

**CITIZENS ADVISORY COMMITTEE
and
2000 MEASURE A WATCHDOG COMMITTEE**

Wednesday, September 13, 2006

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:35 p.m. by Chairperson Schuler in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

ROLL CALL

Members Present

Stephen Blaylock, Vice Chairperson
Chris Elias
Ellen Fletcher
Ray Hashimoto
Roberta Hughan
Robert Jacobvitz
Gaye Morando

Members Present

Margaret Okuzumi
Charlotte Powers
Sally Probst
Connie Rogers
Martin Schuler, Chairperson
Laura Stuchinsky
Noel Tebo

Members Absent

Don Burnett
Irene Hsu

Members Absent

Luiz Mendez

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. **Committee Staff Report**

General Manager's Quarterly Report

Michael T. Burns, General Manager, provided an update on the I-880/Coleman Avenue Interchange Project and invited CAC Members to attend the ribbon cutting ceremony scheduled for Monday, September 18, 2006, at 10:00 a.m.

Mr. Burns advised CAC that the American Public Transportation Association (APTA) will hold its annual conference in San Jose, CA from October 9-11, 2006. Mr. Burns encouraged the Members to attend and participate in the technical and/or discussion sessions as VTA purchased ample registration for various VTA Committee Members. He advised that the Committee could contact Jim Lawson, CAC Staff Liaison, for more information. Mr. Burns stated that the conference draft agenda is available at APTA's website: www.apta.com.

Member Tebo took his seat at 4:39 p.m.

Mr. Burns stated that staff will be obtaining critical input from CAC on items such as the Comprehensive Operational Analysis (COA) and the Transit Sustainability Policy (TSP). He noted that these two items are setting the future direction of VTA.

Mr. Burns expressed his appreciation for Chairperson Schulter, for his efforts during the selection of the independent auditor for the Organizational and Financial Assessment of VTA. He introduced Anne Carey, Executive Assistant to the General Manager and Project Manager of the assessment.

Ms. Carey introduced herself, noting that she previously worked at the San Francisco MUNI. She reported that the Organizational and Financial Assessment is ongoing and noted that the Hay Group was the selected consultant. She noted that the assessment is intended to evaluate the overall performance of VTA. She stated that draft report will be available in the first week of October 2006 and added that she welcomes input from key staff and Advisory Committees.

Member Elias took his seat at 4:45 p.m.

On order of Chairperson Schulter, there being no objection, the General Manager Quarterly Report was received.

4. **Chairperson's Report**

Chairperson Schulter welcomed Member Stuchinsky back to CAC. He directed attention to the Agenda and noted the new format that acknowledges CAC's role as the 2000 Measure A Watchdog Committee. He presented a letter that will be sent to Former CAC Member Diane Tripousis in recognition of her years of service on the CAC and requested Members to sign on the appropriate area. He advised that the Committee will ask VTA Board Chairperson Chavez to support CAC's recognition letter to Former Member Tripousis. He thanked Vice Chairperson

Blaylock for initiating this practice of honoring former members who have more than five years of service to CAC.

Chairperson Schuler noted that staff is working on the “No Smoking on Bus Shelter” policy recommendation by CAC. Stephen Flynn, Senior Management Analyst, noted that staff will have a coordination meeting with staff from VTA’s Legal, Operations, and Facilities Departments. VTA’s Legal staff is researching the issue to ensure proper coordination with cities and proper execution of the ordinance process.

Chairperson Schuler advised the Members that Agenda Item #9, CAC Work Plan, and Agenda Item #12, 2000 Measure A Watchdog Committee Work Plan, will be taken together. He noted that the revised work plan, which combines both work plans in one sheet are on the table.

CITIZENS ADVISORY COMMITTEE

BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/ GENERAL MANAGER

CONSENT AGENDA

5. Minutes of August 9, 2006

M/S/C (Powers/Probst) to approve the Minutes of August 9, 2006.

REGULAR AGENDA

6. Outreach Process for the Comprehensive Operations Analysis

Ying Smith, Senior Transportation Planner, provided a PowerPoint presentation entitled, “Comprehensive Operations Analysis – Stakeholder Outreach Overview.” Ms. Ying explained that since the COA will recommend significant changes to VTA services and operations, it is important to establish an outreach framework to ensure that goals are achieved. She stated that she would present the draft outreach processes and schedules for the Committee’s review and comments. She discussed the following: principles and assumptions in the COA Outreach Concept, stakeholders, the plan of service implementation in July 2007, Phase I of the Community Bus implementation, and community involvement. The items will be brought for action to the Board of Directors twice, one in December 2006 for the Core Principles and Final Service Restructuring Plans by April 2007. The Policy Advisory Committee (PAC) and the Citizens Advisory Committee (CAC) will provide input while the Transit Planning & Operations (TP&O) Committee will provide policy oversight. A Board of Directors Workshop for the COA is scheduled for February 2007.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

Ms. Smith discussed the COA efforts noting that the data collection is almost finished and analysis is ongoing. She stated that the COA has a very aggressive schedule and there will be two rounds of Outreach: Outreach Round 1 will be from August to December 2006, and Outreach Round 2 will be from January to April 2007. Ms. Smith stated that Committees will receive monthly reports.

Outreach 1 includes the Passenger Survey, Existing Conditions, Market Segmentation Community Bus, and TSP & Core Principles. Ms. Smith advised that the On-Board Passenger Survey Final report will be ready in late September 2006.

Ms. Smith reported that the consultant team is currently conducting a detailed analysis of the existing ridership and performance and the results will be ready by October 2006. The Market Segmentation is based on the telephone survey and the results will be provided in the October and November 2006 timeframe. Phase I of Community Bus Implementation will focus on the South County and will incorporate early results of the COA. In October and November 2006, community meetings about the Community Bus will be held in the South County. Ms. Smith added that there would be additional outreach efforts planned for the Community Bus during the Outreach Round 2 in 2007.

Ms. Smith stated that the TSP and Core Principles will serve as the policy foundation. She added that staff intends to bring the item to the Committees for an in-depth discussion throughout the Fall 2006.

Outreach Round 2 includes Community Bus, Service Restructuring Alternatives, Draft Service Operations Plans, and Final Service Operations Plans. The Draft Service Restructuring Alternatives will be presented to the Committees in the January – February 2007 timeframe. In addition, the Board of Directors will have a workshop in February 2007 that is fully dedicated to the COA Project. The Draft Service Operations Plans will include the alternative transit network plans that are based on the feedback received in the Service Restructuring Phase. It will be presented in March 2007. The Final Service Operations Plans will include the service and operation plans for the entire system. Staff intends to bring this item to the TP&O by March 2007 and to the Board of Directors in April 2007 for action.

Nick Perry, Interested Citizen, requested clarification that the Outreach Round 2 will be held in 2007. Ms. Smith replied “yes.”

Upon inquiry of Member Powers, Ms. Smith responded that staff intends to implement the recommendations by July 2007. Ms. Powers commented that it is a very ambitious schedule.

Member Elias asked if VTA conducted outreach efforts to other transportation systems such as Caltrain, the Airport, etc. Ms. Smith responded that the COA focused on VTA services only. Mr. Lawson thanked Member Elias for his comments and stated that VTA will solicit input from other transportation systems. He encouraged the Committee Members to make suggestions to staff on other organizations that can provide meaningful input for the COA.

Member Rogers suggested that VTA solicit input from agencies that serve low-income residents.

Upon inquiry of Member Stuchinsky, Kevin Connolly, Transportation Planning Manager, stated that VTA has been coordinating very closely with Caltrain. VTA shared its Passenger Survey with Caltrain last month and Caltrain will be using VTA's Passenger Survey model as it embarks on its own survey in the near future.

Member Elias commented that there needs to be a more holistic "tie-in" to the entire transportation systems that serve the Valley.

Member Okuzumi commented that transit agencies have difficulty in providing a balance between providing transit service to the low-income transit dependent public and operating a business-like model transit system. She referred to VTA's analysis of routes and the thresholds that determine non-performing routes and expressed concern that VTA has difficulty in determining which routes could be considered for the Lifeline Transportation Funding. She suggested including in the study the establishment of principles and criteria on how routes will be restructured and which routes should be exempted from these criteria. She noted that VTA should explore the Lifeline Transportation Funding and find out which routes could apply for funding from the program.

Mr. Lawson thanked Member Okuzumi for her comments and stated that she articulated the need for a policy. Mr. Lawson stated that the TSP will help address those issues.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the Outreach Process for the Comprehensive Operations Analysis.

7. **Draft Core Principles for the Transit Sustainability Policy and Comprehensive Operational Analysis**

Chris Augenstein, Transportation Planning Manager, provided a PowerPoint presentation entitled "VTA TSP/COA Draft Core Principles." Mr. Augenstein stated that the principles were developed in collaboration with consultants and working groups and is tailored to some of the issues that VTA is currently dealing with. Mr. Augenstein encouraged Members to provide comments and staff could incorporate these comments as appropriate.

Mr. Augenstein provided an overview on Goals and Core Principles. He discussed the details of each of the Core Principles: Financial Sustainability, Capital Investment, Customer Focus, Competitive Transit, and System Integration.

Mr. Augenstein stated that a major portion of the analysis will come from the COA. He encouraged Members to provide their input and comments regarding the presentation either by e-mail or by phone.

Member Stuchinsky commended VTA and its staff for their efforts. She stated that it may be worthwhile to make the principles more explicit such as providing real-time information to transit riders. She noted the importance of VTA and cities being engaged in these types of discussions, communities working together, and working collaboratively as a region to be able to address various issues that are related to transportation.

Upon inquiry of Member Okuzumi, Mr. Augenstein clarified that the term “commitment” under Capital Investment does not necessarily mean financial commitments from the local governments. He explained that the local government has to coordinate planning with VTA to allow for facilities to be put in place and for the project to be implemented.

Mr. Lawson stated that the “commitment” would be something that will be worked out on a case-by-case basis. There may be instances where VTA would seek monetary contributions to help provide transit service such as the free San Jose Downtown Dash and free Airport Shuttle Service.

Member Powers stated that Land-use and Transportation Planning should be a more robust principle that should be incorporated in the TSP. She emphasized the importance of looking at VTA Transit as a transportation system, not just a commute system that gets people from work to home.

Mr. Perry commented that he is pleased to see a program like this that examines how to collaboratively improve the transit services.

Member Okuzumi commented that the TSP lacks “any notion of looking at VTA Fare Policy.” She noted that it is a major area to look into as the current Fare Policy impacts VTA ridership.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the Draft Core Principles for the Transit Sustainability Policy and Comprehensive Operational Analysis.

8. VTA Website Improvements

David Terrazas, Customer Service Manager, directed attention to the handout entitled “Building a Better Website – vta.org and Planned Future Website Enhancements.” Mr. Terrazas stated that the handout contains information about the VTA website history, demographics of website users, website statistics, and the planned improvements.

Mr. Terrazas explained the process that identified improvements and the future improvements, highlighting that it was in response to comments received from customers, the RIDE Taskforce, and the online survey. Mr. Terrazas briefly discussed the survey results noting that the desired improvements include: simplified navigation, interactive trip planner, real-time transit updates, print-friendly schedules and maps, up-to-date news and information, and e-mail alerts to updated web pages.

As a result of the online survey, focus groups were created to test the proposed changes and make necessary recommendations. The groups, with a total of 72 individuals

include: members of the disabled community, current VTA customers, and people that are unfamiliar with VTA. The testing will be conducted in December 2006 and January 2007 and will focus on the review of the Website's accessibility, new features, and design enhancements.

Specific website Improvements to date are: creation of online VTA News Room and Rider Alerts, improved navigation, content organization, interactive displays, enhanced visual graphics, and updated promotional elements. The redesigned website is scheduled to go live in Spring 2007. The new trip planner and route and schedule improvements are currently being evaluated.

Member Elias suggested that the website include an on-line purchase of passes. Doug Beley, Acting Chief Technology Officer, responded that VTA is part of the Translink, a regional electronic fare card Project that is ongoing. It is anticipated that this Project will be implemented by early 2008, and when implemented online transit fare sales will be available.

Upon inquiry of Member Okuzumi, Mr. Terrazas stated that VTA accepts website comments on an ongoing basis and interested parties can provide their comments by e-mailing customer.service@vta.org.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the VTA Website Improvements.

The Agenda was taken out of order.

2000 MEASURE A WATCHDOG COMMITTEE

10. Determine Independent Auditor for 2000 Measure A Program

Mr. Lawson explained that there are numerous advantages of hiring Vavrinek, Trine Day & Company, LLP (VTD) to perform independent 2000 Measure A financial audit. Mr. Lawson stated that VTD is currently under contract with VTA for VTA's own independent audit. In addition, VTD has to look at the 2000 Measure A financials even if the Committee does not select them for this year. Mr. Lawson recommended that the Committee select VTD for at least a year, evaluate VTD's work, and have the option to select a different auditor, if the Committee is dissatisfied with VTD's work.

Upon inquiry of Vice Chairperson Blaylock, Roger Contreras, Chief Financial Officer, responded that there will be no additional cost if the Committee selects VTD, as they are already under contract with VTA, unless there is some additional work that the Committee will require.

Upon inquiry of Member Probst, Mr. Lawson stated that VTD is a new independent auditor and has not done any auditing work for VTA in the past.

Member Okuzumi inquired about the appropriate time to consider retaining VTD or hiring a different auditor for the next fiscal year.

Susan Stark, Controller, stated that it will be appropriate to evaluate that consideration in March 2007 as the audit period is usually in the August – September months. She advised that VTD will provide a Fiscal Year 2006 report to the Committee in January 2007. This timing will provide the Committee the opportunity to review VTD’s work and determine if the Committee would want to retain or replace them for the next fiscal year.

Mr. Lawson suggested that the consideration of the audit contract be added in the Committee work plan in March 2007.

M/S/C (Rogers/Tebo) to authorize the General Manager to amend the contract with Vavrinek Trine Day & Company, LLP, as necessary to provide the Citizens Watchdog Committee with an independent financial auditor in order to fulfill its responsibilities as defined in the 2000 Measure A ballot. Vavrinek Trine Day & Company, LLP, is currently under contract to VTA.

Member Stuchinsky left the meeting at 5:40 p.m.

9 &12. CAC Work Plan and 2000 Measure A Watchdog Committee Work Plan

Mr. Lawson advised that consideration of the audit contract will be added to the Committee Work Plan in March 2007.

Vice Chairperson Blaylock requested that the information about the new transit planner be added to the work plan.

Member Okuzumi requested that staff return with information on the Final Report regarding the Passenger Survey.

On order of Chairperson Schulter, there being no objection, the Committee reviewed the CAC Work Plan.

Member Powers left the meeting at 5:54 p.m.

11. Zero Emission Bus (ZEB) Demonstration Program Status Report

Michael Hursh, Operations and Maintenance Deputy Director, directed attention to the handout entitled “ZEB – Hydrogen Fuel-Cell Bus, 2006 Progress Report.” He advised that a ZEB bus is available behind the VTA Auditorium for Committee Members to view. Mr. Hursh briefly discussed the following: goals and objectives of the program, the details of the VTA ZEB Demonstration Program, Program Milestones, Training Program, Community Education and Outreach efforts, Fuel-cell Bus performance, operation and maintenance challenges, fueling station performance, maintenance bays special features, cost and reliability comparison between diesel and hydrogen buses, project budget and sources, expenditures to date, and the next steps. Mr. Hursh explained that the technology is in the “research and development” (R&D) stage, which explains

the high costs associated with its operation and maintenance. He noted that the ZEB, these buses will not meet the normal 12-year service life expectancy as required by the Federal Transit Administration (FTA) guidelines for regular transit bus. VTA must make decisions in the next three to six months on what to do with this program. He noted that there may be a possibility for a second demonstration program with more buses. The Alameda County (AC) Transit recently started their own program and is having great success.

Member Okuzumi noted that AC Transit used other funding sources to fund their demonstration program. She inquired about what kind of bus technology VTA is currently considering or will consider in the future.

Mr. Hursh stated that he believes AC Transit learned from VTA's ZEB Demonstration Program, and they will utilize the next generation bus with improved technology. He noted he would prefer the most reliable technology. He noted that although AC Transit's demonstration buses seem to be reliable, it is still too early to make determinations about the reliability of those buses since they are still under warranty.

Mr. Lawson added that part of Measure A's ballot language required VTA to be involved in this Program. More importantly, the Board of Directors wanted to take the leadership role in having ZEB on the street and because of the program, more technologies emerged. He reiterated that VTA will be doing its best effort to get the most reliable and best technology.

Member Okuzumi expressed her support for VTA efforts to utilize ZEB technologies. She suggested that as the technology is still in the R&D stage, VTA should explore other ways to fund the Project rather than using Measure A funds.

Chairperson Schulter left the meeting at 6:10 and Vice Chairperson Blaylock presided over the remainder of the meeting.

Member Tebo expressed that he is pleased to see that VTA is exploring new bus technologies that VTA should explore new technologies that are more cost efficient.

Member Hughan noted a correction that the California Air Resource Board (CARB) did not mandate that hydrogen fuel-cell buses be used but instead provided an option to use natural gas or hydrogen fuel-cell.

Mr. Perry commented that most of the transit agencies in Southern California chose natural gas. In the Bay Area, buses are either diesel or electric.

Mr. Lawson stated that those were the choices that were made by the VTA Board of Directors at the time. Mr. Lawson noted that because of the investment VTA made for the hydrogen fuel-cell, it would be very difficult and more expensive to make another investment in training and a compressed natural gas or liquid gas facility.

Mr. Hursh thanked Member Rogers for the correction and noted that transit agencies had to pick one of two paths: compressed natural gas or alternative fuels and the hydrogen

fuel-cell. He stated that it is important for transit agencies to collaborate, try different technologies, and then make a determination for the best bus technology that is good for the transit users and the environment.

On order of Chairperson Schulter, there being no objection, the Committee received a presentation on the Zero Emission Bus (ZEB) Demonstration Program.

12. 2000 Measure A Watchdog Committee Work Plan

On order of Chairperson Schulter, there being no objection, the Committee reviewed the 2000 Measure A Watchdog Committee Work Plan.

13. Announcements

There were no Announcements.

14. ADJOURNMENT

On order of Chairperson Schulter, there being no objection, the Meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors