



BOARD OF DIRECTORS MEETING

Thursday, February 5, 2009

MINUTES

CALL TO ORDER

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

1. ROLL CALL

Attendee Name	Title	Status	Arrived
Nora Campos	Alternate Board Member	Absent	
David Casas	Board Member	Present	
Dominic Caserta	Board Member	Present	
Dean Chu	Ex-Officio Board Member	Present	
Don Gage	Board Member	Present	
Rose Herrera	Board Member	Present	
Ash Kalra	Board Member	Present	
Yoriko Kishimoto	Board Member	Present	
Liz Kniss	Board Member	Present	
Bob Livengood	Alternate Board Member	Present	
Chris Moylan	Alternate Board Member	Absent	
Chuck Page	Alternate Board Member	Absent	
Nancy Pyle	Board Member	Present	
Chuck Reed	Board Member	Present	
Greg Sellers	Board Member	Present	
George Shirakawa	Alternate Board Member	Absent	
Ken Yeager	Ex-Officio Board Member	Present	
Sam Liccardo	Vice Chairperson	Present	
Dolly Sandoval	Chairperson	Present	

* Alternates do not serve unless participating as a Member.

A quorum was present.

2. RECESSED TO CLOSED SESSION at 5:36 p.m.

A. Anticipated Litigation--Conference with Legal Counsel

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (Three cases)

B. Public Employee Performance Evaluation

[Government Code Section 54957]

Title: General Manager

RECONVENED TO OPEN SESSION at 6:15 p.m.

3. CLOSED SESSION REPORT

A. Anticipated Litigation--Conference with Legal Counsel

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (Three cases)

There was no reportable action taken during Closed Session.

B. Public Employee Performance Evaluation

[Government Code Section 54957]

Title: General Manager

There was no reportable action taken during Closed Session.

4. ORDERS OF THE DAY

There were no Orders of the Day.

5. AWARDS AND COMMENDATIONS

A. Resolution of Commendation for Assembly Member Sally Lieber

Chairperson Sandoval noted Assembly Member Sally Lieber was unable to attend.

M/S/C (Gage/Liccardo) to adopt Resolution of Commendation No. 2009.02.07 for Assembly Member Sally Lieber.

The Agenda was taken out of order.

C. Recognize former Interim Chief Financial Officer Jerry Mikolajczyk

Vice Chairperson Liccardo reported Mr. Mikolajczyk demonstrated strong leadership and vision that positioned VTA well. He implemented changes within VTA's financial practices to deliver high quality transportation projects and transit services. Mr. Mikolajczyk worked to reduce VTA's debt by \$72 million and improved VTA's credit standing in the financial community.

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

Board Member Reed expressed his appreciation and thanked Mr. Mikolajczyk for his diligent work at VTA.

Chairperson Sandoval presented the Resolution of Commendation to Jerry Mikolajczyk. She expressed the Board's appreciation and gratitude to Jerry Mikolajczyk for his commendable service to VTA.

M/S/C (Gage/Liccardo) to adopt **Resolution of Commendation No. 2009.02.08** to former Interim Chief Financial Officer Jerry Mikolajczyk.

B. Recognize 2008 Board Chairperson Liz Kniss

Vice Chairperson Liccardo reported Board Member Kniss furthered VTA's Board of Directors priorities to ensure fiscal stability and improve operational efficiency within the organization. Board Member Kniss advocated local ballot measures on BART operating costs and VTA's Long Range Transit Plan; lead the Board of Directors in the development of VTA's Vision, Mission, and Value Statements; and celebrated the construction of State Route (SR) 152/156 Interchange Project as well as VTA's Low-Floor Platform Retrofit Project, which provides full accessibility on VTA's light rail system.

Chairperson Sandoval presented a plaque of appreciation to Board Member Kniss and expressed the Board's appreciation and gratitude to former 2008 Board of Directors Chairperson Liz Kniss for her diligent work and excellent service to VTA.

M/S/C (Gage/Liccardo) to recognize 2008 Board Chairperson Liz Kniss.

Board Member Kniss expressed her appreciation and thanked former 2008 Vice Chairperson Dolly Sandoval; Michael T. Burns, General Manager; and Jerry Mikolajczyk, former Interim Chief Financial Officer, for their contributions to the challenges and opportunities within VTA.

Board Member Kniss expressed her appreciation to VTA staff and the Board of Directors for their diligent work and effort, which enabled VTA to be successful in 2008.

Board Member Kniss congratulated Chairperson Sandoval for being elected VTA's Board of Directors Chairperson for 2009.

D. Employees of the Month for February 2009

Chairperson Sandoval recognized and presented an award to Harnam Singh Sidhu, Coach Operator, Chaboya Division for Employee of the Month for February 2009. Adam Burger, Administration Employee Award Winner and Edwin Elisary, Maintenance Employee Award Winner were unable to attend.

6. PUBLIC PRESENTATIONS

Bob Livengood, Mayor of Milpitas and VTA Alternate Board of Director representing City Group 4 – Morgan Hill, Gilroy, and Milpitas, expressed concern regarding the proposed VTA Board Rotation, where the City of Milpitas loses its turn as a regular member of VTA’s Board of Directors in 2010.

Mayor Livengood urged the Board to keep the current schedule and assign the City of Milpitas a regular seat on VTA’s Board in 2010. Mayor Livengood urged the Board not to make any changes to VTA’s Board Rotation until discussions are completed at the Administration and Finance (A&F) Committee and forwarded to the Board of Directors for consideration.

Bill James, Interested Citizen, distributed information on JPods Networks to the Board of Directors. Mr. James urged the Board to consider the alternative transportation, which transports people and cargo at 200-400 miles per gallon.

Michael Ludwig, Interested Citizen, referenced the January 8, 2009 Board of Directors Regular Meeting, Agenda Item #20, regarding the BART Extension project, noting that VTA’s Board is responsible to manage and develop the County’s mass transit system.

Mr. Ludwig urged the Board not to cancel or delay other transportation projects in order to allocate funding for the BART Extension project. He stressed the importance for VTA to expand bus service and extend light rail service to Eastridge Mall, a multi-modal transit center.

Eugene Bradley, Santa Clara VTA Riders Union (SCVTARU), agreed with Mr. Ludwig’s comments. Mr. Bradley expressed concern with VTA’s Proposed July Service Changes to reduce service on Line 88. Mr. Bradley queried on VTA’s method to determine service changes on a line and requested a written response be provided.

Jerry Grace, Interested Citizen, expressed appreciation for being able to attend and participate in VTA’s Board of Directors Regular Meeting. Mr. Grace welcomed the new Board of Directors.

7. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, reported the following:

- VTA system-wide ridership average weekday ridership for December 2008 increased by 4.8 percent as compared to December 2007. Bus average weekday boardings increased by 4.2 percent and light rail average weekday ridership increased by 6.9 percent compared to the same period last year. The following VTA transit partners have experienced increases in weekday ridership: Dumbarton Rail Corridor increased 17 percent, Highway 17 Express increased 15 percent, and Caltrain increased 9 percent;
- VTA and Biggs Cardosa received a Merit Award for design on the State Route (SR) 152/156 Interchange Project. The SR 152/156 Project is 2 months ahead of schedule and under budget;

- VTA and BFK Engineers received an award on the Route 87 High Occupancy Vehicle (HOV) Lane Project. The project addressed various engineering issues and has benefited the community;
- Caltrain meet with the High Speed Rail (HSR) Authority in an effort to work collaboratively to develop a project management team to coordinate the HSR project;
- Vote on the State Budget is scheduled for next week;
- VTA has strategies in place to address the lower sales tax revenues and is working toward a balanced budget for Fiscal Year (FY) 2010 and FY 2011, while maintaining VTA's reserves; and
- VTA Board of Directors Workshop Meeting scheduled on Friday, February 27, 2009 at 9:00 a.m. to discuss the Measure A two-year budget, stimulus package, and near term budgets.

Ex-Officio Board Member Yeager referenced the Caltrain HSR meeting and stressed the importance for VTA's Government Affairs staff to coordinate with the lobbyist to ensure discussions on the HSR are conducted at the State level.

Board Member Kishimoto noted support of the HSR project management team and stressed the importance to conduct extensive community outreach.

Board Member Kishimoto noted the importance for the group of cities to negotiate a Memorandum of Understanding (MOU) to allow the opportunity to provide input on the urban design of the joint project.

Eugene Bradley, SCVTARU, expressed appreciation and congratulated VTA on the increase in transit ridership.

8. REPORT FROM THE CHAIRPERSON

Chairperson Sandoval congratulated Ex-Officio Board Member Chu on his appointment to the VTA as Council Member representing the City of Sunnyvale.

Chairperson Sandoval noted Board Member Kishimoto's schedule conflict with the March 20, 2009 Joint VTA and BART Meeting. Chairperson Sandoval requested the Board Members notify her or Michael T. Burns, General Manager, on their attendance status for the meeting.

Chairperson Sandoval announced and encouraged everyone to participate on Friday, February 6, 2009 National Wear Red Day to raise awareness of heart disease, which is the number one killer of women.

A. Appointment for 2009 Committee for Transit Accessibility (CTA)

M/S/C (Caserta/Kishimoto) to approve the appointment of Chuck Reed as the Board Liaison for 2009 Committee for Transit Accessibility (CTA).

9. Citizens Advisory Committee (CAC) Chairperson's Report

There was no Citizens Advisory Committee (CAC) Chairperson's Report.

10. Policy Advisory Committee (PAC) Chairperson's Report

There was no Policy Advisory Committee (PAC) Chairperson's Report.

CONSENT AGENDA

Board Member Reed recused himself per Government Code Section 84308 from the following Consent Agenda Items: **Agenda Items #11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21.**

Board Member Reed recused himself and left his seat at 6:50 p.m.

Agenda Item #21, Authorize the General Manager to execute a contract with Pavex Construction, the lowest responsible bidder, in the amount of \$13,167,925 for the construction of grading and track crossing improvements along the Union Pacific Railroad corridor between San Jose and Gilroy.

Board Member Kishimoto requested that staff confirm Caltrain Double Tracking Project would not conflict with the High Speed Rail (HSR) alignment. Michael T. Burns, General Manager, confirmed there is no conflict between the project and HSR.

Board Member Sellers stated there are many challenges within the corridor; however, the Caltrain Project will be adjacent to the alignment so there will not be direct contact between HSR.

Board Member Caserta abstained from the following Consent Agenda Item: **Agenda Item #21.**

M/S/C (Gage/Pyle) to approve the Consent Agenda.

11. Regular Meeting Minutes of January 8, 2009

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to approve the Board of Directors Regular Meeting Minutes of January 8, 2009. Board Member Reed recused.

12. Amendment to VTA Unrestricted and Restricted Funds Investment Policy

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to approve recommended changes to the Investment Policy for VTA Unrestricted and Restricted Funds. Board Member Reed recused.

13. Contract for Small Cap Investment Managing Firm

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute an agreement with WEDGE Capital Management, LLP (WEDGE) for the management of the Domestic Small Cap Value Equity portfolio portion of VTA/ATU Pension Plan assets. Board Member Reed recused.

14. General Tech Consulting Contract Authority Amendment

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to increase the contract authority for technology general consulting services by the amount of \$3.9 million for a new total contract authority of \$13.5 million. Board Member Reed recused.

15. Actuarial Valuation of VTA's Other Post Employment Benefits (OPEB) as of July 1, 2008

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to receive the Actuarial Valuation of VTA's Retiree Health Plan as of July 1, 2008. Board Member Reed recused.

16. Memorandum of Understanding to Implement Ramp Metering in Santa Clara County

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to request that the VTA Board of Directors authorize the General Manager to execute a Memorandum of Understanding (MOU) between Santa Clara Valley Transportation Authority (VTA) and California Department of Transportation (Caltrans) defining the management, maintenance, and operations of ramp metering systems in Santa Clara County. Board Member Reed recused.

17. Contract Amendment with Mark Thomas & Company, Inc. for Final Design of the Southbound I-880/Stevens Creek Boulevard Interchange Improvements and Additional Preliminary Engineering Alternatives for the I-280/I-880/Stevens Creek Interchange Project

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute a contract amendment to contract S05056 with Mark Thomas & Company, Inc. for: 1) Phase 2 final design and plans, specifications and estimate (PS&E) services for the southbound I-880/Stevens Creek Boulevard interchange improvements; and 2) additional Phase 1 efforts to complete the Preliminary Engineering and Environmental Document for the I-280/I-880/Stevens Creek Interchange Project. The amendment will increase the approved contract by a not-to-exceed value of \$1,750,000 for a revised contract value of up to \$4,566,025 and will extend the term of the contract through December 31, 2010. Board Member Reed recused.

18. State Route (SR) 152 Interregional Corridor Alignment Study

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute the following actions regarding the SR 152 Interregional Corridor Alignment Study:

- 1) Execute necessary agreements with the State of California, San Benito, Madera and Merced Counties County in order to facilitate the project study and to accept and use State grant funds for the study;
- 2) Approve the programming of \$5 million in Local Program Reserve funds to serve as the local match commitment to fund the Study; and
- 3) Authorize the General Manager to negotiate and amend Contract S07025 with HDR Corporation to perform the preliminary engineering, toll revenue projections, alignment studies and environmental clearance documentation for \$6,500,000 for a new total contract value of \$6,650,000 and extend the term of the contract to December 31, 2012. Board Member Reed recused.

19. Highway-Based Bus Rapid Transit (BRT) Alternatives Analysis Contract Award

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute a contract with Jacobs Engineering Group, Inc., for consulting services to complete an Express Bus Study (Highway-Based Bus Rapid Transit Alternatives Analysis). The contract shall be for a two-year period for a total contract value not to exceed \$750,000. Board Member Reed recused.

20. Measure B Rail Projects – Joint Use and Maintenance Agreements with California Department of Transportation

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute Joint Use and Maintenance Agreements with the California Department of Transportation establishing maintenance responsibilities and use of properties and facilities related to the 1996 Measure B Rail Projects. Board Member Reed recused.

21. Caltrain South County Improvements – Contract Award for Construction of Union Pacific Railroad (UPRR) Grading and Crossing Improvements

M/S/C (Gage/Pyle) on a vote of 10 Ayes, 0 Noes, 1 Abstention, and 1 Recusal to authorize the General Manager to execute a contract with Pavex Construction, the lowest responsible bidder, in the amount of \$13,167,925 for the construction of grading and track crossing improvements along the Union Pacific Railroad corridor between San Jose and Gilroy. Board Member Caserta abstained. Board Member Reed recused.

Board Member Casas recused himself per Government Code Section 84308 from the following Regular Agenda Items: **Agenda Items #22, 23, and 24.**

Board Member Casas recused himself and left his seat at 6:55 p.m.

REGULAR AGENDA

22. Contract for Armed and Unarmed Security and Protective Services

Michael Hursh, Operations Deputy Director, directed attention to the revised memorandum, which contains a chart regarding the contract security cost by fiscal year. Mr. Hursh reported that currently VTA utilizes contract services for armed and unarmed security and protective services with the County of Santa Clara Office of the Sheriff Transit Patrol Division and VTA's private security contractor, Securitas Security Services USA, Inc.

Mr. Hursh reported the current contract with Securitas Security Services USA, Inc. expires on February 28, 2009, therefore, VTA issued a Request for Proposal (RFP) on September 12, 2008 for security and protective services. VTA received ten proposals from security firms, which were reviewed by a six member review board. The written proposals were evaluated based on the following criteria: qualification of the firm, staffing and project organization, demonstrated understanding of the project, local firm preference, and cost and price. The four top firms were selected for oral interviews and AlliedBarton Security Services was selected based on qualifications and pricing. Mr. Hursh noted AlliedBarton Security Services was the lowest responsible bidder.

Mr. Hursh reported AlliedBarton Security Services has considerable transit security services experience with the Metropolitan Transportation Authority (MTA) in New York, Houston Metropolitan Transit Authority (METRO) in Texas, and Charlotte Area Transit System (CATS) in North Carolina, as well as providing security services to local companies within California.

AlliedBarton has a business office located in San Jose with a 24 hour per day, 7 days per week dispatch operation, and a 24 hour customer care center. The contract is expected to save approximately \$360,000 per year over the current contract agreement for security and protective services.

Mr. Hursh introduced Chief Steve Cader, AlliedBarton Security Services Project Manager, noting Mr. Cader's background history, education, and extensive experience in law enforcement, security, and protective services.

He noted AlliedBarton's training components, noting that armed security officers must pass an adult personality inventory, pass a psychological screening, pass a live scan background check, complete 32 hours of security training on general principles, complete 16 hours of firearm and baton training, complete 8 hours of company specific training, complete 15 days on the job training with a trainer, complete ongoing qualification requirements with a weapon four times in two years, and complete monthly training programs conducted by supervisors.

Chief Cader stated that AlliedBarton works diligently to establish training standards that go beyond the state minimum qualifications.

Board Member Pyle queried about the rating score points. Mr. Hursh responded the process included a comprehensive scoring criteria process.

Board Member Kniss queried about the armed training program. Chief Cader responded that law enforcement administrators and AlliedBarton view the use of armed deadly force seriously. Chief Cader stated AlliedBarton has extensive training programs and adheres to the qualifications and requirements of the State of California related to armed security officers.

Upon query from Board Member Gage, Chief Cader responded AlliedBarton armed security officers receive approximately 200 hours of classroom training adhering to law enforcement standards.

Board Member Kniss expressed concern and requested the item be deferred one month to allow time for additional information to be presented to the Board of Directors.

Upon query from Board Member Herrera, Chief Cader responded AlliedBarton recruiters work diligently to hire the best candidates and acquire a diverse workforce.

Board Member Kalra queried about the primary function of the armed security officers. Mr. Hursh responded armed officers are primarily responsible for revenue collections, cash transfers, and are assigned to VTA's Downtown Customer Service Center.

Board Member Kalra queried about the evaluation criteria used to determine whether the General Manager will authorize the contract extension. Mr. Hursh responded staff will monitor and evaluate AlliedBarton's performance then based on the information, the General Manager will consider extending the contract with AlliedBarton.

Board Member Sellers queried about the transition between Securitas Security Services USA, Inc. and AlliedBarton Security Services. Mr. Hursh responded in the security and protective services industry it is common that security staff will move from the current vendor to work for the proposed new vendor.

Mr. Grace, Interested Citizen, asked how many guards are assigned at each station. Mr. Hursh responded officers are assigned based on ridership patterns and activities.

Mr. Grace referenced the Great Mall Station platform where he witnessed a theft of personal property, noting the importance to increase the number of assigned officers to this specific location. Chairperson Sandoval responded officers are assigned to the stations and stressed the importance for customers to contact VTA's Customer Service to report incidents.

M/S/C (Pyle/Caserta) on a vote of 9 Ayes, 0 Noes, 1 Abstentions, and 2 Recusals to authorize the General Manager to execute a contract with AlliedBarton Security Services to provide armed and unarmed security and protective services for all VTA facilities, selected transit centers, light rail station platforms, and bus and light rail vehicles. The term of the contract is three years with two one-year options in the amount of \$11,065,000 for the first three years of the contract, which includes a one-time cost of \$85,000 for orientation and transitional expenses, 3 percent of direct labor cost for overtime and holidays per year, and \$30,000 per year for expenses due to unanticipated events requiring additional security services. Further, authorize the General Manager, at his discretion, to exercise the two one-year options for an amount of \$7,876,000 for the

optional fourth and fifth years of the contract, which also includes 3 percent of direct labor for overtime and holidays per year, and \$30,000 per year for unanticipated events. If the option years are executed, the total amount of this contract is \$18,941,000. Board Member Kniss abstained. Board Members Casas and Reed recused.

Board Member Reed took his seat at 7:25 p.m.

23. 2009 Federal Economic Stimulus and Infrastructure Program

Michael T. Burns, General Manager, directed attention to Attachment B – American Recovery & Reinvestment Act 2009 regarding the Local Streets & County Roads Project List for Santa Clara County. Mr. Burns reported on the Federal Economic Stimulus, noting the information is based on the bill that was approved by the House of Representatives and now is currently in discussion with the Senate.

Mr. Burns stressed the importance for VTA to be ready and in a position to move forward with the project list for Santa Clara County when funding for transportation infrastructure becomes available.

Board Member Gage expressed concern, noting the information is not viable and suggested the Board receive the information after the final version of the stimulus bill is approved. Chairperson Sandoval stressed the importance for the Board Members to discuss the item in order for staff to develop and submit the project lists to the appropriate agencies within the deadline timeframe.

Board Member Gage left his seat at 7:30 p.m.

John Ristow, Chief CMA Officer, noted the need for the Board to direct staff on how to proceed with the project lists, noting VTA is required to adhere to project deadlines and submit the lists to the Metropolitan Transportation Commission (MTC) for consideration.

Mr. Ristow directed attention to the presentation entitled, “Federal Economic Stimulus Bill – Federal Bill: American Recovery & Reinvestment Act,” highlighting: Mass Transit Formula Grants Process Illustration; Highways and Bridges Process illustration; Federal Stimulus Bill Total Estimated Amounts to Santa Clara County; Proposed Policies for Project Selection; and Federal Economic Stimulus Bill Project Short List.

Mr. Ristow reported \$8.75 billion is available nationally for Mass Transit Formula Grants, noting 50 percent of the funding must be obligated within 90 days; however, another 50 percent of funds need to be under contract within two years. All federal requirements apply to the projects and the projects must have National Environmental Policy Act (NEPA) clearance.

Mr. Ristow reported \$30 billion is available nationally for Highways and Bridges, noting the State Department of Transportation (DOT) requires 50 percent funding obligated in 90 days and 50 percent under contract by August 1, 2010. The Metropolitan Transportation Commission (MTC) level requires 50 percent funding obligated in 75 days and another 50 percent under contract by June 1, 2010. All federal requirements apply to the projects and the projects must have NEPA clearance.

VTA receives formula federal grants from the Mass Transit Formula Grants. MTC is the receiving agent of the \$485 million and determines what transit agency and project will receive funding. MTC has determined that 80 percent or approximately \$388 million will be allocated to Transit Rehabilitation and 20 percent or approximately \$97 million to Regional Transit Projects.

Mr. Ristow commented on the Highways and Bridges \$30 billion, noting the House of Representatives proposed federal stimulus bill allocates 55 percent to Caltrans and 45 percent to the Surface Transportation Plan (STP) Formula. Caltrans portion is approximately \$2.1 billion where funding will be dispersed to State Highway Maintenance and Regional Highway & Road Projects.

The STP Formula will allocate 45 percent to Caltrans and 55 percent to the MTC. MTC's portion is approximately \$145 million where 20 percent will be distributed to the Regional Highway & Road Projects and 80 percent to the City & County Road Rehabilitation Projects.

VTA will advocate for funding at the MTC level on Friday, February 6, 2009. VTA's share of funding allocated to Santa Clara County for the State Transportation Improvement Program (STIP) for Highways and Bridges is approximately \$32.8 million. MTC's discretionary funding has not been determined at this time. The Cities and Counties are targeted for Road Rehabilitation Projects in the amount of \$29.4 million. VTA will forward projects to the MTC in the amount of \$73.5 million to Transit Rehabilitation Projects.

Mr. Ristow reported VTA will advocate at the State and Region level for maximum formula distribution to counties and project sponsors. VTA projects must meet program eligibility requirements and delivery timeframe schedules. VTA will prioritize Highway Program funding based on the Valley Transportation Plan 2035 (VTP 2035) and direct Transit Program funding to the 2000 Measure A Program Projects. VTA will prioritize all the projects that are ready to move forward in anticipation of when funding becomes available.

Mr. Ristow commented on VTA's Project Short List project priorities, noting the Regional Transit Projects for the 2000 Measure A Program are BART construction; Capitol Expressway Light Rail Right-of-Way (ROW)/Utilities; and Caltrain Electrification & Modernization Design. The project priorities for the Regional Highway Projects regarding the Valley Transportation Plan 2035 (VTP 2035) are I-280/I-880/Stevens Creek Interchange Project; US 101 Improvements at Capitol and Yerba Buena; and the State Route (SR) 237/I-880 Express Connector.

Mr. Ristow stated the project priorities for Transit Capital Rehabilitation Projects are VTA Hybrid 40' Bus Replacements; and VTA Hybrid Bus Rapid Transit (BRT) Vehicles. The project priorities for City and County Road Rehabilitation Projects for the VTP 2035 are Local Streets and Roads Rehabilitation and Enhancements.

Board Member Gage took his seat at 7:41 p.m.

Ex-Officio Board Member Chu reported MTC has directed transit agencies to submit their project lists immediately for consideration.

Board Member Liccardo questioned the funding for the Hybrid Vehicles was on the priorities list. Mr. Ristow responded the vehicle order needs to be placed under contract with the manufacturer.

Board Member Liccardo queried about the Caltrain Electrification and Modernization Project. Mr. Ristow responded they were originally two separate projects, however, they have been combined into one large project. The three partners of the Caltrain Joint Powers Board (JPB) will be responsible to make contributions to the project.

Board Member Kishimoto referenced the funding allocated for Local Streets and Roads Rehabilitation and Enhancements, noting her preference to advocate for additional funding for road rehabilitation instead of road expansion. Mr. Ristow stated VTA will advocate for funding at the MTC level on Friday, February 6, 2009.

Board Member Kishimoto asked if staff utilized the 2000 Measure A established evaluation criteria to develop VTA's Project Short List project priorities. Mr. Ristow responded staff developed the project priorities list based on the federal bill criteria and timeframe. Mr. Ristow added the projects are not guaranteed since they are at the discretion of other entities.

Board Members Herrera and Pyle expressed support to move forward the Capitol Expressway Light Rail Right-of-Way Project. Mr. Burns noted the project still requires federal clearance to move forward.

Mr. Bradley, SCVTARU, concurred with Board Member Gage's comments that information should be presented after the stimulus bill is approved. Mr. Bradley expressed concern that the presentation did not mention funding provisions for operation and maintenance of VTA's bus vehicles. Mr. Bradley requested a written response addressing his questions and concerns presented at the meeting.

Mr. Grace, Interested Citizen, expressed concern over the issues related to the State Budget. Mr. Grace expressed his support for the BART Extension Project.

Mr. Ludwig, Interested Citizen, expressed his appreciation to VTA for moving forward with the submittal of the project priority list to request funding to expand mass transit. Mr. Ludwig expressed his support of the Capitol Expressway Light Rail Right-of-Way Project, noting the importance of the project to the community.

M/S/C (Gage/Pyle) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to develop and submit project lists to the appropriate regional and state agencies which meet the provisions of the final federal stimulus act based on the project prioritization guidelines outlined in this memorandum. Board Member Casas recused.

24. Silicon Valley Rapid Transit (SVRT) Project – Project Office Lease Agreement

Mark Robinson, Chief Engineering and Construction Officer, reported in February 2004, the Board approved the lease of offices for the Silicon Valley Rapid Transit (SVRT) Project located at the Hynix Semiconductor Building adjacent to the VTA River Oaks Campus on North First Street, San Jose, California. The lease is scheduled to expire on March 31, 2009, therefore, staff recommended to relocate the SVRT Project Team to a new office location. The proposed lease agreement will provide office space at a substantial cost savings in comparison to the existing lease arrangement at the Hynix Semiconductor Building.

The proposed lease is for the Dixon Landing Building located in Milpitas, California. The new location will allow the SVRT Project Team currently working in the Hynix Semiconductor Building to work closer to the project location. The portion of the SVRT Project Team not moving to the office in Milpitas will be relocated from the Hynix Semiconductor Building to VTA's River Oaks Campus.

M/S/C (Kniss/Caserta) on a vote of 11 Ayes, 0 Noes, 0 Abstention, and 1 Recusal to authorize the General Manager to execute a 30-month lease agreement with Northern California Industrial Portfolio, Inc., DBA Dixon Landing, for an estimated total lease amount of approximately \$486,000 for approximately 20,000 sq. ft. of office space. Board Member Casas recused.

Board Member Reed left the meeting at 8:02 p.m.

OTHER ITEMS

25. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

26. MONTHLY LEGISLATIVE HISTORY MATRIX

On order of Chairperson Sandoval and there being no objection, the Monthly Legislative History Matrix was accepted as contained in the Agenda Packet.

Board Member Caserta left the meeting at 8:04 p.m.

27. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

A. Administration and Finance Committee

On order of Chairperson Sandoval and there being no objection, the January 15, 2009 Administration and Finance (A&F) Committee Minutes were accepted as contained in the Agenda Packet.

B. Congestion Management Program and Planning Committee

On order of Chairperson Sandoval and there being no objection, the January 15, 2009 Congestion Management Program and Planning (CMPP) Committee Minutes were accepted as contained in the Agenda Packet.

C. Transit Planning and Operations Committee

On order of Chairperson Sandoval and there being no objection, the January 15, 2009 Transit Planning and Operations (TP&O) Committee Minutes were accepted as contained in the Agenda Packet.

D. Audit Committee

On order of Chairperson Sandoval and there being no objection, the December 11, 2008 Audit Committee Minutes were accepted as contained in the Agenda Packet.

28. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Sandoval and there being no objection, the January 7, 2009 Committee for Transit Accessibility (CTA) Minutes were accepted as contained in the Agenda Packet.

B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)

On order of Chairperson Sandoval and there being no objection, the January 7, 2009 Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Minutes were accepted as contained in the Agenda Packet.

C. Bicycle & Pedestrian Advisory Committee (BPAC)

On order of Chairperson Sandoval and there being no objection, the January 7, 2009 Bicycle & Pedestrian Advisory Committee (BPAC) Minutes were accepted as contained in the Agenda Packet.

D. Technical Advisory Committee (TAC)

On order of Chairperson Sandoval and there being no objection, the January 8, 2009 Technical Advisory Committee (TAC) Minutes were accepted as contained in the Agenda Packet.

E. Policy Advisory Committee (PAC)

On order of Chairperson Sandoval and there being no objection, the January 8, 2009 Policy Advisory Committee (PAC) Minutes were accepted as

contained in the Agenda Packet.

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

A. Peninsula Corridor JPB

On order of Chairperson Sandoval and there being no objection, the Summary Notes from the Peninsula Corridor Joint Powers Board were accepted as contained on the dais.

B. Capitol Corridor JPB

On order of Chairperson Sandoval and there being no objection, the Summary Notes from the Capitol Corridor JPB were accepted as contained on the dais.

C. Dumbarton Rail Corridor Policy Committee

There was no report from the Dumbarton Rail Corridor Policy Committee.

D. Metropolitan Transportation Commission (MTC)

On order of Chairperson Sandoval and there being no objection, the Summary Notes from the Metropolitan Transportation Commission (MTC) were accepted as contained on the dais.

E. Sunol Smart Carpool Lane Joint Powers Authority

There was no report from the Sunol Smart Carpool Lane Joint Powers Authority.

Mr. Grace inquired on the Warm Springs Project and the planned baseball stadium.

Board Members Gage and Kniss left the meeting at 8:06 p.m.

30. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)

A. Vasona Light Rail PAB

There was no report from the Vasona Light Rail PAB.

B. Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension PAB

On order of Chairperson Sandoval and there being no objection, the January 14, 2009 Cancellation Notice from the Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension PAB was accepted as contained in the Agenda Packet.

C. Downtown East Valley PAB

There was no report from the Downtown East Valley PAB.

D. Highway PAB South

There was no report from the Highway PAB South.

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

D. Metropolitan Transportation Commission (MTC) (continued)

Ex-Officio Board Member Chu commented on the Metropolitan Transportation Commission (MTC) Board of Directors allocating \$200 million from their reserves to loan the funding to the State of California to prevent the delay of transportation construction projects.

31. ANNOUNCEMENTS

Chairperson Sandoval announced and congratulated VTA employee William Kindricks for being one of the honorees at the Annual Human Relations Awards Breakfast scheduled on Thursday, February 26, 2009.

32. ADJOURNMENT

On order of Chairperson Sandoval and there being no objection, the meeting was adjourned at 8:10 p.m.

Respectfully Submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors