

**SANTA CLARA VALLEY  
TRANSPORTATION AUTHORITY  
2000 Measure A Transit  
Improvement Program**  
[A Fund of the Santa Clara Valley  
Transportation Authority]  
Independent Accountant's Report on Compliance  
Examination and Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2014

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
2000 Measure A Transit Improvement Program  
[A Fund of the Santa Clara Valley Transportation Authority]  
For the Fiscal Year Ended June 30, 2014

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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE EXAMINATION**

2000 Measure A Citizens Watchdog Committee  
Santa Clara Country, California

We have examined the Santa Clara Valley Transportation Authority’s (VTA) compliance with the requirements of the 2000 Measure A Transit Improvement Program (2000 Measure A Program), an activity of VTA, for the fiscal year ended June 30, 2014. The financial activity of the 2000 Measure A Program is included in the accompanying Budgetary Comparison Schedule and related notes. Management is responsible for VTA’s compliance with those requirements. Our responsibility is to express an opinion on VTA’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about VTA’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of VTA’s compliance with specified requirements.

In our opinion, VTA complied, in all material respects, with the aforementioned requirements that are applicable to the 2000 Measure A Program for the fiscal year ended June 30, 2014.

Our examination was conducted for the purpose of assessing compliance with the 2000 Measure A Program, as reported in the Budgetary Comparison Schedule. The supplementary information is presented for purposes of additional analysis and is not a required part of the Budgetary Comparison Schedule. The supplementary information has not been subjected to the compliance procedures of the 2000 Measure A Program and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the 2000 Measure A Citizens Watchdog Committee and is not intended to be and should not be used by anyone other than this specified party.

*Macias Gini & O’Connell LLP*

Walnut Creek, California

March 5, 2015

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**  
**2000 Measure A Transit Improvement Program**  
**[A Fund of the Santa Clara Valley Transportation Authority]**  
**Budgetary Comparison Schedule (on a Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2014**  
**(in thousands)**

	Original Operating Budget *	Final Operating Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Sales tax receipts	\$ 182,161	\$ 182,161	\$ 186,302	\$ 4,141
Investment earnings	3,209	3,209	3,247	38
Federal subsidy for Build America Bonds	9,399	9,399	8,755	(644)
Other income	440	440	365	(75)
<b>Total revenues</b>	<b>195,209</b>	<b>195,209</b>	<b>198,669</b>	<b>3,460</b>
<b>Non-project expenditures:</b>				
Professional, special and other services	550	550	668	(118)
Operating assistance to VTA Transit (Note B4)	33,621	35,421	34,386	1,035
Contributions to other agencies	343	343	287	56
Repayment of debt service to VTA Transit (Note D)	10,700	10,700	10,290	410
Principal payment, bond interest and other bond charges (Note E)	44,936	43,136	41,917	1,219
Bad debt expense	-	-	750	(750)
<b>Total non-project expenditures</b>	<b>90,150</b>	<b>90,150</b>	<b>88,298</b>	<b>1,852</b>
<b>Total revenues less non-project expenditures</b>	<b>\$ 105,059</b>	<b>\$ 105,059</b>	<b>110,371</b>	<b>\$ 5,312</b>
<b>Project expenditures (Note B3):</b>				
Silicon Valley Rapid Transit Corridor (VTA's BART Silicon Valley Program)			350,776	
Light Rail Program			43,562	
Commuter Rail Program			5,758	
Bus Program			16,007	
Capitalized interest & other fees			19,973	
Measure A Program-wide (Note B5)			1	
Swap payments to Congestion Management & Highway Program (Note C)			12,351	
<b>Total project expenditures</b>			<b>448,428</b>	
Capital contributions (Note G)			175,646	
Change in net position, on a budgetary basis			(162,411)	
<b>GAAP reconciliation and unbudgeted items (Note B1):</b>				
Project expenditures capitalized as construction in progress			352,117	
Caltrain Access Fee			(1,249)	
Unrealized gain/(loss) on investments			2,416	
Bond principal payment			24,595	
<b>Total GAAP reconciliation and unbudgeted items</b>			<b>377,879</b>	
Change in net position, on a GAAP basis			215,468	
Net position, beginning of year			1,275,296	
Net position, end of year			<b>\$ 1,490,764</b>	

*\* The original operating budget's non-project expenditures total differs slightly from the published adopted budget due to minor adjustments made for exactness.*

The notes to the budgetary comparison schedule are an integral part of this schedule.

**SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**

2000 Measure A Transit Improvement Program

[A Fund of the Santa Clara Valley Transportation Authority]

Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2014

**NOTE A – DESCRIPTION OF REPORTING ENTITY**

The Santa Clara Valley Transportation Authority's (VTA) 2000 Measure A Transit Improvement Program (the Measure A Program) was created in response to the Measure A ballot approved by the voters of Santa Clara County on November 7, 2000. The Measure A Program is responsible for a number of key capital transit improvement projects, among them the connection of the San Francisco Bay Area Rapid Transit District (BART) to Santa Clara County, increased bus and light rail service, and to provide for related operating expenses.

The Measure A Program is funded by a half-cent sales tax imposed for a period of 30 years effective April 1, 2006 upon expiration of the County of Santa Clara 1996 Measure B half-cent sales tax on March 31, 2006. Prior to revenue collection VTA aggressively moved forward, leveraging its capital structure, by issuing sales tax revenue bonds to provide funding for part of the Measure A Program, including engineering and design of the Silicon Valley Rapid Transit (SVRT) project (now called VTA's BART to Silicon Valley Extension) and the procurement of Low Floor Light Rail Vehicles. VTA also secured funding under the State's Traffic Congestion Relief Program (TCRP) and the Federal Transit Administration's (FTA) grant programs to facilitate this effort which are reported as capital contributions on the Budgetary Comparison Schedule (financial schedule).

The Measure A Program provides funding for the following ballot-specified projects:

- Extending BART from Alameda County to the Santa Clara County cities of Milpitas, San Jose and Santa Clara (previously known as the Silicon Valley Rapid Transit (SVRT) project and now referred to as VTA's BART Silicon Valley Extension).
- Providing connections from the Norman Y. Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extending light rail from downtown San Jose to the East Valley.
- Purchasing low-floor light rail vehicles.
- Improving Caltrain by double-tracking to Gilroy and electrifying from Palo Alto to Gilroy.
- Increasing the level of Caltrain service.
- Constructing a new Palo Alto Intermodal Transit Center.
- Improving service in major bus corridors.
- Upgrading the Altamont Commuter Express (ACE) service.
- Improving Highway 17 Express bus service.
- Connecting Caltrain with the Dumbarton Rail Corridor.
- Purchasing zero-emission buses and constructing support facilities.
- Developing new light rail corridors.
- Funding operating and maintenance costs for increased bus, rail and paratransit services.

As provided by the 2000 Measure A ballot, the VTA Board of Directors is responsible for implementation of the 2000 Measure A Program and for all policy-related decisions including the composition, implementation schedule and funding level of projects. The Citizens Watchdog Committee (CWC) is responsible for reviewing 2000 Measure A expenditures to ensure funds are being spent in accordance with the intent of the ballot and for informing the public on how the funds are being spent.

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Notes to Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***1) Basis of Presentation***

The accompanying financial schedule presents only the financial activities of the Measure A Program on a budgetary basis, and is not intended to present the financial position, changes in financial position and cash flows of the VTA in conformity with accounting principles generally accepted (GAAP) in the United States of America. The reconciliation to GAAP on the accompanying financial schedule is presented to facilitate an understanding of the Measure A Program activities on a GAAP basis.

***2) Basis of Accounting***

The financial activity of the Measure A Program is accounted for as an enterprise fund. Enterprise funds are used to account for government operations in a manner similar to private business enterprises. Enterprise funds are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. With this measurement focus, all revenues and expenditures associated with the operation of the Measure A Program are included on the accompanying financial schedule. Revenues are recognized when earned, and expenses are recognized when incurred. There are no operating revenues or expenses, as the purpose of the Measure A Program is to collect sales taxes and other grant revenues for carrying out the capital projects and service improvements of Measure A Program. Revenues from capital grants are recognized in the period in which all eligibility requirements imposed by the provider have been satisfied.

***3) Budgetary Control***

VTA budgets biennially for its enterprise fund operation which includes the Measure A Program. The annual appropriations for the operating budget lapse at the end of the fiscal year to the extent that they have not been expended. Only the operating budget is displayed in the Budgetary Comparison Schedule, as the project budget is a cumulative budget over the length of the project and is not considered a meaningful comparison on an annual basis.

***4) Operating Assistance to VTA Transit***

The Measure A ballot identified funding for increased bus, rail, and paratransit services. In January 2009, the VTA Board of Directors adopted the Valley Transportation Plan (VTP) 2035; VTP 2035 is VTA's 25-year countywide long-range multimodal transportation plan. As part of VTP 2035, the Board of Directors allocated 18.46% of VTA Transit operating costs to the Measure A Program to provide operating assistance to VTA related to increased bus, rail and paratransit services. The allocation percentage is the basis for determining the amount of actual 2000 Measure A Sales Tax revenues that were used by the VTA Transit Fund for operating activities.

***5) Program-wide Expenditures***

VTA has incurred expenditures for general tasks identified as part of the Measure A Program but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, and ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audits results, public hearing notices and annual reports. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures. (See Note F for further details).

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Notes to Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2014

**6) Use of Estimates**

The preparation of the Budgetary Comparison Schedule in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE C – SWAP PAYMENTS TO CONGESTION MANAGEMENT & HIGHWAY PROGRAM**

On February 1, 2007, the Board of Directors approved a swap of \$57.54 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding from the State Transportation Improvement Program (STIP). The swapped 2000 Measure A Sales Tax revenues would fund a number of non-Measure A transportation projects. In exchange, the anticipated future STIP funds would be used to pay the Measure A Program's obligation for the Capitol Expressway Light Rail Extension Project.

On December 13, 2007, the Board of Directors approved an additional swap of \$50.44 million of 2000 Measure A Sales Tax revenues for anticipated future grant funding through the STIP. The swapped 2000 Measure A Sales Tax revenues would fund a number of highway improvement projects as well as local street and county road projects. In exchange, the anticipated future STIP funds would be used to pay a portion of the Measure A Program's obligation for concurrent non-project activities related to VTA's BART Silicon Valley Berryessa extension. The reprogramming of the anticipated STIP funds from a portion of the Measure A Program's obligation for the Mineta San Jose Airport People Mover Project to the Silicon Valley Rapid Transit Project – Berryessa Extension was approved by the Board of Directors on December 9, 2010.

On November 7, 2013, the Board of Directors approved an additional swap of \$14.5 million of 2000 Measure A Sales Tax revenues for anticipated future STIP grant funding. The 2000 Measure A Sales Tax revenues were to fund the Express Lanes Program Fund Exchange related to BART Silicon Valley Santa Clara Extension.

The VTA Board of Directors programmed \$57.54 million in STIP funds to the Capitol Expressway Light Rail Extension on June 7, 2007 as part of a Measure A fund exchange. To date, VTA has accessed \$42.88 million to build pedestrian, bus and bicycle facilities on Capitol Expressway, and to reconstruct and expand the Eastridge Transit Center. Approximately \$1.66 million lapsed back to the county share.

The remaining \$13.0 million is programmed for the utility relocations required to construct track, signal and way for the Light Rail extension on Capitol Expressway. The \$13.0 million had a June 30, 2013 State allocation deadline, and required National Environmental Policy Act (NEPA) clearance. VTA was unable to obtain NEPA clearance from the Federal Transit Administration (FTA) in time to meet the June 30, 2013 allocation deadline, and requested a 20-month one-time maximum-legally-allowable extension from the California Transportation Commission (CTC). CTC granted the extension, which expired February 15, 2015. VTA has been unable to obtain NEPA clearance for the project in that time, and the \$13.0 million STIP grant lapsed back to Santa Clara County's unprogrammed STIP share on February 16, 2015.

VTA will have access to the \$13.0 million during the 2016 STIP cycle. The VTA Board of Directors will prioritize projects for the 2016 STIP in Fall 2015. VTA staff will recommend re-programming the lapsed \$13.0 million, and the aforementioned \$1.66 million lapse to a Measure A program project at that time.

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The Board believed that these swaps would accelerate project delivery because it releases the highway and road projects from the administrative burdens imposed by the state or federal governments. This would be done by using the swapped 2000 Measure A Sales Tax revenues to fund in part the Local Program Reserve (LPR), a source of funds that the VTA Board programs and therefore does not require going through the lengthy federal or state approval processes. In addition, certain highway projects are part of the Corridor Mobility Improvement Account (CMIA) and had to begin construction no later than December 31, 2012 to avoid losing this funding. The swap payments would help ensure that the projects meet this deadline. The anticipated STIP funds would then be used to fully repay the 2000 Measure A program, both principal and prescribed interest.

The source of the STIP funds is the State Highway Account, which itself is funded by state and federal fuel taxes, sales taxes, excise taxes, weight fees and state general obligation bond funds. VTA has programmed STIP funding for use in the Measure A Program in fiscal years 2011 through 2014.

The following table shows the changes in activity related to the swap payments made during the fiscal year as well as the cumulative swap payments made to the Congestion Management & Highway Program Fund as of June 30, 2014 (in thousands):

Swap funds authorized	
Swap funds authorized on February 1, 2007	\$ 57,540
Swap funds authorized on December 13, 2007	50,440
Swap funds authorized on November 7, 2013	14,500
Total swap funds authorized	<u>\$ 122,480</u>
Swap payments made:	
Cumulative swap payments made as of July 1, 2013	\$ 75,231
Swap payments made during the current fiscal year	12,351
Cumulative swap payments made as of June 30, 2014	<u>\$ 87,582</u>
Swap funds repaid to the Measure A Program:	
Swap Funds Repaid to the Program as of July 1, 2013	\$ 74,122
Swap Funds Repaid to the Program during the current fiscal year	589
Cumulative swap funds received as of June 30, 2014	<u>\$ 74,711</u>

**NOTE D – REPAYMENT OF DEBT SERVICE TO VTA TRANSIT**

VTA issued bonds prior to the commencement of Measure A sales tax collection, in order to incur project expenditures under the Measure A Program. On an annual basis, the Measure A Program reimburses the VTA Transit Fund for debt principal, interest and related expenditures incurred. The reimbursement will continue until the debt obligations are extinguished. There are no formal reimbursement arrangements or loan terms in place. Accordingly, any reimbursements made by the Measure A Program will be recorded in the period in which they occur. For the fiscal year ended June 30, 2014, the Measure A Program paid \$10,289,520 in debt service, consisting of \$4,555,000 in principal and \$5,734,520 in interest and other bond charges.



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The following table presents the projected aggregate annual amount of principal and interest payments required to repay the outstanding debt as of June 30, 2014:

Year Ending June 30,	Principal	Interest *
2015	\$ 4,570,000	\$ 4,733,671
2016	10,165,000	4,575,280
2017	10,465,000	4,254,805
2018	10,775,000	3,924,868
2019	11,095,000	3,585,156
2020-2024	70,015,000	12,469,152
2025-2026	33,810,000	1,514,868
Total	<u>\$ 150,895,000</u>	<u>\$ 35,057,800</u>

\* Interest based on the fixed rate of the swap, 3.145%

The 2008 Sales Tax Revenue Refunding Bonds are hedged with a swap agreement whereby VTA pays a fixed rate of 3.145% on the outstanding balances to the counterparties, in return for a variable rate that is tied to the 1-month LIBOR rate. Additional information regarding the swap agreement is presented in the notes of the VTA's basic financial statements.

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**NOTE E – ALLOCATION OF CAPITALIZED BOND INTEREST**

VTA has incurred expenditures associated with the issuance of debt used to finance project expenditures for the Measure A Program. VTA developed an allocation methodology for these expenditures that was approved during fiscal year 2011 that uses the amount of bond proceeds spent on a project as a percentage of total bond proceeds spent as the base for allocating the capitalized bond interest. Prior to the approval of the allocation methodology, all capitalized bond interest was recorded as part of the BART Silicon Valley Extension project, as most of the bond proceeds were spent on this project. For the fiscal year ended June 30, 2014, the Measure A Program recorded \$34,605,291 in capitalized bond interest and other bond charges of which \$19,973,377 from 2010 Bond has not been allocated. The portion that was allocated amounts to \$12,163,820. In addition, \$2,468,094 represents interest expenses relating to closed projects.

A portion of the bond proceeds was spent on the Low Floor Light Rail Vehicles project, which was placed into service in June 2003. As such, the cumulative bond interest through June 30, 2009 as well as the fiscal year 2010 bond interest allocated to this project was expensed and reported as repayment of debt interest and other bond charges in the Budgetary Comparison Schedule. For the fiscal year ended June 30, 2014, the Measure A Program recorded \$17,322,000 in interest expense and other bond charges not capitalized as part of project expenditures.

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The table below shows the allocation of cumulative capitalized bond interest through June 30, 2014 as well as the allocation of capitalized bond interest for fiscal year 2014 based on the approved allocation methodology (in thousands). This includes only open projects.

Program Name	Cumulative Through June 30, 2013	Fiscal Year 2014	Cumulative Through June 30, 2014
Silicon Valley Rapid Transit Corridor	\$ 98,439	\$ 10,620	\$ 109,059
Light Rail Program:			
Light Rail Extension	11,076	1,113	12,189
New Light Rail Corridor Development	160	17	177
Commuter Rail Program:			
Dumbarton Rail Corridor	124	4	128
Caltrain Service Upgrades	3,374	364	3,738
Measure A Program-Wide	419	45	464
Total Allocated Capitalized Bond Interest	<u>\$ 113,592</u>	<u>\$ 12,163</u>	<u>\$ 125,755</u>

**NOTE F – ALLOCATION OF PROGRAM-WIDE EXPENDITURES**

VTA has incurred expenditures for general tasks identified as part of the Measure A Program but not allocated to a specific project. These include the preparation of progress and cost reports, financial forecasting, and ballot-required activities of the Citizens Watchdog Committee including independent compliance audits, public hearings, and publication in local newspapers of audits results, public hearing notices and annual reports. VTA developed an allocation methodology for these expenditures during fiscal year 2010 that uses the actual amount of direct project expenditures as the base for allocating the program-wide expenditures.

In fiscal year 2010, the allocation of the current quarter's program-wide expenditures occurred in the following quarter. The methodology was changed in fiscal year 2011 such that current quarter's program-wide expenditures are allocated in the same quarter.

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The following table shows the allocation of program-wide expenditures in fiscal year 2014 (in thousands):

Program	Project Description	Amount	
BUS PROGRAM	Downtown East Valley (DTEV)- Santa Clara/Alum Rock Corridor	\$ 339	
	El Camino Real Bus Rapid Transit (BRT)	91	
	CE/Environmental for Stevens Creek BRT	8	
	Procurement of 40 BRT Articulated Buses	24	
	Modification of Chabayo & North Division for BRT Buses	3	
	Money Counting Facility Replacement	1	
	BART Transit Integration Analysis	1	
	COMMUTER RAIL PROGRAM	Bike Sharing Pilot Project	2
	Caltrain Eletrification Invest. Program	27	
	Caltrain/UP Blossom Hill Pedestrian Grade Sep	16	
	Caltrain Safety Enhancements	11	
	SC Station Pedestrian Underpass Extention	35	
	Santa Clara Station Upgrade	246	
LIGHT RAIL PROGRAM	Capitol Expressway Light Rail (CELR)	3	
	Light Rail Transit Extension to Vasona Junction	2	
	CELR- Pedestrian Improvements	5	
	CELR- Eastridge Transit Center	507	
	Northern Lightrail Express	53	
	Santa Clara Pocket Track	135	
TOTAL ALLOCATION OF PROGRAM-WIDE EXPENDITURES		<u>\$ 1,509</u>	

**NOTE G – CAPITAL CONTRIBUTIONS**

The Measure A Program received capital contributions totaling \$175,646,000 during the fiscal year. The composition of these contributions was as follows (in thousands):

Grant/Funding Source	Program	Amount
Federal	Full Funding Grant Agreement (FFGA)	\$ 116,609
	Federal pass-through & others: ITS, TSGP, Transit, CMAQ, Section 9 and Section 3	8,296
State	Public Transportation Accounts & Clean Air Transportation Improvements Act	5,705
	Traffic Congestion Relief Program	28,969
	Public Transportation Modernization Improvement and Services Enhancement Air	8,442
	Highway-Railroad Crossing Safety Account	3,565
Local	City of Fremont, Green Republic, Water District, Alameda County, BAAQ, and Regional Measure 2	4,060
		<u>\$ 175,646</u>

The Measure A Program has received a majority of its external capital contributions from the Federal government as a result of the Full Funding Grant Agreement. The Measure A Program has used these funds to assist in the financing of: (1) the Bart Silicon Valley Extension Project that will extend BART from Fremont to Santa Clara County; and (2) capacity improvements on Caltrain in South County.

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**NOTE H – SUBSEQUENT EVENTS**

***1) Traffic Congestion Relief Program (TCRP)***

In August 2014, VTA's BART Silicon Valley Extension Project received another \$39 million in TCRP funding from the State of California. Awarded by the California Transportation Commission (CTC) for FY 2015, the funds constitute the sixth and final installment from the State's TCRP Allocation Plan adopted by the CTC in 2008.

The \$39 million is designated for the construction of the Milpitas and Berryessa stations, and the design of parking structures.

***2) Federal Funding Grant Agreement***

The 2014 Federal Section 5309 New Starts funding for VTA's BART Silicon Valley Extension Project of \$150 million was awarded in August 2014. Of the \$900 million grant commitment from the FTA for the project, \$402.6 million has been awarded to date.

## **PROGRAM SUMMARIES**

# VTA'S EXTENSION OF BART TO SILICON VALLEY

## BART Silicon Valley Berryessa Extension (SVBX)

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$630.63
FY2014	290.57
<b>Total Expenditures through FY2014</b>	<b>\$921.20</b>

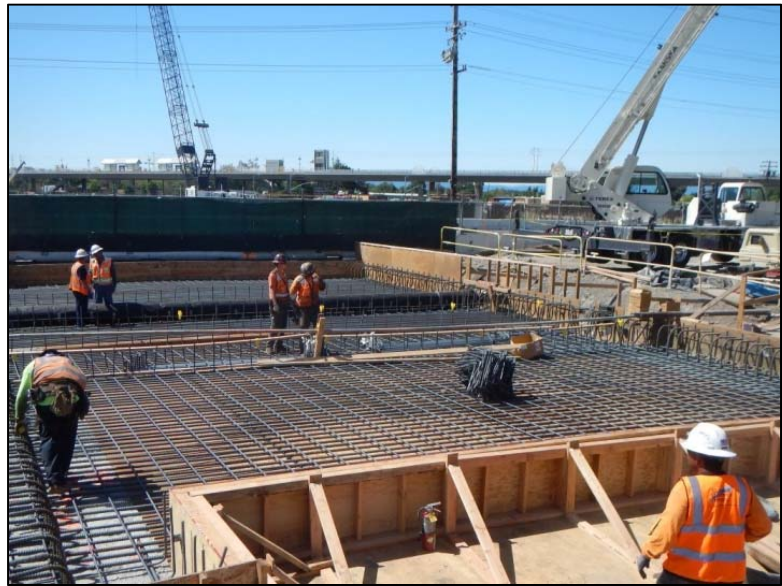
#### Project Description:

This project is the first phase of the 16.1 mile Silicon Valley Rapid Transit (SVRT) extension of BART.

The Berryessa Extension (SVBX) is a 10 mile segment that runs from Warm Springs in Fremont to Las Plumas Avenue in San Jose, and includes two stations.

#### Project Status:

The SVBX project is under construction.



#### Activity This Fiscal Year:

Deck Reinforcing Steel Installation at Montague Overhead Structure

**Right-of-Way:** Acquisition of right-of-way continued to progress, with 53 of approximately 102 parcels acquired through June 2014.

**Construction:** During FY14, the design-build contractor (SSH) achieved Ready-For-Construction status on 80% of total drawings. SSH also accomplished the following:

- Installed the Union Pacific Railroad Line along the Great Mall in Milpitas
- Reopened Piper Drive.
- Completed the trench invert at the Capitol Avenue bridge structure.
- Completed the Montague Expressway Bridge deck.
- Started concrete placement at the Milpitas Station invert.

The contract for the design and build of the parking structures at Berryessa and Milpitas Stations (C730) was re-advertised on May 1, 2014.

The Residential Noise Insulation Program (RNIP) continued to move toward completion of installing improvements at eligible residences. The first three construction contracts are in the closeout phase with substantial construction attained.

# VTA'S EXTENSION OF BART TO SILICON VALLEY

## SVRT Corridor Establishment and Maintenance

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$258.58
FY2014	39.85
<b>Total Expenditures through FY2014</b>	<b>\$298.43</b>

#### Project Description:

Relocate freight railroad from VTA-purchased right-of-way to existing UPRR right-of-way, between UPRR's Warm Springs Yard and Calaveras Blvd. Build a new railroad overcrossing structure at Mission Boulevard and a new roadway underpass at Warren Avenue and Kato Road, and sever shipper freight service south of Montague Expressway.

Includes flood control improvements at Berryessa Creek, Wrigley Creek, and Scott Creek, in addition to creek improvements and environmental mitigation at Wrigley Creek and Lower Penitencia Creek.

Montague Expressway will also be widened and flood improvements made near the intersection of South Milpitas Boulevard in conjunction with SVBX.

Includes construction of a shared-use trail, a new traffic signal, and intersection improvements to connect to the Upper Penitencia Creek (UPC) Trail.

#### Project Status:

The Corridor Establishment and Maintenance (CEM) projects are in various stages of completion.

#### Activity This Fiscal Year:

- The Kato Grade Separation contract was completed in February 2014 except for the Plant Establishment Period (PEP).
- On the Mission Boulevard/Warren Avenue Union Pacific Railroad Relocation Construction contract (C101), the UPRR main track was switched over to the new UPRR Mission and Warren bridges in October 2013.
- The Agua Fria, Toroges and Agua Caliente Creek Improvement (C115) contract is complete. This contract accomplished creek and other improvements ahead of the C101 contract.
- The Alum Rock Fish Passage Improvements project is in the landscape maintenance phase.
- Following the completion of the Joint Powers Agreement between Santa Clara County, SCVWD and VTA, the Montague Expressway Reconstruction Project is underway. Review of the final design was completed in December 2013, and right-of-way acquisition work is proceeding.
- Environmental and design work on the Upper Penitencia Creek (UPC) Trail Connector is underway.



Concrete Placement Along Mission Blvd

\*P-3100, P-3121 through P-3129, P-0508, P-0832, P-0890



# VTA'S EXTENSION OF BART TO SILICON VALLEY

## BART Silicon Valley Project Development

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$508.33
FY2014	40.33
<b>Total Expenditures through FY2014</b>	<b>\$548.66</b>

#### Project Description:

When work began on the Silicon Valley Rapid Transit (SVRT) extension, environmental clearance and preliminary engineering was performed for the entire 16-mile extension. However, in 2009 this approach was changed to focus on the first 10 miles of the extension, the Silicon Valley Berryessa Extension (SVBX), leading to the execution of a Full Funding Grant Agreement in 2012.

A portion of the initial project development costs have been transferred to the SVBX project and are included in the FFGA budget.



Warm Springs / South Fremont Station Construction

Remaining costs are associated with early work on the six-mile Santa Clara Extension (SVSX), as well as previously allocated Measure A program-wide and bond costs.

Ongoing planning and programming efforts are focused on the SVSX extension.

Also, VTA has assigned TCRP and State Local Partnership Program (SLPP) grants and is contributing 2000 Measure A funds to the BART Warm Springs Extension, which is being administered by BART.

#### Project Status:

The SVSX extension is in the planning and programming phase. The BART Warm Springs Extension is in the construction phase.

#### Activity This Fiscal Year:

Work progressed in the areas of planning and programming related to SVSX. Additionally, SVRT program management continued along with allocations of Measure A bond costs.

VTA also provided 2000 Measure A funds to match the SLPP grant being used by BART to fund construction efforts. Construction continued on the BART Warm Springs Extension.

*\*P-0500 through P-0507, P-0509, P-0732, P-3101*

*\*\*Warm Springs Extension cost does not include \$8M in SLPP and \$111.4M in TCRP grant funds designated directly to BART.*



# Light Rail Program

## Extension to Vasona Junction

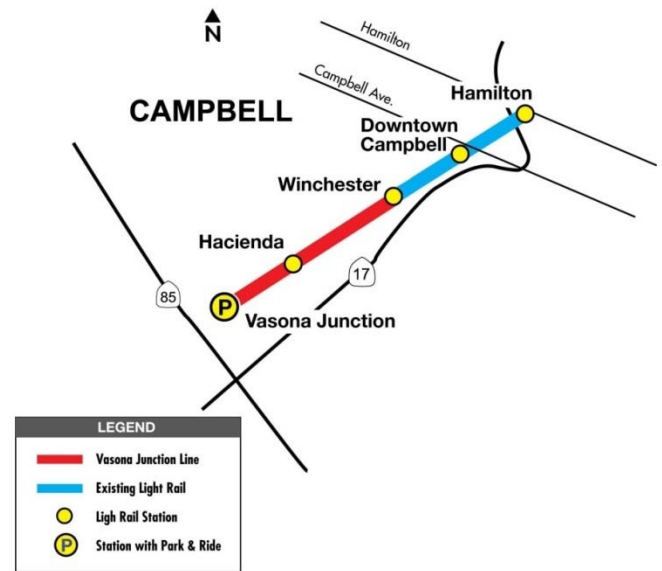
### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$0.81
FY2014	0.07
<b>Total Expenditures through FY2014</b>	<b>\$0.88</b>

### Project Description:

The 5.3-mile Vasona Light Rail line (Phase 1) between Downtown San Jose and Campbell was opened in October 2005.

The Phase 2 extension from the end of the line at Winchester Station in Campbell to Vasona Junction (Winchester Boulevard at Route 85) in Los Gatos will add another 1.5 miles, two stations, and a transit center with parking at Vasona Junction.



### Project Status:

Environmental Work.

### Activity This Fiscal Year:

A draft Supplemental Environmental Impact Report/Environmental Assessment (SEIR/EA) for the extension project was released for public review in November 2012. The VTA Board of Directors certified the SEIR and approved the project in March 2014. Once the environmental clearance process is complete, the project will be eligible for Federal funds.



*Railroad alignment in Los-Gatos-terminus of the Vasona extension*

# Light Rail Program

## Capitol Expressway Light Rail to Eastridge

### Project Expenditures (In millions)

Period	Amount
<b>Inception-to-FY2013</b>	<b>\$93.84</b>
<b>FY2014</b>	<b>28.66</b>
<b>Total Expenditures through FY2014</b>	<b>\$122.50</b>

### Project Description:

This project will transform Capitol Expressway into a multi-modal boulevard offering bus rapid transit (BRT), light rail transit, and safe pathways with connections to the regional trail system.

Phase I includes pedestrian and bus improvements along Capitol Expressway to accommodate pedestrian access and to improve safety. This will introduce a pedestrian multiuse path with landscape buffer and street lighting along the expressway between Capitol Avenue and Tully Road. During this phase, reconstruction of the Eastridge Transit Center will also take place. These improvements will also support subsequent BRT shelters and amenities at Story and Ocala as part of the future Santa Clara/Alum Rock BRT service.

Phase II will extend light rail from the existing Alum Rock Light Rail Station to the Eastridge Transit Center.

### Project Status:

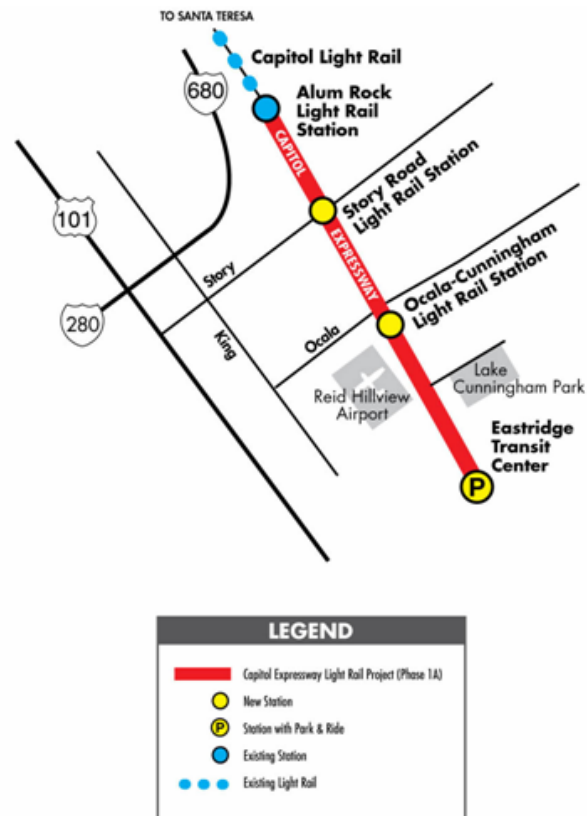
Environmental work and construction.

### Activity This Fiscal Year:

Construction of pedestrian improvements along Capitol Expressway was completed in Spring 2013.

Construction contract was awarded in June 2013 for the bus improvements and reconstruction of the Eastridge Transit Center. Construction of the Loop Road and pump station has been completed.

In order to make the project eligible for federal funding, VTA is in the process of preparing an Environmental Impact Statement for the Light Rail Alternative.



Concrete pour on the north section of the new loop road

# Light Rail Program

## Light Rail System Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$5.99
FY2014	14.83
<b>Total Expenditures through FY2014</b>	<b>\$20.82</b>

#### Description Of Efforts:

The **Light Rail Systems Analysis** provides an evaluation of infrastructure and operational deficiencies of the existing light rail system along with a three-phase improvement plan for immediate action. The Light Rail Systems Analysis was adopted by the VTA Board in May 2010.

Near-term recommended projects from the Light Rail Systems Analysis are as follows:



Double Crossover installation for the new Santa Clara Pocket Track

**Santa Clara Pocket Track.** This project will install an additional track and supporting infrastructure to store additional cars on Tasman near the Old Ironsides Station in the City of Santa Clara.

**Northern Light Rail Express.** This project will implement a series of improvements including double-tracking in Mountain View to establish a new line from Mountain View to Alum Rock to connect with Caltrain and the new Milpitas BART Station, in conjunction with the opening of the BART to Silicon Valley Berryessa Extension.

**Southern Light Rail Express.** This project will reconfigure the southern half of the light rail system to allow express trains and integrate the Almaden shuttle trains into the larger system.

**Project Status:** Planning, environmental work, right-of-way acquisition, design and construction.

#### Activity This Fiscal Year:

The Tasman Drive Pocket Track was advertised for bids in July 2013 and the construction contract was awarded in January 2014. Construction started in February 2014 and major trackwork scheduled for completion in August 2014. The Mountain View Double Track Phase 1 was advertised for bids in May 2014 and construction is scheduled to start in September 2014. Environmental clearance, right-of-way, and design are underway for Mountain View Double Track Phase II. Southern Light Rail Express project is currently under planning phase.



# Light Rail Program

## Low Floor Light Rail Vehicles

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$198.35
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$198.35</b>

#### Project Description:

Purchase of 70 low floor light rail vehicles to serve the entire VTA Light Rail system. Low floor vehicles provide enhanced ADA accessibility and improved service by minimizing boarding and exit times for all riders. Low floor light rail vehicles enable VTA to enhance ADA service by eliminating the need for wheelchair lifts and by providing level boarding for all VTA riders, as well as providing additional space for bicycles.



**Project Status:** Closed.

**Activity This Fiscal Year:** None.

**Project Disposition:** Vehicles are VTA Assets.



*Low Floor Vehicle at Baypointe Station*



*Low Floor Vehicles Provide Level Passenger Boarding*

# Light Rail Program

## Capitol Expressway Eastridge to Nieman

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$0
FY2014	0
<b>Total Expenditures through FY2014</b>	<b>\$0</b>

### Project Description:

The extension from Eastridge to Nieman includes 0.6 miles of side-running double-track light rail along Capitol Expressway, with grade separations at the entrance to the Eastridge Mall and at Quimby Road. The project also includes a new station at Nieman Boulevard and a light rail storage facility at Quimby Road.

### Project Status:

Final design will proceed when funding is secured.

### Activity This Fiscal Year:

None.



*Aerial View of Project Alignment*

# Commuter Rail Program

## Caltrain Service Upgrades

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$54.71
FY2014	2.04
<b>Total Expenditures through FY2014</b>	<b>\$56.75</b>

### Project Description:

Capital improvement projects to the Caltrain system with the goals of improving service, ridership and passenger accessibility.

### Project Status:

Project Development, Design and Construction.

### Activity This Fiscal Year:

**Mountain View Parking** – No work on this project in FY14.

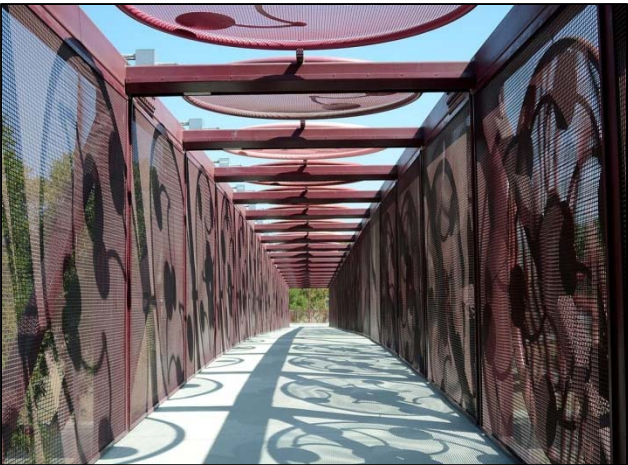
**Blossom Hill Pedestrian Grade Separation** – Construction has been completed and the bridge was opened to the public in September 2012.

**Safety Enhancements** – Construction along the Joint Powers Board segment (San Francisco to the Tamien station) has been completed and design for approximately 15 crossings along the UPRR segment is underway.

**Santa Clara Station Pedestrian Underpass Extension** - Project will provide an extended pedestrian tunnel under the UPRR tracks at the Santa Clara Station. Final engineering is in progress.

**Santa Clara and Diridon Station Upgrades** – Work on these two stations has been consolidated into a single contract, with construction now complete.

**Bike Share Pilot Program** – The first phase of the pilot program was launched in August 2013.



Blossom Hill Pedestrian Bridge



Bike Share Station at San Fernando and 4th



# Commuter Rail Program

## Caltrain South County

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$17.54
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$17.54</b>

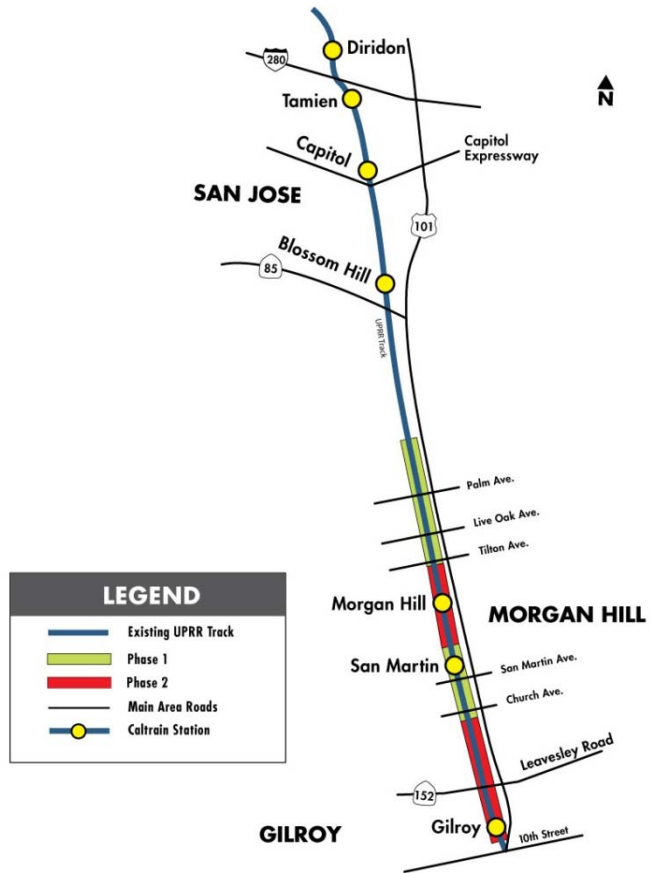
#### Project Description:

16.5 miles of double track on the Union Pacific Railroad (UPRR) corridor between the Coyote area of south San Jose and Gilroy. Capacity improvements for storage of additional train sets at Gilroy.

**Project Status:** Initial work to clear the right-of-way of utilities was completed. Pursuant to CTC action to transfer funds out of this Project in June 2013, VTA has closed out the Project.

#### Activity This Fiscal Year:

On June 11, 2013, California Transportation Commission (CTC) took action to de-allocate remaining funds to Transportation Authority of Monterey County (TAMC). Hence, this Project has been closed out.



Typical South County Crossing



Llagas Creek Bridge

# Commuter Rail Program

## Caltrain Electrification / High Speed Rail

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$0.52
FY2014	3.71
<b>Total Expenditures through FY2014</b>	<b>\$4.23</b>

### Project Description:

Caltrain from San Jose to San Francisco will be upgraded to an electric, fully grade separated system in conjunction with the California High Speed Rail Project. The High Speed Rail Project will also serve south Santa Clara County through Gilroy and Pacheco Pass.

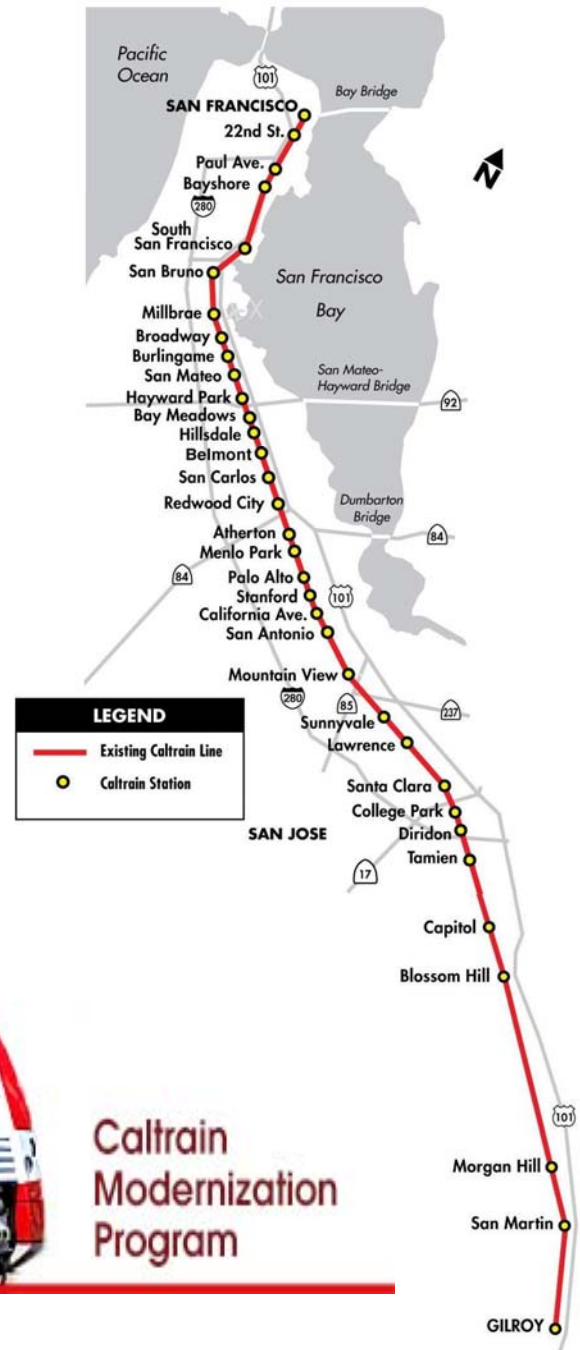
In cooperation with Caltrain and the High Speed Rail Authority, VTA will participate in planning and engineering activities that will ultimately lead to an upgraded Caltrain system.

**Project Status:** Project Development

### Activity This Fiscal Year:

After an extensive period of public review, an agreement was reached which resulted in a Memorandum of Understanding (MOU) between various partners to fund an electrified Caltrain system from Tamien to San Francisco.

The \$1.4 billion program is funded by a variety of federal, state and local sources. VTA has committed \$60 million plus an additional \$26 million of state bond funds which VTA was due to receive. The completion date is projected for 2019 with implementation means still under development



Caltrain Modernization Program

Caltrain Modernization



# Commuter Rail Program

## Dumbarton Rail Corridor

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$2.25
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$2.25</b>

### Project Description:

This project represents VTA's share of matching funds for a partnership with Alameda and San Mateo counties for the rebuilding of the Dumbarton Rail Corridor.

The project will rehabilitate rail bridges and tracks that span the bay between Redwood City and Newark and make improvements to existing tracks in Union City and Fremont. The project will involve the construction of two new rail stations at Menlo Park and Newark, as well as upgrades to the Fremont Centerville Station and a new intermodal station at the Union City BART station.

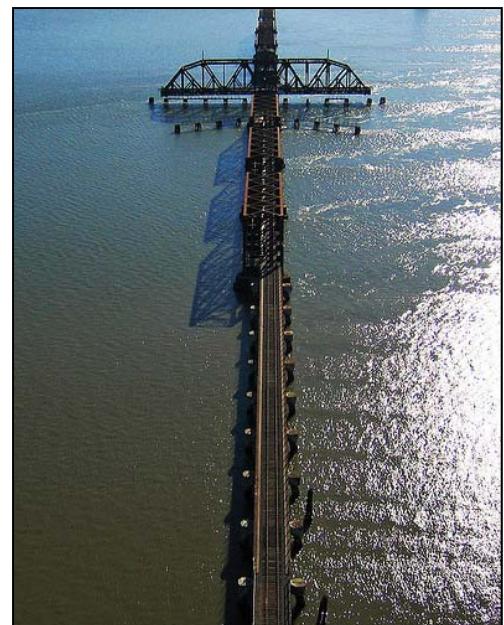
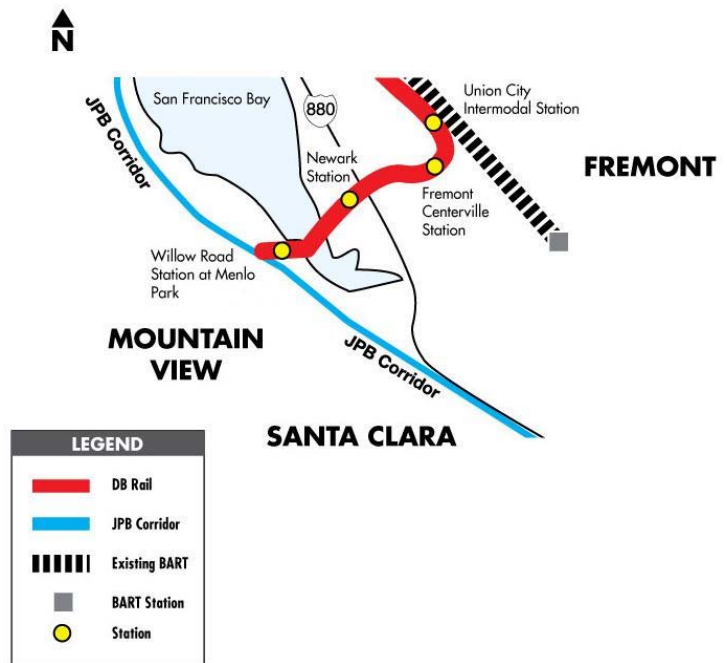
**Project Status:** This project is inactive.

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (JPB), the project is now projected to cost between \$700 million and \$1 billion. In response, JPB is exploring various strategies to close the funding shortfall and redefine the project.

MTC has also reprioritized \$91 million in Regional Measure 2 funding from the Dumbarton project to the Warm Springs BART extension, with those funds being paid back by the Alameda County Congestion Management Agency. VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing additional Express Bus service in the Dumbarton corridor in lieu of rail service

### Activity This Fiscal Year:

No work on this project in FY14.



*Aerial view of the existing alignment*

# Commuter Rail Program

## Palo Alto Intermodal Transit Center

### Project Expenditures (In millions)

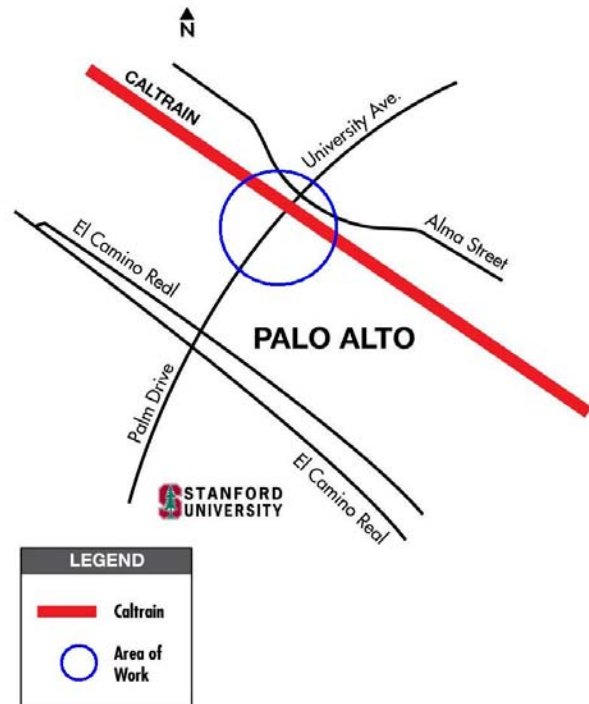
Period	Amount
Inception-to-FY2013	\$0.21
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$0.21</b>

### Project Description:

This project will create an intermodal facility for trains, buses, bicycles, autos and pedestrians, and act as a gateway to both Downtown Palo Alto and Stanford University. The project will expand rail and bus passenger service capacity, realign existing roadways, construct pedestrian and bicycle grade-separated crossings, create an urban park and civic space, install public art and incorporate urban design elements.

**Project Status:** This project is inactive.

Significant issues related to the High Speed Rail project will need to be resolved before further planning work can proceed for this project.



**Activity This Fiscal Year:** None.



*Architectural Model of One Proposed Scheme for the 4-Track Crossing of University Avenue*

# Bus Program

## Bus Rapid Transit

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$3.65
FY2014	2.91
<b>Total Expenditures through FY2014</b>	<b>\$6.56</b>

### Project Description:

Bus Rapid Transit (BRT) is an enhanced bus transit service that offers many of the same service attributes as rail transit, such as specialized vehicles, large stations, real-time information, and more frequent and reliable operations. VTA intends to develop an integrated BRT network throughout the County, providing high quality service to areas not served by light rail transit (LRT).

### Project Status:

Project Development, design, bid and bus procurement.

### Activity This Fiscal Year:

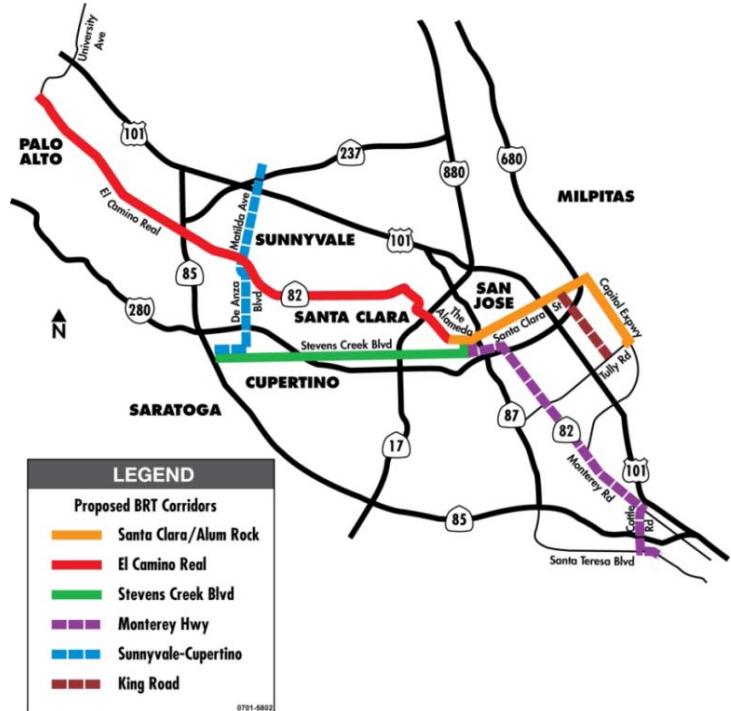
**BRT - Stevens Creek.** Conceptual Engineering began in May 2012 and the project has created early conceptual design for the corridor.

**King Road.** The King Road BRT project has been revised as a feeder and distributor for BART patrons using the Berryessa Station.

**Procurement of Articulated Buses** A contract to purchase 29 buses was awarded in February 2013 and buses are expected to arrive by end of 2014.

The first phase of **Facility Modifications at North Yard** has been advertised for bids.

**Money Counting Facility Replacement** has been cancelled based on the elimination of Ticket Vending Machines from the BRT program.



Specialized BRT Vehicle



# Bus Program

## Santa Clara / Alum Rock Rapid Transit

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$24.01
FY2014	10.53
<b>Total Expenditures through FY2014</b>	<b>\$34.54</b>

### Project Description:

This project will provide a transit enhancement in the county's highest transit ridership corridor.

The first phase will introduce Bus Rapid Transit (BRT) in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. This BRT project is being designed in an alignment consistent with light rail stations, enabling a conversion to light rail in the future, if desired.



### Project Status:

Bid, Utility Relocation and Construction

### Activity This Fiscal Year:

Construction contract was advertised for bids in May 2013 and award occurred in November 2013. Construction work has started in various locations, with project completion estimated for December 2016.



Roadway reconfiguration on Capitol Ave. near Alum Rock Station



Pile foundation for platform at Ocala Bus Station

# Bus Program

## El Camino Real BRT

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$5.74
FY2014	2.56
<b>Total Expenditures through FY2014</b>	<b>\$8.30</b>

### Project Description:

The proposed alignment extends 16.6 miles from HP Pavilion in downtown San Jose to the Palo Alto Transit Center and is an extension of the Valley Rapid – Santa Clara/Alum Rock project.

Bus Rapid Transit (BRT) improvements are projected to consist of new exclusive bus lanes, bulb outs, distinct shelters, branded hybrid vehicles, off-board fare collection and other improvements along the corridor. The project is envisioned to include 16 new BRT stations.



### Project Status:

Environmental.

### Activity This Fiscal Year:

The environmental scoping process took place in February and March 2013 with five alternatives being studied ranging from No-Build to an alternative with a 10-mile dedicated bus lane. Based on comments received, additional alternatives were added to include more dedicated lane segments. The Caltrans review process began in February 2013. FTA has approved the project for Small Starts review to compete for a discretionary grant.



*BRT Photo Simulation at Scott Blvd.*

# Bus Program

## ZEB: Demonstration and Facility Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$19.45
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$19.45</b>

#### Project Description:

VTA, in a joint program with SamTrans, implemented a demonstration program to test the viability of zero-emission fuel-cell bus (ZEB) technology.

VTA procured three 40-foot low-floor ZEBs, modified facilities, installed a hydrogen fueling station, and provided training for staff, emergency responders and others. The three ZEBs started revenue service in February 2005.

#### Project Status:

The VTA Board adopted the strategy of partnering with other Bay Area transit properties and designating Alameda County (AC) Transit as the lead agency for procuring and deploying the Advanced ZEB Demonstration vehicles. VTA's participation will be primarily financial.

#### Activity This Fiscal Year:

Following the completion of the demonstration requirements, VTA continued operating the three ZEBs in accordance with Federal Transit Administration requirements.

#### Project Disposition:

The ZEB's are jointly owned by VTA, the San Mateo County Transit District (SamTrans), and the Federal Government, in proportion to their cost participation.



*ZEB at Fueling Station*



*ZEB Engine*



# Bus Program

## Highway 17 Bus Service Improvements

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$2.53
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$2.53</b>

### Project Description:

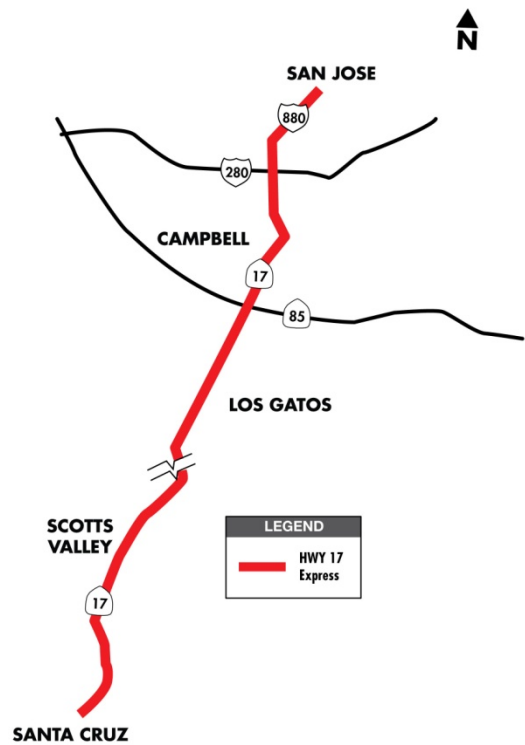
Santa Cruz Metro procured five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses replaced existing buses that were 20 years old, with an average mileage of 950,000 each.

### Project Status:

The five buses went into service in March/April 2011. This project is now complete.

### Activity This Fiscal Year:

None.



Highway 17 Express Bus



Highway 17 Express Bus

# Mineta San Jose Airport

## Mineta San Jose Airport People Mover

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$2.04
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$2.04</b>

### Project Description:

The Airport People Mover Project will provide a dedicated guideway connection from Mineta San Jose International Airport to the Caltrain and future BART stations at the Santa Clara Transit Center, and the VTA Light Rail on North First Street.

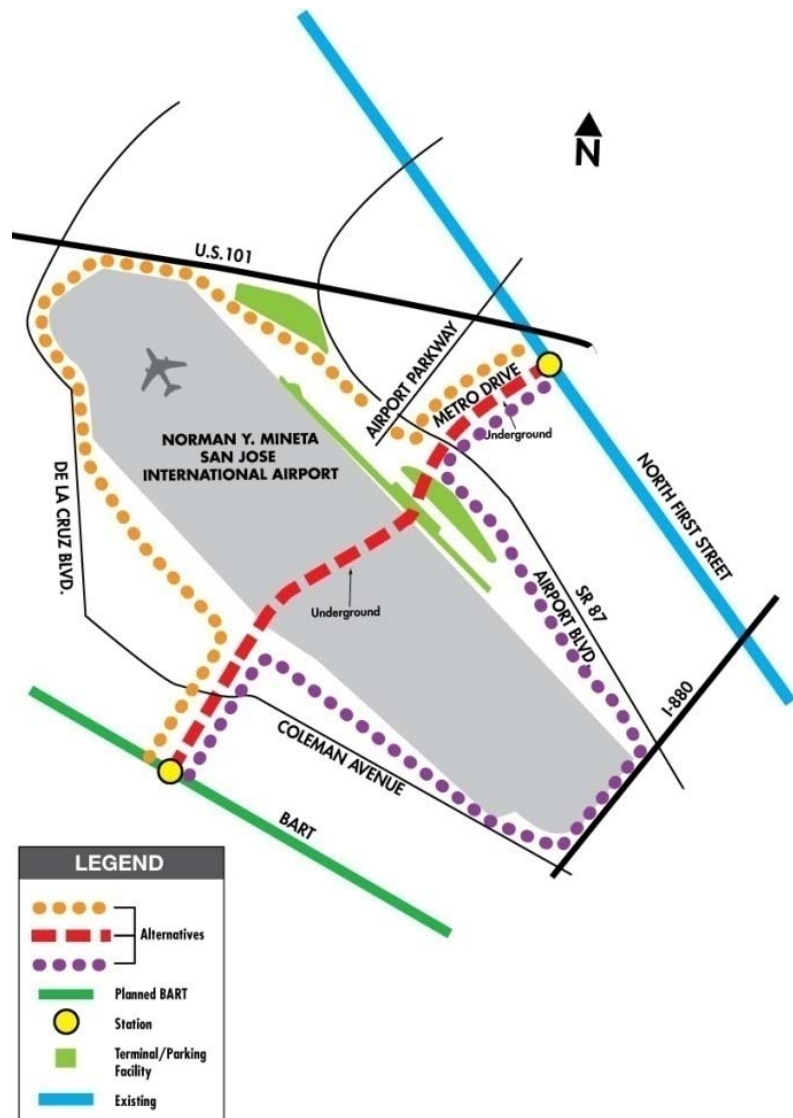
The City of San Jose Department of Transportation currently leads this effort. They envision an automated transit network - similar to a Personal Rapid Transit system - of lightweight, automated computer-controlled vehicles operated on or suspended below an elevated guideway, similar to a horizontal elevator.

### Project Status:

Project is inactive.

### Activity This Fiscal Year:

The original preferred option, a tunnel under the airport, proved to be cost-prohibitive given both available funds and anticipated ridership. The City of San Jose envisioned a Personal Rapid Transit (PRT) application to meet this need given its reported low cost to construct and operate. They engaged a team of consultants including ARUP to lead planning, and a federally funded research center firm, Aerospace, to assess the viability of PRT technology for Mineta San Jose International Airport People Mover Connection. The study found that PRT technology is not ready for a public application of this scale.





# Programwide

## Measure A Programwide

### Project Expenditures (In millions)

Period	Amount
Inception-to-FY2013	\$0.00
FY2014	0.00
<b>Total Expenditures through FY2014</b>	<b>\$0.00</b>

#### Project Description:

This project captures costs related to managing the overall 2000 Measure A Transit Improvement Program. Activities include preparation of progress and cost reports, financial forecasting, and other general tasks that are not attributable to individual projects. It also includes costs incurred by the 2000 Measure A Citizens Watchdog Committee (CWC) in fulfillment of its ballot-mandated responsibilities including: annual compliance audit; conducting public hearings; issuing and printing reports; and publishing in local newspapers public notices, and announcements and the results of the compliance audit and annual report.

**Project Status:** Active.

#### Activity This Fiscal Year:

VTA continued producing cost and progress reports for the 2000 Measure A Transit Improvement Program. Additionally, the CWC incurred costs on ballot-mandated activities including public notices and announcements, preparation and publication of reports to inform the public, independent compliance auditor services, and public hearings.

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