled in, it will divert it to
another bin so it doesn’t get it wrinkled with all the
other ballots so that at close of election night the
poll workers have an easier time sorting through and
doing their manual verification of what has been voted
and they can package it separately for us for orderly
processing.

THE CHAIRMAN: So in neither the voter nor the poll
workers place the ballots in the ballot box that the
machine does?

MR. ROSENTHAL: Yes, because the scanner is
essentially attached to the machine. It’s locked in
place.

MR. KAUFMAN: All right.

THE CHAIRMAN: Is there some sort of visual
verification that one is able to make that their ballot
is actually going from the scanner into one of these
ballot boxes?
MR. ROSENTHAL: I believe, if I remember, on the
scanner itself, I think it says "accepted" -- does it
say "accepted" on it?

MS. SEILER: It does. And it increments by one and
you can also hear it, definitely.

THE CHAIRMAN: We just get so many questions about
paper trail I like to understand the way some of these
things work. So you see an increase -- it says
"accepted" you see an increase in the counter --

MR. ROSENTHAL: Right.

THE CHAIRMAN: -- and you kind of hear the paper
drop?

MR. ROSENTHAL: Right, yes.

THE CHAIRMAN: Mr. Guardino, any questions? Do I
hear a motion?

MR. KAUFMAN: Aye.

MR. GUARDINO: No, sir. It takes a while, by the
way, to push the mute button on and off. So if there is
a delay that is why.

THE CHAIRMAN: Would you like to make a motion,
Mr. Guardino?

MR. GUARDINO: I move approval.

MR. KAUFMAN: I will second.

THE CHAIRMAN: Been moved and seconded. If you
would call the roll?
MS. MONTGOMERY: John Perez?

THE CHAIRMAN: Aye.

MS. MONTGOMERY: Stephen Kaufman?

MR. KAUFMAN: Aye.

MS. MONTGOMERY: Carl Guardino.

MR. GUARDINO: Aye.

THE CHAIRMAN: Very good. Next item 5(b)

Stanislaus County Phase 2.

MS. LEAN: Stanislaus County is coming forward with their Phase 2. They are also purchasing the ES&SS AutoMARK Voter Assist Terminals, 250 units. Staff is recommending that they be funded their remaining allocation of $1,312,353.37. Solano County began securing their Phase 2 voting equipment after the Secretary of State certified the use of an AutoMARK system in August of 2005 and they used the AutoMARK system for the first time during the June 6, 2006 Primary Election.

The Accessible Voter Verified Paper Audit Trail does not apply to Stanislaus County's Phase 2, as the system and is the paper-base optical scan system. We are going to hold just one moment. We have a new member joining us.

THE CHAIRMAN: Let the record reflect that Mr. Bustamante has joined us. Welcome, Mr. Bustamante.
We are now on Item 5b. We are just beginning a record on Stanislaus County Phase 2. We just approved Solano County Phase 2.

MS. LEAN: I will continue with the staff report.

Stanislaus County Phase 2 Project Documentation Plan meets the requirements for completeness. The ES&S AutoMARK Voter Assist Terminals are certified for use in California. At the June 15, 2005 meeting of the Voting Modernization Board, the Board approved Stanislaus County's Phase 1 Project Documentation Plan and awarded funding for reimbursement of the county's purchase of --

Just one moment.

(Discussion off the record.)

MS. LEAN: At the June 15, 2005 meeting of the Voting Modernization Board, the Board approved Stanislaus County's Phase 1 Project Documentation Plan and awarded funding for reimbursement of the county's purchase of 250 ES&S Model 100 precinct-based optical scan units and 2 Model 650 high-speed central count optical scan ballot tabulators.

Stanislaus County believes that the deployment of one AutoMARK unit in every polling place in the county will bring them into compliance with the Help America Vote Act (HAVA) and the state accessibility
requirements.

Stanislaus County will only receive VMB payments once it has submitted detailed invoices for their Phase 2 certified voting equipment.

It's our recommendation that Stanislaus County's Phase 2 Project Documentation Plan be approved and that a Funding Award letter be issued in the amount of $1,312,353.37. We do have a representative from Stanislaus County, Lee Lundrigan, here. Do you have any questions?

THE CHAIRMAN: Sure. Lee, do you want to come forward?

MS. LUNDRIGAN: Good morning to the Board. It's a pleasure to be here today. Are there any questions that you have for us? The information that Jana Lean has given you is accurate as to Stanislaus County.

THE CHAIRMAN: Very good. Mr. Kaufman?

MR. KAUFMAN: I have none.

THE CHAIRMAN: Mr. Guardino, any questions?

MR. GUARDINO: No, sir.

THE CHAIRMAN: Mr. Bustamante, any questions?

MR. BUSTAMANTE: No, not for me.

THE CHAIRMAN: Is there a motion? Mr. Kaufman?

MR. KAUFMAN: I will move to approve the Staff Recommendation awarding Stanislaus County $1,312,353 --
1  THE CHAIRMAN: $53.37.

2  MR. KAUFMAN: I am the one who had the margaritas
3  last night -- $353.37.

4  MR. GUARDINO: I will second that.

5  THE CHAIRMAN: Just for the record again, since I
6  interrupted him, that's $1,312,353.37.

7  Very good. It's been moved and seconded.

8  Seeing no discussion on the matter, if you would call
9  the roll.

10 MS. MONTGOMERY: John Perez?

11 MR. PEREZ: Aye.

12 MS. MONTGOMERY: Stephen Kaufman?

13 MR. KAUFMAN: Aye.

14 MS. MONTGOMERY: Michael Bustamante?

15 MR. BUSTAMANTE: Aye.

16 MS. MONTGOMERY: Carl Guardino?

17 MR. GUARDINO: Aye.

18 MS. LUNDIGAN: Thank you very much.

19 THE CHAIRMAN: Next is Item 6, Change to Approved
20 Project Documentation Plans. 6A is San Joaquin County.

21 And for you folks from Solano and Stanislaus and San
22 Joaquin, I'm sorry, we've tried to do a couple of
23 meetings in Southern California because of the number of
24 counties down here as well and, quite frankly, because
25 three of the five board members live down here and just
trying to balance things out. Unfortunately, this has been one of those meetings where it has been primarily Northern California counties coming before us and I apologize for having scheduled in such a way that made you all travel this time.

San Joaquin?

MS. LEAN: San Joaquin was unable to attend today; however, we do have availability by phone if we have any questions for them.

San Joaquin County is coming forward to a change to their approved Documentation Plan. They purchased the Diebold AccuVote-TSX with the AccuView Printer which is the WPAT, 1,625 units and the Optical Scan 2 units.

At the December 17, 2002 meeting of the Voting Modernization Board, the Board approved San Joaquin County's Project Documentation Plan and awarded funding for reimbursement of the county's purchase of the 1,625 Diebold AccuVote-TSX units and 6 AccuVote-Optical Scan central count ballot tabulators. The county used this equipment at the March 2, 2004 Presidential Primary election.

On April 30, 2004, the prior Secretary of State issued orders decertifying the use of DRE voting systems in California and specifically banned the use of
the Diebold AccuVote-TSX hardware and firmware voting equipment. After the de-certification of this system, San Joaquin County amended their contract with Diebold to supply the county with non-DRE voting equipment (at no cost to the county) for all future elections until January 1, 2007, or until new DRE units were recertified.

On February 17, 2006, the current Secretary of State certified for use in California the Diebold AccuView-TSX with the Printer, and the AccuVote-Optical Scan central count ballot tabulators and other related voting system components. San Joaquin County used the newly certified TSX units central count optical scan units for the first time at the June 6, 2006 Gubernatorial Primary Election.

San Joaquin County is requesting the Voting Modernization Board approve the change to their existing Project Documentation Plan, which incorporated the amendments to their contract and the receipt of the newly certified TSX units and related hardware and software.

It is our staff recommendation that San Joaquin County's change to their approved Project Documentation Plan be approved and a new Funding Award letter be issued in the amount of $3,279,406.93. They did make some minor changes to their
contracts. They went down from 6 optical scan units to
2 and they will be receiving some high speed optical
3 scan units once they are certified under the new Diebold
4 application. Do you have any questions?

5 THE CHAIRMAN: Now, is that the regular ring tone
6 or is that a ring tone assigned to a specific
7 individual?

8 MR. BUSTAMANTE: It's -- I don't know to work the
9 phone, it rings when it rings.

10 THE CHAIRMAN: Mr. Kaufman, do you have any
11 questions?

12 MR. KAUFMAN: I did have a question so I'm clear on
13 this, so did the -- so we never issued payment?

14 MS. LEAN: We did not.

15 MR. KAUFMAN: Okay.

16 MS. LEAN: They were approved but before they had a
17 chance to send a reimbursement their system was
decertified just like San Diego and Kern.

19 MR. KAUFMAN: That was a little fact that was
20 confusing me. Okay. They were approved but not funded.

21 MS. LEAN: That's correct.

22 THE CHAIRMAN: Mr. Bustamante?

23 MR. BUSTAMANTE: No questions.

24 THE CHAIRMAN: Mr. Guardino? Okay. Is there a
25 motion?
MR. KAUFMAN: I will move to accept the staff recommendations for the change to the Project Documentation Plan for San Joaquin County.

MR. BUSTAMANTE: I will second it.

THE CHAIRMAN: It has been moved and seconded.

Ms. Montgomery?

MS. MONTGOMERY: John Perez?

THE CHAIRMAN: Aye.

MS. MONTGOMERY: Stephen Kaufman?

MR. KAUFMAN: Aye.

MS. MONTGOMERY: Michael Bustamante?

MR. BUSTAMANTE: Aye.

MS. MONTGOMERY: Carl Guardino?

MR. GUARDINO: Aye.

THE CHAIRMAN: Very good. Next item 6B, Orange County.

MS. LEAN: This is a different -- a brand new thing to bring in front of the Board. You have discussed it at a prior meeting as to funding for the VVPAT, the Voter Verified Paper Audit Trail retrofitting. I know you have been briefed on it, but let me go over the whole report and if you have questions we have Chris Reynolds here, he's the HAVA Coordinator, to answer any questions and we also have Orange County here to address any concerns you might have.
The VMB did approve an allocation to Orange County and they did receive $16,782,377.26. They received their whole allocation. They are proposing to refund about $12,121,875.00 in order to come back for a new request to get that $12,121,875.00 back. They are purchasing or they have purchased the Voter Verified Paper Audit Trail devices for their cart system. They have 9,000 units they have purchased these printers for.

Some background, state law requires that the Voting Modernization Funds received from the VMB be used for the purpose of placing at least one accessible voting unit in each polling place. It also reflects that all DREs receive federal qualification and include an accessible Voter Verified Paper Audit Trail (VVPAT) by January 1, 2006, in order for the equipment to be certified and used in California. It also states that to the "extent that they are available for expenditure," federal funds or moneys from the Voting Modernization Fund shall be used to comply with the Voter Verified Paper Audit Trail requirements (Elections Code 19250, 19251.)

The Help America Vote Act of 2002 (HAVA) specifies standards that voting systems meet in order to comply with federal mandates. However, HAVA does not require that DRE systems come equipped with a VVPAT.
The Secretary of State has received guidance from the Election Assistance Commission, the EAC, that HAVA funds may not be used to retrofit otherwise HAVA-compliant voting systems with a VVPAT. A voting system that is equipped with a VVPAT at the time of its purchase, however, is eligible for HAVA expense because the VVPAT meets the federal voting system standard for a manual audit capacity.

HAVA Section 2519(c)(1) allows a state to "use a requirement payment as reimbursement for costs incurred in obtaining voting equipment which meets the requirements of Section 301 if the state obtains the equipment after the regularly scheduled general election for Federal office held in November 2000."

The Secretary of State's Office received an opinion from the EAC that permits a county to remit funds it has received through the Voting Modernization Bond Act and to receive a "retroactive payment," pursuant to Section 251(c)(1), to pay the costs of purchasing the HAVA Section 301-compliant voting system from HAVA resources received by the state.

At the July 16, 2003, meeting of the Voting Modernization Board, the Board approved Orange County's Project Documentation Plan and awarded funding for the reimbursement of the 9,000 eSlate units. The county
used this equipment at the March 2, 2004 Presidential Primary Election.

Orange County began its voting modernization plans before the state requirements for the VVPAT were enacted; however, due to subsequent state requirements for all DREs to possess a VVPAT, the county retrofitted 9,000 e-slate touch screens to include the required printer. These machines were used for the first time countywide during the June 6, 2006 Primary Election.

Orange County is requesting that the Board allow the county to return funds received from the VMB in order to qualify for retroactive reimbursement from HAVA for their purchase of a HAVA Section 301 compliant voting system and concurrently is requesting funding from the VMB to fund their VVPAT retrofit costs.

Orange County would be required to refund the retrofit cost of $12,121,875.00 to the Voting Modernization Fund from the county's general fund before the county would be eligible for any VMB funding for the VVPAT retrofit or any retroactive reimbursement from HAVA Section 301. Once the refund for the retrofit cost has been received and deposited back into the Voting Modernization Fund and confirmation of that deposit has been received from the State Controller's Office, the VMB would notify Orange County and the Secretary of
State's HAVA coordinator that the deposit has been made. If this proposal is approved by the Board, the Board could then amend the original Funding Award Letter issuing to Orange County to explicitly state that the VMB will allocate the $12,121,875.00 in funding returned by the county to the Voting Modernization Fund for the purpose of reimbursement of the VVPAT retrofit costs.

Orange County would then be required to submit to the VMB an acknowledgement letter certifying that the new funds will be used in accordance with the Voting Modernization Bond Act of 2002. Orange County could concurrently submit a Payment Request Form with the required documentation to receive reimbursement for the VVPAT retrofit costs. Please note that the time frame for the receipt of payment after submitting a Payment Request Form is estimated to be between 45 and 60 days to receive payment. The VMB staff will make every effort to expedite the payment process, but the county will not receive payment within 48 hours of returning the funds to the VMV, as proposed in the county's amended project documentation plan.

It is our staff recommendation that the Orange County's change to their Approved Project Documentation Plans be approved, contingent upon receipt
of the funds as outlined above.

Once confirmation of the deposited funds is obtained, the VMB staff will notify the Chair of the Voting Modernization Board and an amendment to the original July 16, 2003 Funding Award letter may be issued in the amount of $12,121,875.00 to fund the VVPAT retrofit costs only.

This is a very complicated issue. We have gone over it before, so I'm sure you have some questions.

THE CHAIRMAN: Let the record reflect that Mr. Finney has joined us. We now have a full complement of VMB Board members.

We are on Item 6b which is changed to approve project documentations. This has been one of those issues we have discussed a couple of times with respect to counties that acted early in good faith based on all the, you know, all the applicable laws at the time.

Moved forward to quickly modernize their technology, have then been challenged by changes in the law and limitations of what they could use all the money for, so what we have before us is a multi-step proposal that would have Orange County refunding to us money that we had allocated to them so that they could fully draw --

MR. KAUFMAN: And paid.
THE CHAIRMAN: -- allocated and paid to them so they can then avail themselves for HAVA funds for appropriate HAVA uses and then have us again issue them funding for uses that are allowed under the Voting Modernization Act in California, but for which they couldn't use HAVA funds. That would then allow them to fully implement the changes that they wanted to at this time. Is that fair enough characterization? If Orange County would come forward I would appreciate it.

MR. KELLEY: Good morning Mr. Chairman, members of the Board. Neal Kelley of Registrar of Voters, Orange County.

THE CHAIRMAN: What would you like to add to the staff report and to my brief summary for Mr. Finney?

MR. KELLEY: I would like to agree to this complicated process. We have been working closely with staff, they have been very supportive for the last eight months in coming up with a solution to try and get the county to be in a position where we are made whole for this process. So I really have nothing else to add other than we are almost at the end of the road here to get this reimbursement.

THE CHAIRMAN: And you are comfortable with the staff report understanding that the timing of the monies are different than you had originally anticipated in
your proposal?

MR. KELLEY: That was a concern to us because this is another hit that the County would take on its General Funds to release another 12 million dollars. I can't speak for the Board of Supervisors, they have not reviewed this process yet but I can assure you that there would be concern that we would be cut an additional 12 million for another 60 days before we would start this process.

THE CHAIRMAN: Right.

MS. LEAN: There is a possibility that it will not take that long, but that is the current process that the Voting Modernization Board has approved. So we could not in good faith say to staff that it could happen within 48 hours. We just know that logistically bureaucracy will not move that fast.

MR. KELLEY: And we appreciate that.

THE CHAIRMAN: And where are hold ups in terms of the time line?

MS. LEAN: Well, we do -- we have made some inroads with our State Controller's Office. We have meetings set up to make sure that once we return the funds into the bond that -- we were told it's fine, we can return the funds to the bond act, that's not an issue -- that we get receipt back from them so that we have records.
that it has been deposited and the HAVA coordinator has
records so that they can get their retrofitted
reimbursement under HAVA. And then we can issue
another check.

So it --

THE CHAIRMAN: The hold up is an administrative
hold up primarily in the Controller's Office?

MS. LEAN: It may not even be a hold up there. We
are making sure that we are making everyone fully aware
of this so that when it gets down to actually depositing
the money back into the fund, there is no issue
withdrawing it back out. So we don't anticipate any
problems, but we just want to make sure that there is --

THE CHAIRMAN: And when do we anticipate Orange
County forwarding the money?

MR. KELLEY: I would like to take this to our
Board mid-September, if not sooner.

(Telephonic interruption.)

MR. KELLEY: We would plan then by the end of
September --

MR. GUARDINO: I assume that I have not been
terminated. Did everyone hear that announcement?

THE CHAIRMAN: You have not been terminated.

MR. GUARDINO: Good to hear, thank you.
MR. KELLEY: The hope is by October 1st we would have those funds remitted back to the board or to the VMB.

MR. FINNEY: August 1st?

MR. KELLEY: October 1st.

MR. FINNEY: Exactly, that's what I'm saying.

THE CHAIRMAN: Even on your calendar.

MR. FINNEY: It's hard here in L.A. for me. I have court, you know.

MS. LEAN: I would think even through all of the administrative hurdles, it would definitely be solved by then. I want to make sure -- I'm back to Board --

THE CHAIRMAN: That we don't over promise to Orange County.

MS. LEAN: Exactly.

MR. FINNEY: Time-wise.

MS. LEAN: Time-wise. We will do everything we can to expedite it as quickly as possible.

THE CHAIRMAN: I would like to offer -- I would be more than happy to personally talk to the Controller about the timeliness of his office's activities along these areas as well.

MR. KELLEY: We appreciate that.

MR. FINNEY: He's more worried about our internal processing.
MS. LEAN: I'm just worried about what would happen once the money gets back over there and then we get -- we return the money and like two weeks later or a week later we ask for the same amount back. That might be a red flag. We just want to make sure that everybody is on the same page and as long as the board is okay with this concept I believe that there is nothing -- it is very legal, there is a whole process set out but we just want to make sure everyone is aware of what is going on.

THE CHAIRMAN: So again we are not going to over promise anything in terms of the quickness, but I think we are all committed to making it happen as quickly as possible and I, for one, and I know other members of the Board would be happy to talk to the Controller.

MR. KELLEY: Thank you Mr. Chairman.

THE CHAIRMAN: Any questions for Orange County or for staff on this?

MR. KAUFMAN: I actually had one, just a mechanical question, I guess more for staff. Why are we, with respect to the letter, amending the original letter as opposed to issuing a new letter and rescinding the old letter and issuing a new letter? What was the thinking on that?

MS. LEAN: It was our staff attorney who is not here today to address this, but because it's not a clean
amount, it's not the same amount that we originally
allocated, it's a portion of the amount, so the original
allocation was for 16 million, this is for 12 million,
and he thought it would be cleaner if we did an
amendment specifically stating that they've already
received the 4 million, they are not returning that 4
million something. They are returning 12 million and
lay it out really specifically as an amendment to the
original award letter. It's up to the board on how we
do that mechanically, but until you -- until the money
is received back you can't really issue any funding
award at all and I figure we have enough time to figure
out the awarding of all that.

MR. KAUFMAN: Okay.

THE CHAIRMAN: Mr. Bustamante?

MR. BUSTAMANTE: No questions.

THE CHAIRMAN: Mr. Finney?

MR. FINNEY: No questions.

THE CHAIRMAN: Mr. Guardino? Is there a motion?

MR. GUARDINO: No questions.

MR. BUSTAMANTE: I move.

THE CHAIRMAN: Mr. Bustamante moves.

MR. FINNEY: I'll second that.

THE CHAIRMAN: Mr. Finney seconds. Please call
the roll.
MS. MONTGOMERY: John Perez.

THE CHAIRMAN: 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.

THE CHAIRMAN: Very good, we have approval.

Any other items before we adjourn?

MS. LEAN: Just to notify you of the next meeting is September 20. Make sure it's still on your calendars and it's scheduled to be in Sacramento.

MR. FINNEY: It's actually easier for me in Sacramento than it is here in L.A. I'm able to, like, totally put my calendar focus on this one. Unless they want to start paying us -- just kidding. How long have we been on this board, guys?

THE CHAIRMAN: Five years longer than we expected.

MS. LEAN: So as long as we have that all fixed up. Is that still okay on your schedule?

MR. FINNEY: What day is that?

MS. LEAN: Wednesday at 10:30 a.m. We have one
1 Project Documentation Plan already.

2 THE CHAIRMAN: Which county?

3 MS. LEAN: San Francisco is making a change to
4 their project --

5 THE CHAIRMAN: Let them come to L.A.

6 MS. LEAN: That's all we have.

7 MR. KAUFMAN: Out of curiosity, with the last
8 meeting there was one county that was kind of off the
9 radar screen. Has anything happened to that in the last
10 month or two months?

11 MS. LEAN: Modoc County we are definitely still in
12 contact with them because not only for the Voting
13 Modernization Board purposes, but for HAVA purposes and
14 make sure they are compliant. We are having
15 conversations with them. We do have that, that is one
16 other thing, the quarterly status report, I'm going to
17 send letters out to the counties and just ask for the
18 end of the year, not just use this quarter just get an
19 estimate in September so we have an idea.

20 THE CHAIRMAN: Where is Modoc again?

21 MR. FINNEY: That's a geographic question? It's
22 near Madera.

23 MS. SEILER: It's the very northeast corner of the
24 state.

25 MR. FINNEY: North and east of Lassen Volcanic
Park.

MS. SEILER: Alturas.

THE CHAIRMAN: Got it.

MR. FINNEY: It's a nice place, actually.

MR. KAUFMAN: Not for voting, apparently.

MR. FINNEY: Good people, but we have a voting issue.

THE CHAIRMAN: Motion to adjourn.

MR. FINNEY: I will move.

MR. KAUFMAN: Second.

THE CHAIRMAN: All in favor.

MR. GUARDINO: Aye.

THE CHAIRMAN: We are adjourned. Thank you all.

11:17 am.
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

I, NANCI L. GRUBE, a Certified Shorthand Reporter for the County of Los Angeles and the State of California, do hereby certify:

That said proceedings was taken before me at the time and place therein set forth, and was taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; that the said transcript is a true record of the proceedings;

I further certify that I am neither counsel for nor related to any party to said action, nor in any way interested in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name this 23rd day of August, 2006.

Certified Shorthand Reporter
for the State of California