



TRANSIT PLANNING & OPERATIONS COMMITTEE

Wednesday, April 18, 2007

MINUTES

1. CALLED TO ORDER

The Regular Meeting of the Transit Planning and Operations (TP&O) Committee was called to order at 3:33 p.m. by Chairperson Sandoval in Conference Room B-104, Valley Transportation Authority, 3331 North First Street, San Jose, California.

ROLL CALL

Members Present

Dolly Sandoval, Chairperson
Greg Sellers, Vice Chairperson

Members Absent

Dean J. Chu
David Cortese

Alternates Present

None

Alternates Absent

Dominic Caserta
Judy Chirco
Kathleen King
Roland Velasco

*Alternates do not serve unless participating as a Member.

A quorum was not present and a Committee of the Whole was declared.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

Michael T. Burns, General Manager, introduced the new interim Chief Financial Officer, Jerry Mikolajczyk. He also provided a report on VTA's ratings of its 2007 Refunding Bonds. He noted that the ratings range between AAA and A+ depending on the rating agency. Mr. Burns noted that the Board Members should contact the Office of the Board Secretary if they would like to meet with Mr. Mikolajczyk.

Mr. Mikolajczyk introduced himself and provided a report on his expected deliverables during his service time with VTA.

CONSENT AGENDA

4. Minutes of March 21, 2007

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole deferred the Minutes of March 21, 2007.

REGULAR AGENDA

5. Report from April 11, 2007 Committee for Transit Accessibility (CTA) Meeting

Randy Tamez, Committee for Transit Accessibility (CTA) Chairperson, reported that the Committee received a report on the Organizational and Financial Assessment Executive Report. He indicated that the Committee passed a motion requesting information on the consultant's scope of work. He noted that the CTA understands that the VTA may implement cost cuts in the future. He requested that VTA bring any service cuts for persons with disabilities to the CTA, so that the Committee can provide input.

Mr. Tamez noted that the Accessible Services Manager provided a report on the Accessible Services/Paratransit Budget for Fiscal Years 2008 and 2009 and on other programs that the Department may start to implement. He noted that CTA commented that there was no description as to what the actual individual items were in the budget. He noted that CTA also queried about the mission statement for Accessible Services.

Mr. Tamez noted that a report was also provided on proposed programs that emphasized the Independent Travel Options and travel option support programs, such as Travel Training and Bus Buddies. He expressed concern about the lack of supporting documentation on the item. He noted his request in the past to have items taken to the CTA Subcommittee for review and a proposal made to CTA, so that CTA can either accept the Subcommittee's proposal or staff's recommendation.

Michael T. Burns, General Manager, referred to CTA's request to see the consultant's scope of work and noted that staff received the same direction from the VTA Board of Directors. He indicated that staff is in the process of preparing an action plan and a scope of work for approval by the Board of Directors in June 2007. Mr. Burns stated that the Board of Directors will discuss the Budget proposal for FY 2008-09 at the April 27, 2007 Board of Directors Workshop Meeting. He noted that as part of that proposal, there are no cuts proposed for paratransit. The CTA will receive a presentation on the budget in May 2007.

On order of Chairperson Sandoval, there being no objection, the Committee received a report from the April 11, 2007 Committee for Transit Accessibility Meeting.

The Agenda was taken out of order.

OTHER ITEMS

10. Quarterly Marketing Report and Presentation, Q3, FY 2006-2007

Bernice Alaniz, Deputy Director of Marketing and Public Affairs, reported that the marketing efforts initiated during December 2006 through April 2007, have incorporated the identity of the target market groups identified through both the Market Segmentation Survey and Public Perception Survey. The target markets identified were younger adults, ages 25 to 35, living and/or working in close proximity to light rail, and those using the services to get to their jobs, leisure destinations, and vital services.

Ms. Alaniz reported that in an effort to attract riders living in close proximity, VTA has instituted corridor promotions. VTA launched a direct mail campaign in January 2007. The direct mail piece was sent to about 13,000 residents in North San Jose, Santa Clara and Milpitas promoting light rail service to downtown Mountain View, downtown San Jose, and Milpitas, and generated a 1.3% response rate. She noted that VTA's next corridor promotion will promote the Community Bus Service, and VTA will do a direct mailing to about 40,000 residents/businesses in Gilroy, Morgan Hill, and San Martin.

Ms. Alaniz reported that VTA has been promoting the 8-Hour Excursion Pass Pilot Program, and VTA will enhance the Program once it is incorporated into VTA's Fare Tariff. The average monthly sales of the pass equal approximately 5,300 a month. She noted that VTA is still addressing the current increases in fuel costs and is continuing its "Do the Math" campaign advertisements on the light rail vehicles. Ms. Alaniz indicated that VTA is also working on its Youth Summer Blast Pass campaign, noting that this campaign was initiated to counter-balance the historical decline of youth ridership during the summer months. The passes are currently in production and sales will begin on May 16, 2007.

Ms. Alaniz reported that VTA continues to work on its promotional partnerships, and noted the following promotional partnerships during the second and third quarters of FY 2006-2007: 1) Story Road Tamale Festival; 2) San Jose Jazz Festival; 3) A La Carte & Art (Mountain View); 4) Mountain View Art & Wine Festival; 5) San Jose State University; 6) San Jose Giants; 7) local malls (Eastridge, Westfield Valley Fair, Westfield Oakridge); and 7) San Jose Grand Prix.

Chairperson Sandoval noted that the Cupertino Square (i.e. Vallco Mall) is scheduled to open its new 16-plex theatres on Friday, April 27, 2007, and expects thousands of people at the mall. She recommended that VTA staff contact the mall. Ms. Alaniz noted that VTA will look at placing some ads in the Cupertino Courier.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole received the Quarterly Marketing Report and Presentation, Q3, FY 2006-2007.

11. Monthly Ridership and Fare Revenue Performance Report

Joonie Tolosa, Senior Management Analyst, directed attention to the document entitled, "VTA Transit Operations, March 2007 Ridership and Fare Revenue Performance," and provided a report on VTA's ridership. Bus ridership for the month increased 4.7 percent, bus average weekday ridership increased 6.1 percent, light rail ridership increased

13.4 percent, and system-wide ridership increased 6.6 percent compared to March 2007. Fiscal-year-to-date data shows that bus ridership increased 1.5 percent and light rail ridership increased 31.1 percent. He noted that March is the first time that VTA is comparing light rail ridership Automatic Passenger Counters (APC) and APC data.

Mr. Tolosa reported that Fare revenues for March 2007 compared to last year increased 10.7 percent and fiscal year-to-date increased 3.8 percent. Average fare per boarding increased 3.9 percent for March 2007 and fiscal year-to-date decreased 3.5 percent.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole received the Monthly Ridership and Fare Revenue Performance Report.

12. Monthly Legislative History Matrix

Kurt M. Evans, Government Affairs Manager, provided a report on the bills that address the implementation of Proposition 1B, the \$20 billion transportation infrastructure bond measure that was approved by the voters in November 2006.

Mr. Evans referred to the Greenhouse Gas Emissions issue and provided a report on the Global Warming Solutions Act of 2006. The Act called for an estimated 25 percent reduction in greenhouse gas emissions by 2020. He noted that about 60 bills relating to air quality and alternative fuels have been introduced to achieve this goal.

Mr. Evans provided a report on the following bills that VTA is either sponsoring or co-sponsoring: 1) AB 1492 (Laird) – Yield to Buses; 2) AB 574 (Torrico) – HOT Lanes; 3) SB 184 (Alquist) – State Transportation Improvement Program (STIP) Pre-Award Authority; and 4) SB 264 (Alquist) – VTA Sales Tax Authority.

Mr. Evans provided a report on AB 444 (Hancock) – Vehicle Registration Surcharge. He noted the conversations held with Assembly Member Hancock and her staff expressing VTA's interest in being added into the bill. If VTA is added into the bill, VTA could then support the bill.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole reviewed the Monthly Legislative Matrix.

13. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

14. Committee Work Plan

Dan Smith, Chief Operating Officer and Staff Liaison, directed attention to the revised TP&O Work Plan and noted the addition of the Altamont Commuter Express (ACE) Presentation, which will be agendized at the May 16, 2007 TP&O meeting.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole reviewed the revised Work Plan.

15. Committee Staff Report

Dan Smith, Chief Operating Officer and Staff Liaison, announced that VTA is having an “Asian Festival Day” for VTA employees and guests on Tuesday, April 24, 2007, from 11:30 a.m. to 1:30 p.m. at VTA’s River Oaks Campus. VTA is also having its annual “Cinco de Mayo” celebration, which will take place on Wednesday, May 2, 2007, from 11:30 a.m. to 1:30 p.m. at VTA’s Cerone Division.

Mr. Smith noted that VTA will hold a Graduation Ceremony and reception for the new class of light rail operators at Guadalupe Division on Friday, April 20, 2007, at 11:45 a.m.

Mr. Smith noted that earlier today the American Red Cross, Santa Clara Valley Chapter, presented Proclamations from Assembly Member James T. Beall to VTA employees Jasbir Bains and Victor Branco who were honored for their extraordinary actions at the American Red Cross Heroes Breakfast on March 15, 2007. The American Red Cross also presented a plaque to VTA in recognition of the significant contribution VTA employees made to the Hurricane Katrina Relief Efforts.

Mr. Smith reported that Operations staff met with Federal Security Director, Calvin Yuen and Assistant Federal Security Director Mark Pooler to introduce themselves and provide contact information in the event of a regional disaster or emergency. They are based at the Mineta San José International Airport and are responsible for regional coordination of disaster response.

Mr. Smith reported that the annual Santa Clara County Peace Officers Memorial will take place on May 18, 2007, from 11:00 a.m. to 1:00 p.m. The event is held in front of the Sheriff’s Office Headquarters at 15 West Younger Avenue, San José.

Mr. Smith noted that VTA is starting to plan for the Santa Clara Station Light Rail Platform Re-openings and tentative dates for opening are April 27, 2007, for the northbound platform and May 18, 2007, for the southbound platform.

On Order of Chairperson Sandoval, there being no objection, the Committee of the Whole received the Staff Report.

14. Committee Work Plan (continued)

Chairperson Sandoval referred to the TP&O Work Plan contained in the Agenda Packet and expressed concern that the “COA: Draft Recommended Service Operating Plan Status Report on Community Outreach” item scheduled for the May 16, 2007, TP&O meeting was dropped from the revised TP&O Work Plan provided at the meeting. She requested that the COA item be forwarded to all the Committees as an informational item between now and the August 30, 2007, Board of Directors meeting.

16. Chairperson’s Report

There was no Chairperson’s Report.

REGULAR AGENDA (continued)

6. Agreement for Relocation of Level 3 Facilities for the Caltrain South County Capacity Improvement Program

Jack J. Collins, Chief Construction Officer, reported that in December 2006, the VTA Board of Directors approved an agreement for the relocation of fiber optic lines required for the Caltrain South County Capacity Improvement Program. Verizon/MCI and Qwest Fiber Optic Facilities are in conflict with the first 8.3 miles of double track construction for the Program (Phase 1). Construction of the new second track does not allow appropriate access to the existing fiber line by the individual utility companies, as stipulated in the easement agreements between those companies and Union Pacific Railroad (UPRR), the owner of the land.

Mr. Collins reported that Level 3 does not want to be in the same trench as Verizon/MCI and Qwest, and its rationale is that it has a lot of high tech communication traffic along this fiber optic line down to the Los Angeles basin. The estimated cost to VTA for the relocation of fiber optics facilities owned by Level 3 is \$4,100,000. This represents the engineering estimate of the work necessary to implement this fiber optic relocation before the start of the track installation on the parallel tracks.

Mr. Collins directed attention to the map entitled, "South County Capacity Improvement Project San José to Gilroy" and provided an overview.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to authorize the General Manager to execute an Agreement with Level 3 in the amount of \$4,100,000 for the relocation of fiber optic facilities required for the Caltrain South County Capacity Improvement Program.

8. Cooperative Diesel Fuel Contract

Michael Hursh, Deputy Director of Maintenance, directed attention to the second sentence contained in the recommendation: "The term of this contract is for two years with an option for an additional one-year period at an estimated annual cost of \$13,517,369.20." He noted that the sentence should state the following: "*The term of this contract is for two years with an option for three additional one-year periods at an estimated annual cost of \$13,517,369.20.*" Mr. Hursh noted that staff will prepare a revised Board Memorandum for the May 3, 2007 Board of Directors meeting reflecting the change in the recommendation.

Mr. Hursh reported that VTA is part of the Regional Transit Coordinating Council (RTCC), and the RTCC currently has 13 participating agencies. Transit agencies achieve the most economical fuel purchases through volume purchasing and consolidated bidding efforts. Currently, VTA is paying \$2.28 per gallon for Ultra-Low-Sulfur Diesel fuel. He

referred to the way transit agencies purchase fuel and noted that they contract for a fixed adder that is added to a rack price that fluctuates with the price of oil and other economic factors.

Vice Chairperson Sellers queried if the petroleum can be produced as a bio-diesel product. Mr. Hursh noted that bio-diesel comes in different mixes and, at a minimum, is \$.40 a gallon more. Mr. Hursh noted with the RTCC agreement, transit agencies receive first priority for fuel and this cannot be done with bio-diesel and bio-diesel is not as available. Mr. Hursh noted that there is a report generated weekly indicating the rack price of bio-diesel and that VTA is closely watching availability and price.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with SC Fuels for supply and delivery of Ultra Low Sulfur diesel fuel. The term of this contract is for two years with an option for three additional one-year periods at an estimated annual cost of \$13,517,369.20.

7. **Downtown East Valley Capitol Expressway Light Rail Project Final Supplemental Environmental Impact Report**

Tom Fitzwater, Environmental Planning Manager, provided a presentation entitled, “Downtown East Valley Transit Improvement Plan, Capitol Expressway Light Rail Final Supplemental Environmental Impact Report (Final SEIR).” He noted that the presentation covered the five following areas: 1) Board Action; 2) Project Background; 3) Recommended Project Changes; 4) Final SEIR; and 5) Next Steps.

Mr. Fitzwater noted that staff is asking the VTA Board of Directors to: 1) Certify the Final Supplemental EIR; 2) Adopt Findings of Fact and Statement of Overriding Considerations; 3) Adopt the Mitigation Monitoring and Reporting Plan; and 4) Approve the Recommended Changes to the Light Rail Project.

Mr. Fitzwater provided a presentation on the Project History and Project Purpose.

Ken Ronsse, Design and Construction Manager, provided a presentation on the Project design changes. He provided a report on the Approved Project, noting that VTA is proposing to build the Project in two phases; the Eastridge Segment will represent Phase 1 and the Neiman Segment will represent Phase 2. He reported on the Changes to the Approved Project, and noted the six main revisions proposed for the SEIR.

Mr. Ronsse provided a report on the Cost and Ridership Estimates, noting that the cost is estimated at \$334 million and the daily ridership is estimated at 2,135 boardings.

Chairperson Sandoval asked about the cost increases or decreases with the proposed changes. Mr. Ronsse noted that the Project decreased about \$30 million for the extension to Eastridge and about \$20 million for the extension to Nieman.

Mr. Fitzwater provided a presentation on the Environmental Overview, highlighting: 1) What is a Supplemental EIR; 2) Key Environmental Milestones; 3) Summary of Impacts pertaining to transportation, noise, vibration, construction noise and vibration,

energy, and environmental justice; 4) Summary of Significant Unavoidable Impacts; and 5) Draft SEIR - Summary of Public Comments.

Mr. Fitzwater noted that VTA circulated the Final SEIR on April 13, 2007 and has allowed for a 20-day review period. He provided a report on the VTA Board action requested.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole approved submitting a recommendation to the Board of Directors to approve the changes to the Downtown East Valley (DTEV) Capitol Expressway Light Rail Project (Project) through the following actions: 1) Certify that the Final Supplemental Environmental Impact Report (SEIR): a] meets the requirements of the California Environmental Quality Act (CEQA); b] represents the independent judgment of the Santa Clara Valley Transportation Authority (VTA) as the Lead Agency; and c] was presented to the VTA Board of Directors for review and consideration; 2) Adopt: a] Findings of Fact; and b] Statement of Overriding Considerations; 3) Adopt a Mitigation Monitoring and Reporting Program; and 4) Amend the Capitol Expressway Light Rail Project as described in the Final SEIR.

OTHER ITEMS (continued)

9. Proposed Fare Modifications

Michael T. Burns, General Manager, provided a report on the proposed fare modifications. He indicated that the proposed fare modifications are part of VTA's Budget proposal and are an effort towards increasing VTA ridership. He directed

attention to Page 3 of 8 of the Board Memorandum and noted that in response to the suggestions of the RIDE Task Force, VTA is proposing to reduce Day Pass fares for the following categories: 1) Adult; 2) Express; 3) Youth; and 4) Senior/Disabled. VTA is also recommending reductions to monthly pass prices for Youth and Senior/Disabled riders.

Mr. Burns provided a report on the new Community Bus fare structure. He noted that VTA day and monthly passes, and EcoPasses will be honored on the Community Buses. VTA is proposing Community Bus Fares rates as follows: 1) Adult - \$1.00; 2) Youth - \$.50; and 3) Senior/Disabled - \$.50.

Mr. Burns noted that overall, the revenue lost to VTA is projected to equal approximately \$1 million over the course of a year and VTA expects to cover that loss of revenue by the increase in the sale of passes. He indicated that this is an effort to increase ridership consistent with the Comprehensive Operations Analysis (COA), and to improve the affordability of the pass sales.

Mr. Burns noted that a more detailed explanation of the proposed fare modifications will take place at the April 27, 2007 Board of Directors Workshop meeting.

Vice Chairperson Sellers referred to the new Community Bus service starting in the Cities of Gilroy and Morgan Hill and queried if the new service and the mention of lower fares could be incorporated into the promotions for the Community Bus Program. Mr. Burns noted VTA's promotional efforts on the Community Bus Program.

Chairperson Sandoval noted that the Community Bus rates will provide an additional attraction to riders. She referred to VTA tracking the numbers and making sure that at the end of the year it evaluates whether the idea of lowering the fares actually did increase ridership.

On order of Chairperson Sandoval, there being no objection, the Committee of the Whole discussed the Proposed Fare Modifications.

17. Determine the Consent Agenda for the May 3, 2007 Board Meeting.

CONSENT: Item #6. Authorize the General Manager to execute an Agreement with Level 3 in the amount of \$4,100,000 for the relocation of fiber optic facilities required for the Caltrain South County Capacity Improvement Program; and **Item #8.** Authorize the General Manager to execute a contract with SC Fuels for supply and delivery of Ultra Low Sulfur diesel fuel. The term of this contract is for two years with an option for three additional one-year periods at an estimated annual cost of \$13,517,369.20.

REGULAR: Item #7. Approve the changes to the Downtown East Valley (DTEV) Capitol Expressway Light Rail Project (Project) through the following actions: 1) Certify that the Final Supplemental Environmental Impact Report (SEIR): a] meets the

requirements of the California Environmental Quality Act (CEQA); b] represents the independent judgment of the Santa Clara Valley Transportation Authority (VTA) as the Lead Agency; and c] was presented to the VTA Board of Directors for review and consideration; 2) Adopt: a] Findings of Fact; and b] Statement of Overriding Considerations; 3) Adopt a Mitigation Monitoring and Reporting Program; and 4) Amend the Capitol Expressway Light Rail Project as described in the Final SEIR.

18. Announcements

There were no Announcements.

19. Adjournment

On Order of Chairperson Sandoval, there being no objection, the meeting was adjourned at 5:13 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant

VTA Board of Directors