BOARD OF DIRECTORS MEETING

Thursday, April 5, 2012

MINUTES

1. CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors was called to order by Chairperson Yeager at 5:34 p.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San José, California.

1.1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>Margaret Abe-Koga</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Xavier Campos</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Larry Carr</td>
<td>Alternate Board Member</td>
<td>Absent</td>
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<tr>
<td>David Cortese</td>
<td>Ex-Officio Board Member</td>
<td>Present</td>
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<tr>
<td>Rose Herrera</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Ash Kalra</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Liz Kniss</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Sam Liccardo</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Evan Low</td>
<td>Alternate Board Member</td>
<td>Present</td>
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<tr>
<td>Jamie Matthews</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Pete McHugh</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Joe Pirzynski</td>
<td>Vice Chairperson</td>
<td>Present</td>
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<tr>
<td>Gail A. Price</td>
<td>Alternate Board Member</td>
<td>Present</td>
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<tr>
<td>Nancy Pyle</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>George Shirakawa</td>
<td>Alternate Board Member</td>
<td>Absent</td>
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<tr>
<td>David Whittum</td>
<td>Alternate Board Member</td>
<td>Present</td>
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<tr>
<td>Perry Woodward</td>
<td>Board Member</td>
<td>Present</td>
</tr>
<tr>
<td>Ken Yeager</td>
<td>Chairperson</td>
<td>Present</td>
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</tbody>
</table>

* Alternates do not serve unless participating as a Member.

A quorum was present.
1.2. Orders of the Day

Chairperson Yeager called attention to the revised agenda and summarized the changes. He noted the revised agenda was distributed to the Board and the public the prior week. He indicated staff’s request to hear Agenda Item #8.4., Actions relating to VTA’s Workers’ Compensation Program, as part of the General Manager’s report.

M/S/C (Pyle/Woodward) to accept the Orders of the Day, and approve the Consent Agenda.

Board Member McHugh arrived at the meeting at 5:37 p.m. and Board Member Whittum relinquished his seat.

2. AWARDS AND COMMENDATION

2.1 Employees of the Month for April 2012

Chairperson Yeager recognized Peter Le, Associate Transportation Engineer, River Oaks Administration; Nancy Lopez, Coach Operator, Chaboya Operations; and Patricia Easley-Hill, Service Worker, North Division, as Employees of the Month for April 2012; and Stan Trammell, Transportation Supervisor, Guadalupe Division, as Supervisor of the Quarter for the second quarter of 2012.

Board Member Abe-Koga took her seat at 5:38 p.m.
Ex-Officio Board Member Cortese took his seat at 5:38 p.m.
Board Member Herrera took her seat at 5:41 p.m.

3. CLOSED SESSION

3.1. Recessed to Closed Session at: 5:43 p.m.

Board Member Kalra arrived at the meeting at 5:45 p.m. and entered Closed Session.

Conference with Real Property Negotiators
[Government Code Section 54956.8]

Property: Fee title purchase (including appurtenant rights in
APNs 254-17-008 and 254-17-083) of property located at 1610, 1620, 1630, 1640 and 1650 Berryessa Road, San Jose, CA (APNs 254-17-066, 254-17-067, 254-17-068, 254-17-069 and 254-17-070)

Agency Negotiator: Bijal Patel, Deputy Director, Property Development & Management

Negotiating Parties: John Jordan, San Jose V Investors, LLC

Under Negotiation: Price and terms of payment
3.2. Reconvened to Open Session at: 6:00 p.m.

3.3. Closed Session Report

Conference with Real Property Negotiators  
[Government Code Section 54956.8]

Property: Fee title purchase (including appurtenant rights in APNs 254-17-008 and 254-17-083) of property located at 1610, 1620, 1630, 1640 and 1650 Berryessa Road, San Jose, CA (APNs 254-17-066, 254-17-067, 254-17-068, 254-17-069 and 254-17-070)

Agency Negotiator: Bijal Patel, Deputy Director, Property Development & Management

Negotiating Parties: John Jordan, San Jose V Investors, LLC

Under Negotiation: Price and terms of payment

Robert Fabela, General Counsel, reported the Board took action contingent upon another party’s approval.

4. PUBLIC COMMENT

James Wightman, Interested Citizen, expressed concern with inappropriate behavior of passengers on light rail.

Frank Miller, Interested Citizen, expressed concern with on-time performance on bus route 168 and competency of bus drivers.

Keith Bohren, Interested Citizen, expressed concern with the customer service system and complaints filed which have not been addressed.

Roland Lebrun, Interested Citizen, thanked staff for their work implementing the Clipper Card and requested an additional Clipper reader be added at the Santa Teresa Light Rail Station.

Hazura Singh, Interested Citizen, expressed concern with the new schedule on bus route 10.

Tracy Jacobs, Interested Citizen, requested VTA consider bus service to Gilroy Gardens.

Michael Ludwig, Interested Citizen, expressed concern with the placement of route displays on the left side of the buses.

Eugene Bradley, Silicon Valley Transit Users, suggested more security presence aboard bus and light rail and suggested partnerships with city police departments.
5. **PUBLIC HEARINGS**

There were no Public Hearings.

6. **REPORTS**

6.1. **Citizens Advisory Committee (CAC) Chairperson’s Report**

There was no report from the Citizens Advisory Committee (CAC) Chairperson.

6.2. **Policy Advisory Committee (PAC) Chairperson’s Report**

Gail Price, PAC Vice Chairperson, provided an overview of the March 8, 2012 PAC meeting highlighting: 1) FY 2012-2013 Transportation Fund for Clean Air (TFCA); 2) EcoPass program evaluation; 3) Overview of Roles and Responsibilities of Metropolitan Transportation Commission and the California Transportation Commission; and, 4) Updates on Valley Transportation Plan, Regional Transportation Plan and the Sustainable Communities Strategy.

6.3. **General Manager’s Report**

Michael T. Burns, General Manager, provided a report highlighting: 1) System wide ridership; 2) Transition to total Clipper Card conversion in July 2012; 3) Kato Road Grade Separation Project construction and public outreach efforts; 4) Express Lanes project update; 5) California Transportation Commission (CTC) Meeting update; and, 6) Metropolitan Transportation Committee (MTC) meeting update.

Mr. Burns announced the Groundbreaking Event for BART Silicon Valley project will be held on April 12, 2012 at 2:00 p.m.

6.3.A **BART Silicon Valley Program Update**

Carolyn Gonot, Chief SVRT Officer, provided an update on the progress of Silicon Valley BART project and a presentation on Residential Noise Insulation Program, highlighting; 1) Schedule; 2) Study Areas; 3) Current Status; 4) Eligibility Determination; 5) Window Installation Examples; 6) Outreach Update; and, 7) Community Meetings.

On order of Chairperson Yeager and there being no objections, the Board received the BART Silicon Valley Program update.

6.3.B. **Caltrain & High Speed Rail**

Jim Lawson, Executive Policy Advisor, provided a report updating Caltrain and High Speed Rail (CHSR) Blended System Memorandum of Understanding (MOU). He introduced Seamus Murphy, SamTrans/Caltrain, and provided a presentation, highlighting: 1) Background; 2) Northern California proposal; 3) Memorandum of Understanding (MOU); 4) MOU Parties; 5) Broad Outcomes; 6) Initial
Investment Strategy; 7) Funding Plan; 8) VTA Commitment; 9) Benefits; 10) Project Schedule Electrification Infrastructure; 11) Project Schedule Advanced Signal Schedule; and, 12) Next Steps.

Mr. Murphy provided information on Caltrain Electrification and the High Speed Rail project and discussed details on the benefits of a blended system, including: 1) controlling costs; and, 2) reducing impact on surrounding communities.

Chairperson Yeager suggested the following be emphasized in the resolution; 1) Caltrain owns the Right-Of-Way; 2) Caltrain should manage construction for the Electrification project; and 3) Caltrain should be responsible for re-circulating the Environmental Impact Report (EIR) for electrification.

Member Liccardo provided clarification on contributions from the three partners and member agencies. He requested guidance from VTA staff and regional partners regarding the prioritization of grade separations.

Member Abe-Koga questioned available funding in Measure A for electrification and noted the grade separation concerns of North County residents.

Member Kniss called attention to the growth in Caltrain ridership noting the improvements are important to the viability of the peninsula.

Mr. Burns encouraged Board Members review the MOU and identify any particular issues that are not covered for their respective municipalities. He indicated VTA will reinforce the no funding without partner share and Caltrain management of the project.

**Public Comment**

Michael Ludwig, Interested Citizen, noted support of Caltrain Electrification and HSR and suggested they both serve the Mission Transbay terminal in San Francisco.

Roland Lebrun, Interested Citizen, expressed support for the Caltrain Electrification project to Gilroy and for Caltrain taking the lead on the MOU.

Yoriko Kishimoto, Friends of Caltrain, thanked VTA for supporting Caltrain and expressed support for the MOU.

Peter Meylink, Interested Citizen, expressed support for Caltrain electrification to Gilroy.

The Agenda was taken out of order.
8. **REGULAR AGENDA**

*Administration and Finance Committee*

8.4 **VTA’s Workers’ Compensation Program**

Nancy Eksterowicz, Risk Manager, provided an overview of the staff report and provided a presentation, highlighting: 1) Workers’ Comp Program Structure; 2) Cost reduction strategies; 3) Temporary Disability Payments; 4) Medical Payments; 5) New Claims Reported; 6) Lost Work Days; 7) Workers’ Comp Program Results.

8.4.A. **Workers Compensation and Transitional Work Programs**

M/S/C (Kniss/Abe-Koga) to accept the Workers Compensation and Transitional Work Programs report.

8.4.B. **Workers’ Compensation Contract with Tristar Risk Management**

M/S/C (Kniss/Abe-Koga) to authorize the General Manager to execute a fixed fee contract with Tristar Risk Management for Workers’ Compensation Third Party Administrator (TPA) claims services for a five year term, from July 1, 2012 through June 30, 2017. The total five year contract cost for claims service is not to exceed $5,179,991.

8.4.C. **Workers’ Compensation Contract with GENEX Services**

M/S/C (Kniss/Abe-Koga) to authorize the General Manager to execute a contract with GENEX Services, Inc. for Workers’ Compensation Medical Bill Repricing and Medical Management Services for a five-year term, from July 1, 2012 through June 30, 2017. The total five-year contract cost is not to exceed $1,105,000.

6. **REPORTS (Continued)**

6.5. **Chairperson’s Report**

Chairperson Yeager provided a brief report on his meeting with Member Matthews and VTA staff at the new San Francisco 49ers stadium site in the City of Santa Clara to discuss transit issues and VTA’s role.

7. **CONSENT AGENDA**

7.1. **Board of Directors Regular Meeting Minutes of March 1, 2012**

M/S/C (Pyle/Woodward) to approve the Board of Directors Regular Meeting Minutes of March 1, 2012.
7.2. **Bicycle & Pedestrian Advisory Committee Reappointment**

M/S/C (Pyle/Woodward) to ratify the reappointment of Aaron Faupell to the Bicycle & Pedestrian Advisory Committee representing the City of San Jose for the remainder of the term ending June 30, 2012 and for the new term ending June 30, 2014.

7.3. **Bylaws for the Bicycle & Pedestrian Advisory and the Policy Advisory Committees**

M/S/C (Pyle/Woodward) to adopt Resolution No. 2012.04.21 amending the bylaws for the Bicycle & Pedestrian Advisory and the Policy Advisory Committees, as indicated, to incorporate additional recommendations from the Advisory Committee Enhancement (ACE) process, including a mission statement and other minor changes to clarify and enhance understanding.

7.4. **Transportation Fund for Clean Air Program Manager (TFCA 40%)**

M/S/C (Pyle/Woodward) to approve the programming of FY 2012/13 Transportation Fund for Clean Air Program Manager (TFCA 40%) funds to projects.

7.5. **River Oaks Industrial Park Covenants, Conditions and Restrictions (CCR) Agreement**

M/S/C (Pyle/Woodward) to authorize the General Manager to execute an Amendment to the "River Oaks Industrial Park" Covenants, Conditions and Restrictions (CCR) Agreement. The current CCR Agreement provides a Northern Property and a Southern Property for approvals and enforcement; this Amendment terminates the Northern Property in its entirety.

7.6. **Cooperative Agreement for the Dumbarton Express (DBX) Service**

M/S/C (Pyle/Woodward) to authorize the General Manager to enter into a new Cooperative Agreement with the Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, City of Union City, and the San Mateo County Transit District to provide the Dumbarton Express (DBX) Service and amend as necessary to address receipt of Regional Measure 2 funds for DBX service expansion.

7.7. **Addendum to the 2nd Supplemental EIR to the BART Silicon Valley Project**

M/S/C (Pyle/Woodward) to consider the Addendum to the 2nd Supplemental EIR and approve Option 1 as the design change to the BART Silicon Valley Project (“Project”), as discussed in the Addendum.

7.8. **Monthly Legislative History Matrix**

M/S/C (Pyle/Woodward) to review the Monthly Legislative History Matrix.
7.9. **BEP Projects Funding and Delivery Status Report**  
M/S/C (Pyle/Woodward) to receive a status report on BEP Projects Funding and Delivery.

7.10. **April 2, 2012 Transit Service Changes**  
M/S/C (Pyle/Woodward) to receive a report on April 2, 2012 transit service changes.

8. **REGULAR AGENDA**

*Administration and Finance Committee*

Chairperson Yeager noted the following items will be heard together: **Agenda Item 8.1** Other Post Employment Benefit Liability Reduction Fund Policy; **Agenda Item 8.2** VTA Transit Sales Tax Stabilization Fund Policy; and **Agenda Item 8.3** VTA Transit Fund Operating Reserve Policy. Chairperson Yeager also noted the Transit Sales Tax Stabilization Fund and the Transit Fund Operating Reserve Policies were revised and available on the dais and public table.

8.1. **Other Post Employment Benefit (OPEB) Liability Reduction Fund Policy**

8.2. **VTA Transit Sales Tax Stabilization Fund Policy**

8.3. **VTA Transit Fund Operating Reserve Policy**

Carol Lawson, Fiscal Services Manager, provided a brief overview of the staff report and a presentation highlighting: 1) Background; 2) VTA Transit Sales Tax Stabilization Fund; 3) OPEB Liability Reduction Fund; 4) VTA Transit Fund Operating Reserve; 5) Reserve Policy Summary; 6) Advisory/Standing Committee Concerns; and, 7) Today’s Action.

Member Liccardo commented the following: 1) there are less expensive ways to maintain liquidity; 2) savings could be realized if the monies are used to pay off the OPEB unfunded liability.

Member McHugh requested additional language be added to the OPEB policy requiring the Board approve the use of funds.

8.1. **Other Post Employment Benefit (OPEB) Liability Reduction Fund Policy**

M/S/C (McHugh/Kniss) on a vote of 10 ayes to 2 noes to 0 abstentions to approve the Other Post Employment Benefit (OPEB) Liability Reduction Fund Policy and authorize the General Manager to use such funds for purposes consistent with the policy with the amendment to include in the policy the following language: The Board of Directors shall approve funds, if any, to be allocated to the OPEB Liability Reduction fund; and approve the use of the OPEB Liability Reduction Fund. Directors Liccardo and Matthews opposed.
8.2 VTA Transit Sales Tax Stabilization Fund Policy

M/S/C (McHugh/Kniss) on a vote of 10 ayes to 2 noes to 0 abstentions to approve the VTA Transit Sales Tax Stabilization Fund Policy and authorize the General Manager to use such funds for purposes consistent with the policy. Directors Liccardo and Matthews opposed.

8.3 VTA Transit Fund Operating Reserve Policy

M/S/C (McHugh/Kniss) on a vote of 10 ayes to 2 noes to 0 abstentions to approve the VTA Transit Fund Operating Reserve Policy and authorize the General Manager to use such funds for purposes consistent with the policy. Directors Liccardo and Matthews opposed.

6. REPORTS (Continued)

6.4 General Counsel – Fiduciary Training

Rob Fabela, General Counsel, provided an overview of the board’s fiduciary duties and a presentation highlighting: 1) Fiduciary duties; 2) Purpose of fiduciary training; 3) What is a fiduciary; 4) VTA Mission; 5) Board responsibility to carry out this mission; 6) Areas of fiduciary responsibility; 7) Duty to the region as a whole; 8) Code of Ethics; 9) Administrative Code Chapter 2 Article VII; 10) Purpose of Code of Ethics; 11) Notable ethical restrictions; 12) Procedures if financial conflict arises; 13) Consequences of Ethical Violations; 14) Questions about Ethical Duties; 15) Government Code 84308; 16) What is 84308; 17) Timing of Contributions; 18) Types of decisions covered; and, 19) Board Members options.

On order of Chairperson Yeager and there being no objection, the Board received the General Counsel Fiduciary Training.

6.4.A. VTA Board Member Fiduciary Duties and Code of Ethics

On order of Chairperson Yeager and there being no objection, the Board received the VTA Board Member Fiduciary Duties and Code of Ethics.

6.4.B. Government Code Section 84308 pertaining to Campaign Contribution Disqualifications

On order of Chairperson Yeager and there being no objection, the Board received a report on Government Code Section 84308 pertaining to Campaign Contribution Disqualifications.
9. OTHER ITEMS

9.1. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION
There were no Items of Concern and Referral to Administration.

9.2. Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions

9.2.A. VTA Standing Committees

- Administration and Finance Committee (A&F) – March 15, 2012 minutes were accepted as contained in the Agenda Packet.

- Congestion Management Program and Planning Committee (CMPP) – March 15, 2012 Minutes were accepted as contained in the Agenda Packet.

- Transit Planning and Operations Committee (TP&O) – March 15, 2012 Minutes were accepted as contained in the Agenda Packet.

- Audit Committee – There was no report.

9.2.B. VTA Advisory Committees

- Committee for Transit Accessibility (CTA) - There was no report.

- Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) – There was no report.

- Bicycle & Pedestrian Advisory Committee (BPAC) – March 7, 2012 Minutes were accepted as contained in the Agenda Packet

- Technical Advisory Committee (TAC) – March 8, 2012 Minutes were accepted as contained in the Agenda Packet.

- Policy Advisory Committee (PAC) – March 8, 2012 Minutes were accepted as contained in the Agenda Packet.

9.2.C. VTA Policy Advisory Boards (PAB)

- Diridon Station Joint Policy Advisory Board – There was no report.

- Downtown East Valley PAB - There was no report.

- El Camino Real Rapid Transit PAB – March 16, 2012 Minutes were accepted as contained on the dais.
• Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension PAB - There was no report.

9.2.D. **Joint Powers Boards and Regional Commissions**

• Peninsula Corridor JPB - Summary Notes were accepted as contained on the dais.

• Capitol Corridor JPB – There was no report.

• Dumbarton Rail Corridor Policy Committee – There was no report.

• Metropolitan Transportation Commission (MTC) - Summary Notes were accepted as contained on the dais.

• Sunol Smart Carpool Lane Joint Powers Authority– Summary Notes were accepted as contained on the dais.

• SR 152 Mobility Partnership – There was no report.

9.3. **ANNOUNCEMENTS**

There were no Announcements.

10. **ADJOURNMENT**

*On order of Chairperson Yeager* and there being no objection, the meeting was adjourned at 8:05 p.m., in memory of Harvey Matthews, father of Board Member Jamie Matthews.

Respectfully submitted,

Menominee L. McCarter, Board Assistant
VTA Office of the Board Secretary