



BOARD OF DIRECTORS MEETING

June 1, 2006

MINUTES

1. CALLED TO ORDER

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors was called to order by Chairperson Chavez at 5:35 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

Chairperson Chavez advised the Board Members that the June 1, 2006 Revised Agenda was on the dais.

2. ROLL CALL

Members Present

Jim Beall, Ex-Officio
 Nora Campos
 Cindy Chavez, Chairperson
 Dean Chu, Vice Chairperson
 David Cortese
 Don Gage
 Dennis Kennedy
 Breene Kerr
 Liz Kniss
 John McLemore, Ex-Officio
 Madison Nguyen
 Greg Perry
 Dolly Sandoval
 Forrest Williams

Members Absent

None

Alternates Present

Jamie Matthews, Alternate
 Al Pinheiro, Alternate

Alternates Absent

Norman Kline, Alternate
 Pete McHugh, Alternate
 Ken Yeager, Alternate

* Alternates do not serve unless participating as a Member.

A quorum was present.

The Agenda was taken out of order.

2.1. ORDERS OF THE DAY (FORMERLY ITEM # 5.)

Chairperson Chavez changed the order of the Board Meeting Agenda and moved Agenda Item # 5., Orders of the Day renumbered to Agenda Item # 2.1 to the beginning of the Agenda.

Chairperson Chavez moved the following Agenda Items to the beginning of the Agenda to be considered before Closed Session: Agenda Item # 6., Awards and Commendations renumbered to Agenda Item # 2.2 and Agenda Item #31., Adopt Resolutions of Necessities for three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project renumbered to Agenda Item # 2.3.

Chairperson Chavez advised the Board of Directors that a Revised Agenda, which reflects and clarifies that Agenda Item #31., Adopt Resolutions of Necessities for three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project renumbered to Agenda Item # 2.3. has been moved to the beginning of the Agenda to be considered as public hearings. Chairperson Chavez read the public hearing into the record:

“Hearings of Notices of Intentions to adopt Resolutions of Necessities and close hearings and adopt Resolutions of Necessities requiring the acquisition of fee and utility easement property interests from three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project.”

Board Member Perry queried if Agenda Item # 31., Adopt Resolutions of Necessities for three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project renumbered to Agenda Item # 2.3 was moved to the beginning of the Agenda to accommodate individuals who own the parcels in order to provide the opportunity to participate and provide input. Chairperson Chavez responded “yes”.

Board Member Gage requested that Agenda Item # 36., Accept the findings of the Southern Gateway Transportation and Land Use Study be deferred to the June 15, 2006 Special Board Meeting due to the length of the meeting and Closed Session.

Board Member Kniss directed attention to Agenda Item # 28., Debt Policy and Agenda Item # 29., 2006 Sales Tax Revenue Bonds-secured by 2000 Measure A Sales Tax and expressed concern, noting that the Board of Directors require additional time to consider the items. Board Member Kniss suggested that a Board of Directors Workshop Meeting be scheduled to review and consider the items. Board Member Kniss stressed the importance to take the time to develop questions and understand the issues since the information regarding both debt and bonds are very complicated items for the Board to consider.

Board Member Kniss referenced the recent events at the City of San Diego and Orange County stressed the importance for governing board members to understand their obligation under the law and the seriousness of the issues. Board Member Kniss expressed concern, noting that the debt and bond items require additional time and attention from the Board in order to make wise decisions.

Board Member Gage supported Board Member Kniss' suggestion, noting that the County Board of Supervisors have received training from their attorneys regarding these complicated issues related to debt and bonds. Board Member Gage noted that the Board of Directors has significant responsibilities and if procedures are not followed and performed correctly then there could be severe consequences.

Board Member Kerr noted the benefit of a workshop and suggested the Board hear the item since there is a time constraint on a particular set of renewals of bonds that were issued several years ago, which need to be retired. Board Member Kerr commented that similar concerns were raised at the Administration and Finance (A&F) Committee Meeting, noting that the Committee requested additional information on the policy and procedures of the issuance of bonds as well.

Michael T. Burns, General Manager, commented that there is a time constraint, noting that the bonds issued three years ago will come due. Staff needs to market the bonds in mid July to place VTA in the best position for refunding of the bonds since the bonds will revert to an interest rate that is three times what is being paid now.

Mr. Burns indicated that it would be of benefit for VTA to have a Debt Policy in place during the refunding process of the bonds but noted the importance for the Board to be comfortable with the Debt Policy that has been forward for consideration. Mr. Burns noted time constraints but added that there is time to schedule and conduct a Workshop Meeting for the Board to discuss and consider the items.

Board Member Kniss asked if VTA had a Debt Policy. Mr. Burns responded that VTA does not have a Debt Policy.

Board Member Kniss expressed concern and stressed the importance for the Board to take additional time to review and discuss the item.

Board Member Sandoval recommended that the Board Members hear the information rather than taking action on the Debt Policy then formulate questions for the June 15, 2006 Special Board Meeting. Board Member Sandoval suggested a subsequent special workshop meeting if the Board decides to not take action at the June 15, 2006 Special Board Meeting.

Board Member Williams stated that the information is not new and stressed the importance for the Board to be proactive and identify opportunities to take advantage of creative financing strategies that will benefit VTA. Board Member Williams commented that the Debt Policy is procedural, noting that it is not about entering into debt but is related to the procedure and process of issuing debt.

Board Member Gage noted the complexities involved with a Debt Policy and referenced the southern cities that had problems related to municipal financing strategies. Board Member Gage agreed with the suggestion to develop questions for the June 15, 2006 Special Board Meeting if it provides adequate time for Mr. Burns and staff to prepare for the meeting.

Board Member Gage stated that the County of Santa Clara has a Debt Policy, noting the importance to be diligent in regard to the policies since it is a serious matter. Board Member Gage recommended that the Board receive training on the Debt Policy to ensure full understanding of what their obligations are because if the Board does it wrong the can't say, "I did not know".

Chairperson Chavez recommended that the Board hear the presentation from staff this evening to allow opportunity for discussion so that staff would have the opportunity to hear the Board's questions and develop a framework for the June 15, 2006 Special Board Meeting.

Board Member Perry recommended deferring approval of both Agenda Item # 28., Debt Policy and Agenda Item # 29., 2006 Sales Tax Revenue Bonds-secured by 2000 Measure A Sales Tax but agreed that the discussion on the items was fine.

Board Member Kniss requested clarification on the action proposed tonight by the Board regarding Agenda Item # 28., Debt Policy and Agenda Item # 29., 2006 Sales Tax Revenue Bonds-secured by 2000 Measure A Sales Tax. Chairperson Chavez stated that staff would provide an informational presentation and the items would be forwarded for consideration to the June 15, 2006 Board Special Meeting.

Board Member Kniss stated that she would not support taking action on these items due to the complexities and seriousness of the items. Board Member Kniss stressed the importance for the Board to take additional time to review and discuss the issues.

Board Member Cortese recommended that the Board either hear the items this evening and then resume discussion about whether or not to forward consideration of the items at the June 15, 2006 Special Board Meeting or whether to move with the items over for a year, but he stressed the importance of discontinuing the extensive discussion on the items during Orders of the Day.

Board Member Sandoval recommended that the Board move forward with the discussion of Agenda Item # 28., Debt Policy and Agenda Item # 29., 2006 Sales Tax Revenue Bonds-secured by 2000 Measure A Sales Tax; and then at the end of the discussion the Board could decide if the items would be forwarded to the June 15, 2006 Special Board Meeting or to a Board Workshop Meeting for consideration.

M/S/C (Gage/Sandoval) to accept the Orders of the Day. Board Member Kniss opposed.

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

2.2. AWARDS AND COMMENDATIONS (FORMERLY ITEM # 6.)

Employees of the Month for June 2006

Chairperson Chavez presented awards to Maria Testa, Information Services Representative, River Oaks Administration; and Michael Hoshida, Bus Operator, Chaboya Division Operations as Employees of the Month for June 2006 and Mark Robinson, Engineering Group Manager, as Supervisor of the Quarter for June 2006. David Lasich, General Maintenance Mechanic, River Oaks Facilities Maintenance, was unable to attend.

2.3. HEARINGS – NOTICES OF INTENTION TO ADOPT RESOLUTIONS OF NECESSITY (FORMERLY ITEM # 31.)

John Ristow, Deputy Director of Programming and Project Development, reported that Agenda Item #2.3 concerns the acquisition of fee and easement property interests to be acquired from three separate parcels of land for construction of the State Route 152/156 Improvement Project near Gilroy. The need and necessity for acquiring this property is described in the Board Memorandum and Staff Report included in the Board Agenda packet.

Mr. Ristow reported that the Memorandum and Staff Report set forth the findings that need to be made by the Board of Directors to adopt the resolutions. As explained in the Memorandum and Report, the resolutions would authorize the acquisition of fee and easement interests from the subject properties.

Mr. Ristow reported that the owners of each of the three properties have been notified of tonight's hearing. He noted that staff has received one speaker request from the attorney representing both Scaglione property owners. Mr. Ristow stated that a copy of the written request to speak and VTA's response to the letter was included in the Board Agenda packet, which was sent via electronic mail and on the dais. Mr. Ristow asked that the speaker come forward to address the Board of Directors.

Norman E. Matteoni, representing both Scaglione families, expressed concern regarding the points of access to the properties. Mr. Matteoni stated that the two points of existing access would be closed by the acquisition as proposed; therefore, leaving the property without any direct access to the public road. He continued that there is a narrow County road under the jurisdiction of San Benito and Santa Clara Counties, which has never been utilized by the Scaglione families. The project is not planned or located in a manner that would be most compatible with the greatest public good and the least private injury. The extinguishment of the access openings to Highway 152 without a solution to replace the interface with Highway 152 destroys the property, which would result in a greater cost to acquire the properties since the appraisal does not recognize the extinguishment of the access points to Highway 152.

Board Member Gage noted that he met with the Scaglione family regarding their property concerns. Board Member Gage stated that staff and the property owners would meet tomorrow to discuss the issues to address the concerns. Board Member Gage commented

that the intent is to ensure that the Scaglione family has adequate access to their properties.

Mr. Matteoni urged the Board of Directors not to adopt the resolutions of necessity for the Scaglione family properties and that VTA continue to work to address the concerns of the Scaglione family in an effort to have an amicable resolution without rushing to file a condemnation action.

Board Member Cortese queried if the client and attorney have a proposed resolution that satisfies the access issue or if the matter still needs to be settled. Mr. Matteoni responded that they have conceptual suggestions that need to be explored that would maintain access in general.

Board Member Kerr queried if the Board of Directors would have the opportunity to examine the proposed settlement. Kevin Allmand, Assistant General Counsel, responded that staff will continue to discuss the issue with the owners and then the resolution would be forwarded to the Board of Directors for consideration.

Board Member Kerr queried if the Board would have the opportunity to examine the purchase agreement or if the Board is empowering staff to use the right of eminent domain without bringing the proposed settlement back to the Board. Mr. Allmand responded that the resolution itself does authorize the filing for eminent domain proceedings, but the Board could direct staff to hold off with the filing for eminent domain.

Mr. Ristow stated that there are timing issues on the funding for the projects that is dependent on VTA having control of the properties. The property control requirement is necessary in order for VTA to receive the final funding component from the California Transportation Commission (CTC) by the June 8, 2006 deadline. It is crucial that VTA has control of the property in order to receive the funding for the project so the condemnation action is required. Mr. Allmand responded that these resolutions would allow VTA to proceed with the design as presented but staff would come back to the Board of Directors if the design needs to be revised related to the settlement.

Board Member Kennedy took his seat at 6:06 p.m.

Board Member Perry inquired about the access plans and asked if there were other orientations that would have preserved access to the properties. Mr. Ristow stated that there were a total of nine alternatives, which was narrowed down to two alternatives. The preferred alternative has received environmental approval from Caltrans and minimizes or eliminates the impact to the Scaglione properties.

Mr. Ristow noted that the other alternative would have potentially resulted in a full take of the Scaglione family residential property. The preferred alternative does impact the project properties in question but those properties are agricultural or are actively farmed.

Board Member Perry queried about the proposed alternative access to the property. Mr. Ristow responded that currently both properties access directly onto State Route 152

but those accesses would be extinguished so access would come from Walnut Avenue and Barnheisel Road. The Scaglione family has legal access off of Walnut Avenue and the other property in question, which is actively farmed and does have direct access off Barnheisel Road so the access is for trucks and farm machinery. Mr. Ristow stated that staff would continue to work with the Scaglione family regarding their access concerns.

Board Member Cortese stressed the importance to be sensitive to the property owners access concerns and to direct staff to report back to the Board regarding the continuing discussion at the June 15, 2006 Special Board Meeting during Closed Session.

Board Member Perry queried about the Walnut Avenue access point on the property. Mr. Ristow responded that the Scaglione family has legal access to Walnut Avenue and staff would be discussing with the owners the best location for access to the properties.

M/S/C (Cortese/Campos) to Close Hearings and adopt Resolutions of Necessities No. 06.06.12; No. 06.06.13; and No. 06.06.14 determining that the public interest and necessity require the acquisition of fee and utility easement property interests from three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project.

Property ID/Owner/Assessor's Parcel Number

43002-1, -2 & -3; Blackburn Farms III, L.P.

43006-1 & -2; Louis A. Scaglione, Jr.

43007-1, -2 & -3; Louis A. Scaglione, Jr., et al

3. ADJOURNED TO CLOSED SESSION at 6:18 p.m.

A. Anticipated Litigation - Conference with Legal Counsel

Significant exposure to litigation pursuant to Government Code Section: 54956.9 (b):
One case, pertaining to the Workers' Compensation Claim of Martha Meza.

B. Anticipated Litigation – Conference with Legal Counsel

Initiation of litigation pursuant to Government Code Section 54946.9(c):
One potential case.

C. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer

Bill Lopez, Chief Administrative Officer

Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Service Employees International Union (SEIU) Local 715

- D.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Transportation Authority Engineers and Architects (TAEA)

- E.** Public Employee Performance Evaluation
[Government Code Section 54957]

Title: General Counsel

- F.** Conference with Labor Negotiators
[Government Code Section 54957.6(a)]

VTA Designated Representatives:

Dean Chu, Vice Chair, Board of Directors
Don Gage, Director
Madison Nguyen, Director

Unrepresented Employee:

General Counsel

RECONVENED TO OPEN SESSION at 7:50 p.m.

4. CLOSED SESSION REPORT

- A.** Anticipated Litigation - Conference with Legal Counsel

Significant exposure to litigation pursuant to Government Code Section: 54956.9 (b):
One case, pertaining to the Workers' Compensation Claim of Martha Meza.

There was no reportable action taken during Closed Session.

- B.** Anticipated Litigation – Conference with Legal Counsel

Initiation of litigation pursuant to Government Code Section 54946.9(c):
One potential case.

There was no reportable action taken during Closed Session.

- C.** Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer

Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Service Employees International Union (SEIU) Local 715

There was no reportable action taken during Closed Session.

- D. Conference with Labor Negotiators
[Government Code Section 54957.6]

VTA Designated Representatives:

Roger Contreras, Chief Financial Officer
Bill Lopez, Chief Administrative Officer
Robert Escobar, Manager, Office of Employee Relations

Employee Organization:

Transportation Authority Engineers and Architects (TAEA)

There was no reportable action taken during Closed Session.

- E. Public Employee Performance Evaluation
[Government Code Section 54957]

Title: General Counsel

There was no reportable action taken during Closed Session.

- F. Conference with Labor Negotiators
[Government Code Section 54957.6(a)]

VTA Designated Representatives:

Dean Chu, Vice Chair, Board of Directors
Don Gage, Director
Madison Nguyen, Director

Unrepresented Employee:

General Counsel

There was no reportable action taken during Closed Session.

5. ~~ORDERS OF THE DAY~~ (NOW ITEM #2.1)
6. ~~AWARDS AND COMMENDATIONS~~ (NOW ITEM #2.2)

Alternate Board Member Matthews left the meeting at 7:52 p.m.

7. **REPORT FROM THE GENERAL MANAGER (Verbal Report)**

Michael T. Burns acknowledged and thanked VTA staff, County staff, and the various contractors who have worked on the 1996 Measure B Program Projects to complete the

projects within budget and on schedule. Mr. Burns commented on two of the 1996 Measure B Program projects opening celebrations in May 2006.

Chairperson Chavez left her seat at 7:55 p.m.,
Chairperson Chavez relinquished her seat as Chairperson and
Vice Chairperson Chu presided over the meeting.

Mr. Burns noted that on May 17, 2006, VTA hosted the River Oaks Pedestrian and Bicycle Bridge Opening Ceremony, and over 150 individuals were in attendance. He expressed appreciation to the VTA Board of Directors and Alternate Board Members for their attendance and participation at the celebration. Mr. Burns noted that on May 24, 2006, VTA hosted the 85/101 North Interchange Project Opening Ceremony in Mountain View. Mr. Burns acknowledged and recognized the accomplishments that VTA and Santa Clara County have achieved through their diligent work on the 1996 Measure B Program projects, which were completed on budget and on schedule.

Mr. Burns noted that on June 2, 2006, the VTA Board of Directors and Santa Clara County Board of Supervisors would meet in a Joint Meeting in the Board of Supervisors' Chambers in the County Government Center at 9:00 a.m.

Mr. Burns commented on significant staff changes within the VTA organization. He stated that Matthew O. Tucker would be leaving VTA to go to the Commonwealth of Virginia as the Director of Rail and Public Transportation. Mr. Burns expressed appreciation and recognized Mr. Tucker for doing terrific job during his tenure here at VTA.

Mr. Burns announced the appointment of Dan Smith, Chief Operating Officer, who has had a long and distinguished career in the transportation industry for over 30 years. Mr. Burns noted that he served in various positions in the transportation industry and has worked for Massachusetts Bay Transportation Authority (MBTA) in Boston and Southeastern Pennsylvania Transportation Authority (SEPTA) in Philadelphia.

Vice Chairperson Chu expressed appreciation and thanked Mr. Tucker for his outstanding years of dedicated work at VTA.

8. PUBLIC PRESENTATIONS

Tim Ranz, Interested Citizen, expressed concern and noted his complaint regarding Line 32. He stated that on Monday, May 8, 2006 at 6:40 p.m. he arrived at the Santa Clara Caltrain Station on Line 522 to transfer to Line 32, which was scheduled to leave at 7:00 p.m. Mr. Ranz stated that Line 32 would allow him to arrive at his ultimate destination in 10 minutes but failure to take this bus would require him to take a different bus leaving him no closer than 45 minutes away from his destination.

Chairperson Chavez took her seat at 8:02 p.m.,
Vice Chairperson Chu relinquished his seat as Chairperson
and Chairperson Chavez presided for the remainder of the meeting.

Mr. Ranz stated that he waited 24 minutes in front of Line 32 then at 7:00 p.m. the driver opened the door and allowed another individual to enter the bus and immediately closed the doors and drove away. Mr. Ranz expressed concern and requested that the driver be brought to the Board Meeting in order to explain his actions.

Chairperson Chavez thanked Mr. Ranz for the information and apologized for the incident. Chairperson Chavez directed staff to speak with Mr. Ranz after the Board Meeting regarding the incident.

Mr. Burns stated that Mr. Tucker would speak with Mr. Ranz regarding the incident.

Walter Schinke, Silicon Valley Independent Living Center, expressed concern regarding the Community Bus Program and VTA's attempt to bring Paratransit in-house in order to operate Paratransit Services. Mr. Schinke expressed concern that VTA and Amalgamated Transit Union (ATU) violated the Brown Act by meeting behind close doors to discuss the Community Bus Program and Paratransit in-house concept.

Bruce Stevens, VTA Fare Inspector, requested that his written letter submitted to the Board of Directors be entered into the June 1, 2006 Minutes and responses be entered into the next Board of Directors Meeting Minutes to initiate a dialogue. Mr. Stevens requested that VTA employees be involved in the initial setup of the Protective Services Study in order to provide input regarding the needs of the community and employees. Mr. Stevens referenced a discussion with Mr. Tucker regarding the light rail vehicle door safety issue where customers have been injured by the doors closing on them.

Mr. Stevens' written letter "In Response to the Response to Concerns Relating to VTA Security" was entered into the record:

"On March 2, 2006 Honorable Board Chair Person, Cindy Chaves, directed VTA Management to talk to the Employees who were concerned about the previous cuts to the Protective Services Department that were already affecting public and employee safety and the new cuts that would have left us with a unsafe and a inefficient Security Force. Thank you for stopping that and ordering a new, and we hope more honest, report than the outcome based Booz Allen & Hamilton report. Again, we request that the employee's will have access to the formulation and on-going input to this next study.

Please note that no one in Upper Management has bothered to comply with the Honorable Chair Person's request that they talk to us. The response by VTA Management has not answer any of our questions and concerns about the extended response times, assaults on the public and employee's and the impossibility of three Sheriff Deputies covering all of Santa Clara County. In addition, the fact that the Booz Allen report used improper statistics and peer groups (i.e.; instead of using true peers, we are compared to New York City, Washington D.C., Chicago Transit Authority, etc. the only legitimate peer on the list is San Diego Transit and Trolley).

The above shows VTA Management does not listen to the public or the employee's at that initial Board Meeting, as the new Employee Survey showed. The March 22nd response that we received at the April 6 Board Meeting has the following issues:

First Page, Second Paragraph, Last Sentence:

“The Fare Inspectors has no relationship to system safety” – wrong. Both the law and our job description list system safety as part of our jobs. And, the fact is that in this post 9/11 World, it would be a tragic waste of public resources if we (the Fare Inspectors) did not exercise an element of public safety in our on-going work as we all ways have.

First Page, Third Paragraph:

The much-maligned Booz Allen and Hamilton report was presented to get to a predestined unstated goal of cutting Protective Services. However, there is no accounting for the increased costs to public safety and vandalism repair.

The wording in “fare inspector staffing” is done in a way that hides the fact that we are 300% (three hundred) behind on miles of track and 250% (two hundred fifty) down on stations compared to peers. We have only been able to do 100% special operations by voluntarily combining shifts, and we have found our fare evasion rate is 13.9% on one weekend event and over 100 fare evaders were identified and cited within a two-hour period at a single station during another event.

Second Page, Table I:

Again, please note that New York City Transit and Washington D.C. Metro, etc., are NOT peer properties. Where these bogus stats placed in this response to show that VTA management cannot and refuses to listen to VTA employees and the public at large.

Second Page, First Paragraph:

Please note that Caltrain and ACE have their own empowered security force.

Second Page, Second Paragraph:

What would be more informative if that is what we are striving for, is to show how much incidents and costs of crime and vandalism repair have gone up or down since the last drastic personnel cuts at protective services. Before we make further cuts. The last sentence again is of no value as it dose not explain how property crimes and drunks etc. are less of a bother to our passengers in San Jose than the rest of the county?

Second Page, Third Paragraph:

Please note the words our selected peers when we all know they are not true peers of VTA. Again because we appear to have no gals when do we act? Would it

not have been more help full to the board if you were given a bigger slice of information say 5 years and comparisons of other peer parking lots?

Third Page, First Paragraph:

All of this is nice, however, we are experiencing an increase in assaults, crime and lost revenue. We've have an increase in response times and/or no response at all to our calls since the last cuts. And VTA was proposing further cuts?

Third Page, Second Paragraph:

It is a thinly disguised attempt to intimidate us from going to the Board, by implying that we were to go to the Safety Committee, which the Union had already done. Management didn't seem to recognize the ATU Chair person, Mr. Noah Banks, who spoke to the Board about his unaddressed concerns over the existing cuts and the proposed further cuts and the safety of the public and employees. I guess VTA isn't listening?

Third Page, Third Paragraph:

Please note the fare evasion statistics noted in paragraph three, page one. We have lost control of fare enforcement on our system. Our staffing for Fare Inspectors is one half of that of our true peers. Please also note, the Second Chance Program was actually proposed by the Fare Inspectors.

Third Page, Fourth Paragraph:

Please note that this response has not answered any of our questions nor yours. Nor do I believe it has enlightened anyone as to the increase in crime on our system. It begs the question what is VTA's goal for increased crime on our system and when we reach it can we then afford to bring it back down if we have exceeded our unstated goal of increased crime?

If any Board or Staff members desire a detailed briefing, we will be glad to meet with them.

In conclusion, thank you for your time and consideration.

Fraternally yours,

Bruce M. Stevens
ATU Steward"

Mr. Stevens noted that Ms. Angel needed to leave due to the time length of the meeting but requested that her written letter submitted to the Board of Directors be entered into the June 1, 2006 Minutes. Chairperson Chavez agreed to have Ms. Angel's letter entered into the June 1, 2006 Minutes and requested that a copy of the letter be forwarded to the Board Members.

Ms. Angel's written letter was entered into the record:

“Honorable Board Members,

My Name is Angel and I am a Fare Inspector for VTA. Last time I addressed the Board I spoke to the fact that on duty I've been assaulted twice. As you've been told recently our Protective Services Dept. is far below in #'s to our true peers. Today I'd like to address that as it concerns youth & parents on our trains. In the last two weeks our Dept. has been able to return 3 reported missing youth females. One girl was only 12 yrs. old and I had to wait for 35 min. for a Sheriff response because of a shortage of Sheriffs. I'm sure you, the Board, along w/all parents would hate to see any harm come to a child that could have been prevented w/a properly staffed Protective Services Dept. Please don't let proper staffing occur only after a horrible incident that could have been prevented. We as F. I.'s not only work for VTA but also for our community. Please help us help our beautiful Santa Clara Co. citizens.

L. Angel 5143
6/1/06”

Jerry Grace, Interested Citizen, expressed appreciation and support for Spare the Air Day and noted the positive benefits to the community. Mr. Grace urged the Board of Directors to inform the community about the importance to utilize public transportation. Mr. Grace congratulated and wished the candidates well on their campaigns for the position as Mayor of San Jose.

9. **Policy Advisory Committee (PAC) Chairperson's Report**

Steve Glickman, PAC Chairperson, commented on the request from Chairperson Chavez and the Board Members for PAC members to make an effort to improve their attendance at the PAC Meetings. Mr. Glickman noted his request for staff to send a letter to all the PAC members reminding them of the Board's interest in PAC's deliberations and the Board's desire to hear from every member agency. Mr. Glickman stated that PAC had a quorum at the last meeting.

Mr. Glickman provided a report on the May 11, 1006 PAC Meeting, highlighting that: 1) PAC received a verbal report from Michael T. Burns, General Manager. He commented on the increase in bus and light rail ridership, the work of the Project Advisory Committee, and the results of the employee survey; additionally, Kurt Evans, Government Affairs Manager, provided a comprehensive overview of the Infrastructure Bond Package; 2) PAC reviewed the Congestion Management Program Financial Audit, FY 2005 and the Proactive Congestion Management Program Reviewed and Approved Projects Quarterly Status Report; 3) PAC reviewed and recommended that the Board of Directors approve the FY 2007 Transportation Development Act Article 3 Project Priorities and the FY 2006-07 Congestion Management Work Plan and Budget. In discussing the item, the PAC agreed by consensus to recommend that the County drive-alone rate be included in the next Monitoring and Conformance Report; and 4) PAC received a City Transportation Presentation from Palo Alto Vice Mayor Kishimoto of the City and its vision for improving transportation locally and regionally. Vice Mayor Kishimoto noted the top four transportation priorities for the City of Palo

Alto included: a) Palo Alto Intermodal Transit Center; b) Palo Alto Shuttle Program, c) Safe Routes to School; and d) Charleston/Arastradero Corridor Project.

Mr. Glickman commented that PAC was interested in the Palo Alto Intermodal Transit Center; Safe Routes to School; and Charleston/Arastradero Corridor Project. The consensus of PAC was that although the Palo Alto Shuttle Program is important, VTA's immediate focus and next steps should be on providing shuttle programs to the agencies that do not currently have one.

CONSENT AGENDA

Chairperson Chavez noted that a public speaker requested that Agenda Item # 20., Approve the budget and cost allocation for the Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan and Agenda Item # 27., Approve the Recommended FY 06-07 Congestion Management Program Work Program and Budget be removed from the Consent Agenda and placed on the Regular Agenda.

Board Member Perry requested that Agenda Item #13., Augment the total value of contracts permitted under the previously approved Transportation Planning and Mass Transit Studies on-call list from \$1,000,000 to \$2,500,000 be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Williams/Campos) to approve the Consent Agenda.

10. Minutes of the Regular Board of Directors' Meeting of May 4, 2006

M/S/C (Williams/Campos) to approve the Minutes of the Regular Board of Directors' Meeting of May 4, 2006.

ADMINISTRATION AND FINANCE COMMITTEE

11. Reaffirm the Existing Investment Policy on Unrestricted and Restricted Funds

M/S/C (Williams/Campos) to reaffirm the Investment Policy on Unrestricted and Restricted Funds.

12. Bicycle and Pedestrian Advisory Committee Reappointments

M/S/C (Williams/Campos) to ratify the reappointments of Carl Hagenmaier, City of Los Altos; Bill Manry, City of Monte Sereno; Thomas Muniz, City of Gilroy; Bart Thielges, City of San Jose; Richard Swent, City of Palo Alto; Herman Wadler, City of Campbell; and Jim Stallman, City of Saratoga to the Bicycle and Pedestrian Advisory Committee (BPAC) for the term ending June 30, 2008.

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

Augment the total value of contracts permitted under the previously approved Transportation Planning and Mass Transit Studies on-call list from \$1,000,000 to \$2,500,000.

14. Amendment of VTA Administrative Code and Citizens Advisory Committee Bylaws

M/S/C (Williams/Campos) to adopt a Resolution No. 06.06.10 to amend Section 4-28 (b) (3) of the VTA Administrative Code to replace the National Association of Industrial and Office Properties with Building Owners and Managers Association – Silicon Valley as a business and labor group representative on the Citizens Advisory Committee; and, further amend Section 3.1 (c) of the Citizens Advisory Committee bylaws to conform to this change.

15. Citizens Advisory Committee Appointment

M/S/C (Williams/Campos) to ratify the appointment of Robert Jacobvitz to the Citizens Advisory Committee position representing the Building Owners and Managers Association – Silicon Valley.

16. Travel & Reimbursement Policy

M/S/C (Williams/Campos) to adopt the Travel & Expense Reimbursement Policy (“Policy”) for all VTA employees, Board Members, and others in the service of VTA.

17. Computer System Services Agreements

M/S/C (Williams/Campos) to authorize the General Manager to execute separate contracts with Computer Specialists Inc. (CSI) and Systems Services International (SSI) to provide computer system hardware and software support services. The contract with Computer Specialists Inc. will be \$300,000 for the first two years and \$375,000 for two additional one-year options for service, for a total contract value of \$675,000. The contract with Systems Services International will be in the amount of \$235,000 for two years of service.

18. Resolution to Execute Program Supplements, Fund Exchange and Fund Transfer Agreements with the State of California for Federal-Aid Projects

M/S/C (Williams/Campos) to adopt a Resolution No. 06.06.11 to authorize the General Manager to execute Program Supplements, Fund Exchange and Fund Transfer Agreements with the California Department of Transportation (Caltrans) for federal-aid projects, as required by the Master Agreement pertaining to such Projects entered into between VTA and Caltrans in 1997.

19. 1996 Measure B Highway Program – Transfer of Fee and Easement Parcels

M/S/C (Williams/Campos) to authorize the General Manager to execute grants of fee parcels and easements (including utility, maintenance, access and street and highway easements) for 1996 Measure B Highway Program projects, at no cost, to Caltrans, the City of Mountain View, and various utility companies.

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

Approve the budget and cost allocation for the Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan.

21. **Lease with Nextel of California, Inc. for a Cellular Antennae site at Branham Light Rail Station Park and Ride Lot**

M/S/C (Williams/Campos) to authorize the General Manager to execute a five-year lease agreement, with year-to-year extensions after that time, with Nextel of California Inc. (dba Nextel Communications) to lease a cellular antennae site from VTA starting at \$2,500 per month with three percent annual increases thereafter.

22. **Cooperative Agreement with the Finalizing Transfer of Properties and Establishing Long-Term Maintenance and Use of Properties and Facilities related to the Guadalupe Corridor Project**

M/S/C (Williams/Campos) to authorize the General Manager to execute all necessary agreements with the City of San Jose, County of Santa Clara and California Department of Transportation (Caltrans) finalizing transfer of properties and establishing long-term maintenance and use of properties and facilities related to the Guadalupe Corridor Project.

23. **Cooperative Agreement with the City of Sunnyvale for the Frances Street Multimodal Transit Center Project**

M/S/C (Williams/Campos) to authorize the General Manager to execute a cooperative agreement with the City of Sunnyvale for the transfer of Federal Transit Administration Federal Fiscal Year 2005 Section 5307 Transit Enhancement funds for the City of Sunnyvale's Frances Street Transit Center Project.

CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE

24. **Congestion Management Program Financial Audit, Fiscal Year 2005**

M/S/C (Williams/Campos) to review the Congestion Management Program Financial Audit, Fiscal Year 2005.

25. **Proactive CMP Reviewed and Approved Projects Quarterly Status Report January through March 2006**

M/S/C (Williams/Campos) to review the Proactive CMP Reviewed and Approved Quarterly Status Report for January through March 2006.

26. **FY 2007 Transportation Development Act Article 3 Project Priorities**

M/S/C (Williams/Campos) to approve project priorities for the FY 2007 Countywide Transportation Development Act (TDA) Article 3 Program.

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

Approve the Recommended FY 06-07 Congestion Management Program Work Program and Budget.

TRANSIT PLANNING AND OPERATIONS COMMITTEE

There were no items submitted for the Consent Agenda by the Transit Planning and Operations Committee.

REGULAR AGENDA

13. Program Augmentation for Transportation Planning and Mass Transit Studies

Board Member Perry expressed concern regarding the recommendation to augment the Transportation Planning and Mass Transit Study Program by \$1 million before knowing what 2000 Measure A Program projects VTA will be able to build. He stressed the importance for the Board Members to wait for the recommendation from the Project Advisory Committee regarding VTA's project priorities as it relates to the 2000 Measure A Program.

Board Member Perry expressed concern regarding the track record on the ridership projections for major projects. He referenced the Mountain View Light Rail Extension project, noting that the ridership projections to high. Furthermore, the Guadalupe Light Rail Corridor actual ridership is far below the projections. Board Member Perry inquired as to whether other major projects have hit their ridership targets.

Mr. Burns responded that the recommendation is to increase the total amount of the authorization value level of the contracts to be issued for the Transportation Planning and Mass Transit Studies Program. The on-call list of consultants selected are to provide support work on the Transportation Planning and Mass Transit Studies elements to support the projects in the 2000 Measure A Program projects and VTA's Joint Development Program, which was approved by the Board of Directors.

Mr. Burns stated that an individual request for proposal could be issued for each additional analysis every time but this type of approach would significantly limit VTA's flexibility to be responsive to staff, stakeholders, and the projects. Mr. Burns noted that another option would be to close this program out then go out for another solicitation to develop a new on-call list of consultants but this would not be staff's recommendation.

Carolyn M. Gonot, Chief Development Officer, commented that on September 29, 2005 the Board of Directors approved the on-call list of consultants to provide support work to the Transportation Planning and Mass Transit Studies Program projects and VTA's Joint Development Program. Ms. Gonot continued that under the on-call list, contracts have been advanced to provide services for the Caltrain Capital Needs Study and modeling to support design activities for the BART Extension Project during the Federal New Starts process. Ms. Gonot stated that advancing the projects in the 2000 Measure A Program and VTA's Joint Development Program projects activities requires augmentation of the maximum total value of all contracts granted under the on-call list.

Board Member Perry inquired about which consultant firms prepared the ridership projections for projects over the last five to ten years.

Ms. Gonot responded that the firms are not conducting the modeling or forecasting ridership for the Transportation Planning and Mass Transit Studies.

Mr. Burns commented that it is more complicated than just one firm since generally a whole series of firms are involved so there is not a simple comparison to look at. Mr. Burns stated that staff could ask these firms for historical information on what they have conducted, what they predicted, and what the results were.

Board Member Perry stated that the information would be of immense value to the Board.

Board Member Williams stressed the importance for VTA to have as much flexibility as possible in terms of addressing the immediate needs to move projects forward or make decisions. Board Member Williams noted that VTA has brought projects in on time and under budget. Board Member Williams stated that past performance indicates that VTA has made those decisions correctly in the past and staff has performed well.

M/S/C (Williams/Gage) to augment the total value of contracts permitted under the previously approved Transportation Planning and Mass Transit Studies on-call list from \$1,000,000 to \$2,500,000. Board Member Perry opposed.

20. Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan Budget and Cost Allocation

Mr. Grace queried if the plan was to make the community better. Chairperson Chavez responded that the Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) allows VTA to work with other organizations to mitigate for environment lands that are being lost due to roadway or other improvements.

Board Member Gage commented that the United States Fish and Wildlife Service (USFWS) requires the HCP/NCCP since there are environmental impacts any time development work is completed within the community.

Board Member Gage referenced the U.S. 101 Widening Project and noted that the project required VTA to purchase 400 acres of habitat land for the Bay Checkerspot Butterfly. The HCP/NCCP will examine areas where there is sensitive habitat wildlife and identify the wildlife in order not to endanger the species nor allow development in that area.

Board Member Gage stated that the USFWS would not approve many development projects without the HCP/NCCP. The City of San Jose, County of Santa Clara, Santa Clara Valley Water District, VTA, and the cities of Gilroy and Morgan Hill are local partners providing financial commitments to assist with the HCP/NCCP, which will support the USFWS and the California Department of Fish and Game (CDFG) in efforts to conserve federally and state listed species in the cities of San Jose, Gilroy, and Morgan Hill and in southern Santa Clara County.

Board Member Gage stated that the partnership would take about four to five years to develop the Plan and cost a significant amount of money, but it is required to mitigate in order not to endanger the species in the area for the land used for project development.

Mr. Grace inquired whether or not the Plan requires funding from the County and VTA. Board Member Gage responded that the Plan does require funding from the local partnership and the local partnership identifies and applies for grants from the USFWS. The HCP/NCCP is very important to the local partnership and all the cities within southern Santa Clara County.

M/S/C (Sandoval/Gage) to approve the budget and cost allocation for the Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan.

27. Recommended FY 06 – 07 Congestion Management Program Work Program and Budget

Chairperson Chavez directed attention to the Santa Clara Valley Transportation Authority (VTA) Congestion Management Program Recommended Work Program for Fiscal Year 2006 – 2007, Page 3 of 4, noting that it is VTA's custom to work closely with the cities and requested that staff ensure that as development studies are being pursued that the scope of work is reviewed with each city.

Mr. Grace requested clarification on the Congestion Management Program Work Program and Budget. Mr. Burns responded that Ms. Gonot would speak with Mr. Grace after the meeting to explain the Congestion Management Program.

M/S/C (Kniss/Campos) to approve the Recommended FY 06-07 Congestion Management Program Work Program and Budget.

ADMINISTRATION AND FINANCE COMMITTEE CHAIRPERSON'S REPORT – (See Agenda Item # 39.A.)
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28. Debt Policy

Board Member Williams commented that the Administration and Finance Committee recommends approval of the Debt Policy for several reasons: It is a sound business practice, is recommended by the Government Finance Officers Association (GFOA), it provides evidence to the bond rating agencies of a commitment to sound financial management and controlled borrowing practices, and it is regarded positively in evaluating VTA's creditworthiness.

Board Member Williams stated that it is appropriate and important to adopt a Debt Policy as VTA prepares to enter the market to refund the outstanding 2000 Measure A Bonds this fall. Board Member Williams stated that this action is important in order to retire the 2000 Measure A revenue bonds and replace them with a new issue but before replacing these bonds it is crucial to have an approved Debt Policy.

Board Member Williams stated that the Debt Policy is designed to provide and establish guidelines concerning appropriate purposes for debt, affordability, goals, types of

transactions permitted, and terms and rates as well as several other important categories of control. The Debt Policy does not address the appropriateness of whether or not bond financing is best for a particular project or if it is a pay-as-you-go method if that method. Board Member Williams noted that these are questions that are left to the discretion of the Board of Directors when they are considering a particular project or groups of projects.

Tom Fink, Political Director representing Amalgamated Transit Union (ATU) Local 265, queried about the Debt Policy and the appropriate purposes for debt issuance. Mr. Fink referenced the Board of Directors authorization to issue \$80 million in bonds to be used for operating expense if needed. Mr. Fink directed attention to the Debt Policy and queried if the policy would allow bonds to be used for the purposes of temporarily sustaining bus and light rail service during a severe downturn in operating revenues. Mr. Fink urged the Board of Director to amend the Debt Policy to include a similar scenario to address operating revenue concerns in the future.

Roger Contreras, Chief Financial Officer, introduced Carol Lawson, Debt Administration and Business Analysis Manager, who provided an overview on Agenda Item # 28., Debt Policy and Agenda Item # 29., 2006 Sales Tax Revenue bonds – secured by 2000 Measure A Sales Tax. Mr. Contreras stated that staff is cognizant of VTA's fiduciary responsibilities and will discharge the responsibilities in a prudent and safe manner.

Ms. Lawson provided a brief overview of the Debt Policy, noting that the purpose of a Debt Policy is to establish guidelines for the issuance and management of debt. A Debt Policy identifies the appropriate purposes for issuance of debt, allowable types, terms and structures, methods of sale, and financing process components.

Ms. Lawson commented that a Debt Policy should set limits, while preserving flexibility to respond to market opportunities and program changes and the Debt Policy should be formally adopted, reviewed, and updated periodically.

A Debt Policy is a sound business practice, demonstrates commitment to long-term financial planning, and rating agencies regard a Debt Policy positively in evaluating creditworthiness. A Debt Policy is viewed by rating agencies as a building block of the overall financial management and a Debt Policy is another step for VTA in setting the groundwork to issue debt. Examples of other steps taken or to be taken by VTA include adopting the Long-Term Expenditure Plan as well as the adoption of the Investment Rate Swap Policy.

Ms. Lawson commented that VTA's financial practices including the issuance of debt must be designed to assure sufficient resources to fund all of its operating and capital requirements in all circumstances.

Ms. Lawson reviewed the nine steps related to the overview of the financing process for the proposed Debt Policy including: 1) identify funding need; 2) review options; 3) select finance team; 4) documentation; 5) credit presentations; 6) VTA Board of Directors approval; 7) sale/closing; 8) investments of proceeds; and 9) continuing disclosure. The

Debt Policy requires that debt affordability be measured both in terms of bond indenture requirements and ability to meet on going operating, capital and reserve obligations.

Ms. Lawson discussed how the proposed Debt Policy guides each step of the financing process. The first step is to determine that there is a need and capacity for funding and the proposed Debt Policy requires that the debt issuance accomplishes appropriate purpose and identifies potential reasons to issue debt for example to accelerate a project or refund existing bonds.

The second step is to review the options of issuing bonds relates to the type and term of bond or note to issue; whether to issue fixed or variable rate debt; the appropriate amortization schedule; the use of bond insurance or letters of credit; and whether to conduct a competitive or negotiated sale. The proposed Debt Policy details allowable structures and identifies the project circumstances for different options.

The third step identifies and selects the finance team, which may include the following financing members: financial advisor; bond counsel; disclosure counsel; trustee; and underwriters depending on the type and complexity of the issue. The proposed Debt Policy identifies the typical members of the finance team, their roles, and the appropriate selection process.

The fourth step is documentation of the issuance of bonds includes the full set of legal documents; certificates and legal opinions relating to the bonds; and financial and risk analysis.

The fifth step is credit presentations to the three credit rating agencies is needed to provide an independent appraisal of the credit quality and likelihood of the timely repayment of the bonds. A carefully crafted and consistently applied Debt Policy provides evidence to the rating agencies that an organization has a commitment to control borrowing practices and is regarded positively in evaluating credit worthiness. Ms. Lawson stated that staff would conduct periodic update meetings with each credit rating agency credit analysis.

The sixth step is Board of Directors approval to authorize financial transactions as well as authorize the General Manager and Chief Financial Officer to enter into agreements and execute documents to execute bonds. Ms. Lawson clarified that the Board's adoption of the Biennial Budget; Capital Improvement Plans; and long-term Expenditure Plan does not constitute authorization for debt issuance.

The seventh step is the sale and closing of the bonds so the bond proceeds are received and the proposing documents are executed. If the bond issuance is completed as a competitive sale, then the Debt Policy requires a post pricing note that contains information about the bond sale with a list of bids received and comparable prices at the time of the sale as well as other relevant information pertaining to the transaction.

The eighth step is the investment of the bond proceeds. The Debt Policy requires that the bond proceeds be invested in compliance with VTA's Investment Policy, which is reviewed and reaffirmed by the Board of Directors annually.

The last step of the process is continual disclosure of financial information distributed as appropriate to interested parties annually in accordance with the bond documents. The Debt Policy reiterates VTA's commitment to remain in compliance with the Securities and Exchange Commission (SEC) rules and continually disclosure agreements.

Ms. Lawson commented that a Debt Policy confirms the commitment of the Board, management, staff, advisors, and other decision makers to adhere to sound financial practices including prudent issuance of debt, full and timely repayment of all borrowings, and achieving the lowest cost of capital within prudent risk parameters.

Ex-Officio Board Member Beall suggested that the Debt Policy cover debt issued jointly with other governmental entities, since it is likely to occur where agencies have a relationship with other governmental entities.

Board Member Kniss queried on current bond rating. Mr. Contreras responded that the current 1976 Sales Taxes bond rating is double A, and rating agencies have indicated that VTA would receive a rating in the A category once the Expenditure Plan is in place.

Board Member Kniss asked if other cities and counties have debt policies that enhance their ratings. Ex-Officio Board Member Beall stated "yes". Peter Ross, Financial Adviser, commented that most major issuers of debt, such as the City of San Jose and major transit agencies like BART, have debt policies and noted that debt policies are common practices.

Board Member Kniss stated that it is important for the Board to be aware of their role and obligation related to the Debt Policy.

Board Member Kennedy expressed support for VTA to be proactive in its approach to establish a Debt Policy.

Board Member Kerr referenced Page 3 of 9, paragraph V.A.3. Other Kinds of Debt and Financing Transactions, noting the phrase "VTA may issue debt secured by other revenues (e.g., farebox revenues) or by its general credit, or engage in financial lease transactions, if appropriate for the funding need being addressed." Board Member Kerr expressed concern about the issuing of debt secured against VTA's farebox revenues and suggested that it not be included in the Debt Policy. Mr. Contreras responded that the issuance of debt secured by other revenues is to provide flexibility and additional security with the use of different enhancements in order to receive a better rating or interest rate.

Board Member Kerr commented that swap agreements provide VTA with an advantage in the market between tax-exempt bonds and non tax-exempt bonds by creating a synthetic fixed rate and save money related to U.S. Tax Laws.

Mr. Contreras stated that the information was correct, noting that the Bay Area Toll Authority, California Housing Finance Agency, Los Angeles (LA) County Metropolitan Transportation Authority, and Metropolitan Water District of Southern California are local transportation agencies and authorities that have entered into interest rate swap agreements to take advantage of this type of financing.

Board Member Kerr stated that it is appropriate for VTA to have a Debt Policy that would address the issues related to the appropriateness of debt and when it is appropriate to pay-as-you-go and/or bond. Board Member Kerr stressed the need to address those issues and noted that the A&F Committee requested that staff provide additional information on the policy and procedures of the issuance of bonds.

Board Member Williams stated that the Debt Policy is designed to provide and establish guidelines and provide VTA with a better position in the market.

Board Member Perry cautioned the Board about the proposed idea to issue debt secured against VTA's farebox revenues due to risks. He expressed concern regarding the appropriateness of issuing debt over the useful life of an asset. He cautioned that the constant use of bonding would cause VTA to focus on paying the debt instead of providing new services within the organization. He also noted similar objections to use long-term debt to fund the unfunded actuarial liabilities.

Board Member Perry suggested that the Debt Policy should have a limit on the organization's indebtedness. He cautioned the Board regarding the risks involved in swap agreements and the risk of lowering VTA's bond rating below A, noting that a minor crisis could result into a major one.

Chairperson Williams stressed the importance of being proactive, identifying opportunities to complete more projects, and taking advantage of creative financing strategies, which would benefit the organization.

Board Member Gage commented that the reality is that bonding is necessary for VTA to complete the 2000 Measure A Program projects since construction costs will escalate as projects are deferred to later years for completion. The key is to have a process in place, noting that everything involves risks and there are normal risks involved in conducting normal business with anything.

Board Member Sandoval commented that risks are a part of our everyday lives, but governmental boards must seriously consider the risks involved. Board Member Sandoval expressed support for approving a Debt Policy, noting that the policy should have a limit to the agency's indebtedness.

Mr. Allmand commented that there are risks on any particular issue, but a Debt Policy is a sound business practice. He noted that the term "may" is used throughout the Debt Policy, which means in a particular case VTA may or may not do certain things. Mr. Allmand stated that each debt issuance must and would be forwarded to the Board for consideration.

Chairperson Chavez requested that staff continue on with the presentation for Agenda Item # 29.

Board Member Kniss requested clarification if the items would be moved forward for action at the June 15, 2006 Special Board Meeting. Chairperson Chavez responded that the Board Members agreed to move the items forward for discussion this evening and

then determine whether or not to consider the deferral to the June 15, 2006 Board of Directors Meeting as part of the action.

29. 2006 Sales Tax Revenue Bonds-secured by 2000 Measure A Sales Tax

Ms. Lawson provided an overview on the 2006 Sales Tax Revenue Bonds – secured by 2000 Measure A Sales Tax. Ms. Lawson commented that the recommendation is for the consideration to approve bonds secured by 2000 Measure A in the amount not to exceed \$440 million for the primary purpose to refund 2000 Measure A bonds issued in 2003 and 2004. The bonds issued in 2003 and 2004 were three series of Measure A Sales Tax Revenue Bonds, which were used to refund a 2002 note advancing reimbursement to the VTA Enterprise Fund for the payment of Debt Service on 2001 Bonds to fund the preliminary engineering cost for the BART extension, conceptual design, and preliminary engineering costs for the Downtown East Valley (DTEV) Transit Improvement Program, and to purchase the right-of-way for BART extension and Caltrain.

Ms. Lawson stated that the Measure A bonds issued in 2003 and 2004 have a mandatory tender date for purchase of these obligations on October 2, 2006. The mandatory tender requires that VTA repurchase the bonds from the existing bondholders and either remarket or refund the bonds. If there is a failure to remarket or refund the 2000 Measure A bonds on the mandatory tender date, VTA would be required to pay a long-term interest rate currently calculated as approximately 8 percent plus an additional \$2 million to \$2.5 million for bond insurance premium. Staff recommends refunding the bonds, which will allow VTA to re-amortize the outstanding debt and take advantage of low long-term rates and finance the re-issuance costs related to the transaction.

Ms. Lawson commented that \$371 million would be used to refund VTA's 2003 and 2004 Measure A Bonds; \$45 million would be used to fund additional 2000 Measure A Projects; and \$24 million would be used for the cost of issuance and potential debt service reserve fund.

Ms. Lawson noted that \$50 million of the \$440 million of the 2000 Measure A Bonds would be used to reimburse the VTA Enterprise Fund and would remain in a variable rate mode related to prior debt service on the bonds and is required pursuant to tax code to be repaid as soon as practical.

Ms. Lawson continued that \$140 million of the \$440 million of the 2000 Measure A Bonds originally used to finance the BART preliminary engineering costs is anticipated to remain in a variable rate mode or a synthetically fixed rate. VTA requires flexibility with this component since the funds were used for the BART preliminary engineering costs. After the completion of the BART preliminary engineering, staff anticipates submitting an allocation request to the California Transit Commission (CTC) requesting TCRP grant funds. The goal of the proposed structure is to achieve the lowest cost of financing possible while preserving the necessary flexibility to retire bonds relating to VTA's Enterprise reimbursement and TCRP portions in order to meet the requirements of the Federal tax law.

Staff recommends that the \$250 million remaining portion of the \$440 million of the 2000 Measure A Bonds be a synthetically fixed rate mode. Ms. Lawson continued that the synthetic rate component of the transaction is similar to the transaction used in the 2005 Refunding Transaction.

VTA issues variable rate bonds and pays bondholders a variable interest rate that is reset on a weekly basis. Then VTA enters into one or more swap agreements with counterparties where VTA swaps its variable rate obligation for a fixed rate obligation. Ms. Lawson stated that the variable rate VTA pays the bondholders and the variable rate VTA receives from the counterparties are designed to essentially offset each other so leaving VTA with a "synthetic" fixed rate. Synthetic fixed rates provides protection against rising short-term rates. The issuance of synthetically fixed rate bonds would allow VTA to borrow at an estimated interest rate of 4.04 percent in the current market as compared with approximately 4.64 percent for a traditional fixed interest rate. The lower synthetically fixed rate would produce an annual savings of approximately \$1.2 million or \$21 million net present value savings to the Measure A Program.

Ms. Lawson noted that synthetically fixed rate bonds are subject to counterparty, basis, and tax risks.

Ms. Lawson commented that counterparty risk is related to VTA bearing the risk that the counterparty would not be able to make its offsetting payments to VTA. VTA would mitigate the counterparty risk by diversifying the swap with highly rated counterparties as required by the VTA Interest Rate Swap Policy and VTA would include downgrade provision, which require the affected counterparty to post collateral in the event of rating downgrades and interest rates rise.

Ms. Lawson commented that basis risk is the potential mismatch between the variable rate payments VTA would pay on the 2006 Bonds and the variable rate payments received from the counterparties. VTA bears the risk that the variable rate payments it receives may be less than the variable rate it pays. Ms. Lawson commented that the interest rate that VTA pays to the bondholders is a tax-exempt rate and the payments that VTA receive from the counterparties are based on a percentage of a taxable rate. VTA would mitigate the basis risk by first, VTA's swap payments would be based on a swap formula that closely matches the historical trading value of VTA's variable rate bonds in all markets; and secondly, VTA would create a "basis stabilization" fund, which would allow VTA to offset shortfalls in swap receipts with any positive payments received.

Board Member Campos and Ex-Officio Board Member Beall
left the meeting at 9:15 p.m.

Ms. Lawson commented that tax risk is the risk of a change in tax law, such as a lower marginal tax rate, which could cause the value of VTA's tax-exempted bonds to decline or have no value, in turn, creating a basis risk. VTA would mitigate tax risk by VTA's ability to terminate at market value at any time.

Board Member Gage left the meeting at 9:16 p.m.

Board Member Kerr queried about the termination risk if VTA's rating changed. Ms. Lawson responded that VTA would mitigate the termination risk through bond insurance, which gives VTA a triple A rating. Mr. Ross noted that both VTA and the bondholder would have to be downgraded to a triple B rating level, which is highly unlikely, so the termination risk due to a counterparty is offset by the fact that VTA's swap payments are insured by a triple A insurance company.

Board Member Perry asked if bond insurance was purchased over the life of the bond. Mr. Ross responded, "yes".

Board Member Perry asked if the bond insurance rate changes over time based on the performance of the agency. Board Member Perry asked if VTA pays bond insurance premiums once at the beginning and if the insurance rate does not change over the life. Mr. Ross responded that the bond insurance premium is paid at the beginning and that the insurance company takes the risk that the agency rating will drop.

Ms. Lawson commented that the Bay Area Toll Authority is one of the local transportation authorities that have participated in interest rate swap agreements.

Ms. Lawson continued that the proposed schedule related to the financing documents have been forwarded to the Board for consideration tonight followed by rating agency presentations in mid June 2006 and the issue of bonds in mid July 2006. VTA must issue long-term refunding bonds no later than September 1, 2006, in order to provide sufficient noticing to the current bondholders of VTA's plans.

Board Member Perry queried about the \$45 million for the new project expenditures since the Expenditure Plan has not been determined. Mr. Burns responded that the \$45 million is identified for clearing the Union Pacific Railroad (UPRR) right-of-way for the BART Project, which is the completion of the agreement between VTA and UPRR. Mr. Burns stated that the Expenditure Plan would be forwarded to the June 15, 2006, Special Board Meeting for consideration.

Board Member Perry queried about the additional 2000 Measure A Program projects that would be funded with \$45 million from the bond proceeds. Mr. Burns responded that a list of the projects would be distributed to the Board, which include right-of-way for BART Extension and Caltrain and VTA's portion of the Dumbarton Rail Corridor Project Study.

Board Member Perry queried if there were limits on the number of swaps an agency could complete. Mr. Ross responded that there is no limit, but it should be a reasonable amount.

Vice Chairperson Chu queried about the Interest Rate Bond Policy. Mr. Burns responded that the Board adopted the policy in May 2005, and staff would distribute the information to the Board.

Ex-Officio Board Member McLemore expressed appreciation to staff for the excellent presentation on the Bond issues. Ex-Officio Board Member McLemore queried on the

process regarding the bond issuances. Ms. Lawson responded that VTA's management team consisting of Bank of America, Citigroup, Goldman Sachs and Morgan Stanley will underwrite the 2006 Bonds. For the synthetic fixed rate portion, simultaneously with the issuance of the 2006 Bonds, VTA will enter into a floating to fixed interest rate swaps with Bank of America, Citigroup, Goldman Sachs and Morgan Stanley as swap providers and counterparties. Under the interest rate swaps, VTA will receive from the counterparties variable rate payments based on a percentage of a London Interbank Offering Rate (LIBOR) index.

Board Member Kennedy left the meeting at 9:35 p.m.

Board Member Williams moved to adopt the Debt Policy.

Board Member Kerr requested to include the amendment to eliminate the concept of bonding against VTA's farebox revenues.

Board Member Williams requested that staff report back on the implications of eliminating the concept of bonding against VTA's farebox revenues.

Board Member Sandoval stressed the importance for a Board Workplan schedule to be forwarded to the Board to provide a timeline for further Board discussion on these issues. Mr. Burns responded that the Debt Policy is a dynamic process that will be reviewed annually by the Board.

Board Member Perry stressed the importance of addressing the concerns and issues regarding the debt limit, appropriateness of debt issuance, bond insurance, and other issues related to the Debt Policy.

Board Member Kniss stressed the importance for the Board to take the time to continue discussions regarding the Debt Policy.

Vice Chairperson Chu stated that he would not support the motion, noting that a Board Workplan schedule is necessary to provide a timeline for Board discussion. He requested that a copy of the Interest Rate Bond Policy be distributed to the Board when the Debt Policy is forwarded to the Board for consideration. Mr. Burns responded that staff would distribute the information to the Board.

Board Member Kerr requested that staff provide clarification whether or not bond insurance was always included in interest rate swaps and bond transactions. He further requested that staff provide a revised copy of the Debt Policy without the proposal to issue debt on VTA's farebox revenues and that staff provide a list of the additional 2000 Measure A Projects involved in the \$45 million including projects that utilize grant funds.

Board Member Williams withdrew the motion to adopt the Debt Policy due to the concerns and request from the Board for additional time for further discussion on the policy.

Chairperson Chavez requested that staff work to address the key issues related to the Debt Policy including a debt ceiling. She further requested that staff inform the Board of the items that will require additional time to address so that the Board may decide if the schedule provides adequate time for Board discussion.

Chairperson Chavez requested that staff provide a list of the additional projects included in the 2000 Measure A Program and where the funding is coming from and imbedded in, since VTA does not have an approved Expenditure Plan, noting that the Board has an older plan they have been working off. Mr. Burns responded that staff will distribute the requested information.

Chairperson Chavez deferred action on Agenda Items # 28. and # 29. to the June 15, 2006 Special Board Meeting and requested that staff provide the Board with the information requested before the meeting.

M/S/C (Perry/Sandoval) to defer the Debt Policy, which establishes guidelines for the issuance and management of VTA's debt to the June 15, 2006 Special Board Meeting. Board Member Williams opposed.

M/S/C (Perry/Sandoval) to defer a resolution authorizing the General Manager or Chief Financial Officer to take all necessary actions, enter into agreements and execute documents for VTA to issue bonds in a par amount not to exceed \$440 million (2006 Bonds), the proceeds of which will refund VTA's 2003A, 2004A and 2004B Measure A Sales Tax Revenue Bonds, fund additional 2000 Measure A Projects and pay the cost of issuance; and, further authorize the General Manager or Chief Financial Officer to enter into one or more interest swap agreements to the June 15, 2006 Special Board Meeting. Board Member Williams opposed.

30. Receive an update on current status of the Federal Disadvantage Business Enterprise Program (DBE)

Thomas Smith, Purchasing and Materials Manager, reported that as a result of the 9th Circuit Court of Appeals decision in the Western States Paving Co., Inc. is that California Department of Transportation (Caltrans) has directed that they and subrecipients of Federal Highway Administration (FHWA) funds must implement a race neutral DBE Program pending the results of a more comprehensive study of the facts. Since VTA is a subrecipient of FHWA grant funds for highway projects from Caltrans, VTA must immediately adopt an interim race-neutral DBE Program for all future projects funded by Caltrans.

Mr. Smith continued that VTA would be obligated as an FHWA subrecipient to follow the Caltrans program or be deemed ineligible to receive highway funds. He noted five potential projects in which VTA must not apply a DBE goal. VTA could establish an Availability Advisory Percentage on each contract with the intent to ensure that prime contractors are aware of and encouraged to utilize DBE subcontractors. VTA cannot deny the low bidder the award of the contract if the low bidder does not achieve the

Availability Advisory Percentage. Mr. Smith stated that failure to follow Caltrans' directions would jeopardize future federal grant funds for VTA projects.

Mr. Smith commented that VTA is working with SamTrans, San Francisco Muni, BART, and other Bay Area transportation agencies to select a consultant to perform the disparity study since this is the only way that VTA could develop the required data that would demonstrate discrimination in contracting and allow VTA to resume a race-conscious DBE program. Mr. Smith stated that due to the complexity of the study and the importance of having the results meet the requirements, it is presently anticipated that the consultant would complete the study by March of 2007. If current projections are achieved, then VTA should be in a position to reestablish a race-conscious program for submission to the FTA and FHWA for fiscal year 2008.

Mr. Smith stated that VTA's intention is to be proactive and encourage the minority contracting community to fully participate in the disparity study. Mr. Smith noted that many of the firms are small, frequently under staffed, and often not motivated or prepared to provide evidence of discrimination in contract. VTA believes that it would be viable for the firms to be heard and to speak to the experiences that they have had in obtaining work in a race-neutral contracting environment.

VTA has identified the minority contracting firms from its DBE database, and it is VTA's intention to work with them to ensure that their experiences are heard and included in the disparity study. Mr. Smith noted that VTA is contacting various minority Chamber of Commerce to elicit their input and assist them with encouraging minority contractors to participate fully in the disparity study. Mr. Smith stated that VTA is committed to doing everything possible to support the minority contracting DBE to return to a race conscious DBE Program as soon as possible.

Chairperson Chavez requested an update on the outreach efforts regarding the DBE Program at the August 3, 2006 Board of Directors Regular Meeting.

M/S/C (Williams/Kerr) to receive an update on current status of the Federal Disadvantage Business Enterprise Program (DBE).

31. **Resolutions of Necessity for the State Route 152/156 Improvement Project – Properties Owned by: Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al**

~~Resolutions of Necessity determining that the public interest and necessity require the acquisition of fee and utility easement property interests from three parcels of land owned by Blackburn Farms III, L.P., Louis A. Scaglione Jr. and Louis A. Scaglione Jr., et al, located near Gilroy, for the State Route 152/156 Improvement Project. (NOW ITEM # 2.3)~~

**CONGESTION MANAGEMENT PROGRAM AND PLANNING COMMITTEE
CHAIRPERSON'S REPORT – (See Agenda Item # 39.B.)**

32. Freeway Litter Control and Landscape Maintenance Program – Final Report

M/S/C (Williams/Cortese) to adopt the Final Report of the Litter Control and Landscape Maintenance Program and its recommendations, including visual standards and initiation of a demonstration project, and formation of an oversight committee.

Board Member Kniss expressed appreciation and thanked staff for their diligent work.

33. Gilroy Community-Based Transportation Plan

M/S/C (Cortese/Kniss) to review the Gilroy Community-Based Transportation Plan.

<p style="text-align: center;">TRANSIT PLANNING AND OPERATIONS COMMITTEE CHAIRPERSON'S REPORT – (See Agenda Items # 39.C.)</p>

34. Dumbarton Bridge Express Fare Adjustments and Service Changes

Board Member Sandoval advised the Board Members that an updated Memorandum was on the dais. Board Member Sandoval noted that the Transit Planning and Operations (TP&O) Committee discussed the item at their May 22, 2006 meeting without providing a recommendation. The TP&O Committee did not comment on the proposed fare increase, but requested that staff provide additional information on the ridership and costs of the tow routes provided by the Dumbarton Bridge Express service. Board Member Sandoval noted that the DB route operates through local streets to serve the Palo Alto Caltrain Station and the DB1 route uses Highway 101 and Oregon Expressway.

Board Member Sandoval noted that staff distributed the ridership information to the Board Members via electronic mail (e-mail), noting that the DB route exclusively serves Menlo Park, Downtown Palo Alto, the Caltrain Station, and El Camino Real, which generates 40 to 45 percent of the total daily ridership. The DB route is the longer and more expensive route and primarily provides service for individuals to go to work in downtown Palo Alto.

Mr. Grace expressed support that VTA is working collaboratively with the Alameda Contra Costa Transit District (AC Transit), San Mateo County Transit District (SamTrans), BART, and Union City on the Dumbarton Bridge Express Service.

Board Member Perry expressed appreciation and thanked staff for their diligent work on the graphics. Board Member Perry stated that the information was helpful to the TP&O Committee.

Board Member Sandoval thanked staff for their diligent work and collaboration with AC Transit, SamTrans, BART, and Union City with the Dumbarton Bridge Express Service.

M/S/C (Sandoval/Cortese) to approve fare adjustments for the Dumbarton Bridge Express Service, effective August 28, 2006 and receive information on minor service changes.

35. Santa Clara County Sheriff's Department contract with VTA

Board Member Sandoval commented that at the May 22, 2006 the TP&O Committee recommended amending the current agreement with the Santa Clara County Sheriff's Department contract for one additional year for an amount of \$3,237,975. She noted that after the performance audit, the Board of Directors could determine if changes need to be considered regarding the contract with the Santa Clara County Sheriff's Department.

M/S/C (Sandoval/Kniss) to authorize the General Manager to amend the current agreement with the County of Santa Clara for law enforcement services provided by the Santa Clara County Sheriff's Department for one additional year (from July 1, 2006 through June 30, 2007) by \$3,237,975 resulting in a total estimated contract value of \$27.24 million.

Board Member Kniss left the meeting at 10:00 p.m.

OTHER ITEMS

36. (Deferred to the June 15, 2006 Special Board Meeting.)

Accept the findings of the Southern Gateway Transportation and Land Use Study.

37. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

38. LEGISLATIVE REPORT

On order of Chairperson Chavez, there being no objection, the Legislative Report was accepted as contained in the Agenda Packet.

39. SUMMARY MINUTES FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Chavez, there being no objection, the Administration and Finance Committee Report was accepted as contained in the Agenda Packet.

B. Congestion Management Program and Planning Committee

On order of Chairperson Chavez, there being no objection, the Congestion Management Program and Planning Committee Report was accepted as contained in the Agenda Packet.

C. Transit Planning and Operations Committee

On order of Chairperson Chavez, there being no objection, the Transit Planning and Operations Committee Report was accepted as contained in the Agenda Packet.

40. REPORTS FROM AD HOC COMMITTEES

A. Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force

Chairperson Chavez requested that the RIDE Task Force Report be forwarded to the Board Members.

On order of Chairperson Chavez, there being no objection, the Ridership Initiative to Develop Energy-Efficiency (RIDE) Task Force Report was accepted.

B. Project Advisory Committee (formerly referred to as the Project Priority and Revenue Advisory Committee)

Vice Chairperson Chu provided a brief overview of the Project Advisory Committee and noted that two meetings were held in May. The first meeting was held on May 11, 2006 at the VTA Auditorium in San Jose. In attendance were Directors Gage, Sandoval, Williams and himself.

Vice Chairperson Chu provided a report on the May 11, 2006 Meeting, highlighting that the Committee received a report on the: 1) Questions raised at the prior meeting; 2) Light rail travel times on the system; 3) Comparative costs of Earth Pressure Balance Tunnel Boring Machines; 4) Downtown East Valley Projects and the Vasona Extension; 5) Bus Rapid Transit (BRT); 6) Line 522 Rapid Bus Project; and 7) Airport People Mover (APM) Project from Hans Larsen, Deputy Director of Transportation, City of San Jose and Dave Moss, Deputy Director of Airport Planning, San Jose Mineta International Airport.

Vice Chairperson Chu commented that the Committee discussed the regional significance of the connection and the two approaches to the airport that are being considered. The approach from Santa Clara Station to the airport is the project described in the recommended VTA Scenario. The second approach from North First Street is not included in the Scenario but may be planned/constructed together with the VTA project for cost efficiencies. Vice Chairperson Chu noted that there was extensive discussion on the projects, their funding, and operation.

Vice Chairperson Chu noted that Palo Alto Vice Mayor and PAC Member Yoriko Kishimoto addressed the Committee. She spoke in support of advancing Caltrain projects, the Palo Alto Intermodal Center, and the need for grade crossings in the City of Palo Alto.

Vice Chairperson Chu advised the Board Members that letters from City Representatives in Supervisorial District 4 and from the cities of Gilroy, Morgan Hill, and Milpitas were on the dais regarding identifying priorities for the Measure A Program.

Board Member Sandoval commented on the Project Advisory Committee's second meeting, which was held on May 25, 2006 in the City of Santa Clara City Council Chambers. In attendance were Directors Gage, Williams and Sandoval where Director Sandoval was designated Chairperson by consensus.

Board Member Sandoval provided a brief report on the May 25, 2006 Meeting, highlighting that the Committee received a report on the: 1) Pavement Management Program; 2) Recommended VTA Scenario's 12 percent and 24 percent service increases, and 3) the BRT project.

Board Member Sandoval requested that Board Members forward any outstanding projects and/or suggestions to the Committee before the June 8, 2006 Project Advisory Committee Meeting. Board Member Sandoval reminded the Project Advisory Committee of their commitment to complete a recommendation on the Scenario that will be forwarded to the Board Members for consideration at the June 15, 2006 Special Board Meeting.

Vice Chairperson Chu noted that the next Project Advisory Committee Meeting will be held in the City of Mountain View Council Chambers at 5:30 p.m. on Thursday, June 8, 2006.

On order of Chairperson Chavez, there being no objection, the Project Advisory Committee Report was accepted.

41. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Chavez, there being no objection, the Committee for Transit Accessibility (CTA) Report was accepted as contained in the Agenda Packet.

B. Citizens Advisory Committee (CAC)

On order of Chairperson Chavez, there being no objection, the Citizens Advisory Committee (CAC) Report was accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Chavez, there being no objection, the Bicycle and Pedestrian Advisory Committee (BPAC) Report was accepted as contained in the Agenda Packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Chavez, there being no objection, the Technical Advisory Committee (TAC) Report was accepted as contained in the Agenda Packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Chavez, there being no objection, the Policy Advisory Committee (PAC) Report was accepted as contained in the Agenda Packet.

42. REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS

Chairperson Chavez advised the Board Members that the Reports from the Joint Powers Boards (JPBs) & Regional Commissions were placed in front of them on the dais.

A. Peninsula Corridor JPB

On order of Chairperson Chavez, there being no objection, the Peninsula Corridor JPB Report was received.

B. Capitol Corridor JPB

On order of Chairperson Chavez, there being no objection, the Capitol Corridor JPB Report was received.

C. Dumbarton Rail Corridor Policy Committee

On order of Chairperson Chavez, there being no objection, the Dumbarton Rail Corridor Policy Committee Report was received.

D. Metropolitan Transportation Commission (MTC)

On order of Chairperson Chavez, there being no objection, the Metropolitan Transportation Commission (MTC) Report was received.

43. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs) & TASK FORCE

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor PAB

On order of Chairperson Chavez, there being no objection, the Silicon Valley Rapid Transit Corridor PAB Report was accepted as contained in the Agenda Packet.

C. Downtown East Valley PAB

On order of Chairperson Chavez, there being no objection, the Downtown East Valley PAB Report was accepted as contained in the Agenda Packet.

There was no report from the Downtown East Valley PAB.

D. Highway PAB – South

There was no report from the Highway PAB – South.

E. I-680 Sunol SMART Carpool Lane Policy Advisory Committee

There was no report from the I-680 Sunol SMART Carpool Lane Policy Advisory Committee.

44. REPORT FROM CHAIRPERSON

There was no report from the Chairperson.

45. ANNOUNCEMENTS

There were no Announcements.

46. ADJOURNMENT

On order of Chairperson Chavez, there being no objection, the meeting was adjourned at 10:05 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors