



ADMINISTRATION & FINANCE COMMITTEE

Wednesday, April 14, 2004

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:03 p.m. by Chairperson Williams in Room 204, City of San Jose, 801 North First Street, San Jose, California.

ROLL CALL

Members Present

David Casas, Vice Chairperson
Don Gage
Forrest Williams, Chairperson

Members Absent

Patricia Dixon

Alternates Present

None

Alternates Absent

Dennis Kennedy
Breene Kerr

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Williams requested that Agenda Item # 7., Adopt a support position for AB 392 (Montanez), which codifies a Caltrans policy to provide equal funding for the Environmental Justice and Community-Based Transportation Planning Grant Programs be removed from the Consent Agenda and placed on the Regular Agenda.

Chairperson Williams requested that Agenda Item # 9., Adopt a support position for AB 2471 (Longville), which requires the Office of the Legislative Analyst to conduct a study of the costs to public transit operators of providing service to new housing developments of more than 150 units be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Gage/Casas) to accept the Orders of the Day.

CONSENT AGENDA

4. **Regular Meeting Minutes of March 18, 2004**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of March 18, 2004.

5. **Report on Santa Clara Valley Transportation Authority Investments for the Month of February 2004**

M/S/C (Gage/Casas) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of February 2004.

6. **Monthly Legislative Reports**

M/S/C (Gage/Casas) to receive and file the Monthly Legislative Reports.

7. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Adopt a support position for AB 392 (Montanez), which codifies a Caltrans policy to provide equal funding for the Environmental Justice and Community-Based Transportation Planning Grant Programs.

8. **Legislative Positions: AB 1320 (Dutra)**

M/S/C (Gage/Casas) to adopt a support position for AB 1320 (Dutra), which authorizes a city or county to prepare plans for a transit village development district that demonstrates any 5 of 13 specific public benefits listed in current law, rather than all 13 benefits.

9. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Adopt a support position for AB 2471 (Longville), which requires the Office of the Legislative Analyst to conduct a study of the costs to public transit operators of providing service to new housing developments of more than 150 units.

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

10. Annual Renewal of Property and Casualty Insurance Coverage

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omission Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures, for the annual Operations Program insurance renewal for an amount not to exceed \$1,700,000.

11. Purchase of the Policy Extension for Worker's Compensation, General Liability and Railroad Protective Liability Insurance (RRPLI) Coverage for the Owner Controlled Insurance Program (OCIP) for Rail Construction Projects

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to authorize the purchase of a ten-month policy extension from TIG Insurance Company and AIU Insurance Company, for Workers' Compensation, General Liability Insurance and RRPLI coverage for the Owner-Controlled Insurance Program (OCIP) for Rail Construction Projects for the policy period from July 1, 2004 through April 30, 2005, for an amount not to exceed \$597,918. With this extension the total premiums paid for these policies is \$4,398,078.

12. Santa Clara Valley Transportation Authority's FY 2004 – 2005 Transportation Development Act and State Transit Assistance Allocation Claim

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2004 – 2005 Transportation Development Act (TDA) and State Transit Assistance (STA) funds.

13. FY 2003 – 2004 Federal Transit Administration Section 5311 Non-Urbanized Area Grant Application

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the filing and execution of grants with the California Department of Transportation for funding under the Federal Transit Administration Section 5311 (49 USC Section 5311) Non-Urbanized Area Formula Grant Program.

14. Paratransit Service Area: South County

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a resolution amending the fare structure for paratransit services to defer until July 1, 2005 the Service Area Surcharge for service to or from locations within Gilroy, Morgan Hill, or unincorporated areas of Santa Clara County south of Cochran Road.

The Agenda was taken out of order.

REGULAR AGENDA

7. Legislative Positions: AB 392 (Montanez)

Chairperson Williams queried on the funding and how it will impact transportation.

Kurt Evans, Government Affairs Manager State and Federal, provided a brief overview on the Legislative Positions: AB 392 (Montanez). Mr. Evans responded that it is a competitive grant process for both of the grant programs and noted that Caltrans created the Environmental Justice Grant Program and the Community-Based Transportation Planning Grant Program in the late 1990's and early 2000's. Mr. Evans continued that Caltrans has an internal policy in which funds appropriated for the two programs are divided equally between the programs. Mr. Evans noted that this bill will codify the policy into State law. Mr. Evans continued that both programs are competitive programs, which project sponsors submit grant applications to Caltrans where the projects are reviewed, scored, and moved through a ranking process system. Caltrans then awards the project grants based upon how the projects score in the ranking process system. Both programs are for projects that encourage minority and low-income community participation and transportation planning activities geared towards Transit Oriented Development (TOD) projects and linking land use and transportation planning.

Chairperson Williams queried on the advantage of codifying the bill. Mr. Evans responded that policy changes would have to go through the legislative process.

M/S/C (Williams/Gage) to approve submitting a recommendation to the Board of Directors to adopt a support position for AB 392 (Montanez), which codifies a Caltrans policy to provide equal funding for the Environmental Justice and Community-Based Transportation Planning Grant Programs.

9. Legislative Positions: AB 2471 (Longville)

Chairperson Williams queried on the number of units and operation funding.

Mr. Evans provided a brief overview on the Legislative Positions: AB 2471 (Longville). Mr. Evans noted that the position is sponsored by California Transit Association (CTA). CTA wants to identify if and what impact a large development project would have in an area regarding the need for additional transit service. Mr. Evans continued that the issue is that often times when local jurisdictions approve large development projects the projects may be in areas where there is no initial public transit service. Therefore, the transit operator has to bear the financial costs for new service to serve the community and the new community development. CTA wants to get consensus regarding the financial impact on transit operators and if the additional financial impact needs to be addressed by the developers. This bill would require the Legislative Analysis Office to conduct a study to determine the costs associated with the additional new public transit service and financial impact to the transit operator. Mr. Evans continued that the intention is to look at the larger housing developments and not only the smaller housing developments.

Chairperson Williams queried on the study and if the developers would have an opportunity to speak on the matter regarding the fees and costs associated with the additional transit service. Chairperson Williams noted the high costs associated with housing and queried if the additional fee costs will be passed on to the consumers purchasing the housing developments. Mr. Evans responded that the study will be conducted by the Legislative Analysis Office and would probably have recommendations in terms of the added fees being passed on to the consumers purchasing the housing developments; however, noted that it is not part of this bill.

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a support position for AB 2471 (Longville), which requires the Office of the Legislative Analyst to conduct a study of the costs to public transit operators of providing service to new housing developments of more than 150 units.

15. Legislative Positions: ACA 21 (Bogh), ACA 24 (Dutra) and ACA 29 (Harman)

Mr. Evans provided a brief overview on the Legislative Positions: ACA 21 (Bogh), ACA 24 (Dutra) and ACA 29 (Harman). Mr. Evans noted that Proposition 42 had become the ATM for the General Fund. Mr. Evans added that this situation has negatively impacted the funding for Traffic Congestion Relief Program (TCRP) projects, Local Streets and County Roads projects, Public Transportation Account and State Transportation Improvement Program (STIP) programming capacity. Mr. Evans continued that each of the three constitutional amendments would make the situation better. ACA 21 (Bogh) will change the voting requirement for the Legislature to pass a bill to suspend Proposition 42 from a two-thirds vote to a four-fifths vote; therefore, making it a higher threshold for the Legislature to meet. ACA 24 (Dutra) will provide the same protection regarding loans from the Transportation Investment Fund (TIF); therefore, making it more difficult to lend money to the General Fund and in essence places the same provisions and loan protections that exist for the State Highway Account, Public Transportation Account and all other transportation accounts. If a loan is made from TIF to the General Fund then the loan has to be repaid back during the same fiscal year in which the loan was made or under emergency circumstances be repaid with interest within three fiscal years. ACA 29 (Harman) calls for amending the Constitution to delete the provisions authorizing the Governor and Legislature to suspend Proposition 42 during a fiscal emergency. Staff is recommending that the Board of Directors adopt a support position for all of these legislative bills.

Member Gage asked what would happen if all the legislative bills do not pass, notes that each one of the bills does something. Mr. Evans responded that if ACA 29 (Harman) passes it would eliminate the suspension provisions; therefore, ACA 21 (Bogh) would not be needed. Mr. Evans continued that ACA 21 (Bogh) would not need to change the voting requirement for the suspending of Proposition 42 because ACA 29 (Harman) would not allow the suspending of Proposition 42. Mr. Evans added that ACA 24 (Dutra) would work under any circumstances. Mr. Evans continued that

Staff does not see all three of the bill positions passing but a combination of the bill positions.

Member Gage queried if all three-bill positions could be developed together into one bill. Mr. Evans responded that may eventually happen.

Chairperson Williams queried on the downside as it relates to cities or counties. Mr. Evans responded that the bill positions are added protection for transportation funding and noted that there is no downside to any of the bill positions from a transportation prospective.

Vice Chairperson Casas queried if VTA had to support just one of the bills, which position would Staff recommend. Mr. Evans responded that Staff would prefer all bill positions passing; however, noted that bill positions ACA 24 (Dutra) and ACA 29 (Harman) would be the preferred combination approach; therefore, treating TIF like all other transportation accounts. Mr. Evans noted that in the case with the State Highway Account and Public Transportation Account there is no suspension provisions; therefore, both accounts are protected regarding loans made to the General Fund.

Vice Chairperson Casas queried if the combination of bill position choices supported should be reflected in the memorandum. Mr. Evans responded that Staff recommends supporting all three-bill positions; however, noted that the combination of bill position choices supported can be reflected within the memorandum.

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt a support position for ACA 21 (Bogh), ACA 24 (Dutra) and ACA 29 (Harman), which would change the California Constitution to make it more difficult for the Legislature to suspend or borrow money from Proposition 42.

16. Legislative Positions: SB 1443 (Murray)

Mr. Evans provided a brief overview on the Legislative Positions: SB 1443 (Murray). Mr. Evans noted that gas tax receipts flow into the State Highway Account for the STIP or State Highway Operations and Protection Program (SHOPP) or in Highway Users Tax Account for local street and road repairs to be available. Mr. Evans noted a significant cash flow problem within the accounts due to the absence of an active State Budget in 2003. Mr. Evans noted that Caltrans would not have sufficient funds available in the State Highway Account to cover project commitments. The cash flow problems were addressed when the FY 2004 State Budget was approved; therefore, allowing Caltrans to continue with projects commitments.

Chairperson Williams queried on how VTA was impacted locally and if there was an immediate urgency. Mr. Evans noted that Caltrans would not be able to honor the project contracts and that locally sponsored projects would not be reimbursed by the State due to the absence of an active State Budget.

Vice Chairperson Cases queried on how closely VTA Staff worked with the sponsors of the bill position regarding VTA's concerns and issues. Mr. Evans responded that Staff worked very closely with the sponsors; however, noted that what typically happens is that an issue occurs; therefore, transportation community raises the issue, which will cause Legislation to introduce a bill position. Mr. Evans continued that in past years when the Legislature did not pass the State Budget in time there was enough money in the balance of the State Highway Account; therefore, allowing Caltrans to continue work on projects until the State Budget was adopted.

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors to adopt a support position for SB 1443 (Murray), which requires gas tax revenues that are deposited in the State Highway Account for the State Transportation Improvement Program (STIP) or the State Highway Operations and Protection Program (SHOPP), or in the Highway Users Tax Account for local street and road repairs to be continuously appropriated and available for expenditure regardless of whether the Legislature has passed a budget for the new fiscal year.

17. Legislative Positions: SB 1759 (Denham)

Mr. Evans provided a brief overview on the Legislative Positions: SB 1759 (Denham). Mr. Evans noted that this bill position deals with the Public Transportation Account (PTA), which is a designated trust fund account for mass transportation purposes established in 1971. Mr. Evans continued that the funding within the account are allocated and distributed equally between the State Transit Assistance (STA) Program, which is the only State funded program for transit operations and the other half portion of funding is allocated to other mass transportation purposes, which includes intercity rail as well as transportation capital improvement program projects. Mr. Evans added that the funding revenue sources within the account are from several sources; however, added that the two major sources are from the sales tax on diesel fuel, sales tax on nine cents of the gas tax, funding from Proposition 42, and non-gas sales tax revenue sources that flows into the State Highway Account. Mr. Evans noted that since FY 2001 the PTA has been used to bridge funding gaps within other programs for a total amount of \$626 million. Mr. Evans continued that SB 1759 (Denham) negatively impacts the PTA because it removes the non-gas sales tax revenue sources from the PTA; therefore, a permanent loss of \$50 to \$60 million per year, which will impact funding for transit operations and transit capital improvement projects.

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to adopt an oppose position for SB 1759 (Denham), which deletes the requirement in existing law that revenues deposited in the State Highway Account that are not subject to Article XIX of the California Constitution are to be transferred to the Public Transportation Account.

18. Consideration and Adoption of Initial Study and Mitigated Negative Declaration for the River Oaks Bicycle/Pedestrian Bridge Project

Roy Molseed, Senior Environmental Planner, provided a brief overview on the Consideration and Adoption of Initial Study and Mitigated Negative Declaration for the River Oaks Bicycle/Pedestrian Bridge Project. Mr. Molseed noted that the public comment period was released in mid-March 2004 and added that the public comment period closes April 15, 2004. Mr. Molseed added that Staff has not received any public comments regarding the project.

Chairperson Williams queried on why no public comments were received regarding the project and stated that the public had the opportunity to note their concerns or issues regarding the project.

M/S/C (Casas/Gage) to approve submitting a recommendation to the Board of Directors pending the outcome of public comment: 1. Certify that the Initial Study for the River Oaks Bicycle/Pedestrian Bridge Project (Project): a. Meets the requirements of the California Environmental Quality Act (CEQA); b. Represents the independent judgment of VTA as Lead Agency; and c. Was presented to the Board of Directors and that they reviewed and considered it; 2. Adopt a Mitigated Negative Declaration based on consideration of the Initial Study, comments received and responses to those comments; 3. Adopt a Mitigation Monitoring and Reporting Program; and 4. Approve the Project.

OTHER ITEMS

19. Proposed Fare Modification

Gerald Rosenquist, Acting Chief Financial Officer, provided a brief overview on the Proposed Fare Modification. Mr. Rosenquist noted that the Proposed Fare Modification discussion is being presented to all of the three Standing Committees. Mr. Rosenquist continued that the Proposed Fare Modifications will be on the May 20, 2004 Administration and Finance Committee Meeting Agenda and will be forwarded to the Board of Directors for consideration at the June 3, 2004 VTA Board of Directors Regular Meeting. Mr. Rosenquist continued that the Proposed Fare Modification is based on Board Policy, which was adopted last December. Mr. Rosenquist continued that the Proposed Fare Modification was presented at six public meetings and noted the total attendance of 99 individuals at the meetings. Primary comments and concerns were from the Senior/Disabled Community regarding the proposed increases to daily passes, monthly passes and within Paratransit Services. Mr. Rosenquist noted that the Paratransit fees are based on the single ride adult cash fare. Mr. Rosenquist continued that the Proposed Fare Modifications was presented to the Advisory Committees and noted the concerns from the Committee for Transit Accessibility (CTA). Mr. Rosenquist noted the following recommendations from CTA: 1) Senior/Disabled Monthly Pass should not exceed \$22.50, 2) Paratransit Service Monthly Pass, and 3) elimination of the youth token to accommodate for a Senior/Disabled token. Mr. Rosenquist noted that Staff

examined the original amount of \$27.50 for the Senior/Disabled Monthly Pass and adjusted the fare to \$26 as referenced in Attachment C. Mr. Rosenquist added that the adjustment would not make VTA the highest fare in the Bay Area. Mr. Rosenquist noted the base fare rate of Golden Gate at \$1.80 and added that they are proposing to increase the base fare rate to \$2.00 and added that the cheapest base fare rate is San Francisco at \$1.25.

Mr. Rosenquist added that other transit agencies have base fare rates around VTA's base fare rate of \$1.50.

Peter M. Cipolla, General Manager, noted that this adjustment will be incorporated into the budget modifications. Mr. Cipolla added that the fare adjustment does conform to Board Policy regarding the Fare Modification Plan adopted by the Board of Directors. Mr. Cipolla added that the reduction adjustment to the Senior/Disabled Monthly Pass fare is still consistent within the Board Policy.

Member Gage noted that the Board of Directors have to support the fare policy and noted the need to generate funding. Member Gage added that this is a small fare increase.

Vice Chairperson Casas noted his concern regarding the increase in fares; however, added that he understands the need for the fare increase.

Chairperson Williams noted the attempt to address the concerns of the Senior/Disabled Community and the difficulties associated with individuals living on a fixed income. Chairperson Williams noted Staff's attempt to balance concerns; however, added that VTA fares are reasonable compared to other transit agencies.

Mr. Cipolla noted that the increase will be incorporated into the budget adjustments and will be considered at the June 3, 2004 VTA Board of Directors Regular Meeting.

On order of Chairperson Williams, there being no objection, the Committee received and filed the Proposed Fare Modification report.

20. Update on Zero Emission Bus (ZEB) Program and Related Fleet Emission Reduction Initiatives

Matthew O. Tucker, Chief Operating Officer, provided a brief overview on the update on Zero Emission Bus (ZEB) Program and Related Fleet Emission Reduction Initiatives. Mr. Tucker noted that the update addresses the issues raised at the Board of Directors March 19, 2004 Workshop Meeting regarding the ZEB Program and other initiatives relative to meeting the California Air Resources Board (CARB) Fleet Rule for Urban Transit Bus Operators. Mr. Tucker continued that the ZEB Program is well documented in the Quarterly Performance Reports and added that Staff anticipates the first ZEB to be delivered to VTA in early May 2004. Mr. Tucker added that the ZEB is undergoing additional testing with Gillig and has logged over 7,000 hours. Mr. Tucker continued that VTA worked closely with the California Fuel Cell Partnership to develop the fuel cell demonstration project and added that VTA worked diligently to comply with CARB requirements. CARB anticipated completion of the demonstration project by

January 2006; however, CARB is proposing to change the regulation to extend the demonstration project deadline by 30 months to complete the demonstration projects. Mr. Tucker noted that Staff has identified that many of the issues with the demonstration project involve first time experiences and learning lessons, but Staff has worked diligently to complete and implement the demonstration project. Mr. Tucker continued that Staff worked on a re-power project on the 9200 and 9300 Series Coaches with significant emission reductions. Mr. Tucker added that Staff worked closely with CARB to ensure full compliance with emission initiatives and to implement additional pilot programs that support emission reductions.

Member Gage queried on the ZEB Program and its placement within the Valley Transportation Plan (VTP) 2030 Program. Member Gage noted that the ZEB Program was below the VTP Program project funding cut off line; therefore, not funded. Mr. Cipolla responded that Staff does not really know the timeframe regarding the replacement of the bus fleet with the ZEB Program. Mr. Cipolla continued that funding allocated for the ZEB Program is not enough to replace the entire fleet and added that the funding was a contribution towards the replacement of buses. Mr. Cipolla noted that the VTP 2030 is revisited every three years and that the ZEB Program was moved below the project plan line; therefore, Staff was able to apply that funding for Caltrans Electrification. Mr. Cipolla added that the ZEB's will not be commercially ready to be incorporated into the fleet between 2008 – 2009.

Mr. Tucker added that the Federal Transportation Administration (FTA) conducted a study and anticipates that 25 ZEB vehicles will be available for demonstration project purposes nationally between 2007 - 2010 timeframe. Mr. Tucker noted that the current cost of a ZEB is \$3 million; however, the next generation of ZEB vehicles are estimated to cost \$1.8 million and eventually decline to \$800,000, which is significantly more than the costs involved for buses today. Mr. Tucker noted that the ZEB Program is still in the testing and learning phase of the technology and added that Staff believes that the ZEB vehicles fleet will not be available for purchase within two to three years.

Chairperson Williams queried on the funding allocated for the ZEB Program and if the funding is utilized for Caltrain Electrification how will VTA identify funding to implement the ZEB Program when the ZEB's are available. Mr. Cipolla responded that the Board Members will decide what projects recommend will receive funding from the 2000 Measure A Program and added that projects have to be within the Regional Transportation Plan in order for the project to qualify for federal participation. Mr. Cipolla noted that this is the planning phase and that next fall the expenditure plan will be developed for the projects.

Chairperson Williams queried on the ZEB Program; however, noted that ZEB is still in the developmental stage. Mr. Cipolla responded that CARB is revisiting their entire policy and programming. Mr. Cipolla added that VTA is one agency in the country that is dedicated to pure ZEB demonstration test programs and noted the work between VTA and Gillig regarding diesel cell partnership.

Member Gage queried if ready to replace the bus fleet will Staff consider the parts of the County that pollute the most and start implementation of the ZEB's in those areas first. Mr. Cipolla responded that VTA will implement smaller vehicles into the system. Mr. Cipolla added that Staff was looking into implementation of the ZEB vehicles for the Downtown East Valley Project line on the Santa Clara Street segment if bus line was approved for the project instead of light rail. Mr. Cipolla added that several restrictions regarding ZEB's need to be examined and addressed.

On order of Chairperson Williams, there being no objection, the Committee received and filed the update on Zero Emission Bus (ZEB) Program and Related Fleet Emission Reduction Initiatives report.

21. Committee Work Plan

Vice Chairperson Casas queried on the two Board of Directors Meetings scheduled in June and queried on the July Board of Directors Meeting. Mr. Cipolla responded that all VTA Board of Directors Meetings are noticed on VTA's website.

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

22. Committee Staff Report

Jack J. Collins, Chief Construction Officer, requested the placement of an award for Route 880 Auxiliary Contract be forwarded to the May 6, 2004 VTA Board of Directors Regular Meeting. Mr. Collins noted that the project is funded from the 1996 Measure B Transportation Improvement Program.

Mr. Cipolla noted that an information item will be forwarded to the May 6, 2004 VTA Board of Directors Regular Meeting regarding the second tranch of the bonding measure and added that the third tranch of the bonding measure is scheduled to be issued in late December 2004 or early January 2005. Mr. Cipolla added that bond measure funding for operating costs has not been used due to reductions and cost containments; however, added that Staff expects to utilize some of the bond measure funding for operating cost this Summer.

23. Chairperson's Report

Chairperson Williams noted his appreciation to Staff for their diligent work regarding the legislative position information.

24. Determine Consent Agenda for the May 6, 2004 Board Meeting

CONSENT: Agenda Item # 7., Adopt a support position for AB 392 (Montanez), which codifies a Caltrans policy to provide equal funding for the Environmental Justice and Community-Based Transportation Planning Grant Programs; **Agenda Item # 8.**, Adopt a support position for AB 1320 (Dutra), which authorizes a city or county to prepare plans for a transit village development district that demonstrates any 5 of 13 specific public benefits listed in current law, rather than all 13 benefits; **Agenda Item # 9.**, Adopt a support position for AB 2471 (Longville), which requires the Office of the Legislative Analyst to conduct a study of the costs to public transit operators of providing service to new housing developments of more than 150 units; **Agenda Item # 10.**, Authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omission Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures, for the annual Operations Program insurance renewal for an amount not to exceed \$1,700,000; **Agenda Item # 11.**, Authorize the purchase of a ten-month policy extension from TIG Insurance Company and AIU Insurance Company, for Workers' Compensation, General Liability Insurance and RRPLI coverage for the Owner Controlled Insurance Program (OCIP) for Rail Construction Projects for the policy period from July 1, 2004 through April 30, 2005, for an amount not to exceed \$597,918. With this extension the total premiums paid for these policies is \$4,398,078; **Agenda Item # 12.**, Adopt a resolution authorizing the filing of an annual claim to the Metropolitan Transportation Commission (MTC) for allocation of FY 2004 – 2005 Transportation Development Act (TDA) and State Transit Assistance (STA) funds; **Agenda Item # 13.**, Adopt a resolution authorizing the filing and execution of grants with the California Department of Transportation for funding under the Federal Transit Administration Section 5311 (49 USC Section 5311) Non-Urbanized Area Formula Grant Program; **Agenda Item # 14.**, Adopt a resolution amending the fare structure for Paratransit services to defer until July 1, 2005 the Service Area Surcharge for service to or from locations within Gilroy, Morgan Hill, or unincorporated areas of Santa Clara County south of Cochran Road; **Agenda Item # 15.**, Adopt a support position for ACA 21 (Bogh), ACA 24 (Dutra) and ACA 29 (Harman), which would change the California Constitution to make it more difficult for the Legislature to suspend or borrow money from Proposition 42; **Agenda Item # 16.**, Adopt a support position for SB 1443 (Murray), which requires gas tax revenues that are deposited in the State Highway Account for the State Transportation Improvement Program (STIP) or the State Highway Operations and Protection Program (SHOPP), or in the Highway Users Tax Account for local street and road repairs to be continuously appropriated and available for expenditure regardless of whether the Legislature has passed a budget for the new fiscal year; **Agenda Item # 17.**, Adopt an oppose position for SB 1759 (Denham), which deletes the requirement in existing law that revenues deposited in the State Highway Account that are not subject to Article XIX of the California Constitution are to be transferred to the Public Transportation Account.

REGULAR: Agenda Item # 18., Pending the outcome of public comment: 1. Certify that the Initial Study for the River Oaks Bicycle/Pedestrian Bridge Project (Project): a. Meets the requirements of the California Environmental Quality Act (CEQA); b. Represents the independent judgment of VTA as Lead Agency; and c. Was presented to the Board of Directors and that they reviewed and considered it.; 2. Adopt a Mitigated Negative Declaration based on consideration of the Initial Study, comments received and responses to those comments; 3. Adopt a Mitigation Monitoring and Reporting Program; and 4. Approve the Project.

25. Announcements

There were no Announcements.

26. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 12:53 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors
