BOARD OF DIRECTORS MEETING

Thursday, February 5, 2009

5:30 P.M. CLOSED SESSION
6:00 P.M. REGULAR SESSION

Board of Supervisors’ Chambers
County Government Center
70 West Hedding Street
San Jose, CA

AGENDA

To help you better understand, follow, and participate in the meeting, the following information is provided:

- Persons wishing to address the Board of Directors on any item on the agenda or not on the agenda should complete a blue card located at the public information table and hand it to the Board Secretary staff prior to the meeting or before the item is heard. Speakers will be called to address the Board when their agenda item(s) arise during the meeting and are asked to limit their comments to 2 minutes. The amount of time allocated to speakers may vary at the Chairperson's discretion depending on the number of speakers and length of the agenda. If presenting handout materials, please provide 25 copies to the Board Secretary for distribution to the Board of Directors.

- The Consent Agenda items may be voted on in one motion at the beginning of the meeting. If you wish to discuss any of these items, please request the item be removed from the Consent Agenda by completing a blue card at the public information table and handing it to the Board Secretary staff prior to the meeting or prior to the Consent Agenda being heard.

- All reports for items on the open meeting agenda are available for review in the Board Secretary’s Office, 3331 North First Street, San Jose, California, (408) 321-5680, the Monday, Tuesday, and Wednesday prior to the meeting. This information is available on our website, www.vta.org, and also at the meeting. Any document distributed less than 72 hours prior to the meeting will also be made available to the public at the time of distribution. Copies of items provided by members of the public at the meeting will be made available following the meeting.

In compliance with the Americans with Disabilities Act (ADA), those requiring accommodations for this meeting should notify the Board Secretary’s Office 48 hours prior to the meeting at (408) 321-5680 or e-mail: board.secretary@vta.org or TDD (408) 321-2330. VTA’s Home page is on the Web at: www.vta.org

NOTE: THE BOARD OF DIRECTORS MAY ACCEPT, REJECT OR MODIFY ANY ACTION RECOMMENDED ON THIS AGENDA
CALL TO ORDER

1. ROLL CALL

2. RECESS TO CLOSED SESSION
   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

RECONVENE TO OPEN SESSION

3. CLOSED SESSION REPORT

4. ORDERS OF THE DAY

5. AWARDS AND COMMENDATIONS
   A. Adopt a Resolution of Commendation for Assembly Member Sally Lieber
   B. Recognize 2008 Board Chairperson Liz Kniss
   C. Recognize former Interim Chief Financial Officer Jerry Mikolajczyk
   D. Recognize Employees of the Month for February 2009

6. PUBLIC PRESENTATIONS
   This portion of the meeting is reserved for persons desiring to address
   the Board of Directors on any item within the Board’s jurisdiction.
   Speakers are limited to 2 minutes.
   The law does not permit Board action or extended discussion of any item
   not on the agenda except under special circumstances. If Board action
   is requested, the matter can be placed on a subsequent agenda.
   All statements that require a response will be referred to staff for reply
   in writing.

7. REPORT FROM THE GENERAL MANAGER (Verbal Report)

8. REPORT FROM THE CHAIRPERSON (Verbal Report)
   A. ACTION ITEM - Approve the following appointment for 2009:
      Committee for Transit Accessibility
      Chuck Reed
9. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Chairperson’s Report (Tebo)


CONSENT AGENDA

11. Approve the Board of Directors Regular Meeting Minutes of January 8, 2009.

12. ACTION ITEM - Approve recommended changes to the Investment Policy for VTA Unrestricted and Restricted Funds.

13. ACTION ITEM - 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.

14. ACTION ITEM - 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.

15. INFORMATION ITEM - Actuarial Valuation of VTA’s Retiree Health Plan as of July 1, 2008.

16. ACTION ITEM - 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.

17. ACTION ITEM - 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.

18. ACTION ITEM - 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.
19. ACTION ITEM - 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.

20. ACTION ITEM - 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.

21. ACTION ITEM - 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.

REGULAR AGENDA

22. ACTION ITEM - 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% 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% 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.

23. ACTION ITEM - 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.

24. ACTION ITEM - 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.
OTHER ITEMS

25. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

26. MONTHLY LEGISLATIVE HISTORY MATRIX

27. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES
   A. Administration and Finance Committee
   B. Congestion Management Program and Planning Committee
   C. Transit Planning and Operations Committee
   D. Audit Committee

28. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES
   A. Committee for Transit Accessibility (CTA)
   B. Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC)
   C. Bicycle & Pedestrian Advisory Committee (BPAC)
   D. Technical Advisory Committee (TAC)
   E. Policy Advisory Committee (PAC)

29. REPORTS FROM JOINT POWERS BOARDS (JPBs) & REGIONAL COMMISSIONS
   A. Peninsula Corridor JPB
   B. Capitol Corridor JPB
   C. Dumbarton Rail Corridor Policy Committee
   D. Metropolitan Transportation Commission (MTC)
   E. Sunol Smart Carpool Lane Joint Powers Authority

30. REPORTS FROM VTA POLICY ADVISORY BOARDS (PABs)
   A. Vasona Light Rail PAB (No Meeting Scheduled)
   B. Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB
   C. Downtown East Valley PAB
   D. Highway PAB South (No Meeting Scheduled)
31. ANNOUNCEMENTS

32. ADJOURN
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Resolution of Commendation for Assembly Member Sally Lieber

Policy-Related Action: No                         Government Code Section 84308 Applies: No

Resolution

RECOMMENDATION:

Adopt a Resolution of Commendation for Assembly Member Sally Lieber.

BACKGROUND:

Because of term limits, Assembly Member Lieber is leaving the California State Assembly this year after six years of service. As a member of Santa Clara County’s legislative delegation, Assembly Member Lieber demonstrated a strong commitment to improving transportation in the region. Her expertise and leadership will be greatly missed.

DISCUSSION:

It is fitting for the Board of Directors to honor Assembly Member Lieber with a Resolution of Commendation for her years of outstanding service and many achievements as a member of the Assembly.

ALTERNATIVES:

Because of her efforts in transportation during her legislative career, we believe Assembly Member Lieber is deserving of this honor.

FISCAL IMPACT:
There is no fiscal impact associated with this recommendation.

Prepared by: Kurt Evans
RESOLUTION OF COMMENDATION BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY GIVING SPECIAL TRIBUTE, DUE HONOR AND RECOGNITION TO ASSEMBLY MEMBER SALLY LIEBER

WHEREAS, Sally Lieber is leaving the California State Assembly after six years of distinguished public service; and

WHEREAS, Sally Lieber was first elected to the Assembly in 2002, and most recently served as Speaker pro Tempore; and as an influential member of the Health, Insurance, Judiciary, and Local Government Committees; and

WHEREAS, prior to being elected to the Assembly, Sally Lieber served as a member of the Mountain View City Council and the Santa Clara Valley Transportation Authority Board of Directors; and

WHEREAS, while serving as Assembly Speaker pro Tempore, Sally Lieber played a key role in the development and passage of legislation, and presided over Assembly floor sessions; and

WHEREAS, throughout her career in the Legislature, Sally Lieber supported numerous bills that helped improve the transportation system in Silicon Valley and was a strong advocate for public transit; and

WHEREAS, as a member of the Assembly, Sally Lieber distinguished herself as an extraordinary leader on such issues as transportation, public education, health care, social justice, and the environment.

THEREFORE, BE IT RESOLVED, that the Santa Clara Valley Transportation Authority does hereby give special tribute, due honor and recognition to Sally Lieber for her years of distinguished service to Santa Clara County as a member of the California State Assembly.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on this 5th day of February 2009 by the following vote:
AYES: DIRECTORS

NOES: DIRECTORS

ABSENT: DIRECTORS

____________________________
Dolly Sandoval, Chairperson
Board of Directors

ATTEST:

____________________________
Deborah Harrington, Secretary
Board of Directors
RESOLUTION

By the Board of Directors of the SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) a Special District of the State of California relative to commending the

Jerry G. Mikolajczyk

WHEREAS, Jerry G. Mikolajczyk completed his assignment as acting Chief Financial Officer of the VTA; and

WHEREAS, He demonstrated strong leadership and vision that has positioned VTA well; and

WHEREAS, He was involved as a leader in implementing changes to VTA’s financial practices to help VTA deliver on its vision of delivering high quality transportation projects and transit services; and

WHEREAS, During his tenure VTA reduced its debt by $72 million and improved VTA’s credit standing in the financial community.

NOW THEREFORE BE IT RESOLVED, that the VTA Board of Directors hereby commends and expresses its sincere appreciation to Jerry G. Mikolajczyk for his exemplary service; and

BE IT FURTHER RESOLVED, that this resolution is presented with the thanks and good wishes of VTA.

ADOPTED by the VTA Board of Directors this fifth day of February 2009.

Dolly Sandoval, Chairperson
Santa Clara Valley Transportation Authority
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
  Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Administrative Officer, Bill Lopez

SUBJECT: Employees of the Month for February 2009

FOR INFORMATION ONLY

BACKGROUND:

Adam Burger, Transportation Planner III in the Congestion Management Agency at River Oaks, is the Administration Award Winner for February. Adam has over 5 years of service with VTA. In his current role, Adam manages projects such as the annual Monitoring & Conformance Report, and is instrumental in creating graphics such as VTA’s Interactive Bikeways Map. He is considered an expert within his department, and serves as a resource to his fellow employees. Adam’s management recognizes that he is a proficient writer who distills complex subject matter into straightforward language. This is especially helpful for the numerous reports and presentations that Adam provides to several VTA Advisory Committees. Adam’s positive attitude and willingness to assist others help create a supportive work environment at VTA. Congratulations to Adam Burger, Administration Employee of the Month for February!

Harnam Singh Sidhu, Chaboya Division Coach Operator, is February’s Operations Award Winner. Throughout his nearly six years at VTA, Harnam Singh has consistently met the high performance standards of his job. Harnam Singh was the VTA Bus Roadeo winner for 2008, demonstrating his outstanding skills and knowledge as a Coach Operator. Harnam went on to the Regional Bus Roadeo in South San Francisco where he placed in the Top 10, and will again represent VTA at the May 2009 APTA Roadeo event. Recognized by his supervisors for his exceptional professionalism and putting safety first, Harnam Singh sets a great example for his fellow employees. As a conscientious and dedicated Coach Operator, Harnam Singh upholds VTA’s commitment to quality customer service, and is very deserving of this award. Congratulations to Harnam Singh Sidhu, Operations Employee of the Month for February!

Edwin Elisary, Facilities Worker at North Division, is our Maintenance Employee of the Month for February. Edwin has been with VTA for nearly four years. In his current assignment as a Facilities Worker, Edwin performs building maintenance and landscaping upkeep for North Yard in a safe and efficient manner. Edwin takes great pride in his work and ensures that the grounds
and equipment in his care are maintained in excellent condition. Recognized by his supervisors as a well-respected employee who demonstrates initiative and an outstanding work ethic, Edwin is an admirable role model to his coworkers. Whether he is working independently or as a member of a team, Edwin upholds VTA’s standards of quality job performance. Congratulations to Edwin Elisary, Maintenance Employee of the Month for February!

Prepared By: Mitsuno Baurmeister
BARB MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: N/A

FROM: Chairperson Dolly Sandoval

SUBJECT: Appointment of Committee for Transit Accessibility Liaison

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve the following appointment for 2009:

Committee for Transit Accessibility
Chuck Reed

FISCAL IMPACT:

There is no fiscal impact.

Prepared by: Jim Lawson, Sr. Policy Advisor
BOARD OF DIRECTORS MEETING
Thursday, January 8, 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 5:36 p.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

The Agenda was taken out of order.

2. Roll Call

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<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<td>Dominic Caserta</td>
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<td>Dean Chu</td>
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<td>Don Gage</td>
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<td>Ash Kalra</td>
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<td>Yoriko Kishimoto</td>
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<td>Liz Kniss</td>
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<td>Nancy Pyle</td>
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<td>Chuck Reed</td>
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<td>Greg Sellers</td>
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<td>Ken Yeager</td>
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<td>Sam Liccardo</td>
<td>Vice Chairperson</td>
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<td>Dolly Sandoval</td>
<td>Chairperson</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.

1. ADMINISTER OATHS OF OFFICE to newly appointed Board Members

Deborah Harrington, Board Secretary, administered the Oath of Office to newly appointed Board Member Ash Kalra, representing the City of San José.

3. RECESSED TO CLOSED SESSION at 5:40 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. (Deferred to the February 5, 2009, Board Meeting.)

Public Employee Performance Evaluation

[Government Code Section 54957]
Title: General Manager

On order of Chairperson Sandoval and there being no objection, the Public Employee Performance Evaluation was deferred to the February 2009 Board of Directors Meeting.

Member Herrera arrived at 5:42 p.m.

Deborah Harrington, Board Secretary, administered the Oath of Office to newly appointed Board Member Rose Herrera, representing the City of San José.

Member Herrera entered into Closed Session at 5:44 p.m.

RECONVENED TO OPEN SESSION at 6:00 p.m.

4. 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.

5. ORDERS OF THE DAY

Chairperson Sandoval reported a change in the Board Agenda: Effective February 2009 Public Presentations will follow Awards and Commendations on the Agenda.

Chairperson Sandoval stated the Regular Board meeting will begin at 6:00 p.m., unless the time required for Closed Session extends beyond 6:00 p.m. She noted the Regular Board meeting will not begin prior to the scheduled 6:00 p.m. start time.

M/S/C (Reed/Pyle) to accept the Orders of the Day.

6. AWARDS AND COMMENDATIONS

The Agenda was taken out of order.

B. Commendation for Assembly Member John Laird

John Laird was honored for his six years of distinguished public service to Santa Clara County as a member of the California State Assembly.

M/S/C (Pyle/Kishimoto) to adopt Resolution of Commendation No. 2009.01.01 for Assembly Member John Laird.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
C. (Deferred to February 5, 2009, Board Meeting)

Resolution of Commendation for Assembly Member Sally Lieber.

D. Employees of the Month for December 2008 and January 2009 and Supervisor of the Quarter


Chairperson Sandoval recognized and presented awards to: 1) Phyllis Maggiore, Secretary in the Facilities Maintenance Department at River Oaks, as the Administrative Employee of the Month for December; 2) Diana Hermone, North Division Coach Operator, as the Operations Employee of the Month for December; 3) Neil Baker, Facilities Worker at Chaboya Division, as the Maintenance Employee of the Month for December; 4) Sandra Thomas, Office Specialist II in the Employee Services Department at River Oaks, as the Administrative Employee of the Month for January; 5) Oscar Edwards, Cerone Division Coach Operator, as the Operations Employee of the Month for January; 6) Gil Hirsch, Facilities Worker at Guadalupe Division, as the Maintenance Employee of the Month for January; and 7) Bill Capps, Deputy Director, Operations, as the Supervisor of the Quarter for the first quarter of 2009.

A. Commendation for Outgoing Board Member David Cortese

Chairperson Sandoval recognized and presented a commendation to outgoing Board Member David Cortese for his seven years of service as a VTA Board Member.

M/S/C (Pyle/Kishimoto) to adopt Resolution of Commendation No. 2009.01.02 for Outgoing Board Member David Cortese.

7. REPORT FROM THE GENERAL MANAGER

Michael T. Burns, General Manager, welcomed the two new VTA Board Members, noting staff will schedule an orientation with them in the near future.

Mr. Burns reported on a continued and strong performance in ridership, with an increase of 11 percent from November 2007 to November 2008. A status report will be provided to the Board on a regular basis.

The State budget and stimulus package at the federal level are both very fluid, therefore details are limited. The total anticipated State budget deficit for the next 18 months is $42 billion. A package of mid-year budget revisions was passed by the State Legislature in December and vetoed by The Governor on January 6, 2009. At the end of December the Governor announced his own budget proposal, encompassing an 18-month period. The Governor has included a stimulus initiative as part of his budget proposal, largely the advancement of infrastructure bonds, which staff will continue to watch and report on.

VTA, its advocates and representatives, will be working to preserve as much transportation funding as possible.
The proposed Federal Stimulus Package, a priority of the President-elect, is expected to be completed in the mid-to-late February timeframe.

VTA has been working with State, stakeholder agencies, cities and the county to coordinate a process for project-funding distribution.

Mr. Burns reported on a memo in front of each Board member and on the back table for the Public, clarifying the action on **Agenda Item #20**, Silicon Valley Rapid Transit New Starts Candidate Project Funding Plan. He noted the Board is not being asked to approve a project, allocations, or appropriations of funds. The Board is being asked to approve a funding plan for an operable BART segment in Santa Clara County, which is consistent with the Metropolitan Transportation Commission’s condition as part of the Resolution 3434 Strategic Plan to release the funding for the Warm Springs Extension.

Eugene Bradley, representing SCVTARU, raised a concern that previously-approved projects may be delayed in order for VTA to qualify for federal stimulus funds.

8. **REPORT FROM THE CHAIRPERSON**

Chairperson Sandoval defined 2009 as a year of challenges and opportunities. Despite very serious economic problems, the voters of Santa Clara County gave VTA an overwhelming vote of confidence with the passage of Measure B. VTA must also continue to earn the trust the voters have placed in it. VTA will be resubmitting the New Starts Program application to Washington. Staff will ensure VTA is seen as one of the most competitive organizations for funding. Board members must ensure our federal representatives are doing their part by educating them on the need for the $750 million federal funding.

Chairperson Sandoval noted the eight cent sales tax the voters passed in November will not be collected unless the federal share for this project is committed. Santa Clara County and its northern partners have a unique opportunity to facilitate investment and make the High Speed Rail (HSR) Project a reality. Caltrain’s right-of-way, an early HSR investment, will be an important benefit to both Caltrain and to the commuters in Santa Clara County. Staff projects receipt of $35 million less state-revenue funds than originally planned. VTA has been both conservative and strategic with public money. The continual loss to operating and capital budgets will need to be addressed. VTA will ensure its outstanding bond and indebtedness is prudently managed through its hiring of an auditor general and by improving its financial infrastructure. A planned comprehensive look at the rail system will allow VTA to ensure it is providing the most effective and efficient rail transportation service.

Chairperson Sandoval expressed her commitment to a Customer Service Initiative and encouraging staff to seek input and crucial feedback from its broadest group of clients. VTA is now providing documentation, when possible, via compact disks in its effort to support a Green Initiative. In an effort to improve its own infrastructure, the Board will be addressing the governance issue this year.

Chairperson Sandoval welcomed the new Board members, stated she was looking forward to working with the entire Board, and thanked the members in advance for all of the hard work they will be putting forth in 2009.

Eugene Bradley, representing SCVTARU, expressed concern about budgetary comments made by then Vice Chairperson Sandoval at the December Board meeting. Chairperson
Sandoval noted those were her personal comments, confirming with Mr. Bradley no action had been taken following those comments.

Ross Signorino, Interested Citizen, praised Chairperson Sandoval for her decision to move Public Comments near the beginning of the Agenda.

Chairperson Sandoval referred the Board to the recommended appointments to Board Standing Committees for 2009.

**M/S/C (Caserta/Reed)** to approve appointments to Board Standing Committees for 2009.

9. **Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) Chairperson’s Report (Tebo)**

Noel Tebo, CAC Chairperson for 2008 and newly re-elected Chairperson for 2009, provided a report regarding the CAC Meeting of December 10, 2008, highlighting the following: 1) The Citizens Advisory Committee is growing into their new role as the Citizens Watchdog Committee; 2) An independent auditor was hired to help fulfill the CWC mission regarding the third year Measure A expenditures as mandated by the voters. The process is beginning and the audit will be performed this coming year; 3) The CAC/CWC is actively participating in the Advisory Committee Enhancement program to refine their role as an effective Citizens Advisory Committee; and 4) The CAC/CWC has begun working on the 2009 goals and objectives.

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

Christopher Moylan, PAC Chairperson for 2008, provided a report regarding the PAC Meeting of December 11, 2008. The PAC: 1) prepared a mission statement; 2) are up-to-speed on Saratoga’s local transportation needs and priorities; 3) recommended approval of the VTP 2035 Plan; and 4) recommended the multi-modal design approach used for the US 101/Tully Road interchange project.

Chairperson Moylan noted the PAC elected Margaret Abe-Koga of Mountain View as Chairperson and Chuck Page of Saratoga as Vice Chairperson for 2009.

**CONSENT AGENDA**

Chairperson Sandoval noted Interested Citizens requested to comment on **Agenda Item #18**, VTA Contribution to Caltrain Capital Projects & Approval of a Cooperative Agreement with the Peninsula Corridor Joint Powers Board.

Member Kishimoto requested the following Agenda Items be removed from the Consent Agenda and placed on the Regular Agenda: **Agenda Item #20**, Silicon Valley Rapid Transit New Starts Candidate Project Funding Plan and **Agenda Item #24**, FY 2009-2018 Mini Short Range Transit Plan (SRTP).

Member Reed noted he would abstain on the Consent Agenda.

Members Liccardo and Caserta noted they would abstain on **Item #29**, Freight Railroad Relocation - Contract Award for Construction of Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation.

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to approve the Board of Directors Regular Meeting and Workshop Minutes of December 11, 2008. Member Reed Abstained.

12. Contract Award for Auditor General Services

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to authorize the General Manager to execute a Task Order Contract with Deloitte & Touche, LLP to provide Auditor General Services for a two-year period in the amount of $350,000. Additionally authorize the General Manager to execute three additional one year contract options for $175,000 per year subject to approval by the Audit Committee. Member Reed Abstained.


M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to review and receive the Independent Auditor’s Report on the agreed-upon procedures performed on VTA’s Procurement Card for the fiscal year ended June 30, 2008 (FY2008). Member Reed Abstained.


M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, for VTA Board of Directors acting as the Trustees of the Santa Clara Valley Transportation Authority Retirees’ Other Post Employment Benefits (OPEB) Trust (Trust) review and receive the audited financial report for Fiscal Year 2008. Member Reed Abstained.

15. Citizens Advisory Committee Appointment

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to recommend the Board of Directors ratify the nomination of Peter Skinner to the Citizens Advisory Committee representing the Silicon Valley Leadership Group. Member Reed Abstained.


M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to authorize the General Manager to execute contracts with seven (7) temporary employment agencies for three years, with two one-year options to extend, in an amount not to exceed $300,000 per year. The agencies are: AppleOne Employment Services; CoreTechs, Inc.; CornerStone Staffing Solutions, Inc.; Global Infotech Corporation; Josephine’s Personnel Services, Inc.; Robert Half International, Inc.; and Venturi Staffing Partners, Inc. Member Reed Abstained.


M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to authorize the General Manager to extend the contract with Hayden J. Lee Consultants, Inc. (HJL Consultants) to perform Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) certification services, contract monitoring, progress reports and compliance services associated with DBE/SBE participation on VTA contracts for an additional 12 months in an
18. **(Removed from the Consent Agenda and placed on the Regular Agenda.)**

Authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for contributions of: 1) up to $11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; and 2) up to $600,000 of Measure A funds for Caltrain capital planning efforts.

19. **State Local Partnership Program Contribution to BART Warm Springs Extension Project**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to approve the contribution of State Local Partnership Program of $8 million and its funding match from 2000 Measure A Program of $8 million for the BART Warm Springs Extension project. Member Reed Abstained.

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

Reaffirm the Board’s commitment to the Silicon Valley Rapid Transit Corridor project (BART to Milpitas, San Jose, and Santa Clara); and approve a funding plan (Exhibits C and D) for the federal New Starts Candidate project as an assurance for the BART Warm Springs Extension project.

21. **Proactive CMP Reviewed and Approved Development Quarterly Status Report**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to receive the Proactive CMP Reviewed and Approved Project Quarterly Status Report. Member Reed Abstained.

22. **STIP PPM Fund Transfer Agreement with Caltrans**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to adopt Resolution No. 2009.01.03 authorizing the General Manager to execute fund transfer agreements with the State of California Department of Transportation (Caltrans) for four fiscal years from 2009 to 2012 for the State Transportation Improvement Program Planning, Programming and Monitoring Program. Member Reed Abstained.

23. **Revised BEP Evaluation Criteria**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to adopt the revised Bicycle Expenditure Plan Evaluation Criteria as described in Attachment D. Member Reed Abstained.

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

Adopt the FY 2009-2018 Short Range Transit Plan (SRTP).

25. **Multi-Modal Design Practices and Principles**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to recommend the Board of Directors direct staff to follow the multi-modal design approach on all future roadway improvement projects as feasible, including projects within the State right of way. Member Reed Abstained.
26. **Regional Transit-Oriented “Bike Share” Program**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to direct staff to conduct a Bike Sharing Pilot program as described in the recommendations outlined in the attached memorandum. Member Reed Abstained.

27. **Countywide Expressway Study - 2008 Update**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to endorse the Santa Clara County Countywide Expressway Study. Member Reed Abstained.

28. **Freight Railroad Relocation – Utility Relocation Agreement with Alameda County Transportation Authority and City of Fremont**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to authorize the General Manager to execute a Utility Relocation Agreement with Alameda County Transportation Authority and the City of Fremont for the purpose of relocating conflicting utilities for the Mission Warren Truck Rail Program. The utility relocation agreement will be for $24.3M, of which VTA’s share is not to exceed $7.8M. Member Reed Abstained.

29. **Freight Railroad Relocation - Contract Award for Construction of Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation**

M/S/C (Pyle/Gage) on a vote of 8 Ayes, 0 Noes and 3 Abstentions, to authorize the General Manager to execute a contract with Gordon N. Ball, the lowest responsible bidder, in the amount of $15,242,004 for the construction of the Berryessa Creek Crossing, Abel Street Seismic Retrofit, and UPRR Railroad Relocation. Members Caserta, Liccardo and Reed Abstained.

30. **FY 2007 Transit Security Grant Program - Base**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to adopt Resolution No. 2009.01.04 authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $1,517,185 from the U. S. Department of Homeland Security's FY2007 Transit Security Program (Base). Member Reed Abstained.

31. **FY2007 Transit Security Grant Program-Supplemental**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to adopt Resolution No. 2009.01.05 authorizing the General Manager to submit and execute grant applications and agreements, certifications, assurances, and other documents as necessary to receive $949,079 from the U. S. Department of Homeland Security's FY2007 Transit Security Program (Supplemental). Member Reed Abstained.

32. **Program Augmentation for Transportation Planning and Mass Transit Studies**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to augment the total value of contracts permitted under the previously approved Transportation Planning and Mass Transit Studies on-call list from $6,000,000 to $7,000,000. Member Reed Abstained.
33. **2009 Board of Directors Meeting Calendar**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to approve the 2009 Board of Directors Meeting Schedule. Member Reed Abstained.

34. **Facilities Program - Inaugural Semi-Annual Progress Report - September 2008**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to receive information on the Facilities Program - Inaugural Semi-Annual Progress Report. Member Reed Abstained.

35. **RIDE Task Force Annual Update**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to review the annual RIDE Task Force Update. Member Reed Abstained.

36. **January 2009 Service Changes**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to receive information on January 2009 Transit Service Changes. Member Reed Abstained.

37. **Annual Transit Service Plan - Information**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to receive information on 2009 Annual Transit Service Plan. Member Reed Abstained.

38. **VTP Highway Program Semi-Annual Report - October 2008**

M/S/C (Pyle/Gage) on a vote of 10 Ayes, 0 Noes and 1 Abstention, to receive the VTP Highway Program Semi-Annual Report. Member Reed Abstained.

**REGULAR AGENDA**

39. **Real-Time Information (RTI) Project**

Michael T. Burns, General Manager, introduced the RTI Project and reported: 1) This a direction the industry is taking to provide customers with transit arrival information in real time; 2) VTA staff has worked several years to reach this point; 3) Eighty percent of the funding has been secured through federal and regional sources; 4) In addition to the customer benefit, the system will provide real time vehicle location information to Operations; and 5) By fitting in with the 511 system, the RTI project provides a regional benefit.

Gary Miskell, Chief Information Officer, provided a PowerPoint presentation detailing: 1) RTI Project Goals; 2) Sign Display Functionality; 3) Smart Traveler Plus Web; 4) Voice Solution; and 5) RTI Budget and Funding.

Member Sellers questioned PDA applications for the RTI system. Mr. Miskell noted passengers can set-up and receive automatic texts informing them of late transit arrivals. He noted, for planning travel via multiple-transit systems, the 511 system would be the best solution for the rider. Within the VTA system, logging onto VTA.org website, or calling the Interactive Voice Response (IVR) system, would be the right solution for the rider.
Member Pyle expressed her enthusiasm and support for the RTI Project, predicting a huge demand for this technology.

Member Kishimoto expressed her enthusiasm and support for the RTI Project, noting its potential to help VTA meet the challenges of serving lower-density communities.

Member Liccardo noted RTI will open up an extraordinary opportunity for VTA to reach a new segment of the population. He expressed concern regarding the $450,000 ongoing costs per year and questioned whether staff had looked into any private partnerships for advertising to pay these ongoing costs. Mr. Miskell stated the signs were advertising-capable, noting the geographic location would determine whether advertising could be sold. He noted staff has considered the idea and will look further into it as the process moves forward.

Michael Ludwig, Interested Citizen, extended his thanks and praise to VTA for initiating the RTI system and questioned the timing for implementation. Mr. Miskell stated the steps for this project, during the anticipated 18-month process, are: 1) detail and design from January through July; 2) initial procurement; and 3) deployment to begin in the late-July timeframe and extending out through the year 2010.

Eugene Bradley, representing SCVTARU, expressed his appreciation for the implementation of this much-needed service.

M/S/C (Pyle/Caserta) to:

1. Adopt the Initial Project Report for Regional Measure 2 (RM2) funds for the Real-Time Information Project (attached as Exhibit A);

2. Adopt Resolution No. 2009.01.06 authorizing the General Manager to execute and submit an allocation request for the RM2 funds from the Metropolitan Transportation Commission (MTC) for the Real-Time Information Project, (attached as Exhibit B) in the amount of $2,530,000; and

3. Authorize the General Manager to execute a contract with ACS Inc., (Affiliated Computer Services) to build the Real-Time System in an amount not to exceed a total of $5,100,000.

40. Fiscal Year 2008 Comprehensive Annual Financial Report for the Santa Clara Valley Transportation Authority and the Santa Clara Valley Transportation Authority Amalgamated Transit Union Pension Plan Report

Joseph Smith, Chief Financial Officer, introduced Leonard Danna, CPA, Partner, Vavrinek, Trine, Day & Company, LLP, the firm responsible for conducting an audit of VTA finances for the fiscal-year ended June 30, 2008.

Mr. Danna stated his company’s role was to audit the financial statements prepared by VTA staff members. He reported their findings were unqualified, with no issues, and there were no audit adjustments made. Mr. Danna noted the report was previously presented to the Audit Committee where questions were presented and fully vetted.

M/S/C (Gage/Sellers) to review and receive the audited Comprehensive Annual Financial Report for the Santa Clara Valley Transportation Authority, and the Valley Transportation Authority Amalgamated Transit Union Pension Plan Report for Fiscal Year 2008.
41. **Valley Transportation Plan (VTP) 2035 Plan Adoption**

John Ristow, Chief Congestion Management Agency Officer, introduced the VTP 2035 Plan as a culmination of two years of hard work by the city staff, county staff, advisory committees, VTA staff and the Board.

Chris Augenstein, Deputy Director, Planning, presented a PowerPoint presentation on the VTP 2035 Plan. The Plan builds on the VTP 2030 Plan adopted by the Board of Directors in February 2005 and tracks with the Metropolitan Planning Commission’s (MTC) Regional Transportation Plan (RTP). The Final VTP 2035 document consists of 5 primary chapters containing: 1) Plan setting, vision, goals and objectives; 2) Fund projections and a description of the VTP capital investments, services, and planning activities; 3) Land-use, partnership, and Climate protection programs to continue and expand VTA’s involvement in livability initiatives and better link transportation and land use decision-making; 4) Near-term implementation tasks and transportation studies to be undertaken; and 5) Strategic Plan element.

VTP 2035 Program Areas are: 1) Transit; 2) Highways; 3) Expressways; 4) Local Streets and County Roads; 5) Pavement; 6) Local Transportation Projects and Enhancements; 7) Sound Mitigation; 8) Landscape & Graffiti / Trash Removal; 9) Transportation Systems Operations and Management; 10) Bicycle; and 11) Community Design & Transportation (CDT) Program.

Chairperson Sandoval expressed her appreciation to VTA’s staff for their efforts. Mr. Augenstein acknowledged the efforts of project planners John Sighamony and Adam Burger.

Member Sellers noted, although acknowledging Mr. Augenstein had mentioned in his presentation they were being addressed, his local committee had found the minor inconsistencies between the appendices and the CMP section.

Member Casas requested information on the methodology used to quantify the improved air quality. Mr. Augenstein stated the factors used, vehicle-miles traveled and vehicle-hours traveled, are provided by the Air Quality Board. He noted MTC’s use of the Peavley Factors factor in improvements in technology. Although not shown in the plan, when staff utilizes the Peavley Factors, a significant reduction is seen in carbon dioxide and other air pollutants.

Member Kishimoto acknowledged staff’s efforts and their great job of introducing many new programs. She expressed concern with regard to the Plan’s current and projected emission levels.

M/S/C (Pyle/Caserta) on a vote of 10 Ayes, 1 No and 0 Abstentions, to approve the Valley Transportation Plan 2035 (VTP 2035) as Santa Clara County’s long-range countywide transportation plan. Member Kishimoto voted No.

18. **VTA Contribution to Caltrain Capital Projects & Approval of a Cooperative Agreement with the Peninsula Corridor Joint Powers Board**

Yolanda Reynolds, Interested Citizen, spoke on the need to improve air quality, find a better way for bicyclists to use Caltrain, and urged the Board to electrify Caltrain.
Kathryn Mathewson, representing VIVA Foundation, expressed concern over the toxic properties in diesel fuel, encouraged a reduction in the use of diesel trains and buses, and urged the Board to electrify Caltrain.

Marshall Woodmansee, Interested Citizen, strongly encouraged both improvement in air quality and the electrification of Caltrain.

Tessa Woodmansee, Interested Citizen, expressed concern there is a lack of support of the electrification of Caltrain and encouraged a reduction in diesel emissions in order to meet federal guidelines for air quality.

Michael T. Burns, General Manager, noted staff has requested funding from the funding partners for the electrification of Caltrain. In addition to the Measure B passing in November, the High Speed Rail (HSR) Bond also passed. VTA has held discussions with Caltrain regarding the need for coordination with the HSR project, specifically on the electrification project, before additional steps are taken. VTA is not suggesting the electrification be delayed.

Vice Chairperson Liccardo, referencing Ms. Reynolds’ comment on Caltrain bicycle accessibility, directed attention to Item 26 on today’s consent calendar wherein the Board is directing staff to conduct a Bike Sharing Pilot Program.

**M/S/C (Gage/Caserta)** on a vote of 10 Ayes, 0 Noes and 1 Abstention, to authorize the General Manager to execute a cooperative agreement with the Peninsula Corridor Joint Powers Board (JPB) for contributions of: 1) up to $11.6 million of Measure A funds for Santa Clara Station and San Jose Diridon Station improvements; and 2) up to $600,000 of Measure A funds for Caltrain capital planning efforts. Member Reed Abstained.

### 20. Silicon Valley Rapid Transit New Starts Candidate Project Funding Plan

Member Kishimoto requested clarification for what a “yes” vote on this item means. Kevin Allmand, General Counsel, stated this is approval of the funding plan for an operable BART segment as required by the Metropolitan Transportation Commission Resolution 3434.

Member Kishimoto questioned what obligation the signing of this plan would have for future VTA boards. Mr. Allmand stated this is a plan only and does not obligate future Boards.

Member Kishimoto questioned whether VTA could be sued if the Warm Springs Extension was completed and VTA was unable to proceed with the Santa Clara County extension. Mr. Allmand stated VTA could not be sued based upon the approval of the plan.

Member Kishimoto acknowledged, with the two-thirds passage of Measure B, BART is a high priority for the voters. She then reminded the Board of its obligation to follow a process, noting the Environmental Impact Study (EIS) has not been completed.

Member Kishimoto expressed concern whether there will be resources left for VTA’s share of the Caltrain Electrification project. Mr. Burns defined the planning process for the Measure A projects as a dynamic, continually-changing process. The direction from the Board is to deliver on all Measure A projects. Determining the budget, having a mid-term and long-term view of what is and is not available will be part of the process as a whole.

Member Kishimoto expressed her strong support for Caltrain and Caltrain Electrification.
Member Casas, as a point of clarification, asked staff to reissue the memo with the appropriate text for the record so there is no lack of understanding.

Michael Ludwig, Interested Citizen, acknowledged the passage of Measure B and stressed the importance of completing this project without going over budget.

Chairperson Sandoval restated the motion to replace the language “New Starts Candidate Project” to “an operable BART segment in Santa Clara County.”

**M/S/C (Gage/Pyle)** on a vote of 9 Ayes, 1 No and 1 Abstention, to reaffirm as amended the Board’s commitment to the Silicon Valley Rapid Transit Corridor project (BART to Milpitas, San Jose, and Santa Clara); and approve a funding plan for an operable BART segment in Santa Clara County as an assurance for the BART Warm Springs Extension project. Member Kishimoto voted No. Member Reed Abstained.

### 24. FY 2009-2018 Mini Short Range Transit Plan (SRTP)

Member Kishimoto requested clarification in regard to figures within the SRTP Plan.

Member Casas confirmed with Mr. Burns that Member Kishimoto may provide questions to staff in advance of the meetings and staff will then report back to the Board.

**M/S/C (Kishimoto/Sellers)** on a vote of 10 Ayes, 0 Noes and 1 Abstention, to adopt the FY 2009-2018 Short Range Transit Plan (SRTP). Member Reed Abstained.

### OTHER ITEMS

#### 42. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

There were no Items of Concern and Referral to Administration.

#### 43. MONTHLY LEGISLATIVE HISTORY MATRIX

There was no Monthly Legislative Matrix.

#### 44. REPORTS (UNAPPROVED MINUTES) FROM STANDING COMMITTEES

**A. Administration and Finance Committee**

On order of Chairperson Sandoval and there being no objection, the December 18, 2008, Administration and Finance (A&F) Committee Minutes were accepted as contained on the dais.

**B. Congestion Management Program and Planning Committee**

On order of Chairperson Sandoval and there being no objection, the December 18, 2008, 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 December 18, 2008, Transit Planning and Operations (TP&O) Committee Minutes were accepted as contained in the Agenda Packet.
45. REPORTS (UNAPPROVED MINUTES) FROM ADVISORY COMMITTEES

A. Committee for Transit Accessibility (CTA)

On order of Chairperson Sandoval and there being no objection, the December 10, 2008, 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 December 10, 2008, 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 December 10, 2008, Bicycle and Pedestrian Advisory Committee (BPAC) Minutes were accepted as contained on the dais.

D. Technical Advisory Committee (TAC)

On order of Chairperson Sandoval and there being no objection, the December 11, 2008, 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 December 11, 2008, Policy Advisory Committee (PAC) Minutes were accepted as contained on the dais.

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

A. Peninsula Corridor JPB

There was no report from the Peninsula Corridor JPB.

B. Capitol Corridor JPB

There was no report from the Capitol Corridor JPB.

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 December 17, 2008, 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.

47. **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 & BART Warm Springs Extension PAB**

*On order of Chairperson Sandoval* and there being no objection, the October 15, 2008, Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB Minutes were accepted as contained on the dais.

C. **Downtown East Valley PAB**

*On order of Chairperson Sandoval* and there being no objection, the December 4, 2008, Downtown East Valley PAB Minutes were accepted as contained in the Agenda Packet.

D. **Highway PAB South**

There was no report from the Highway PAB South.

48. **PUBLIC PRESENTATIONS**

Eugene Bradley, representing SCVTARU, expressed appreciation for the Chairperson moving the Public Presentations to the beginning of the agenda.

Tim L. Ranz, Interested Citizen, expressed concern over a driver’s inability to properly deploy a wheelchair lift. Mr. Ranz provided staff with the driver’s badge number, bus number, and the bus route. Michael T. Burns, General Manager, noted staff would investigate the situation and report back to him.

Michael Ludwig, Interested Citizen, expressed appreciation for the Chairperson moving the Public Presentations to the beginning of the agenda for people who take the bus.

49. **ANNOUNCEMENTS**

50. **ADJOURNMENT**

*On order of Chairperson Sandoval* and there being no objection, the meeting was adjourned at 8:03 p.m.

Respectfully submitted,

Susan E. Garcia, Board Assistant
VTA Board of Directors
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Amendment to VTA Unrestricted and Restricted Funds Investment Policy

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve recommended changes to the Investment Policy for VTA Unrestricted and Restricted Funds.

BACKGROUND:

VTA’s investment program complies with California Government Code Section 53601 et seq. and VTA's approved Unrestricted and Restricted Funds Investment Policy ("Investment Policy"), which insures successful and prudent management of public funds. The Investment Policy applies to all funds and investment activities under the direction of VTA, except for Amalgamated Transit Union (ATU) Pension Funds and ATU Spousal Medical, Dental, and Vision Plan Funds, which are managed under the authority of the VTA/ATU Pension Board.

The Unrestricted and Restricted Funds are currently invested in three separate portfolios which include investments with the State of California Local Agency Investment Fund (LAIF), and two investment accounts with a fixed income money manager.

The two investment accounts held with the fixed income money manager are differentiated by investment horizons, with one fund dedicated for VTA’s short-term cash requirements and the other for longer term requirements. To evaluate the performance of the investment manager, each account is assigned an appropriate index as a benchmark. The approved Unrestricted and Restricted Funds Investment Policy (“Investment Policy”) includes two such indices: the Taxable Money Market Index, and the Lehman Brothers U.S. Government Intermediate Index. The Taxable Money Market Index is used to gauge performance of the short term duration (less than 1 year) portfolio, which typically holds deposited funds earmarked for use during the next
twelve months (such as funds for VTA transit operations and for the local share of capital projects). The Lehman Brothers U.S. Government Intermediate Index is used to gauge performance of the longer maturities (1 to 10 years) portfolio, which typically holds deposited funds earmarked for use beyond a twelve month horizon (such as settlement of self-insured claims: workers compensation and general liability).

**DISCUSSION:**

The names of the two benchmark indices identified in the Investment Policy, the Taxable Money Market Index and Lehman Brothers U.S. Government Intermediate Index, have been changed to the iMoneynet Money Market Index and Barclay’s Capital U.S. Government Intermediate Index, respectively. Staff is recommending an amendment to the Investment Policy that recognizes this change.

Staff also recommends the addition of a new mid-term fixed income portfolio. The new account would have an investment horizon of one to three years (with an anticipated average duration of 18 to 24 months). The recommended benchmark for which to measure performance for these funds is the Merrill Lynch 1 to 3-year Treasury Index. This index is an unmanaged index tracking short-term government securities with maturities between 1 and 2.99 years.

The establishment of the recommended investment portfolio represents a change in investment strategy; however, it allows for better alignment of investment maturities to the use of funds, while maintaining the objectives of the Investment Policy: safety, liquidity, and yield. The accounts that currently exist with the fixed income money manager incorporate two strategies: a short-term (average duration of three months) strategy and long-term (average duration of 4 years) strategy. Currently our short-term portfolio is yielding about 2.0% on a stand alone basis; however, this is going to fall quickly as maturities are reinvested at interest rates in the short-term part of the yield curve (currently between zero and 1%). Meanwhile, our long-term funds have higher yields (currently 3.0%), but are subject to much higher risk of rising interest rates. In the long-run, this long-term strategy should provide higher returns, but is more appropriate for funds that we do not expect to need within three years. Historically, the monthly returns increased as the duration increases (duration is the life expectancy of a security or group of securities).

With the additional fixed income investment portfolio, staff could allocate deposits based on three investment horizons: short-term maturities (one year or less), mid-term maturities (one to three years) and long-term maturities (greater than 3 years but less than 10 years). After a period of transition, which will involve movement of funds (as investments mature) from the short-term portfolio to the mid-term and long-term portfolio, staff anticipates an increase of approximately $500,000 per year in interest income (given today’s interest rate environment). Approximately 9% or $45,000 of this would be allocated to the VTA Transit Enterprise Fund.

The staff recommended changes to the Investment Policy affect Section 18 - Performance Standards. A copy of the Investment Policy, marked to highlight the proposed changes is attached.
**ALTERNATIVES:**

There is no practical alternative to the recommended changes affecting the benchmark names for the two existing managed fixed income portfolios.

The Board could choose not to approve the addition of a third managed fixed-income investment portfolio.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration and Finance Committee considered this item at its January 15, 2009 meeting and approved it unanimously without comment.

**FISCAL IMPACT:**

Staff anticipates an increase of approximately $500,000 per year in interest income (given today's interest rate environment). Approximately 9% or $45,000 of this would be allocated to the VTA Transit Enterprise Fund.

Prepared by: Manny Bagnas, Investment Services Manager
1.0 **INTRODUCTION**

The purpose of this policy is to enhance opportunities for a prudent and systematic investment program and to organize and formalize investment-related activities.

The investment policies of the Santa Clara Valley Transportation Authority (VTA) shall be based on state law and prudent money management. All funds shall be invested in accordance with this Investment Policy and California Government Code Section 53601 et seq. related to the investment of public funds. The provisions of relevant bond documents shall further restrict the investment of bond proceeds.

2.0 **SCOPE**

This policy applies to all funds and investment activities under the direction of VTA except for Amalgamated Transit Union (ATU) Pension Funds and ATU Spousal Medical, Dental, and Vision Plan Funds, which are managed under the authority of the Pension Board.

3.0 **PRUDENCE**

The standard of prudence to be used by investment officials shall be the "prudent person" standard, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of public trust. VTA shall recognize that no investment is totally without risk and that the investment activities of VTA are a matter of public record. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
4. **OBJECTIVES**

The primary objectives, in priority order, of VTA’s investment activities shall be:

4.1 **Safety.** Safety of principal is the foremost objective of the investment program. VTA’s investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

4.2 **Liquidity.** VTA’s investment portfolio shall remain sufficiently liquid to enable VTA to meet its cash flow requirements.

4.3 **Return On Investment.** VTA’s investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

5. **DELEGATION OF AUTHORITY**

The management responsibility for the investment program is hereby delegated to the General Manager who shall monitor and review all investments for consistency with this investment policy. The General Manager may delegate responsibility for day-to-day management of the portfolio. No person may engage in an investment transaction except as provided under the limits of this policy. The General Manager may also delegate the investment decision-making and execution authority to an investment advisor. The advisor shall follow the policy, which has been approved by the Board of Directors and such other written instructions as are provided.

6. **ETHICS AND CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. VTA employees and officers involved in the investment process shall disclose to the General Manager any material financial interests in financial institutions that conduct business with VTA, and they shall further disclose any personal financial/investment positions that could be related to the performance of the VTA’s portfolio.
7. **INTERNAL CONTROLS**

The General Manager or his designee shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentations by third parties or imprudent actions by employees or officers of VTA. The internal controls shall be reviewed with the Auditor General and the independent external auditor. The internal auditor shall perform a review of the internal controls at least on an annual basis.

8. **SELECTION OF INVESTMENT MANAGERS, FINANCIAL INSTITUTIONS AND BROKER/DEALERS**

VTA shall contract with investment manager(s). The investment manager(s) shall exercise its best efforts and discretion in negotiating the best security transaction executions available at the time, without regard to any broker designations or preferences for the exclusive benefit of the VTA. In applying this guideline, the value of research services offered by a brokerage firm may be taken into account in determining the best available source for transaction execution.

9. **PERMITTED INVESTMENT INSTRUMENTS**

9.1 **U.S. Treasury Obligations:** United States Treasury notes, bonds, bills or certificates of indebtedness, or those obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

9.2 **Obligations of Federal Agencies and U.S. Government Sponsored Enterprises:** Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participation’s, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participation’s, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.

9.3 **State of California Obligations:** Registered state warrants, treasury notes or bonds of the State of California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of this State.
9.4 Local Agency Obligations: Bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or Local agency. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long term by two national rating agencies.

9.5 Bonds issued by VTA: Bonds issued by VTA, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by VTA or by a department, board, agency, or authority of the local agency.

9.5.1 The total of state and local obligations (items 3, 4, and 5) shall not exceed 30% of VTA's portfolio.

9.6 Bankers' Acceptances: Bills of exchange or time drafts drawn on and accepted by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest letter and numerical rating (A-1/P-1) by Moody’s Investors Services and by Standard & Poor’s Corporation.

9.7 Purchases of Banker's Acceptances may not exceed 270 days maturity or 40 percent of VTA's portfolio. No more than five percent of VTA's portfolio may be invested in the Banker's Acceptances of any one commercial bank.

9.8 Commercial Paper: Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating (A-1/P-1) as provided by Moody's Investors Service, Inc. and Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of $500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

9.9 Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

9.10 Purchases of commercial paper may not exceed 15 percent of VTA's portfolio. An additional 10 percent, or a total of 25 percent of VTA's portfolio, may be invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. No more than five percent of VTA's portfolio may be invested in Commercial Paper of any one corporation pursuant to this section.
9.11 Repurchase and Reverse Repurchase Agreements: Investments in repurchase agreements and reverse repurchase agreements may be utilized only as short-term investments, not to exceed 90 days, except for investments related to debt service reserve funds, in which case cannot exceed limits stated in the applicable bond indenture (in no case beyond the final maturity of the bond for which the debt service reserve fund is dedicated).

9.11.1 Repurchase agreements may be utilized only when all of the following conditions are met:
9.11.2 The term of repurchase agreements shall be for 90 days or less.
9.11.3 VTA shall have properly executed a Public Securities Association (PSA) Master Repurchase Agreement with each firm with which it enters into Repurchase Agreements.
9.11.4 Repurchase agreements shall only be made with counter parties that are primary dealers of the Federal Reserve Bank of New York rated "A" or better by two nationally recognized rating services.
9.11.5 The market value of securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed weekly unless market conditions warrant daily valuation. Each time there is a substitution of collateral, the market value must be calculated and VTA must be notified of the substitution.
9.11.6 Collateral shall be limited to obligations of the U.S. Government and its agencies and U.S. Government sponsored enterprises as described in #1 and #2 of this section.
9.11.7 Collateral shall be delivered to a third party custodian in all cases, and VTA shall obtain a perfected first security interest in all collateral.
9.11.8 Investments in reverse repurchase agreements may be utilized only to cover temporary cash flow shortages and when all of the following conditions are met:
9.11.9 The security to be sold on reverse repurchase agreement has been owned and fully paid for VTA for a minimum of 30 days prior to the sale; and
9.11.10 The total of all reverse repurchase agreements on investments owned by VTA does not exceed 20% of the base value of the portfolio; and
9.11.11 The agreement does not exceed a term of 90 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

9.12 Medium-term Corporate Notes: Medium-term corporate notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by
depository institutions licensed by the U.S. or any state and operating within the U.S. Notes eligible for investment shall be rated in a category "A" or its equivalent or better by a nationally recognized rating service.

9.12.1 Purchase of medium-term corporate notes may not exceed 30 percent of VTA's portfolio and shall be limited to five percent in any one issuer.


9.14 Negotiable certificates of deposit or deposit notes issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank. Such obligations must have long-term ratings of Aa/AA or better by two national rating agencies.

9.14.1 Purchases of negotiable certificates of deposit may not exceed 30 percent of VTA's portfolio and shall be limited to five percent in any one issuer. Deposit notes and bank notes shall be included with negotiable certificates of deposit in calculating allowable maximum percentages.

9.15 Mortgage and Asset-Backed Obligations: Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond of a maximum of five years maturity. Such obligations must be rated Aa/AA or better long term by two national rating agencies and the issuer of such obligations must be rated Aa/AA or better by two national rating agencies. Purchases of securities authorized by this section may not exceed 20 percent of VTA's portfolio, which may be invested pursuant to this section and shall be limited to five percent in any one non-governmental issuer.

9.16 Mutual Funds: Shares of beneficial interest issued by diversified management companies, as defined in Section 23701m of the Revenue and Taxation Code, investing in the securities and obligations authorized by sections a through 1 of Government Code section 53601. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by at least two of the three largest nationally recognized rating services or (2) have an investment advisor registered with the Securities and Exchange Commission with at least five years experience investing in securities and obligations authorized by Government Code Section 53601 and with assets under management in excess of $500,000,000. The purchase price of shares of

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<th>Original Date:</th>
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<th>Revision Date:</th>
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<tbody>
<tr>
<td></td>
<td>April 6, 2000</td>
<td>Feb. 6, 2003</td>
</tr>
<tr>
<td></td>
<td>Dec. 13, 2007</td>
<td></td>
</tr>
</tbody>
</table>
beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and VTA may not use any fund that assesses fees for deposits or withdrawals.

9.16.1 The purchase price of shares shall not exceed 15 percent of VTA’s portfolio and 10% in any one mutual fund.

9.17 State of California's Local Agency Investment Fund (LAIF): In accordance with Section 16429.1 of the California Government Code, VTA may invest up to the maximum amount permitted by law in LAIF. The LAIF portfolio, including its average maturity, credit quality and Investment Policy shall be reviewed annually.

9.18 Santa Clara County Investment Pool: VTA may invest funds in the Santa Clara County Investment Pool. The Pool portfolio, including its average maturity, credit quality and Investment Policy, shall be reviewed annually.

9.19 Investment Agreements: VTA may invest, or direct its bond trustee on its behalf to invest, any trustee held bond funds in Investment Agreements meeting the terms of this section. The Investment Agreement must be (1) approved by VTA’s Chief Investment Officer and (2) be (a) with, or guaranteed by, a financial institution that is rated at least Aa/AA by two national rating agencies on an uncollateralized basis or (b) with a financial institution that has an investment grade rating from two national rating agencies and that pledges U.S. Treasury and/or Agency collateral in amounts sufficient to maintain Aa/AA ratings from at least two national rating agencies. Uncollateralized Investment Agreements must incorporate downgrade provisions that require the financial institution, if it falls below Aa/AA ratings, either to post U.S. Treasury and/or Agency collateral at levels sufficient to maintain Aa/AA ratings from at least two national rating agencies or to permit VTA or the trustee to withdraw funds under the Investment Agreement without penalty. Investment Agreements shall also include “Forward Delivery Agreements” in which a financial institution with an investment grade rating agrees to sell to VTA or bond trustee U.S. Treasury or Agency Obligations in amounts and at times that satisfy bond indenture requirements.

9.20 Qualified Structured Investment: Qualified Structured Investment means any investment with a swap counterpart, with a minimum rating in the “Aa/AA” category by at least two national rating agencies, the purpose of which is to provide VTA with a cash flow that meets VTA’s repayment obligations under a structured transaction, such as a leveraged lease, a Japanese operating lease or a service contract. Examples of a Qualified Structured Investment include a (1) “prepaid swap” (also known a fixed swap or a zero-coupon swap)
in which VTA swaps a cash deposit for a future cash flow in specified amounts on specific
dates or (2) an “asset swap” in which VTA purchases securities that qualify as Permitted
Investment Instruments and swaps the cash flow associated with those securities cash flow
for a cash flow that meets its defeasance schedule. Qualified Structured Investments shall
incorporate downgrade provisions that permit VTA to require the counter party, if it falls
below the Aa/AA rating category, (1) to post U.S. Treasury and/or Agency collateral at
levels sufficient to maintain Aa/AA ratings from at least two national rating agencies, (2) to
assign the Qualified Structured Investment to a counter party that meets the minimum
rating criterion and/or (3) to return the invested funds to VTA or its custodian without
penalty.

9.20.1 Credit criteria listed in this section refer to the credit of the security or the issuing
organization at the time the security is purchased.

10. SEGREGATED INVESTMENTS

Investments in instruments permitted in Government Code 53601 may be made where cash
flow or other factors warrant segregation of funds from the VTA commingled pool.
Examples of funds that may warrant such segregation are Retiree Health Care Program
funds, Workers Compensation reserve funds, Public Liability Property Damage reserve
funds, Investment Agreements, and Qualified Structure Investments.

In accordance with Government Code Section 53620-53622, the assets of the VTA Retiree
Health Care Program funds may be invested in a manner similar to those made by pension
funds, including purchase of common stocks, equities through mutual funds, other permitted
investments or through the direct purchase of common stocks and fixed income securities by
a money management firm or firms approved by the Board of Directors.

11. INELIGIBLE INVESTMENTS

Any security type or structure not specifically approved by this policy is hereby specifically
prohibited. Security types which are prohibited include,

(a) Inverse floaters, range notes, dual index notes, leveraged or deleveraged floating-rate notes, or interest-only strips that are derived from a pool of mortgages.

(b) Any security that could result in zero interest accrual if held to maturity.
(c) Any security with an unusually high degree of interest rate sensitivity or credit risk.

12. **RATING DOWNGRADES**

VTA may from time to time be invested in a security whose rating is downgraded. In the event of a downgrade, the General Manager or his designee shall report the downgrade to the Board at the next scheduled presentation of the portfolio. In the event of a downgrade below the minimum credit rating criteria permitted by this investment policy, the designated investment manager shall immediately report the downgrade to the General Manager. The General Manager or his designee shall report to the Board, at their next regularly scheduled meeting, both the downgrade and the action that has been taken.

13. **DIVERSIFICATION**

Investments shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, specific issue, or specific class of securities. The following diversification limits shall apply (excluding Retiree Health Care Funds, Qualified Structured Investments and bond related funds and funds set aside to secure payment of bonds):

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Maximum % Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasuries</td>
<td>100%</td>
</tr>
<tr>
<td>Federal Agencies &amp; U.S. Government Sponsored Enterprises</td>
<td>100%</td>
</tr>
<tr>
<td>State of California &amp; Local Agencies</td>
<td>30%</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>40%</td>
</tr>
<tr>
<td>Commercial Paper (CP) with weighted average maturity of all CP less than or equal to 31 days</td>
<td>30% 25%</td>
</tr>
<tr>
<td>Commercial Paper (CP), with weighted average maturity of all CP is &gt;31 days</td>
<td>15%</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>30%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>100%</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>20%</td>
</tr>
<tr>
<td>Medium-Term Notes</td>
<td>30%</td>
</tr>
<tr>
<td>Savings/Money Market Accounts</td>
<td>15%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>15%</td>
</tr>
<tr>
<td>Mortgage and Asset-Backed Obligations</td>
<td>20%</td>
</tr>
<tr>
<td>Investment of Unrestricted and Restricted Funds</td>
<td>POLICY</td>
</tr>
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<td>-----------------------------------------------</td>
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<tr>
<td>Document Number:</td>
<td>FRS-PL-07-01</td>
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<tr>
<td>Version Number:</td>
<td>12/18/2008</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>State of California Local Agency Investment Fund (LAIF)</th>
<th>Max. limit by law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Clara County Pool</td>
<td>100%</td>
</tr>
<tr>
<td>Inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages.</td>
<td>None</td>
</tr>
<tr>
<td>Any security that could result in zero interest accrual if held to maturity.</td>
<td>None</td>
</tr>
<tr>
<td>Any security with unusually high interest rate sensitivity or credit risk</td>
<td>None</td>
</tr>
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<tbody>
<tr>
<td>April 6, 2000</td>
<td>Apr. 6, 2000</td>
<td>Feb. 6, 2003</td>
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</table>
Issuer/Credit Diversification

<table>
<thead>
<tr>
<th>Issuer/Credit Rating</th>
<th>Maximum % Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any one federal agency or government sponsored enterprise</td>
<td>25%</td>
</tr>
<tr>
<td>Any one repurchase agreement or other collateralized</td>
<td>10%</td>
</tr>
<tr>
<td>Counter party name</td>
<td></td>
</tr>
<tr>
<td>Any one corporation, bank, local agency, or other name</td>
<td>5%</td>
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</tbody>
</table>

Diversification of Retiree Health Care funds shall be:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Range</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>35-70%</td>
<td>48%</td>
</tr>
<tr>
<td>Domestic Large Cap Stocks</td>
<td>25-60%</td>
<td>50%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

14. **SALES PRIOR TO MATURITY**

In the effort to maximize portfolio performance, VTA may, from time to time, sell securities that it owns in order to better reposition its portfolio assets in accordance with updated cash flow schedules or better market opportunities.

15. **MAXIMUM MATURITY**

To the extent necessary, VTA shall match investments with anticipated cash flow requirements. Investment maturities greater than eleven years required approval of the Chief Financial Officer. Long-term securities of more than five years shall be limited to 40% of the portfolio.

Notwithstanding the foregoing, VTA may invest in Permitted Investment Instruments with maturity of greater than eleven years in connection with Investment Agreements for debt offerings and in connection with structured financing, such as leveraged leases, operating leases or service contracts, as needed to pre-fund VTA’s obligations there under.

Investments with embedded "put" features shall be measured to the put date, while instruments with a "call" feature shall be measured to the final maturity. The maturity of asset backed securities shall be considered the estimated maturity date of the tranche.

---

1 Investment shall be made in stock mutual funds that mirror the price and yield performance of the S&P500 Index.
Portfolio maturities shall be staggered in such a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.

16. **REPORTING REQUIREMENTS**

The General Manager or his designee shall, monthly, render an investment report to the Administration and Finance Committee. The monthly report shall include the current market value, including the source of valuation, and the performance of each portfolio relative to the corresponding benchmark. The monthly report shall also include a statement of compliance with the investment policy and a statement denoting ability of VTA to meet expenditure requirements for the next six months (or provide an explanation as to why sufficient money may not be available).

The designated investment manager shall, quarterly, render an investment report to the General Manager and Auditor General that provides details of the portfolio holdings including type of investment, issuer, date of maturity, par value, and dollar amount invested in each security.

17. **SAFEKEEPING AND CUSTODY**

All securities owned by VTA shall be kept in safekeeping with "perfected interest" in the name of VTA by a third-party bank trust department, acting as agent for VTA under the terms of a custody agreement executed between the bank and VTA.

All securities shall be received and delivered using standard delivery versus payment procedures.

18. **PERFORMANCE STANDARDS**

The investment portfolios shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and cash flow needs of VTA. VTA shall establish performance benchmark indices for specific funds for performance evaluation purposes, which shall include indices for short term and intermediate funds.

Short Term Funds
Investment of Unrestricted and Restricted Funds

The short-term funds index shall be the “iMoneyet Money Market Index” “Taxable Money Market Index” and shall be used to evaluate the performance of the investments when liquidity and assurance of return of principal is essential. Examples of such investments are funds earmarked to underwrite operating deficits and local share of capital projects during the next twelve months.

Mid Term Funds

The mid-term funds index shall be the “Merrill Lynch 1 to 3-Year Treasury Index” and shall be used to evaluate the performance of the investments when liquidity and assurance of return of principal is essential. Example of such investments are funds earmarked to underwrite local share of capital projects beyond the twelve months period.

Intermediate (Long Term) Funds

The long-term funds index shall be the Barclay’s Capital U.S. Government Intermediate Index. This index shall be used to evaluate the performance of investments, which are not required during the next twelve months. Examples are funds that are earmarked for the settlement of self-insured claims (workers compensation and general liability).

19. INVESTMENT POLICY REVIEW AND AMENDMENTS

The Chief Financial Officer (CFO) shall review the Investment Policy annually to ensure its consistency with the respect to the overall objectives of safety, liquidity and yield, and its relevance to current law and financial trends, and shall recommend amendments, if any, to the Board, which the Board shall consider at a public meeting.

The General Manager and the CFO shall administer the Investment Policy. The CFO shall have the day-to-day responsibility and authority for implementing the Investment Policy.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Contract for Small Cap Investment Managing Firm

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

As a result of overall long-term under performance and a portfolio structuring analysis recently accomplished for the ATU Pension Board, Mercer Investment Consulting (Mercer) recommended terminating Brandywine as the current Small Cap Investment Managing firm for the ATU Pension Plan. The VTA/ATU Board of Pension (Pension Board) approved the recommended termination and authorized a search for their replacement at its September 9th meeting.

DISCUSSION:

VTA engaged Mercer to search for a Domestic Small Cap Equity Value manager. Mercer uses a proprietary database called its Global Investment manager Database (GIMD), which stores information for over 2,800 investment managers including firm-wide demographics, investment product details, performance, independent research including meeting notes, news items and manager ratings. All investment managers who participated in the selection process were asked to access the GIMD and ensure that all details about their firms were correct and up to date.

Using the GIMD, Mercer narrowed the search and on October 14th, presented the credentials of five Investment Management Firms to the Pension Board (Integrity, KCM, Numeric, RBP, and
WEDGE). The Pension Board selected the top three candidates (Integrity, Numeric, and WEDGE) for interviews based on the following criteria:

**Organization**
1. Firms that have been managing assets for at least five years, preferably longer,
2. Firms with sufficient assets under management, such that our assets would not represent a significant percentage of total assets, and,
3. Firms that produce superior investment returns overtime, with stock selection methods that can increase the probability of investment success.

**Performance**
4. Verifiable track record that demonstrates consistent adherence to the stated investment approach,
5. Risk and return characteristics of historical data that are consistent with the prescribed benchmark, and,
6. Performance that is generally competitive over time when compared to other managers with the same index.

Interviews with the selected finalists were conducted on December 4th and 5th, 2008. The interviews were evaluated by a panel consisting of two VTA management representatives and two ATU representatives utilizing the following factors and criteria:

- Impression of the Project Manager (10 points)
- Quality of the Team’s Oral Presentation (10 points)
- Content of the Team’s Oral Presentation (10 points)
- Answers to Questions (10 points)
- Project Manager’s ability to work with VTA (10 points)
- Overall Impression of the Team (both in written submittal and oral interview (50 points)

The ranking of the firms interviewed were: Wedge (95 points), Numeric (88.5 points), and Integrity (79.5 points). The panel selected WEDGE as the preferred Small Cap Investment Managing firm. The primary reasons for selecting WEDGE were their management team’s solid performance through a variety of market environments as measured against the Russell 2000 Value Index, but with a lower risk profile versus the other two finalists and the benchmark. Additionally, the WEDGE investment team’s stock selection strategy is well balanced between quantitative and qualitative analysis.

WEDGE management fees are equal to 1.00% of the market value of the securities; therefore, actual dollars for fees will vary. However, based on a market value of $29 million the estimated annual fee would be $290,000. WEDGE’s performance in small cap value investments, on an inception to date basis has been 2.4% greater than the Russell 2000 Value Index. Management fees are paid from ATU Pension fund assets.

The selection of WEDGE to manage the small cap portfolio is anticipated to be approved by the Pension Board at its next scheduled meeting on January 14, 2009.
ALTERNATIVES:

There are no practical alternatives given the Pension Board’s adopted asset allocation strategies (which include Small Cap investments) and the VTA/ATU Pension Board’s approved termination of the current incumbent funds manager.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee considered this item at the January 15, 2009 meeting attended by Director Gage, Director Reed, and (Alternate) Director Moylan. Director Reed recused himself from the item pursuant to Government Code Section 84308 and left the room, resulting in a loss of a quorum for the item. The item proceeded to discussion absent Director Reed.

Absent a quorum, the committee completed the discussion and moved to the next item without a vote.

FISCAL IMPACT:

Annual management fees, which are paid with ATU Pension Plan assets, are estimated to be $290,000 based on the current market value of the small cap portfolio.

Prepared by: Manny Bagnas, Investment Program Manager
Listing of Consultants
Small Cap Investment Manager

**Firm**

WEDGE Capital Management L.L.P.
301 South College Street, No. 2920
Charlotte, North Carolina 28202-6002

**Contact Information**

R. Michael James
General Partner
(704) 334-6475

Caldwell Calame, CFA
Executive Vice President
(704) 334-6475
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Administrative Officer, Bill Lopez

SUBJECT: General Tech Consulting Contract Authority Amendment

Policy-Related Action: No

Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

In September 2005 the Board authorized $3 million in contract authority for a period of five years for 16 vendors that were selected out of 36 that responded to a Request for Proposals (RFP). With Board approved increases of $3.4 million in August 2006, and $3.2 million in March 2008, the current contract authority is $9.6 million.

Services planned under that contract authority included training on software, website support and redesign, Hummingbird and ITS support, implementation of SAP Real Estate Module, redeployment of the SAP software, management of Translink projects, Business Intelligence, Business Automation, and routine SAP and Silicon Valley Rapid Transit (SVRT) support services.

Of the currently authorized $9.6 million, $0.3 million is available, and $9.3 million has been paid or assigned to vendors on the list, including: Aim Training Solutions; Booz Allen Hamilton; Cambridge Systematics, Inc.; CMC Americas, Inc.; eTouch Systems Corporation; General Networks Corporation; MyITgroup, LLC; Parsons Brinckerhoff Consulting, Inc.; Siemens Energy and Automation, Inc.; Unisys; and Zag Technical Services. The remaining available contract authority is $0.3 million.
**Current Authorized Amount**  9,600,000

Less Assigned / spent amount
- AIM training  50,000
- Booz Allen (S06037)  711,240
- Cambridge Sys  139,835
- Ciber Inc. ---
- CMC America  1,891,750
- DKS Associates ---
- e-Touch (S06038)  339,920
- General Networks  50,000
- Lamoreaux McLendon ---
- Macro Corporation ---
- MyITGroup  5,262,748
- Parson & Brinekerhoff  550,000
- Rapidigm ---
- Siemens Energy  217,271
- Unisys (S05117)  60,000
- Zag Technical  50,000

**Total Assigned**  9,322,764

**Available contract authority**  277,236  (As of 12/29/2008)

**DISCUSSION:**

In March 2005, an RFP was issued to solicit proposals from firms for the specialized technical consulting services discussed in the background section. A review board that consisted of staff from Technology, Operations, and Contracts departments, evaluated proposals from 36 different vendors, interviewed 20 firms, and selected 16 firms out of the process. The vendors selected were: Aim Training Solutions; Booz Allen Hamilton; Cambridge Systematics, Inc.; Ciber, Inc.; CMC Americas, Inc.; DKS Associates; eTouch Systems Corporation; General Networks Corporation; Lamoreaux-McLendon; Macro Corporation; MyITgroup, LLC; Parsons Brinekerhoff Consulting, Inc.; Rapidigm, Inc.; Siemens Energy and Automation, Inc.; Unisys; and Zag Technical Services. In September 2005 the Board authorized $3 million in contract authority. As approved capital projects become defined and or budget authorized the amount has been amended to $9.6 Million.

This request is for an additional $3.9 million for the implementation of projects and or services that have been approved, and whose budgets have been adopted in the FY09, or planned for in the FY10 budget. The projects are SAP Software Redeployment, CMA's ramp metering, EDMS Study, Business Intelligence, Business Automation; Emergency Security Telephone, Property Acquisition Tracking; VTA Customer Mailing System, Real Time Information, and Translink TVM Integration. Additionally, the Congestion Management Agency (CMA) is using this contract authority for its Intelligent Transportation Systems (ITS) related projects such as Signal Priority and Ramp Metering.
With this $3.9 million additional request, the contract authority will have a new total of $13.5 million. The additional $3.9 million will allow the Technology Department and Congestion Management Agency to continue contracting with the 16 selected firms until the contract authority expires in September 2010.

Current Authorized Amount 9,600,000
Total Assigned 9,322,764
Available contract authority 277,236

Current / Planned Requirements:

- CMA's ITS 2,000,000
- SAP Software redevelopment 730,000
- Translink TVM Deployment 250,000
- Business Intelligence 260,000
- Business Automation 140,000
- Real Time Information 400,000
- VTA.ORG enhancements 50,000
- Virus Emergency support 50,000
- Routine ERP support 270,000
- Support services and UPS 27,236

Total Current Requirements 4,177,236
Requested Authorized Increase 3,900,000

ALTERNATIVES:

The Board could choose not to authorize the additional contract authority, which would delay the implementation of projects, and could require individual board authorization for each project.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration and Finance Committee considered this item at the January 15, 2009 meeting attended by Director Gage, Director Reed, and (Alternate) Director Moylan. Director Reed recused himself from the item pursuant to Government Code Section 84308 and left the room, resulting in a loss of a quorum for the item. The item proceeded to discussion absent Director Reed.

Director Moylan asked whether in light of VTA’s declining revenues the VTA planned on reducing discretionary spending on consultants. Chief Information Officer Gary Miskell assured the committee that spending on consultants was being reduced along with other categories of spending. Director Gage asked whether the contracts were for hardware in addition to professional services. Mr. Miskell responded that the contracts were for services only, and hardware was procured under separate contracts. Director Gage asked whether we purchased hardware in advance in order to expedite projects. Mr. Miskell responded that the VTA timed all project activities to expedite the project and typically did procure all hardware necessary to execute a project in advance of contracting for professional services.
Absent a quorum, the committee completed the discussion and moved to the next item without a vote.

**FISCAL IMPACT:**

This action will authorize $3.9 million for technology general consulting services. Budget appropriation for existing projects and programs is available in the FY09 Adopted VTA Transit Enterprise and VTP Highway Improvement Program Fund Budgets. Appropriation for future projects and programs will be included in the Recommended FY 2010 and FY 2011 Biennial Budget. These contracts are funded from a variety of sources including VTA local funds, Regional Measure 2 (RM2), Congestion Mitigation and Air Quality Improvement Program (CMAQ)C, and other grant sources.

**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:**

No specific goal has been established for these task order contracts due to the lack of DBE firms available to perform the scopes of work. Contractors are encouraged to make reasonable efforts to utilize DBEs in their procurement of ancillary services and products associated with the performance of the contracts.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

No specific goal has been established for SBE per the technology general consulting services agreements.

Prepared by: Gary Miskell, Chief Information Officer
ATTACHMENT - Key Service Provider Executives

eTouch.

Aniruddha Gadre  President & CEO
Dave Valliere  COO
Ravi Damle  Director of Business Development

Macro

George Peterman  Executive Principal
Larry Trenga  Executive Consultant
Virginia Brooke  Controller
Fred Martino  Executive Consultant
Dave Schmauk  Executive Consultant
Alien Beatty  Executive Consultant

MyITGroup

David Perroni  Managing Director
Zane Edwards  Managing Director of Workforce
Erik Axton  Managing Director of Solutions
David Caspillo  Managing Director of Strategic Accounts
Prakash Devotta  Senior Director of Resourcing
Cambridge Systematics

Lance A. Neumann, President
Robert “Chip” Taggart, Chief Operating Officer
Candace S. Macomber Tobin, Chief Financial Officer
Steven M. Pickrell, P.E., Senior Vice President
Marc R. Cutler, Senior Vice President
Vassili Alexiadis, P.E., Vice President
Brad W. Wright, Vice President
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Financial Officer, Joseph T. Smith

SUBJECT: Actuarial Valuation of VTA’s Other Post Employment Benefits (OPEB) as of July 1, 2008

FOR INFORMATION ONLY

BACKGROUND:
VTA provides retiree health care as a post employment benefit to its employees as provided for in the collective bargaining agreements and the resolution of benefits for non represented employees. VTA has been performing actuarial valuations of this obligation since 1996 to determine the financial condition and contribution requirements of the Plan. VTA has been prefunding its share of retiree health benefits and has accumulated $104.4 Million in assets as of June 30, 2008. The Governmental Accounting Standards Board (GASB) has issued Statement No. 45 which describes that these assets must be held in a qualifying trust. VTA adopted and implemented GASB 45 in FY 2008.

Bickmore Risk Services (BRS), a firm specializing in actuarial services, has prepared the actuarial valuation report of VTA’s retiree Medical Plan as of July 1, 2008. The plan’s unfunded actuarial accrued liability (UAAL) is $121.0 Million and funded ratio is 46.3%, as compared to 42.0% as of July 1, 2007.

DISCUSSION:
Bickmore Risk Services has recommended that the plans’ amortization factor assumptions be updated to reflect VTA’s experience and have also recommended that the assumed rate of return be revised from 7% to 7.75% based on the Plan’s asset allocation. It is also the rate used by CALPERS and is more closely aligned with the 8% discount rate assumed by the VTA ATU Pension Plan. They have also computed VTA’s Annual Required Contribution (ARC) under GASB 45 assuming amortization of the unfunded actuarial accrued liability UAA over a rolling 20 year period. This will require VTA to contribute $15.6 Million in FY2009, as compared to $15.4 million in FY 2008. This represents an increase of $0.2 Million and will be covered by the approved FY 2009 VTA Transit Enterprise Operating Budget.
STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

Jeff Furnish, Actuary from Bickmore Risk Services presented a summary of the VTA OPEB Actuarial Valuation Report. The Administration and Finance committee discussed the application of the implicit rate subsidy required under GASB 45. They also discussed the appropriateness of the change in medical trend assumption as well as the change in the discount rate from 7% to 7.75% and concurred with the actuary’s assessment. Member Reed expressed appreciation for VTA’s previous Board Members and staff on their decision toprefund the retiree health obligation since 1993.

Prepared By: Ali Hudda, Deputy Director of Accounting
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Memorandum of Understanding to Implement Ramp Metering in Santa Clara County

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

At its April 3, 2008 meeting, the VTA Board of Directors approved an authorization for the General Manager to execute a funding agreement for $2,051,000 with the Metropolitan Transportation Commission (MTC) that specifies the roles and responsibilities to implement ramp metering in three corridors in Santa Clara County:

- Southbound SR 85 between Almaden Expressway and Cottle Road
- Northbound and Southbound SR 87 between US 101 and SR 85
- Southbound US 101 between Embarcadero Road and De La Cruz Boulevard

Since VTA Board approval, VTA staff has been working closely with stakeholders along the above listed subject corridors to develop ramp metering timing plans. The stakeholders have expressed a strong desire to develop an MOU that defines the roles and responsibilities for VTA and Caltrans to manage, maintain, and operate freeway metering systems in Santa Clara County.

DISCUSSION:
The MOU is based upon a recently approved MOU between City/County Association of Governments of San Mateo County (C/CAG) and Caltrans for ramp metering. The MOU between VTA and Caltrans is divided into seven sections plus a separate attachment defining the scope of effort for the Systems Operations and Management Working Group (SOMWG). The seven sections are as follows:

- **Goal:**
  This section defines the ultimate goal of ramp metering. The goal is to provide consistent and predictable travel times to reduce overall delay for freeway travel by managing access at on-ramps during peak commute periods, and to minimize impacts on local street traffic resulting from the implementation of ramp metering.

- **Governance:**
  This section defines the roles for the Caltrans, VTA Board of Directors, VTA Technical Advisory Committee, and SOMWG. The roles of each party are highlighted as follows:

  - Caltrans is owner and operator of ramp metering facilities and through the subject MOU will work cooperatively with governing bodies as defined in the subject MOU to implement, operate, and maintain the ramp metering systems in Santa Clara County.
  - The VTA Board of Directors will act as the policy body for policy decisions with regard to implementation of ramp metering.
  - The VTA TAC will continue to appoint members to the SOMWG which will include designated staff representatives from the cities and towns of Santa Clara County, and Santa Clara County, as well as ex-officio membership by Caltrans and VTA.
  - The VTA Technical Advisory Committee (TAC) through the SOMWG and Caltrans District 4 Operations will provide guidance on operational strategies for ramp meter consistent with Caltrans and local transportation policies and will recommend polices for adoption by the VTA Board of Directors as appropriate.

- **Operating Principles:**
  This section defines the overall principles how ramp meter will be operated in Santa Clara County. Ramp meters will be operated to ensure that queues from the ramp meter do not impede local arterial operations, and communities are burdened with ramp delays that are disproportionate or excessive. Ramp metering locations will also promote the provision for high occupancy vehicle (HOV) preferential treatment at on-ramps, where feasible.

- **Operating Parameters:**
  This section defines the days and hours of operations for ramp metering implementation, and describes the review and oversight provided by the VTA TAC and SOMWG regarding ramp metering plan implementation.
• **Implementation Phasing:**
   This section lists the potential freeway routes where ramp metering may be implemented in the future. The listed routes in the subject MOU are not listed in any implementation order.

• **Capital Improvements:**
   This section defines who is responsible for seeking financing for installation of metering equipment, and other related improvements. Both VTA and Caltrans will be responsible for this task.

• **Monitoring and Maintenance:**
   This section defines how the ramp metering systems will be monitored, maintained, and operated in Santa Clara County. This section specifies the following:
   - VTA TAC’s, SOMWG’s, and Caltran’s roles and responsibilities for management, maintenance, and operations of ramp meters.
   - Caltrans response times to operational concerns raised by local agencies.
   - Types of monitoring programs (e.g., “Before” and “After” studies for new implementations and occasional monitoring after implementation to name two examples of monitoring).
   - Frequency of the SOMWG meetings.

The ultimate goal of the MOU is the development of a Ramp Metering Program by working cooperatively and making decisions based on consensus through the VTA TAC and SOMWG. The Ramp Metering Program should balance local and regional transportation objectives.

**ALTERNATIVES:**

Future ramp metering within Santa Clara County could be implemented without an MOU in place, which is the existing standard for the existing metering system in Santa Clara County however; the staff recommendation follows the successful model implemented in San Mateo County.

**FISCAL IMPACT:**

There is no direct fiscal impact as a result of this action. VTA staff costs associated with management of regional Intelligent Transportation Systems (ITS) is included as part of the Congestion Management Program (CMP) work program and the Adopted FY09 CMP Fund Operating Budget. Funding for the costs associated with the implementation of the ramp metering have been provided through a grant from MTC.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program and Planning (CMPP) Committee heard this item on January 15, 2009 and unanimously recommended VTA Board authorization of the General
Manager to execute a Memorandum of Understanding between VTA and Caltrans defining the management, maintenance, and operations of ramp metering systems in Santa Clara County. The following are key comments or questions from CMPP:

- A question was asked about measures to ensure cooperation from Caltrans on issues arising from local agencies. VTA staff indicated that language covering this topic is included in the MOU. The Governance section of the MOU (on page 1 of 7) describes VTA's Technical Advisory Committee (TAC) and TAC's Systems Operations and Management Working Groups to be responsible for assisting in the resolution of disagreements between local agencies and Caltrans. Also, the fifth bullet on page 4 of 7 of the MOU spells out turnaround times for initial Caltrans response to ramp metering operational issues.

- A question was asked related to the third bullet on page 4 of 7 of the MOU. The question was if any ramp metering equipment is installed outside of Caltrans' Right-of-Way (ROW). VTA staffed replied that all ramp metering equipment has been and will be installed within Caltrans' ROW.

Prepared by: David Kobayashi
Memorandum of Understanding (MOU) between the Santa Clara Valley Transportation Authority (VTA) and the California Department of Transportation (Caltrans) District 04
For
The Ramp Metering Program in Santa Clara County

This MOU is a compilation of the policies and procedures intended to be followed by the above named parties working in a coordinated manner to accomplish a mutual goal jointly established in the course of performing their statutory and functional duties.

Ramp Metering has been identified to be a cost effective approach in Santa Clara County to improve the operation of the roadway network with a resulting improvement in the overall mobility. Both parties agree to implement the Ramp Metering Program in Santa Clara County as outlined below:

**Goal**

To provide consistent and predictable travel times to minimize overall corridor delay by managing access at on-ramps during peak commute periods, and to minimize impacts on local street traffic resulting from the implementation of ramp metering.

**Governance**

The VTA Technical Advisory Committee (TAC) through the System Operations & Management Working Group (SOMWG) and Caltrans District 4 Operations will provide guidance on operational strategies for ramp metering consistent with Caltrans and local transportation policies. The VTA TAC will recommend policies for adoption by the VTA Board of Directors as appropriate. The VTA TAC will continue the current practice to appoint members to the SOMWG which will include staff representatives from the cities and towns of Santa Clara County and from Santa Clara County, as well as ex-officio members from Caltrans and VTA. The SOM working group shall continue to report to the VTA TAC (See Attachment A).

Local agencies are encouraged to directly communicate with Caltrans regarding ramp metering operational issues and to request for assist to resolve these issues. If these operational issues cannot be resolved amicably between the local agency and Caltrans, the VTA TAC shall be responsible to resolve the disagreements.

The SOMWG shall be responsible for recommendations to the VTA TAC to improve the corridor operations, for changes to metering rates, and for changes to metering hours. Caltrans can modify the ramp metering rates, implementation by time of day, and hours of operations for a short term in emergency situations or for special events (e.g. sporting events, festivals, etc.) for the purpose of incident management. The SOMWG will continuously monitor and oversee the ramp metering program.
Operating Principles

1. Ensure that queues from metered ramps do not impede operation of local streets and intersections or block access to private property.
2. Ensure that no communities are burdened with ramp delays that are disproportionate or excessive.
3. Ensure that if queues at metered ramps cannot be accommodated within the constraints defined in items 1 and 2 above, metering rates will be set to green or at the demand rate during the time period necessary to eliminate the negative impact the metering light is having on the adjoining local roadway or intersection. Some ramp metering locations in Santa Clara County may have queues that extend beyond the physical on-ramp; however, these queues should not block or interfere with local through traffic operations. In these instances, each location should be examined on a case-by-case basis by Caltrans and the local agency. Operational problems that cannot be corrected by existing equipment would be candidates for future operational improvements.
4. Ensure efficient operations of ramp meters considering freeway and arterial operations.
5. Promote the provision of high occupancy vehicle (HOV) preferential lanes at on-ramps where feasible.
6. Ensure that ramp metering does not cause excessive divergence of traffic on local streets.

Operational Parameters

a) Meters will be in operation either the morning or afternoon peak commute hours, or both, starting on Monday and through Friday, except for certain major holidays and in the case of major incidents. Metering rates will be set to contain metered queues within the on-ramp to the extent possible and the local street lanes specifically dedicated for freeway entry to the extent possible.
b) Metering rate will be based on real-time traffic volumes on the freeway mainline, taking into account the available storage on the on-ramp, and a range of rates defined in ramp metering plans or tables in the ramp metering controller unit.
c) Prior to implementation of ramp metering on future corridors, Caltrans will provide the SOMWG with an analysis of the subject corridor with ramp metering, including but not limited to information on metering rates and queue lengths at the proposed metered on-ramps.
d) Prior to implementation, review and concurrence on the initial metering rates and plan to be implemented will be sought from the SOMWG and SOMWG will make recommendations to the VTA TAC.
e) Prior to implementation, Caltrans Public Information Office (PIO) shall prepare a press release and coordinate with the local agency’s traffic engineer and/or other responsible person with the local agency.
f) A week prior to ramp metering turn-on, the following actions will be taken by Caltrans staff:
   • Temporary signs will be posted at each metered on-ramp, with the date of activation and info phone line posted.
Each ramp metering location will rest in “green” during the proposed metered peak period.

**Implementation Phasing**

Listed below are potential freeway routes, where ramp metering may be implemented. This list of locations is subject to change over time as funds become available or a shift in priorities occurs.

- SR 87 (from US 101 to SR 85)
- SR 85 (from Almaden Expressway to Cottle Road)
- SR 85 (from US 101 north to Almaden Expressway)
- US 101 (from Embarcadero Road to De la Cruz Boulevard – Trimble Road)
- I-880 Southbound (from SR 237 to Old Bayshore Road)
- I-880 Northbound (from SR 82-The Alameda to Montague Expressway)
- SR 17 (from I-280 to SR 9)
- I-680 (from Alameda County Line to US 101)
- I-280 (from US 101 to SR 17)
- I-280 (from Highway 17 to Magdalena Road)
- US 101 (from Blossom Hill Road to Tennant Avenue)
- US 101 (from Tennant Avenue to Monterey Road)
- SR 237 (from Calaveras Boulevard to SR 85)

The above listed freeway routes are not listed in implementation order.

Turning on of ramp meter signals will depend on physical readiness, including the working order of equipment, appropriate signing and striping, and notice to the public.

**Capital Improvements**

Caltrans and VTA will be responsible to identify and acquire federal, state, and other available funds in the earliest years possible to finance the installation of metering equipment and other related improvements in support of ramp metering.

**Monitoring and Maintenance**

- Meetings regarding ramp metering operations in Santa Clara County with the SOMWG shall be held as needed. At these meetings, Caltrans staff shall provide a status report on the operations of ramp metering in Santa Clara County. The status report will include a list of operational issues that were reported by the local agencies and how operational issues were resolved.
- A review of the program will be provided to the VTA Board of Directors by VTA and Caltrans staff if requested by the VTA TAC, or VTA Board of Directors.
- “Before” and “after” monitoring will be conducted by VTA, at no additional cost to the local agencies, at selected local street intersections near the metered on-ramps to monitor and
assess the effects of the program. The SOMWG will establish the level of effort as well as locations of monitoring that will be conducted.

- “Before and after” travel time survey will be conducted by Caltrans on the freeway system.
- The SOMWG will, on an on-going basis, review the monitoring data and recommend solutions to issues determined to be related to ramp metering raised by the cities and towns of the County, the County of Santa Clara, Caltrans, or VTA.
- Caltrans will be responsible for maintenance and operation of all metering equipment within Caltrans Right-of-Way (ROW).
- Caltrans will have the ability to make short-term spot decisions to change metering rates if required for safety reasons and will promptly notify the local jurisdictions impacted by such decisions as well as the SOMWG and the VTA TAC. A pre-designated list of local jurisdiction contacts to be notified will be maintained by VTA and Caltrans staff.
- Caltrans shall respond to requests to modify ramp metering rates from local agencies with the following specified turn around times:
  - Within 24 to 48 hours to initially diagnose the operational issue.
  - Within one month to collect traffic volume, collect occupancy, develop modified ramp metering plans, and implement these plans.

A work task related to the modification of ramp metering plans does not include the design and construction of physical improvements such as additional on-ramp lanes (either mixed flow or High Occupancy Vehicle (HOV)), etc. If the turn around times are not met or the operational issue is still not resolved, the VTA ATC per its authority as described in the Governance section of this MOU has the authority to resolve disputes between the local agency and Caltrans and approve changes to the operations.

- Caltrans and VTA, through the SOMWG, will develop performance measures consistent with the above goal and principles to assess the effectiveness of metering.
- Caltrans and VTA, through the SOMWG, will define a monitoring plan to periodically measure and calculate performance measures such as on-ramp volumes, on-ramp delays, on-ramp queues with the intent to determine if queues impact local street operations, freeway mainline speed, freeway mainline densities, freeway mainline travel time, and Volume-to-Capacity ratios as determined by the project partners.
- Caltrans and VTA, through the SOMWG, will work together to fine-tune ramp metering and monitor the nearest local traffic signal to the ramp metering operations.
- If the ramp metering implementation or ramp metering plan modification does not perform as expected (e.g., exclusive delays and queues impact traffic operations on the local arterial), Caltrans shall consider other options such as metering at “demand”, changing upstream and downstream ramp metering rates, delaying the startup of metering, and implementing a steady “green” (if other measures fail to address the operational issue).
Michael Burns, General Manager
Santa Clara Valley Transportation Authority

Bijan Sartipi, District Director
California Department of Transportation
District 4

Date
Approval as to form:

Date
Approval as to form and procedure:

VTA General Counsel

Attorney
California Department of Transportation

Date

Date
Attachment A
VTA Systems Operations & Management Working Group (SOMWG)
Ramp Metering in Santa Clara County
2008

VTA SOMWG  SCOPE OF EFFORT

The SOMWG shall report to the VTA Technical Advisory Committee (TAC). The VTA TAC shall appoint members to the SOMWG, and members are responsible for the development of recommendations related to the Ramp Metering Program for Santa Clara County. The Program will include four elements:

1. Ramp Metering Plan
2. Capital Improvements related to implementing ramp metering
3. Agreements related to implementing ramp metering
4. Monitoring related to implementing ramp metering

Ramp Metering Plan: Sample issues to be covered in the plan are:

- Analysis to project traffic operations at specific locations of concern
- Intersections to be monitored
- On-ramp configurations for metering (number of lanes, HOV preferential (by-pass) lane, queue detector locations, etc.). Design and configuration of ramp metering shall comply with the latest Caltrans - Ramp Meter Design Manual.
- Implementation phasing (e.g., Northbound SR 87, Southbound SR 87, Southbound SR 85 from Almaden Expressway to Cottle Road, Southbound US 101 from Embarcadero Road to De la Cruz Boulevard – Trimble Road)
- Metering rates at each location
- Hours of metering operation
- What to do during emergencies or incidents
- Decision making process in terms of making changes to metering rates, metering hours, etc., in response to field conditions
- Process for modification of the Ramp Metering Plan in the future

Capital Improvement: Capital improvement elements may include:

1. Installation of “spillback” (End of Queue) detectors at local street entrance to the on-ramps.
2. Installation of ramp metering hardware and software equipment.
3. Selection of specific on-ramps to be widened or modified for added storage and on-ramp operations, and possible Local Street widening for storage.
5. Identification of available funding from state or local sources.

Agreements:

Before future metering is implemented, a ramp metering plan or strategy between VTA and Caltrans, as developed and recommended by the SOMWG, may need to be achieved. Such a plan or strategy may include specific metering parameters, incident response procedures, and maintenance procedures.

Monitoring:

The SOMWG will recommend locations for monitoring. The SOMWG will also indentify whether a before-and-after study should be conducted.

**DESIRED OUTCOMES**

The goal is the development of a Ramp Metering Program by working cooperatively and making decisions based on consensus through the SOMWG. The Ramp Metering Program should balance local and regional transportation objectives.

Once the Ramp Metering Program is developed, it is expected that the VTA TAC and the SOMWG will act as the body to make recommendations regarding ramp metering implementation and monitoring, on an on-going basis as needed.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson


Policy-Related Action: No
Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

The VTA Board of Directors adopted the Valley Transportation Plan (VTP) 2030 in February 2005. VTP 2030 included 40 highway projects anticipated to be funded through the State Transportation Improvement Program over the next 25 years. On March 30, 2005, the Board approved a shorter-term implementation plan of ten high-priority projects to move into initial project development phases. The I-280/I-880/Stevens Creek Boulevard Interchange Project was included on the high priority list of projects.

The modifications to the I-880/Stevens Creek Boulevard, SR-17/I-280/I-880, and I-280/Winchester Boulevard Interchanges project are a joint effort between the City of San Jose and VTA to enhance freeway safety and improve traffic operations, relieve congestion and improve access to local businesses and neighborhoods. Project improvements will include a direct freeway to freeway connector ramp from northbound I-280 to northbound I-880, which
will separate the local ramp and freeway traffic; a new northbound I-280 off-ramp to Winchester Boulevard; modifying on and off-ramps at Stevens Creek Boulevard; and a direct connection from I-880 to Monroe Street.

Due to the magnitude and high cost, the project is planned to be constructed in phases as funding becomes available. Construction funding from local development and other sources, including State or Federal Stimulus funding, may become available as early as 2009 on an initial project for the southbound I-880/Stevens Creek Boulevard Interchange on- and off-ramps. With this scope of work and amendment, the project is prepared to proceed into final design.

On March 1, 2006, VTA executed an initial contract in the amount of $475,000 with Mark Thomas & Co. (MTC) for services including preparation of a Project Study Report (PSR) to evaluate project alternatives. Subsequent to this original contract, the VTA Board of Directors authorized the execution of an amendment to the contract on June 7, 2007 in the amount of $2,330,000 for Phase 1 services including Preliminary Engineering and Environmental Document (PA&ED). The PA&ED is progressing and the project is preparing to move into the next phase for PS&E design for a first phase of the project. This first phase consists of improvements to the southbound I-880/Stevens Creek Boulevard Interchange on- and off- ramps located on the west side of the interchange.

The subject of this memorandum is the recommended amendment to the contract with MTC for services to complete of the PS&E design efforts for the southbound I-880/Stevens Creek Boulevard interchange improvements and for additional services for the completion of the Preliminary Engineering and Environmental Document to consider multiple design alternatives for the Winchester Boulevard connection to I-280.

**DISCUSSION:**

The VTA staff recommendation is to authorize the General Manager to negotiate and amend the existing contract with MTC to begin final design services required to complete the PS&E for the southbound I-880/Stevens Creek Boulevard interchange improvements and to complete Preliminary Engineering and Environmental Document that evaluates multiple design alternatives for the Winchester Boulevard connection to I-280. MTC is included on the VTA Highway Program list of planning and engineering consultants approved through a competitive Request for Proposal process conducted in 2005.

The recommended not to exceed value of $1,750,000 increases the MTC total contract value to $4,566,025. The amendment to the cost-plus-fixed-fee contract will extend the term through December 2010. The total fixed fee for the Prime Contractor will not exceed 10% of direct hourly services.

**ALTERNATIVES:**

The VTA Board could choose not to approve the recommended amendment for final design to this contract and likely forfeit potential construction funding from local development or stimulus.

As an alternative, the VTA Board could direct staff to select another design firm to fulfill the
services needed to complete the project. The selection of another firm would result in delays in the completion of the project.

**FISCAL IMPACT:**

This action will authorize up to $1,750,000 for highway design. Budget appropriation for this contract amendment is included in the FY09 Adopted VTP Highway Improvement Program Fund Capital Budget. Funding for this contract amendment derives from a Federal grant of $12,375,000 and VTA Local Program Reserve funds of $1,375,000 previously programmed to the project.

**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:**

Based on identifiable subcontracting opportunities, a Disadvantaged Business Enterprise (DBE) goal of 15% has been established for this contract. To date, the contractor has met the goal and has committed to 15% DBE participation on this contract going forward.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program & Planning Committee considered this item on January 15, 2009. The Committee posed questions regarding the scope of the alternatives being evaluated, and whether improvements being considered include those for pedestrians, bicyclists and the future Bus Rapid Transit line along Stevens Creek Boulevard. Staff reported that the project does include pedestrian and bicycle design enhancements, following the same philosophy that was used on the development of the US 101/Tully Interchange design. The project is also taking into consideration the future BRT line so as not to preclude the improvements contemplated by that project.

The Committee unanimously recommended that the Board approve this item.

Prepared by: Sajeeni DeAlwis-Mima
### ATTACHMENT B

**Listing of Recommended Prime and Sub-Consultants**

I-280/I-880/Stevens Creek Boulevard Interchange Project

<table>
<thead>
<tr>
<th>Prime Sub-Consultant</th>
<th>Mark Thomas &amp; Company, Inc.</th>
<th>Daniel Ho</th>
<th>San Jose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>David J. Powers and Associates (Environmental)</td>
<td>John Hesler</td>
<td>San Jose</td>
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<tr>
<td></td>
<td>DKS Associates (Traffic Operation)</td>
<td>Terry Klim</td>
<td>Oakland</td>
</tr>
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<td></td>
<td>Radman Aerial (Mapping) - SBE</td>
<td>Carol Radman</td>
<td>Sacramento</td>
</tr>
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<td></td>
<td>Orsee Design (Landscaping) - SBE</td>
<td>Harry Nakagawa</td>
<td>San Jose</td>
</tr>
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<td></td>
<td>Baseline Environmental (Aerial Deposited Lead) - SBE/DBE</td>
<td>Yane Nordhav</td>
<td>Emeryville</td>
</tr>
<tr>
<td></td>
<td>Parikh Consultants, Inc.(Geotechnical) -SBE</td>
<td>Gary Parikh</td>
<td>Milpitas</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: SR 152 Interregional Corridor Alignment Study

Policy-Related Action: No  Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

SR 152 is an east-west route that extends over 100 miles, traversing Santa Cruz, Santa Clara, San Benito, Merced and Madera Counties and providing the only direct goods movement and interregional connectivity to the Central Valley south of the San Francisco Bay Area (South Bay) and north of SR 41. SR 152 also links SR 99 and Interstate 5 (I-5) in the Central Valley to US 101 in Santa Clara County.

The segment of SR 152 that extends from the SR 152/156 junction to US 101 currently consists of a single lane and narrow shoulder in each direction, and lacks a center divider. As a result, the segment is a significant bottleneck for traffic traveling along SR 152 between the South Bay and the Central Valley.
Previous studies coordinated and undertaken by VTA, the San Benito Council of Governments (SBCOG), and Caltrans Districts 4 and 5 document the need for a safe, reliable, and efficient east-west goods movement corridor in this region. Previous studies include Caltrans' alignment studies in the early 1990s and VTA’s Southern Gateway Study completed in 2005. Each of these studies suggests relocating SR 152 onto a new, upgraded, more direct route, located to the south of the existing alignment. The Interregional Transportation Strategic Plan designates SR 152 as a focus route, and the 2006 Interregional Transportation Improvement Plan identifies the need to improve access to the region.

In April 2007, recognizing the importance of SR 152 to goods movement and mobility between the Central Valley and the South Bay, VTA initiated the SR152 Realignment Study utilizing local funds to develop conceptual alignment alternatives for the segment of SR 152 that extends from the SR 152/SR 156 junction to US 101. HDR Corporation was selected to perform these initial studies of the corridor. One outcome of the study included the development of four concept alternatives (see Attachments A and B). Each alternative begins at the SR 152/SR 156 junction and terminates at the SR 25/US 101 junction near Gilroy. Another outcome of the study was the formation of the Mobility Partnership, a stakeholder working group consisting of representatives from VTA, SBCOG, the cities of Hollister and Gilroy, and the counties of San Benito and Santa Clara.

In January 2008, VTA applied for a Proposition 1B Trade Corridor Improvements Fund (TCIF) grant to study trade corridor options along SR152 from US 101 to SR 99. On February 7, 2008, the Board approved the programming of $5 million in Local Program Reserve funds to serve as the required local match for a TCIF Grant subject to CTC approval of the grant. However, the project was not selected for funding. Subsequent to the TCIF process, on December 10, 2008, the California Transportation Commission (CTC) allocated $5,000,000 in Interregional Transportation Improvement Program (ITIP) funds to study corridor management options for SR 152 between US 101 and SR 99. The receipt of these State funds allows VTA to move into the next phase of the study of this corridor which is the subject of this memorandum.
DISCUSSION:

The project is intended to enhance the interregional travel and commercial goods movement corridor connecting the Central Valley and the South Bay. The majority of the SR 152 corridor currently operates as either a freeway or 4-lane expressway between US 101 and SR 99, with the exception of a 12-mile gap between US 101 and the junction of SR 156 in Santa Clara County and a 7-mile section of a 4- and 5-lane conventional highway through Los Banos. The single lanes, narrow shoulders, lack of a center divider, and lack of access control in the 12-mile segment create a significant bottleneck for traffic traveling along SR 152 between the South Bay and the Central Valley.

The purpose of this project is to provide an improved travel route between the Central Valley and the South Bay via an improved east-west connection between SR 99/I-5 and US 101 that includes an improved SR 152 corridor between US 101 and SR 156.

Specifically this project would improve:

- Goods movement throughput
- Inter-regional travel
- Travel time reliability
- Traffic congestion
- Corridor safety
- Air quality

Agreements

VTA will be responsible for project development, environmental clearance, and design activities, pursuant to a future agreement with VTA and Caltrans District 4. Other stakeholders involved in project will include San Benito, Madera and Merced Counties as well as Caltrans Districts 5, 6 and 10. Various other local communities, agencies, professional and interested groups will be involved as project stakeholders. A Memorandum of Understanding will be developed between Santa Clara (VTA), San Benito, Madera, and Merced Counties to guide scoping, timing and roles of each of the stakeholder participants.

Local Match Programming

In order to receive the $5 million in State ITIP funding VTA has committed to providing a matching amount of funding. The recommended funding is from the Local Program Reserve (LPR) which derives from an exchange of State Transportation Improvement Program funding with local sales tax funds.

Contract for Services

In April 2007 HDR Corporation was selected to perform the initial studies for the corridor. The existing contract value is $150,000. HDR is included on the approved VTA Highway Program list of ten planning and engineering consultants approved by the Board in 2006. HDR has performed a similar route alignment study for Placer County and is also participating in the
preliminary engineering and environmental clearance phase of the US 101 Widening (Monterey Rd. to SR129) project. Based on HDR's knowledge and experience of the corridor under the existing contract, staff is recommending continuing with HDR and their sub-consultants for the services as outlined in this memorandum.

Phase 1 of the project is focused on determining feasibility and priorities of tolling or other private financing options of the corridor. It also includes a preliminary screening analysis and Project Study Report of the SR152 Realignment. The scope of the initial phase of the project includes:

a) Performing a Traffic and Revenue Study,
b) Development of Corridor Management Strategies and preparation of a SR 152 Corridor Study Report,
c) Consensus Building/Public Outreach, and Joint Powers Authority Development,
d) Performing an analysis of the alternatives from the SR 152 Realignment Study,
e) Preparing a Project Study Report for the SR 152 Realignment.

Phase 2 of the project will include trade corridor studies for SR 152 and the identification and study of alignment alternatives between US 101 and SR 156, includes the following:

f) Program Level Environmental Documentation of SR 152 from US 101 to SR 99,
g) Project Approval and Environmental Documentation for the three SR152 Realignment build alternatives identified in the preliminary alignment exhibit (attached),
h) Coordination with High Speed Rail alignment in Pacheco Pass Area

The Phase 1 contract amendment will be a time and materials contract with work being authorized on a task order basis. The Phase 1 Task Order will have a total contract amendment value not to exceed $2.5 million and a 24-month contract term. Total contract value including original contract work is not to exceed $2.65 million.

Phase 2 of work will not be executed unless a financially feasible project is determined through the work in Phase 1 of the Project. Phase 2 is also dependent on the approval of the FY 20010/11 VTA Capital Program budget to increase the appropriation level for the project from $3,650,000 to $10,150,000.

**ALTERNATIVES:**

VTA can elect not to lead this project and forgo this funding opportunity.

**FISCAL IMPACT:**

This action will authorize $6,500,000 for traffic and revenue studies, development of corridor management strategies, outreach, and preparation of a Project Study Report. Additionally, this action approves the programming of $5 million in Local Program Reserve funds to serve as the local match commitment to fund the Study. Appropriation for this Phase 1 contract amendment is included in the FY09 Adopted VTP Highway Improvement Program Fund Capital Budget. Appropriation for Phase 2 contract amendment is subject to future Board approval of the FY 2010/11 VTP Highway Improvement Program Fund Capital Budget. Funding for this
contract amendment derives from a State Interregional Transportation Improvement Program (ITIP) grant and VTA Local Program Reserve (LPR) funds.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

This contract was originally awarded without an SBE goal. Based on the amended scope and value of the contract amendment, a revised goal of 12% has been established for this contract. Contractor has agreed to 12% SBE participation on this new scope.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Congestion Management Program and Planning Committee heard this item on January 15, 2009 and by a vote of 2 to 1 recommended that the VTA Board authorize the General Manager execute the actions noted above. Board Member Yoriko Kishimoto was the dissenting vote. Although Board Member Kishimoto expressed strong support for consideration of the new alignment of SR 152 as a toll roadway, she was not able to vote in the affirmative because the action does not include language limiting the analysis to a facility of four lanes or less. The other members of CMPP were satisfied to move this item to Board approval without language limiting the analysis to four lanes or less because there would be future opportunities for the VTA Board to weigh in on decisions related to the number of lanes on any future facility that might result from the proposed study.

Prepared by: Darrell Vice
# ATTACHMENT C
## Listing of Recommended Prime and Sub-Consultants
### SR 152 Corridor Study

<table>
<thead>
<tr>
<th>Prime Sub-Consultant</th>
<th>HDR Engineering, Inc.</th>
<th>Carl Haack</th>
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<tr>
<td></td>
<td>Apex Strategies</td>
<td>Eileen Goodwin</td>
<td>Santa Cruz</td>
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<td>Associated Right of Way Services</td>
<td>Bill Tannenbaum</td>
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<td>Baseline Environmental (Aerial Deposited Lead) - SBE/DBE</td>
<td>Yane Nordhav</td>
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<td>Radman Aerial (Mapping) - SBE</td>
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<td>Tim Lee</td>
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<td>Wilbur Smith</td>
<td>Ed Regan</td>
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<td>WRECO</td>
<td>Han-Bin Liang</td>
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<td>Creek</td>
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BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: Highway-Based BRT Alternatives Analysis Contract Award

Policy-Related Action: No Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

Bus Rapid Transit (BRT) represents an improvement in infrastructure, equipment, operations, technology and marketing that gives buses a competitive advantage. VTA’s BRT Strategic Plan is currently underway considering six local bus corridors identified in the Valley Transportation Plan (VTP) 2030 for BRT improvements. VTA has secured a federal grant to evaluate its express bus service. In addition to looking at ways to improve the traditional models of express bus service, this study proposes to examine new service delivery models focusing on a highway-based BRT network that has unique features and requires focused study. Highway-based BRT service riders exhibit unique travel patterns and travel longer distances than local BRT riders, requiring a different service model and a different marketing plan. Also, many employers offer highway-based BRT services that mimic public express bus services. Finally, the Express Lane (formerly High-Occupancy Toll - or HOT - Lane) project has significant impacts on highway facilities and any highway-based BRT service must consider these opportunities in its service plan. This study recognizes these unique features of highway-based BRT service and incorporates them into the study, while complementing the planning results from the BRT Strategic Plan.

VTA’s express bus routes provide a separate physical environment and transit market to evaluate possible BRT improvements. The analysis will evaluate existing performance together with the
market potential to determine the business case for providing additional highway-based BRT services. In addition, the analysis will explore possible changes to express services including vehicle type and amenities and station design. The BRT Alternatives Analysis will make use of several efforts currently underway or recently completed including: results of the 2007 Comprehensive Operations Analysis (COA), market research generated by a survey of the general population and a market segmentation study of the countywide travel market in 2006, the Transit Sustainability Policy and Service Design Guidelines, the BRT Strategic Plan and the Silicon Valley Congestion Pricing (HOT lane network) Plan.

To do this, the study begins by evaluating existing performance together with the market potential to determine the business case for providing highway-based BRT services in each corridor. Not all BRT features are appropriate to all contexts. The study will consider the appropriateness, benefits and feasibility of BRT improvements. For example, express bus routes currently use existing HOV lanes and will be included in the planned Santa Clara County High Occupancy Toll (HOT) lane network. This provides restricted, not exclusive, lanes for existing and planned highway-based bus routes. Other improvements such as advanced bus technology and fleet management improvements such as Intelligent Transportation Services (ITS) can improve ride quality for commuters and attract new riders.

DISCUSSION:

The Highway-Based Bus Rapid Transit Alternatives Analysis (Express Bus) Request for Proposals (RFP) was issued on August 8, 2008. The RFP was sent to a list of prospective firms and a pre-proposal conference was held on September 4, 2008, which was attended by approximately 16 consultant representatives. Three proposals were submitted on September 26, 2008 from the following teams:

- Jacobs Engineering Group Inc. - Oakland, CA
- Transportation Management & Design, Inc. - Carlsbad, CA
- Nelson\Nygaard Consulting Associates, Inc. - San Francisco, CA

A review panel consisting of VTA staff from the Congestion Management Agency, Operations Planning Division and Contracts Administration evaluated the proposals based on the following criteria as outlined in the RFP: qualification of the firm; staffing and project organization; work plan; and cost.

After thorough review and consideration of the three proposals submitted, the review panel selected two teams for interviews. On October 21, 2008, the evaluation team interviewed Jacobs Engineering Group Inc. and Transportation Management & Design, Inc. These interviews provided VTA staff with additional details about the specific work plan, approach and experience of the proposing teams. Both teams had extensive experience in the three key subject areas: market analysis, operations analysis and capital improvements. Both teams demonstrated good understanding of the project and had sound work plans. They are all well qualified for the tasks requested.

The review panel determined that Jacobs Engineering Group Inc., submitted the best overall
A proposal to perform the services as prescribed in the RFP. The multi-disciplinary team is led by a nationally-known industry expert with more than 40 years of experience in bus transit planning and operations. All key members have extensive experience in working directly for transit operators in similar projects. During the presentation, the Jacobs team demonstrated that they are a well-synchronized team with good internal communication and a solid understanding of the study objectives. Based on final scoring, the review panel recommends the award of the contract for the preparation of a Highway-Based Bus Rapid Transit Alternatives Analysis (Express Bus) to Jacobs Engineering Group Inc.

Jacobs Engineering Group Inc. is one of the largest architecture, engineering and construction firms in the country. The integration of these two firms provides full-spectrum support to industrial, commercial, and government clients across multiple markets. Jacobs’s Oakland office will provide all the lead staff for the project. Other consultants on the Jacobs’s team include ARUP, Fehr & Peers Transportation Consultants, Funk/Levis & Associates and Transportation Analytics (Attachment A).

The term of the contract will be for two years at a cost not to exceed $800,000 based on time and materials. However, the actual contract costs are likely to be lower following final contract negotiations and further refinement of the consultant work plan.

**ALTERNATIVES:**

The Board can elect to not to authorize award of this contract and not to proceed with this study.

**FISCAL IMPACT:**

This action will authorize up to $750,000 for consulting services for a two-year period. Appropriation for these expenditures is included in the FY09 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget. This contract is funded by an Alternatives Analysis Program Grant from the Federal Transit Administration (CA-39-005).

**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:**

VTA is complying with Federal requirements that the advertisement and award of this contract will use race-neutral provisions, as this contract will have Federal assistance. The anticipated DBE participation level for this contract is 8%.

**STANDING COMMITTEE/DISCUSSION RECOMMENDATION:**

The Transit Planning and Operations Committee recommended the Board of Directors approve this item.

Committee members asked questions about whether fares and pricing would be examined in the study. Staff responded that the study will look into pricing. Committee members also asked
about the cost of the study. The General Manager commented that the study will also address how VTA can work cooperatively with private employers that are providing their own express bus and shuttle services.

Prepared by: Kevin Connolly
# ATTACHMENT A

## Listing of Recommended Prime and Sub-Consultants

Highway-Based BRT Study

<table>
<thead>
<tr>
<th>Prime Consultant</th>
<th>Jacobs Engineering</th>
<th>Bill Lieberman</th>
<th>Oakland, CA</th>
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<tr>
<td>Sub-Consultant</td>
<td>ARUP</td>
<td>Corey Wong</td>
<td>San Francisco, CA</td>
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<td></td>
<td>Fehr &amp; Peers</td>
<td>Matt Haynes</td>
<td>San Francisco, CA</td>
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<td></td>
<td>Funk/ Levis</td>
<td>Anne-Marie Levis</td>
<td>Eugene, OR</td>
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<td>Godbe Research</td>
<td>Charles Hestor</td>
<td>San Mateo, CA</td>
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<tr>
<td></td>
<td>Transportation Analytics</td>
<td>Diana Dorinson</td>
<td>Berkley, CA</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: Measure B Rail Projects – Joint Use and Maintenance Agreements with
         California Department of Transportation

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

The 1996 Measure B Rail Program included the Tasman East, Capitol and Vasona Light Rail
Projects. Portions of these projects were coordinated with the California Department of
Transportation (Caltrans) and constructed within Caltrans right-of-way at I-680 and I-880 (Tasman East), Alum Rock Avenue (Capitol), Autumn Street/Montgomery Street and Highway 17 (Vasona). Project elements that were constructed within Caltrans right-of-way include bridge and tunnel structures, traction power substations, track and overhead catenary systems.

The Tasman East and Capitol Projects were completed in June 2004 and the Vasona Project was completed in October 2005. At the completion of these projects, final mapping showing the specific location of all of the improvements within Caltrans right-of-way was completed and approved by Caltrans.

DISCUSSION:

A previous cooperative agreement between VTA and Caltrans was executed and implemented for the design and construction of the Measure B Rail Projects. The proposed Joint Use and Maintenance Agreements (JUMAs) will establish the long-term maintenance responsibilities and use of jointly shared properties and facilities. Similar JUMAs between VTA and Caltrans are in
place for the Guadalupe and Tasman West Lines.

**ALTERNATIVES:**

There are no practical alternatives to the recommended action.

**FISCAL IMPACT:**

The VTA facilities included in these agreements are part of the existing light rail system and are operated and maintained as part of the entire system. The appropriation for the current maintenance of these facilities is included in the FY 09 Adopted VTA Transit Enterprise Fund Operating Budget. Appropriation for future maintenance will be included in future VTA budgets for the operations of the light rail system.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Transit Planning & Operations Committee received a presentation from staff, which highlighted the strong support provided by Caltrans throughout the 1996 Measure B program.

The Committee unanimously recommended that the Board approve this item.

Prepared by: Ken Ronsse
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT: Caltrain South County Improvements - Contract Award for Construction of UPRR Grading and Crossing Improvements

Policy-Related Action: No  Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

The 2000 Measure A Transportation Improvement Program includes capacity improvements for the Caltrain service between San Jose and Gilroy. These capacity improvements will add a second track for approximately 8 miles of the Union Pacific Railroad (UPRR) alignment south of San Jose. This second track will provide the infrastructure to increase Caltrain service up to 5 additional trains (each way) for South County residents to access North Santa Clara County.

To support the double track capacity project, three main activities are required:

- Relocation of utilities in conflict with the second track by private utility companies.
- Construction of grading and track crossing improvements to accommodate the second track by VTA.
- Construction of the second track, including track and signaling improvements by UPRR.

In December 2004 a comprehensive agreement was executed with UPRR to purchase Newhall Yard and perform related railroad improvements, including the double tracking construction outlined above. In April 2006 and December 2007 the Board authorized the General Manager to enter into agreements with private utility companies to relocate the facilities in conflict with the
double tracking improvements. The utility relocation work is scheduled to begin in Spring 2009.

This contract is to perform the grading and track crossing improvements. The project has been environmentally cleared with a Statutory Exemption (SE). Construction for this contract is scheduled to begin in March 2009 with completion scheduled for August 2010. The UPRR track and signaling work will begin after completion of the grading and drainage construction in Fall 2010. Completion of the capacity improvement project is scheduled for completion in August 2011.

Meetings are taking place with High Speed Rail Project representatives to coordinate the improvements of this contract with their conceptual design.

**DISCUSSION:**

The UPRR Grading and Crossing Improvements Project was issued for bid on February 20, 2008 to begin the contractor pre-qualification and bidding phase. Bids were opened on December 17, 2008, with the following results:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Bid Amount</th>
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<tbody>
<tr>
<td>Pavex Construction</td>
<td>$13,167,925</td>
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<tr>
<td>RGW Construction</td>
<td>$14,747,197</td>
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<td>Gordon N. Ball, Inc.</td>
<td>$15,402,439</td>
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<td>Granite Construction Co.</td>
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<td>McGuire &amp; Hester</td>
<td>$16,035,820</td>
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<td>Ranger Pipelines, Inc.</td>
<td>$18,744,585</td>
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<tr>
<td>Engineer’s Estimate</td>
<td>$19,184,224</td>
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</table>

VTA staff recommends award of this contract to the low bidder, Pavex Construction. The $13,167,925 bid price represents a fair competitive value and is 46% below the Engineer’s Estimate. The reason for the low bid amount is the limited construction projects available in the market.

**ALTERNATIVES:**

The Board could elect to reject all bids and readvertise the contract. This alternative is not recommended as the resultant delay would jeopardize the TCRP grant funds secured for this project.

**FISCAL IMPACT:**

Sufficient funds are available in the UPRR Grading and Crossings Improvements Project budget to perform this work. The project is funded by the 2000 Measure A Transportation Improvement Program and State TCRP Funds.

Operating Budget Impact: UPRR will be responsible for the track installation and will own and maintain the new track and signals. There will be no impact to the VTA operating budget.
SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:
Based on identifiable subcontracting opportunities, a Small Business Enterprise (SBE) goal of 15% was established for this contract. Contractor complied with the goal and has committed to 24% SBE participation on this contract.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:
The Transit Planning & Operations Committee considered this item on January 15, 2009 and commented on the Engineer’s Estimate and noted all bids came in significantly lower. Staff responded that we are continuing to see aggressive competitive pricing reflective of our current economy.

The Committee asked about VTA’s working relationship with UPRR. Staff responded VTA’s working relationship with field operations has been positive. Staff noted that there are more challenges when working with the UP Omaha design group.

The Committee also asked about the High Speed Rail Project plans and how they effect the double track improvements. Staff reported that the HSRP plans were not in conflict with the improvements.

The Committee unanimously recommended that the Board approve this item.

Prepared by: Ken Ronsse, Deputy Director
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief Operating Officer, Donald A. Smith Jr.

SUBJECT: Contract for Armed and Unarmed Security and Protective Services

Policy-Related Action: No
Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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% 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% 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.

BACKGROUND:

Reasonable security on VTA’s transit system is achieved by having a highly visible security presence to protect transit customers, employees, contractors and property. Currently, under direction of VTA’s Chief Operating Officer, VTA’s law enforcement and investigative services are provided under contract with the County of Santa Clara Office of the Sheriff Transit Patrol Division. Sheriff Transit Patrol deputies respond to calls for service from armed and unarmed private security officers, fare inspectors, bus and light rail operators and other VTA employees through VTA’s Operations Control Center, as well as from passengers using the 911 system.

Securitas Security Services USA, Inc. is currently VTA’s private security contractor, providing over 900 weekly hours of armed and over 1,900 weekly hours of unarmed security services.
Contract officers are assigned to posts or beats, based on ridership patterns, activities, and statistical data obtained from security incident and ridership reports.

Armed security officers patrol VTA facilities and light rail stations, ride on bus and light rail, and provide security at VTA events. They provide support to VTA’s Lost and Found and Closed Circuit Television (CCTV) programs, provide revenue collection services at the bus divisions and for the ticket vending machines located on the light rail lines.

Unarmed security officers are assigned to all VTA work facilities and selected transit facilities. Each security officer carries a handheld radio and communicates directly with VTA’s Operations Control Center (OCC). They observe and report activities occurring at their location, are a deterrent for inappropriate activities, and assist VTA passengers using the transit system by providing on-the-spot customer service.

Summary of VTA’s Contracted Security Services
The following is a summary of contract security services provided to VTA over the past six years:

- January 2002 - the Board of Directors authorized the General Manager to extend the contract with Pinkerton Security for two years in the amount of $12.0 million for a total (five-year) contract amount of $24.8 million.

- July 2003 - a contact amendment was issued changing the name of the contractor, formerly known as Pinkerton Security to Securitas Security Services USA, Inc.

- January 2004 - the Board of Directors authorized the General Manager to enter into a three-year contract with two one-year options with Securitas Security Services USA, Inc. for a total contract amount of $28.4 million.

- February 2007 - a contract amendment was executed for the fourth year of the contract with Securitas Security Services USA, Inc. The total contact value was reduced to $23.5 million.

- January 2008 - a second contract amendment was executed for the fifth year of the contract with Securitas Security Services USA, Inc.

The current contract with Securitas Security Services USA, Inc. ends on February 28, 2009, and will be extended month-to-month for up to four months to transition the contract over to AlliedBarton Security Services; $85,000 has been allocated to cover orientation and transitional expenses.

The following table shows VTA’s actual expenditures for armed and unarmed security services from FY2005 through FY2008 and planned costs for FY2009. FY2010 and FY2011 costs are estimated.
In FY2005, fiscal restraints prompted the reduction of hours for unarmed security, eliminating some stationary posts and implementing the unarmed rover program on light rail to offer an increased security presence on light rail vehicles and station platforms.

In FY2008, VTA’s security costs increased compared to FY2007 due to a planned 2% bill rate increase and unplanned security needs: ambassador duties to assist VTA passengers during and after the introduction of the new bus service plan in January 2008, the addition of two rover posts, the Light Rail Station Platform Retrofit Program, and the Guadalupe Division sewer projects. Select security officers attended Rail Safety Training provided by VTA and received the appropriate credentials to safely be on VTA’s right-of-way. They participated in the National Incident Management System (NIMS) training provided by Willdan Homeland Solutions. All security officers attended four hours of mandatory Security Awareness Training provided by the National Transit Institute (NTI).

Significant savings are anticipated in FY2010 and FY2011 due to the favorable bill rates charged by AlliedBarton Security Services for armed and unarmed security.

**DISCUSSION:**

VTA issued a Request for Proposals (RFP) for a time and materials type contract for security and protective services on September 12, 2008. The RFP was mailed to 15 security services firms and an advertisement referring to the solicitation was published in the *San Jose Mercury News* and *Passenger Transport*, an American Public Transportation Association (APTA) biweekly publication. The RFP was posted on VTA’s website and all firms registered to perform this type of work were notified. Subsequently, ten security firms submitted formal written proposals, which were reviewed by a six-member Review Board. Members of the Review Board were the Deputy Director of Maintenance and Security, the Operations Manager for Facilities Maintenance and Security, Captain of the Transit Patrol Division, two Senior Management Analysts from Operations Administration and Protective Services (Project Manager), and a Contract Administrator. One of the written proposals was deemed non-responsive. 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
- Cost and Price

Based on evaluation of the written proposals, four top-rated security firms were invited for an oral interview where they could present their company experience, their project team, demonstrate an understanding of the contract requirements, and respond to questions from the Review Board. The written scores are provided below for all security firms who submitted proposals:
<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Written Proposal Score</th>
<th>Oral Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securitas Security Services USA, Inc.</td>
<td>85.32</td>
<td>Yes</td>
</tr>
<tr>
<td>The Wackenhut Corporation</td>
<td>84.48</td>
<td>Yes</td>
</tr>
<tr>
<td>AlliedBarton Security Services</td>
<td>80.49</td>
<td>Yes</td>
</tr>
<tr>
<td>Cypress Private Security</td>
<td>77.82</td>
<td>Yes</td>
</tr>
<tr>
<td>National Security Industries</td>
<td>66.33</td>
<td>No</td>
</tr>
<tr>
<td>U.S. Security Associates</td>
<td>65.33</td>
<td>No</td>
</tr>
<tr>
<td>Creative Security Co.</td>
<td>64.82</td>
<td>No</td>
</tr>
<tr>
<td>First Alarm Security and Patrol</td>
<td>62.16</td>
<td>No</td>
</tr>
<tr>
<td>Andrews International</td>
<td>56.00</td>
<td>No</td>
</tr>
<tr>
<td>World Private Security</td>
<td>18.66</td>
<td>Non-Responsive</td>
</tr>
</tbody>
</table>

The four top security firms selected for oral interviews submitted the following contract price proposals for three years plus two one-year optional extensions. These amounts do not include the additional 3% direct labor costs for overtime and holidays per year and $30,000 per year for expenses due to unanticipated events requiring additional security services.

- Securitas Security Services USA, Inc. $21,986,866
- The Wackenhut Corporation $21,308,420
- Cypress Private Security $20,269,153
- AlliedBarton Security Services $18,321,432
- VTA’s Independent Cost Estimate $22,778,500

After concluding the oral interviews, the Review Board considered all information presented, including the oral presentation, the qualifications of the project manager and contractor support staff, the written proposal for project understanding, and price. The Review Board recommended the selection of AlliedBarton Security Services, with five members of the Review Board ranking AlliedBarton Security Services as the firm of choice and the sixth member of the Review Board ranking AlliedBarton Security Services as the second firm of choice. This contract will include an additional 80 weekly hours of armed security for revenue collection and CCTV.

The significant considerations behind this recommendation include:

- Experience - AlliedBarton Security Services has considerable transit related experience providing security services to Metropolitan Transportation Authority, State of New York; Houston Metropolitan Transit Authority (METRO), Harris County, Texas; Charlotte Area Transit System (CATS) in North Carolina; Capital Metropolitan Transportation Authority in Austin, Texas; OmniTrans in San Bernardino, California; and VIA Metropolitan Transit located in San Antonio, Texas. In addition to these transit agencies, AlliedBarton also serves over 125 Fortune 500 companies.

Locally, AlliedBarton provides security services to Adobe Systems (San Jose, CA); Altera Corporation (San Jose, CA); Equity Office Properties (San Jose, CA); Google (Mountain View, CA); Hitachi Data Systems (Santa Clara, CA); Hitachi Global Storage
Technologies (San Jose, CA); Intuit (Mountain View, CA); LifeScan, a Johnson &
Johnson Company (Milpitas, CA); Legacy Partners Commercial, Inc. (San Jose, CA);
NEC Electronics (Santa Clara, CA); Qualcomm (San Jose, CA); Sanmina-SCI (San Jose,
CA); SVB Financial Group (formerly Silicon Valley Bank) (Santa Clara, CA); Sun
Microsystems (Santa Clara, CA); Symantec Corporation (Cupertino, CA); VeriSign, Inc.
(Mountain View, CA); Xilinx, Inc. (San Jose, CA).

AlliedBarton’s government and education security services accounts in California include
Stanford University (Stanford, CA), University of California-San Francisco (San
Francisco, CA), and the County of San Diego Health & Human Services Agency (San
Diego, CA).

- Corporate Office Support - AlliedBarton Security Services has a business office in San
Jose with a 24-hours-per-day, 7-days-per-week dispatch operation and a 24-hour
Customer Care Center that assists Account Managers in filling open shifts. AlliedBarton
Security Services indicates it has the ability to reallocate, increase, or decrease security
personnel immediately upon VTA’s request, should the need arise.

- Project Staff - AlliedBarton Security Services has qualified key project staff it will
dedicate to this contract. The Vice President and General Manager, the Senior District
Manager, and the Operations Manager all have former managerial experience working
with VTA as security professionals. In addition, the Project Manager for this account has
an extensive law enforcement background as a sworn officer and was the Chief of Police
for the City of Atherton, California for five years. He has extensive experience in
emergency and disaster services planning; is trained in loss and crime prevention
methods, security and patrol procedures; and can implement strategies and techniques for
public, work-site, and asset protection.

- Project Requirements - AlliedBarton Security Services has a complete understanding of
the project requirements (unarmed security, armed patrol, revenue collection, CCTV,
Lost and Found, special event coverage, and undercover operations), offers a
comprehensive training program, and has a demonstrated understanding of the
Department of Transportation Federal Transit Administration’s drug and alcohol testing
requirements (CFR 49 Part 40 and 655).

- Price - AlliedBarton Security Services submitted the lowest-price proposal.

**ALTERNATIVES:**

As an alternative to the recommended action, the Board can request that staff issue another RFP
and solicit additional proposals. Since all of the proposals received were submitted by leading
contractors in the industry who specialize in security and protective services, new proposals are
not likely to result in securing a more qualified contractor or a more favorable price.

**FISCAL IMPACT:**
This action will authorize $11,065,000 for armed and unarmed security services for the next three years, with two one-year optional extensions totaling $7,876,000. A one-time cost of $85,000 is included for orientation and transitional expenses, 3% of direct labor costs are anticipated for overtime and holidays and $30,000 per year is included for unanticipated events requiring security services. Budget appropriation required for the work performed from the effective date of the contract through June 2009 is available in the FY09 Adopted VTA Transit Enterprise Fund Budget. Appropriation for the remainder of the contract period will be included in the Recommended FY 2010 and FY 2011 and subsequent Biennial Operating Budgets. Due to favorable hourly billing rates, this contract is expected to save approximately $360,000 per year over the current contract.

**SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION:**

No specific goal has been established for this contract due to the lack of SBE firms available to perform the scope of work. The contractor is encouraged to make reasonable efforts to utilize SBEs in its procurement of ancillary services and products associated with the performance of this contract.

**STANDING COMMITTEE RECOMMENDATION:**

The Transit Planning & Operations Committee asked what distinguished AlliedBarton over the other proposals. Staff responded that, aside from cost, AlliedBarton has a significant presence in the transit industry and has demonstrated a complete understanding of the project requirements.

The Committee asked about security when BART is operational in Santa Clara County. Staff responded that VTA will be sensitive to the needs and concerns of the communities impacted by BART when negotiating details of security responsibilities with BART.

The Committee moved to place this item on the Board of Directors’ Regular Agenda.

Prepared by: Cathy Hendrix
<table>
<thead>
<tr>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allied Barton Security Services</td>
<td>Vice President/General Manager</td>
<td>Bill Fox</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Vice President of Operations</td>
<td>Kelly Murcray</td>
<td>360 22nd St. Ste 800</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Oakland, CA 94612</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Senior District Manager</td>
<td>Shannon Warner</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Operations Manager</td>
<td>Eric Carpenter</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Director of Human Resources</td>
<td>Michael Read</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Scheduling Manager</td>
<td>Nanette Jacoby</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>District Trainer</td>
<td>Robert Witcher</td>
<td>2540 N. First St. Ste 102</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95131</td>
</tr>
<tr>
<td>Allied Barton Security Services</td>
<td>Project Manager</td>
<td>Steven J. Cader</td>
<td>3331 N. First St.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>San Jose, CA 95134</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief CMA Officer, John Ristow

SUBJECT: 2009 Federal Economic Stimulus & Infrastructure Program

Policy-Related Action: Yes          Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

With the national economy experiencing the greatest declines since the 1930s, Congress and the President are actively discussing a multi-billion-dollar federal economic stimulus act, which would include significant funding for transportation infrastructure, including roadways, transit and aviation. President Obama has set a target date of mid-February for enactment of this bill.

DISCUSSION:

The current House of Representatives version of the economic stimulus legislation is called The American Recovery and Reinvestment Act of 2009 (Obey). As of the writing of this memorandum, the Senate has not yet released its version of the legislation.

Key elements of the House bill are:

- Project delivery timeframes will be extremely constrained and be split into two phases—potentially as little as 90 days from enactment for the near-term phase and possibly no more than one year for the longer-term phase.
- Funding distribution will follow established programs and formulas. No earmarks.
- All federal requirements will apply.
- States, regions and local agencies will need to identify and prioritize projects meeting the
eligibility requirements established in the legislation.

VTA has been tracking the development of potential approval processes and funding distribution procedures with regional and state agencies. In addition, VTA has been coordinating the development of a draft project list for Santa Clara County in consultation with local cities and the county of Santa Clara in preparation for submittal to the Metropolitan Transportation Commission (MTC) and state of California. The coordinated project list was developed to be flexible by project type and timeframe for delivery in order to be responsive to the provisions of the final federal bill.

A draft project list has been included with this memorandum. The final project lists submitted to the appropriate regional and state agencies will have to follow project eligibility and delivery timeframes established by the federal legislation. However, VTA and local agencies will be able to exercise some level of discretion over project selection within those constraints. Therefore, VTA staff recommends the following guidelines be approved by the Board of Directors to guide final project selection.

1. Projects must meet program eligibility requirements, and project sponsors must ensure that delivery timeframes will be met.
2. Highway Program funding should be prioritized according to VTP 2035 Programs and projects with an emphasis on pavement rehabilitation.
3. Transit Program funding should be directed toward 2000 Measure A Program projects.
4. Ready-to-go projects will receive priority.

A more detailed presentation of the processes, timelines and potential projects will be presented to the Board of Directors at its February 5, 2009, meeting. At that meeting, VTA staff will request that the Board grant authority to staff to coordinate with local agencies in Santa Clara County to finalize the project lists which respond to provisions of the final federal stimulus act, and to submit those project lists to the appropriate regional and state agencies.

**FISCAL IMPACT:**

The specific action included in this memorandum does not have a direct financial impact to VTA. However, subsequent external actions by federal, state and regional agencies regarding approvals of funding and projects will likely have a positive financial impact to VTA's Capital Program.

Federal Economic Stimulus Bill: Strategy and Draft Project List

Prepared by: Marcella Rensi
### Draft Potential Project List

#### JANUARY 26, 2009

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Stimulus Funding Request</th>
<th>Delivery Time*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>120 Days</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus Procurement - 114' Hybrid</td>
<td>Replace worn-out diesel revenue vehicles</td>
<td>$74,797</td>
<td>120 days</td>
</tr>
<tr>
<td>Bus Procurement - 23 60' Articulated Hybrid for BRT Service</td>
<td>Replace worn-out diesel revenue vehicles; to be used in new Bus Rapid Transit (BRT) service</td>
<td>$25,111</td>
<td>120 days</td>
</tr>
<tr>
<td>Countywide - Local Streets &amp; Roads Rehab &amp; Reconstruction</td>
<td>Various pavement, sidewalk, guardrail replacement</td>
<td>$203,501</td>
<td>120 days</td>
</tr>
<tr>
<td>Countywide - Bike/Ped Improvements</td>
<td>Various sidewalk, ped crossing, bike improvements</td>
<td>$8,950</td>
<td>120 days</td>
</tr>
<tr>
<td>I 880/Coleman Landscaping</td>
<td>Complete funding for I-880/Coleman Landscaping</td>
<td>$1,500</td>
<td>120 days</td>
</tr>
<tr>
<td>US-101/Tully IC - Multi-Modal Design Elements</td>
<td>Bike lanes, enhanced sidewalks &amp; landscaping on Tully and US-101 OC</td>
<td>$2,000</td>
<td>120 days</td>
</tr>
<tr>
<td>Bus Procurement - 5 Small Cut-Away (&lt;30') Hybrid</td>
<td>Replace worn-out revenue vehicles</td>
<td>$505</td>
<td>120 days</td>
</tr>
<tr>
<td>Enterprise Monitoring Software</td>
<td>Security, Systems monitoring &amp; management</td>
<td>$3,029</td>
<td>120 days</td>
</tr>
<tr>
<td>Technology Infrastructure Replacement</td>
<td>Upgrade VTA servers &amp; related computer systems</td>
<td>$8,204</td>
<td>120 days</td>
</tr>
<tr>
<td>VTA Capital Facilities Improvements</td>
<td>Reconstruct and upgrade maintenance facilities</td>
<td>$55,000</td>
<td>120 days</td>
</tr>
<tr>
<td>Caltrain: Santa Clara County Capacity Imps: Fiber Optics</td>
<td>Clean-up hazardous material within corridor to increase capacity for Caltrain</td>
<td>$11,000</td>
<td>120 days</td>
</tr>
<tr>
<td>Caltrain: Santa Clara County Capacity Imps: HazMat</td>
<td>Add ramps and reconfigure Tennant Ave IC on US 101 in Morgan Hill</td>
<td>$12,000</td>
<td>120 days</td>
</tr>
<tr>
<td>US 101/Tennant Interchange Improvements</td>
<td>Complete landscaping on SR-237/I-880 IC</td>
<td>$3,000</td>
<td>120 days</td>
</tr>
<tr>
<td>I 880/Coleman Landscaping</td>
<td>Complete funding for I-880/Coleman Landscaping</td>
<td>$1,500</td>
<td>120 days</td>
</tr>
<tr>
<td>Countywide - Selected Local Roadway Improvements</td>
<td>Selected local roadway improvements</td>
<td>$12,096</td>
<td>120 days</td>
</tr>
<tr>
<td><strong>180 Days</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caltrain Electrification/Modernization</td>
<td>Electrify and modernize Caltrain from 4th &amp; King St. (San Francisco) to Gilroy. Santa Clara County portion: Design &amp; Coordination with HSR</td>
<td>$20,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Santa Clara Caltrain Station: Platform Reconstruction</td>
<td>ACE &amp; VTA Contributions: correct safety, ADA access issues, remove hold-out rule</td>
<td>$11,000</td>
<td>180 days</td>
</tr>
<tr>
<td>BART Extension to Santa Clara County</td>
<td>Contribution to Warm Springs Extension Construction</td>
<td>$16,000</td>
<td>180 days</td>
</tr>
<tr>
<td>SR-237/I-880 Express Connector</td>
<td>Convert existing HOV Connectors to HOT facilities by installing electronic toll collection and related equipment</td>
<td>$5,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Caltrain Safety Program: At Grade Crossings</td>
<td>JPB &amp; UPRR crossings: construct safety improvements at 36 crossings within RR right-of-way</td>
<td>$15,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Capitol Expressway Light Rail Extension: ROW + Utilis</td>
<td>Extend LRT Line to Eastridge</td>
<td>$20,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Countywide - Selected Local Roadway Improvements</td>
<td>Selected local roadway improvements</td>
<td>$6,500</td>
<td>180 days</td>
</tr>
<tr>
<td>Expressway Channelization Curbing</td>
<td>Central Expressway btwn SR-237 &amp; SR-85, other locations along county expressways</td>
<td>$2,300</td>
<td>180 days</td>
</tr>
<tr>
<td>Expressway Conduit &amp; Wiring Upgrade: Phase I</td>
<td>Upgrade conduit &amp; wiring for signal systems on various county expressways</td>
<td>$3,050</td>
<td>180 days</td>
</tr>
<tr>
<td>Expressway Sidewalks</td>
<td>Sidewalks and pedestrian improvements at various locations countywide</td>
<td>$1,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Montague Expressway Pavement Rehabilitation</td>
<td>Finishing portions totaling approx. 2.7 centerline miles btwn US 101 and I-680</td>
<td>$3,500</td>
<td>180 days</td>
</tr>
<tr>
<td>Solar Electric Generation System for VTA Operating Facilities</td>
<td>Install solar electric power generation systems on VTA operating and maintenance facilities in order to generate &quot;green&quot; power for VTA use.</td>
<td>$10,000</td>
<td>180 days</td>
</tr>
<tr>
<td>Various County Federal Aid Roadway Pavement</td>
<td>Repave various county roads</td>
<td>$950</td>
<td>180 days</td>
</tr>
<tr>
<td>Attenuators</td>
<td>Safety Enhancements along County Roads</td>
<td>$2,050</td>
<td>180 days</td>
</tr>
</tbody>
</table>
## Draft Potential Project List

### 1 Year

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Funding Request</th>
<th>Delivery Time*</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 Improvements at Capitol &amp; Yerba Buena</td>
<td>Add scope to existing CMIA project</td>
<td>$5,000</td>
<td>1 year</td>
</tr>
<tr>
<td>I-280/I-880 Stevens Creek Interchange</td>
<td>Phase I: Re-structure IC NB + SB, including widening of Stevens Creek OC structure, excludes flyover</td>
<td>$35,000</td>
<td>1 year</td>
</tr>
<tr>
<td>BART to San Jose/Santa Clara: Freight Rail Utility Relocation</td>
<td>Relocate and grade separate UPRR track along BART alignment in Fremont</td>
<td>$50,000</td>
<td>1 year</td>
</tr>
<tr>
<td>Capitol Expressway Light Rail Extension: Construction</td>
<td>Extend LRT Line to Eastridge Mall</td>
<td>$110,438</td>
<td>1 year</td>
</tr>
<tr>
<td>Capitol Expressway TOS Infrastructure</td>
<td>Install TOS infrastructure from US 101 to SR 87 to improve traffic flow and operations</td>
<td>$3,500</td>
<td>1 year</td>
</tr>
<tr>
<td>Central Auxiliary Lane Phase I Construction</td>
<td>Construct auxiliary lanes from Mathilda to Fair Oaks to improve safety and operations</td>
<td>$2,030</td>
<td>1 year</td>
</tr>
<tr>
<td>Expressway Conduit &amp; Wiring Upgrade Phase 2 Construction</td>
<td>Keep the signal system functioning reliably</td>
<td>$3,450</td>
<td>1 year</td>
</tr>
<tr>
<td>Miguelito Rd Soldier Pile Wall Construction</td>
<td>Safety enhancement</td>
<td>$2,000</td>
<td>1 year</td>
</tr>
<tr>
<td>San Tomas Box Culvert Repair Phase I Construction</td>
<td>Infrastructure rehabilitation to preserve expressway operations</td>
<td>$3,400</td>
<td>1 year</td>
</tr>
</tbody>
</table>

### 18 Months

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Funding Request</th>
<th>Delivery Time*</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-280/I-880 Stevens Creek Interchange</td>
<td>Phase II + III: I-280/Winchester IC improvements, NB I-280 to NB-880 direct connector</td>
<td>$113,000</td>
<td>18 months</td>
</tr>
</tbody>
</table>

### 2 Years+

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Funding Request</th>
<th>Delivery Time*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRT Expansion Phase II: El Camino</td>
<td>Expand BRT service to El Camino Real</td>
<td>$200,000</td>
<td>2 years</td>
</tr>
<tr>
<td>BRT Expansion Phase III: San Carlos/Stevens Creek</td>
<td>Expand BRT service to San Carlos/Stevens Creek</td>
<td>$220,000</td>
<td>2 years</td>
</tr>
<tr>
<td>US 101 Capitol/Yerba Buena Interchange Reconstruction</td>
<td>Reconstruct US-101 interchange at Capitol/Yerba Buena</td>
<td>$30,000</td>
<td>2 years</td>
</tr>
<tr>
<td>US 101/SR-25 Interchange</td>
<td>Reconstruct US-101/SR-25 interchange, including extension of Santa Teresa</td>
<td>$200,000</td>
<td>2 years</td>
</tr>
<tr>
<td>BART to San Jose/Santa Clara: Construction</td>
<td>Construct track, stations and other civil work to extend BART from Fremont Warm Springs to Santa Clara station</td>
<td>$450,000</td>
<td>3 years</td>
</tr>
<tr>
<td>Caltrain Electrification/Modernization</td>
<td>Electrify and modernize Caltrain from 4th &amp; King St. (San Francisco) to Gilroy. Santa Clara County portion</td>
<td>$343,000</td>
<td>3 years</td>
</tr>
<tr>
<td>San Jose Diridon Station Expansion for BART &amp; HSR</td>
<td>Develop an expanded station in dntn SJ to serve as a regional transit hub integrating Caltrain, ACE, Amtrak &amp; Light Rail</td>
<td>$100,000</td>
<td>3 years</td>
</tr>
<tr>
<td>San Jose Mineta Airport People Mover</td>
<td>Construct people mover to transport passengers from Mineta San Jose International Airport to light rail, Caltrain and BART.</td>
<td>$50,000</td>
<td>3 years+</td>
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<tr>
<td>SR-85 Express Lanes</td>
<td>Design and construct high-occupancy/lull lanes on SR-85 from end to end</td>
<td>$96,000</td>
<td>3 years</td>
</tr>
<tr>
<td>Vasona LRT Extension</td>
<td>Extend LRT Line from Winchester (Campbell) to Vasona Junction (Los Gatos)</td>
<td>$75,000</td>
<td>3 years+</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO:          Santa Clara Valley Transportation Authority
             Board of Directors

THROUGH:     General Manager, Michael T. Burns

FROM:        Chief Engineering & Construction Officer, Mark S. Robinson

SUBJECT:     SVRT Project - Project Office Lease Agreement

Policy-Related Action: No

Government Code Section 84308 Applies: Yes

ACTION ITEM

RECOMMENDATION:

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.

BACKGROUND:

VTA is planning and designing transportation improvements in the Silicon Valley Rapid Transit (SVRT) District Corridor that will extend Bay Area Rapid Transit (BART) to Milpitas, San Jose and Santa Clara. In December 2006 the VTA Board of Directors authorized continued work on the project for 65% Engineering development through December 31, 2008. VTA, BART staff and consultants (SVRT Project Team) working on this phase of the project were sited at leased office space at the Hynix Semiconductor Building near the VTA River Oaks campus on North First Street in San Jose, CA.

A subsequent engineering phase was approved by the Board of Directors at the December 11, 2008 meeting to support the planned federal environmental clearance and Federal Transit Administration New Starts Program funding application processes, resolve third party coordination issues, and investigate cost-savings engineering solutions. Office space for SVRT Project Team working on this phase of the project will still be necessary.

Staff recommends that the requisite office space for SVRT Project Team working on the Project during this recently authorized phase be provided at a new leased facility, as reflected in the recommended lease agreement. The proposed lease agreement will provide the office space at a substantial cost savings in comparison to the existing lease arrangement at the Hynix Semiconductor Building.
DISCUSSION:

In February 2004, the VTA Board of Directors approved a lease in the Hynix Semiconductor Building for a total of 41,250 sq.ft. for SVRT project office space. In March of 2007, the Board authorized an extension of the Hynix lease through March 31, 2009. The rental rate under this lease is $2.19/sf per month, full service. Staff expects the landlord to charge the same rental rate if VTA were to seek an extension or renegotiation of this lease.

For various reasons, including the soft leasing market, staff proposes to relocate the SVRT Project Team to a new office location. The proposed lease is for approximately 20,000 sq. ft. in an office building referred to as the Dixon Landing Building and located in Milpitas, CA. This location will allow a selected portion of the SVRT Project Team currently in the Hynix Building to work in closer proximity to the project location. Additionally, a portion of the proposed office building is already leased and occupied by VTA consultants and staff working on the Freight Railroad Relocation Project. This lease will enable the SVRT Project Team to physically join the Freight Railroad Relocation Team.

The portion of the SVRT Project Team not moving to the subject building in Milpitas will be relocated from the vacated Hynix building to VTA’s River Oaks campus, hence reducing the required lease space for the project by approximately 20,000 sq. ft. This will result in a substantial net rent savings, even after the incremental overhead costs of a relocation to the VTA campus are considered.

The landlord of the proposed office building is Northern California Industrial Portfolio, Inc., DBA Dixon Landing, managed by Rosenberg Real Estate Equity Fund. It asked $0.85 net per sq.ft. for office space in the subject building. VTA staff negotiated an effective lease rate of $0.59 net per sq. ft. for the proposed office space, which is approximately 69% of the current market rate rent for such class of office space.

A comparison of the Hynix and Dixon Landing rent payments is as follows:

- Dixon Landing Building Annual Rent for 20,000 sf (@ $0.59/sf) $ 194,400
- Hynix Building Annual Rent for 20,000 sf at the (@ $2.19/sf) $ 525,600
- Total Annual Net Savings $ 331,200

ALTERNATIVES:

The only alternative is to continue to lease current space in the Hynix Building at an annual rent five times greater than the proposed lease at the Dixon Landing Building. The negotiated lease rate accomplishes significant rent savings and economies of scale by reducing leased office space by approximately 50%, as shown in the above table. The overwhelming saving in building
rent will mitigate any associated moving costs and any increase in operating costs as a result of additional staff occupying space in the River Oaks complex. This new location will also enable the SVRT Project Team to be closer to both the FRR team and the project location.

**FISCAL IMPACT:**

This action will authorize approximately $486,000, for office space for a 30-month lease period. Budget appropriation for this expenditure is available in the FY09 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget. Substantial annual savings resulting from the recommended lease authorization is anticipated - approximating $900,000 per year, less initial moving costs in the first year.

Prepared by: Courtney Decius, Sr. Real Estate Agent
### NORTHERN CALIFORNIA INDUSTRIAL PORTFOLIO, INC.
#### DBA, DIXON LANDING

1. Tim K. Gonzalez
2. Nicholas C. Babson
3. Norman R. Bobins
4. Allison S. Davis
5. Blake Eagle
6. Philip Halpern

San Francisco, CA

### RFEEF (Rosenberg Real Estate Equity Fund) ManagementCo. Board Members

1. Tim K. Gonzalez
2. Ross Berry
3. Alan Billingsley
4. Sally Blatt
5. David Breuner
6. Darrell Campos
7. James Carbone
8. Marlena Casellini
9. Chris Marvin Christensen
10. Frank Garcia
11. Laura Gaylord
12. Tim Gonzalez
13. Brad Gordon
14. Andy Harper
15. Kevin Howley
16. Marian Ivan
17. Erik Lassar
18. Steve Lekki
19. Asieh Mansour
20. Jane Maushardt
21. Jay Miller
22. Hope Nadji
23. Ashley Powell
24. Rick Putnam
25. Aimee Samford
26. John Shields

San Francisco, CA

### COMMERCIAL PROPERTY SERVICES

Tyler Kemp, Vice President

Santa Clara, CA
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Michael T. Burns

FROM: Chief External Affairs Officer, Greta Helm

SUBJECT: Monthly Legislative History Matrix

FOR INFORMATION ONLY

BACKGROUND:

For your information, I am attaching our Monthly Legislative History Matrix. The 2009-10 legislative session kicked off on December 1 and has been dominated by the state’s deteriorating fiscal situation. As a result, only a handful of new bills have been introduced so far. Therefore, the Monthly Legislative History Matrix outlines the key transportation-related bills that were enacted into law in 2008. Most of these measures took effect on January 1, 2009.

DISCUSSION:

The most recent figures issued by the Department of Finance indicate that the state needs to close a $15 billion shortfall in this year’s budget and then deal with an anticipated $25 billion deficit in FY 2010. Here is a recap of the major actions that have recently taken place:

December 1: Gov. Arnold Schwarzenegger welcomed the new class of legislators to Sacramento by calling a special session on the budget, and by putting on the table a $9.2 billion plan that consisted of $4.5 billion in spending reductions touching virtually all state-funded programs and $4.7 billion in revenue increases. Under this plan, the Governor proposed a temporary increase in the state sales tax rate of 1.5 percent for a three-year period, a new 9.9 percent oil severance tax, an increase in the alcohol beverage tax of five cents per drink, and a $12 boost to vehicle registration fees. At the same time, he came forth with an economic stimulus package that called for pushing more Proposition 1B transportation bond money out the door, specifically $700 million for local streets/roads and $800 million for public transit capital projects. He also proposed a California Environmental Quality Act (CEQA) waiver to expedite the delivery of 11 other Proposition 1B bond-funded projects administered by Caltrans costing $822 million, and urged the Legislature to enact bills to eliminate any remaining barriers to using public-private partnerships and design-build contracting for infrastructure projects.
December 15: Republican legislative leaders put their own “no-new-taxes” proposal on the table, which called for deep cuts to schools and social service programs. Neither the Governor nor Democrats embraced the $22 billion plan, which included $6 billion in revenues raised by tapping into voter-approved preschool and mental health funds.

December 16: Assembly Democrats and Republicans split along party lines in rejecting a $19 billion Democratic plan that included $11.3 billion in tax increases and $7 billion in spending reductions. To generate additional revenues, this plan embraced Governor Schwarzenegger’s oil severance tax proposal, but called for a ½ percent increase in the state sales tax rate versus the Governor’s 1.5 percent. The Democratic plan also included a new 2.5 percent surcharge on personal income tax liabilities and a new 3 percent withholding requirement for payments in excess of $600 per year made by businesses to independent contractors.

December 17: California officials cut off funding for thousands of infrastructure projects statewide. Fortunately, no VTA-sponsored project was impacted by this decision. Treasurer Bill Lockyer said the action was regrettable, but necessary in order to preserve cash to allow the state to pay its bills as the General Fund moved closer toward insolvency. Controller John Chiang commented that the General Fund would run out of money at the end of February.

December 18: Democrats approved a package of 16 bills to increase taxes and make program cuts, an $18 billion effort that passed the Legislature without any Republican votes. GOP lawmakers claimed that the package was illegal because it raised $9.3 billion in taxes without a two-thirds vote. The bills currently are being held at the Assembly and Senate desks in order to buy time for Democratic leaders to negotiate with Gov. Schwarzenegger, who vowed to veto the package.

By adroitly stitching together proposals that lower some taxes and raise others, Democratic legislators say the package is “revenue-neutral” and, thus, could be passed by a simple majority rather than the constitutionally required two-thirds vote for tax increases. They portrayed their plan as an inventive solution in a desperate time for California, one that comes as a last-ditch acknowledgement that Republicans may never vote for tax increases. The $9.3 billion in tax provisions consist of: (a) a half-cent increase in the state portion of the sales tax and a quarter-cent hike in the local part of the tax; (b) the 2.5 percent surcharge on personal income taxes; (c) elimination of the 18-cent-per-gallon excise tax on gasoline, as well as the sales tax on gasoline, both of which would be replaced by a new 39-cent-per-gallon gas fee; (d) the severance tax on oil production; and (e) the 3 percent income tax withholding requirement for payments to independent contractors. The $7.3 billion in cuts include: (a) $2.5 billion from elementary and high schools, and community colleges; (b) $677 million from programs for the aged, blind and disabled; (c) $132 million from the University of California and California State University systems; and (d) $100 million from welfare programs. Compensation to state employees also would be reduced by $657 million, subject to negotiations with employee unions.

The Democratic package attempts to employ a legal theory that has been kicking around the State Capitol Building for years—that one bill could simultaneously raise some taxes and reduce others by the same amount without triggering the two-thirds vote requirement. To make it work required a major restructuring of state transportation funding, as follows:
(1) Eliminating the state excise taxes on gasoline and diesel fuel.

(2) Eliminating the sales tax on gasoline, which is the funding source for Proposition 42 and one of the funding sources for the Public Transportation Account.

(3) Replacing those two revenue sources with a new “fee” on gasoline at 39 cents per gallon. This fee would be tied to the California Consumer Price Index, automatically adjusting every three years. The revenues would be allocated annually as follows:

- 33 percent (12.87 cents) for local streets/roads. Of this amount, roughly 6 cents would be allocated to cities and counties according to the traditional gas tax subvention formula and approximately 7 cents according to the Proposition 42 formula.

- 45 percent (17.55 cents) to the State Highway Account, with a minimum of 20 percent (3.51 cents) going to the State Transportation Improvement Program (STIP). The remaining 80 percent (14.04 cents) would be appropriated for all other uses of the State Highway Account.

- 22 percent (8.58 cents) to a new “Transportation Stabilization Fund,” the uses of which would be determined by future legislative appropriations.

According to the Legislative Counsel’s Office, the gas fee revenues could not be diverted or loaned to the General Fund because existing state law requires fee revenues to go for expenditures that have a “nexus,” meaning those paying the fee would benefit from the use of the revenues. In addition, the Legislative Counsel’s Office has opined that the protections contained in Article XIX of the state Constitution would apply, thereby restricting the use of the revenues to transportation capital expenditures, excluding public transit vehicle purchases. However, there is some question as to whether any public transit capital expenditure would meet the nexus test and, therefore, be eligible to receive revenues generated by the new gas fee.

(5) Continuing the sales tax on diesel fuel, which generates approximately $400 million per year. The diesel sales tax would become the sole funding source for the Public Transportation Account. Of these revenues, $150 million per year would be dedicated to the State Transit Assistance Program (STA). However, this STA funding would not be protected, and could be allocated to other eligible expenditures under the Public Transportation Account, such as yellow school bus service, transportation for the clients of the state’s regional occupational centers and transportation bond debt service, through the enactment of subsequent legislation.

(6) Authorizing counties to increase their Transportation Development Act (TDA) sales tax for mass transportation purposes by a quarter percent, subject to a vote of the electorate. There are differing opinions as to whether such a sales tax increase would require a simple majority or a two-thirds vote to be enacted.

December 31: Gov. Schwarzenegger released his FY 2010 budget proposal well in advance of the customary January 10 date. This early release was intended to add pressure to the ongoing
negotiations with the Legislature over the current-year fiscal crisis. The Governor’s budget envisions that lawmakers would adopt a package of “solutions” to address the current-year shortfall by February 1, and an annual plan for FY 2010 by July 1. There are four fundamental components to the Governor’s recommended budget: (1) reducing spending by $16.5 billion, with most of the cuts coming in education, prisons, health care, and social services; (2) increasing revenues by $14.8 billion, most of which would come from a temporary 1.5 percent increase in the state sales tax; (3) borrowing $9.7 billion-$5 billion against future state lottery sales and $4.7 billion in short-term loans that would be repaid in FY 2011; and (4) achieving cost savings by eliminating or consolidating redundant or unnecessary state government programs.

In the case of transportation, the Governor’s budget recommends cutting STA by an additional $153 million in FY 2009 and eliminating the program outright beginning in FY 2010; fully funding Proposition 42 in FY 2010 at $1.6 billion; redirecting $200 million over two fiscal years in tribal gaming revenues from transportation to the General Fund, contingent upon the state receiving this amount for transportation from the federal economic stimulus package; and providing $123 million for high-speed rail in FY 2010 from Proposition 1A bonds.

Gov. Schwarzenegger used the release of his FY 2010 budget plan as an opportunity to reiterate the importance of the Legislature adopting the economic stimulus program that he originally proposed in December. This program calls for pushing more Proposition 1B bond money out the door in the current fiscal year for local streets/roads and transit capital projects, providing CEQA exemptions for certain Proposition 1B bond-funded projects, and granting broader authority for design-build contracting and public-private partnerships.

January 6: Following up on the December 17 action of the Pooled Money Investment Account Board to suspend funding for Proposition 1B and other bond-funded projects until July 1, Controller Chiang halted some $33 million in contractor payments, impacting 39 Caltrans projects.

Also, as promised, Gov. Schwarzenegger vetoed the Democratic “revenue-neutral” budget plan that was approved by the Legislature on December 18 without any Republican votes. In a letter to Senate President Pro Tem Darrell Steinberg (D-Sacramento) and Assembly Speaker Karen Bass (D-Los Angeles), the Governor wrote, “The measures you sent me punish people with increased taxes, but do not make the serious cuts in spending necessary to balance our budget; do nothing to help keep California families working during this recession; and do nothing to help Californians facing foreclosure in this mortgage crisis. It is unfair and unacceptable to place an even greater burden on hard-working taxpayers without doing all we can to cut spending, create jobs and keep people in their homes.” Republicans had already filed a lawsuit challenging the plan, arguing that it sought to increase taxes without receiving a two-thirds vote of the Legislature.

January 12: All six of California’s elected statewide Democrats indicated that they would not implement Gov. Schwarzenegger’s plan to furlough state workers for two unpaid days each month. They are Controller Chiang, Treasurer Lockyer, Secretary of State Debra Bowen, Superintendent of Public Instruction Jack O’Connell, Attorney General Jerry Brown, and Lt.
Gov. John Garamendi. A week earlier, the Governor ordered all non-essential state departments to close their doors on the first and third Fridays of every month through June 2010, saving the General Fund an estimated $1.3 billion. However, the Governor’s executive order cannot apply to the offices of California’s statewide elected officials. Meanwhile, the labor unions representing state employees filed a lawsuit in Sacramento Superior Court to block the furlough plan.

Prepared By: Kurt Evans
### State Assembly Bills

<table>
<thead>
<tr>
<th>State Assembly Bills</th>
<th>Subject</th>
<th>Last Amended</th>
<th>Status</th>
<th>VTA Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 38</strong>&lt;br&gt;(Nava)&lt;br&gt;Homeland Security</td>
<td>Eliminates the Office of Homeland Security and the Office of Emergency Services, and transfers the responsibilities of these two offices to a newly created California Emergency Management Agency (CalEMA). Provides that CalEMA would be under the supervision of a secretary of California emergency management appointed by the Governor and subject to Senate confirmation. In managing the agency, requires the secretary to coordinate all state disaster response, emergency planning, emergency preparedness, disaster recovery, disaster mitigation, and homeland security activities.</td>
<td>8/18/08</td>
<td>Signed into Law: Chapter #372</td>
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<tr>
<td><strong>AB 109</strong>&lt;br&gt;(Nunez)&lt;br&gt;Alternative Fuels and Vehicle Technologies</td>
<td>Requires the California Energy Commission to implement the existing Alternative and Renewable Fuel and Vehicle Technology Program by regulation pursuant to the rulemaking requirements of the Administrative Procedure Act. Requires the commission to use a public competitive process for the allocation of funding under this program. Expands the existing Air Quality Improvement Program to include revolving loans, loan guarantees, loans, and other appropriate funding measures. Requires the California Air Resources Board (CARB) to develop and adopt guidelines to implement the Air Quality Improvement Program. Requires CARB to use a public competitive process for the allocation of funding under this program. For both programs, makes ineligible any project required to be undertaken pursuant to federal or state law, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents.</td>
<td>8/19/08</td>
<td>Signed into Law: Chapter #313</td>
<td></td>
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<tr>
<td><strong>AB 387</strong>&lt;br&gt;(Duvall)&lt;br&gt;Design-Build Contracting: Transit Security Projects</td>
<td>Makes several changes to existing state law authorizing the use of design-build contracting for transit projects. Specifically, provides that there is no cost threshold in order to use design-build contracting for the acquisition and installation of technology applications or surveillance equipment designed to enhance safety, disaster preparedness and homeland security efforts.</td>
<td>1/7/08</td>
<td>Signed into Law: Chapter #185</td>
<td>Support</td>
</tr>
<tr>
<td><strong>AB 642</strong>&lt;br&gt;(Wolk)&lt;br&gt;Design-Build Contracting: Local Agencies</td>
<td>Until January 1, 2016, authorizes any city or county to enter into design-build contracts for the construction of buildings, if the project exceeds $1 million in cost. Until January 1, 2020, authorizes local entities that operate a wastewater facility, solid waste management facility or water recycling facility to enter into design-build contracts for construction projects.</td>
<td>8/5/08</td>
<td>Signed into Law: Chapter #314</td>
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<tr>
<td>State Assembly Bills</td>
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<tr>
<td>AB 660 (Galgiani)</td>
<td>Highway-Railroad Grade Crossings</td>
<td>Modifies the California Public Utilities Commission’s (CPUC) Grade Separation Program by modifying eligibility requirements, fixing the maximum amount allocated to grade separation projects, and revising other conditions governing the allocation of funds. Specifies that grade separation projects: (a) at a proposed new grade crossing; or (b) for removing or relocating highways or railroad tracks to eliminate existing grade crossings are not eligible for funding under the Grade Separation Program. Provides that the total allocations for a project under this program shall not exceed $5 million without specific legislative authorization. Also specifies that cumulative allocations to a single project shall not exceed 80 percent of the cost to construct the project. Allows a project costing between $5 million-$20 million to be considered without specific legislative authorization if the project: (a) is included on the CPUC’s priority list; (b) eliminates the need for future related grade separation projects; (c) provides projected cost savings of at least 50 percent to the state or local jurisdiction by eliminating the need for future projects; and (d) alleviates traffic and safety problems, or provides improved rail service not otherwise possible. Requires such projects to be funded over a multi-year period, not to exceed five years, with the allocation for any one year limited to $5 million or less. Prohibits an agency that obtains funding for a project under the CPUC’s grade separation program from being eligible to receive an allocation for another project for a period of 10 years. Requires a railroad’s financial contribution for a grade separation project funded under the program to be calculated based on the cost of the grade separation only, and not on the cost of any other part of the project.</td>
<td>8/6/08</td>
<td>Signed into Law: Chapter #315</td>
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<tr>
<td>AB 981 (Leno)</td>
<td>Treasure Island Transportation Management Act</td>
<td>Enacts the Treasure Island Transportation Management Act. Authorizes the San Francisco County Board of Supervisors to designate an entity to act as the transportation management agency for Treasure Island. Authorizes the Treasure Island Transportation Management Agency to recommend a congestion pricing fee structure applicable to residents and other motorists as they enter or exit Treasure Island to generate revenues to be used to implement a transportation program for the island. Requires the congestion pricing fee structure to be approved by the Board of Supervisors and the San Francisco County Transportation Authority. Also allows the Treasure Island Transportation Management Agency to adopt: (a) on-street and off-street parking regulations, fees, fines, and penalties for Treasure Island; and (b) a transit pass fee structure applicable to residents and other users of Treasure Island.</td>
<td>8/6/08</td>
<td>Signed into Law: Chapter #317</td>
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<tr>
<td>AB 1209 (Karnette)</td>
<td>HOV Lanes: Hybrid Vehicles</td>
<td>Allows the Department of Motor Vehicles (DMV) to issue a replacement high-occupancy vehicle (HOV) lane decal to an owner of a hybrid vehicle that becomes non-repairable or a total loss salvage vehicle when the owner buys a replacement hybrid vehicle.</td>
<td>7/1/08</td>
<td>Signed into Law: Chapter #4429</td>
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<tr>
<td><strong>AB 1252</strong>&lt;br&gt;(Caballero)&lt;br&gt;Housing and Transportation Bonds</td>
<td>Appropriates $100 million to the Department of Housing and Community Development from the Regional Planning, Housing and Infill Incentive Account established under the 2006 housing bond measure for the purpose of augmenting the Infill Infrastructure Grant Program Notice of Funding Availability issued by the department on February 28, 2008. Appropriates $50 million to the Department of Housing and Community Development from the Transit-Oriented Development Account established under the 2006 housing bond measure for the purpose of augmenting the Transit-Oriented Development Program Notice of Funding Availability issued by the department on December 7, 2007. Appropriates $63 million from the Highway-Railroad Crossing Safety Account established under the 2006 transportation bond measure for high-priority grade separation and railroad crossing safety improvement projects. Appropriates $87 million from the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account established under the 2006 transportation bond measure for allocation to counties for local street and road improvements.</td>
<td>6/19/08</td>
<td>Signed into Law: Chapter #39</td>
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<tr>
<td><strong>AB 1358</strong>&lt;br&gt;(Leno)&lt;br&gt;General Plans: Circulation Element</td>
<td>Enacts the California Complete Streets Act of 2008. Requires the Office of Planning and Research to prepare or amend guidelines for cities and counties to accommodate the safe and convenient travel of users of streets, roads and highways in a manner that is suitable to the rural, suburban or urban context of their General Plans. In developing these guidelines, requires the Office of Planning and Research to consider how appropriate accommodation varies depending on a local government’s transportation and land-use context, including urban, suburban or rural environments. Beginning January 1, 2011, requires the legislative body of a city or county, upon any revision of the circulation element of its General Plan, to modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of streets, roads and highways for safe and convenient travel in a manner that is suitable to the rural, suburban or urban context of its General Plan. Defines “users of streets, roads and highways” to mean bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.</td>
<td>8/20/08</td>
<td>Signed into Law: Chapter #657</td>
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<tr>
<td><strong>AB 1954</strong>&lt;br&gt;(Jeffries)&lt;br&gt;HOT Lanes: I-15 Corridor in Riverside County</td>
<td>Authorizes a value pricing and transit program involving high-occupancy toll (HOT) lanes to be developed and operated on I-15 in Riverside County by the Riverside County Transportation Commission (RCTC). Requires RCTC to carry out the value pricing and transit program pursuant to a cooperative agreement with Caltrans that addresses all matters related to design, construction, maintenance, and operation of state highway system facilities in connection with the program. Requires RCTC to establish appropriate traffic flow guidelines for the purpose of ensuring optimal use of the express lanes by high-occupancy vehicles without adversely affecting other traffic on the state highway system. Authorizes RCTC to impose tolls and to issue revenue bonds for the HOT lane project. Allows excess toll revenues to be used to: (a) enhance transit service designed to reduce traffic congestion on I-15 or to expand travel options along the I-15 corridor; and (b) make operational or capacity improvements designed to reduce congestion or improve the flow of traffic on I-15. States that RCTC is not entitled to compensation for the adverse effects on HOT lane revenues due to construction of competing facilities by Caltrans or local agencies.</td>
<td>8/6/08</td>
<td>Signed into Law: Chapter #421</td>
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<tr>
<td>AB 2009</td>
<td>(Hernandez) Utility User Taxes: Public Transit Natural Gas Exemption</td>
<td>6/18/08</td>
<td>Signed into Law: Chapter #221</td>
<td></td>
</tr>
<tr>
<td>AB 2094</td>
<td>(DeSaulnier) Joint Policy Committee: Membership</td>
<td>7/1/08</td>
<td>Signed into Law: Chapter #442</td>
<td></td>
</tr>
<tr>
<td>AB 2272</td>
<td>(Fuentes) HOV Lanes: Three-Wheeled Motor Vehicles</td>
<td>As Introduced</td>
<td>Signed into Law: Chapter #672</td>
<td></td>
</tr>
<tr>
<td>AB 2327</td>
<td>(Caballero) Emergency Services</td>
<td>5/21/08</td>
<td>Signed into Law: Chapter #361</td>
<td></td>
</tr>
<tr>
<td>AB 2376</td>
<td>(Price) Small and Emerging Contractors Technical Assistance Program</td>
<td>5/27/08</td>
<td>Signed into Law: Chapter #458</td>
<td></td>
</tr>
<tr>
<td>AB 2466</td>
<td>(Laird) Local Government Renewable Energy Self-Generation Program</td>
<td>8/12/08</td>
<td>Signed into Law: Chapter #540</td>
<td>Co-Sponsor</td>
</tr>
<tr>
<td>State Assembly Bills</td>
<td>Subject</td>
<td>Last Amended</td>
<td>Status</td>
<td>VTA Position</td>
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<tr>
<td><strong>AB 2650</strong></td>
<td>Until January 1, 2012, permits Caltrans to continue to participate in a federal pilot program that allows certain states to assume the responsibilities of the Federal Highway Administration (FHWA) under the National Environmental Policy Act (NEPA) for a limited period of time to see if this approach would speed up the delivery of state highway projects without a lessening of environmental protection. Specifically, extends provisions in existing law that authorize Caltrans to consent to the jurisdiction of the federal courts with regard to the assumption of FHWA’s responsibilities under NEPA and that waive the state’s Eleventh Amendment protection against lawsuits brought in federal court for as long as Caltrans participates in the pilot program.</td>
<td>6/16/08</td>
<td>Signed into Law: Chapter #248</td>
<td>Support</td>
</tr>
<tr>
<td><strong>AB 2906</strong></td>
<td>Eliminates provisions in existing law requiring that high-occupancy vehicle (HOV) lanes be separated from adjacent mixed-flow lanes by a buffer area of at least 4 feet in width.</td>
<td>6/6/08</td>
<td>Signed into Law: Chapter #27</td>
<td></td>
</tr>
<tr>
<td><strong>AB 3005</strong></td>
<td>When imposing as a condition of approval of a development project an impact fee for mitigating vehicular traffic impacts of a housing development that satisfies certain conditions, requires a local agency to set the fee at a rate that reflects a lower rate of automobile trip generation.</td>
<td>8/27/08</td>
<td>Signed into Law: Chapter #692</td>
<td></td>
</tr>
<tr>
<td>State Assembly Bills</td>
<td>Subject</td>
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<tr>
<td>AB 3034 (Galgiani)</td>
<td>High-Speed Rail</td>
<td>8/6/08</td>
<td>Signed into Law: Chapter #267</td>
<td>Support</td>
</tr>
</tbody>
</table>

Revises certain provisions contained in the High-Speed Train Bond Act for the 21st Century to be submitted to the voters of California on November 4, 2008, as Proposition 1A. Specifically, refers to construction of a high-speed train system consistent with the California High-Speed Rail Authority’s certified environmental impact report (EIR) of November 2005 and July 9, 2008, rather than with its final business plan of June 2000. Revises the descriptions of route corridors of the proposed high-speed train system. Provides that the bill does not prejudice the authority’s determination and selection of the high-speed train alignment from the Central Valley to the Bay Area and its certification of the EIR. Requires revenues generated by the operation of the high-speed train system above and beyond the amount needed for operating and maintenance costs, and financing obligations to be used to fund the construction, expansion, improvement, replacement, and rehabilitation of the system. Requires $9 billion in bond revenues to be used for the corridor of the high-speed train system between the San Francisco Transbay Terminal, Los Angeles Union Station and Anaheim. If the High-Speed Rail Authority finds that the completion of this phase of the project would not be adversely impacted, allows the authority to request bond funding for the capital costs for other corridors of the high-speed train system. Specifies that no more than 10 percent of $9 billion in bond proceeds can be used for environmental studies and mitigation, planning, preliminary engineering, real property acquisition, rights-of-way improvements, and relocation assistance for displaced property owners and occupants related to the high-speed train system. Requires the High-Speed Rail Authority to complete various funding plans and financial analyses prior to: (a) submitting a request for an appropriation of bond funding for eligible capital costs; and (b) committing bond proceeds for expenditure for construction, real property acquisition and equipment procurements. In selecting corridors, or usable segments thereof, for construction, requires the authority to give priority to those corridors, or usable segments thereof, that are expected to use the least amount of bond funds as a percentage of total construction costs. Among other criteria that it may use for establishing priorities for initiating construction on corridors, or usable segments thereof, requires the authority to include the following: (a) projected ridership and revenue; (b) the need to test and certify trains operating at speeds of 220 miles per hour; (c) the utility of those corridors, or usable segments thereof, for passenger train services other than the high-speed train system that will not result in any unreimbursed operating or maintenance costs to the authority; and (d) the extent to which the corridors include facilities to enhance the connectivity of the high-speed train network to other modes of transit. Provides that there is to be no high-speed rail station between Gilroy and Merced. Requires complementary rail capital improvement projects funded from $950 million in bond proceeds allocated to intercity, commuter and urban rail systems to do the following: (a) provide direct connectivity and benefits to the high-speed train system or its facilities; (b) be part of the construction of the high-speed train system; or (c) provide capacity enhancements and safety improvements. Requires the High-Speed Rail Authority to revise its business plan by September 1, 2008, and submit it to the Legislature. Requires the authority to establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority’s plans. Also requires the peer review group to issue an analysis of: (a) the appropriateness and accuracy of the authority’s assumptions; and (b) the viability of the authority’s funding plan for each corridor.
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>ABX3 3 (Budget Committee) State Budget Reductions</td>
<td>Amends the FY 2008 State Budget Act by reducing appropriations to various state agencies pursuant to the fiscal emergency declared by the Governor by proclamation on January 10. Authorizes the Department of Finance to use $409 million in Public Transportation Account funding to reimburse the General Fund for expenditures related to the costs of providing home-to-school transportation in FY 2008. Specifies that the Legislature hereby finds that transporting students to schools is a component of the state’s mass transportation program.</td>
<td>2/15/08</td>
<td>Signed into Law: Chapter #1</td>
<td></td>
</tr>
<tr>
<td>ABX3 7 (Budget Committee) Highway Users Tax Account</td>
<td>Requires transfers of fuel tax revenues from the Highway Users Tax Account to cities and counties for local streets and roads that would otherwise be made during the months of March through July to be deferred until September.</td>
<td>2/15/08</td>
<td>Signed into Law: Chapter #5</td>
<td></td>
</tr>
<tr>
<td>ACR 114 (Fuller) Home-to-School Transportation</td>
<td>Requests the superintendent of Public Instruction to convene a committee to investigate cost savings and best practices for school districts operating home-to-school transportation programs, not including special education transportation.</td>
<td>8/22/08</td>
<td>Approved by the Legislature: Chapter #155</td>
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</tr>
<tr>
<td>AJR 53 (Huffman) Greenhouse Gas Emissions</td>
<td>Encourages Congress and the President to support federal legislation that would allow California to implement its state law regarding the reduction of greenhouse gas emissions from motor vehicles.</td>
<td>7/7/08</td>
<td>Approved by the Legislature: Chapter #92</td>
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</tbody>
</table>
## State Senate Bills

<table>
<thead>
<tr>
<th>State Senate Bills</th>
<th>Subject</th>
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</tr>
</thead>
<tbody>
<tr>
<td>SB 28 (Simitian) Text Messaging</td>
<td>Prohibits driving a motor vehicle while using an electronic wireless communications device to write, send or read a text-based communication.</td>
<td>8/4/08</td>
<td>Signed into Law: Chapter #270</td>
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</tr>
<tr>
<td>SB 53 (Ducheny) State Rail-Related Functions</td>
<td>Requires the California Research Bureau to do all of the following: (a) analyze and make recommendations for improving the state’s rail functions; (b) make recommendations regarding the oversight, regulation and efficiency of the state agencies with jurisdiction over rail-related matters in order to improve passenger and freight rail mobility in California; (c) estimate any costs associated with the implementation of its recommendations. Requires the bureau to analyze the following issues: (a) how to improve the efficiency, performance and stability of rail activities funded in part or in whole with state money; (b) the benefits and liabilities of establishing one accountable state commission or department responsible for the oversight, regulation, identification, and prioritization of rail transportation and safety programs and projects, including rail grade crossings and separations, rail equipment procurement and passenger service, the provision of traditional passenger rail and high-speed rail service, and rail safety regulation and oversight; and (c) issues that the Legislature should consider if a bill is introduced to consolidate any or all of the functions, responsibilities or activities of the five state agencies with jurisdiction over rail-related matters into one or more state agencies, commissions or departments. Requires the bureau to report its findings to the Legislature by May 1, 2009.</td>
<td>8/14/08</td>
<td>Signed into Law: Chapter #612</td>
<td></td>
</tr>
<tr>
<td>SB 286 (Lowenthal) Transportation Enhancement Funds: Community Conservation Corps</td>
<td>With respect to federal funds made available to California for transportation enhancement projects, requires transportation planning agencies, county transportation commissions or authorities, and congestion management agencies to utilize criteria developed by Caltrans that give priority in the selection of these projects to the sponsors of eligible projects that partner with, or commit to employ the services of, a community conservation corps or the California Conservation Corps to construct or undertake the project. When developing guidelines for the State Transportation Improvement Program (STIP), and the State Highway Operation and Protection Program (SHOPP), requires the California Transportation Commission (CTC) to include guidance to encourage the allocation of funds for transportation enhancement projects to community conservation corps and the California Conservation Corps as partners with applicants that commit to employ the services of corps members in the construction of those projects.</td>
<td>8/15/08</td>
<td>Signed into Law: Chapter #373</td>
<td></td>
</tr>
<tr>
<td>SB 344 (Machado) Public Finance: Bond Issuances</td>
<td>Provides that the purchase or other acquisition of bonds by or on behalf of the state or a local government that issued the bonds does not cancel, extinguish or otherwise affect the bonds.</td>
<td>3/6/08</td>
<td>Signed into Law: Chapter #3</td>
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<tr>
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<tr>
<td>SB 348 (Simitian) Vehicle Registration Surcharge: San Mateo County</td>
<td>Reauthorizes the vehicle registration surcharge imposed by the City/County Association of Governments of San Mateo County for traffic congestion management and stormwater pollution programs for an additional four years, and specifies that this surcharge shall terminate on January 1, 2013, instead of January 1, 2009.</td>
<td>4/29/08</td>
<td>Signed into Law: Chapter #377</td>
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<tr>
<td>State Senate Bills</td>
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<tr>
<td><strong>SB 375</strong>&lt;br&gt;(Steinberg)&lt;br&gt;Transportation Planning: Sustainable Communities Strategy</td>
<td>Requires the California Transportation Commission (CTC) to maintain guidelines for travel demand models used in the development of regional transportation plans (RTPs) by the state’s 17 metropolitan planning organizations (MPOs). Requires an MPO to adopt as part of its RTPs a “sustainable communities strategy” that: (a) identifies the general location of uses, residential densities and building intensities within the region; (b) identifies areas within the region sufficient to house all of the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation, and employment growth; (c) identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region; (d) identifies a transportation network to service the transportation needs of the region; (e) gathers and considers the best practically available scientific information regarding resource areas and farmland in the region; (f) sets forth a forecasted development pattern for the region, which, when integrated with the transportation network and other transportation measures and policies, will reduce greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the California Air Resources Board (CARB); and (g) allows the RTP to comply with the federal Clean Air Act. By September 30, 2010, requires CARB to provide the state’s MPOs with greenhouse gas emission reduction targets for the automobile and light truck sectors for 2020 and 2035, and to update these regional targets every eight years, as specified, until 2050. To the extent an MPO’s sustainable communities strategy is unable to achieve the greenhouse gas emission reduction targets, requires the MPO to prepare an alternative planning strategy as a separate document from the RTP showing how the targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. Requires CARB to review each MPO’s sustainable communities strategy or alternative planning strategy, if any, to determine whether it would achieve the greenhouse gas emission reduction targets, if implemented. Requires a strategy that is found by CARB to be insufficient to be revised by the MPO. Exempts projects programmed for funding before December 31, 2011, from being subject to a sustainable communities strategy if they: (a) are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program; (b) are funded with Proposition 1B bond revenues; or (c) were specifically listed in a ballot measure prior to December 31, 2008, approving a local sales tax increase for transportation projects. Requires an MPO to adopt a public participation plan for the development of its sustainable communities strategy or alternative planning strategy, if any, that includes consultation with the congestion management agencies, transportation agencies and transportation commissions in its region. Requires regional housing need allocation plans to be consistent with the applicable sustainable communities strategy. Provides a California Environmental Quality Act (CEQA) exemption for a “transit priority project,” as defined, that meets certain requirements and that is consistent with its region’s sustainable communities strategy or alternative planning strategy, if any. Provides a streamlined CEQA process for various other residential and mixed-use residential projects meeting certain requirements if they are consistent with their respective region’s sustainable communities strategy or alternative planning strategy, if any.</td>
<td>8/18/08</td>
<td>Signed into Law: Chapter #728</td>
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<tr>
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<td>Subject</td>
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<td>Status</td>
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<tr>
<td><strong>SB 732</strong>&lt;br&gt;(Steinberg)&lt;br&gt;Strategic Growth Council</td>
<td>Establishes the Strategic Growth Council to do all of the following: (a) identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, and meet the goals of the California Global Warming Solutions Act of 2006; (b) recommend policies, and investment strategies and priorities to encourage the development of sustainable communities; (c) provide, fund and distribute data and information to local governments and regional agencies that will assist in developing and planning sustainable communities; and (d) manage and award grants and loans to support the planning and development of sustainable communities.</td>
<td>8/22/08</td>
<td>Signed into Law: Chapter #729</td>
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<tr>
<td><strong>SB 947</strong>&lt;br&gt;(Hollingsworth)&lt;br&gt;CEQA: Highway Facilities</td>
<td>Amends the California Environmental Quality Act (CEQA) to require the lead agency for a project that impacts a highway overpass, on-ramp or off-ramp to consult with the appropriate transportation planning agencies or other public entities during the environmental process.</td>
<td>4/30/07</td>
<td>Signed into Law: Chapter #707</td>
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<tr>
<td>State Senate Bills</td>
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<tr>
<td>SB 1093 (Wiggins)</td>
<td>Makes a number of changes to existing law as it pertains to the San Francisco Bay Area Water Emergency Transportation Authority. Prohibits the authority from compelling property transfers or operational changes to water transportation services provided by other public agencies in the Bay Area prior to the adoption of a transition plan. Requires the transition plan to include all of the following: (a) a description of existing ferry services in the Bay Area Region as of January 1, 2008, that are to be transferred to the authority; (b) a description of any proposed expansion of ferry services in the Bay Area Region; (c) an inventory of the ferry and ferry-related capital assets, leasehold interests, personnel, operating costs, and revenues of public agencies operating public transportation ferries and proving water transportation services as of January 1, 2008, and those facilities that are to be transferred, in whole or in part, to the authority; (d) an operating plan to continue existing ferry services in the Bay Area Region for at least five years, and a detailed description of current and historically available revenues and proposed sources of revenues to meet those anticipated costs; (e) a description of the proposed services, duties, functions, responsibilities, and liabilities of the authority, and those of agencies providing or proposed to provide water transportation services for the authority; (f) an initial five-year Capital Improvement Program detailing how the authority and its local agency partners plan to support financing and completion of capital improvement projects; (g) a description of how existing and expanded water transportation services will provide seamless connections to other transit providers in the Bay Area Region; and (h) the date on which any ferry services are to be transferred to the authority. To the extent that the transition plan includes the transfer of assets or services from a local agency to the authority, requires such transfer to be subject to negotiation and agreement by the local agency. To the extent that the transition plan includes proposed changes to water transportation services or related facilities historically provided by the cities of Vallejo or Alameda, requires those changes to be consistent with those cities’ General Plans, redevelopment plans, and development and disposition agreements for projects related to the provision of water transportation services. In accepting a transfer, specifies that the authority may assume no financial obligations other than those associated with the operation of the ferry services and facilities being transferred to the authority. When feeder transportation services are proposed to be established to or from the facilities operated by the authority, requires the authority to coordinate with the public transit agencies in whose service territories the feeder service would operate. Requires the authority to establish a process for taking public input on ferry rates and schedules that it proposes to establish or change. Requires the authority to be bound by the terms and conditions of employment set forth in any collective bargaining agreement or employment contract between any entity whose services the authority directly assumes, and any labor organization or employee included within the assumption of those services. Requires the allocation of regional toll revenues by the Metropolitan Transportation Commission (MTC) to the authority to begin on the date specified in the transition plan.</td>
<td>8/12/08</td>
<td>Signed into Law: Chapter #387</td>
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<tr>
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<tr>
<td>SB 1316</td>
<td>Authorizes the Orange County Transportation Authority (OCTA) to eliminate its rights, interests and obligations relative to the Riverside County portion of the State Route 91 toll lane by partial assignment to the Riverside County Transportation Commission or by amendment to the franchise agreement. Authorizes the Riverside County Transportation Commission to impose tolls for 50 years on transportation facilities on its portion of State Route 91. Authorizes these toll revenues to be used for capital and operating expenses of the facilities, including debt service, and for related transportation purposes in the State Route 91 Corridor.</td>
<td>6/23/08</td>
<td>Signed into Law: Chapter #714</td>
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<tr>
<td>SB 1422</td>
<td>Until January 15, 2013, authorizes a value pricing and transit development demonstration program involving high-occupancy toll (HOT) lanes to be conducted, administered, developed, and operated on designated high-occupancy vehicle (HOV) lanes on I-10 and State Highway Route 110 in Los Angeles County by the Los Angeles County Metropolitan Transportation Authority (LA Metro). Authorizes LA Metro to carry out the value pricing and transit development demonstration program pursuant to a cooperative agreement with Caltrans that addresses all matters related to the design, construction, maintenance, and operation of state highway system facilities in connection with the program. With the assistance of Caltrans, authorizes LA Metro to establish appropriate traffic flow guidelines for the purpose of ensuring optimal use of the express lanes by high-occupancy vehicles without adversely affecting other traffic on the state highway system. Authorizes LA Metro to establish, collect and administer tolls for the HOT lanes on I-10 and State Highway Route 110. Allows LA Metro to use excess toll revenues generated by these HOT lanes for preconstruction, construction and other related costs of high-occupancy vehicle (HOV) facilities, and the improvement of transit service within the I-10 and State Highway Route 110 corridors. Prohibits LA Metro from issuing bonds for the demonstration program.</td>
<td>8/25/08</td>
<td>Signed into Law: Chapter #547</td>
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<tr>
<td>SB 1561</td>
<td>Authorizes the Sacramento Regional Transit District and the Fresno Area Express to issue a prohibition order to any person who, on at least three separate occasions within a period of 60 consecutive days, is cited for committing certain prohibited acts. Prohibits a person subject to such a prohibition order from entering the property, facilities or vehicles of the Sacramento Regional Transit District or the Fresno Area Express for specified periods of time up to a maximum of one year. Specifies that no prohibition order issued shall be effective unless the Sacramento Regional Transit District or the Fresno Area Express first affords the person an opportunity to contest the proposed action in accordance with procedures adopted by those transit districts for this purpose. Requires the Sacramento Regional Transit District and the Fresno Area Express to establish an advisory committee, and to ensure that personnel charged with issuing and enforcing prohibition orders receive training as recommended by the advisory committee.</td>
<td>8/15/08</td>
<td>Signed into Law: Chapter #528</td>
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<tr>
<td>SB 1685</td>
<td>Allows the San Diego Association of Governments (SANDAG) to use its local sales tax authority for the following purposes related to implementing its regional comprehensive plan: (a) open space and natural habitat protection and conservation programs; (b) watershed management; (c) stormwater management and water quality improvement projects; (d) beach sand replenishment projects; and (d) public transit projects that maximize mobility and transportation choices.</td>
<td>4/22/08</td>
<td>Signed into Law: Chapter #83</td>
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<td>DAY</td>
<td>JANUARY</td>
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<tr>
<td>1</td>
<td>Statutes signed into law in 2008 take effect.</td>
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<tr>
<td>5</td>
<td>Legislature reconvenes.</td>
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<tr>
<td>10</td>
<td>Budget must be submitted by the Governor to the Legislature on or before this date.</td>
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<tr>
<td>30</td>
<td>Last day to submit bill requests to the Legislative Counsel’s Office.</td>
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<table>
<thead>
<tr>
<th>DAY</th>
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<tbody>
<tr>
<td>27</td>
<td>Last day for bills to be introduced.</td>
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<table>
<thead>
<tr>
<th>DAY</th>
<th>APRIL</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Spring Recess begins upon adjournment.</td>
</tr>
<tr>
<td>13</td>
<td>Legislature reconvenes from Spring Recess.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>DAY</th>
<th>MAY</th>
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<tbody>
<tr>
<td>1</td>
<td>Last day for policy committees to hear and report fiscal bills introduced in their house.</td>
</tr>
<tr>
<td>15</td>
<td>Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house.</td>
</tr>
<tr>
<td>29</td>
<td>Last day for fiscal committees to hear and report to the floor bills introduced in their house.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>DAY</th>
<th>JUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Last day for bills to be passed out of their house of origin.</td>
</tr>
<tr>
<td>15</td>
<td>Budget must be passed by midnight.</td>
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<thead>
<tr>
<th>DAY</th>
<th>JULY</th>
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<tbody>
<tr>
<td>10</td>
<td>Last day for policy committees to hear and report bills introduced in the other house.</td>
</tr>
<tr>
<td>17</td>
<td>Summer Recess begins upon adjournment, provided the budget bill has been enacted.</td>
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</table>

<table>
<thead>
<tr>
<th>DAY</th>
<th>AUGUST</th>
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</thead>
<tbody>
<tr>
<td>17</td>
<td>Legislature reconvenes from Summer Recess.</td>
</tr>
<tr>
<td>28</td>
<td>Last day for fiscal committees to hear and report to the floor bills introduced in the other house.</td>
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<thead>
<tr>
<th>DAY</th>
<th>SEPTEMBER</th>
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<tbody>
<tr>
<td>4</td>
<td>Last day to amend bills on the Assembly and Senate floors.</td>
</tr>
<tr>
<td>11</td>
<td>Last day for each house to pass bills. Interim Recess begins at the end of this day’s session.</td>
</tr>
</tbody>
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<tr>
<th>DAY</th>
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<tr>
<td>11</td>
<td>Last day for the Governor to sign or veto bills passed by the Legislature before September 11, and in his possession after September 11.</td>
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<tr>
<th>DAY</th>
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<td>4</td>
<td>Legislature reconvenes.</td>
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ADMINISTRATION & FINANCE COMMITTEE

Thursday, January 15, 2009

MINUTES

On General Consensus and there being no objection, the Committee appointed Board Member Gage as Chairperson Pro Tempore.

CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:00 p.m. by Chairperson Pro Tempore Gage in Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

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<th>Attendee Name</th>
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<tr>
<td>David Casas</td>
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<td>Don Gage</td>
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<td>Liz Kniss</td>
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<td>Chuck Reed</td>
<td>Board Member</td>
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<td>Nora Campos</td>
<td>Alternate Board Member</td>
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<tr>
<td>Chris Moylan</td>
<td>Alternate Board Member</td>
<td>Present</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Pro Tempore Gage noted the request of Administration and Finance (A&F) Committee Chairperson Liz Kniss to defer the following Item to the February 19, 2009 A&F Committee Meeting: Agenda Item #10, Election of the A&F Committee Vice Chairperson for 2009.

Chairperson Pro Tempore Gage moved the following Items to the end of the Agenda: Agenda Item #4, Closed Session and Agenda Item #5, Closed Session Report.

M/S/C (Reed/Moylan) to accept the Orders of the Day.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
The Agenda was taken out of order.

Agenda Item #4., Closed Session and Agenda Item #5., Closed Session Report were moved to the end of the Agenda.

4. RECESS TO CLOSED SESSION

Anticipated Litigation--Conference with Legal Counsel
Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (Three cases)

5. CLOSED SESSION REPORT

CONSENT AGENDA

6. Regular Meeting Minutes of December 18, 2008

M/S/C (Reed/Moylan) to approve the Regular Meeting Minutes of December 18, 2008.

7. 2008 Year End Attendance Report

M/S/C (Reed/Moylan) to review the 2008 Year End Attendance Report.


M/S/C (Reed/Moylan) to review the Monthly Investment Report - November 2008.

9. Monthly Legislative History Matrix

M/S/C (Reed/Moylan) to review the Monthly Legislative History Matrix.

REGULAR AGENDA

10. (Deferred to the February 19, 2009 A&F Committee Meeting.)

Conduct voting to determine the A&F Committee’s Vice Chairperson for calendar year 2009.

11. Amendment to VTA Unrestricted and Restricted Funds Investment Policy

Joseph Smith, Chief Financial Officer and Staff Liaison, reported on amendments to VTA’s Unrestricted and Restricted Funds Investment Policy concern Section 18 – Performance Standards. VTA’s Unrestricted and Restricted Funds are currently invested in three separate portfolios, which include investments with the State of California Local Agency Investment Fund (LAIF), and two investment accounts with a fixed income money manager.

The two investment accounts held with the fixed income money manager are differentiated by investment horizons with one fund dedicated for VTA’s short-term cash requirements and the other for long-term requirements. Mr. Smith noted staff recommended the addition of a new fixed income portfolio with an investment horizon of one to three years.
Mr. Smith reported VTA’s short-term funds index will be iMoneyNet Money Market Index, mid-term funds index will be Merrill Lynch one to three years Treasury Index, and intermediate long-term funds index will be Barclays’ Capital U.S. Government Intermediate Index.

M/S/C (Reed/Moylan) to approve submitting a recommendation to the Board of Directors to approve recommended changes to the Investment Policy for VTA Unrestricted and Restricted Funds.

12. **2010 Census Partnership**

Greta Helm, Chief External Affairs Officer, reported VTA received a request from the County of Santa Clara to participate in a Partnership Network that includes all the major stakeholders within the County regarding the 2010 Census.

Ms. Helm stated a significant portion of VTA’s future funding will be impacted by the results of the 2010 Census, noting that population is used as a formula-based factor to determine transportation programs at the state and federal levels.

Bernice Alaniz, Marketing and Public Affairs Deputy Director, reported VTA would support the County Census outreach efforts by providing transit advertising space, printing, and posting multilingual Census outreach materials. VTA would allocate a portion of its own allocated interior car card transit advertising space on both bus and light rail vehicles and post outreach messages on the exterior of buses, at light rail stations, and at bus shelters. VTA will provide a value of $86,000 in advertising space generally utilized for VTA campaigns, media trades, and partnerships. The outreach campaign is scheduled to begin October 2009 and end April 2010.

Alternate Board Member Moylan queried when the County Census data would be available. Ms. Alaniz responded staff will follow up with the information to report back to the Board Members.

On order of Chairperson Pro Tempore Gage and there being no objection, the Committee reviewed the 2010 Census Partnership.

Board Member Reed recused himself per Government Code Section 84308 from the following Agenda Items: **Agenda Item #13**, 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; and **Agenda Item #14**, 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 himself and left his seat at 12:14 p.m., the quorum was lost, and a Committee of the Whole was declared.

13. **Contract for Small Cap Investment Managing Firm**

Joseph Smith, Chief Financial Officer and Staff Liaison, reported Mercer Investment Consulting recommended the termination of Brandywine as VTA’s current Small Capital Investment Managing firm for the Amalgamated Transit Union (ATU) Pension Plan as a
result of overall long-term under performance and a portfolio structuring analysis.

Mr. Smith commented the VTA/ATU Board of Pension supported the recommended termination and authorized a replacement search at its September 9, 2008 meeting.

VTA requested Mercer search for a Domestic Small Capital Equity Value manager and provide the credentials of the selected Investment Management Firms to VTA/ATU Pension Board. The Pension Board selected the top three candidates for interviews based on the organization and performance. Interviews were evaluated by a panel consisting of two VTA management representatives and two ATU representatives utilizing the following factors and criteria:

- Impression of the Project Manager;
- Quality of the Team’s Oral Presentation;
- Content of the Team’s Oral Presentation;
- Answers to Questions;
- Project Manager’s ability to work with VTA; and
- Overall Impression of the Team.

VTA’s interview panel recommended WEDGE as the preferred Small Capital Investment Managing firm primarily for its solid management performance through a variety of market environments. Mr. Smith reported WEDGE’s stock selection strategy is well balanced between quantitative and qualitative analysis.

On order of Chairperson Pro Tempore Gage and there being no objection, the Committee of the Whole approved forwarding the item without a recommendation to the Board of Directors for consideration at the February 5, 2009 VTA Board of Directors Regular Meeting and 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

Gary Miskell, Chief Information Officer, reported tat VTA issued a Request for Proposal (RFP) in March 2005 to solicit bids from firms for specialized technical consulting services. VTA’s review panel consisting of Technology, Operations, and Contracts staff evaluated the proposals and selected 16 firms. Mr. Miskell stated in September 2005, the Board of Directors authorized $3 million in contract authority for a period of five years for the 16 firms selected.

Mr. Miskell noted the Board approved an increase of $3.4 million in August 2006 and $3.2 million in March 2008 for a total current contract authority of $9.6 million. The request for $3.9 million will have a new total contract authority of $13.5 million. The $3.9 million contract increase will allow the Technology Department and Congestion Management Agency to continue contracting with the 16 selected firms until the contract authority expires in September 2010.

Mr. Miskell stated budget appropriations for existing projects and programs are available in VTA’s FY 2009 Adopted Transit Enterprise and Valley Transportation Plan (VTP) Highway Improvement Program Fund Budgets. Appropriations for future projects and programs will be included in VTA’s Recommended FY 2010 and FY 2011 Biennial Budget.
On order of Chairperson Pro Tempore Gage and there being no objection, the Committee of the Whole approved forwarding the item without a recommendation to the Board of Directors for consideration at the February 5, 2009 VTA Board of Directors Regular Meeting and 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.

Board Member Reed took his seat at 12:21 p.m. and the quorum was declared.

OTHER ITEMS

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

Ali Hudda, Deputy Director of Accounting, reported VTA provides retiree health care as a post employment benefit to its employees. VTA has performed actuarial valuations of the obligation since 1996. VTA has prefunded its share of retiree health benefits and accumulated $104.4 million in assets as of June 30, 2008.

Mr. Hudda stated the Governmental Accounting Standards Board (GASB) has issued Statement No. 45, an accounting rule regarding accounting for retiree health benefits. All government agencies have to account for retiree health benefits as Other Post-Employment Benefits (OPEB). The new GASB 45 accounting standard is to measure the obligation of OPEB benefits. Mr. Hudda stated VTA adopted and implemented GASB 45 in FY 2008.

Mr. Hudda reported Bickmore Risk Services, a firm specializing in actuarial services, prepared VTA’s Actuarial Valuation Report regarding VTA’s Retiree Medical Plan as of July 1, 2008. The Plan’s Unfunded Actuarial Accrued Liability (UAAL) is $121 million and funded ratio is 46.3 percent, as compared to 42 percent as of July 1, 2007.

Mr. Hudda introduced Jeff Furnish, Bickmore Risk Services representative, who directed attention to the presentation entitled, “Santa Clara Valley Transportation Authority (VTA) Retiree Medical Valuation Report,” highlighting: Government Accounting Standards Board (GASB) 45 at VTA for 2008 – 2009 Fiscal Year; Implicit Rate Subsidy; Assumption Changes; Financial Statement Items; Valuation Results; What are Other Agencies doing; and VTA Funded Status.

Mr. Furnish reported GASB 45 requires pension style prefunding for OPEB benefits. VTA began funding its retiree medical benefits on an actuarial basis similar to GASB 45 in 1993, while most other agencies were funding on a pay as you go basis. Mr. Furnish stated VTA’s assets exceed $100 million as of July 1, 2008 and have been transferred to an irrevocable trust.

Mr. Furnish commented on the Implicit Rate Subsidy, which is the cost to the employer that is caused by the presence of retired employees in the health and dental insurance group maintained for current employees. GASB 45 requires Implicit Rate Subsidy to be included in the calculation of OPEB liability. Carriers are charges same group insurance premiums for pre-Medicare retirees and active members. Retirees cost more than active employees because they are older. GASB requires accounting for and prefunding disclosure of the Implicit Rate Subsidy.
Mr. Furnish commented VTA’s assumed rate of return increased from 7 percent to 7.75 percent based on the expectation of long-term asset return, which is the rate used by the California Public Employees’ Retirement System (CALPERS).

Bickmore Risk Services valuation computed VTA’s Annual Required Contribution (ARC) will have to increase from $15.4 million in FY 2008 to $15.6 million in FY 2009 assuming amortization of the Unfunded Actuarial Accrued Liability (UAAL) over a rolling 20 year period.

Board Member Reed expressed his appreciation to VTA’s previous Board of Directors and staff on their decision to prefund the retiree health obligation.

On order of Chairperson Pro Tempore Gage and there being no objection, the Committee received the report on the Actuarial Valuation of VTA’s Other Post Employment Benefits (OPEB) as of July 1, 2008.

16. **Brief Report on Advisory Committee Enhancement Process**

Jennie Loft, Public Information Officer, reported in August 2008, VTA’s Advisory Committee Enhancement process was initiated by Michael T. Burns, General Manager, to engage the Advisory Committee members in the development process to improve and maximize the role between the Committees and the Board of Directors.

Ms. Loft noted each Advisory Committee established a subcommittee to develop proposals, recommendations, and a draft mission statement for consideration by the full Committee. The draft mission statement for each Committee will be incorporated into the bylaws for the Committee and forwarded for consideration to the Board of Directors at the conclusion of the Advisory Committee Enhancement process.

Ms. Loft reported the Advisory Committee Enhancement Task Force will review the roles and duties of all of VTA’s Advisory Committees; define each Committee’s role and responsibilities to maximize the contribution of each Committee to the Board of Directors; provide input on the development of the Board of Directors 2009 Consolidated Work Plan based on each Committee’s duties, responsibilities, and areas of expertise as defined in its bylaws; and submit any Task Force recommendation to the individual Committees for review and consideration.

Stephen Flynn, Senior Management Analyst, noted the Task Force is scheduled to meet on Thursday, January 29, 2009 at VTA River Oaks Campus in Conference Room B-104.

Alternate Board Member Moylan stressed the importance of the Policy Advisory Committee (PAC) role and fiduciary responsibility to the Board of Directors.

Chairperson Pro Tempore Gage recommended at the conclusion of the Advisory Committee Enhancement process, the proposed changes for VTA’s Advisory Committees be forwarded for discussion at a Board of Directors Workshop meeting prior to the Regular Board of Directors meeting for consideration and adoption.

On order of Chairperson Pro Tempore Gage and there being no objection, the Committee received the report on the Advisory Committee Enhancement Process.

17. **Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.
Kurt Evans, Government Affairs Manager, commented on the Federal Economic Stimulus Bill and the State Budget. Mr. Evans stated the goal, from an economic stimulus standpoint, is to focus on some California consensus principals, noting the California Department of Transportation (Caltrans) is taking the lead on the effort.

Mr. Evans noted at the local level, staff is currently working with the cities and County to ensure that everything is in place when information becomes available regarding federal legislation and transportation funding from the State.

18. Committee Work Plan

On order of Chairperson Pro Tempore Gage and there being no objection, the Committee reviewed the Committee Work Plan.

19. Committee Staff Report

Joe Smith, Chief Financial Officer, provided an update on VTA’s sales tax receipts for the 1st quarter of FY 2009, which was 4 percent less compared to FY 2008. Mr. Smith noted the financial impacts to VTA’s FY 2010 and FY 2011 Biennial Budget, noting VTA is working aggressively to manage the shortfalls.

20. Chairperson’s Report

Chairperson Pro Tempore Gage noted the economical challenges of the coming year.

21. Determine Consent Agenda for the February 5, 2009 Board Meeting

CONSENT: Agenda Item #11, Approve recommended changes to the Investment Policy for VTA Unrestricted and Restricted Funds;
Agenda Item #13, 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;
Agenda Item #14, 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; and
Agenda Item #15, Actuarial Valuation of VTA’s Other Post Employment Benefits (OPEB) as of July 1, 2008.

REGULAR: None

22. Announcements

There were no Announcements.

4. RECESSED TO CLOSED SESSION at 1:05 p.m.

Anticipated Litigation - Conference with Legal Counsel

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

RECONVENED TO OPEN SESSION at 1:24 p.m.
5. **CLOSED SESSION REPORT**

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.

23. **ADJOURNMENT**

*On order of Chairperson Pro Tempore Gage* and there being no objection, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors
CALL TO ORDER

The Regular Meeting of the Congestion Management Program & Planning Committee (CMPP) was called to order at 10:10 a.m. by Chairperson Liccardo in Conference Room B-104, Valley Transportation Authority, River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

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<td>Nora Campos</td>
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<td>Rose Herrera</td>
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<td>Yoriko Kishimoto</td>
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<td>Sam Liccardo</td>
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<td>Chris Moylan</td>
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<tr>
<td>Nancy Pyle</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.
CONSENT AGENDA

4. **Minutes of December 18, 2008**

   M/S/C (Kishimoto/Pyle) to approve the revised Minutes of December 18, 2008.

REGULAR AGENDA

5. **Elect Standing Committee Vice Chairperson**

   Chairperson Liccardo opened the nominations from the floor for the position of Vice Chairperson of the Congestion Management Program and Planning (CMPP) Committee for 2009.

   Member Kishimoto volunteered to serve as the Vice Chairperson for 2009.

   M/S/C (Pyle/Kishimoto) to close the nominations and elect Yoriko Kishimoto as the Committee’s Vice Chairperson for calendar year 2009.

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

   David Kobayashi, Senior Transportation Planner, provided background information on the Memorandum of Understanding (MOU) to Implement Ramp Metering in Santa Clara County. He noted the three corridors where ramp metering would be implemented in Santa Clara County: 1) Southbound State Route (SR) 85 between Almaden Expressway and Cottle Road; 2) Northbound and Southbound SR 87 between US 101 and SR 85; and 3) Southbound US 101 between Embarcadero Road and De La Cruz Boulevard.

   Mr. Kobayashi reported the MOU is based upon an approved MOU between the City/County Association of Governments of San Mateo County and Caltrans for ramp metering. He provided a report on the seven sections contained in the MOU between VTA and Caltrans: 1) Goal; 2) Governance; 3) Operating Principles; 4) Operating Parameters; 5) Implementation Phasing; 6) Capital Improvements; and 7) Monitoring and Maintenance.

   Chairperson Liccardo referenced the MOU, Page 4 of 7, third bullet, and queried if any ramp metering equipment is installed outside of Caltrans’ Right-of-Way. Mr. Kobayashi noted that all ramp metering equipment has been and will be installed within Caltrans’ Right-of-Way.

   M/S/C (Pyle/Kishimoto) to request 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.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
7. **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**

Mark S. Robinson, Chief Engineering & Construction Officer, provided background information on the I-280/I-880/Stevens Creek Interchange Project, noting the project was included on the high priority list of projects in the Valley Transportation Plan (VTP 2030).

Mr. Robinson reported the item is to amend the contract with Mark Thomas & Company to begin final design services required to complete the plans, specifications and estimate (PS&E) for the southbound I-880/Stevens Creek Boulevard Interchange improvements and to complete the Preliminary Engineering and Environmental Document that evaluates multiple design alternative for the Winchester Boulevard connection to I-880.

Vice Chairperson Kishimoto queried if improvements being considered include those for bicyclists and pedestrians and the future Bus Rapid Transit (BRT) line along Stevens Creek Boulevard. Mr. Robinson indicated the project includes bicyclists/pedestrian improvements and the project is taking into consideration the future BRT line.

Vice Chairperson Kishimoto suggested bringing in an urban design person in the early design phases.

**M/S/C (Pyle/Kishimoto)** 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.

8. **SR 152 Interregional Corridor Alignment Study**

Ms. Simmons-Cross provided background information on the State Route (SR) 152 corridor, highlighting: 1) Corridor is an east-west corridor connecting the Central Valley to the South Bay; 2) SR 152 links SR 99 and Interstate 5 in the Central Valley to US 101 in Santa Clara County; 3) Problems associated with the segment of SR 152 extending from the SR 152/156 junction to US 101; 4) Previous studies conducted; 5) SR 152 Realignment Study initiated by VTA in 2007; and 6) Funding allocation to study corridor management options for SR 152 between US 101 and SR 99.

The purpose of the proposed Study is to improve in interregional travel, commercial goods movement, air quality, and corridor safety between the Central Valley and the South Bay via an east-west connection between SR 99/I-5 and US 101 by providing gap closure between US 101 and SR 156.

Ms. Simmons-Cross noted VTA staff is seeking CMPP’s concurrence to forward the recommendation to the Board of Directors for their consideration.
Vice Chairperson Kishimoto expressed her opposition to support the recommendation if language limiting the analysis to a facility of two lanes in each direction was not included.

**M/S/F (Pyle/Liccardo)** on a vote of 2 ayes to 1 no to 0 abstentions, to authorize the General Manager to execute the following actions: 1) Execute necessary agreements with the State of California, San Benito, Madera and Merced Counties County in order 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. Vice Chairperson Kishimoto opposed.

**On order of Chairperson Liccardo** and there being no objection, the item was forwarded to the Board of Directors.

**OTHER**

9. **2020 Peninsula Corridor Gateway Study**

John Hoang, City/County Association of Governments of San Mateo County (C/CAG), provided a PowerPoint Presentation on the 2020 Peninsula Corridor Gateway Study, highlighting: 1) Background; 2) Project Study Area; 3) Purpose of the Study; 4) Study Objectives; 5) Definition of Problem; and 6) Solution Evaluation Process.

Richard Napier, C/CAG, continued the PowerPoint Presentation on the 2020 Peninsula Corridor Gateway Study, highlighting: 1) Accomplishments; 2) Action Plan for Stakeholders Consideration; 3) Near Term Implementation; 4) Near Term Projects; 5) Benefits of Near Term Projects; 6) Long Term Projects; 7) Grade Separation; and 8) Separate Local/Regional Traffic.

Chairperson Liccardo, in reference to the slide entitled, Near Term Projects, Proposed Improvements, “Willow Road operational improvements and ITS”; and “University Avenue operational improvements and ITS”, and in regards to signal timing, felt there are usually less emissions and asked why a positive result was not listed instead of a negative result in the Potential Impacts-Environmental category. Mr. Napier noted he would provide a report back.

**On order of Chairperson Liccardo** and there being no objection, the Committee received a report on the 2020 Peninsula Corridor Gateway Study.

**NOTE:** M/S/F MEANS MOTION SECONDED AND FAILED.
10. **Revised Joint Development Policy**

Bijal Patel, Deputy Director for Joint Development and Real Estate, provided background information on the Joint Development Program, noting the mission of the Program. She indicated VTA staff is proposing a new framework that would replace the existing structure and the framework consists of two documents: 1) Part I – Joint Development Policy and 2) Part II – Joint Development Implementation Plan.

Ms. Patel provided an overview of Part I – Joint Development Policy, highlighting: 1) Draft Preamble; 2) Section I - Mission Statement; 3) Section II - Goals; 4) Section III –Objectives; 5) Section IV – Joint Development Real Estate Assets; 6) Section V – Participatory Process; and 7) Section VI – Organizational Commitment.

Ms. Patel noted staff anticipates presenting Part II – Joint Development Implementation Plan, to the Committee at the February 19, 2009 meeting.

Vice Chairperson Kishimoto referenced the priority order of the goals contained in Section II and expressed concern that “Revenue” was listed first. Vice Chairperson Kishimoto requested information on the larger real estate framework portfolio.

Chairperson Liccardo echoed Vice Chairperson Kishimoto’s concerns regarding the priority order of the goals. He noted revenue may well be a priority on particular projects, but it should not be set as a priority when looking at all projects value wide.

Vice Chairperson Kishimoto noted an emphasis should be placed on long-term revenue. Vice Chairperson Kishimoto referenced the parking issue and queried if the guidelines lead to decisions which will discourage parking and instead require walkable neighborhoods. She recommended further discussions be held regarding the parking issue.

Chairperson Liccardo referenced Part I – Joint Development Policy, Page 5 of 6, Section IV – Joint Development Real Estate Assets, Paragraph C – Joint Development Priority Schedule, and expressed concern about staff not being allowed enough room to be nimble when opportunities arise.

On order of Chairperson Liccardo and there being no objection, the Committee reviewed and discussed the revised Joint Development Policy.

11. **Items of Concern and Referral to Administration**

There was no Items of Concern or Referral to Administration.

12. **Committee Work Plan**

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

13. **Committee Staff Report**

The written staff report was provided to the Members.
John Ristow, Chief CMA Officer, referenced the written staff report and provided a report, highlighting: 1) High Speed Rail Authority has scheduled an environmental scoping meeting for the segment of corridor from San Jose to San Francisco on January 29, 2009, at the Santa Clara Convention Center and 2) Federal Stimulus Package. VTA staff anticipates presenting a list of possible projects to the Board of Directors at their February 5, 2009 meeting for consideration.

On order of Chairperson Liccardo and there being no objection, the Committee reviewed the Committee Staff Report.

12. Committee Work Plan (continued)

Vice Chairperson Kishimoto requested the items referencing bicycle projects be more emphasized on the Committee Work Plan.

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

14. Chairperson’s Report

There was no Chairperson’s Report.

15. Determine Consent Agenda for February 5, 2009 Board of Directors Meeting

CONSENT:

Agenda Item #6. Request 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.

Agenda Item #7. 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.

Agenda Item #8. Authorize the General Manager to execute the following actions: 1) Execute necessary agreements with the State of California, San Benito, Madera and Merced Counties County in order 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

Congestion Management Program & Planning Committee Minutes  Page 6 of 7  January 15, 2009
contract value of $6,650,000 and extend the term of the contract to December 31, 2012.

**REGULAR:**

None

16. **Announcements**

There were no Announcements.

17. **ADJOURNMENT**

On order of Chairperson Liccardo and there being no objection, the meeting was adjourned at 11:51 a.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Board of Directors
CALL TO ORDER

The Regular Meeting of the Transit Planning and Operations (TP&O) Committee was called to order at 4:32 p.m. by Chairperson Sellers in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

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<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
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<tbody>
<tr>
<td>Dominic Caserta</td>
<td>Member</td>
<td>Present</td>
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<tr>
<td>Ash Kalra</td>
<td>Member</td>
<td>Present</td>
<td>4:50 p.m.</td>
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<tr>
<td>Dolly Sandoval</td>
<td>Member</td>
<td>Present</td>
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<tr>
<td>Greg Sellers</td>
<td>Chairperson</td>
<td>Present</td>
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</tr>
</tbody>
</table>

*A Alternates do not serve unless participating as a Member.*

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no public presentations

3. ORDERS OF THE DAY

M/S/C (Caserta/Sandoval) to accept the Orders of the Day.

CONSENT AGENDA

4. Minutes of December 18, 2008

M/S/C (Sandoval/Caserta) to approve the Minutes of December 18, 2008.

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

5. **Elect Standing Committee Vice Chairperson**

M/S/C (Sandoval/Sellers) to elect Member Dominic Caserta as Vice Chairperson for calendar year 2009.

6. **Report from the Committee for Transit Accessibility (CTA) Meeting**

Jim Unites, Committee for Transit Accessibility (CTA) Staff Liaison, provided a brief report of this month’s CTA meeting. He reported CTA conducted election of officers for 2009: Aaron Morrow was reelected Chairperson, David Julian was reelected first Vice Chairperson and Sandy Bouveia was elected second Vice Chairperson.

The committee reviewed the Annual Transit Service Plan.

**On Order of Chairperson Sellers** and there being no objection, the report from the Committee for Transit Accessibility Meeting was received.

7. **Contract for Armed and Unarmed Security and Protective Services**

Michael Hursh, Deputy Director for Maintenance and Security, stated Securitas Security Services USA, Inc. is VTA’s current security contractor. The current contract with Securitas will expire on February 28, 2009. VTA issued a Request for Proposals (RFP) for security and protective services on September 12, 2008. Ten formal written proposals were received. The proposals were reviewed by a six-member Review Board. Based on the evaluation of the written proposals, four firms were invited for oral interview. After concluding the oral interview, the Review Board recommended the selection of AlliedBarton Security Services. AlliedBarton Security Services in addition to being extremely well qualified also submitted the lowest price proposal. A detailed itemization of AlliedBarton’s qualifications is contained in the Board memo.

The term of the contract is three years, in the amount of $11,065,000, and contains two one-year extensions in the amount of $7,876,000. The total amount of contract is $18,941,000.

Mr. Hursh stressed, that due to the recent BART shooting, security is a very serious matter that VTA had to review carefully with the Sheriff’s Unit, Securitas and AlliedBarton.

Member Sandoval requested the differences between AlliedBarton and Securitas besides the price difference. Mr. Hursh responded the main difference was AlliedBarton’s experience in transit.

Member Sandoval also asked (because of the BART shooting) if the security officers have been receiving any negative feedbacks from our clientele. Captain Robert Schiller
of Protective Services responded there were a few negative comments made to Deputy Sheriffs.

Member Sandoval asked if security will be run by VTA or through the BART system. If it is through BART, what impact can we have on their policies and procedures?

Mr. Michael T. Burns, General Manager, responded that details of the contract will be worked out according to VTA’s agreement with BART. He will assure it is consistent with their organizational standards.

M/S/C(Sandoval/Caserta) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with Allied Barton 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% 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% 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.

8. **Highway-Based BRT Alternatives Analysis Contract Award**

Kevin Connolly, Transportation Planning Manager, stated the contract is for consulting services to complete the Express Bus Study. The official name is the Highway-Based Bus Rapid Transit Alternatives Analysis and the shorthand name is the Express Bus Business Plan. The term of the contract is for two years for a total value not to exceed $750,000.

Three proposals were received on September 2008 from the following: 1) Jacobs Engineering Group Inc.; 2) Transportation Management & Design, Inc.; and 3) Nelson/Nygaard Consulting Associates, Inc.

All three firms were very competitive in terms of price. Jacobs Engineering was the highest bidder, but since that time, VTA had negotiated with them in terms of scope and had brought the cost down to $700,000. VTA is seeking $750,000 which includes contingency.

Member Caserta asked if there is a particular reason why we went with Jacobs Engineering versus the other two firms. Mr. Connolly responded they are the most qualified and in discussions, negotiated to reduce the cost.

Chairperson Sellers asked if we are looking at fare structures (the fare structures are different on the express buses). Mr. Connolly responded our express bus service is priced differently. VTA will be looking at fare structures which are a concern by some existing express riders as well as VTA’s potential market.
Mr. Burns commented the study will also address how VTA can help and work with private employers that are providing express bus and shuttle services.

**M/S/C (Caserta/Sandoval)** to approve submitting a recommendation to the Board of Directors 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.

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

Mark Robinson, Chief Engineering and Construction Officer, stated in 1996, the Measure B Rail Projects included the Tasman East, Capitol and Vasona Light Rail extensions. The California Department of Transportation (Caltrans) shared with VTA their rights-of-way where they don’t anticipate any future improvements. This allowed VTA to build certain infrastructure for the rail projects within their right-of-way. We have reached agreement with Caltrans that will establish the long-term maintenance responsibilities and use of shared properties and facilities. There’s no cost exchange. The facilities located in the state right-of-way.

**M/S/C (Sandoval/Caserta)** to approve submitting a recommendation to the Board of Directors 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.

10. **Caltrain South County Improvements - Contract Award for Construction of UPRR Grading and Crossing Improvements**

Mark Robinson, Chief Engineering and Construction Officer, stated the contract is for construction of Union Pacific Railroad (UPRR) grading and crossing improvements. Construction is scheduled to begin in March 2009. The UPRR tracking and signaling work will begin after the completion of the grading and drainage construction. All activities are scheduled to be completed in August 2011.

There are six contractors who submitted bids. Pavex Construction submitted a low bid amount of $13,167,925. Staff recommends award of this contract to Pavex Construction, the lowest responsible bidder.

Member Ash Kalra arrived at 4:50 p.m.

Member Sandoval asked why bidders’ estimates are lower than the Engineer’s estimate. Mr. Robinson responded the Engineer’s estimates are not catching up with the current environment. There are also limited construction projects available in the market because of the economy.
Member Sandoval also asked when the estimates for this project were completed. Mr. Robinson responded the project was advertised in early 2008. There were a number of changes from UPRR during the advertisement period that modified the design that is why VTA pushed out the bid opening date.

Chairperson Sellers noted there are challenges in the last minute changes with UPRR. He queried on VTA’s working relationship with UPRR. Mr. Robinson responded VTA has a positive working relationship with UPRR field operations. There are challenges when working with the design group.

Chairperson Sellers also asked how the High Speed Rail Project (HSRP) plans will affect the double track improvements. Mr. Robinson responded the HSRP plans were not in conflict with the improvements.

M/S/C(Caserta/Sandoval) to approve submitting a recommendation to the Board of Directors 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.

OTHER ITEMS

11. **1996 Measure B Transportation Improvement Program Progress Report-December 2008**

Mark Robinson, Chief Engineering and Construction Officer, provided a report on the 1996 Measure B Transportation Improvement Program for December 2008. He stated we have completed the projects and what are remaining are closeout items, litigation issues with contractors and right-of-way transfers with third party interest. He referred to page 1-5 of the report which lists the close out challenges as follows:

- Hamilton Overcrossing MSE (Mechanically Stabilized Earth) Wall Stabilization
- Right-of-Way Transfers/Exchanges on Vasona Project – the San Jose City Council had authorized their staff to execute the exchanges we have remaining on the Vasona project. We will be able to close this in March 2009.
- Route 85/101 (N) Interchange Right-of-Way Retrial – new trial is expected to begin in late summer 2009.
- Route 87 HOV (N) Contractor Lawsuit – reached settlement yesterday, January 14th.
- Route 87 HOV (S) Contractor Claim – resolution of the contractor’s claim and final closeout remain.
- Maintain Combined Biological Mitigation Site

On Order of Chairperson Sellers and there being no objection, the 1996 Measure B Transportation Improvement Program Progress Report for December 2008 was received.
12. December 2008 Monthly Ridership and Fare Revenue Performance Report

Joonie Tolosa, Manager, Operations Analysis and Reporting, provided a report on the December 2008 Ridership and Fare Revenue Performance which highlighted the following: System ridership: increased by 8% compared to same period in 2007, FYTD average weekday ridership increased by 8.7%; Bus ridership: FYTD average weekday ridership increased by 8.9% (highest for December since 2002); Light Rail ridership: FYTD average weekday ridership increased by 8.1%; and Fare revenue: increased by 1.9% for December, FYTD increased by 3.6%.

Mr. Tolosa noted there were 2 more weekdays in December 2008 than in December 2007.

On Order of Chairperson Sellers and there being no objection, the December 2008 Monthly Ridership and Fare Revenue Performance Report was received.

13. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

14. Committee Work Plan

On Order of Chairperson Sellers and there being no objection, the Committee Work Plan was reviewed.

15. Committee Staff Report

Dan Smith, Chief Operating Officer provided a report on the Green Program noting the complete installation of weather based irrigation controllers on Almaden, Oakridge, Santa Teresa, Cottle and Snell Light Rail Stations. They are currently working to install new controllers at Blossom Hill and Ohlone-Chynoweth; the installation of new sprinkler heads at all Park & Ride locations is on schedule; anticipate that installations will save 12 million gallons of water each year; and the reduced water usage will save approximately $37,000 per year.

At VTA’s request, Captain Robert Schiller is arranging self defense training for fare inspectors. Mr. Smith reported on the results of the two fare inspections details they had conducted. 1) Between Japan town Ayer Light Rail Station and Civic Center Light Rail Station – the results included: a) the inspectors had issued 24 citations for fare evasion; b) they found one run away juvenile who was turned over to authorities; 3) ten people run without paying fare; and 4) one evicted from the train. 2) Between Fruitdale Station Light Rail Station and Diridon Light Rail Station – the results included: a) the inspectors found 36 passengers without fare; b) they had issued 32 citations and 6 warnings: c) three passengers were evicted from trains; d) one arrest made for outstanding warrant; e) they confiscated some 2009 false ECO passes.

The Annual Transit Service Plan information is on the VTA website; brochures are being distributed on buses which describe the plan and schedule of community meeting. Mr.
Unites completed briefing with all advisory committees on the plan. The Policy Advisory Committee (PAC) requested a listing of proposals by cities and will be sent to PAC members via email.

16. **Chairperson’s Report**

Chairperson Sellers thanked Member Sandoval for appointing him Chairperson of the Transit Planning and Operations Committee. He stated he had met with VTA staff to discuss various issues and it was very helpful and very informative. He recommended Member Kalra meet with VTA staff as well and make sure all his questions are answered.

17. **Consent Agenda for the February 5, 2009 Board of Directors Meeting**

**Consent:**

**Item #8,** 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.

**Item #9,** 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.

**Item #10,** 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.

**Regular:**

**Item #7,** 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% 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% 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.

18. **ANNOUNCEMENTS**

There were no announcements.
19. ADJOURNMENT

On Order of Chairperson Sellers and there being no objection, the meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Yolanda L. Cruz, Assistant Board Secretary
VTA Board of Directors
Audit Committee
Thursday, December 11, 2008

MINUTES

CALL TO ORDER

The Regular Meeting of the Audit Committee was called to order at 11:48 a.m. by Chairperson Gage in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

1. ROLL CALL

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<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>David Casas, Vice Chairperson</td>
<td>Board Member</td>
<td>Present</td>
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<tr>
<td>Don Gage, Chairperson</td>
<td>Board Member</td>
<td>Present</td>
<td></td>
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<tr>
<td>Nancy Pyle</td>
<td>Board Member</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Dolly Sandoval</td>
<td>Board Member</td>
<td>Present</td>
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</table>

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA


M/S/C (Pyle/Casas) to approve the Minutes of August 21, 2008.

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

5. **2009 Audit Committee Meeting Schedule**

M/S/C (Pyle/Sandoval) to approve the 2009 Audit Committee Meeting Schedule.

6. **Contract Award for Auditor General Services**

Michael T. Burns, General Manager, reported the proposed contract award for Auditor General Services is being presented to the Audit Committee for review and anticipated approval of forwarding a recommendation to the Board of Directors to approve the contract award at their January 8, 2009 meeting.

Karen Antion, Consultant, provided a report on the Request for Proposals (RFP) process for the Auditor General Services. She reported on September 5, 2008, the Valley Transportation Authority (VTA) issued a RFP based upon the approval of the Scope of Work by the Audit Committee and Board of Directors. VTA received and evaluated proposals from the following two qualified firms: 1) Deloitte and Touche, LLP and 2) KPMG, LLP. A review board was convened which included the Chief Financial Officers from VTA, BART, City of Palo Alto and VTA Purchasing and Materials Manager. The Review Board evaluated the written proposals submitted by both firms and determined both firms were qualified.

Ms. Antion reported the Review Board determined Deloitte and Touche, LLP, demonstrated a greater experience and understanding of transportation issues. She noted Pat Hagan, the recommended Auditor General, presented a level of national transit experience and his team had a good understanding of the roles and responsibilities of an outsourced Auditor General. Ms. Antion noted the Deloitte and Touche local team includes an audit partner that has direct experience serving as an Auditor General to a large Silicon Valley technology manufacturer.

Ms. Antion reported the cost proposed by Deloitte and Touche, LLP, for the initial scope of developing the Annual Audit Plan was significantly less than that of KPMG. She noted the hourly rates of both firms were essentially equal for all categories. The Task Order Contract will be for a two-year term with three additional one-year options. The Scope of Work for the first Task Order will include the following: 1) Develop and recommend goals and objectives for the Internal Audit Program at VTA; and 2) Develop and recommend an Annual Internal Audit Plan.

Mr. Hagan introduced himself and stated he would be honored to serve as the Auditor General for VTA. He also introduced Deloitte and Touche team members in attendance. Mr. Hagan thanked VTA management for the recommendation and noted Deloitte and Touche's philosophy for internal audit. He indicated one of the things that Deloitte and Touche thinks is important for a world class internal audit group is to match up to the values that have been articulated in VTA’s strategic plan.

Upon query of Chairperson Gage, Mr. Hagan noted it is likely that Deloitte and Touche would be attending all VTA Board of Directors meetings. Chairperson Gage noted the importance of Deloitte and Touche providing a report on an annual basis containing their
findings/recommendations so the Board of Directors can be kept apprised.

Vice Chairperson Casas queried about Deloitte and Touche’s work plan. Mr. Hagan noted it is anticipated Deloitte and Touche would be presenting an initial work plan and summary of risks at the March 5, 2009 Audit Committee meeting.

M/S/C (Pyle/Casas) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a Task Order Contract with Deloitte & Touche, LLP to provide Auditor General Services for a two year period in the amount of $350,000. Additionally authorize the General Manager to execute three additional one year contract options for $175,000 per year subject to approval by the Audit Committee.


Joseph T. Smith, Chief Financial Officer, reported on August 21, 2008, the Audit Committee directed staff to request that VTA’s Independent Audit Firm, Vavrinek, Trine, Day & Co., LLP (VTD), perform the agreed-upon procedures for VTA’s Procurement Card Program.

Leonard Dana, VTD, reported the review was completed as requested in conjunction with the annual audit of VTA. He referenced the report entitled, “Independent Accountant’s Report on Applying Agreed-Upon Procedures,” highlighting: 1) Agreed Upon Procedures Performed and 2) Results of Procedures.

Chairperson Gage queried if periodic reviews would be conducted. Mr. Dana recommended the periodic reviews be conducted by Internal Audit. Mr. Burns indicated the recommendation is appropriate.

Vice Chairperson Casas noted it is appropriate to have enforcement of the controls to ensure there are no improprieties. He noted the importance of having spot reviews to reaffirm individuals are following established procedures.

Member Pyle directed attention to the Board Memorandum, Page 2 of 2, Compliance Review Results, last sentence contained in first paragraph, and requested the word “were” be placed between the words “there and no”.

M/S/C (Casas/Sandoval) to approve submitting a recommendation to the Board of Directors to review and receive the Independent Auditor’s Report on the agreed-upon procedures performed on VTA’s Procurement Card for the fiscal year ended June 30, 2008 (FY2008).


Joseph T. Smith, Chief Financial Officer, reported VTA is required to have its financial statements audited by a certified public accounting firm pursuant to state law and VTA Administrative Code. He noted an audit of VTA finances for fiscal year ended June 30, 2008 (FY 2008), was conducted by Vavrinek, Trine, Day & Company, LLP
Leonard Dana, VTD, provided an overview of the audited Fiscal Year 2008 Comprehensive Annual Financial Report (CAFR) for VTA and the VTA Amalgamated Transit Union Pension Plan Report for Fiscal Year 2008 highlighting: 1) Audit Results, noting VTD rendered an unqualified opinion on VTA’s financial statements; 2) Auditor’s Management Letter; and 3) Audited Financial Statements.

In reference to the Financial Statements, VTA has a new accounting principle that will be implemented in 2010. It requires that VTA fair value any derivative financial positions it may have, i.e. Swaps. VTA’s Swaps had a negative value of approximately $21 million.

In reference to the VTA’s ATU Pension Plan, Mr. Dana noted subsequent to June 30, 2008, the fair market value of the equity investments in the Plan had declined by approximately $16 million.

Vice Chairperson Casas requested staff provide a written report regarding the issues to the full Board of Directors.

Upon query of Chairperson Gage, Mr. Smith noted staff would be providing quarterly reports regarding the status of the Swaps.

M/S/C (Pyle/Sandoval) to approve submitting a recommendation to the Board of Directors to review and receive the audited Comprehensive Annual Financial Report for the Santa Clara Valley Transportation Authority, and the Valley Transportation Authority Amalgamated Transit Union Pension Plan Report for Fiscal Year 2008.


Joseph T. Smith, Chief Financial Officer, reported in May 2008, a Trust was established by the Board of Directors to comply with the accounting pronouncement promulgated by the Government Accounting Standards Board (GASB). He noted the VTA Retiree’s Other Post Employment Benefits (OPEB) Trust was audited by Vavrinek, Trine, Day & Company, LLP (VTD) as well.

M/S/C (Sandoval/Pyle) to approve submitting a recommendation to the Board of Directors that the VTA Board of Directors acting as the Trustees of the Santa Clara Valley Transportation Authority Retirees’ Other Post Employment Benefits (OPEB) Trust (Trust) review and receive the audited financial report for Fiscal Year 2008.

10. Professional Services Contract Audits

Mark S. Robinson, Acting Chief Engineering & Construction Officer, reported at the November 6, 2008 Board of Directors meeting, staff had several contract amendments agendized for action involving consulting engineering firms. He referenced the attached Board Memorandum of November 6, 2008, entitled, “Kato Road Grade Separation Project – Amendment to Design and Engineering Services Contract.” Board Member Casas questioned how VTA audits the charges in a professional services contract, in
particular, a Time and Materials (T&M) contract. Board Member Casas requested staff provide a report back at the December 11, 2008 Audit Committee.

Mr. Robinson noted the informational item outlines the different contract types for consulting engineering firms.

He noted a correction to the Board Memorandum of November 6, 2008. It was not a Time and Materials (T&M) contract; it was a cost plus fixed fee type of contract for engineering services.

Mr. Robinson provided a report on the audit process conducted by VTA on its professional services contracts. VTA audits the performance of the consultant on a T&M type of contract and on the invoice review process.

Vice Chairperson Casas queried about the controls in place regarding a T&M type of contract. Mr. Burns commented either VTA or another firm used by VTA conducts an assessment of the amount of work that is required to be accomplished. Then a negotiation process is held with the consultant prior to contract settlement as to the number of hours necessary to perform a particular task. After this takes place, the whole project managing system is set-up based on those tasks and hours.

Member Sandoval queried the percentage of contracts that are Time and Materials contracts. Mr. Robinson noted nearly 100% of VTA’s engineering consultant contracts are negotiated as “Cost Plus Fixed Fee” contracts during the design phases. He commented when entering into a construction phase or in a design-build contract, there will be activities identified during the course of construction or unanticipated events. A consultant who has served VTA during the design phase is then brought in to assist VTA through this particular challenge, and it is in those instances that VTA has a Time and Materials quick method of bringing the consultant onboard. During the course of construction, nearly 100% of the time VTA uses Time and Materials on-call consultant services.

Chairperson Gage requested staff consult VTA Legal Counsel regarding contract issues and Legal Counsel review all contracts and Time and Materials.

On order of Chairperson Gage and there being no objection, the Committee received a report on Professional Services Contract Audits.

OTHER ITEMS

11. **Items of Concern and Referral to Administration**

There were no Items of Concern and Referral to Administration.

12. **Committee Work Plan**

Michael T. Burns, General Manager, reiterated the anticipation of an initial risks assessment being presented at the March 5, 2009 Audit Committee meeting.
Chairperson Gage queried about the work plan being in coordination with the two-year budget cycle. Mr. Burns noted it would make sense for the work plan to be consistent with VTA’s Budget cycle.

On order of Chairperson Gage and there being no objection, the Committee reviewed and approved the revised Committee Work Plan.

13. **Committee Staff Report**

There was no Committee Staff Report.

14. **Chairperson’s Report**

Chairperson Gage welcomed Deloitte & Touche, LLP.

15. **Determine Consent Agenda for the January 8, 2009 Board Meeting**

CONSENT: Agenda Item #6. Authorize the General Manager to execute a Task Order Contract with Deloitte & Touche, LLP to provide Auditor General Services for a two year period in the amount of $350,000. Additionally authorize the General Manager to execute three additional one year contract options for $175,000 per year subject to approval by the Audit Committee;

Agenda Item #7. Review and receive the Independent Auditor’s Report on the agreed-upon procedures performed on VTA’s Procurement Card for the fiscal year ended June 30, 2008 (FY2008); and

Agenda Item #9. VTA Board of Directors acting as the Trustees of the Santa Clara Valley Transportation Authority Retirees’ Other Post Employment Benefits (OPEB) Trust (Trust) review and receive the audited financial report for Fiscal Year 2008.


16. **Announcements**

There were no Announcements.
17. ADJOURNMENT

On order of Chairperson Gage and there being no objection, the meeting was adjourned at 12:33 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Board of Directors
Committee for Transit Accessibility

Wednesday, January 7, 2009

MINUTES

NOTE: MEMBERS MAY TAKE ACTION ON ANY ITEM ON THIS AGENDA.

CALL TO ORDER

The Regular Meeting of the Committee for Transit Accessibility (CTA) was called to order at 1:06 p.m. by First Vice Chairperson Julian in Building A, Auditorium, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

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<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>Lori Arnberg</td>
<td>CTA Member</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Linda Gallo</td>
<td>CTA Member</td>
<td>Present</td>
<td></td>
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<tr>
<td>David Grant</td>
<td>CTA Member</td>
<td>Present</td>
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<tr>
<td>Marjorie Jensen</td>
<td>CTA Member</td>
<td>Present</td>
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<td>Connie Langford</td>
<td>CTA Member</td>
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<td>Laura Michels</td>
<td>CTA Member</td>
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<td>Shawna Nourzaie</td>
<td>CTA Member</td>
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<td>Larry Saltman</td>
<td>CTA Member</td>
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<tr>
<td>Emma Eljas</td>
<td>CTA Second Vice Chair</td>
<td>Present</td>
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<td>Sandra Gouveia</td>
<td>CTA Member</td>
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<td>Troy Hernandez</td>
<td>CTA Member</td>
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<tr>
<td>David Julian</td>
<td>CTA First Vice Chair</td>
<td>Present</td>
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<tr>
<td>Martin Lasich</td>
<td>CTA Member</td>
<td>Absent</td>
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</table>
2. **INTRODUCTION OF AUDIENCE MEMBERS**

David Ledwitz, Management Analyst; Lynn Terzian, County of Santa Clara; David Sausjord, Revenue Services Manager; Deborah Harrington, Board Secretary; Sandra Weymouth, Policy and Administration Manager; Joe Smith, Chief Financial Officer; Ali Hudda, Deputy Director of Accounting; Jennie Hwang Loft, Public Information Officer; Dan Smith, Chief Operating Officer; Bob Schiller, Protective Services; Camille Williams, Accessible Services Program Manager; and Kermit Cuff, Transportation Services and Development Specialist.

3. **PUBLIC PRESENTATIONS:**

Connie Langford, Interested Citizen, addressed the committee on behalf of Dilip Shah, Interested Citizen, who suggested there be a provision for wheelchairs to have umbrellas for inclement weather.

William Zhu, Interested Citizen, requested maintenance persons inspect the fareboxes at the light rail stations and indicated the farebox at Component Station would not take his coins.

David Grant, Interested Citizen, expressed concern regarding the late arrival of the CTA term expiration notices and applications.

Jim Unites, Staff Liaison, indicated additional time would be given to return the reappointment applications.

4. **Minutes of December 10, 2008**

Member Eljas requested the minutes be amended to reflect Item #14, City of San Jose Disability Advisory Commission (DAC) Report, was accepted on order of Second Vice Chairperson Eljas.
Ex-officio Member Heatley noted the language of the provisional mission statement was not included in the Minutes. She requested, “The Committee for Transit Accessibility (CTA) advises the Board of Directors on equal access to public transportation and performs the functions of a paratransit coordinating council.”, be added to the Minutes and the Motion Tracking form for the record.

M/S/C (Gouveia/Langford) on a vote of 12 Ayes, 0 Noes, and 3 Abstentions to approve the Minutes of December 10, 2008 as amended. Members Michels, Julian, and Jensen abstained.

5. **Chief Operating Officer’s Report**

Dan Smith, Chief Operating Officer, indicated his complete report is included in the CTA Agenda packet and added Board appointments had not been completed by Board Chairperson Sandoval, and CTA would be notified when they are confirmed.

On order of First Vice Chairperson Julian and there being no objection, the committee received the Chief Operating Officer’s Report.

**BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/GENERAL MANAGER**

6. **Universal Pass for Life Improvement (UPLIFT) Program**

David Sausjord, VTA Revenue Services Manager, provided a report on the Universal Pass for Life Improvement and Transportation (UPLIFT) program which provides free quarterly transit passes to homeless residents of Santa Clara County. VTA works with county staff to distribute passes to individuals receiving case management services from social service providers and is coordinated and monitored by the county. The county pays VTA $111,000 per program year for 1,850 transit stickers.

Mr. Sausjord introduced Lynn Terzian, UPLIFT Program Coordinator.

Member Michaels questioned if there was a waiting list for homeless persons who request passes.

Ms. Terzian indicated she was unaware of anyone eligible not receiving a pass.

Member Langford questioned what agencies can provide case management.

Ms. Terzian indicated there are 31 non-profit organizations which participate in the program. She indicated a program is deemed eligible if they prove they take care of homeless clients and provide case management services.

Member Gouveia asked if the passes were available to low income individuals as well.

Ms. Terzian indicated at this time only homeless individuals are eligible for the passes.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
On order of First Vice Chairperson Julian and there being no objection, the UPLIFT Program report was received.

7. **Nominating Committee Report**

Member Stahl provided a report from the nominating committee noting several members expressed interest in positions and the committee had a difficult time selecting the nominees. Member Stahl announced Aaron Morrow received the nomination for Chairperson, David Julian received the nomination for Vice Chairperson, and Sandra Gouveia received the nomination for Second Vice Chairperson.

On order of First Vice Chairperson Julian and there being no objection, the Nominating Committee report was received.

8. **Election of CTA Chairperson**

M/S/C (Julian/Grant) to approve the appointment of Aaron Morrow as CTA Chairperson for 2009.

9. **Election of CTA First Vice Chairperson**

M/S/C (Grant/Gouveia) to approve the appointment of David Julian as CTA First Vice Chairperson for 2009.

10. **Election of CTA Second Vice Chairperson**

M/S/C (Grant/Montague) to approve the appointment of Sandra Gouveia as the CTA Second Vice Chairperson for 2009.

11. **Mobility Options Travel Training**

David Ledwitz, Accessible Services Program Manager, provided an update on the Mobility Options Travel Training program and the finalization of travel training contracts with Innovative Paradigms and Vista Center for the Blind and indicated brochures and informational items are being developed for a public outreach campaign to ensure passengers receive information about the training.

Member Jensen questioned the paid training and volunteer components of the contracts.

Jim Unites, Staff Liaison, indicated the components of the travel training program include using VTA staff, the two programs that have been contracted to provide training, and a buddy training program which would utilize volunteers in conjunction with local community agencies.

Member Eljas questioned what security measures are taken to ensure the safety of the elderly and disabled populations who use fixed route transit.

Mr. Unites indicated there are closed circuit televisions on most of the coaches and light rail; operators have radio communication with the 24-hour control center; and deputy sheriffs and private security patrol the transit centers and light rail stations.
Member Eljas requested information and statistics on the security program be presented at a future meeting. She suggested a list of places people can get to using transit be added to the travel training documents.

Member Michaels indicated there is an increase of denials for Outreach service for members of the Vista Center for the Blind and they haven’t been told about the travel training program. She questioned if there is collaboration with Outreach to refer the services to those individuals.

Ex-Officio Member Heatley indicated Outreach sends out a monthly list of denials and those who check a box indicating interest in travel training are sent over on a separate list.

Member Langford commented on the success of mobility options training she scheduled for two groups which were tailored to meet the specific needs.

Member Grant expressed concern he knows little about the program and questioned if further reports will be presented to the committee.

Mr. Unites indicated when the contract is signed, the contractors will be brought in to explain the program. He noted several CTA members were on the review panel that selected the firms and have been involved with the process.

Member Grant indicated benchmarks and goals would be harder to set with the cognitively disabled population. He questioned what role the San Andreas Regional Center would play and what type of outreach has been done.

Mr. Ledwitz indicated they are a member of the Mobility Options Task Force.

**On order of First Vice Chairperson Julian** and there being no objection, the mobility options travel training program update was received.

12. **2009 Annual Transit Service Plan**

Jim Unites, Staff Liaison, provided an update on the 2009 Annual Transit Service Plan, noting several major changes and some minor adjustments to bus routes and times are being proposed. He indicated public meetings are being scheduled to solicit comments before the final plan is submitted for Board adoption.

Member Jensen indicated that changing routes from 30 to 60 minute intervals may cause a decrease in ridership and asked if VTA will track how many people are on routes with changes. Mr. Unites indicated services not meeting performance goals need to be reviewed, and if ridership is hurt by the changes, service may be adjusted.

Member Stahl commented if the courtesy of the drivers and customer service level increased, there would be an increase in ridership.

Member Eljas questioned if the numbers of disabled and senior populations effected by the proposed changes is known. Mr. Unites indicated the numbers are based on the
calculation of pass sales and lift ramp use by route and that information will be taken into consideration while planning.

Member Langford indicated Community Bus 11 was a result of advocacy for low income people and if eliminated, will leave many seniors disadvantaged. Mr. Unites indicated the community bus service studies are not conducted in order to discontinue service, but to provide better service and increase ridership.

Member Grant indicated the recorded numbers of disabled and elderly individuals who take public transit are low because drivers need to push a button to note a disabled person got on board. Getting drivers to do this properly is the key to getting accurate numbers. Member Grant questioned if bus route 32 could be re-routed to include Franklin Mall.

Kermit Cuff, Transportation Services and Development Specialist, indicated the way the route is set up, there is no time to add additional stops to the schedule. He noted VTA is meeting with the City of Mountain View and the outcome of their meeting may impact what happens with the route.

Ex-Officio Member Heatley questioned if specific time changes could be seen online. Mr. Cuff indicated the information is on the web but specific times may change.

Member Langford indicated Member Shah suggested interviewing passengers who utilize the lines that are expected to be changed, giving them input on what can be done to improve service.

Member Grant questioned if ridership has suffered from the decrease in gas prices. Mr. Unites indicated ridership numbers have not decreased but have remained steady, especially on long distance routes.

On order of First Vice Chairperson Julian and there being no objection, the 2009 Annual Transit Service Plan update was received.

13. **Advisory Committee Enhancement (ACE) Progress Report**

Jennie Hwang Loft, Public Information Officer, reported all five committees have reviewed and approved their draft mission statement. The next step for the subcommittee members is reviewing the committee bylaws.

Ms. Loft indicated the next milestone is to form a task force whose first task will be to align advisory committee workplans with the standing committee workplans.

Member Grant asked if the mission statement is provisional on Board approval and if changes can still be made by the committee, indicating he would like to discuss adding verbiage to the mission statement.

Ms. Loft indicated it is provisional until approved by the Board and changes can still be made.

On order of First Vice Chairperson Julian and there being no objection, the Advisory Committee Enhancement (ACE) Progress report was received.
14. **Advisory Committee Enhancement (ACE) Subcommittee Report**

Ex-Officio Member Heatley provided a report from the ACE Subcommittee meeting. On the recommendation of Member Langford, the subcommittee reviewed the statement approved by the CTA to add language which included seniors. The subcommittee added persons with disabilities and those economically disadvantaged as well.

Ex-Officio Member Heatley indicated the subcommittee is reviewing the existing paragraph in bylaws which describes the particular duties of the committee.

Member Grant indicated there needs to be another addition to say CTA advises staff as well as the Board.

Member Langford questioned when the mission statement will be revised to include the additions and go to the Board.

Ex–Officio Member Heatley indicated it will come back to the Committee for approval and then the Board.

Member Grant questioned if there is a deadline for submitting the revision.

Ms. Loft indicated the final report is scheduled to go to the Board for consideration in June.

**On order of First Vice Chairperson Julian** and there being no objection, the Advisory Committee Enhancement (ACE) Subcommittee report was received.

15. **Committee Work Plan**

Jim Unites, Staff Liaison, provided an update on additions to the Committee Workplan including a report on the enunciation system. He noted the format of the work plan will change, giving the committee a month-by-month look so they know what is coming.

Member Grant followed up with request to get better information on lift deployments and the numbers of senior and disabled passengers. He suggested a memo go out to remind the drivers how important it is to record the boarding.

Mr. Unites indicated a notice went out to operators and will be forwarded to CTA.

**On order of First Vice Chairperson Julian** and there being no objection, the Committee Work Plan was received.

16. **Motion Tracking**

Jim Unites, Staff Liaison, noted the addition of the approval of the provisional CTA mission statement.

Ex-Officio Member Heatley requested the original motion for the mission statement be added to the report.
On order of First Vice Chairperson Julian and there being no objection, the Motion Tracking report was received.

REPORTS

17. **City of San Jose Disability Advisory Commission (DAC) Report**

There was no City of San Jose Disability Advisory Commission (DAC) Report.

18. **Board of Directors Report**

Member Grant questioned the duties and responsibilities of the Board Liaison.

Jim Unites, Staff Liaison, indicated the Liaison provides CTA with a direct line of communication to the Board and was a request from the CTA to provide the improved link.

On order of First Vice Chairperson Julian and there being no objection, the Board of Directors Report was received.

19. **Committee Staff Report**

Jim Unites, CTA Liaison, announced Ethics Training was being offered by the City of Mountain View and is available online for those who have not completed it.

Member Langford questioned how frequently the training is required.

Mr. Unites indicated it needs to be completed every two years.

On Order of First Vice Chairperson Julian and there being no objection, the committee received the Committee Staff Report.

20. **Chairperson’s Report**

There was no Chairperson’s Report.

OTHER

21. **Announcements**

There were no Announcements.
22. **ADJOURNMENT**

On order of First Vice Chairperson Julian and there being no objection, the meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Menominee L. McCarter, Board Assistant
VTA Board of Directors
Call to Order

The Regular Meeting of the Citizens Advisory Committee (CAC) was called to order at 4:32 p.m. by Chairperson Tebo, in Conference Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. **ROLL CALL**

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<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>Noel Tebo</td>
<td>CAC Chairperson</td>
<td>Present</td>
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<td>Charlotte Powers</td>
<td>CAC Member</td>
<td>Present</td>
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<td>Margaret Okuzumi</td>
<td>CAC Member</td>
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<td>Connie Rogers</td>
<td>CAC Member</td>
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<td>Roberta Hughan</td>
<td>CAC Member</td>
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<td>Ray Hashimoto</td>
<td>CAC Member</td>
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<td>Gaye Morando</td>
<td>CAC Member</td>
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<tr>
<td>Robert Jacobvitz</td>
<td>CAC Vice Chairperson</td>
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<td>Sally Probst</td>
<td>CAC Member</td>
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<td>Martin Schulter</td>
<td>CAC Member</td>
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<tr>
<td>Stephen Blaylock</td>
<td>CAC Member</td>
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<td>Chris Elias</td>
<td>CAC Member</td>
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<tr>
<td>Norman Kline</td>
<td>CAC Member</td>
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<tr>
<td>Bena Chang</td>
<td>CAC Member</td>
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A quorum was present.

2. **ORDERS OF THE DAY**

Chairperson Tebo moved Agenda Item #6, Receive a report on the Semi-Annual Measure A Fund Exchange, after the Consent Agenda.

3. **PUBLIC PRESENTATIONS**

There were no Public Presentations.

4. **Committee Staff Report**

Greta Helm, Chief External Affairs Officer and Staff Liaison, reported on the following: 1) Martin Luther King Train sponsored by VTA; 2) Schedule of public meetings to discuss changes to the Transit Service Plan; 3) Update on the State budget; and 4) Status of federal stimulus package.
5. Chairperson’s Report

Chairperson Tebo reported attending the December 11, 2008 Board of Directors Workshop. He noted the Workshop identified the following projects as priority: 1) Silicon Valley Rapid Transit (SVRT) project; 2) Caltrain electrification; 3) High Speed Rail; and 4) Protection of existing services. He stressed the importance of the Committee’s input on the priority projects.

Member Kline reported on topics discussed at the Workshop. He noted the bonding crisis has affected the long-term plans of VTA. He stated the General Manager recommends implementing self funded two-year Capital Improvement Projects. He stressed the SVRT is the main priority among all the projects. He suggested the Committee receive a presentation on Bus Rapid Transit (BRT) so the Committee can provide their input.

Chairperson Tebo inquired on the Committee’s items of concern for year 2009.

Member Powers expressed concern on passenger safety. She inquired if budget cutbacks would affect the security on public transportation.

Member Elias expressed concern on the changes to the project priorities. He stressed the importance of communicating changes to the public. He also expressed concern on the Governor’s proposal to waive environmental regulations.

Member Blaylock noted the importance of continually reviewing the transportation system. He expects the Committee’s structure and function to grow and be improved. He suggested the Committee receive more information on Express Lanes.

Member Probst commented on the significance of workers’ rights and improving public relations. She recommended receiving more information on Express Lanes. She noted the entrance to State Route 85 from Moffet Boulevard, in the City of Mountain View, not be lost due to the Express Lanes.

Member Chang commented on the importance of reviewing the 2000 Measure A figures to effectively provide input to the Board of Directors.

Member Hashimoto commented on enhancing the need for new developments. He expressed concern on unessential environmental requirements that delay project completion and increases project cost.

Vice Chairperson Jacobvitz suggested enhancing the relationship of VTA to the public and improve access to public transportation. He recommended providing continuous education to staff. He announced staff would be attending a Building Owners and Managers Association luncheon to communicate VTA’s projects and future plans.

Greta Helm, Chief External Affairs Officer and Staff Liaison, noted the Communication Department is available to work with the Committee to improve VTA’s relationship with the public.
BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/GENERAL MANAGER

The Agenda was taken out of order.

COMBINED CAC AND 2000 MEASURE A CITIZENS WATCHDOG COMMITTEE CONSENT AGENDAS

7. Minutes of December 10, 2008

Member Probst recommended removing the name of Ex-CAC Member Fletcher from the Roll Call list.

M/S/C (Powers/Jacobvitz) to approve the minutes of December 10, 2008 as amended.

8. CAC Quarterly Attendance Report

On order of Chairperson Tebo and there being no objection, the Committee reviewed the CAC Quarterly Attendance Report.

9. Monthly Legislative History Matrix

On order of Chairperson Tebo and there being no objection, the Committee reviewed the Monthly Legislative History Matrix.

2000 MEASURE A CITIZENS WATCHDOG COMMITTEE REGULAR AGENDA


Amin Surani, Principal Transportation Planner, reported the goal of the fund exchange is to provide funding to local projects. He noted the attachment illustrates the status of the projects, breakdown of the funds, and project expenditures.

Chairperson Tebo inquired on the impact of the fund exchange to the Capitol Expressway LRT Extension and Airport People Mover projects. Mr. Surani responded the two projects would not be affected. He noted the construction schedule for the two projects matches the availability of STIP funds.

Member Kline expressed concern on the exchange made with Measure A and STIP funds. He commented there is a risk STIP funds would not be available to replace Measure A funds. He recommended changing the language of the fund exchange to state Measure A funds were loaned and allocated STIP funds would be used to pay it back. Mr. Surani responded STIP funds are provided by the State on a two-year cycle. He explained the California Transportation Commission already assigned STIP funds for the two major projects. He noted the fund exchange was instrumental in moving some of the local projects forward.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
Member Elias commented on the possibility that receipt of STIP funds may be delayed due to the current economic crisis. Mr. Surani explained delay on receiving STIP funds would not affect the two projects because they would not be ready to utilize the funds.

Member Elias inquired on the status of the state budget in relation to transportation funding. Ms. Helm responded staff would provide a status on the state budget to the Committee at a future meeting.

Member Kline recommended the status of the fund exchange should be released to the public and incorporated to the 2000 Measure A Citizens Watchdog Committee report.

Member Chang inquired if the use of Measure A funds for local projects has cost savings. Mr. Surani responded there are cost savings because local projects are not subject to undergo State processes.

Member Powers expressed support for the fund exchange. She noted it moves local projects forward and provides cost savings. She recommended the Committee receive information on the status of the Measure A projects and the STIP process.

Member Kline recommended developing a policy for the 2000 Measure A Citizens Watchdog Committee that would deal with issues similar to the fund exchange.

Member Blaylock recommended agendizing the Measure A Exchange Semi-Annual Report as an Action Item at a future meeting to provide an opportunity for the Committee’s input.

Member Probst commented on the significance of having the flexibility to use restricted funds on projects ready for completion before costs escalate.

Chairperson Tebo commented more transit projects need to be incorporated on the list of projects under the fund exchange.

**On order of Chairperson Tebo** and there being no objection, the Committee received the Measure A Exchange Semi-Annual Report.

**CITIZENS ADVISORY COMMITTEE REGULAR AGENDA**

10. **Advisory Committee Enhancement Update: January**

Jennie Loft, Public Information Officer, reported all advisory committees approved their draft mission statements. She noted some advisory committees continue to meet to update their bylaws. Next step is to develop a Task Force. The goal of the Task Force is to align advisory committee work plans with standing committee work plans to eliminate duplication. She noted this process would enhance the advisory committees’ role to advise the Board of Directors.

**On order of Chairperson Tebo** and there being no objection, the Committee received the Advisory Committee Enhancement Update: January.
11. **CAC Advisory Committee Enhancement (ACE) Subcommittee**

There was report from the CAC ACE Subcommittee.

12. **2009 Annual Transit Service Plan**

Jim Unites, Operations Planning Program Manager, reported on the 2009 Annual Transit Service Plan highlighting the following: 1) Proposed major service changes; 2) Proposed community bus studies; 3) Proposed minor service change; and 4) Marketing/Community outreach plan.

Member Chang recommended language be incorporated in the Proposed VTA Annual Transit Service Plan handout that states “increased bus service would be provided on performing bus lines.”

Member Kline inquired if staff plans to conduct a strategic approach to enhance the performance and structure of community buses. He recommended providing free community bus service that connects to major bus lines. He noted this approach would increase ridership.

Member Elias requested the Committee receive a presentation on Light Rail Systems Analysis.

**On order of Chairperson Tebo** and there being no objection, the Committee received a report on the 2009 Annual Transit Service Plan.

**COMBINED CAC AND CITIZENS WATCHDOG COMMITTEE ITEMS**


Member Kline requested a presentation on Bus Rapid Transit be agendized.

Member Blaylock requested the Measure D item be agendized at a future meeting.

**On order of Chairperson Tebo** and there being no objection, the Committee reviewed the CAC and CWC Work Plans.

**OTHER**

19. **Announcements**

There were no Announcements.
20. **ADJOURNMENT**

*On Order of Chairperson Tebo* and there being no objection, the meeting was adjourned at 6:10 p.m.

Respectfully submitted,

Michael Diareseco  
VTA Board of Directors
Bicycle & Pedestrian Advisory Committee

Wednesday, January 7, 2009

MINUTES

CALL TO ORDER

The Regular Meeting of the Valley Transportation Authority (VTA) Bicycle and Pedestrian Advisory Committee (BPAC) was called to order at 6:03 p.m. by Chairperson Walton in Auditorium, Building A, VTA, 3331 North First Street, San Jose, California.

1. ROLL CALL

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<tr>
<th>Attendee Name</th>
<th>Representative Cities</th>
<th>Status</th>
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<tr>
<td>Cheryl Bunnell</td>
<td>City of Milpitas</td>
<td>Present</td>
<td>6:06 p.m.</td>
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<td>Celia Chung</td>
<td>Alt. Ex-Officio SVBC</td>
<td>Absent</td>
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<td>Bruce Entin</td>
<td>Town of Los Gatos</td>
<td>Absent</td>
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<tr>
<td>Chris Fernandez</td>
<td>County of Santa Clara</td>
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<tr>
<td>Carl Hagenmaier</td>
<td>City of Los Altos</td>
<td>Present</td>
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<tr>
<td>Nancy Ginzton</td>
<td>Town of Los Altos Hills</td>
<td>Present</td>
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<tr>
<td>William (Bill) Manry</td>
<td>City of Monte Sereno</td>
<td>Absent</td>
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<tr>
<td>Jerri-Ann Meyer</td>
<td>City of Mountain View</td>
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<tr>
<td>Thomas Muniz</td>
<td>City of Gilroy</td>
<td>Present</td>
<td>6:06 p.m.</td>
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<td>Marian Sacco</td>
<td>City of Morgan Hill</td>
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<tr>
<td>David Simons</td>
<td>City of Sunnyvale</td>
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<td>Jim Stallman, Vice Chairperson</td>
<td>City of Saratoga</td>
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<tr>
<td>John Sullivan</td>
<td>City of Santa Clara</td>
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<td>Richard Swent</td>
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<tr>
<td>Herman Wadler</td>
<td>City of Campbell</td>
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<tr>
<td>Joseph Walton, Chairperson</td>
<td>City of Cupertino</td>
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</table>
A quorum was present.

2. ORDERS OF THE DAY

Member Stallman requested the following item to be removed from the Consent Agenda and placed on the Regular Agenda: Agenda Item #6. Approve the Minutes of December 10, 2008.

M/S/C (Stallman/Wadler) to accept Orders of the Day.

3. PUBLIC PRESENTATIONS

There were no Public Presentations.

4. Committee Staff Report

Ying Smith, Transportation Planning Manager and Staff Liaison, reported the following: 1) The Board of Directors (Board) will consider adoption of the Valley Transportation Plan (VTP) 2035) at their January 8, 2009 meeting; and 2) The Technical Advisory Committee (TAC) will review the Transportation Impact Analysis (TIA) Guidelines. BPAC is scheduled to consider action on the TIA Guidelines in February 2009.

Members Bunnell and Muniz took their seats at 6:06 p.m.

Michelle DeRobertis, Senior Transportation Planner, reported the following: 1) conversion of 100 existing bike lockers to e-lockers is nearing completion; 2) VTA plans to purchase more bike racks; 3) VTA Board will consider Regional Bike Sharing pilot program at their January 8, 2009 meeting; 4) bike plan is nearing completion; and 5) there will be partial bike lane closures for approximately 12 weeks between Tamien Station and Willow Avenue to accommodate the Tamien Station Bike Path Improvement project.

- **Highway Program Update**
  
  There was no report on the Highway Program Update.

- **Conditions of Approval Update**
  
  There was no report on the Conditions of Approval Update.

- **County Report**
  
  There was no County Report.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
5. **Chairperson’s Report**

Chairperson Walton noted the need to display more pictures depicting pedestrians and bicyclists in action in the VTA Auditorium. He suggested Members state their “wish list” during the Announcement section of the Agenda. He noted Cupertino’s wish list is to promote safety through bike training for youths and adults.

**CONSENT AGENDA**

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

Approve the Minutes of December 10, 2008.

**REGULAR AGENDA**

6. **Minutes of December 10, 2008**

Member Stallman noted the following changes: 1) On top of Page 5 of 8, #4 – replace “Intercrossing” with Undercrossing;” and 2) On Page 7 of 8, 2nd to the last paragraph, strike out “City of Saratoga.”

M/S/C (Stallman/Muniz) to approve the December 10, 2008 minutes as amended.

7. **Advisory Committee Enhancement Update: January**

Jennie Loft, Public Information Officer, reported the following: 1) All advisory committees have approved their draft mission statements; 2) some advisory committees are currently working on their bylaws; and 3) the Advisory Committee Enhancement (ACE) Taskforce will convene and will meet in late January 2009 to discuss alignment of Advisory Committee work plans with the Standing Committee work plans.

On order of Chairperson Walton and there being no objection, the Committee received a Brief Update on the Status and Progress of the Advisory Committee Enhancement Process – January 2009.

8. **BPAC Advisory Committee Enhancement (ACE) Subcommittee Report**

Vice Chairperson Stallman reported the subcommittee finished the draft BPAC bylaws which now include complete streets, routine accommodation, and additional pedestrian aspects. The draft bylaws will be forwarded to BPAC for consideration on February 2009.

On order of Chairperson Walton and there being no objection, the Committee received the BPAC Advisory Committee Enhancement (ACE) Subcommittee Report.

Member Zavala took her seat at 6:18 p.m.
Chairperson Walton welcomed new Member Zavala, who represents the City of San Jose. Member Zavala noted she became a member of the San Jose BPAC last July 2008 and expressed her excitement to be the San Jose representative to the VTA and County BPAC.

9. **Select Bicycle Expenditure Plan (BEP) Scoring Committee**

Ms. DeRobertis noted the BEP Scoring Committee will evaluate about 60 bicycle projects in VTP 2035 with a target completion date of February 18, 2009. The committee will be comprised of 4-5 BPAC Members and 1-2 members each from VTA staff and TAC.

M/S/C (Wadler/Hagenmaier) to appoint Members Hagenmaier, Muniz, Simons, Stallman and Zavala to the BEP Scoring Committee.

10. **Countywide Expressway Study - 2008 Update**

Dan Collen, County Roads and Airports Department, provided a summary of the Attachments including the Summary of TAC and BPAC Comments. He noted a possibility of including the vote taken by BPAC on October 2008. Vice Chairperson Stallman suggested not including the October 2008 vote since it failed.

Member Sullivan noted the 2003 County Expressway Study considers wide shoulders as acceptable pedestrian facility. He expressed concern the 2008 Update protects the County’s right to prohibit pedestrians on expressways. There are still pedestrian prohibition signs on expressways and the County has not provided documentation indicating that walking on shoulders is dangerous.

Mr. Collen responded the Countywide Expressway Study plans for improvement of facilities (i.e. sidewalks on both sides of the expressways). County staff conducted a block-by-block analysis of city ordinances prohibiting pedestrians on expressways. Mr. Collen noted the goal is to lift these prohibitions by building sidewalks.

Chairperson Walton suggested Members take this issue to their respective City Council to work on prohibitions at their cities.

Vice Chairperson Stallman commented the 2008 Update has many good plans. He is hopeful for funding availability to start implementing the plan. He noted individual cities should review pedestrian prohibitions and make updates as necessary.

M/S/C (Wadler/Hagenmaier) on a vote of 11 ayes, 1 no, and 0 abstention to recommend to the Board of Directors to endorse the Santa Clara County Countywide Expressway Study. Member Sullivan opposed.

11. **County TDA Project Development List (County Item)**

Paul Pascoal, County Roads and Airports Department, requested BPAC Members to go back to their respective city BPACs and forward to the County Roads and Airports Department future projects that could be pursued and added to the existing Transportation Development Act (TDA) project list (attached to the staff report). The projects can be e-mailed to paul.pascoal@rda.sccgov.org.
Mr. Collen stated there are many pocket areas and unincorporated areas that still need sidewalks.

Member Simons noted the need to have a better mechanism that will ensure connectivity, pedestrian access and bicycle accommodation in new development process.

**On order of Chairperson Walton** and there being no objection, the Committee received the report on the County TDA Project Development List.

**OTHER**

**12. BPAC Work Plan**

Mr. Collen requested inclusion of a placeholder for County Capital Projects in the BPAC work plan.

Member Stallman requested removal of the “missing sidewalk issue on I-880/Coleman Avenue” from the items for future consideration. Member Stallman requested an update regarding the Bay Trail segment that connects Alameda and Santa Clara Counties through the cities of Milpitas and Fremont (along I-880 corridor) so that the committee can advocate for the project.

**On order of Chairperson Walton** and there being no objection, the Committee reviewed the Committee Work Plan.

**13. Announcements**

Member Wadler announced he trained a person how to ride a bicycle last week. The Committee can contact him if there is a need for a bicycle instructor. There is an Almaden Cycle Touring Club (ACTC) 12-week bicycle safety class, which will begin on February 2009.

Member Meyer announced City of Mountain View has two new BPAC members. She noted her wish is for unlimited bike capacity in Caltrain.

Member Simons inquired from Chairperson Walton how neighborhoods or bike organizations can be involved in the dedication of the Mary Avenue Bridge.

Member Zavala announced she attended the public meeting for City of San Jose’s Bicycle Planning before Christmas. She noted she will bring more information about the outcome and staff recommendation when it becomes available.

Member Bunnell reported the City of Milpitas is in the process of updating the Bikeway Master Plan. The plan will be forwarded to the City Council for consideration in February 2009. For the “wish list,” Member Bunnell would like to see a pedestrian safety educational program or an outreach program that will educate kids and adults about pedestrian and bicycle safety. Member Meyer noted Mountain View’s Walk to School Days program and its benefits. Member Wadler noted the various “learn to bike” safety educational programs available thru him, John Brazil, and the SVBC.
Member Sullivan announced City of Santa Clara’s next BAC meeting will be in two weeks.

Member Muniz announced the City of Gilroy’s Bicycle group will meet on January 27, 2009. The Gilroy Bicycle Pedestrian Advisory Board is changed to a Commission and will now have a direct reporting relationship to Gilroy’s City Council. He noted the need for bicycle and pedestrian accommodations for the new City of Gilroy High School.

Member Sacco reported the removal of a “no walk sign” on a certain roadway. The Morgan Hill City Council was impressed with how bicyclists rallied to remove the sign.

Member Stallman reported the City of Saratoga began putting the missing section of the pedestrian pathways along Saratoga Sunnyvale Road. This is good example of best practices for complete streets and how local agencies can contribute to improve facilities.

Mr. Collen noted he is hopeful to get funding for sidewalks from the Economic Stimulus, if the Federal government approves the package.

Chairperson Walton announced the dedication of the Mary Avenue Pedestrian Bridge is slated for April 2009.

20. ADJOURNMENT

On order of Chairperson Walton and there being no objection, the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Elaine F. Baltao, Board Assistant
VTA Board of Directors
CALL TO ORDER

The Regular Meeting of the Technical Advisory Committee (TAC) was called to order at 1:30 p.m. by Chairperson Witthaus in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Representing</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajeev Batra</td>
<td>City of Santa Clara</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Todd Capurso</td>
<td>Town of Los Gatos</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Richard Chen, Alternate</td>
<td>Town of Los Altos Hills</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>John Cherbone</td>
<td>City of Saratoga</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Dan Collen, Alternate</td>
<td>County of Santa Clara</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Kevin Connolly, Alt. Ex-Officio</td>
<td>VTA</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>Don Dey</td>
<td>City of Gilroy</td>
<td>Present</td>
<td></td>
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<tr>
<td>Glenn Goepfert</td>
<td>City of Cupertino</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Jim Gustafson, Alternate</td>
<td>City of Los Altos</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Joan Jenkins</td>
<td>City of Mountain View</td>
<td>Present</td>
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<tr>
<td>Robert Kass</td>
<td>City of Campbell</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>Gayle Likens, Vice Chairperson</td>
<td>City of Palo Alto</td>
<td>Present</td>
<td>1:32 p.m.</td>
</tr>
<tr>
<td>Kathleen Molloy-Previsich</td>
<td>City of Morgan Hill</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>Jaime Rodriguez, Alternate</td>
<td>City of Milpitas</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Ed Slintak</td>
<td>City of Monte Sereno</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>Ben Tripousis</td>
<td>City of San Jose</td>
<td>Present</td>
<td>1:44 p.m.</td>
</tr>
<tr>
<td>Lee Taubeneck, Ex-Officio</td>
<td>Dept. of Transportation (Caltrans)</td>
<td>Present</td>
<td>1:33 p.m.</td>
</tr>
<tr>
<td>Jack Witthaus, Chairperson</td>
<td>City of Sunnyvale</td>
<td>Present</td>
<td></td>
</tr>
</tbody>
</table>

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.
4. **Committee Staff Report**

Vice Chairperson Likens took her seat at 1:32 p.m.
Ex-Officio Member Taubeneck took his seat at 1:33 p.m.

John Ristow, Chief CMA Officer and Staff Liaison, provided a report, highlighting:
1) Valley Transportation Plan 2035 (VTP 2035) as Santa Clara County’s long-range countywide transportation plan agendized for approval at the January 8, 2009 Board of Directors meeting; 2) Federal Economic Stimulus package coordination; 3) Update on High Speed Rail; and 4) Bicycle Expenditure Program (BEP) Scoring Committee.

Mr. Ristow noted staff would provide information on the Federal Economic Stimulus package to TAC.

Member Dey noted TAC is the appropriate Committee to discuss the issues of High Speed Rail and recommended it be agendized for discussion every two to three months. Mr. Ristow noted the possible formation of a TAC working group to discuss High Speed Rail.

Member Tripousis took his seat at 1:44 p.m.

Chairperson Witthaus asked for volunteers to serve on the BEP Scoring Committee. The following persons volunteered or were appointed to serve on the BEP Scoring Committee: 1) Dan Collen, representing the County of Santa Clara; 2) John Brazil, representing the City of San Jose; 3) Dennis Ng or Lorenzo Lopez, representing the City of Santa Clara; 4) Heba El-Guendy, representing the City of Sunnyvale; and 5) Jaime Rodriguez, representing the City of Milpitas.

**On order of Chairperson Witthaus** and there being no objection, the Committee Staff Report was received.

5. **Chairperson’s Report**

Chairperson Witthaus thanked Member Tripousis for serving as the 2008 Chairperson and for a job well done. He also thanked Member Likens for volunteering to serve as the 2009 Vice Chairperson and welcomed back Member Batra.

6. **Reports from TAC Working Groups**

- **Capital Improvement Program (CIP)**

  Celeste Fiore, Transportation Planner II, provided the following highlights from the December 16, 2008 CIP meeting: 1) Status of Project Monitoring Reports; 2) Notification of the Community Design and Transportation (CDT) Program Call for Projects; 3) Discussed Transportation Fund for Clean Air (TFCA 40%) Call for Projects; and 4) Next scheduled CIP Working Group Meeting is January 27, 2009.
• **Systems Operations & Management (SOM) Working Group**

Paul Ma, City of San José Department of Transportation, provided the following highlights from the December 2008 meeting: 1) Approved the administrative draft of the Traffic Impact Analysis (TIA) Guidelines and 2) Discussed revision of the Deficiency Plan Guidelines and Model Consistency Guidelines.

**On order of Chairperson Witthaus** and there being no objection, the Reports from the TAC Working Groups were received.

### BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/GENERAL MANAGER

#### CONSENT AGENDA

7. **Minutes of December 11, 2008**

   M/S/C (Tripousis/Dey) to approve the Minutes of December 11, 2008.

8. **City of Saratoga Local Transportation Needs, Issues and Priorities**

   M/S/C (Tripousis/Dey) to receive a report by the City of Saratoga on its local transportation needs, issues and priorities.

### REGULAR AGENDA

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

   David Kobayashi, Senior Transportation Planner, reported the item was presented at the December 11, 2008 TAC meeting, and the Members requested the item be deferred to the January 8, 2009 TAC meeting. The Members requested the language in the Memorandum of Understanding (MOU) regarding the Ramp Metering Working Group (RMWG) be removed and substituted with the Systems Operations & Management (SOM) Working Group. It was noted technical issues regarding ramp metering should be reviewed by TAC and not the RMWG.

   Mr. Kobayashi noted the following ramp metering activations: 1) Northbound 87 on January 13, 2009 and 2) Southbound 85 between Almaden Expressway and Cottle Road on January 27, 2009.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
Chairperson Witthaus recommended VTA staff actively monitor ramp metering and foster a good working relationship with Caltrans.

**M/S/C (Collen/Rodriguez)** to request 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.

10. **Annual Transit Service Plan - Information**

Jim Unites, Deputy Director, Service Planning, reported the Annual Transit Service Plan functions as the process and document that implements the policies set forward in the Transit Sustainability Policy. The proposals of the Plan were presented to the Transit Planning and Operations (TP&O) Committee in December 2008 and community meetings and public outreach will be conducted during the months of January and February 2009.

Mr. Unites provided a report on the proposals of the Annual Transit Service Plan, highlighting: 1) Proposed major service changes; 2) Proposed Community Bus studies; and 3) Proposed minor service changes. The final draft Annual Transit Service Plan will be presented at the March 19, 2009 TP&O meeting and forwarded to the Board of Directors for approval at their April 2, 2009 meeting.

Chairperson Witthaus recommended VTA staff consider an outreach effort that is fairly evenly distributed throughout the County of Santa Clara.

**On order of Chairperson Witthaus** and there being no objection, information on 2009 Annual Transit Service Plan was received.

11. **ABAG Projections 2009 Growth Forecasts**

George Naylor, Principal Transportation Planner, reported the Association of Bay Area Governments (ABAG) is the regional agency responsible for developing the socio-economic data forecasts for the nine county Bay Area. He indicated the last set of projections was developed in 2007, noting the projections are prepared every two years.

Mr. Naylor provided a report on the process to develop the Projections 2009 data series, highlighting: 1) ABAG has released in a formal letter to the jurisdictions the set of citywide projections for growth in households, population, and jobs for the County of Santa Clara; 2) Initial set of projections for both the Scattered Success and Focused Future scenarios were developed by ABAG in late 2008; 3) Submitted draft projections to local jurisdictions for comment by November 2008 for incorporation into a revised draft of the Focused Future scenario to be released by January 2009; 4) ABAG will produce only one set of forecasts reflecting comments for the Projections 2009 series; 5) ABAG in process of releasing detailed information that will show growth allocated to individual Census Tracts for each jurisdiction and VTA in January 2009; and 6) Each jurisdiction should complete second round of comments and provide to ABAG by February 2009.
Member Dey referenced the letter sent to the jurisdictions and asked if VTA staff could contact ABAG and request ABAG send a copy of the letter to VTA.

Upon query of Chairperson Witthaus, Mr. Naylor noted comments should be submitted by February 13, 2009.

**On order of Chairperson Witthaus** and there being no objection, the Committee received information on development of ABAG Projections 2009 and provided comment.

12. **CMP Work Program Review of New/Continued VTP2035 Program Elements, Countywide Development Impact Fees, Air Quality/GHG Programs, Complete Streets, CDT**

Chris Augenstein, Deputy Director, Planning, reported staff has been presenting elements of the CMP Work Program to TAC for the last several months.

Mr. Augenstein provided an overview of the continued and new VTP 2035 Program Elements, highlighting: 1) Model Consistency Guidelines and Data Base Development; 2) Complete Streets Program; 3) Countywide Development Impact Fees; 4) Air Quality/Greenhouse Gas Initiatives; and 5) Community Design and Transportation (CDT) Program.

Mr. Augenstein noted staff will be presenting a revised CMP Work Program to TAC in a couple of months.

Alternate Member Rodriguez left the meeting at 2:35 p.m.

Chairperson Witthaus referenced the CDT Program and the peer research to be conducted on parking design/policies and encouraged a bottom up approach.

**On order of Chairperson Witthaus** and there being no objection, the CMP Work Program: New/Continued VTP2035 Program Elements, Countywide Development Impact Fees, Air Quality/GHG Programs, Complete Streets, CDT was reviewed.

13. **Congestion Management Program – Transportation Impact Analysis (TIA) Guidelines Update**

Eugene Maeda, Senior Transportation Planner, noted the proposed changes to the draft TIA Guidelines were presented to the Bicycle and Pedestrian Advisory Committee (BPAC) in December 2008. The final draft of the TIA Guidelines Update will be brought back to TAC for final review and approval at the February 12, 2009 TAC meeting and forwarded to the Board of Directors for approval at the March 5, 2009 meeting.

Mr. Maeda provided a brief summary of the key proposed changes to the following sections of the draft Traffic Impact Analysis (TIA) Guidelines: 1) TIA Guidelines Document Format; 2) TIA Notification Process; 3) Study Scenarios; 4) Bicycle and Pedestrian Analysis; and 5) Special Project Types. He noted in regards to the mitigation measures, references pending the adoption of the Countywide Deficiency Plan have been removed from the TIA Guidelines.
Ex-Officio Member Taubeneck requested peak hour projections be included in the TIA notification form.

Member Dey thanked Mr. Maeda and Paul Ma, City of San José Department of Transportation, for all their efforts on the project.

Alternate Member Collen left the meeting at 2:45 p.m.

Chairperson Witthaus expressed concern regarding the flexibility that has been incorporated into the TIA Guidelines for cumulative study scenarios. He expressed concern there may not be enough specificity in how traffic growth rates are applied corresponding to the build out year of the development. Chairperson Witthaus encouraged TAC Members to review the section in question and perhaps having the TIA define a build out date with some certainty.

Member Dey recommended the Systems Operations & Management (SOM) Working Group address the issue. He commented the TIA Guidelines should be envisioned as a living document.

**On order of Chairperson Witthaus** and there being no objection, a brief summary on the proposed changes to the Traffic Impact Analysis (TIA) Guidelines was received.

14. **Advisory Committee Enhancement Update: January**

Jennie Loft, Public Information Officer, provided a brief update on the Advisory Committee Enhancement process, highlighting: 1) Completion of all the Advisory Committee draft mission statements; 2) Other Subcommittees are still working on updating their respective bylaws; 3) Formation of a Task Force consisting of all Advisory Committee Subcommittee members; and 4) First Task Force meeting scheduled to be held in late January 2009; noting the goal of the meeting is to align the Advisory Committee Work Plans to the Standing Committee Work Plans.

Member Batra queried about the issue of consolidating the Policy Advisory Committee (PAC) and TAC. Ms. Loft noted in a few weeks, a status report will be presented to the Administration and Finance Committee on the Advisory Committee Enhancement process and a report on the results of the Task Force meetings will be presented to the Board of Directors by mid-year.

Stephen Flynn, Senior Management Analyst, noted any suggestions to either combine committees or eliminate a certain committee should be discussed at the Task Force meetings.

**On order of Chairperson Witthaus** and there being no objection, a brief update on the status and progress of the Advisory Committee Enhancement process to date was received.
15. **Technical Advisory Committee (TAC) Subcommittee Report**

Stephen Flynn, Senior Management Analyst, noted a Technical Advisory Committee (TAC) Subcommittee meeting will be held during the month of February 2009.

*On order of Chairperson Witthaus* and there being no objection, an update from the Technical Advisory Committee (TAC) Subcommittee was received.

**OTHER**

16. **MTC Activities and Initiatives**

Member Tripousis reported at the January 9, 2009, Local Streets and Roads Working Group meeting, the Metropolitan Transportation Commission (MTC) will be discussing a strategy for potentially distributing any Stimulus funds coming to the Region.

John Ristow, Chief CMA Officer and Staff Liaison, noted the MTC Regional Transportation Plan (RTP) Environmental Impact Report (EIR) is available for review.

*On order of Chairperson Witthaus* and there being no objection, an update on MTC Activities and Initiatives was received.

17. **Committee Work Plan**

Chairperson Witthaus requested staff provide on an as needed basis quarterly updates on the High Speed Rail.

*On order of Chairperson Witthaus* and there being no objection, the Committee reviewed the Committee Work Plan.

18. **Announcements**

Vice Chairperson Likens queried about the status of the Transportation Development Act (TDA) fund estimate. John Ristow, Chief CMA Officer and Staff Liaison, noted it is presently being collected and by current statute, has to be distributed accordingly.

Member Dey referenced federally funded projects and asked if Committee Members had a contact person at their respective agencies he could speak with about how to track hourly time in order for an agency to be properly reimbursed by the Federal Government. Mr. Ristow noted he would speak with Mr. Dey following the meeting.

Chairperson Witthaus announced the opening of the new City of Milpitas Library on Saturday, January 10, 2009, at 10:00 a.m.
19. **ADJOURNMENT**

On order of Chairperson Witthaus and there being no objection, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Tracene Y. Crenshaw, Board Assistant
VTA Board of Directors
Policy Advisory Committee
Thursday, January 8, 2009

MINUTES

CALL TO ORDER

The Regular Meeting of the Valley Transportation Authority (VTA) Policy Advisory Committee (PAC) was called to order at 4:04 p.m. by Chairperson Moylan in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL CALL

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<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
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<tr>
<td>Chris Moylan</td>
<td>City of Sunnyvale</td>
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<tr>
<td>David Whittum (Alt)</td>
<td>City of Sunnyvale</td>
<td>NA</td>
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<tr>
<td>Chuck Page</td>
<td>City of Saratoga</td>
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<tr>
<td>Kathleen King (Alt)</td>
<td>City of Saratoga</td>
<td>NA</td>
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<tr>
<td>Vacant</td>
<td>SCC Board of Supervisors</td>
<td>Absent</td>
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<tr>
<td>Michael F. Kotowski</td>
<td>City of Campbell</td>
<td>Present</td>
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<td>Jason Baker (Alt)</td>
<td>City of Campbell</td>
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<tr>
<td>Kris Wang</td>
<td>City of Cupertino</td>
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<td>Gilbert Wong (Alt)</td>
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<td>Perry Woodward</td>
<td>City of Gilroy</td>
<td>Present</td>
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<tr>
<td>Cat Tucker (Alt)</td>
<td>City of Gilroy</td>
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<td>Megan Satterlee</td>
<td>City of Los Altos</td>
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<td>Vacant (Alt)</td>
<td>City of Los Altos</td>
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<tr>
<td>Joe Pirzynski</td>
<td>Town of Los Gatos</td>
<td>Present</td>
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<td>Diane McNutt (Alt)</td>
<td>Town of Los Gatos</td>
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<tr>
<td>Armando Gomez</td>
<td>City of Milpitas</td>
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<tr>
<td>Vacant (Alt)</td>
<td>City of Milpitas</td>
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<tr>
<td>Marshall Anstandig</td>
<td>City of Monte Sereno</td>
<td>Present</td>
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<td>Curtis Wright (Alt)</td>
<td>City of Monte Sereno</td>
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<td>Steve Tate (Alt)</td>
<td>City of Morgan Hill</td>
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<tr>
<td>Marby Lee</td>
<td>City of Morgan Hill</td>
<td>Present</td>
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<tr>
<td>Margaret Abe-Koga</td>
<td>City of Mountain View</td>
<td>Present</td>
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<td>Tom Means (Alt)</td>
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<tr>
<td>Sid Espinosa</td>
<td>City of Palo Alto</td>
<td>Present</td>
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<tr>
<td>Larry Klein (Alt)</td>
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<tr>
<td>Kansen Chu</td>
<td>City of San Jose</td>
<td>Present 4:08 p.m.</td>
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<tr>
<td>Joe Kornder</td>
<td>City of Santa Clara</td>
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<tr>
<td>Jamie McLeod (Alt)</td>
<td>City of Santa Clara</td>
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<tr>
<td>Chuck Page</td>
<td>Alternate Board Member</td>
<td>Present</td>
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</tr>
<tr>
<td>David Whittum (Alt)</td>
<td>City of Sunnyvale</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

A quorum was present.

2. **ORDERS OF THE DAY**

There were no Orders of the Day.

3. **PUBLIC PRESENTATIONS:**

There were no Public Presentations.

4. **Committee Staff Report**

Scott Haywood, Policy and Communications Manager, reported the following: 1) The Board will meet tonight under new leadership with Cupertino City Council Member Dolly Sandoval serving as Chairperson; 2) The Board will be welcoming two new members from the San Jose City Council, Ash Kalra and Rose Herrera; 3) Provided a brief overview regarding the state budget situation regarding transportation; and 4) Suggested if the members wish to send an electronic communication to the Committee, please send the information to the Board Office for distribution.
5. **Chairperson’s Report**

Chairperson Moylan welcomed the following new PAC members: Marshall Anstandig representing the City of Monte Sereno, Michael Kotowski representing the City of Campbell, and Kansen Chu representing the City of San Jose.

6. **City Grouping Report**

There was no City Grouping Report.

**BUSINESS REFERRED TO COMMITTEE BY THE BOARD OF DIRECTORS/ GENERAL MANAGER**

**CONSENT AGENDA**

7. **Minutes of December 11, 2008**

M/S/C (Page/Wong) to approve the Minutes of December 11, 2008. Members Anstandig, Kotowski and Satterlee abstained.

**REGULAR AGENDA**

8. **Election Process for 2009 Chairperson/Vice Chairperson**

Chairperson Moylan opened the nominations from the floor for the position of PAC Committee Chairperson for 2009.

Member Lee nominated Member Abe-Koga for the position of PAC Chairperson for 2009.

M/S/C (Lee/Page) to close the nominations and elect Member Abe-Koga as PAC Committee Chairperson for 2009.

Chairperson Moylan relinquished the Chair at 4:20 p.m. and Chairperson Abe-Koga presided over the remainder of the meeting.

Chairperson Abe-Koga opened the nominations from the floor for the position of PAC Committee Vice Chairperson for 2009.

Member Lee nominated Chuck Page for the position of PAC Vice Chairperson for 2009.

M/S/C (Lee/Moylan) to close the nominations and elect Member Page as PAC Committee Vice Chairperson for 2009.

**NOTE:** M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY
9. **Advisory Committee Enhancement (ACE) Update: January**

Stephen Flynn, Senior Management Analyst, reported all advisory committees approved their draft mission statements. The next step in the process is to develop and convene the ACE Task Force. The goal of the Task Force is to align and clearly define individual committee responsibilities, identify overlap and duplication, and maximize each committee’s contributions to the VTA Board process as well as define its primary alignment with VTA’s Standing Committees.

Mr. Flynn reported any changes recommended by the Task Force would be returned to the Advisory Committees for consideration and approval. He further noted that once all subcommittees have finalized their proposed mission statements and defined their alignment to the respective standing committees the proposed changes for all advisory Committees will be submitted to the Board of Directors for consideration and adoption.

Member Moylan discussed advisory committee restructuring and the redundancy of the Citizens Advisory Committee (CAC) to the PAC. He further stated consideration should be given to eliminate CAC.

Member Pirzynski commented if the concept of restructuring advisory committees is considered, the needs of the agency must be determined.

**On order of Chairperson Abe-Koga** and there being no objection, the Committee reviewed the Advisory Committee Enhancement Update: January.

10. **PAC Advisory Committee Enhancement (ACE) Subcommittee Report**

**On order of Chairperson Abe-Koga** and there being no objection, the Committee reviewed the Advisory Committee Enhancement Update: December.

11. **Annual Transit Service Plan**

Jim Unites, Operations Planning Program Manager, provided a report regarding the 2009 Annual Transit Service Plan highlighting the following: 1) Major service changes; 2) Minor service changes including adding or deleting specific trips, improving connections and frequency/route changes; 3) Proposed Community Bus studies; and 4) Community/Marketing Outreach.

Member Lee expressed concern with the discontinuation of Morgan Hill Community Bus Line 15.

Mr. Unites stated staff would inform each city of the proposed changes.

Member Page and Alternate Member Wong stated the Cities of Saratoga and Cupertino are interested in Community Bus Service.

**On order of Chairperson Abe-Koga** and there being no objection, the Committee reviewed the Annual Transit Service Plan.
12. **Revised Joint Development Policy**

Bijal Patel, Deputy Director Joint Development, provided a report regarding the Revised Joint Development Policy. She discussed the background of the Program and stated the mission is to provide appropriate stewardship of VTA’s publicly owned real estate assets by maximizing their economic values. This would be accomplished through consensus-driven site appropriate development while increasing transit ridership and creating vibrant community assets.

*On order of Chairperson Abe-Koga* and there being no objection, the Committee reviewed the Revised Joint Development Policy.

**OTHER**

13. **Committee Work Plan**

*On order of Chairperson Abe-Koga* and there being no objection, the Committee reviewed the Work Plan.

14. **Announcements**

Past Chairperson Moylan thanked the Committee for their hard work and support during his term as Chair.

15. **ADJOURNMENT**

*On order of Chairperson Abe-Koga* and there being no objection, the meeting was adjourned at 5:25p.m.

Respectfully submitted,

Jacqueline F. Golzio, Board Assistant

VTA Board of Directors
SILICON VALLEY RAPID TRANSIT CORRIDOR
And
BART WARM SPRINGS EXTENSION
POLICY ADVISORY BOARD MEETING

Wednesday, January 14, 2009

NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension Policy Advisory Board Meeting scheduled for Wednesday, January 14, 2009 at 3:00 p.m. has been cancelled.

The next meeting of the Santa Clara Valley Transportation Authority Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension Policy Advisory Board is scheduled for Wednesday, April 15, 2009 at 3:00 p.m. at Milpitas City Hall, City Council Chambers, 455 East Calaveras Boulevard, Milpitas, California.

Jacqueline F. Golzio, Board Assistant
VTA Board of Directors