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 under Orders of the Day. 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 Orders of the Day, Agenda Item #1.2.

**Changes from previous version: (Changes are in red font)**

1) Updated language for Regular Agenda Item #7.2: Diridon Station Intermodal Conceptual Plan to indicate a 2/3 vote is needed to approve the item.

Disclosure of Campaign Contributions to Board Members (Government Code Section 84308)

In accordance with Government Code Section 84308, no VTA Board Member shall accept, solicit, or direct a contribution of more than $250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency. Any Board Member who has received a contribution within the preceding 12 months in an amount of more than $250 from a party or from any agent or participant shall disclose that fact on the record of the proceeding and shall not make, participate in making, or in any way attempt to use his or her official position to influence the decision.

A party to a proceeding before VTA shall disclose on the record of the proceeding any contribution in an amount of more than $250 made within the preceding 12 months by the party, or his or her agent, to any Board Member. No party, or his or her agent, shall make a contribution of more than $250 to any Board Member during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. The foregoing statements are limited in their entirety by the provisions of Section 84308 and parties are urged to consult with their own legal counsel regarding the requirements of the law.

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 upon request.

In accordance with the Americans with Disabilities Act (ADA) and Title VI of the Civil Rights Act of 1964, VTA will make reasonable arrangements to ensure meaningful access to its meetings for persons who have disabilities and for persons with limited English proficiency who need translation and interpretation services. Individuals requiring ADA accommodations should notify the Board Secretary’s Office at least 48-hours prior to the meeting. Individuals requiring language assistance should notify the Board Secretary’s Office at least 72-hours prior to the meeting. The Board Secretary may be contacted at ((408) 321-5680 or *e-mail: board.secretary@vta.org or ( (408) 321-2330 (TTY only). VTA’s home page is on the web at: www.vta.org or visit us onFacebook at: www.facebook.com/scvta. ((408) 321-2300: 中文 / Español / 日本語 / 한국어 / tiếng Việt / Tagalog.

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

   1.1. **ROLL CALL**

   1.2. Orders of the Day - approve Consent Agenda (Item #6)

2. **AWARDS AND COMMENDATION**

   2.1. INFORMATION ITEM - Recognize Stanley Fong, Graphic Designer, River Oaks; Leonard Gray, Dispatcher, Guadalupe Operations; Lemuel Baldevarona, Service Mechanic, Chaboya Maintenance, as Employees of the Quarter for the First (1st) Quarter of 2016; and Robert Daniels, Transportation Superintendent of Service Management, Guadalupe Division, for Supervisor of the Quarter for the First (1st) Quarter of 2016.

   2.2. ACTION ITEM - Adopt the resolution of appreciation for 2015 VTA Board Chairperson Perry Woodward.

3. **PUBLIC COMMENT**

   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.

4. **PUBLIC HEARINGS**

   4.1. **HEARING - NOTICE OF INTENTION TO ADOPT A RESOLUTION OF NECESSITY**

   ACTION ITEM - Close Hearing and adopt a Resolution of Necessity determining that the public interest and necessity requires the acquisition of property interests from property owned by Standard Guadalupe Venture, LP, a Delaware limited partnership, located in San Jose, California for the Santa Clara-Alum Rock Bus Rapid Transit (BRT) Project.

   **Property ID/Assessor's Parcel Number/Owner**

   SCAR043 (APN 481-21-149) owned by Standard Guadalupe Venture, LP, a Delaware limited partnership

   **Note: Motion must be approved by at least a 2/3 of the Board (8 members).**
5. REPORTS


5.3. General Manager Report. (Verbal Report)

5.3.A. Receive Government Affairs Update. (Verbal Report)

5.3.B. Receive a report on Super Bowl 50 Transit Service (Verbal Report)

5.3.C. INFORMATION ITEM - Receive Silicon Valley Rapid Transit (SVRT) Program Update.

5.4. Chairperson's Report. (Verbal Report)

5.4.A. Receive remarks from 2016 Chairperson Cindy Chavez.

6. CONSENT AGENDA

6.1. Approve the Board of Directors Regular Meeting Minutes of December 10, 2015.

6.2. ACTION ITEM - Authorize the General Manager to execute a contract amendment to Contract S15038F with Fehr & Peers in an amount not to exceed $150,000 for planning and conceptual design services for the North Bayshore Area, for a new contract amount not to exceed $1,389,128 and increase the contract contingency to 15% of the new contract value.

6.3. ACTION ITEM - Ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

6.4. ACTION ITEM - 1) Approve amendment of the FY 2016 Internal Audit Work Plan to add the Alum Rock/Santa Clara BRT Project Construction Delay Assessment at a maximum cost of $73,000. This action is to fulfill the Governance & Audit Committee’s request for the VTA Auditor General’s Office to perform an independent analysis of the factors causing construction delays to the Alum Rock-Santa Clara Bus Rapid Transit project and as well as providing recommendations for improved delivery of future VTA construction projects; and 2) Authorize the General Manager to amend the contract with RSM US LLP for Auditor General and internal audit services to increase the current $1,275,000 maximum contract amount by $73,000, resulting in a revised maximum of $1,348,000. The current term of this contract ends June 30, 2016.

6.5. ACTION ITEM - Review and receive the Auditor General's report on the Public Safety Process Assessment.

6.6. ACTION ITEM - Review and receive the Auditor General's report on the Paratransit
Operations Assessment.


6.10. INFORMATION ITEM - Review report on the state legislative special session related to transportation funding.

7. REGULAR AGENDA

Administration and Finance Committee

7.1. ACTION ITEM - Approve the 2016 Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

7.2. ACTION ITEM - Authorize the General Manager to 1) Enter into funding agreements with California High Speed Rail Authority for the Diridon Station Intermodal Conceptual Plan; 2) Enter into inter-agency agreements as needed with City of San Jose, California High Speed Rail Authority and Caltrain for development and study of the Diridon Station; and 3) Augment the 1996 Measure B Transportation Improvement Program Fund Capital Budget by $700,000.

Note: Motion must be approved by at least a 2/3 of the Board (8 members).

Governance and Audit Committee

7.3. ACTION ITEM - Receive the report on the review of the current VTA Auditor General function service delivery model and based on the report’s findings and recommendations, approve the following related actions for the Auditor General function: (1) continue utilizing the outside contract model; and (2) initiate process to have in place by June 2016 or soon thereafter a new contract that stresses the need for a local presence and responsiveness; the contract would have a five-year base term and two one-year extensions to maximize vendor interest and commitment.


Transit Planning and Operations Committee

7.5. INFORMATION ITEM - Receive an update on Compressed Natural Gas (CNG) analysis. (Deferred from the December 10, 2015, VTA Board of Directors’ meeting.)
8. OTHER ITEMS

8.1. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

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

8.2.A. VTA Standing Committees

8.2.B. VTA Advisory Committees

8.2.C. VTA Policy Advisory Boards (PAB)

8.2.D. Joint Powers Boards and Regional Commissions

8.3. Announcements

9. CLOSED SESSION

9.1. Recess to Closed Session

A. Existing Litigation - Conference with Legal Counsel
   [Government Code Section 54956.9(d)(1)]
   Name of Cases: Santa Clara Valley Transportation Authority v. Montague Parkway Assoc., et al. (Santa Clara County Superior Court Case No.: 1-12-CV-220334) and related case: Montague Parkway Assoc., et al. v. Santa Clara Valley Transportation Authority (Santa Clara County Superior Court Case No.: 1-15-CV-281544)

B. Existing Litigation - Conference with Legal Counsel
   [Government Code Section 54956.9(d)(1)]
   Name of Case: Santa Clara Valley Transportation Authority v. Union Pacific Railroad Company, et al. (Santa Clara County Superior Court Case No.: 1-15-CV-287909)

C. Public Employee Performance Evaluation
   [Government Code Section 54957]
   Title: General Manager

D. Conference with Labor Negotiators
   [Government Code Section 54957.6]
   VTA Designated Representatives:
   Perry Woodward, Board Chairperson
   Alberto Lara, Chief Administrative Officer
   Unrepresented Employee:
General Counsel

9.2. Reconvene to Open Session

9.3. Closed Session Report

9.4. ACTION ITEM - Approve modifications to employment contract with VTA General Counsel.

10. ADJOURN
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Business Services, Alberto Lara

SUBJECT: Employees and Supervisor of the Quarter for the First (1st) Quarter of 2016

FOR INFORMATION ONLY

BACKGROUND:

Employees and Supervisor of the 1st Quarter:

Stanley Fong, Graphic Designer in the Government and Public Relations Division at River Oaks, is the Administration Award Winner for the 1st Quarter. Stanley has been with VTA for over 11 years. Recognized by management as a skilled photographer, Stanley has taken the responsibilities of the design and production for special projects such as the Employee of the Quarter program, the VTP 2040 Manual, the VTA Sustainability Annual Report and the Levi’s Stadium Great America signage and queuing maps as well as the maps for all VTA Bus and Rail Shelters. Stanley’s dedication to his work and his high level of professionalism sets a great example and upholds the organization’s commitment to providing excellent customer service and deserves to be recognized with this award. Congratulations to Stanley Fong, Administration Employee of the 1st Quarter for 2016!

Leonard “Lenny” Gray, Guadalupe Division Dispatcher, is the Operations Award Winner for the 1st Quarter. Leonard has been with VTA since 1980 and performs his job with high standards. One example of the high standard Leonard has established is his perfect attendance record. He exhibits excellence in his field and makes the office a great place to work. Noted by management as being hard-working and dedicated, Leonard is always looking for ways to streamline and improve work processes such as the work detail for all Levi’s Stadium Event assignments. Throughout his 35 years with VTA, Leonard has been an asset and an outstanding role model to his team. Congratulations to Leonard Gray, Operations Employee of the 1st Quarter for 2016!

Lemuel Baldevarona, Service Mechanic at Chaboya Division, is our Maintenance Award Winner
for the 1st Quarter. Lemuel joined VTA in 2000. He is known among his peers for working quickly and efficiently and displaying a great attitude while helping VTA maintain minimal service loss. Lemuel’s supervisors consider him a pleasure to work with, noting his exceptional ability to create a positive work environment and assist in all areas in the maintenance division when needed. His attention to detail and positive attitude make Lemuel an asset to his department and to VTA. Congratulations to Lemuel Baldevarona, Maintenance Employee of the 1st Quarter for 2016!

Robert Daniels Transportation Superintendent in the Operations Control Center (OCC) at the Guadalupe Division, is Supervisor Award Winner for the 1st Quarter. Since joining VTA in 1995, Robert has continually demonstrated a mentoring style of leadership through his management of the OCC and Field Operations department, which has ensured maximum service to our valued customers. In difficult situations, Robert embodies the VTA goal of leadership by showing calmness under pressure, and sees challenges as an opportunity to work with others, as a team, to solve any problem. Robert is worthy of the highest honor of being selected as the Supervisor of the Quarter. Congratulations to Robert Daniels, Supervisor of the 1st Quarter for 2016!

Prepared By: Employee Relations
Memo No. 5369
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Board Secretary, Elaine Baltao

SUBJECT: Board Resolution of Appreciation

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

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt the resolution of appreciation for 2015 VTA Board Chairperson Perry Woodward.

BACKGROUND:

VTA benefits from local elected officials willing to serve on the VTA Board of Directors. Serving as Board Chairperson requires leadership, dedication, time and energy beyond their regular duties.

DISCUSSION:

The attached resolution expresses VTA's appreciation for the diligent service of 2015 Board Chairperson Perry Woodward. His leadership enabled VTA to provide transportation services, programs and projects to the residents of Santa Clara County.

FISCAL IMPACT:

There is no fiscal impact.

Prepared by: Tracene Crenshaw
Memo No. 5365
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 Honorable Perry Woodward

Whereas, Perry Woodward is completing his term as chair of the VTA Board of Directors for 2015; and

Whereas, he advocated for a thoughtful and collaborative approach to regional transportation planning through the formation of the Mobility Partnership with the Council of San Benito County Governments to provide direction on future transportation improvements along the State Route 152 Trade Corridor; and

Whereas, he has been equally dedicated to improving service on regional public transit systems, having served as a member of the Peninsula Corridor Joint Powers Board since 2013 and as vice chair in 2015; and

Whereas, under his guidance, VTA initiated a comprehensive planning effort for increased public transit service to Levi’s Stadium for Super Bowl 50 and inaugurated game-day service to Avaya Stadium; and

Whereas, under his leadership, VTA successfully secured $150 million in FY 2016 federal New Starts Program funding for Phase 1 of the BART Silicon Valley Extension Project, advanced the environmental process for BART Phase 2, and completed the I-280/I-880/Stevens Creek Boulevard Interchange Improvements Project; and

Whereas, he worked tirelessly to advance bus rapid transit (BRT) and oversaw the creation of the Small Business Sustainability Program to support businesses in the Alum Rock/Santa Clara BRT Project Corridor; and

Whereas, he helped to foster the spirit of innovation at VTA, reflected in the opening of the Innovation Center, the Hack My Ride 2.0 app challenge, and the deployment of light rail customer messaging signs displaying real time travel information; and

Now therefore be it resolved, that the VTA Board of Directors hereby commends and expresses its sincere appreciation to Perry Woodward 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 seventh day of January, 2016.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Deputy Director, Construction, Ken Ronsse

SUBJECT: Santa Clara-Alum Rock Bus Rapid Transit (BRT) Resolution of Necessity

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

 Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a Resolution of Necessity determining that the public interest and necessity require the acquisition of property for the Santa Clara-Alum Rock Bus Rapid Transit (BRT) Project.

BACKGROUND:

The Santa Clara-Alum Rock Bus Rapid Transit Project (BRT) will provide limited-stop rapid transit service for 7.2 miles from the HP Pavilion to the Eastridge Transit Center using Santa Clara Street, Alum Rock Avenue and Capitol Expressway in San Jose (see Project Map attached hereto). Two separate BRT lines (the 522 El Camino and the 523 Stevens Creek) will operate between the downtown Transit Mall and the Eastridge Transit Center. At the Transit mall, the two lines will split with the BRT 522 continuing service to the Palo Alto Transit Center and the BRT 523 continuing service to De Anza College in Cupertino. Approximately 35 partial acquisitions of land will be required in order to construct the BRT Project as currently designed.

These acquisitions are being pursued in accordance with state and federal law, and diligent efforts are being made to acquire them through negotiated settlement. However, negotiated settlements may not be achievable in all instances and some of the acquisitions may need to be acquired through a timely condemnation process, particularly to ensure that the Project can stay on schedule.

A prerequisite to commencement of eminent domain proceedings by a public entity is adoption
of a Resolution of Necessity (California Code Civil Procedure section 1245.220). As discussed below, staff is recommending the Board to adopt a Resolution of Necessity to enable commencement of eminent domain proceedings.

DISCUSSION:

Among the approximately 35 property acquisitions required for the Project, staff is recommending that a Resolution of Necessity be adopted for the following property, which is required to construct the portion of the BRT Project:

Standard Guadalupe Venture, LP, a Delaware limited partnership (“Owner”) (SCAR043)

This property is located at 2151 Plaza de Guadalupe in the City of San Jose. The larger parcel consists of approximately 135,884 square feet, and is improved with an approximately 80,865 square foot multifamily residential building. The property required to construct the Project consists of: (1) a 30 square foot public utility easement (SCAR043-01); and (2) a 66 square foot temporary construction easement (SCAR043-02). The proposed public utility and temporary construction easements are required to construct a streetlight for the proposed Project.

The subject property was appraised, the appraisal was reviewed by a review appraiser, and VTA staff set just compensation. An offer based on the recommended appraisal was made on or about July 20, 2015. To date, negotiations with the Owner to acquire the easements have been unsuccessful even though the real estate team has diligently worked to acquire the easements through negotiated settlement with the property owner.

The team will continue to work with the property owner to reach a negotiated settlement even after adoption of a Resolution of Necessity.

VTA must take action to acquire the above-referenced property through eminent domain proceedings in order to ensure the construction schedule remains intact.

As noted above, a prerequisite to commencement of eminent domain proceedings by a public entity is adoption of a Resolution of Necessity. This statutory requirement is designed to ensure that public entities verify and confirm the validity of their intended use of the power of eminent domain. A Resolution of Necessity must contain a general statement of the public use for which the property is taken, a reference to the authorizing statutes, a description of property, and a declaration stating that each of the following has been found and determined to be true:

1. The public interest and necessity require the proposed project;
2. The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
3. The property described in the resolution is necessary for the proposed project; and
4. The offer required by Section 7267.2 of the Government Code, together with the
accompanying statement of the amount established as just compensation, has been made to
the owner or owners of record, which offer and statement were in a format and contained the
information required by Government Code Section 7267.2, or the offer has not been made
because the owner cannot be located with reasonable diligence.

Further information addressing each of these items and any additional findings that must be
made are included in a staff report attached hereto. The staff report also contains specific
information on the properties being impacted.

ALTERNATIVES:

The property that is subject to the Resolution of Necessity before the Board is necessary for the
Project and a condemnation action must be initiated in order to obtain possession of the parcel if
the Project schedule is to be maintained. The Board may, in its discretion, decide not to adopt
the Resolution of Necessity. However, this would necessitate either some delay and/or a
possible redesign, which could impact the schedule and, most likely, increase the costs of the
Project.

FISCAL IMPACT:

Appropriation for the costs associated with acquisition of these properties is included in the
FY15 Adopted 2000 Measure A Transit Improvement Program Fund Capital Budget.

Prepared by: Kevin Balak
Memo No. 5388
Property ID: SCAR043

RESOLUTION OF NECESSITY DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN LAND AND DIRECTING THE FILING OF EMINENT DOMAIN PROCEEDINGS

WHEREAS, the Santa Clara-Alum Rock Bus Rapid Transit Project (the “Project”) is being undertaken for the purpose of easing traffic congestion, improving area-wide mobility, and otherwise furthering the public health, safety and welfare; and

WHEREAS, it is desirable and necessary for the Santa Clara Valley Transportation Authority (“VTA”) to acquire a Public Utility Easement interest in certain property more particularly described in Exhibit “A” (SCAR043-01), and a Temporary Construction Easement interest in certain property more particularly described in Exhibit “B” (SCAR043-02), attached hereto and made a part hereof by this reference, as right of way for the Project and the construction thereof; and

WHEREAS, VTA is authorized to acquire the subject property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., and Sections 100130 and 100131 of the Public Utilities Code; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to the owner(s) of the property herein, all of whom have been given a reasonable opportunity to appear and be heard before the Board of Directors of VTA at the time and place set forth in said notice, regarding the matters specified therein.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND ORDERED as follows:

1. The recitals contained herein are true and correct.

2. Upon examination of the alternatives, VTA requires the property for the Project.

3. VTA is authorized to acquire the property and exercise the power of eminent domain pursuant to and in accordance with Article 1, Section 19 of the California Constitution, the California Eminent Domain Law, Code of Civil Procedure...
Sections 1230.010 et seq., and Sections 100130 and 100131 of the Public Utilities Code.

4. The public interest and necessity require the Project.

5. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

6. A Public Utility Easement interest in property described in Exhibit “A” and a Temporary Construction Easement interest described in Exhibit “B” are necessary for the Project.

7. The offer required by Section 7267.2 of the Government Code, together with the accompanying statement of the amount established as just compensation, has been made to the owner or owners of record, which offer and statement were in a format and contained the information required by Government Code Section 7267.2, or the offer has not been made because the owner cannot be located with reasonable diligence.

8. VTA has complied with all conditions and statutory requirements, including those prescribed by CEQA, NEPA, and that are necessary for approval and adoption of the Project.

9. All conditions and statutory requirements necessary to exercise the power of eminent domain (“the right to take”) to acquire the property described herein have been complied with by VTA.

10. Insofar as the property or the larger parcel of which it is a part has heretofore been appropriated for public use, the proposed use set forth herein will not unreasonably interfere with or impair the continuation of the public use as it exists or may reasonably be expected to exist in the future, and is therefore a compatible public use pursuant to Code of Civil Procedure Section 1240.510, or, as applicable, constitutes a more necessary public use to which the property is appropriated pursuant to Code of Civil Procedure Section 1240.610.

11. General Counsel or General Counsel’s duly authorized designee is hereby authorized and directed to institute and conduct to conclusion eminent domain proceedings to acquire a Public Utility Easement interest in property described in Exhibit “A” and a Temporary Construction Easement interest described in Exhibit “B”, and to take such actions that counsel deems advisable or necessary in
connection therewith, and may deposit the probable amount of compensation and obtain an order for prejudgment possession of the subject property.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on January 7, 2016, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

____________________________
CINDY CHAVEZ, Chairperson
Board of Directors

I HEREBY CERTIFY AND ATTEST that the foregoing resolution was duly and regularly introduced, passed and adopted by the vote of two-thirds or more of the Board of Directors of the Santa Clara Valley Transportation Authority, California, at a meeting of said Board of Directors on the date indicated, as set forth above.

Dated: __________________________
ELAINE BALTAO, Secretary
Board of Directors

APPROVED AS TO FORM:

____________________________
ROBERT FABELA
General Counsel
EXHIBIT "A"

PUBLIC UTILITY EASEMENT

An easement for installation, maintenance, operation, replacement, repair, relocation, and use of a public street, sidewalk, curb, gutter, street lights, wheelchair ramps, traffic signal poles and equipment, pull boxes, conductors, storm drain inlets, utilities and all necessary appurtenances thereto on, under, over, and through the real property situate in the City of San Jose, County of Santa Clara, State of California, described in Exhibit “1” attached hereto and incorporated herein.
Exhibit “1”

LEGAL DESCRIPTION
APN: 481-21-149

PUBLIC UTILITY EASEMENT

REAL PROPERTY situated in the City of San Jose, County of Santa Clara, State of California, being a portion of Parcel A as shown on that certain Parcel Map, filed on August 18, 1983, in Book 516 of Maps, at Page 31, Santa Clara County Records, also being a portion of the parcel of land described in the Grant Deed recorded December 23, 2013, as Document No. 22477830, Official Records of Santa Clara County, more particularly described as follows:

COMMENCING at the most westerly corner of said Parcel A;

Thence along the northwesterly line of said Parcel A, being the southeasterly line of Alum Rock Avenue (100 feet wide), North 60°04’26” East, 83.39 feet, to the TRUE POINT OF BEGINNING;

Thence continuing along said northwesterly line, North 60°04’26” East, 6.00 feet;

Thence South 29°55’34” East, 5.00 feet;

Thence South 60°04’26” West, 6.00 feet;

Thence North 29°55’34” West, 5.00 feet, to the TRUE POINT OFBEGINNING.

Containing an area of 30 square feet, more or less.

Plat Exhibit attached and by this reference made a part hereof.

Bearings and distances described herein are based on the California Coordinate System of 1983, Zone 3, Epoch 1998.5. Multiply herein described distances by 1.00005333 to obtain ground level distances.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Date

Julia MacRory, LS 7871
Survey and Mapping Manager
EXHIBIT “B”

TEMPORARY CONSTRUCTION EASEMENT

A Temporary Construction Easement (TCE), for the construction (and other related activities related to construction) of the Santa Clara-Alum Rock Rapid Transit Project, under, upon, over and across that certain real property situated in the City of San Jose, County of Santa Clara, State of California, described in Exhibit “1” attached hereto and incorporated herein.

This TCE will begin on or after February 1, 2016, and will continue for a duration of 7 months continuous, ending no later than August 31, 2016.
Exhibit “1”

LEGAL DESCRIPTION
APN: 481-21-149

TEMPORARY CONSTRUCTION EASEMENT

REAL PROPERTY situated in the City of San Jose, County of Santa Clara, State of California, being a portion of Parcel A as shown on that certain Parcel Map, filed on August 18, 1983, in Book 516 of Maps, at Page 31, Santa Clara County Records, also being a portion of the parcel of land described in the Grant Deed recorded December 23, 2013, as Document No. 22477630, Official Records of Santa Clara County, more particularly described as follows:

COMMENCING at the most westerly corner of said Parcel A;

Thence along the northwesterly line of said Parcel A, being the southeasterly line of Alum Rock Avenue (100 feet wide), North 60°04'26" East, 80.39 feet, to the TRUE POINT OF BEGINNING;

Thence continuing along said northwesterly line, North 60°04'26" East, 3.00 feet;

Thence South 29°55'34" East, 5.00 feet;

Thence North 60°04'26" East, 6.00 feet;

Thence North 29°55'34" West, 5.00 feet, to said northwesterly line;

Thence along said northwesterly line, North 60°04'26" East, 3.00 feet;

Thence South 29°55'34" East, 8.00 feet;

Thence South 60°04'26" West, 12.00 feet;

Thence North 29°55'34" West, 8.00 feet to the TRUE POINT OF BEGINNING.

Containing an area of 66 square feet, more or less.

Plat Exhibit attached and by this reference made a part hereof.

Bearings and distances described herein are based on the California Coordinate System of 1983, Zone 3, Epoch 1998.5. Multiply herein described distances by 1.00005333 to obtain ground level distances.
Exhibit “1”

SANTA CLARA
Valley Transportation Authority

June 27, 2014
SCAR043-02
Page 2 of 2

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

07-03-2014
Date

Julia MacRory, LS 7871
Survey and Mapping Manager

Licensed Land Surveyor
STATE OF CALIFORNIA

4.1.a
Exhibit "1"

**PLAT TO ACCOMPANY LEGAL DESCRIPTION**

**SCAR043–02**

APN: 481-21-149

CITY OF SAN JOSE,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA

**SCALE:** 1" = 20'

**Drawn By:** H. Breslau
**Checked By:** J. McCrory
**DATE:** 06-27-14

**STATE OF CALIFORNIA**
Santa Clara-Alum Rock Bus Rapid Transit (BRT) Project

Property Acquisition Staff Report

INTRODUCTION

This staff report is submitted for review by the Board of Directors prior to the recommended adoption of a resolution of necessity for the acquisition of property for the Santa Clara-Alum Rock Bus Rapid Transit (BRT) Project (Project).

For the property interests to be acquired, a resolution of necessity must be adopted prior to the commencement of eminent domain proceedings. (Code of Civil Procedure Section 1245.220.) The statutory requirement that a public entity adopt a resolution of necessity before initiating a condemnation action “is designed to ensure that public entities will verify and confirm the validity of their intended use of the power of eminent domain prior to the application of that power in any one particular instance.” San Bernardino County Flood Control Dist. v. Grabowski (1988) 205 Cal.App.3d 885.

Thus, a resolution of necessity must contain a general statement of the public use for which the property is to be taken, a reference to the statute authorizing the exercise of eminent domain, a description of the property, and a declaration stating that each of the following has been found and determined by the Board to be the case:

1. The public interest and necessity require the proposed project;
2. The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
3. The property described in the resolution is necessary for the proposed project; and,
4. That either the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence.

(Code of Civil Procedure Section 1245.230.)

Further, insofar as any of the property to be acquired has heretofore been dedicated to public use, the resolution of necessity will find that the acquisition of such property by VTA for the Project is for a more necessary public use to which the property has already been appropriated or is a compatible public use pursuant to Code of Civil Procedure Sections 1240.510 and 1240.610. This report provides data and information addressing each of these items. Section 1 generally describes the public use for which the property is to be taken and sets forth the statutory authority for VTA’s exercise of eminent domain. Sections 3, 4, and 5 provide facts pertinent to public interest and necessity (Finding #1) and the planning and location of the Project, (Finding #2). Section 6 also contains a property data sheet and other material discussing the necessity for acquiring the specific property interests that are the subject of the resolution of necessity (Finding
Section 2 provides information concerning the offers made to the property owners pursuant to Government Code Section 7267.2 (Finding #4).

This evidentiary factual record will assist the Board in determining whether the requirements of Section 1245.230 have been met, and whether the other findings specified above, as applicable, can be made. If the Board determines that all requirements have been met, and that all findings can be made, it is recommended that the Board adopt a resolution of necessity for the parcel listed on the Board Meeting Agenda.

SECTION 1

GENERAL STATEMENT OF PUBLIC USE

The property interests that are the subject of the recommended resolution of necessity are to be acquired for the construction of the Project. The objective of the Project is to improve mobility by providing direct, convenient, time competitive transit service with connections to exiting and programmed element of VTA’s rapid transit network and to increase transit ridership by serving high-density corridors demonstrating strong transit use.

The Project is located in the City of San Jose and County of Santa Clara and includes a rapid transit link from Downtown San Jose to the San Jose East Valley and future connection to Bay Area Rapid Transit (BART). This is accomplished with the construction of a transit corridor that includes a BRT guideway and stations along Santa Clara Street, Alum Rock Avenue, Capitol Avenue and Capitol Expressway and connection to the transit hub at the end of the line at the Eastridge Transit Center.

STATUTORY AUTHORIZATION FOR EXERCISE OF EMINENT DOMAIN

Under its enabling legislation, VTA is authorized to acquire property for mass transit purposes by eminent domain. Public Utilities Code Section 100130, which sets forth the general powers of VTA, provides in pertinent part that: “The district may take by grant, purchase, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers.” One of the main functions of VTA is to provide transit service. (Public Utilities Code Sections 100160, 100161.)

Public Utilities Code Section 100131 provides further authority for the taking of property by VTA through eminent domain. It states in pertinent part that: “The district may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this part.”

In addition, the Eminent Domain Law, Code of Civil Procedure Sections 1230.010 et seq., gives entities authorized by statute the right to use eminent domain to acquire property for public use, and specifies the procedures for the exercise of that right.
SECTION 2

GOVERNMENT CODE OFFERS

Provided they could be located with reasonable due diligence, the owner of the property that is the subject of the resolution was made an offer by VTA for the purchase of the property as required by Government Code Section 7267.2. Sections 7267.2(a), (b) and (c) state that:

(a) (1) Prior to adopting a resolution of necessity pursuant to Section 1245.230 of the Code of Civil Procedure and initiating negotiations for the acquisition of real property, the public entity shall establish an amount that it believes to be just compensation therefore, and shall make an offer to the owner or owners of record to acquire the property for the full amount so established, unless the owner cannot be located with reasonable diligence. The offer may be conditioned upon the legislative body’s ratification of the offer by execution of a contract of acquisition or adoption of a resolution of necessity or both. The amount shall not be less than the public entity’s approved appraisal of the fair market value of the property. A decrease or increase in the fair market value of real property to be acquired prior to the date of valuation caused by the public improvement for which the property is acquired, or by the likelihood that the property would be acquired for the improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant, shall be disregarded in determining the compensation for the property.

(2) At the time of making the offer described in paragraph (1), the public entity shall provide the property owner with an informational pamphlet detailing the process of eminent domain and the property owner’s rights under the Eminent Domain Law.

(b) The public entity shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation. The written statement and summary shall contain detail sufficient to indicate clearly the basis for the offer, including, but not limited to, all of the following information:

(1) The date of valuation, highest and best use, and applicable zoning of property.

(2) The principal transactions, reproduction or replacement cost analysis, or capitalization analysis, supporting the determination of value.

(3) If appropriate, the just compensation for the real property
acquired and for damages to remaining real property shall be separately stated and shall include the calculations and narrative explanation supporting the compensation, including any offsetting benefits.

(c) Where the property involved is owner-occupied residential property and contains no more than four residential units, the homeowner shall, upon request, be allowed to review a copy of the appraisal upon which the offer is based. The public entity may, but is not required to, satisfy the written statement, summary, and review requirements of this section by providing the owner a copy of the appraisal on which the offer is based.

The property owner was presented with the written offer in an amount not less than the approved appraisal for the property, and a statement and summary of the basis of the offer, comprised of an Appraisal Summary Sheet and a summary of comparable sales used in the appraisal. The Appraisal Summary Sheets provided the following information: name of owner; property address; parcel and APN number; locale; applicable zoning; date of valuation, present use; highest and best use; total property area; area to be acquired; type of interest to be acquired; improvements and access impacted; damages incurred and, as appropriate, separately stated with calculations and narrative explanation; total payment; and a description of the market value, reproduction or replacement cost analysis, or capitalization analysis, used to determine just compensation. The summary of comparable sales described the location, date of sale and sales price of properties used in the appraisal process. The date that the offer was made to the property owner is specified on the Property Fact Sheets contained in Section 7 of this report.

SECTION 3

PROJECT OVERVIEW, PURPOSE AND NEED

OVERVIEW

General

The Project is included as part of the VTA 2000 Measure A Transit Improvement Program. The property acquisition and construction for the project is funded with monies from State Proposition 1B and 2000 Measure A Transit Improvement Program. Funding has been approved to purchase the required right-of-way for the Project.

The Project consists of VTA BRT service in the City of San Jose along the 4.3 mile section of Santa Clara Street and Alum Rock Avenue and continues 2.9 miles along Capitol Avenue and Capitol Expressway. This overall service area is named the Santa Clara – Alum Rock Corridor (Corridor).

The Corridor generally begins near the San Jose Diridon Station on the west end and runs in
the east-west direction along Santa Clara Street and Alum Rock Avenue. The Corridor continues in the north-south direction from the Alum Rock Avenue/Capitol Avenue intersection along Capitol Avenue and Capitol Expressway to the east terminus at the Eastridge Transit Center just south of Tully Road. Eleven (11) new BRT stations are included along Santa Clara Street, Alum Rock Avenue, Capitol Avenue and Capitol Expressway and at the Eastridge Transit Center.

Specialized BRT vehicles with unique features and brand identity will be a component of the BRT service. With implementation of the Project, BRT connections in both directions along the Corridor will be improved with convenient pedestrian connection to the adjacent communities. The BRT stations along the Corridor support up to seven bus routes, including the popular 522 bus line that travels from the Palo Alto Transit Center to the Eastridge Transit Center. BRT vehicles will operate in the curb lane along Santa Clara Street, in a median bus way along Alum Rock Avenue, and along the curb lane for the remainder of the Capitol Avenue and Capitol Expressway alignment. The Project will also include transit priority measures such as signal priority.

The Project will be engineered to allow for the implementation of a potential future project that would upgrade the BRT service improvements (guideway and stations) along Santa Clara Street and Alum Rock Avenue with Single Car Light Rail (LRT) service. Pending service demand and future planning approvals, if implemented, the light rail phase would modify the BRT stations for light rail operations along Santa Clara Street and Alum Rock Avenue and would utilize the proposed stations on the future Capitol Expressway Corridor LRT alignment. The proposed future light rail upgrade of this Corridor would include a single car LRT service that would utilize low floor vehicles operating as a single car running at 15 minute headways through the Corridor between the Diridon LRT station and Eastridge Transit Center during peak periods.

**BRT Stations**

As part of the Project, a total of 11 new BRT stations will be constructed at San Jose Arena, Santa Clara Street, 7th Street, 17th Street, 24th Street, King Road, Jackson Avenue, Capitol Avenue, Story Road, Ocala Avenue and Eastridge Transit Center. The stations will include a distinctive BRT identity and amenities similar to light rail stations with 10-foot wide platforms, special BRT canopies, ticket vending machines, real time information, closed circuit television.

The stations along Santa Clara Street will be constructed such that the platforms will extend to the buses in the outside lane with a defined station bulbout (the sidewalk will bulb out into the roadway serving as the platform area). The BRT stations along Alum Rock Avenue will include median platforms located at select intersections. To facilitate the proposed BRT improvements, the Project includes relocation of utilities in conflict with the platform areas; roadway widening with traffic signal and street lighting construction for the dedicated median bus way; concrete paving for the exclusive bus median; and platform construction with shelters, lighting and passenger amenities.
PURPOSE AND NEED

Growth in the Downtown/East Valley area is expected to increase vehicular congestion in the area, especially along the Capitol Expressway corridor. Transit service within this area is limited to two routes and a few express routes that do not serve the entire corridor. There is a need to improve public transit service in the corridor with additional bus service and a light rail extension.

Project Benefits

This Project will provide several benefits to the community that address transportation and community needs. Approximately 19,000 to 35,000 vehicles per day travel the roadway segments in the Corridor. Traffic volumes are within the carrying capacity of the roadway; however, on-street parking and frequent traffic signals and access points (i.e., driveways) and cross traffic tend to reduce the roadway capacity and likely increase the perceived level of traffic congestion in the Corridor.

The Corridor also exhibits an extremely high level of current transit use, with 12,000 daily transit boardings occurring in the four-mile segment between Capitol Avenue and the San Jose Diridon Station area. Compared to the rest of the Downtown East Valley Study Area, the Corridor contains the largest number of households with lower incomes and zero autos, which indicates a highly transit dependent population and strong potential market for transit services. The Major Investment Study completed in 2000 determined that there were approximately 16,000 total households within a half-mile of potential boarding points. Of this total number, 1,300 were low-income and 1,100 were zero-auto households. The Project would serve a large number of these transit dependent households and benefit existing riders by providing high quality, increased frequency of service and faster travel times within the Corridor.

With the highest transit ridership in the County, the commuter volume in the Corridor is projected to continue to grow. Implementation of the proposed Project would provide increased transit capacity and regional connectivity to major employment and activity centers, as well as meet the demand for shorter trips. Implementation of the Project would reduce dependence on the automobile by providing compelling alternative modes of transit and by encouraging the development of pedestrian friendly streets and neighborhoods. The Project would reduce travel time while retaining adequate traffic capacity to meet 2030 demand.

The Project will add a critical link to the exiting regional transit system. The Project Corridor is the primary direct roadway link between the heart of Downtown San Jose and the East Valley, and is the most heavily used transit corridor in VTA’s transit system. The Project will also improve the effectiveness of the entire VTA transit system by providing increased access to the existing Guadalupe and Vasona light rail lines at the west end of the Corridor and the existing Capitol Avenue light rail on the east end of Alum Rock Avenue.
The project would provide residents of Downtown and east San Jose more efficient access to existing and future transit services. For example, study area residents could travel to south San Jose, Downtown San Jose, and to the cities of Santa Clara, Campbell, Sunnyvale, and Mountain View via improved connections to the Alum Rock-Santa Teresa and Mountain View-Winchester LRT lines. Improved linkages to commuter rail services at the Diridon Station provide access to San Francisco, Oakland, and the Central Valley. Future transit and commuter rail improvements include the extension of BART service to three stations in the Corridor: Downtown San Jose and Diridon Station. An LRT extension along Capitol Expressway would extend LRT service to the Eastridge Transit Center. In addition, a future BRT network of lines operating on El Camino Real, The Alameda, Stevens Creek Boulevard, and West San Carlos Street would be made possible through the development of BRT facilities in the Corridor. Finally, there are plans for future High Speed Rail service linking San Francisco, Los Angeles, and San Jose through an expanded Diridon Station.

The Corridor is characterized by many small businesses and established residential neighborhoods. Portions of the Corridor, especially on Santa Clara Street, are characterized by a strong pedestrian and transit orientation, and moderate traffic levels and speeds. Alum Rock Avenue functions as a significant traffic thoroughfare linking downtown San Jose to two interstate freeways. Land uses on Alum Rock Avenue are a mix of retail, industrial and residential. Both segments of the Corridor exhibit an extremely high level of current transit use. By increasing transit availability in the Corridor, implementation of the proposed project would help accommodate the projected increase in transit demand. In addition, the project objective is consistent with a number of Core Principles from the VTA Service Design Guidelines that focus on faster, more reliable, and frequent service.

The central location of the proposed project would provide additional transit access for residents to adjacent areas of Santa Clara County with minimal transfer requirements. Connecting the LRT system and providing BRT services in an improved east/west transit line would also improve the mobility of residents in the vicinity of Capitol Avenue. The Corridor links residential neighborhoods in East San Jose to job centers and educational institutions in Downtown San Jose and areas west of downtown along Stevens Creek Boulevard and El Camino Real. The project would also link East Valley residents to future job centers in North San Jose along the North First Street corridor. The proposed project would provide improved access to economic generators such as Downtown San Jose, the Valley Fair/Santana Row shopping complex, and smaller downtowns in Santa Clara, Sunnyvale, Mountain View, and Palo Alto. Educational institutions served directly or through a transfer by the proposed project include San Jose State, Santa Clara and Stanford universities, along with De Anza Community College, San Jose City College, and Evergreen College. In addition, government, entertainment, and cultural destinations such as City Hall, SAP Center, and the Mexican Heritage Plaza would be served directly by the proposed project.

Benefits of this project include the following:

- Provide improvements to address the transportation needs of the community;
• Increase transit capacity and regional connectivity to major employment and activity centers;
• Help offset future impacts of congested conditions expected from growth in the area;
• Enhance safe pedestrian mobility along the Corridor;
• Enhance regional connectivity with more accessible bus stops and increased bus service through the corridor; and
• Improve air quality by reducing single driver trips and increasing transit ridership.

SECTION 4

PROJECT PLANNING

The engineering of the Project is developed in various phases of project development in conjunction with the environmental process. Engineering phases include Conceptual, Preliminary and Final Engineering. These design phases represent a progression of engineering throughout project development.

In addition, the engineering is related to several other primary activities that must be performed in sequence for the implementation of the Project. The overall Project sequence can be summarized as follows:

1) Completion of conceptual and preliminary engineering;
2) Acquisition of right-of-way;
3) Relocation of third party utilities;
4) Completion of final engineering; and
5) Construction of BRT facilities.

For the BRT Project, conceptual engineering was completed in October 2009 with preliminary engineering beginning in March 2010. The package for preliminary engineering was prepared by a VTA consultant and was issued to VTA in October 2011. This package included the specific layout for the various project components, including platform locations and utility conflicts with proposed BRT facilities, and the related Project property acquisition needs. Property acquisition proceeded in early 2012.

SECTION 5

ENVIRONMENTAL REVIEW

Environmental impacts were discussed in detail in the following documents prepared during the planning and environmental review phases of the Project, which are incorporated herein by reference.

• An Environmental Impact Report (EIR) was prepared to study BRT and LRT alternatives. A Draft EIR was circulated for public review and comments from July 7, 2008 to August 20, 2008.
A Final EIR was presented to the VTA Board of Directors and certified on December 11, 2008.

An Addendum to the Final Environmental Impact Report was approved in July 2011 to address design changes including relocation of BRT Stations, lane configuration changes, removal of landscaping, and right-of-way changes.

SECTION 6

SPECIFIC PROPERTY ACQUISITIONS

A detailed property fact sheet and aerial map of the property subject to the Resolution of Necessity follows. Overall property requirements and project related costs have been minimized as much as possible.

An offer to acquire a portion of property owned by Standard Guadalupe Venture, LP, a Delaware limited partnership, (SCAR043) was made on or about July 21, 2015, and said offer package is incorporated herein by reference. A Notice of Intention to Adopt a Resolution of Necessity, also incorporated herein by reference, was sent via Overnight Mail to the property owner on December 22, 2015.

SANTA CLARA-ALUM ROCK
BUS RAPID TRANSIT PROJECT

PROPERTY FACT SHEET – PROPERTY ID NO. SCAR043

Owner: Standard Guadalupe Venture, LP, a Delaware limited partnership
Property Address: 2151 Plaza de Guadalupe, San Jose, CA 95116
Locale: San Jose
Zone: MS-G
Present Use: Multifamily residential
Total Property Area: 135,884 square feet
Area to be Acquired: SCAR043-01: 30 sq.ft. public utility easement
                     SCAR043-02: 66 sq.ft. temporary construction easement
Improvements to be Acquired: Landscaping and fencing
Date of Offer: July 21, 2015
Date of Notice of Intention to Adopt Resolution of Necessity mailed: December 22, 2015
The subject property is located at the southeast corner of Alum Rock Avenue and Jose Figueres Avenue. It contains approximately 135,884 square feet and is improved with a multifamily residential building.

The proposed easements include a 30 square foot public utility easement (PUE) and a 66 square foot temporary construction easement (TCE) within the northern portion of the parcel. The PUE and TCE are needed to install a new stoplight that will replace the existing one due to the widening of Alum Rock Ave.
ALUM ROCK AVENUE (100' WIDE)

SCAR043-01

SCAR043-02

SCAR043
APN 481-21-149
STANDARD GUADALUPE VENTURE LP
DOC NO. 22477630

PARCEL A
516 M 31

LEGEND
PUE - PUBLIC UTILITY EASEMENT AREA 0.1± SQFT.
TCE - TEMPORARY CONSTRUCTION EASEMENT AREA 0.2± SQFT.

SANTA CLARA - ALUM ROCK BUS RAPID TRANSIT
SCAR043
APN 481-21-149
CITY OF SAN JOSE,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA

SCALE: 1"=10'  DRAWN BY: H. BRASALI
DATE: 06-27-14  CHECKED BY: J. MORRIS
SHEET: 1 OF 1
Silicon Valley Berryessa Extension Project

Significant activities and progress on VTA’s BART Silicon Valley Berryessa Extension Project continued during December 2015. Key activities that occurred throughout the 10-mile extension construction include the following:

Construction Updates

- **Fremont and central Milpitas.** Skanska, Shimmick, Herzog (SSH), the major contractor for the Berryessa Extension line, track, stations and systems work, continued to work on key elements of systems facilities in the Fremont/central Milpitas area, including installation of the electrical duct bank and cable, which will power the trains. Installation of ballast, concrete ties, rail, floating slab sections, cable trough and track crossover work continued along the guideway. Construction of the Santa Clara Valley Water District floodwall near Berryessa Creek has been completed.

- **Dixon Landing Road.** North of the roadway, SSH continued removing trench support of excavation materials. Placement of wall concrete is complete through the entire trench section. South of the roadway, work continued throughout the month on features such as area lighting and the emergency/maintenance walkway within the trench. Dixon Landing Road hardscape work has begun for restoration of traffic lanes.

- **Montague Expressway.** North of the roadway, crews continued to install cable troughs at the trench structure and place AT&T conduit for utilities entering the Milpitas Station. Installation of utilities for street and path lighting at Piper Drive also continued.

- **Milpitas Station.** Steel bridge sections for the future pedestrian bridge to VTA’s Montague Light Rail Station have been placed into final position, and crews have
installed the bridge’s roof deck and are preparing to pour the floor deck. Work also
continued on the station’s roofing system, ancillary buildings, and station platform
features, including floor slabs, stairways, elevator slab, escalators, acoustical insulation,
concrete beams, and electrical and lighting duct banks. Concrete columns and paved bus
bays have been placed for the station’s transit center.

- **Capitol Avenue.** Installation of new PG&E utilities and relocation of existing utility lines
  continued. The contractor reopened two northbound and three southbound lanes in
  accordance to the City of Milpitas’ holiday moratorium.

- **Trade Zone Boulevard.** Placement of invert concrete is complete and placement of wall
  concrete for the trench structure between Capitol Avenue and Trade Zone Boulevard
  continues. South of Trade Zone Boulevard, the contractor has begun dry finishing the
  walls.

- **Hostetter Road.** Removal of trench support of excavation materials is underway at the
  southern end of the trench section. Construction of floating track slab sections are
  underway.

- **Sierra/Lundy intersection.** The contractor completed construction of the exterior and
  center trench walls and continued constructing the deck and chimneys for the trench and
  tunnel structure. The street section has been backfilled and is being prepared for paving.

- **Berryessa Station Area.** The station’s concourse slab has been poured, and the structural
  frame for the concourse storefront space is being installed. Placement of structural steel
  for the station’s End-of-Line building is underway and steel welding continues for the
  roof canopy. Along the aerial guideway, placement of floating slab sections of track
  continued, and placement of trackwork is underway.

- **Station Parking Structures.** McCarthy Building Companies, Inc., the project’s design-
  build contractor for the parking structures, has continued construction activities at both
  the Berryessa & Milpitas parking structures. At Berryessa Station, the contractor has
  completed the roof deck for the 3rd level section of the structure, and the 4th floor of the
  remaining portion of the structure. At Milpitas Station, the initial concrete pours for the
  2nd level deck have been completed, as well as the slab on grade, inclusive of the
  storefront space’s plumbing and electrical rough-ins. Electrical rough-ins have been
  completed, as well all plumbing under the parking structure footprint.

**Communications and Outreach**

In the City of Milpitas, outreach staff continued door-to-door outreach to businesses on Gladding
Court regarding the upcoming demolition of buildings to make way for the extension of South
Milpitas Boulevard. Staff also performed door-to-door and email notifications for removal of
Trench support of excavation materials at Dixon Landing Road. Additional safety and route
signage was produced and posted by outreach staff at the Montague Light Rail Station.
In the City of San Jose, staff continued its outreach to residents regarding the removal of trench support of excavation materials near Hostetter Road. Additional outreach was performed in the Berryessa Station area regarding the construction of a community sound wall. Staff continued outreach efforts to update local residents and stakeholders on the progress of the Sierra Road/Lundy Avenue intersection completion schedule. Staff facilitated a meeting between the City of San Jose, VTA and the Kingston Village Homeowners Association regarding additional coordination efforts for area construction activities.

A presentation of the SVBX project was facilitated at San Jose State University. Staff also produced a YouTube video highlighting the progress made on the Berryessa Station and the environmental success stories for both project campuses.

### SVBX Budget

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$Millions - Year of Expenditure

### Phase II Activities

#### New Start Project Development

At the December 10, 2015 Board of Directors meeting, staff requested concurrence from the Board of Directors to submit an application letter to FTA to request entry into New Starts Project Development for the BART Silicon Valley Phase II, 6-mile, 4-station project in mid-December 2015. The application letter includes information such as the project’s purpose and need, documentation of funding for project development activities, a milestone schedule and project cost estimate.

With no objections staff has prepared the application letter and supporting documentation. At the time of this writing final review is underway to meet the targeted submittal date. Once VTA requests to enter Project Development, FTA reviews the request and associated materials and notifies Congress and VTA within a 45-day period whether entry into New Starts Project Development has been granted.

#### Environmental Activities

Technical analysis and document development continued for the combined *Supplemental Environmental Impact Statement/3rd Supplemental Environmental Impact Report*. An administrative draft of the document is scheduled to be transmitted to FTA in early January for initial review. FTA’s review is anticipated to be completed by the end of April 2016, at which point document revisions and preparations to for public circulation will be made.

#### Community Working Groups

The next meetings for the BART Silicon Valley Phase II Community Working Groups are scheduled for February 9, 10 and 11, 2016. Topics on the current work plans for February
include presentations on High Speed Rail, Caltrain electrification, VTA and City related projects, and BART station naming policies. The remaining meetings for 2016 are scheduled to occur in April, June, September, and November.

Prepared By: Kevin Kurimoto
Memo No. 4907
BOARD OF DIRECTORS MEETING
Thursday, December 10, 2015
MINUTES

1. CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Santa Clara Valley Transportation Authority’s (VTA) Board of Directors was called to order by Chairperson Woodward at 9:10 a.m. in the Board of Supervisors’ Chambers, County Government Center, 70 West Hedding Street, San José, California.

1.1. ROLL CALL

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<tr>
<th>Attendee Name</th>
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<td>Jason Baker</td>
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<tr>
<td>Jeannie Bruins</td>
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<tr>
<td>Larry Carr</td>
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<td>Magdalena Carrasco</td>
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<tr>
<td>Cindy Chavez</td>
<td>Vice Chairperson</td>
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<tr>
<td>Dave Cortese</td>
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<tr>
<td>Jose Esteves</td>
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<tr>
<td>Rose Herrera</td>
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<td>Perry Woodward</td>
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<tr>
<td>Ken Yeager</td>
<td>Board Member</td>
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* Alternates do not serve unless participating as a Member.

A quorum was present.

1.2 Determine the Board’s Chairperson and Vice Chairperson for calendar year 2016

M/S/C (Matthews/Yeager) to nominate Vice Chairperson Chavez to serve as the Board Chairperson for 2016.

M/S/C (Yeager/Matthews) to close nominations and elect Vice Chairperson Chavez as the Board Chairperson for 2016.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.
M/S/C (Liccardo/Chavez) to nominate Board Member Bruins to serve as the Vice Chairperson for 2016.

M/S/C (Chavez/Matthews) to close nominations and elect Board Member Bruins as the Board Vice Chairperson for 2016.

1.3 Orders of the Day - approve Consent Agenda (Item #6)

Chairperson Woodward recommended the following Agenda Items be placed on the Consent Agenda: 1) Agenda Item #5.4.A., VTA Board of Directors Meeting Schedule for calendar year 2016; and 2) Agenda Item #5.4.B., Appoint Board Members to Vacant Committee Positions.

Chairperson Woodward noted staff’s request to amend Agenda Item #6.2., Appointments to the State Route 85 Corridor Policy Advisory Board, to include the ratification of the appointment of Jeannie Bruins as the Alternate Member representing the City of Los Altos.

Chairperson Woodward noted Alternate Board Member Matthews’ request to hear Agenda Item 7.3., Land Use and Transportation Briefing Series: City Place Santa Clara after Agenda Item 5.2., Policy Advisory Committee (PAC) Chairperson’s Report.

Chairperson Woodward noted the deferral of Agenda Item #7.4, Compressed Natural Gas (CNG) Analysis, and that Agenda Item #6.3, Completion of Contract with Granite Rock Company would be pulled, as it needs a four-fifths vote of the Board.

Vice Chairperson Chavez requested staff bring back the Vehicle Registration Fee Intelligent Transportation System (ITS) Strategic Plan, discussed in Agenda Item #6.12., for Board input.

Board Member Esteves arrived at the meeting and took his seat at 9:13 a.m.

Board Member Liccardo recused himself from the following: Agenda Item 6.4., Contract with Xerox Corporation; Agenda Item #6.7., Kinkisharyo, Inc. Sole Source Contract; and, Agenda Item #6.8., Dellner, Inc. Three-Year Sole Source Contract.

M/S/C (Chavez/Bruins) to accept the Orders of the Day, and approve the Consent Agenda, as amended.
RESULT: APPROVED [UNANIMOUS]
(Order of the Day and Consent Agenda Items # 6.1-6.2; 6.5-6.6; 6.9-6.23)
MOVER: Chavez, Vice Chairperson
SECONDER: Bruins, Board Member
AYES: Baker, Bruins, Chavez, Esteves, Liccardo, Matthews, Yeager, Woodward
NOES: None
ABSENT: Carrasco, Herrera, Khamis, Peralez

RESULT: APPROVED
(Consent Agenda Items #6.4; 6.7-6.8)
MOVER: Chavez, Vice Chairperson
SECONDER: Bruins, Board Member
AYES: Baker, Bruins, Chavez, Esteves, Matthews, Yeager, Woodward
NOES: None
ABSENT: Carrasco, Herrera, Khamis, Peralez
RECUSE: Liccardo

2. AWARDS AND COMMENDATION

2.1. Recognize VTA Community Partner - Second Harvest Food Bank in Santa Clara County

Chairperson Woodward presented a Certificate of Recognition to Second Harvest Food Bank for their contributions to the community and partnership with VTA. Jennifer Plumlee, Events and Community Relations Coordinator, accepted the recognition on behalf of Second Harvest Food Bank.

On order of Chairperson Woodward and there being no objection, the Board recognized VTA Community Partner – Second Harvest Food Bank in Santa Clara County.

3. PUBLIC COMMENT

There were no Public Comments.

4. PUBLIC HEARINGS

There were no Public Hearings.

5. REPORTS

The Agenda was taken out of order.

5.2. Policy Advisory Committee (PAC) Chairperson’s Report

Chairperson Woodward noted the PAC Report was contained on the dais and the public table.
6. CONSENT AGENDA

6.1. **Board of Directors Regular Meeting Minutes of November 5, 2015**
M/S/C (Chavez/Bruins) to approve the Board of Directors Regular Meeting Minutes of November 5, 2015.

6.2. **Appointment to the State Route 85 Corridor Policy Advisory Board**
M/S/C (Chavez/Bruins) to ratify an appointment to the State Route 85 Corridor Policy Advisory Board and include the ratification of the appointment for Board Member Bruins as the Alternate Member representing the City of Los Altos.

6.3. **(Moved from the Consent Agenda and placed on the Regular Agenda)**
(1) Receive a report on the substantial completion of work done pursuant to an emergency, non-competitive paving procurement authorized by the VTA Board of Directors at its November 5, 2015 meeting; (2) authorize an amendment to the contract with Granite Rock Company (Granite Rock) for this work, increasing the total contract price from $499,785 to a sum not to exceed $600,000 based on the Board’s previous finding that an emergency existed requiring the non-competitive procurement of this work; and (3) adopt a resolution authorizing an amendment to the contract and terminating the emergency.

6.4. **Contract with Xerox Corporation**
M/S/C (Chavez/Bruins) on a vote of 7 ayes, 0 noes, 0 abstentions, and 1 recusal to authorize the General Manager to amend the existing contract with Xerox Corporation to cover the remainder of the five year contract for document copy and printing equipment, software, consumables, and support, in the amount of $170,000. This amendment will increase the aggregated spending authorization up to $845,000. Board Member Liccardo recused.

6.5. **Fiscal Year 2016 Quarterly Statement of Revenues and Expenses**
M/S/C (Chavez/Bruins) to review and accept the Fiscal Year 2016 Quarterly Statement of Revenues and Expenses for the period ending September 30, 2015.

6.6. **RSM US LLP (RSM) Contract Amendment**
M/S/C (Chavez/Bruins) to authorize the General Manager to amend the contract with RSM US LLP (RSM) for Auditor General and internal audit services to reflect increased Board and administration usage. This action will increase the current $1,050,000 maximum contract amount by $225,000, resulting in a revised maximum of $1,275,000. The current term of this contract ends June 30, 2016.

6.7. **Kinkisharyo, Inc. Sole Source Contract**
M/S/C (Chavez/Bruins) on a vote of 7 ayes, 0 noes, 0 abstentions, and 1 recusal to authorize the General Manager to execute a sole source contract with Kinkisharyo, Inc., in the amount up to $866,358 to procure the components needed for the first year of a three-year overhaul program of the light rail vehicle primary and secondary suspension systems. Board Member Liccardo recused.

6.8. **Dellner, Inc. Three-Year Sole Source Contract**
M/S/C (Chavez/Bruins) on a vote of 7 ayes, 0 noes, 0 abstentions, and 1 recusal to authorize the General Manager to execute a three-year sole source contract with Dellner, Inc., the original equipment manufacturer (OEM), of the coupler system
in the amount up to $818,387 to refurbish, test, and certify buffer tube assemblies on VTA’s Light Rail Vehicles (LRV), as necessary, to meet the original Dellner coupler specifications. Board Member Liccardo recused.

6.9. **Agreements with the City of Cupertino - I-280/Wolfe Road Interchange Project**

M/S/C (Chavez/Bruins) to authorize the General Manager to negotiate and execute agreements with the City of Cupertino (City) to receive voluntary contributions to conduct project planning, environmental, design, right of way, and construction activities for the I-280/Wolfe Road Interchange Project and to enter into agreements with the California Department of Transportation (Caltrans) covering planning, preliminary engineering/environmental, design, right-of-way, and construction phases for the I-280/Wolfe Road Interchange Project.

6.10. **Priority Development Area (PDA) Planning Grant Second Supplemental Program of Projects**

M/S/C (Chavez/Bruins) to approve the Priority Development Area (PDA) Planning Grant second supplemental program of projects for funding.

6.11. **Santa Clara County Vehicle Registration Fee**

M/S/C (Chavez/Bruins) to review the status of ongoing Santa Clara County Vehicle Registration Fee activity.

6.12. **Three-year Plan for Vehicle Registration Fee (VRF) Countywide Program Funds**

M/S/C (Chavez/Bruins) to adopt a three-year plan for Vehicle Registration Fee (VRF) Countywide Program funds, approve scoring criteria for evaluating VRF-funded Intelligent Transportation System (ITS) projects and authorize the General Manager to execute funding agreements with Member Agencies as necessary to implement the VRF-ITS program.

6.13. **Vehicle Registration Fee (VRF) Countywide Program Intelligent Transportation System (ITS)**

M/S/C (Chavez/Bruins) to approve the programming of $82,000 of Vehicle Registration Fee (VRF) Countywide Program Intelligent Transportation System (ITS) funds for the City of Sunnyvale’s traffic signal upgrade at the intersection of Mathilda Avenue and Olive Avenue.

6.14. **Transportation Fund for Clean Air (TFCA) Program Manager Fund**

M/S/C (Chavez/Bruins) to review the status of ongoing Santa Clara County Transportation Fund for Clean Air (TFCA) Program Manager Fund projects.

6.15. **2015 Transportation Systems Monitoring Report**

M/S/C (Chavez/Bruins) to receive an update on the 2015 Transportation Systems Monitoring Report.

6.16. **SR 82 El Camino Real Relinquishment Exploration Study**

M/S/C (Chavez/Bruins) to receive a presentation on findings from SR 82 El Camino Real Relinquishment Exploration Study.

6.17. **Semi-Annual Update of Bicycle Expenditure Program (BEP) Projects**

M/S/C (Chavez/Bruins) to receive the Semi-Annual Update of Bicycle
Expenditure Program (BEP) projects.

6.18. VTA Complete Streets Program activities
M/S/C (Chavez/Bruins) to receive an update on VTA Complete Streets Program activities.


6.20. VTA/ATU Pension Plan Actuarial Valuation as of January 1, 2015
M/S/C (Chavez/Bruins) to receive a report on the VTA/ATU Pension Plan Actuarial Valuation as of January 1, 2015.

6.21. Final Legislative Update Matrix for 2015
M/S/C (Chavez/Bruins) to review the Final Legislative Update Matrix for 2015.

M/S/C (Chavez/Bruins) to receive the Monthly Investment Report for September 2015.

6.23. Transit Ridership Improvement Program
M/S/C (Chavez/Bruins) to receive update on Transit Ridership Improvement Program.

5.4.A VTA Board of Directors Meeting Schedule for calendar year 2016
M/S/C (Chavez/Bruins) to approve the VTA Board of Directors Meeting Schedule for calendar year 2016.

5.4.B Board Member Appointments
M/S/C (Chavez/Bruins) to approve Board Member appointments to Board standing committees, Board ad hoc committees, and joint powers boards.

7. REGULAR AGENDA

Transit Planning and Operations Committee

7.3 Land Use and Transportation Briefing Series: City Place Santa Clara
John Ristow, Director of Development, provided a brief overview of the project and introduced, Robert Swierk, Senior Transportation Planner; Julio Fuentes, City Manager and Kevin Riley, Planning Director, for the City of Santa Clara (City).

Mr. Swierk, Mr. Fuentes and Mr. Riley provided a presentation, highlighting: 1) Presentation outline; 2) Background; 3) VTA and City of Santa Clara Policies; 4) Santa Clara development context; 5) Existing conditions; 6) Current transportation initiatives; 7) Project overview; 8) Proposed transportation solutions: Pedestrian network; 9) Bicycle Network; 10) Vehicular access and street network; 11) Variants for Access; 12) Transit access; 13) Critical transportation issues; 14) Critical transportation issues and strategies; and 15) Next steps.

Board Member Carrasco arrived at the meeting and took her seat at 9:25 a.m.
Mr. Swierk highlighted several concerns which VTA addressed in a letter to the City, including: 1) impacts to transit travel times; 2) transit signal preemption; 3) Altamont Commuter Express (ACE)/Capitol Corridor improvements be built as part of the project; 4) integrated long term improvements to Great America Station; and 5) impacts to roadways, freeways, and pedestrians.

Board Member Herrera arrived at the meeting and took her seat at 9:36 a.m.

Chairperson Woodward indicated there were 10 Board Members present, and Agenda Item #6.3, which was pulled from Consent under Orders of the Day, would be heard immediately.

6.3. **Completion of Contract with Granite Rock Company**

M/S/C (Chavez/Matthews) to: (1) Receive a report on the substantial completion of work done pursuant to an emergency, non-competitive paving procurement authorized by the VTA Board of Directors at its November 5, 2015 meeting; (2) authorize an amendment to the contract with Granite Rock Company (Granite Rock) for this work, increasing the total contract price from $499,785 to a sum not to exceed $600,000 based on the Board’s previous finding that an emergency existed requiring the non-competitive procurement of this work; and (3) adopt Resolution No. 2015.12.48 authorizing an amendment to the contract and terminating the emergency. **Motion approved by 10 Board Members.**

RESULT: APPROVED  
MOVER: Chavez, Vice Chairperson  
SECONDER: Matthews, Board Member  
AYES: Baker, Bruins, Carrasco, Chavez, Esteves, Herrera, Liccardo, Matthews, Yeager, Woodward  
NOES: None  
ABSENT: Khamis, Peralez

7.3 **Land Use and Transportation Briefing Series: City Place Santa Clara**  
(continued)

A robust discussion ensued on the following: 1) partnership between VTA and the City; 2) policies related to costs; 3) level of VTA involvement; 4) balancing transportation with land use; 5) countywide development impact fees; 6) housing and jobs ratio imbalance; 7) transportation impacts and congestion challenges; 8) getting projects more visible; 9) interaction of housing, transportation and jobs; 10) Caltrain electrification and funding meaningful transit service; and 11) transit service areas.

Vice Chairperson Chavez stated staff be consistent and clear with all cities about responsibilities and expectations. She applauded the City of Santa Clara for being bold with the project, building densely and taking advantage of open space.

Board Member Esteves expressed the need to expand SR 237 and noted it was not addressed. Mr. Fuentes noted City staff have received suggestions from the City of Milpitas and hope to have something substantial and specific to share shortly.
Board Member Bruins expressed concern about the lack of mechanism to look at impact fees on a County level. She suggested staff research what can be done to deal with impacts that are occurring, relying less on the cities and looking at it from a regional point of view.

Board Member Liccardo noted agreement with Board Member Bruins and expressed concern with the segregation of housing and jobs in the region, noting growth cannot be accommodated without building housing. He expressed the need to manage congestion and reduce greenhouse gases. Board Member Liccardo indicated any Environmental Impact Report (EIR) comments from VTA should address the transportation needed to support the project and ensure the development works for the whole region.

Alternate Board Member Matthews made the following comments: 1) commended City staff for presenting the item to the committees and Board; 2) questioned what the threshold for projects will be going forward and the level of detail that will be analyzed; 3) suggested thinking more collaboratively regionally; 4) expressed excitement that a project will be in an area where ACE, Capitol Corridor, Caltrain, and VTA are all within walking distance; 5) noted the importance of having amenities available to capture more funds for the immediate area; 6) job generation; and 7) willingness to continue to work with regulators to add more housing.

Board Member Herrera agreed with having a mechanism for the Board to have more input and stressed the need to have projects come forward earlier for VTA to have influence and to better utilize infrastructure. She expressed appreciation for Mr. Riley and Mr. Fuentes attending the meeting.

Vice Chairperson Chavez recommended staff address the following: 1) under what terms and conditions are projects being looked at and how early in the process does staff intend to look at them; 2) look at the current policy framework and shop framework around to the cities to get their input; and 3) ensure the framework addresses costs and affordability and makes land use meaningful and powerful.

Alternate Board Member Matthews suggested staff look at where transit goes and expressed a desire to have a discussion on service as a whole. He expressed concern about the north/south transit service and added transit must be convenient to be successful.

Inez Evans, Chief Operating Officer, noted staff is going through the Transit Ridership Improvement Program (TRIP), a comprehensive analysis of the transit system, and a discussion with the Board is slated for early 2016.

Vice Chairperson Chavez noted her request to have a conversation with outside strategists IDEO to help think about how VTA looks at the entire system. She requested both be presented noting the importance of discussing region-wide transportation planning.

**Public Comment**

Roland Lebrun, Interested Citizen, expressed concern with the network, and stressed the need to get to a point where this project can happen.

Board Member Baker indicated the West Valley and North County cities previously requested a comprehensive system-wide study to address the overall mobility needs
in the county and to see how things can be improved. He questioned when and if it will be done.

Mr. Ristow provided clarification on TRIP, noting its focus is on transit. He indicated staff will be meeting with the cities’ staff that represent the Technical Advisory Committee (TAC) to see what the product and scope might be and what would come out of the effort. Board Member Baker requested VTA staff to provide follow-up after the meeting.

On order of Chairperson Woodward and there being no objection, the Board received and discussed information about land use and transportation pertaining to the proposed City Place development in the City of Santa Clara.

Board Member Liccardo left the meeting at 10:37 a.m.

5. REPORTS (continued)

5.1. Citizens Advisory Committee (CAC)/2000 Measure A Citizens Watchdog Committee (CWC) Chairperson’s Report

William Hadaya, CAC Chairperson, provided a brief report on the November 10, 2015, CAC/CWC meeting, highlighting: 1) Priority Development Area (PDA) Planning Grant second supplemental program of projects for funding; and 2) Vehicle Registration Fee (VRF) Countywide Program Intelligent Transportation System (ITS) funds. He announced this will be his last year serving as CAC Chairperson and thanked the Board and staff for a successful year.

7. REGULAR AGENDA (continued)

Governance and Audit Committee

7.1. CAFR for VTA, and the Financial Reports for ATU Pension Plan and Retirees’ OPEB Trust

Raj Srinath, Chief Financial Officer, provided a brief overview of the staff report and introduced Ahmad Gharabeh and Leonard Danna, Vavrinek, Trine, Day & Company.

M/S/C (Herrera/Chavez) to review and receive the audited CAFR for VTA, and the Financial Reports for ATU Pension Plan and Retirees’ OPEB Trust (both referred to as Trusts) for Fiscal Year 2015.

RESULT: APPROVED [UNANIMOUS]
MOVER: Herrera, Board Member
SECONDER: Chavez, Vice Chairperson
AYES: Baker, Bruins, Carrasco, Chavez, Esteves, Herrera, Matthews, Yeager, Woodward
NOES: None
ABSENT: Khamis, Liccardo, Peralez
Board of Directors

7.2. Business Assistance Program for the Alum Rock/Santa Clara Bus Rapid Transit (BRT) Project

Jim Lawson, Director of Public Affairs and Executive Policy Advisor for Public Affairs, provided a brief update of the project. He introduced George Rios, Independent Administrator.

Mr. Rios indicated 23 claims were filed initially, noting several were ineligible due to litigation and some needed additional documentation. He noted after clarification was provided to business owners, additional claims were received, which caused the total amount requested to exceed $2 million. He also indicated more claims are expected by the December 11, 2015, deadline. He noted he will review the claims and will be able to determine if additional funds are needed by in February 2016.

Public Comment

Carlos Carreira, Interested Citizen, thanked the Board for caring and trying to help the businesses, specifically Vice Chairperson Chavez and Board Member Carrasco.

Jesus Flores, president of the Alum Rock Business Association, thanked the Board for their support and implementing a program to assist businesses. He expressed appreciation to Board Members Liccardo and Carrasco, and Vice Chairperson Chavez for attending the tree lighting event.

David Vieira, Interested Citizen, expressed concern with the Community Working Group (CWG) for BRT which he suggested be formed after the October Board meeting. He requested someone contact him through the field office to let him know whether or not one would be established.

Board Member Carrasco thanked VTA staff for the amount of work done in a very short amount of time. She thanked Mr. Rios for looking at applications and working with the business owners. She noted the positive result of a business association being born through this and hopes that they will continue to be united. Board Member Carrasco indicated VTA drafted language that was a concern to the businesses regarding confidentiality. She thanked VTA for helping remedy that and being dedicated and committed. She requested staff address the issue with the CWG for the BRT project.

Vice Chairperson Chavez thanked the Business Association, community and staff. She requested staff follow up on finding additional parking on Alum Rock. She requested Mr. Vieira and Mr. Flores refine their request for the formation of a working group and let the Board know what model would work well. She thanked the Board for their assistance and Board Member Carrasco for her help and interest.

Upon Inquiry of Board Member Herrera, Bernice Alaniz, Director of Communications, announced the following upcoming events and activities: 1) Santa Stroll; 2) Celebrate Alum Rock; and 3) a big banner campaign to bring attention to Alum Rock, promoting services and dining in the area.

Board Member Carrasco indicated her office prepares a monthly newsletter to support Alum Rock Businesses.

On order of Chairperson Woodward and there being no objection, the Board received a report from the Independent Administrator, George Rios, regarding the
status of the Business Assistance Program for the Alum Rock/Santa Clara Bus Rapid Transit Project.

7.4. (Deferred)
Receive an update on Compressed Natural Gas (CNG) analysis.

5. REPORTS (continued)

5.3. General Manager’s Report
Inez Evans, Chief Operating Officer, noted ridership information, and the security and support report were located in the reading folders and on the public table. Ms. Evans provided a report, highlighting:

- Turkey Trot in downtown San Jose
- Human Trafficking Awareness campaign in advance of Super Bowl 50
- Alum Rock Tree Lighting event on December 5, 2015

5.3.A. Government Affairs Update
Ms. Evans indicated the report was contained in the reading folders and on the public table.

5.3.B. Silicon Valley Rapid Transit (SVRT) Program Update
Ms. Evans indicated the report was contained in the reading folders and on the public table.

5.4. Chairperson’s Report
Chairperson Woodward provided a brief overview of the 2015 year and his service as the Board Chairperson. He thanked his colleagues for support and collegiality. He thanked Nuria I. Fernandez, General Manager, and staff for their work. Chairperson Woodward indicated his five priorities for the year were BRT, Super Bowl 50, Earthquake Stadium service, Envision Silicon Valley and BART Phase II, and noted he will send his remarks via email.

Carolyn Gonot, Director of Engineering and Transportation Infrastructure Development, provided a brief report on the New Starts Project, noting a request will be submitted to the Federal Transit Administration (FTA) the week of December 14, 2015, starting the process of applying for federal funding for BART Phase II.

5.4.A (Moved to the Consent Agenda)
Approve the VTA Board of Directors Meeting Schedule for calendar year 2016.

5.4.B (Moved to the Consent Agenda)
Approve Board Member appointments to Board standing committees, Board ad hoc committees, and joint powers boards.
8. OTHER ITEMS

8.1. ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION
Alternate Board Member McAlister re-emphasized the need for the study that was requested by the North County and West Valley Cities. A letter was submitted to the VTA Board of Directors to request development of a comprehensive transportation review plan. He urged the Board to direct staff to come back with a work plan within the next month to conduct a study.

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

8.2.A. VTA Standing Committees
- Governance and Audit Committee – The November 5, 2015, Minutes were accepted as contained in the Agenda Packet.
- Silicon Valley Rapid Transit Program Working Committee (SVRT PWC) – There was no report.
- Transit Planning & Operations (TP&O) Committee – The November 18, 2015, Minutes were accepted as contained in the Agenda Packet.
- Congestion Management Program & Planning (CMPP) Committee – The November 19, 2015, Minutes were accepted as contained in the Agenda Packet.
- Administration & Finance (A&F) Committee – The November 19, 2015, Notice of Cancellation was accepted as contained on the dais.

8.2.B. VTA Advisory Committees
- Committee for Transit Accessibility (CTA) – There was no report.
- Citizens Advisory Committee (CAC) and 2000 Measure A Citizens Watchdog Committee (CWC) – The November 10, 2015, Minutes were accepted as contained in the Agenda Packet.
- Bicycle & Pedestrian Advisory Committee (BPAC) – The November 10, 2015, Minutes were accepted as contained in the Agenda Packet.
- Technical Advisory Committee (TAC) – The November 12, 2015, Minutes were accepted as contained in the Agenda Packet.
- Policy Advisory Committee (PAC) – The November 12, 2015, Minutes were accepted as contained in the Agenda Packet.

8.2.C. VTA Policy Advisory Boards (PAB)
- Downtown East Valley PAB – There was no report.
- Diridon Station Joint Policy Advisory Board – There was no report.
- El Camino Real Rapid Transit PAB – There was no report.
• State Route 85 Corridor PAB – The November 16, 2015 Minutes were accepted as contained in the Agenda Packet.

8.2.D. Joint Powers Boards and Regional Commissions

• Peninsula Corridor JPB – The December 3, 2015, Summary Notes were accepted as contained on the dais.
• Capitol Corridor JPB – There was no report.
• Dumbarton Rail Corridor Policy Committee – There was no report.
• Metropolitan Transportation Commission (MTC) – The November 18, 2015, Summary Notes were accepted as contained on the dais.
• Sunol Smart Carpool Lane Joint Powers Authority – There was no report.
• SR 152 Mobility Partnership – There was no report.

8.3. ANNOUNCEMENTS

There were no Announcements.

9. CLOSED SESSION

9.1. Recessed to Closed Session at 11:15 a.m.

A. Threat to Public Services or Facilities - Security Sensitive Procurement

Consultation with: Steven Keller, Director of Systems Safety & Security.

B. Anticipated Litigation - Conference with Legal Counsel

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54946.9.

Number of potential cases: 1

C. Existing Litigation - Conference with Legal Counsel

[Government Code Section 54956.9(d)(1)]

Name of Cases: Santa Clara Valley Transportation Authority v. Montague Parkway Assoc., et al. (Santa Clara County Superior Court Case No.: 1-12-CV-220334) and related case: Montague Parkway Assoc., et al. v. Santa Clara Valley Transportation Authority (Santa Clara County Superior Court Case No.: 1-15-CV-281544)

Board Member Herrera left the meeting at 11:32 a.m.

9.2. Reconvened to Open Session at 11:43 a.m.

9.3. Closed Session Report
A. Threat to Public Services or Facilities - Security Sensitive Procurement

Consultation with: Steven Keller, Director of Systems Safety & Security.

Rob Fabela, General Counsel, noted that no reportable action was taken during Closed Session.

B. Anticipated Litigation - Conference with Legal Counsel

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54946.9.

Number of potential cases: 1

Mr. Fabela noted that no reportable action was taken during Closed Session.

C. Existing Litigation - Conference with Legal Counsel

[Government Code Section 54956.9(d)(1)]

Name of Cases: Santa Clara Valley Transportation Authority v. Montague Parkway Assoc., et al. (Santa Clara County Superior Court Case No.: 1-12-CV-220334) and related case: Montague Parkway Assoc., et al. v. Santa Clara Valley Transportation Authority (Santa Clara County Superior Court Case No.: 1-15-CV-281544)

Mr. Fabela noted that no reportable action was taken during Closed Session.

10. ADJOURNMENT

On order of Chairperson Woodward and there being no objection, the meeting was adjourned at 11:44 a.m.

Respectfully submitted,

Menominee McCarter, Board Assistant
VTA Office of the Board Secretary
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Planning and Program Development, John Ristow

SUBJECT: Light Rail Enhancement Contract Amendment

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to execute a contract amendment to Contract S15038F with Fehr & Peers in an amount not to exceed $150,000 for planning and conceptual design services for the North Bayshore Area, for a new contract amount not to exceed $1,389,128 and increase the contract contingency to 15% of the new contract value.

BACKGROUND:

Under the Light Rail Enhancement Project, VTA is currently in planning and engineering for a number of light rail projects aimed at improving system speed and reliability. The Board awarded a contract for professional services to Fehr & Peers in June 2015 for a contract not to exceed $1,239,128.

This project was originally scoped to analyze speeding up Light Rail service and to design a set number of projects up to a conceptual level of engineering. This work focuses on North First Street and Downtown San Jose, but other areas of the Light Rail system will also be analyzed.

VTA has also recently entered into an agreement with Google to conduct a transportation study the North Bayshore area. This study will analyze near-term and long-term solutions to the transportation issues in the North Bayshore area and will ultimately lead to a number of projects, programs, and or services to provide transit to the quickly growing area. The analysis will also look into potential mass transit connections, specifically to the VTA LRT system.

DISCUSSION:

VTA staff is proposing to amend the scope of the existing Fehr & Peers contract to include
planning and conceptual engineering work for the North Bayshore area. Fehr & Peers have worked with Google in the past and have experience with both Google and the North Bayshore area. Staff is also very pleased with the level of work by Fehr & Peers and believe they are more than capable of completing this task. Google staff supports the selection of Fehr & Peers in this study.

The current contract is $1,239,128. The scope of work will require up to an additional $150,000, for a new contract amount not to exceed $1,389,128. The Google portion of this work is expected to be completed by July 2016. This will be funded by Google per the VTA -Google agreement. The contract contingency is also requested to be increased by 15% of the new contract amendment value.

**Contract Summary**

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<td>Prior Modifications: $0</td>
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<td>Contract Term(s): June 30, 2017 (No Change)</td>
<td>Amount Requested: $150,000</td>
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<td></td>
<td>Total Amount Including Request: $1,389,128</td>
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<tr>
<td>Procurement Type: Competitive</td>
<td>% of Request to Current Amount: 12.1%</td>
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<td>Underutilized Disadvantaged Business Enterprise Goal: NA</td>
<td>% Modifications including request to original contract: 12.1%</td>
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<tr>
<td>Disadvantaged Business Enterprise Goal: 7.26% (goal of existing contract)</td>
<td>Funding Source(s): private</td>
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</tbody>
</table>

**ALTERNATIVES:**

The VTA Board could elect not to authorize amending this contract and instead choose to bid this contract competitively, but VTA already has Fehr & Peers under contract to perform tasks which would synergize with the tasks scoped for this project. Fehr & Peers also has previous work experience with both VTA and Google which will be beneficial with the accelerated delivery plan for this work.

**FISCAL IMPACT:**

This action will authorize an additional $150,000 for planning and conceptual design services. Appropriation for this expenditure is available in the FY16 VTA Transit Fund Capital Budget. This contract amendment is totally funded through a cooperative agreement with Google.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee considered this item on December 17, 2015 and unanimously recommended Board of Directors’ approval at the January 7, 2016 meeting.

Prepared by: Jason Kim
Memo No. 5283
ATTACHMENTS:

- Attachment A_5283_Subconsultants (PDF)
## Attachment A: Subcontractor Listing for Fehr & Peers

<table>
<thead>
<tr>
<th>Contact</th>
<th>Title</th>
<th>Email</th>
<th>Phone</th>
<th>Contractor Firm</th>
<th>Contractor Role</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nate Conable</td>
<td>Principal (PM)</td>
<td><a href="mailto:n.conable@fehrandpeers.com">n.conable@fehrandpeers.com</a></td>
<td>415-348-0300</td>
<td>Fehr &amp; Peers</td>
<td>Prime Contractor</td>
<td>San Jose, CA</td>
</tr>
<tr>
<td>John Litzinger</td>
<td>Associate Vice President Group Director</td>
<td><a href="mailto:j.litzinger@hntb.com">j.litzinger@hntb.com</a></td>
<td>408-451-7300</td>
<td>HNTB</td>
<td>Engineering/Design</td>
<td>San Jose, CA</td>
</tr>
<tr>
<td>Layne Kesler</td>
<td>Senior Systems Designer</td>
<td><a href="mailto:Lkesler@ltk.com">Lkesler@ltk.com</a></td>
<td>213-683-1495</td>
<td>LTK Engineering Services</td>
<td>Rail System Engineering</td>
<td>Ambler, PA</td>
</tr>
<tr>
<td>Brent Ogden</td>
<td>PE</td>
<td><a href="mailto:Brent.ogden@kimley-horn.com">Brent.ogden@kimley-horn.com</a></td>
<td>510-350-0228</td>
<td>Kimley-Horn</td>
<td>Rail Grade Crossings/CPUC</td>
<td>San Jose, CA</td>
</tr>
<tr>
<td>Lisa Padilla</td>
<td>Principal</td>
<td><a href="mailto:lpadilla@cityworksdesign.com">lpadilla@cityworksdesign.com</a></td>
<td>626-304-9034</td>
<td>Cityworks Design</td>
<td>Public Outreach</td>
<td>Pasadena, CA</td>
</tr>
<tr>
<td>Brian McCarter</td>
<td>Principal</td>
<td><a href="mailto:Brian.mccarter@zgf.com">Brian.mccarter@zgf.com</a></td>
<td>503-224-3860</td>
<td>Zimmer Gunsul Frasca Architects LLP (ZGF)</td>
<td>Downtown San Jose Design</td>
<td>Portland, OR</td>
</tr>
</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Board Secretary, Elaine Baltao

SUBJECT: Bicycle & Pedestrian Advisory Committee Appointment

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

ACTION ITEM

RECOMMENDATION:

Ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

BACKGROUND:

The Bicycle & Pedestrian Advisory Committee (BPAC) advises the VTA Board of Directors on planning and funding for bicycle and pedestrian projects and issues. The BPAC consists of 16 voting members, one appointed by each of VTA’s Member Agencies (the 15 cities in the county and the County of Santa Clara), and one non-voting member and alternate appointed by the Silicon Valley Bicycle Coalition (SVBC). The BPAC also serves as the countywide bicycle and pedestrian advisory committee for the County of Santa Clara.

The BPAC bylaws specify that the appointment term is two years and that members may be appointed to successive terms. Committee members must live, work or both in Santa Clara County during their term. Voting members of the Committee must also be a representative of the Member Agency’s local bicycle advisory committee or, for Member Agencies without a local bicycle advisory committee, their representative must be an individual who lives or works in the local jurisdiction and is interested in bicycle or pedestrian issues. BPAC members are precluded from representing a Member Agency that is their employer.
The process to fill BPAC vacancies is that staff notifies the appointing authority of the vacancy or approaching term expiration and provides the current membership requirements. The appointing authority then appoints one member for the designated membership position. For vacancies occurring mid-term, the bylaws specify that they be filled for the remainder of the term by the appointing authority. In both cases, the VTA Board must ratify the appointment.

**DISCUSSION:**

The County of Santa Clara has appointed Mila Zelkha to serve as its BPAC representative for the current two-year term ending June 30, 2016. Ms. Zelkha replaces the County’s previous representative, Jesus Gomez, who resigned due to changing time commitments.

Mila Zelkha, a native of Palo Alto, has resided there for the last seven years. She currently works for Palantir Technologies, a software company based in Palo Alto, where she oversees philanthropic partnerships. Prior to that, she managed the real estate portfolio of InnVision Shelter Network, a homeless services nonprofit based in Menlo Park. Following graduation from Rhode Island School of Design with dual Bachelor of Fine Arts and Bachelor of Architecture degrees, she helped launch the Boston affiliate of the U.S. Green Building Council, a nonprofit organization dedicated to mainstreaming green design. After moving back to the Bay Area, she founded two companies, a design & development company and a construction company, both based in Oakland.

In her personal life, Ms. Zelkha was a founding member and former Steering Committee member of Palo Alto Forward, an all-volunteer, community-based group that advocates for more housing and transportation options including the need for "complete streets" for bicycles, pedestrians and vehicles. She has served on the Santa Clara County Roads Commission since September 2015.

Based on her qualifications, experience, community involvement, and knowledge of bicycle, pedestrian, trails and safety issues, staff recommends that the Board ratify the appointment of this individual.

**ALTERNATIVES:**

The Board could choose to not ratify this appointment.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Governance & Audit Committee considered this item on December 14, 2015 as part of its Consent Agenda. The committee, without comment, unanimously recommended Board approval of this item and placement on the Board’s Consent Agenda.

Prepared by: Stephen Flynn, Advisory Committee Coordinator
Memo No. 5319
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

FROM: Auditor General, Patrick J. Hagan
       General Manager, Nuria I. Fernandez

SUBJECT: Approve Alum Rock BRT Construction Delay Assessment Project to be Conducted by VTA Auditor General

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

ACTION ITEM

RECOMMENDATION:

1) Approve amendment of the FY 2016 Internal Audit Work Plan to add the Alum Rock/Santa Clara BRT Project Construction Delay Assessment at a maximum cost of $73,000. This action is to fulfill the Governance & Audit Committee’s request for the VTA Auditor General’s Office to perform an independent analysis of the factors causing construction delays to the Alum Rock-Santa Clara Bus Rapid Transit project and as well as providing recommendations for improved delivery of future VTA construction projects; and

2) Authorize the General Manager to amend the contract with RSM US LLP for Auditor General and internal audit services to increase the current $1,275,000 maximum contract amount by $73,000, resulting in a revised maximum of $1,348,000. The current term of this contract ends June 30, 2016.

BACKGROUND:

The Alum Rock/Santa Clara (AR/SC) Bus Rapid Transit (BRT) Project will provide just over seven miles of limited-stop rapid transit service from the Eastridge Transit Center to the Arena Station in downtown San José using Capitol Expressway, Alum Rock Avenue and Santa Clara Street. This 2000 Measure A funded project includes installation of new, bus-only lanes on Alum Rock Avenue between U.S. 101 and I-680. These dedicated lanes will allow the BRT vehicles to bypass automobile congestion as well as include rail-like stations that allow for fast, all-door boarding. It will enhance the local community by providing increased mobility and other substantial long-term benefits.
This $114 million project began construction in late summer 2014. However, project completion has been significantly delayed, which has adversely impacted residents and patrons, primarily along the approximately 1.5 mile long Alum Rock section. There are potentially many factors that contributed to the overall delay, including safety concerns.

Since that time, VTA has aggressively pursued completion of the project and mitigation of the impacts to help ensure the continued commerce, vitality, and quality of life in the affected area. This included instituting corrective and preventative measures to return the affected area back to normal as soon as possible.

In addition, the Board of Directors, as part of its commitment to ongoing improvement through independent review, has requested an independent and comprehensive assessment by the Auditor General’s Office of the issues and factors that resulted in delaying completion of the AR/SC BRT project. The purpose is to identify opportunities for improvement and lessons learned for application to future VTA construction projects.

**DISCUSSION:**

The Auditor General’s Office proposes the following comprehensive plan for the Alum Rock/Santa Clara BRT Project Construction Delay Assessment:

**Objectives**

- Review the entire construction process to date including, but not limited to: planning; scheduling; contracting; construction; change orders; impediments; public outreach; environmental impact; staffing and/or management changes; and claims process.
- Determine whether the VTA has an adequate and effective comprehensive, well-functioning construction/public outreach/communication/business engagement process that is integrated into construction projects, both at programmatic and day-to-day operations levels.
- Identify potential opportunities for process and control improvements on future projects based on industry best practices as well as lessons learned on this project

**Scope**

The project scope would consist of, but not necessarily be limited to, the following (see Attachment A for the detailed proposed project scope):

A. Review all relevant project plans, schedules, contracts, public notices and other documentation, from construction inception to throughout its progress, to determine any deviations from the original plan.

B. Interview relevant VTA, partner agency, and regulatory jurisdiction staff and elected officials involved with the project to determine levels of intergovernmental coordination, cooperation and communication and if respective roles and responsibilities are clearly defined and monitored.
C. Interview members of the public, businesses, chambers of commerce, and community groups, primarily those adversely affected by the construction, to determine if the levels of community outreach, public input and feedback, issue resolution, and access to VTA management were appropriate given both the initial project scope and schedule as well as the changed conditions.

Schedule
Work would begin immediately following Board approval (certain planning and scheduling efforts have already begun). Presentation of the report containing recommendations for improved project delivery and enhanced community satisfaction and support would be targeted for the May 2016 Board and Governance & Audit Committee meetings.

Cost
The maximum cost to complete this project would be $73,000, comprised of a fixed fee for services of $65,000 based on 250 hours and a maximum of $8,000 for travel expenses, primarily for specialized subject matter experts.

RSM Contract
In order to complete this project, the Board will need to authorize the General Manager to amend the contract with RSM for Auditor General and internal audit services to increase the current maximum contract amount of $1,275,000 by the $73,000 project cost, thus resulting in a revised contract maximum amount of $1,348,000.

<table>
<thead>
<tr>
<th>Original Contract</th>
<th>$800,000</th>
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<tbody>
<tr>
<td>One Year Extension (FY 2016)</td>
<td>$250,000</td>
</tr>
<tr>
<td>FY 2016 Augmentation due to increased Board usage (approved by Board on 12/10/15)</td>
<td>$225,000</td>
</tr>
<tr>
<td>AR/SC BRT Project Construction Delay Assessment</td>
<td>$73,000</td>
</tr>
<tr>
<td><strong>Revised Contract Total</strong></td>
<td><strong>$1,348,000</strong></td>
</tr>
</tbody>
</table>

**FISCAL IMPACT:**
This action will authorize an increase of $73,000 to the FY 2016 Internal Audit Work Plan to fund the assessment. Sufficient appropriation to complete this work is contained in the Adopted FY 2016 2000 Measure A Transit Improvement Program Fund Capital Budget.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**
The Governance & Audit Committee considered this item on December 14, 2015 as part of its Regular Agenda. The committee, without major comment, unanimously recommended that the Board of Directors approve this item and that it be placed on the Board’s Consent Agenda.

Prepared by: Pat Hagan, Auditor General & Stephen Flynn, Advisory Committee Coordinator Memo No. 5334
ATTACHMENTS:

- A--AR-SC BRT Construction Delay Assessment Scope_DEC2015 (PDF)
Proposed Scope

- Interview staff to gain an understanding of the process from planning to current status, including construction issues, and sources of issues to establish deviations from original plan.
- Interview members of the public, businesses, chambers, and community groups that have been adversely affected by the construction to understand their concerns and the amount and type of public outreach from VTA, both proactive and reactive.
- Interview VTA staff involved with oversight of the project to determine successes and interviews with oversight, internal and external communication processes.
- Interview coordinating government agencies (as Caltrans and City of San Jose) to determine intergovernmental coordination successes and deficits.
- Review all relevant contracts, in relation to original BRT plan, to determine roles and responsibilities are clearly prescribed, VTA’s Contracts & Procurement departments’ selection and vetting of the public bidding process.
- Evaluate and review the overall proposed plan to ensure it’s complete and takes a proactive approach to public outreach, scheduling, change orders, and staffing changes.
- Assess the issues, from interviews and document review, and identify the source(s) of those issues.
- Assess potential risk of future issues and identify strategies to minimize these risks.
- Identify processes and resources that would ensure future construction on this project and future projects proceed as planned and with community support.
- Assess the current environmental impact of construction compared to the original plan.
- Verify the integration of the public with the different phases of construction.
- Review contractor’s costs, including vendors, suppliers, subcontractors and sub-tiers at termination.
- Review standard insurance and/or CCIP/OCIP and Bonds and/or Subcontractor Default Insurance.
- Compare the relevant processes or actions taken to leading practices, identify gaps, and develop recommendations and action plans to target value-adding improvements.
- Provide a public-facing document to communicate to current and future communities and business organizations how future projects will be a success and win/win for the community and transit riders (something along the line of “we heard you” and “Here is how we are going to ensure successful construction projects in the future.”)
- Review and assess the claims process has adequate internal controls to ensure only valid claims are paid.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

FROM: Auditor General, Patrick J. Hagan

SUBJECT: Public Safety Process Assessment

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

ACTION ITEM

RECOMMENDATION:

Review and receive the Auditor General's report on the Public Safety Process Assessment.

BACKGROUND:

To ensure the safety of its customers, employees, contractors and neighbors, VTA provides a comprehensive, active and visible security presence. To accomplish this, VTA contracts with the Santa Clara County Sheriff’s Office for law enforcement services and with AlliedBarton Security Services for unarmed and armed security services. In addition, VTA’s Security Program includes fare inspectors who randomly board light rail trains and request proof of payment from passengers while also assessing the safety of the environment.

VTA faces challenges in ensuring safety due to its large service area that includes providing both bus and light rail services across Santa Clara County and its fifteen municipalities. VTA’s services also overlap with regional rail services, such as Caltrain, that create additional complexity. The organization will also face additional security challenge with the planned fall 2017 implementation of BART Silicon Valley service.

A project contained in the Board-approved FY 2016 Internal Audit Work Plan was this Public Safety Process Assessment. The Auditor General’s Office completed this review in September 2015.
DISCUSSION:

The objective of the Public Safety Process Assessment was to examine VTA’s overall system safety planning and monitoring processes and systems for thoroughness, efficiency and overall comprehensiveness and integration.

Based on the scope of our assessment and the work performed, VTA appears to have a well-designed, comprehensive and well-integrated public safety process. Our assessment did not result in any observations meriting serious concern but did identify several opportunities to further evaluate existing processes for improved performance. Five observations were noted: Two rated Medium and three rated Low. The observations generally dealt with staffing levels and capabilities, the increased use of automation, more clearly defining jurisdictional cooperation, and BART Silicon Valley Extension service implementation security concerns. Based on this, an overall report rating of Low was assigned to help management understand our assessment of the overall design and effectiveness of VTA’s public safety processes.

The observations, recommendations, and VTA’s management responses to address each are described in the Detailed Observations section of the attached report, beginning on Page 3. VTA management agrees with all Auditor General Office’s recommendations and has committed to implement the corrective actions by June 30, 2016, with several being completed sooner.

Recommendations for improvement or efficiency opportunities contained in this report are presented for the consideration of VTA management, which is responsible for the effective implementation of any action plans.

FISCAL IMPACT:

There is no financial impact associated with acceptance of this report.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Governance & Audit Committee considered this item on December 14, 2015 as part of its Regular Agenda. Several members asked about the level of security for BART facilities and vehicles in Santa Clara County when the BART Silicon Valley Extension goes into operation. GM/CEO Nuria Fernandez responded that VTA is negotiating, as part of the BART/VTA Comprehensive Agreement, the ability to have higher levels of security in Santa Clara County than is the norm for the rest of the BART system. The committee unanimously recommended that the Board of Directors accept this item and that it be placed on the Board’s Consent Agenda.

Prepared by: Corey Saunders, Auditor General & Stephen Flynn, Advisory Committee Coordinator
Memo No. 5222

ATTACHMENTS:

- A--Public Safety Process Assessment (PDF)
Public Safety Process Assessment
Auditor General Report No. 2016-06

October 23, 2015
EXECUTIVE SUMMARY

Background
In 2013, the Santa Clara Valley Transportation Authority (VTA) Board of Directors contracted with McGladrey LLP to serve as its Auditor General’s Office and perform internal audit and consultative functions.

A component project contained in the Board-approved FY 2016 Internal Audit Work Plan is this Public Safety assessment. The Auditor General’s Office completed this assessment during September 2015. This assessment, as are all Auditor General audits, reviews and assessments, was performed in accordance with the Standards for Consulting Services issued by the American Institute of Certified Public Accountants.

This report was prepared for use by VTA’s Board of Directors, Audit Committee and management. Recommendations for improvement are presented for management’s consideration, and management is responsible for the effective implementation of corrective action plans.

Objective and Scope
The objective of this assessment was to obtain an understanding of VTA’s Public Safety processes, validate our understanding of the process through both documentation review and inspection and physical observation of in-place process, and identify opportunities for process improvements.

Our scope was limited to public safety staff from VTA’s Protective Services department and consisted of performing staff interviews and evaluating key documentation. The following processes were included in scope:
- Third party audits of Public Safety
- Safety metric tracking and applications
- Jurisdictional responsibility
- BART Silicon Valley – Phase I service implementation security considerations
- Special event planning
- Calls for service – response time monitoring

Overall Report Rating & Observations
(See Appendix A for definitions)

<table>
<thead>
<tr>
<th>Third-Party Fare Reporting</th>
<th>Report Rating</th>
<th>Number of Observations by Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td></td>
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</table>

Overall Summary and Review Highlights
Overall, based on our assessment VTA appears to have a well-designed, comprehensive and well-integrated public safety process. Our assessment did not result in any observations that merit serious concern but did identify several opportunities to further evaluate existing processes for improved performance. Our assessment also revealed commendable areas noted in Appendix B.

A total of five Observations were noted: Two rated Medium and three rated Low. Based on this, an overall report rating of Low was assigned to help management understand our assessment of the overall design of VTA’s public safety processes.

The assessment recommended that current staffing levels and capabilities as well as the use of the IndustrySafe software tool deserve heightened attention. The assessment also revealed opportunities to further evaluate processes for improved performance around jurisdictional cooperation, BART Silicon Valley Extension security concerns, and call-in responsibilities for the Operations Control Center (OCC), VTA’s 24/7/365 integrated command and control center.

The observations, recommendations, and VTA’s management responses to address each are described in the Detailed Observations section of this report.

We would like to thank the VTA and all those involved in assisting us in connection with the assessment. Questions should be addressed to Patrick Hagan in the VTA Auditor General’s Office at Auditor.General@VTA.org.
# Observations Summary

Following is a summary of observations noted in the areas reviewed. Definitions of the observation rating scale are included in Appendix A

<table>
<thead>
<tr>
<th>Observation Title</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Security Staffing Levels and Capabilities</td>
<td>Medium</td>
</tr>
<tr>
<td>2. IndustrySafe Reporting and Audit Module Functionality</td>
<td>Medium</td>
</tr>
<tr>
<td>3. Jurisdictional Responsibilities and Mutual Protocol Agreements</td>
<td>Low</td>
</tr>
<tr>
<td>4. BART Go Live – Security Considerations</td>
<td>Low</td>
</tr>
<tr>
<td>5. Calls for Service – Operational Responsibilities</td>
<td>Low</td>
</tr>
</tbody>
</table>
### Security Staffing Levels and Capabilities

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Observation:</th>
<th>Recommendation:</th>
<th>Management’s Response and Action Plan:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Security staffing levels and capability may not be optimal to address security concerns with the increase in special events and the projected security needed for BART Silicon Valley (BART SV) - Phase I service implementation.</td>
<td>VTA should evaluate Transit Patrol staffing levels in light of the increased number of Levi’s Stadium and other major events events and the impending BART SV Extension service implementation.</td>
<td></td>
</tr>
</tbody>
</table>

**Observation Rating: Medium**

1.1 The number of special events that VTA provides additional service to has increased significantly since the opening of both Levi’s and Avaya Stadiums. Special events require additional security to ensure public safety due to increased ridership and the nature of crowds at select special events. In its current state, VTA may not have the optimal level of security staff or the right mix of security staff to adequately address increasing security concerns.

VTA utilizes three unique types of safety and security forces – law enforcement, Allied Barton (AB) security contractors, and fare inspectors. Each group has unique responsibilities and capabilities within the organization. AB is seen as a force multiplier who can detain, but their capabilities are limited because they cannot arrest or Mirandize. Therefore, many responsibilities are shifted back to Transit Patrol that is staff by Santa Clara County Sheriff’s deputies. Fare Inspectors provide a presence on light rail and the platforms/stations along the light rail line. They also act as a deterrent because they identify potential security risks through fare inspection, however they do not have ability to run ID checks.

In order to mitigate security concerns and to mitigate the risk of public safety issues, VTA creates an operations plan that includes procedures to mitigate risk. The operational plan takes into account expected attendance, the specific nature of the event and associated patrons, and other factors to develop the plan and determine security staffing levels needed. Additional

1.1 VTA should evaluate existing staffing levels and capabilities of law enforcement, private security, and fare inspectors in conjunction with projected needs for BART SV service implementation and ongoing special events, to identify what VTA’s ideal staffing levels would be to meet the Board’s strategic vision for public safety and accomplishing operating priorities on an ongoing, sustainable basis. VTA should also consider all types of resources that could be utilized (i.e., sheriff technicians in lieu of fare inspectors, since fare inspectors cannot run ID checks and execute law-enforcement tasks, this results in Sheriff’s Office staff being taken away from primary responsibilities).

1.1 VTA management concurs with the recommendation. VTA will evaluate staffing levels and capabilities of law enforcement, private security and fare enforcement personnel with projected needs for BART SV service implementation and ongoing special events to identify VTA’s ideal staffing levels insuring that we are meeting the Board’s strategic vision for public safety and accomplishing operating priorities. VTA management will also consider the best and most efficient use of resources to insure best use of staff available.

**Responsible Party:** Manager of Protective Services Programs

**Target Date:** June 1, 2016
### Security Staffing Levels and Capabilities

<table>
<thead>
<tr>
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<td></td>
</tr>
</tbody>
</table>

Staffing is comprised of Transit Patrol Sheriff’s deputies and AB security contractors.

We noted that Transit Patrol staffing levels have recently been increasing when four additional deputies were hired to implement a third shift. However, 2015 Transit Patrol staffing levels are still below 1995 levels. While VTA now uses a significant number of AB security contractors, there is a difference in capability and mission.

Transit Patrol staffing levels have not kept pace with the general expansion of VTA services. Current staffing requirements stretch staffing levels in a suboptimal manner. Security staff may be performing duties that are better suited for other members of VTA’s Protective Services to compensate for staff shortages. With future services planned, such as the BART SV Extension service implementation, VTA may find it difficult to provide necessary security without additional security forces.

1.2 AB is contracted to monitor and manage the Closed Circuit Television (CCTV) control room. AB security contractors who monitor the control room have specialized technical skills as outlined in the contract. One benefit to contracting out CCTV control room monitoring is the number of AB resources with technical CCTV expertise.

One concern is that VTA does not have a staff member from the Sheriff’s Office or a VTA employee managing the CCTV room. The use of video footage is an important and sensitive aspect of law enforcement that must be managed properly. It is very important that an accurate chain of custody be maintained for

1.2 VTA should formally evaluate the costs and benefits of contracting out CCTV control room management. Based on discussions with members of Protective Services, it is clear that there are benefits to using a VTA employee to manage the CCTV control room.

1.2 VTA management concurs with the recommendation. VTA will evaluate the costs and benefits of staffing the CCTV control room with VTA personnel.

**Responsible Party:** Director of Safety and Security

**Target Date:** December 31, 2015
## Security Staffing Levels and Capabilities

<table>
<thead>
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<td>1.3 VTA management concurs with the recommendation. VTA will evaluate the costs and benefit of requiring Allied Barton security contractors to receive CIT, IB, and CS training. <strong>Responsible Party:</strong> Manager of Protective Services Programs <strong>Target Date:</strong> December 31, 2015</td>
</tr>
</tbody>
</table>

Data which could be requested for evidentiary reasons. VTA management of the CCTV control room could also provide stronger controls to prevent video footage leaks.

1.3 AB security contractor training is a key requirement of the contract between VTA and AB. VTA’s annual audit of the AB contract includes significant testing of training compliance which highlights the importance that VTA places on utilizing well-trained security contractors. While AB security contractors undergo extensive training, they are not required to have Crisis Intervention Training (CIT) that is focused on helping law enforcement to appropriately react in situations involving mental health or developmental disability to prevent unnecessary escalation. This is currently a requirement for Transit Patrol as part of the Sheriff’s Office training. CIT training is another example of differences in security capability. It also highlights the need to evaluate that the right mix of security forces are used.

Additionally, AB security contractors do not undergo formal Implicit Bias (IB) training or Customer Service (CS) training. Implicit Bias training reinforces to officers the importance of not allowing personal biases influence their decision-making in situations. Also, though many AB security contractors are known to have received some sort of CS training in the past, there is no uniform training which all have received.

1.3 VTA should evaluate the costs and benefit of requiring Allied Barton security contractors to receive CIT training to ensure its security presence has the adequate skills to effectively de-escalate and manage potential crises.

VTA should also consider the costs and benefit around both IB and CS training. Such training can enhance the AB security contractors’ ability to fairly work with passengers, especially in tense or controversial situations.

VTA may also benefit by considering the feasibility of AB contractors participating with other law enforcement agencies’ CIT, IB, and CS training to save on costs.
## Security Staffing Levels and Capabilities

<table>
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<td>1.4 VTA management concurs with the recommendation. VTA will evaluate the costs and benefit of 24/7 staffing of the CCTV control room.</td>
</tr>
</tbody>
</table>

**1.4** The CCTV control room is staffed during business hours by AB security contractors. They monitor television monitors, review previously taped footage, and pull requested footage if necessary. The CCTV control room is currently not staffed on nights and weekends. If footage of events is requested on weekends or at night, then a member of VTA will need to respond to the request. **1.4** VTA should evaluate whether 24/7 staffing of the CCTV control room would be beneficial. Considerations should include the cost of staffing, other supplementary work that could be performed by security staff working on weekends and nights, and the overall benefit to have real time monitoring and resources to pull video footage immediately when requested.

**Responsible Party:** Manager of Protective Services Programs

**Target Date:** December 31, 2015
IndustrySafe Reporting and Audit Module Functionality

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Observation:</th>
<th>Recommendation:</th>
<th>Management's Response and Action Plan:</th>
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<tbody>
<tr>
<td>2</td>
<td>IndustrySafe functionality is not effectively utilized in all segments of VTA’s public safety process.</td>
<td>VTA should evaluate if IndustrySafe is effectively utilized across the public safety process and perform a root cause analysis, if necessary.</td>
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</table>

Observation Rating: Medium

2.1 Operator incident reporting is manually entered into IndustrySafe, a web-based product used to record, track and identify safety trouble areas. This manual process entails paper forms, supervisor review, transfer to the Protective Services office, and data entry by an administrator. Through inquiry it was revealed that there is a backlog of incident reports that have not been entered into the IndustrySafe system. While we were informed that incidents of greater severity were entered into the system, other incident reports would not be visible if a query was run. The backlog of incident reports limits the value of analysis and reporting from IndustrySafe.

2.2 Incident reporting out of IndustrySafe is inadequate to provide relevant and meaningful reporting in an efficient manner. Through inquiry and observation it was evident that Protective Services had limited ability to generate IndustrySafe reports that could be used for analysis or reporting to management. Observation revealed that standard reports were not available. Key administrative staff could generate data dumps in Excel but would then need to use filters to generate meaningful information.

This was not the case for Sheriff’s Office security metrics or fare inspector data. Both the Sheriff’s Office application and the fare inspector’s application (FEATS) have adequate reporting capabilities to provide data used for management reporting and operational decision making. Through inspection of reports, we were able to see statistics for fare evasion, total ridership, and total

2.1 VTA should devote resources to eliminate the backlog of incident reports. VTA should also evaluate the manual nature of incident reporting. Process improvements that allow or encourage operators to enter incidents directly into IndustrySafe should be explored. We understand that incident reports need to be reviewed by a Supervisor and there are issues with providing tablets or computer access to operators, but exploring automation opportunities could greatly enhance the speed with which reports are entered into IndustrySafe and available for analysis and reporting.

2.2 VTA should evaluate IndustrySafe reporting to determine if it has sufficient incident reporting capabilities. If it does not, VTA should consider other reporting options such as Crystal reports. If IndustrySafe does have sufficient reporting capabilities, then VTA should evaluate whether the application has effectively been rolled out to all departments and whether additional training should be provided to ensure all users are aware of and employing the full functionality of the application.

2.1 VTA management concurs with the recommendation. VTA will devote resources to eliminate the backlog of incident reports. VTA will also evaluate the manual nature of incident reporting and will explore automation.

Responsible Party: Manager of Protective Services Programs

Target Date: March 31, 2016

2.2 VTA management concurs with the recommendation. VTA will evaluate IndustrySafe and determine it capabilities in the area of security related incident tracking, reporting and forecasting.

Responsible Party: Director of Safety and Security, Manager of Protective Services Programs, and Principal Safety Auditor

Target Date: June 30, 2016
### IndustrySafe Reporting and Audit Module Functionality

<table>
<thead>
<tr>
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</table>

VTA passengers checked. The Sheriff’s monthly incident report included meaningful information on individual events.

Further discussion with the Director, System Safety and Security and the Principal Safety Auditor, revealed that IndustrySafe training gaps and limited sharing of best practices across departments may be responsible for Protective Services’ inability to generate meaningful reporting. With recent organizational realignment, the System Safety and Security Division obtained ownership of IndustrySafe and has plans to enhance training and disseminate best practices.

**2.3** VTA undergoes significant third party audits and reviews by both state and federal agencies that include significant security and safety components. VTA also conducts a number of internal audits designed to monitor the effectiveness of processes/controls as well as comply with third party requirements. Because of the volume of audits required, and the need for administration and monitoring, VTA should be commended for their oversight of the audit process. However, it may be beneficial if some audit administration and monitoring tasks were automated.

Through inquiry with System Safety and Security’s Principal Safety Auditor, it was revealed that IndustrySafe includes an audit module that assists in automating audit administration and monitoring. Because the Principal Safety Auditor is a newly instituted position, there has not been time to fully investigate the audit module functionality. The Principal Safety Auditor will oversee safety audits

**2.3** We recommend evaluating the IndustrySafe audit module to determine if it provides additional functionality that improves the operational efficiency of audit monitoring through automating processes.

**2.3** VTA management concurs with the recommendation. VTA will evaluate IndustrySafe and determine its capabilities in the area of audit functionality.

**Responsible Party:** Director of Safety and Security, Manager of Protective Services Programs, and Principal Safety Auditor

**Target Date:** June 30, 2016
<table>
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<tr>
<th>Ref. #</th>
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While the divisions’ Senior Management Analyst will continue to oversee security audits.

Both the Senior Management Analyst and the Principal Safety Auditor use schedules to monitor the calendar of audits. An annual report is completed for the internal audit process every February, which provides a road map for audit planning and completion. In addition, the Senior Management Analyst maintains a monthly Corrective Action Plan report that tracks issues identified by an audit and the efforts to correct those issues. These procedures are primarily manual and tracked through spreadsheets and MS Word documents.
Jurisdictional Responsibilities and Mutual Protocol Agreements

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<tr>
<th>Ref. #</th>
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<tbody>
<tr>
<td>3</td>
<td>VTA does not have a formalized process to evaluate the need for mutual protocol agreements</td>
<td>Evaluate whether a process to periodically assess the need for mutual protocol agreements with other law enforcement agencies is necessary.</td>
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</table>

Observation Rating: Low

3.1 VTA’s jurisdictional responsibilities are complex because of its large service area and operating providing bus and light rail services across Santa Clara county and the fifteen municipalities therein. VTA services also overlap with regional rail services, such as Caltrain, that create additional complexity. As a result, defining jurisdictional responsibilities for security related events is critical for effective and efficient incident response.

In 2011, a mutual protocol agreement was executed between the San Jose Police Department and the Santa Clara County Office of the Sheriff. A section of the agreement defined jurisdictional responsibilities for VTA related incidents. An updated agreement is in the process of being drafted. The execution of a mutual protocol agreement between the Sheriff’s Office and the city of San Jose increases cooperation by clarifying law enforcement responsibilities.

With the impending implementation of BART SV service, VTA is drafting an Operations & Maintenance (O&M) Companion Agreement to the existing BART/VTA Comprehensive Agreement will include a section to define jurisdictional responsibility between BART police and VTA security.

It was also determined that jurisdictional cooperation with other municipalities is predicated on the experience and working relationships that Transit Patrol has established. However no formal process has been implemented to evaluate whether mutual protocol agreements with other municipalities should be pursued.

3.1 Because of the complexity of providing transit security along the VTA footprint, we recommend evaluating whether a process to periodically assess the need for mutual protocol agreements is necessary. The mutual protocol agreement with the city of San Jose is intuitive because 95% of calls occur within San Jose, but there should be a process to determine if mutual protocol agreements with other municipalities should be pursued.

A process that includes periodic assessments provide a mechanism to monitor changing demographics, as well as the VTA footprint, to ensure that mutual protocol agreements with other municipalities are pursued with high value municipalities.

Another approach is consideration of whether an educational document that defines VTA security responsibilities could be created and communicated to other law enforcement agencies.

3.1 VTA management concurs with the recommendation. VTA will evaluate the mutual protocol agreements with overlapping municipalities and/or feasibility of an educational document that defines VTA security responsibilities which could be communicated to other law enforcement agencies. Further, VTA will develop a procedure for periodic review of changing demographics and population within the VTA footprint.
## Bart Go Live – Security Considerations

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>4</td>
<td><strong>Observation:</strong> The BART SV Extension service will create additional safety and security complexity that should be managed through an assessment of best practice security approaches used at other BART stations and codified in the O&amp;M Companion Agreement being developed.</td>
<td><strong>Observation:</strong> The BART O&amp;M Companion Agreement should include a provision on CCTV data sharing, jurisdictional responsibility for BART police and VTA security, and security staffing levels on BART trains. VTA should evaluate existing available space near the Berryessa station to establish a community policing center.</td>
<td><strong>Recommendation:</strong> The BART O&amp;M Companion Agreement should include a provision on CCTV data sharing, jurisdictional responsibility for BART police and VTA security, and security staffing levels on BART trains. VTA should evaluate existing available space near the Berryessa station to establish a community policing center.</td>
</tr>
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</table>

**Observation Rating:** Low

**4.1** The BART extension has the potential to create jurisdictional ambiguity between different transit and law enforcement agencies. BART and VTA are drafting an O&M agreement to address some of these issues. Although the agreement has not been executed, it calls for BART police to patrol the trains and VTA to provide security on platforms and station facilities.

To enhance jurisdictional cooperation, VTA would like to establish a community policing center near the Berryessa station. The value of a community policing center would be to establish a more consistent security presence in the area, enhance cross-training opportunities and provide a venue for greater cooperation between different law enforcement agencies who could use the center.

**4.2** The BART extension will include extensive CCTV monitoring. BART security will monitor CCTV on trains and VTA security will monitor CCTV on station platforms and parking lots. Each entity will own and managed security footage recorded on their CCTV cameras.

CCTV is a powerful tool to record security events as well as deter potential security incidences. CCTV data/footage sharing between the entities is critical for effective security operations.

**4.1** VTA should evaluate the costs and benefits of a community policing station by assessing best practice security approaches used at other BART stations.

**4.2** VTA should evaluate CCTV recording options and work with BART to share CCTV recording data.

**4.1** VTA management concurs with the recommendation. VTA will evaluate benefits of a community policing station by assessing best practice security approaches used at other BART stations.

**Responsible Party:** Manager of Protective Services Programs; Director of Safety and Security and Captain Lera

**Target Date:** June 30, 2016

**4.2** VTA management concurs with the recommendation. VTA will evaluate CCTV recording options and work with BART to share CCTV recording data.

**Responsible Party:** Manager of Protective Services Programs; Director of Safety and Security and Captain Lera

**Target Date:** June 30, 2016
<table>
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<td>The BART O&amp;M Companion Agreement should include a provision on CCTV data sharing, jurisdictional responsibility for BART police and VTA security, and security staffing levels on BART trains. VTA should evaluate existing available space near the Berryessa station to establish a community policing center.</td>
<td>BART and VTA is being discussed and the framework will be included in the O&amp;M Companion Agreement being developed. Through review of VTA Policy OGC-PL-1001, Records Management, and its accompanying Attachment 1 – Retention Schedule and discussion with VTA’s Director, System Safety and Security, it was noted that CCTV records are included within the scope of the Policy and that the policy appears both reasonable and in compliance with Government Code 34090.8 and Assembly Bill 839. Further, as the Policy is intended to apply system-wide, it will continue to apply to all new environments after BART go-live, in conjunction with parameters set forth within the O&amp;M Companion Agreement. Accordingly, it appears that no changes need be made to the policy to afford additional accommodations in light of the forthcoming BART service.</td>
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### Calls for Service – Operational Responsibilities

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<th>Management's Response and Action Plan:</th>
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<tbody>
<tr>
<td>5</td>
<td>The Operations Control Center (OCC) does not have dedicated personnel to manage incoming security calls.</td>
<td>VTA should evaluate the service call process to determine if response times should be tracked and reported. VTA should evaluate the service call process to determine if OCC should have dedicated personnel to manage incoming security calls.</td>
<td>VTA management concurs with the recommendation. VTA will evaluate the service call process to determine if response times should be tracked and reported. Further VTA will evaluate the feasibility of having dedicated security personnel in OCC to manage incoming security related calls.</td>
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</table>

**Observation Rating: Low**

5.1 “911” calls go to the Sheriff’s Office or local police dispatch. Calls on light rail station platform blue phones go to the Sheriff’s Office dispatch. Calls from bus or light rail operators are routed to OCC who then contacts Transit Patrol if there is a high risk security concern. The Sheriff's Office also has access to monitor OCC calls and would likely know about an incident before the OCC contacted them.

VTAAlerts, a phone/tablet application, is another tool that allows VTA customers and others to report problems through their phone or tablet. VTAAlerts is monitored by AB, who will respond and, if necessary, escalate higher risk incidents to law enforcement.

It was revealed that the OCC does not have personnel that specifically manage incoming calls related to security issues.

5.1 Although security response times have not been an issue, VTA should evaluate the service call process to determine if response times should be tracked and reported. Additionally, VTA should evaluate the service call process to determine if the OCC should have a dedicated personnel to manage incoming security calls.

**Responsible Party:** Manager of Protective Services Programs; Director of Safety and Security and Captain Lera

**Target Date:** June 30, 2016
# APPENDIX A – RATING DEFINITIONS

## Observation Risk Rating Definitions

<table>
<thead>
<tr>
<th>Rating</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Low</strong></td>
<td>Process improvements exist but are not an immediate priority for VTA. Taking advantage of these opportunities would be considered best practice for VTA.</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td>Process improvement opportunities exist to help VTA meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception. This opportunity should be considered in the near term.</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td>Significant process improvement opportunities exist to help VTA meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception presents. This opportunity should be addressed immediately.</td>
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## Report Rating Definitions

<table>
<thead>
<tr>
<th>Rating</th>
<th>Explanation</th>
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<tbody>
<tr>
<td><strong>Low</strong></td>
<td>Adequate internal controls are in place and operating effectively. Few, if any, improvements in the internal control structure are required. Observation should be limited to only low risk observations identified or moderate observations which are not pervasive in nature.</td>
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</table>
| **Medium** | Certain internal controls are either:  
- Not in place or are not operating effectively, which in the aggregate, represent a significant lack of control in one or more of the areas within the scope of the review.  
- Several moderate control weaknesses in one process, or a combination of high and moderate weaknesses which collectively are not pervasive. |
| **High** | Fundamental internal controls are not in place or operating effectively for substantial areas within the scope of the review. Systemic business risks exist which have the potential to create situations that could significantly impact the control environment.  
- Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed.  
- Significant non-compliance with laws and regulations.  
- High observations which are pervasive in nature. |
| **Not Rated** | Opportunity to improve efficiency or profitability of operations, but does not indicate an internal control weakness or a material inefficiency. |
Our engagement consisted of staff interviews; documentation review and observation of computer applications to validate processes.

**Fieldwork Dates:**
- September 14, 2015 to October 2, 2015.

**Detailed Scope:**
- The scope of this assessment was limited to Public Safety and security processes, including:
  - Jurisdictional responsibility
  - Calls for service – response time monitoring
  - Safety metric tracking and applications
  - Third party audits of Public Safety
  - BART Silicon Valley – Phase I security considerations
  - Special events planning

**Walkthroughs Completed/Personnel Interviewed:**
- VTA, Director, System Safety and Security
- VTA, Principal Safety Auditor
- VTA, Protective Services, Senior Management Analyst
- Sheriff’s Office, Captain
- VTA, Manager of Security Programs
- Allied Barton, SCVTA – Project Manager
- BART consultant

In addition to the detailed observations and recommendations noted above, we noted the following during our assessment:
- Numerous third party reviews/audits that are effectively, but manually, managed.
- Sound procedures to manage special events security through the use of operational plans that rank security staffing needs and risk levels based on attributes such as attendance.
- Deployment of a web based application, named VTAlerts that allows customers to report safety and security issues to VTA through cell phones and tablets.
- Participation and effective management of public safety campaigns.
- Upon go-live, policing on BART trains, as well as at stations and throughout accompanying parking lots and structures, will match the standards currently in practice system-wide within VTA. Four officers will be required on all BART trains and within the drip-line at stations at any given time (as compared to 1 ½, on average, at any given time on BART outside of Santa Clara County), and a combination of Sherriff transit officers and Allied Barton contractors will provide policing outside the drip-line (parking lots and parking structures). Finally, while the line is terminating at Berryessa, the operation of the Community Policing Center adjacent to the Berryessa Station will provide additional deterrent to the types of “end of line” crime.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

FROM: Auditor General, Patrick J. Hagan

SUBJECT: Paratransit Operations Assessment

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

ACTION ITEM

RECOMMENDATION:
Review and receive the Auditor General's report on the Paratransit Operations Assessment.

BACKGROUND:
In overview, Americans with Disabilities Act (ADA) paratransit services are federally-mandated special transportation services for people with disabilities who cannot utilize VTA’s fixed-route bus and rail service.

VTA has contracted with Outreach & Escort, Inc. (Outreach) since 1993 to provide ADA paratransit brokerage services. VTA’s contract with Outreach for brokerage services is one VTA’s largest contract providers, and for FY 2016 VTA has budgeted approximately $20 million for ADA paratransit services. Last year, Outreach reported providing 720,000 ADA passenger trips.

A project contained in the Board-approved FY 2016 Internal Audit Work Plan is this Paratransit Operations Assessment. The Auditor General’s Office completed this review in October 2015.

DISCUSSION:
The objective of the Paratransit Operations Assessment (attached) was to review and evaluate the overall design and operating effectiveness of VTA’s ADA paratransit operations. This included evaluation of the effectiveness of the design and operation of internal controls related to paratransit operations, including financial billing and operational and performance reporting.

Based on the scope of the review and the work performed, we assigned an overall report rating of High. This rating is based on six observations rated as High and one as Medium. Overall, we noted consistent, pervasive concerns pertaining to the ADA paratransit services agreement and
supporting processes and controls. All pertain to VTA’s subpar administration and oversight of the contract and Outreach’s performance. Overall, we found: (1) an overly complex paratransit brokerage service model between VTA and Outreach that often yields an unsatisfactory quality of data and reporting, and (2) a complex and murky invoicing process. VTA does not currently have access to independently verify information for either of these process. The observations and associated recommended corrective actions are explained in detail in the attached report, starting on Page 4.

VTA management agrees with the Auditor General’s recommendations. Some corrective actions have already been completed while management has committed to completing the remaining ones by the end of 2016 (within one year). It should be noted that many of the corrective actions have to be accomplished sequentially, not concurrently, since many of the corrective actions will provide the foundation and required information for later ones.

Additionally, based on the work performed it was determined that the ADA processes were more numerous, less straightforward, and more intertwined with other programs than anticipated. It was also determined that there was a high prevalence of unsatisfactory data and reporting. Due to these factors, at its November 2015 meeting the Governance & Audit Committee approved the Auditor General’s Office request to augment the existing project budget to provide for supplemental testing to independently substantiate historical invoiced amounts and operational data reported to VTA. The results from the additional testing and any associated recommendations will be detailed in an addendum to this report presented at a subsequent Governance & Audit Committee meeting.

Recommendations for improvement or efficiency opportunities contained in this report are presented for the consideration of VTA management, which is responsible for the effective implementation of any action plans.

**FISCAL IMPACT:**

There is no financial impact associated with acceptance of this report.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Governance & Audit Committee considered this item on December 14, 2015 as part of its Regular Agenda. Following a detailed explanation of the project by Auditor General staff, committee members expressed appreciation for the report and its recommended corrective actions. Director Herrera expressed that the relationship with Outreach has been too informal, and that effort needs to be made to formalize the relationship and developing formal procedures. The committee unanimously recommended that the Board of Directors approve this item and that it be placed on the Board’s Consent Agenda.

Prepared by: Corey Saunders, Auditor General & Stephen Flynn, Advisory Committee Coordinator
Memo No. 5260

**ATTACHMENTS:**
- A--Paratransit Operations Assessment_DEC2015_Interim (PDF)
Paratransit Operations Assessment
Auditor General Report No. 2015-7 (Interim)

December 3, 2015
EXECUTIVE SUMMARY

Background

A component project contained in the Board-approved FY 2016 Internal Audit Work Plan is this Paratransit Operations Assessment. The Auditor General’s Office completed the first portion of this review in November 2015. This review was performed in accordance with the Standards for Consulting Services issued by the American Institute of Certified Public Accountants.

VTA has contracted with Outreach & Escort, Inc. (Outreach) since 1993 to provide Americans with Disabilities Act (ADA) paratransit brokerage services. In overview, ADA paratransit services are federally-mandated special transportation services for people with disabilities who cannot easily utilize VTA’s fixed-route bus and rail service. A detailed background of ADA paratransit services and VTA’s agreement with Outreach is described on Page 2.

This report was prepared for use by VTA’s Board of Directors, Governance & Audit Committee, and management. Recommendations for improvement are presented for management’s consideration, and management is responsible for the effective implementation of corrective action plans.

Objective and Scope

VTA’s ADA paratransit services are budgeted to cost approximately $23 million dollars in Fiscal Year (FY) 2016, and VTA’s contract with Outreach for brokerage services is one VTA’s largest service contracts. Last year, Outreach reported providing 720,000 ADA passenger trips.

Due to the contract size and complexity of Outreach’s brokerage services business model, the Auditor General sought to achieve the following objectives in the course of the review:

- Obtain an understanding of VTA’s paratransit services processes and controls
- Assess the effectiveness of the design and operation of internal controls related to paratransit operations, including financial billing and reporting
- Assess whether reasonable safeguards are in place to minimize VTA exposure to paratransit service related liabilities
- Identify potential opportunities for process and control improvements

Overall Report Rating & Observations

(See Appendix A for definitions)

<table>
<thead>
<tr>
<th>Risk Rating</th>
<th>Number of Observations by Risk Rating</th>
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<tbody>
<tr>
<td>High</td>
<td>6</td>
</tr>
<tr>
<td>Medium</td>
<td>1</td>
</tr>
<tr>
<td>Low</td>
<td>0</td>
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Overall Summary and Review Highlights

Based on the work performed, the Auditor General’s Office determined that the ADA processes are more numerous, less straightforward, and far more intertwined with other programs than anticipated in the original project scope, thus making our review far more complicated and labor-intensive.

Given this, at its November 2015 meeting the Governance & Audit Committee approved the Auditor General’s Office request to augment the existing project budget to provide for supplemental testing to independently substantiate historical invoiced amounts and operational data reported to VTA. The initial findings and recommendations are presented in this report and those resulting from the additional testing will be detailed in an addendum presented at a subsequent Governance & Audit Committee meeting.

Based on the information obtained during our initial review, we assigned an overall report rating of High to help management understand our assessment of the overall design and operating effectiveness of VTA’s ADA paratransit operations. This rating is based on six observations rated as High and one as Medium, as shown in the Detailed Observations section beginning on Page 4. Overall, we noted consistent, pervasive concerns pertaining to the ADA paratransit services agreement and supporting processes and controls, including VTA’s management of the agreement as well as supporting processes and controls.

Specifically, we observed that the contracted ADA paratransit brokerage service model between VTA and Outreach is unnecessarily complex, which often results in unclear data and inconsistent documentation to which VTA does not currently have access for independent verification. We encountered issues with the transparency, clarity and consistency of data throughout the review and, as a result, the information and reports provided were not readily verifiable or reconcilable.

Ultimately, however, the observations pertaining to the convolution of the ADA paratransit services program and unsatisfactory quality of data are a result of VTA’s suboptimal administration and oversight of Outreach’s performance and the associated contract monitoring.

VTA management agrees with all of the AG Office’s recommendations and has agreed to implement all corrective actions by December 2016. In fact, some have already been accomplished and others initiated.

Questions should be addressed to Patrick Hagan in the VTA Auditor General’s Office at Auditor.Genral@VTA.org.
Detailed Background – Paratransit Services

Paratransit service is required by the Federal Americans with Disabilities Act (ADA) to complement fixed route transit by offering an equivalent level of transportation service for persons who are unable to use fixed route transit due to their disabilities. Federal regulations require ADA paratransit to meet the following criteria:

- Service must be available in an area within ¾ of a mile of VTA’s fixed route system;
- Eligible customers are able to schedule trips for service next week;
- The paratransit trip fare cannot be greater than twice the fare for a trip of similar length, at a similar time of day, on VTA’s fixed route system;
- There are no restrictions on trip purpose or priorities;
- Service is available during the same hours and days as fixed route service; and
- The availability of paratransit service to eligible customers is not limited.

VTA has contracted with Outreach since 1993 to provide ADA paratransit brokerage services. Although the contract has been amended since its inception, the brokerage services contract has not been competitively bid by VTA since 1993, a period exceeding 20 years. Most recently, on December 12, 2013, VTA's previous general manager and chief operating officer both recommended that the Outreach Paratransit contract be extended without VTA completing a competitive bid process or comprehensive cost analysis. Based on this recommendation, VTA’s Board of Directors approved the contract extension on December 23, 2013 whereby the period of performance was to continue in effect through June 30, 2021. Then beginning July 1, 2021 and every other July 1 thereafter, the agreement will automatically renew for another two year term, effectively affording the ADA paratransit brokerage services agreement evergreen status.

The primary functions of Outreach as the paratransit broker include: (A) determining eligibility of customers to use the ADA paratransit service; (B) managing customer fare payment accounts; (C) scheduling customer reservations for service; (D) dispatching paratransit trips; (E) monitoring and resolving customer issues; (F) managing the vehicle fleet; and (G) procuring and establishing contracts with transportation service providers and other ADA paratransit service sub-contractors.

Transportation service providers are responsible for providing actual ADA paratransit service trips that are scheduled by Outreach. As of FY 2016, Outreach contracts with MV Transit as the primary, dedicated transportation provider. Additionally, Outreach utilizes non-dedicated transportation providers (typically local taxi companies) to provide additional ADA transportation services.

For FY 2016, Outreach expects to deliver 754,000 trips and incur gross capital and operating expenses of approximately $23 million, with an approved net cost (less fares and other revenue) to VTA of $19.8 million. As a designated consolidated transportation services agency (CTSA), Outreach also manages multiple programs that are focused on providing health and human services transportation within Santa Clara County for populations such as low income persons, older adults, Cal WORKS participants, homeless persons, veterans and persons with disabilities.

In 2011, VTA’s Auditor General’s Office conducted a contract compliance audit, the objective of which was to assess Outreach’s contract compliance, processes and controls regarding invoicing and compensation, reporting to VTA, ADA eligibility, third-party subcontracting and vendor management. Audit results were submitted to VTA’s then Audit Committee. The report identified three findings that, as discussed in the December 2013 Board recommendation presented by VTA management, were said to have been fully addressed. However, as described in the detailed observations and recommendations section of this report, it is clear that any remediation was not sustained over time. The prior audit findings are still present and potentially more pervasive than previously identified.
### Observations Summary

Following is a summary of observations noted in the areas reviewed. Definitions of the observation rating scale are included in Appendix A.

<table>
<thead>
<tr>
<th>Observation Title</th>
<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>1. Paratransit Services Contract and VTA Procurement Process</td>
<td>High</td>
</tr>
<tr>
<td>2. Paratransit Services Reporting and Reliability of Data</td>
<td>High</td>
</tr>
<tr>
<td>3. Outreach Paratransit Services Invoicing</td>
<td>High</td>
</tr>
<tr>
<td>4. VTA Paratransit Services Invoice Review and Accounts Payable Procedures</td>
<td>High</td>
</tr>
<tr>
<td>5. Paratransit Services Budgeting Process</td>
<td>High</td>
</tr>
<tr>
<td>6. ADA Paratransit Eligibility Process</td>
<td>High</td>
</tr>
<tr>
<td>7. Paratransit Vehicles and Fleet Management Plan</td>
<td>Medium</td>
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</tbody>
</table>
## Detailed Observations

### Paratransit Services Contract & VTA Procurement Process

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Observation:</th>
<th>Recommendation:</th>
<th>Management’s Response and Action Plan:</th>
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<tbody>
<tr>
<td>1</td>
<td>VTA has contracted with Outreach to provide ADA paratransit brokerage services since 1993. However, VTA has not competitively re-bid the contract in over 20 years.</td>
<td>We recommend that VTA obtain an independent cost estimate (ICE) for both ADA brokerage and purchased transportation services and, if appropriate, complete a competitive RFP process to ensure fair and open competition for one of VTA’s largest operating professional services contract.</td>
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</table>

**Observation Rating: High**

1.1 During our review of VTA’s paratransit operations, including contracted brokerage services between VTA and Outreach, it was noted that paratransit brokerage services, one of VTA’s largest professional services contracts, has not been competitively bid in over 20 years. It is interesting to note that according to high-level VTA staff, over a one-year period significant staff resources had been dedicated to developing the scope and provisions for a request for proposal (RFP) for these services, though the RFP was never used.

VTA has not completed an independent cost analysis. However, Outreach has competitively bid all of its third-party purchased transportation providers (vendors). Therefore, it is possible that VTA may not easily be able to measure the benefit being received from utilizing a broker to provide ADA paratransit service. Without performing due diligence and obtaining independent cost estimates, VTA cannot adequately determine if the aggregate costs of its ADA paratransit program align with current market rates.

1.1 VTA is responsible for using taxpayer dollars in the most efficient and effective manner possible. This includes ensuring fair and open competition for all contracts.

Given that VTA has not completed a competitive bid in over 20 years and VTA’s Board of Directors approved the most recent contract agreement that will automatically continue into evergreen status in July 2021, we recommend that VTA obtain independent cost estimates for both ADA brokerage and purchased transportation services to evaluate the program’s current costs and competitive market rates.

1.1 VTA management agrees with the recommendation. The new Regional Transportation Services Manager, who is anticipated being hired shortly, will initiate the process immediately upon hire. He/she will, in partnership with VTA’s Procurement & Contracts unit, develop the scope and specifications for the competitive selection process to determine interest and comparative costs. However, the effectiveness of this process is dependent on successful prior implementation of the actions identified in the Auditor General’s recommendations for Items 2.1, 2.2, 6.1 and 7.1. Once the corrective actions for these items are completed, VTA will have much clearer information and a better picture to identify the optimal service model.

**Responsible Party:** Operations/Regional Transportation Services Manager

**Target Date:** 12/2016 (within one year)
## Paratransit Services Reporting and Reliability of Data

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<th>Ref. #</th>
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<th>Recommendation:</th>
<th>Management's Response and Action Plan:</th>
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<tr>
<td>2</td>
<td>VTA does not currently have independent access to system generated ADA paratransit service data to verify completeness and accuracy of operational and financial data provided by Outreach. In addition, information and reporting provided by Outreach is inconsistent and not readily reconcilable.</td>
<td>To ensure satisfactory oversight of ADA paratransit services, VTA should obtain paratransit-related system access and develop processes to independently verify data provided by Outreach. We also recommend further supplemental transactional testing and system controls analysis be performed to provide the Board with reasonable assurance that historical paratransit performance data is reliable and that invoiced costs are accurate.</td>
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</table>

**Observation Rating: High**

2.1 We confirmed during our review that VTA does not have independent access to the systems utilized by Outreach to administer and provide ADA paratransit services. As a result, VTA cannot does not independently verify critical operational and financial data reported by Outreach. For example, Outreach’s $120,000 annual performance bonus is based upon contractual performance metrics that Outreach self-reports which are unverified by VTA management. VTA is responsible for reporting paratransit service data to the federal government. However, VTA has allowed Outreach to self-report National Transit Database (NTD) information, including eligibility, ridership, and financial data, without independently verifying the accuracy or reasonableness of Outreach’s reporting, potentially putting the organization’s federal funding at risk.

2.1 We recommend that VTA obtain access to all systems and applications that are utilized by Outreach to deliver ADA paratransit services and develop internal review processes to independently and, on an ongoing basis, verify Outreach-prepared reports and invoices. Without adequate independent review and oversight of Outreach, VTA risks potentially paying inaccurate invoice amounts to Outreach or submitting inaccurate federal transportation data.

2.1 VTA management agrees to obtain access to systems and applications Outreach uses to deliver paratransit service in order to be independently review and verify Outreach-provided reports and invoices. Arranging for direct access will require amendment of the VTA/Outreach contract as well as potentially a small incremental cost for the software access license(s).

**Responsible Party:** Operations/Regional Transportation Services Manager

**Target Date:** 03/31/2016
<table>
<thead>
<tr>
<th>Paratransit Services Reporting and Reliability of Data</th>
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<tr>
<td>2.2 Outreach and its Information Technology director were unable to easily produce documentation or substantive evidence that adequate system and user access controls exist and are understood and followed by Outreach management. Without effective system controls, including appropriate user access permissions and system segregation of duties, the integrity of ADA paratransit services data utilized for NTD reporting and financial reporting may be compromised. Ineffective system controls can also result in an increased risk of fraud. During our review we requested system-generated source data on multiple occasions. However, the information and reports provided were not extracted directly by the systems. In most cases, the data was not easily reconcilable across various reports. For example, inspection of Outreach’s budgeting, general ledger, and invoicing reports revealed inconsistencies in how specific cost elements are accounted for by Outreach and reported to VTA. Vehicle IDs are also inconsistently used across systems and applications: vehicle IDs used by the County of Santa Clara (CSC) are assigned differently than those tracked by Outreach internally on a spreadsheet, which were different also from vehicle IDs used in Outreach’s Trapeze scheduling system.</td>
</tr>
<tr>
<td>2.2 We also recommend that VTA evaluate the current reports required in the contract to determine critical information needed to oversee operations and performance. VTA should develop internal review controls that ensure consistency in reporting formats and presentation of data. In order to effectively manage operational and financial performance, it is imperative that VTA understand how the information is gathered and reported. In combination with Recommendation 2.1, VTA should be able to effectively oversee ADA paratransit services and reasonably verify that costs incurred by and billed to VTA are accurate.</td>
</tr>
<tr>
<td>2.2 VTA management agrees to review in detail all required reports from Outreach and develop internal review controls and procedures to help ensure consistency in reporting formats and presentation of data. We will ensure that we fully understand how the information is gathered and reported by Outreach, which is a key component in VTA effectively overseeing ADA paratransit services. We will also notify Outreach of any required reports not currently being provided as well as needed changes to existing reports in order to supply VTA with critical information it needs to properly oversee operations and performance. <strong>Responsible Party:</strong> Operations/Regional Transportation Services Manager  <strong>Target Date:</strong> 04/30/16</td>
</tr>
</tbody>
</table>
### Outreach Paratransit Services Invoicing

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<tr>
<th>Ref. #</th>
<th>Observation:</th>
<th>Recommendation:</th>
<th>Management’s Response and Action Plan:</th>
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<tr>
<td>3</td>
<td>Invoices submitted to VTA are insufficiently supported as required by the contract. Additionally, Outreach’s paratransit services invoicing process is unnecessarily complex because of VTA’s advance payments, resulting in increased risk of inaccurate invoice amounts.</td>
<td>We recommend that VTA contractually pursue paratransit service invoicing based on actual amounts instead of cost estimates, require specific source documentation to substantiate invoices, and simultaneously pursue independent access to source data to verify invoiced amounts and reconcile supporting calculations.</td>
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**Observation Rating:** High

#### 3.1 Although Section 5.5 of the agreement requires that Outreach provide “appropriate back-up documentation, including, but not limited to, receipts, complete third-party invoices including fuel invoices, work orders, ridership information and documents used to pay vendors,” the invoices we inspected that were provided to VTA did not include the required level of supporting documentation. Both broker and eligibility invoices are supported with manually tracked Profit & Loss statements (P&L) and projected cash flow without any source data.

Vendor invoices are entirely prepared by Outreach because they are responsible for scheduling. Invoices for Outreach’s purchased transportations providers (e.g., MV Transit) are not directly provided to VTA to substantiate vendor cost. Instead, Outreach provides to VTA manually created ridership reports, not system-generated source data.

It was also noted that in 2011 the Auditor General’s Office specifically requested that VTA require Outreach to provide information to support fare collection revenue so VTA could independently verify the amounted credited against the broker invoice. Management responded that this was agreed to in July 2011; however, review of the broker invoice revealed that it does not include any support to substantiate revenues cited by Outreach.

#### 3.1 In order to ensure that invoiced amounts are accurate and the approximately $20 million paid to Outreach for ADA paratransit services are substantiated, we recommend that VTA require Outreach to provide appropriate supporting documentation with invoices as described in Section 5.5 of the agreement. VTA should have adequate visibility to specific costs elements incurred both directly from Outreach and its third-party vendors. It is important that VTA management evaluate how the data is obtained and prepared to ensure information is complete, accurate and reliable for financial and NTD reporting. We also suggest that VTA management review the Auditor General report No. 2011-04 and identify source data and documentation required to verify Outreach’s stated revenues.

#### 3.1 VTA management agrees to establish requirements for supporting documentation necessary for invoice reconciliation and resulting payment to Outreach. These requirements will include, but not be limited to, cost drivers such as MV contract costs, Outreach staff expenses, fuel, vehicle maintenance, other vendor services, etc. In addition, a VTA internal procedure will be developed so that VTA staff has clear direction on the requirements for supporting documentation for invoices.

**Responsible Party:** Operations/Regional Transportation Services Manager

**Target Date:** 03/31/2016
### Outreach Paratransit Services Invoicing

3.2 Outreach currently operates three cost centers within its financial system for delivery of ADA paratransit services: (1) vendor (purchased transportation); (2) broker; and (3) eligibility. Each of the specific services incurs direct and indirect expenses, as well as certain revenues. Per Section 5 the agreement between VTA and Outreach, each of these services has unique invoicing requirements, two of which require advance payments from VTA (broker and vendor fixed costs). As a result, the invoicing process is unnecessarily complex with a rolling over/under adjustment for amounts owed by VTA. This model makes it difficult to effectively measure and analyze financial performance because expenses incurred and revenues earned are not directly reported based on actual amounts to VTA and instead are embedded into the rolling balances.

3.2 Due to the increased risk of inaccurate invoice amounts and lack of visibility to specific expense and revenue elements for ADA paratransit services, we recommend VTA to contractually pursue the elimination of advance payments. Outreach should be required to submit invoices based on actual expenses incurred and revenue generated during a specific period. Revising this process would not only alleviate and streamline the process at VTA, it would also facilitate greater visibility for VTA management and reduce the risk of inaccurate billings.

3.2 VTA management agrees with the recommendations to eliminate or simplify advance payments and to streamline the invoicing process. Modification of the existing advance payment provision will require amendment of the VTA/Outreach contract.

**Responsible Party**: Operations/Chief Operating Officer with the assistance of both General Counsel’s Office and Contracts and Procurement unit.

**Target Date**: 03/31/2016
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<th>Ref. #</th>
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<th>Recommendation:</th>
<th>Management’s Response and Action Plan:</th>
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<tr>
<td>4</td>
<td>Internal invoice review procedures for the paratransit services contract are not sufficient to substantiate disbursements, and invoices are not always submitted to Accounts Payable (AP) to be formally received prior to internal review.</td>
<td>We recommend that VTA develop robust internal invoice review processes for the paratransit services contract, to help ensure invoice amounts are verified and disbursements are substantiated. We also encourage the Finance Department to continue to identify and implement automation efficiencies in the AP process.</td>
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**Observation Rating: High**

**4.1** Invoice review is a critical part of the accounts payable process, but it appears that the review process is both inefficient and ineffective at ensuring invoices are adequately supported to verify that invoice amounts are correct. After completing interviews with VTA management and staff, it is clear that invoices submitted by Outreach are reviewed as part of the accounts payable process. In most cases, the invoice is reviewed by three to four levels including contract compliance, task manager, and project manager before being audited in the accounting group. We noted that the existing invoice review is a heavily manual process and opportunities exist for efficiency gains.

As noted in Observation 3.1, Outreach does not provide substantive documentation to support invoices as required by the contract and, as such, VTA cannot adequately scrutinize for accuracy before issuing disbursements. Although VTA provides multiple levels of internal review, we noted an overall lack of appropriate, meaningful scrutiny over the invoices and support provided to substantiate disbursements made by VTA to Outreach for paratransit services.

**4.1** Although VTA has an effective budget review, we encourage the organization to evaluate its existing invoice review procedures and process for the paratransit services contract. In order to ensure invoice review is effective at detecting potential errors, VTA must understand the supporting data provided by Outreach as described in Observation 4.1 while also verifying the amounts reported independently.

VTA’s Accounts Payable manager informed the Auditor General’s Office that automation efforts are underway to ensure invoices and support are electronically captured and approval workflows are automated, and we recommend VTA management continue to pursue automation efforts. Not only does automation result in efficiencies during the invoice review process, it facilitates electronic records and control over invoice documentation and changes.

**4.1** VTA management agrees to review and improve its invoice review process including more meaningful scrutiny of invoices and their supporting documentation. VTA also has efforts underway to automate invoice processing. Corrective action for this recommendation is related to and will be accomplished in conjunction with corrective actions for Recommendation 3.1.

**Responsible Party:** Operational/Regional Transportation Services Manager in cooperation with the Accounts Payables Unit

**Target Date:** 03/31/2016
<table>
<thead>
<tr>
<th>VTA Paratransit Service Invoice Review Process</th>
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<tr>
<td>Separate from VTA’s invoice review, management also reviews the ADA paratransit services budget on a monthly basis. In 2015, management identified invoiced costs that were approximately $300,000 over projections. VTA’s discussion with Outreach resulted in the identification of an “error” and a credit issued to VTA. It should be noted that the variance was only investigated as a budget line item, not a result of invoice review and substantiation of costs.</td>
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</table>

**4.2** VTA’s AP process requires that invoices be directed to the AP department to be formally received and time stamped before being directed to the appropriate department for review. It was noted, however, that not all vendors send invoices to the attention of AP. Invoices submitted outside of the standard process may result in invoice revisions or changes to documentation without being formally documented. |

**4.2** We recommend that VTA require Outreach to submit all invoices to the attention of AP so all invoices and supporting documentation are formally received and time stamped prior to departmental review. Additionally, any invoice disputes should follow requirements as described in section 5.6 of the agreement between Outreach and VTA. |

**4.2** VTA management agrees and has already instituted this recommendation. However, additional changes may be required for the electronic submission process as it relates to Recommendation 3.1 on defining the required supporting documentation for invoices. This may or may not require an amendment to the contract. |

**Responsible Party:** Operational/Regional Transportation Services Manager in cooperation with the Accounts Payables Unit |

**Target Date:** Complete
## Paratransit Services Budgeting Process

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<th>Ref. #</th>
<th>Observation:</th>
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<tr>
<td>5</td>
<td>We observed that the VTA Board of Directors approves the annual paratransit services budget, as provided by Outreach, without analysis and comparison by VTA staff to actual program costs or justification of budget projections.</td>
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<th>Recommendation:</th>
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<tr>
<td>We recommend that VTA evaluate its existing paratransit budgeting process and require a detailed budget analysis, including trend analysis and justification, which is reviewed by VTA management and the Chief Operating Officer.</td>
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</table>

| Management’s Response and Action Plan: |

### Observation Rating: High

#### 5.1

In interviews with both VTA and Outreach employees, we reviewed the paratransit services budgeting process, which is included in VTA’s biennial budget. Outreach prepares preliminary projections that are mutually developed with VTA Operations and provides VTA with an aggregate two-year budget that is approved by the Board. The current process, however, does not require the broker to prepare a detailed budget, including line item analysis justification of specific cost elements prior to VTA Board review and approval. Outreach also typically presents its proposed budget by comparing it to the prior year’s budget. Best practice, however, is to compare to program actual expenses and revenues (or projected actuals). As a result, VTA’s Board has been approving a top-down budget that is inadequate for VTA’s long-term strategic objectives and planning.

In addition to the budgeting process, we reviewed the detailed FY 2016 annual budget for paratransit services and identified various inconsistencies between system financials and budget analysis, as well budget trends that require further analysis and explanation.

5.1 In order for VTA to have assurance that the paratransit services budget is reasonable and aligns with actual results, we recommend that VTA management evaluate its existing budgeting process for paratransit services and develop requirements and internal review controls that include trend analysis and substantiation for spending justification. Given the significant costs associated with paratransit and VTA’s use of the brokerage model, we recommend that VTA management and Board require the detailed analysis previously described prior to the Board approval of the budget.

It is also critical that budget tracking include sufficient detail on a regular basis to ensure detailed cost drivers compared to budget are appropriately investigated and reviewed by VTA management. Without sufficient analysis, VTA may expose itself to unnecessary costs as a result of the brokerage model and its increasing costs, as well as the potential over-utilization of non-dedicated transportation providers.

5.1 VTA management agrees. Operations staff will coordinate with the Finance & Budget Division to review its existing budgeting process for paratransit services and revise as needed to ensure development of the annual/biennial paratransit budget at a sufficient level for VTA Board of Directors review and approval, including trend analysis and other key factors. VTA will also implement an enhanced budget tracking process to ensure costs are appropriately reviewed and justified, which is related to the Recommendation 2.2, 3.1 and 4.1 and thus will be accomplished in combination with the corrective actions for those items.

**Responsible Party:** Operations and Finance & Budget

**Target Dates:**

04/30/2016 - Implementation of improved budget tracking process.
12/2016 - Enhanced paratransit budget development process will be in place for the FY 2018 & FY 2019 VTA Biennial Budget process scheduled to commence late 2016.
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<tr>
<th>Paratransit Services Budgeting Process</th>
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<tr>
<td>For example, even though gross operating costs are expected to increase by 10%, the purchased transportation (vendor) budget of $15.8 million is essentially flat year-to-year, with Outreach’s dedicated transit provider’s (MV Transit) budget planned to decrease 10% and non-dedicated providers, typically those with higher negotiated rates, projected to increase 140% ($1.6 million) over the same period. Incongruities such as this indicate that VTA’s budget review controls and analyses are ineffective at developing a quality budget that is critical to managing ADA paratransit costs on an ongoing basis.</td>
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### ADA Paratransit Eligibility Certification Services

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<th>Management’s Response and Action Plan:</th>
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<tr>
<td>6</td>
<td>Outreach currently manages VTA’s ADA paratransit eligibility program, which is a potential conflict of interest. Further, Outreach does not require all applicants to complete an in-person functional assessment.</td>
<td>In order to ensure independence and eliminate any potential real or perceived conflicts of interest, we recommend VTA segregate the eligibility and brokerage/transportation paratransit responsibilities. We also recommend VTA perform a cost-benefit analysis of implementing a functional assessment model to more effectively manage ADA paratransit eligibility determinations.</td>
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**Observation Rating: High**

**6.1** Per the agreement, the complete ADA paratransit eligibility certification process is managed by Outreach, who also provides brokerage services and is the intermediary for all purchased transportation services, which could present a real or perceived conflict of interest. It is atypical that one organization, whether non-profit or for-profit, maintains responsibility for all components of a paratransit program.

Additionally, in the current eligibility process, applicants are not required to complete an in-person functional assessment. Instead, eligibility is primarily assessed through phone interviews with clients. Although it is not stipulated by ADA that a functional assessment is required, the current process does not facilitate the most accurate eligibility determinations possible, which is critical in managing long-term paratransit service costs.

6.1 The company or organization responsible for managing the ADA paratransit eligibility process inherently serves as a custodian for VTA because the eligibility determination is the primary factor affecting future paratransit costs. Therefore, it is critical that VTA pursue an ADA paratransit model that has sufficient VTA oversight as well as independence between the eligibility and brokerage/transportation service, thus eliminating any potential conflict of interest.

Furthermore, we recommend that VTA evaluate the existing eligibility process and benchmark against other eligibility service providers to assess Outreach’s current performance metrics. We also suggest VTA complete a cost-benefit analysis of an in-person functional assessment program to determine if a more thorough up-front assessment model would more accurately determine applicant eligibility and protect VTA from potentially incurring costs for ineligible riders.

6.1 VTA management agrees. It will comprehensively study its complete current paratransit eligibility process. This process will factor in the Auditor General’s recommendations to: (1) segregate the eligibility and brokerage/transportation responsibilities; (2) perform a cost-benefit analysis of implementing in-person functional assessments; and (3) benchmark and assess current eligibility performance metrics. It will also take into account industry best practices as well as other factors. Any major changes to the program would require amendment of the contract between VTA and Outreach.

**Responsible Party:** Operations/Regional Transportation Services Manager

**Target Date:** 12/31/2016
### Paratransit Vehicles and Fleet Management Plan

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<th>Management’s Response and Action Plan:</th>
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<tr>
<td>7</td>
<td>VTA does not currently have a process to evaluate and manage its paratransit services fleet to evaluate vehicle type, utilization, or spare ratios to identify current and future needs.</td>
<td>We recommend that VTA develop a fleet management plan that includes vehicle and operating analyses to drive capital acquisitions and strategic planning decisions.</td>
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**Observation Rating: Medium**

#### 7.1 VTA currently owns 187 vehicles that are dedicated for ADA paratransit service use. Separately, Outreach owns various vehicles that, at its discretion, are assigned to ADA paratransit services. In total, paratransit services had a combined 215 vehicles available for paratransit service operations as of June 30, 2015.

Interviews with VTA management indicated they were not aware of an existing process whereby VTA’s paratransit fleet is analyzed in conjunction with performance and operations metrics to identify existing fleet capacity or constraints.

Outreach is capable of scheduling ADA trips outside of the automated Trapeze system utilizing non-dedicated vendors (taxis) and non-VTA owned vehicles to deliver a ride. Outreach has also been proactive in pursuing grant funding for additional vehicles, sometimes using VTA as the grantee, yet it is unclear if there is benefit to acquiring additional vehicles when the existing fleet has not been assessed for usage optimization and ability to meet rider demand.

#### 7.1 For VTA to develop a long-term strategic ADA paratransit fleet management plan, it is critical that the organization have a clear understanding of the current fleet’s utilization and capability to meet demand.

We recommend that VTA develop an ongoing, sustainable fleet management plan to ensure that VTA vehicles are used optimally and, if possible, Outreach-owned vehicles are no longer used for ADA paratransit services and maintained at the expense of VTA. In addition, we recommend that VTA fully evaluate vehicle acquisition proposals and grants to ensure they meet ADA service needs.

#### 7.1 VTA management agrees with the recommendation. It will develop a comprehensive paratransit fleet management plan that takes into consideration, among other factors: recent procurements; vehicle utilization and maximization; vehicle type and capacity; hourly/daily/monthly deployment trends including the use of taxis; and changing passenger and operational needs.

However, the effectiveness of this process is dependent on successful prior implementation of the actions identified in the recommendations for Items 2.1 and 2.2. Once the corrective actions for these items are completed, VTA will have much clearer information and a better picture to identify the optimal fleet management plan.

**Responsible Party:** Operations/ Regional Transportation Services Manager

**Target Date:** 11/30/2016 (in time for use in the FY 2018 & FY 2019 VTA Biennial Budget process scheduled to commence at the end of 2016 as well as development of the next Short-Range Transit Plan (SRTP).
APPENDIX A – RATING DEFINITIONS

<table>
<thead>
<tr>
<th>Rating</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Low</td>
<td>Process improvements exist but are not an immediate priority for VTA. Taking advantage of these opportunities would be considered best practice for VTA.</td>
</tr>
<tr>
<td>Medium</td>
<td>Process improvement opportunities exist to help VTA meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception. This opportunity should be considered in the near term.</td>
</tr>
<tr>
<td>High</td>
<td>Significant process improvement opportunities exist to help VTA meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception presents. This opportunity should be addressed immediately.</td>
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<tr>
<th>Rating</th>
<th>Explanation</th>
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<tr>
<td>Low</td>
<td>Adequate internal controls are in place and operating effectively. Few, if any, improvements in the internal control structure are required. Observation should be limited to only low risk observations identified or moderate observations which are not pervasive in nature.</td>
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</table>
| Medium | Certain internal controls are either:  
- Not in place or are not operating effectively, which in the aggregate, represent a significant lack of control in one or more of the areas within the scope of the review.  
- Several moderate control weaknesses in one process, or a combination of high and moderate weaknesses which collectively are not pervasive. |
| High | Fundamental internal controls are not in place or operating effectively for substantial areas within the scope of the review. Systemic business risks exist which have the potential to create situations that could significantly impact the control environment.  
- Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed.  
- Significant non-compliance with laws and regulations.  
- High risk observations which are pervasive in nature. |
| Not Rated | Opportunity to improve efficiency or profitability of operations, but does not indicate an internal control weakness or a material inefficiency. |
Thank You.

Any Question?
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Planning and Program Development, John Ristow

SUBJECT: Programmed Project Monitoring - Quarterly Report

FOR INFORMATION ONLY

Every quarter, the Programmed Projects Quarterly Monitoring Report is presented to the Technical Advisory Committee (TAC), Policy Advisory Committee (PAC) and the VTA Board of Directors. The purpose of the report is to assist the VTA Board, committees, staff and project sponsors in tracking progress of projects funded through programming actions of the VTA Board. Additionally, the report helps to ensure implementing agencies comply with MTC's Regional Project Funding Delivery Policy and do not lose any funds due to missing a federal or state funding deadline.

The Programmed Projects Quarterly Monitoring Report for July to September 2015 is attached for review. This report provides the latest status on discretionary funded projects. A project summary sheet highlighting status of projects with funds expiring in FY2015/16 is also attached. The project summary sheet identifies projects in three categories:

- Red: Projects at the risk of losing funds due to delivery difficulties.
- Yellow: Projects that need extra attention or will risk running into difficulties.
- Green: Projects are progressing smoothly.

This quarter, one project is labeled yellow: Morgan Hill is performing an archeological study on Monterey Road.

The next Programmed Projects Quarterly Monitoring Report will cover the period October-December 2015.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance Committee considered this item as part of its December 17, 2015 Consent Agenda and approved it unanimously without comment.
Red = Project at risk of losing funds due to delivery difficulties.
Yellow = Project may need extra attention or will risk running into difficulties.
Green = Project is progressing smoothly.

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Project Title</th>
<th>Project #</th>
<th>Federal/State Funds for 2015/16</th>
<th>Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Altos</td>
<td>Road Preservation on Grant Road</td>
<td>SCL130023</td>
<td>$312,000</td>
<td>Green</td>
<td>E-76 package submitted.</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>Monterey Road Preservation</td>
<td>SCL130043</td>
<td>$1,379,000</td>
<td>Yellow</td>
<td>City performing an archeological study.</td>
</tr>
<tr>
<td>Mountain View</td>
<td>Castro Street Complete Streets</td>
<td>SCL130015</td>
<td>$840,000</td>
<td>Green</td>
<td>E-76 package submitted.</td>
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<tr>
<td>Mountain View</td>
<td>Various Road Preservation &amp; Bike lanes</td>
<td>SCL130018</td>
<td>$1,166,000</td>
<td>Green</td>
<td>E-76 package submitted.</td>
</tr>
<tr>
<td>San Jose</td>
<td>Downtown San Jose Bike Lanes and De-Couplet</td>
<td>SCL090004</td>
<td>$1,500,000</td>
<td>Green</td>
<td>Submitted PE RFA on 11/2.</td>
</tr>
<tr>
<td>San Jose</td>
<td>San Jose Citywide Pavement</td>
<td>SCL130005</td>
<td>$11,003,000</td>
<td>Yellow</td>
<td>Converting advanced construction to regular E-76.</td>
</tr>
<tr>
<td>San Jose</td>
<td>St. Johns Bikeway and Pedestrian Improvements</td>
<td>SCL130011</td>
<td>$1,185,000</td>
<td>Green</td>
<td>E-76 package submitted.</td>
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<tr>
<td>San Jose</td>
<td>San Jose Smart Intersections Program</td>
<td>SCL130036</td>
<td>$789,200</td>
<td>Green</td>
<td>E-76 package submitted.</td>
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<tr>
<td>San Jose</td>
<td>San Jose Transportation Demand Management</td>
<td>SCL150012</td>
<td>$1,500,000</td>
<td>Green</td>
<td>Toll credits being applied to this project.</td>
</tr>
</tbody>
</table>
### Programmed Projects Quarterly Monitoring Report

**July - September 2015**

#### Project No: SCL110028

**Campbell Avenue Portals Bike/Ped Improvements**

- **Manager Name:** Fred Ho
- **Phone/Fax:** 408-866-2156
- **E-Mail:** fredh@cityofcampbell.com

**Project Description:**
- Widen north and south sides to include a bicycle lane; install new sidewalk; replace existing abutment walls with new retaining and wing walls.

**Schedule:**

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>complete</td>
</tr>
<tr>
<td>Design</td>
<td>$530</td>
<td></td>
<td></td>
<td>2011</td>
<td>complete</td>
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<tr>
<td>Total</td>
<td>$4,730</td>
<td>Programmed Year</td>
<td>2014</td>
<td>10/2014</td>
<td>2/2016</td>
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<tr>
<td>E-76 Const (sub/app)</td>
<td></td>
<td>Funding Deadline</td>
<td>awarded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last Invoice (sub/app)</td>
<td></td>
<td>Last Updated</td>
<td>11/10/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Funds ($000):**

- **CMAQ:** $4,142
- **Local:** $588

**Comments:** Under construction.

#### Project No: SCL110116

**Hacienda Ave Streetscape and Bicycle Improvements**

- **Manager Name:** Fredrick Ho
- **Phone/Fax:** 408-866-2156
- **E-Mail:** fredh@cityofcampbell.com

**Project Description:**
- In Campbell: On Hacienda Avenue between Winchester Boulevard and Virginia Avenue: Construct bike lanes, on-street parking, accessibility ramps, etc.

**Schedule:**

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$0</td>
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<td>5/2012</td>
<td>7/2012</td>
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<tr>
<td>Design</td>
<td>$0</td>
<td></td>
<td>5/2012</td>
<td>12/2013</td>
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<tr>
<td>Total</td>
<td>$680</td>
<td></td>
<td>2014</td>
<td>8/2014</td>
<td>12/2015</td>
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<tr>
<td>E-76 Const (sub/app)</td>
<td></td>
<td>Funding Deadline</td>
<td>awarded</td>
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<tr>
<td>Last Invoice (sub/app)</td>
<td></td>
<td>Last Updated</td>
<td>11/10/2015</td>
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</tr>
</tbody>
</table>

**Funds ($000):**

- **Local:** $136
- **STIP/TE:** $544

**Comments:** Under construction.

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City of Campbell

Page 1 of 33
<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Campbell</th>
<th>Project Title: Virginia Avenue Sidewalks</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Project No</td>
<td>SCL130017</td>
<td>Project Description</td>
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</tr>
<tr>
<td></td>
<td>On Virginia Avenue between Budd Avenue and Hacienda Avenue, add pedestrian sidewalks, curb, gutter, and curb ramps.</td>
<td></td>
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</tr>
<tr>
<td>Fund Source</td>
<td>CMAQ 5708</td>
<td>Local $92</td>
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<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>Manager Name</td>
<td>Fred Ho</td>
<td>ROW</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>N.A.</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-866-2156</td>
<td>Construction</td>
<td>$708</td>
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<tr>
<td></td>
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<td>2015</td>
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<tr>
<td>E-Mail</td>
<td><a href="mailto:fredh@cityofcampbell.com">fredh@cityofcampbell.com</a></td>
<td>Total</td>
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<td></td>
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<td>8/31/2015</td>
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| Field Review      | 2014             | Start mm/yyyy                            | 8/2014|
|                   |                  | End mm/yyyy                              | 8/2014|
| ENV               | $0               | 2014                                     | 8/2014|
|                   |                  |                                          | 10/2014|
| Design            | $92              | 2014                                     | 8/2014|
|                   |                  |                                          | 12/2014|

Award date 1/19/16.

Funding Deadline obligated

Last Updated 11/10/2015

Project Description:
On Virginia Avenue between Budd Avenue and Hacienda Avenue, add pedestrian sidewalks, curb, gutter, and curb ramps.

Manager Name: Fred Ho
Phone/Fax: 408-866-2156
E-Mail: fredh@cityofcampbell.com

Sponsor: City of Campbell

City of Campbell
## Project Title:
**New Ronan Channel and Lions Creek Trail-BEP G02**

### Sponsor:
City of Gilroy

### Project No: SCL110032

#### Project Description:
Project will convert existing unpaved creek-side maintenance road closed to the public to a multi-use public trail along the New Ronan Channel.

#### Fund Source:
- CMAQ $1,706
- Local $223

#### Manager Name:
Henry Servin/Laura Ley

#### Phone/Fax:
408-846-0451

#### E-Mail:
Henry.Servin@cityofgilroy.org

#### Project Title:
**Eigleberry Street Resurfacing**

### Sponsor:
City of Gilroy

### Project No: SCL130025

#### Project Description:
In Gilroy: resurface roadway on Eigleberry St between 1st and 10th. Provide complete streets treatment including bike lanes-OBAG guarantee funds.

#### Fund Source:
- CMAQ $808
- Local $239

#### Manager Name:
Henry Servin/Ian King

#### Phone/Fax:
408-846-0451

#### E-Mail:
henry.servin@ci.gilroy.ca.us

### Comments:
- Update to E-76 Package for construction portion sent to CalTrans.
- Under construction.
**Programmed Projects Quarterly Monitoring Report**  
**July - September 2015**

**Project No**: SCL130023  
**Project Title**: Road Preservation on Grant Road

** Komment**  

<table>
<thead>
<tr>
<th>Sponsor: City of Los Altos</th>
<th>Project Title: Road Preservation on Grant Road</th>
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<tbody>
<tr>
<td><strong>Project No</strong></td>
<td><strong>Project Description</strong></td>
</tr>
<tr>
<td>SCL130023</td>
<td>In Los Altos: Resurface Grant Road from Grant to Homestead and improve ADA ramps per current requirements.</td>
</tr>
</tbody>
</table>

**Fund Source**
- Local $76
- STP $312

**Manager Name**: Cedric Novenario  
**Phone/Fax**: 650-947-2626

**E-Mail**: cnovenario@losaltosca.gov

<table>
<thead>
<tr>
<th><strong>Fund Source</strong></th>
<th><strong>Funds ($000)</strong></th>
<th><strong>Start mm/yyyy</strong></th>
<th><strong>End mm/yyyy</strong></th>
<th><strong>Comments</strong></th>
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<tbody>
<tr>
<td>Local $76 STP $312</td>
<td>$388</td>
<td>6/2015</td>
<td>12/2015</td>
<td>Last Updated 11/13/2015</td>
</tr>
<tr>
<td><strong>Last Invoice (sub/app)</strong></td>
<td>8/2015</td>
<td>12/2015</td>
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**Funding Deadline**: 11/1/2015

**Project Description**: In Los Altos: Resurface Grant Road from Grant to Homestead and improve ADA ramps per current requirements.
City of Milpitas Various Streets and Roads Preservation

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Milpitas</th>
<th>Project Title:</th>
<th>Milpitas Various Streets and Roads Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
<td>Schedule</td>
</tr>
<tr>
<td>SCL130035</td>
<td>In City of Milpitas at various locations, repair failed AC pavement, road resurfacing, construct ADA curb ramps, repair sidewalks and curbs, and install signing and pavement striping.</td>
<td></td>
<td>City working through punchlist items with the contractor. Completion for acceptance is schedule for December/January.</td>
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<tr>
<td>Local S873</td>
<td>Design</td>
<td>N.A.</td>
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<tr>
<td>STP $1652</td>
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<tr>
<td></td>
<td>Manager Name</td>
<td>Phone/Fax</td>
<td>E-Mail</td>
</tr>
<tr>
<td></td>
<td>Steve Chan</td>
<td>408-586-3324</td>
<td><a href="mailto:schan@ci.milpitas.ca.gov">schan@ci.milpitas.ca.gov</a></td>
</tr>
<tr>
<td></td>
<td>ROW</td>
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<td>11/12/2015</td>
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<td></td>
<td>Funding Deadline</td>
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</table>
# Programmed Projects Quarterly Monitoring Report

**July - September 2015**

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Title: Monterey Road Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130043</td>
<td>Resurfacing of Monterey Road between East Dunne Avenue and East Middle Avenue</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Fund Source Details</th>
<th>Manager Name</th>
<th>Manager Contact Information</th>
<th>Schedule</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Local S332, STP $1,539</td>
<td>Scott Creer</td>
<td><a href="mailto:scott.creer@morganhill.ca.gov">scott.creer@morganhill.ca.gov</a></td>
<td></td>
<td>City performing an archeological study.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Start Date</th>
<th>End Date</th>
<th>Programmed Year</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
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<tbody>
<tr>
<td>10/2015</td>
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</tr>
<tr>
<td>ENV</td>
<td>$0</td>
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<tr>
<td>Design</td>
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<td>2015</td>
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<tbody>
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<td>11/2015</td>
<td>$1,397</td>
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<table>
<thead>
<tr>
<th>Last Updated</th>
<th>10/29/2015</th>
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**Sponsor:** City of Morgan Hill

**Manager:** Scott Creer

**Phone/Fax:** 408-778-6480

**E-Mail:** scott.creer@morganhill.ca.gov

**Funding Deadline:** 11/1/2015

**Last Updated:** 10/29/2015
### Programmed Projects Quarterly Monitoring Report

**July - September 2015**

#### Castro Street Complete Streets

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Total</th>
<th>Funding Deadline</th>
<th>Last Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130015</td>
<td>Implement complete street and “road diet” on Castro Street between El Camino Real and Miramonte Avenue.</td>
<td>CMAQ $540</td>
<td>Sayed Fakhry</td>
<td>650-903-6511</td>
<td><a href="mailto:sayed.fakhry@mountainview.gov">sayed.fakhry@mountainview.gov</a></td>
<td>$950</td>
<td>11/1/2015</td>
<td>11/10/2015</td>
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</tbody>
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#### Various Road Preservation & Bike Lanes

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Total</th>
<th>Funding Deadline</th>
<th>Last Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130018</td>
<td>In Mountain View: resurface Rengstorff/Old Middlefield/Charleston Roads.</td>
<td>Local $412 STP $1,166</td>
<td>Quan Tran</td>
<td>650-903-6311</td>
<td><a href="mailto:quan.tran@mountainview.gov">quan.tran@mountainview.gov</a></td>
<td>$1,575</td>
<td>11/1/2015</td>
<td>11/10/2015</td>
</tr>
</tbody>
</table>

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**Sponsor:** City of Mountain View

**Project Title:** Various Road Preservation & Bike Lanes

**Castro Street Complete Streets**

**Comments:**
- E-76 package submitted.
- ENV complete. E-76 package submitted to Caltrans.

**Fund Source**
- CMAQ $540
- Local $110

**Manager Name**
- Sayed Fakhry
- Quan Tran

**Phone/Fax**
- 650-903-6511
- 650-903-6311

**E-Mail**
- sayed.fakhry@mountainview.gov
- quan.tran@mountainview.gov

**Funding Deadline**
- 11/1/2015

**Last Updated**
- 11/10/2015
<table>
<thead>
<tr>
<th>Sponsor: City of Mountain View</th>
<th>Project Title: Non-infrastructure Safe Routes to School educational program.</th>
<th>Mountain View Non-Infrastructure SRTS</th>
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<tbody>
<tr>
<td>3 of 3</td>
<td>Project No</td>
<td>SCL130019</td>
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<td>Fund Source</td>
<td>CMAQ $500</td>
<td>Local $65</td>
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<tr>
<td>Manager Name</td>
<td>Dennis Drennan</td>
<td>ROW</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>650-903-6633</td>
<td>Construction</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:dennis.drennan@mountainview.go">dennis.drennan@mountainview.go</a></td>
<td>Total</td>
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City of Mountain View
# Programmed Projects Quarterly Monitoring Report
## July - September 2015

### Palo Alto Safe Routes to School

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Title</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Project Description</th>
<th>Field Review</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL110054</td>
<td>Safe Routes to School Program for all public schools in the city including walking/biking maps, education, and encouragement events.</td>
<td>CMAQ S$328 Local S$132</td>
<td>Sylvia Star-Lack</td>
<td>650-329-2156</td>
<td><a href="mailto:Sylvia.Star-Lack@CityofPaloAlto.org">Sylvia.Star-Lack@CityofPaloAlto.org</a></td>
<td>Revised 5th and 6th grade curriculum Revised JLS, Fairmeadow, and Hoover Walk and Roll Maps Analyzed parent survey data Developed Encouragement Materials Released RFP for Bicycle/Pedestrian Counters in May. Vendor contract in process; to Council in October.</td>
<td>ENV</td>
<td>$0</td>
<td>2011</td>
<td>2/2012</td>
</tr>
</tbody>
</table>

### Arastradero Road Schoolscape/Multiuse Trail

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Title</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Project Description</th>
<th>Field Review</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130034</td>
<td>Reconstruct the sidewalk along the south side of Arastradero Road between the Hetch Hetchy Los Altos Pathway and Miranda Avenue to a multiuse trail.</td>
<td>CMAQ $1,000 Local S$502</td>
<td>Holly Boyd</td>
<td>650-329-2612</td>
<td><a href="mailto:holly.boyd@cityofpaloalto.org">holly.boyd@cityofpaloalto.org</a></td>
<td>-Obtained City Council approval of plan line in September 2015. -City planning to submit PES/NEPA package in December 2015.</td>
<td>ENV</td>
<td>$196</td>
<td>2015</td>
<td>9/2016</td>
</tr>
</tbody>
</table>

### Total Costs

| Total | $660 | E-76 Const (sub/app) | 6/15/2015 | Last Updated 11/13/2015 |

| Total | $1,502 | E-76 Const (sub/app) | 6/15/2015 | Last Updated 11/12/2015 |
### Programmed Projects Quarterly Monitoring Report

**July - September 2015**

<table>
<thead>
<tr>
<th>Sponsor: City of Palo Alto</th>
<th>Project Title: Adobe Creek/ Highway 101 Bicycle Pedestrian Bridge</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td></td>
<td>SCL130041</td>
<td>In Palo Alto, provide a year round ped crossing of Highway 101 to replace the existing Lefkowitz tunnel, which is a seasonal underpass subject to repeated and unanticipated closures that limit its use to less than half the year.</td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td></td>
<td>Local $5,150 STIP 4,350</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Manager Name</strong></td>
<td>Elizabeth Ames</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Phone/Fax</strong></td>
<td>650-329-2502</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:elizabeth.ames@cityofpaloalto.org">elizabeth.ames@cityofpaloalto.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td>$9,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sponsor: City of Palo Alto</th>
<th>Project Title: Various Street Resurfacing &amp; Streetscape</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td></td>
<td>SCL130042</td>
<td>Street resurfacing for various streets in Palo Alto.</td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Manager Name</strong></td>
<td>Holly Boyd</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Phone/Fax</strong></td>
<td>650-329-2612</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:holly.boyd@cityofpaloalto.org">holly.boyd@cityofpaloalto.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td>$1,091</td>
</tr>
</tbody>
</table>
## Programmed Projects Quarterly Monitoring Report
July - September 2015

### Almaden Expressway Pedestrian Bridge

**Project No:** SCL050039  
**Project Title:** Almaden Expressway Pedestrian Bridge  
**Project Description:** Provided Caltrans-Sacramento with explanation on schedule and determination of infeasible project. Seeking to close out these funds. Awaiting response from Caltrans.

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$113</td>
<td>07/08</td>
<td>complete</td>
</tr>
<tr>
<td>Design</td>
<td>$239</td>
<td>07/08</td>
<td>01/2009</td>
</tr>
</tbody>
</table>

**Manager Name:** Yves Zsutty  
**Fund Source:** Earmark $496  
**Phone/Fax:** (408) 793-5561  
**E-Mail:** yves.zsutty@sanjoseca.gov

**Last Updated:** 8/19/2015

### Silicon Valley TIMC

**Project No:** SCL050079  
**Project Title:** Silicon Valley TIMC  
**Project Description:** In construction phase. -$1.25M obligated for PE 4/19/08. -$1.9M obligated for PE 8/2012. $2.46M construction award.

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$4,023</td>
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<td></td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td></td>
<td>complete</td>
</tr>
</tbody>
</table>

**Manager Name:** Ken Salvail  
**Fund Source:** Earmark $6,039  
**Phone/Fax:** (408) 975-3705  
**E-Mail:** ken.salvail@sanjoseca.gov

**Last Updated:** 11/13/2015
## Programmed Projects Quarterly Monitoring Report

July - September 2015

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of San Jose</th>
<th>Project Title:</th>
<th>Bay Trail Reach 9 &amp; 9B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL050082</td>
<td>Project Description</td>
<td>Preparation of CON and ENV documents for 1.2 miles of trail, a pedestrian bridge, and underpass with safety and enhancement improvements.</td>
</tr>
<tr>
<td>Fund Source</td>
<td>Footmark $675</td>
<td>Local $7,363</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$8,538</td>
<td>E-76 Const (sub/app)</td>
<td>Last Updated 8/19/2015</td>
</tr>
</tbody>
</table>

| Field Review | ENV | 06/07 | complete |
| Design | $0 | 08/09 | 12/2013 |

### Comments
NEPA completed for both reaches. Reach 9 (1.1-mile) trail is designed to the 95% stage. Reach 9B (Ped Bridge) is designed to the 35% stage. Continuing to seek large grants and funding opportunities. Working with private developer adjacent to project site to insure no future obstructions.

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of San Jose</th>
<th>Project Title:</th>
<th>Coyote Creek Trail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL050083</td>
<td>Project Description</td>
<td>Master Plan, design of 9.8 miles transportation trail, including safety and improvements between SR 237 and Story Rd.</td>
</tr>
<tr>
<td>Fund Source</td>
<td>Footmark $3,674</td>
<td>Local $5,095</td>
<td>RTP-LRP $6,000</td>
</tr>
<tr>
<td>Total</td>
<td>$14,769</td>
<td>E-76 Const (sub/app)</td>
<td>Last Updated 8/19/2015</td>
</tr>
</tbody>
</table>

| Field Review | ENV | 08/09 | complete |
| Design | $1,077 | 08/09 | 9/2008 |

### Comments
Preparing plans for construction from Story to Selma Olinder Park. Plans are at 95%. Funding in place to support construction during summer 2015. Need to seek E-76 from Caltrans for construction and an easement underneath Interstate 280. Negotiating easement with Caltrans at this time.
<table>
<thead>
<tr>
<th>Sponsor: City of San Jose</th>
<th>Project Title: Downtown San Jose Bike Lanes and De-couplet</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No: SCL090004</td>
<td>Project Description: In San Jose: Almaden/Vine de-couplet conversion</td>
<td></td>
</tr>
</tbody>
</table>
| Fund Source              | CMAQ $1,500  
Dev Fees $18,000  
Local $315 |  |
| Manager Name             | Luke Vong |  |
| Phone/Fax                | 408-975-3721 |  |
| E-Mail                   | luke.vong@sanjoseca.gov |  |
| Funds ($000)             | Programmed Year:  
Start mm/yyyy: 1/2016  
End mm/yyyy: 7/2017 |  |
| Schedule                 | Start mm/yyyy: 1/2016  
End mm/yyyy: 7/2017 |  |
| Comments                 | Submitted request for authorization for PE on 11/2/2015 |  |

<table>
<thead>
<tr>
<th>Sponsor: City of San Jose</th>
<th>Project Title: Los Gatos Creek Reach 5 Bridge Crossings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No: SCL110029</td>
<td>Project Description: Develop construction drawings for trail improvements</td>
<td></td>
</tr>
</tbody>
</table>
| Fund Source              | CMAQ $1,200  
Local $350  
RTP-LRP $3,000 |  |
| Manager Name             | Yves Zsutty |  |
| Phone/Fax                | 408-793-5561 |  |
| E-Mail                   | yves.zsutty@sanjoseca.gov |  |
| Funds ($000)             | Programmed Year:  
Start mm/yyyy: TBD  
End mm/yyyy: TBD |  |
| Schedule                 | Start mm/yyyy: TBD  
End mm/yyyy: TBD |  |
| Comments                 | Amending and increasing value of trail design contract to address significant changes due to Caltrain bridge design. Continuing efforts to collaborate with Caltrain. A final design approach/CON funding source has yet to be defined. |  |

City of San Jose
## San Carlos Multimodal Phase 2

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under construction.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Field Review

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Funds ($000)</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENV</td>
<td>$359</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
</tbody>
</table>

**San Carlos Multimodal Phase 2**

### Fund Source

- CMAQ $530
- Local $828
- STP $2,024

### Manager Name

- Luke Vong

### Phone/Fax

- 408-975-3721

### E-Mail

- luke.vong@sanjoseca.gov

### Project Description

Pedestrian-oriented improvements along the south side of San Carlos Street between Second Street and Market Street.

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
</tbody>
</table>

### Field Review

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Funds ($000)</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENV</td>
<td>$359</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
</tbody>
</table>

**Walk N Roll - Safe Access**

### Fund Source

- CMAQ $518
- Local $85

### Manager Name

- Tina Smith

### Phone/Fax

- (408) 975-3266

### E-Mail

- tina.smith@sanjoseca.gov

### Project Description

Encourage and promote pedestrian and bicycle safety along SRTS by installing low cost enhancements.

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
</tbody>
</table>

### Field Review

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Funds ($000)</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENV</td>
<td>$97</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
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</table>

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>End</td>
</tr>
</tbody>
</table>

**City of San Jose**
## Programmed Projects Quarterly Monitoring Report
**July - September 2015**

### Park Avenue Multi-Modal Improvements

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of San Jose</th>
<th>Project Title:</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL110117</td>
<td>Park Avenue Multi-Modal Improvements</td>
<td>Programmed Year</td>
<td>Start mm/yyyy</td>
<td>End mm/yyyy</td>
<td></td>
</tr>
<tr>
<td>Project Description</td>
<td>In San Jose: Improve pedestrian and bicycle facilities along Park Avenue between Hedding and Montgomery Streets.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td>Local $364</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>STIP-TE $1,456</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Luke Vong</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-975-3721</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:luke.vong@sanjoseca.gov">luke.vong@sanjoseca.gov</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,820</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Last Updated</strong></td>
<td><strong>11/13/2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Field Review**
  - ENV: $137 (2012/13)
  - Design: $69 (2013)

- **Construction**
  - $1,583 (2015)

- **Comments**
  - Bid opened 3/26/2015. City only obtained one non-responsive bid and will re-bid.
  - CTC approved 12-month time extension request on 10/21/2015.

---

### St. John Street Multi-Modal Improvements - Phase 1

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of San Jose</th>
<th>Project Title:</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>SCL110118</td>
<td>St. John Street Multi-Modal Improvements - Phase 1</td>
<td>Programmed Year</td>
<td>Start mm/yyyy</td>
<td>End mm/yyyy</td>
<td></td>
</tr>
<tr>
<td>Project Description</td>
<td>In San Jose: Improve bicycle and pedestrian facilities along St John Street between North Market Street and North Almaden Boulevard.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td>Local $376</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>STIP-TE $1,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Luke Vong</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-975-3721</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:luke.vong@sanjoseca.gov">luke.vong@sanjoseca.gov</a></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,876</strong></td>
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<td></td>
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<tr>
<td><strong>Last Updated</strong></td>
<td><strong>12/7/2015</strong></td>
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</tbody>
</table>

- **Field Review**
  - ENV: $163 (2012/13)
  - Design: $0 (2013)

- **Construction**
  - $1,713 (2017)
  - Start: 7/2016, End: 7/2017

- **Comments**
  - E-76 package submitted.
### San Jose Citywide Bikeway Program

**Project No**: SCL130004  
**Project Description**: Fills existing bicycle gaps on a total of 43 segments citywide.

<table>
<thead>
<tr>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
</table>

**Field Review**
- **ENV**: $120 2014

**Funds ($000)**
- **Total**: $1,456

**Manager Name**: John Brazil  
**Phone/Fax**: 408-975-3206  
**E-Mail**: john.brazil@sanjoseca.gov

**Fund Source**
- CMAQ $1,150  
  - Local $306

**Last Updated**: 11/13/2015

---

### San Jose Citywide Pavement Management Program

**Project No**: SCL130005  
**Project Description**: Rehabilitate and resurface approx. 24 miles of arterial streets.

<table>
<thead>
<tr>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/2014</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Field Review**

**Funds ($000)**
- **Total**: $12,973

**Manager Name**: Lam Cruz  
**Phone/Fax**: 408-794-1962  
**E-Mail**: lam.cruz@sanjoseca.gov

**Fund Source**
- Local $1,572  
  - STP $11,531

**Last Updated**: 11/13/2015

---

**Comments**
- Currently under construction. In process of converting advanced construction to regular E-76.
### Programmed Projects Quarterly Monitoring Report
July - September 2015

#### San Jose Citywide SRTS Program

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130006</td>
<td>Implement walking route improvements around schools.</td>
<td></td>
<td></td>
<td></td>
<td>PE obligated-CON moved to 2017.</td>
</tr>
</tbody>
</table>

**Fund Source**

- **CMAQ $1,150**
- **Local $157**

**Manager Name**: Tina Smith

**Phone/Fax**: 408-975-3266

**E-Mail**: tina.smith@sanjoseca.gov

**Last Updated**: 11/13/2015

**Funding Deadline**: 11/1/2016

#### Jackson Ave Bicycle and Pedestrian Improvements

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
</table>

**Fund Source**

- **CMAQ $1,500**
- **Local $399**

**Manager Name**: Luke Vong

**Phone/Fax**: 408-975-3721

**E-Mail**: luke.vong@sanjoseca.gov

**Last Updated**: 11/13/2015
### San Jose Walk N' Roll Phase 2

**Project No:** SCL130008  
**Project Description:** Non-infrastructure SRTS project  
**CON obligated:** 05/28/2014.

<table>
<thead>
<tr>
<th><strong>Project Milestone</strong></th>
<th><strong>Programmed Year</strong></th>
<th><strong>Start mm/yyyy</strong></th>
<th><strong>End mm/yyyy</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
<td></td>
<td>CON obligated 05/28/2014.</td>
</tr>
<tr>
<td>ENV</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fund Source:**  
- CMAQ $1,000  
- Toll Credit $115

**Manager Name:** Anna Le  
**Phone/Fax:** 408-975-3226  
**E-Mail:** anna.le@sanjoseca.gov

**Fund Source:**  
- CMAQ $1,000  
- Toll Credit $115

**Manager Name:** Anna Le  
**Phone/Fax:** 408-975-3226  
**E-Mail:** anna.le@sanjoseca.gov

**Funding Deadline:** obligated

**Total Funds ($000):** $1,115

**Last Updated:** 8/18/2015

---

### San Jose Pedestrian Oriented Traffic Safety Signals

**Project No:** SCL130010  
**Project Description:** Traffic signal controlled crossings will be implemented at 7 key intersections.

<table>
<thead>
<tr>
<th><strong>Project Milestone</strong></th>
<th><strong>Programmed Year</strong></th>
<th><strong>Start mm/yyyy</strong></th>
<th><strong>End mm/yyyy</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>ENV</td>
<td></td>
<td>$1,899</td>
<td>2014</td>
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<tr>
<td>Design</td>
<td></td>
<td>$0</td>
<td>2014</td>
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</tr>
</tbody>
</table>

**Fund Source:**  
- CMAQ $3,000  
- Local $798

**Manager Name:** Ken Jung  
**Phone/Fax:** 408-975-3262  
**E-Mail:** ken.jung@sanjoseca.gov

**Funding Deadline:** 11/1/2016

**Total Funds ($000):** $3,798

**Last Updated:** 11/13/2015
## Programmed Projects Quarterly Monitoring Report

July - September 2015

### Project: St. John Street Bikeway and Pedestrian Improvements

**Project No:** SCL130011  
**Project Description:** In San Jose: fill bikeway and sidewalk gaps on St. John Street.  
**Fund Source:**  
- CMAQ $1,185  
- Local $315  
**Manager Name:** Luke Vong  
**Phone/Fax:** 408-975-3721  
**E-Mail:** luke.vong@sanjoseca.gov  
**Sponsor:** City of San Jose  
**Funding Deadline:** 11/1/2015

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Field Review</td>
<td>$240</td>
<td>2014</td>
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<tr>
<td>Design</td>
<td>$0</td>
<td>2014</td>
<td></td>
<td></td>
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<tr>
<td>ROW</td>
<td>$75</td>
<td>2014</td>
<td></td>
<td></td>
<td>E-76 Const (sub/app) 11/2015 1/2016 Last Updated 12/7/2015 Last Invoice (sub/app) 3/13/2015</td>
</tr>
<tr>
<td>Total</td>
<td>$1,500</td>
<td></td>
<td></td>
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</table>

**Schedule:**  
- **Start:** 2/2014  
- **End:** 2/2014  

**Funding:**  
- **ENV:** $0  
- **Local:** $0  
- **Funds ($000):** $1,185  

**Notes:** E-76 package submitted.

### Project: The Alameda Grand Blvd Phase 2

**Project No:** SCL130012  
**Project Description:** Extends work on The Alameda that enhances pedestrian and vehicle safety in accordance with the Grand Boulevard Initiative.  
**Fund Source:**  
- CMAQ $3,150  
- Local $1,280  
**Manager Name:** Luke Vong  
**Phone/Fax:** 408-975-3721  
**E-Mail:** luke.vong@sanjoseca.gov  
**Sponsor:** City of San Jose  
**Funding Deadline:** 11/1/2015

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Funds ($000)</th>
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</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td>2014</td>
<td>4/2014</td>
<td>6/2015</td>
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<tr>
<td>ROW</td>
<td>$40</td>
<td>2014</td>
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<tr>
<td>Construction</td>
<td>$3,559</td>
<td>2015</td>
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<td>11/2016</td>
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<tr>
<td>Total</td>
<td>$4,430</td>
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**Schedule:**  
- **Start:** 2/2015  
- **End:** 4/2015  

**Funding:**  
- **CMAQ:** $3,150  
- **Local:** $1,280  
- **Funds ($000):** $4,430  

**Notes:** 100% design complete. City will advertise this project as soon as Caltrans approves the encroachment permit.
<table>
<thead>
<tr>
<th>Sponsor: City of San Jose</th>
<th>Project Title: East San Jose Bikeways</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>SCL130016</td>
<td>Make improvements to the bikeway network including the installation of new bikeways, traffic calming features, public bike racks, bike-friendly signal detection and pavement markings.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Programmed Year</td>
</tr>
<tr>
<td></td>
<td>Field Review</td>
<td>3/2014</td>
</tr>
<tr>
<td></td>
<td>ENV</td>
<td>$75</td>
</tr>
<tr>
<td></td>
<td>Design</td>
<td>$382</td>
</tr>
<tr>
<td>Manager Name</td>
<td>John Brazil</td>
<td>ROW</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-975-3206</td>
<td>Construction</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:john.brazil@sanjoseca.gov">john.brazil@sanjoseca.gov</a></td>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sponsor: City of San Jose</th>
<th>Project Title: San Jose Smart Intersections Program</th>
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<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
</tr>
<tr>
<td>SCL130036</td>
<td>Upgrade traffic signal controls at 35 intersections along six miles of Tully Road and Saratoga Avenue.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Programmed Year</td>
</tr>
<tr>
<td></td>
<td>Field Review</td>
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<tr>
<td></td>
<td>ENV</td>
<td>$0</td>
</tr>
<tr>
<td>Manager Name</td>
<td>Ho Nguyen</td>
<td>ROW</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-975-3254</td>
<td>Construction</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:ho.nguyen@sanjoseca.gov">ho.nguyen@sanjoseca.gov</a></td>
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City of San Jose
## San Jose Transportation Demand Management

### Programmed Year

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL150012</td>
<td>Encourage the use of transit, bike, walking and other alternative transportation modes in San Jose, beginning with the Downtown and Central City.</td>
<td>$1,694</td>
<td>2016</td>
<td>Toll credits being applied to this project.</td>
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</tbody>
</table>

### Fund Source

- CMAQ $1,500
- Local $194

### Project Milestone

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
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</tr>
<tr>
<td>ENV</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
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</tr>
</tbody>
</table>

### Manager Name

Laura Stuchinsky

### Milestone Details

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>$1,694</td>
<td>2016</td>
<td>E-76 Const (sub/app) 9/29/2015 Last Updated 11/13/2015</td>
</tr>
</tbody>
</table>

### Last Updated

11/13/2015

### Sponsor

City of San Jose

### Manager Name

Laura Stuchinsky

### Contact Information

- Phone/Fax: 408-975-3226
- E-Mail: laura.stuchinsky@sanjoseca.gov
- Funding Deadline: 11/1/2015

### Fund Source

- CMAQ $1,500
- Local $194
# Programmed Projects Quarterly Monitoring Report
## July - September 2015

### Sponsor:
**City of Santa Clara**

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Project Title:</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130039</td>
<td>Develop and implement a comprehensive education and outreach program to promote safe walking, biking and carpooling to and from school for 12 Santa Clara schools.</td>
<td>CMAQ $500, Toll Credits $57</td>
<td>Marshall Johnson</td>
<td>408-615-3023</td>
<td><a href="mailto:mjohnson@santaclaraca.gov">mjohnson@santaclaraca.gov</a></td>
<td>Santa Clara Non-Infrastructure SR2S Phase 2</td>
<td>$557</td>
<td>2014</td>
<td>2014</td>
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### Schedule

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td>Complete</td>
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<td></td>
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</tr>
<tr>
<td>ENV</td>
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<tr>
<td>Design</td>
<td>$0</td>
<td></td>
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### Comments

- In progress.
## Programmed Projects Quarterly Monitoring Report

### July - September 2015

### Highway 9 Safety Improvements (BEP Project)

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL070050</td>
<td>Construct bike/ped safety improvements on SR9 in Saratoga.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Field Review</th>
<th>Design</th>
<th>ENV</th>
<th>E-76 Const (sub/app)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programmed Year</td>
<td>Start mm/yyyy</td>
<td>End mm/yyyy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- To be constructed in two phases:
  - First phase project completed and closed. (HSIP-T3)
  - Phase 2 (HSIP-T4) Caltrans encroachment permit issued. E76 CON application in progress. This phase funded by HSIP4-04-004 will follow the schedule as agreed by MTC and will also meet deadlines as described in HSIP delivery letter to cities.

### Prospect Road Complete Streets

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130026</td>
<td>Traffic calming on Prospect Road between Saratoga/Sunnyvale Rd and Lawrence Expressway and on Saratoga Ave between Highway 85 to the City Limits to the north.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Milestone</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Field Review</th>
<th>Design</th>
<th>ENV</th>
<th>E-76 Const (sub/app)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programmed Year</td>
<td>Start mm/yyyy</td>
<td>End mm/yyyy</td>
<td></td>
<td></td>
<td></td>
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</tr>
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</table>

- Moved CON to 2017.
## Programmed Projects Quarterly Monitoring Report
### July - September 2015

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>City of Saratoga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No:</td>
<td>SCL130027</td>
</tr>
<tr>
<td>Project Description:</td>
<td>Sidewalk rehabilitation along Big Basin Way between 6th street and Hwy 9.</td>
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</tbody>
</table>

### Saratoga Village Sidewalk Rehabilitation

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>ENV</td>
<td>$19</td>
<td>6/2015 8/2015</td>
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<td>$0</td>
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<td>ROW</td>
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<td>2014 8/2015 2/2016</td>
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<tr>
<td>Construction</td>
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<td>Total</td>
<td>$202</td>
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</table>

#### Fund Source
- CMAQ $162
- Local $40

### Fund Source Details
- **Manager Name:** Macedonio Nunez
- **Phone/Fax:** 408-868-1218
- **E-Mail:** mnunez@saratoga.ca.us

### Project Title
- **Sponsor:** City of Saratoga
- **Funding Deadline:** 11/1/2015

### Project Description
- Sidewalk rehabilitation along Big Basin Way between 6th street and Hwy 9.

### Last Updated
- 11/13/2015

### Last Invoice
- E-76 Const (sub/app) 11/16/2015
- Last Updated 11/13/2015
### Programmed Projects Quarterly Monitoring Report
July - September 2015

#### Sunnyvale/Saratoga Road Bike/Ped Safety

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130028</td>
<td>In Sunnyvale: On Sunnyvale-Saratoga Road at Mathilda: Upgrade the existing traffic signal and install new ramps, bike detection and ped signals.</td>
<td>CMAQ $162, Local $21</td>
<td>Nasser Fakih</td>
<td>408-730-7617/408-730-7619</td>
<td><a href="mailto:nfakih@sunnyvale.ca.gov">nfakih@sunnyvale.ca.gov</a></td>
<td>12/2015</td>
<td>11/2016</td>
<td>Field Review</td>
<td>$614</td>
<td>E-76 Const (sub/app)</td>
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#### Fair Oaks Avenue Bikeway and Streetscape

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Fund Source</th>
<th>Manager Name</th>
<th>Phone/Fax</th>
<th>E-Mail</th>
<th>Programmed Year</th>
<th>Start mm/yyyy</th>
<th>End mm/yyyy</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130029</td>
<td>In Sunnyvale: On three separate sections of Fair Oaks Avenue, construct bike lanes and associated medians.</td>
<td>CMAQ $956, Local $254</td>
<td>Nasser Fakih</td>
<td>408-730-7617/408-730-7619</td>
<td><a href="mailto:nfakih@sunnyvale.ca.gov">nfakih@sunnyvale.ca.gov</a></td>
<td>3/2015</td>
<td>E-76 Const (sub/app)</td>
<td>$1,210</td>
<td>11/16/2016</td>
<td>2/2017</td>
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</table>
## Programmed Projects Quarterly Monitoring Report

### Maude Avenue Bikeway and Streetscape

<table>
<thead>
<tr>
<th>Sponsor: City of Sunnyvale</th>
<th>Project Title: Maude Avenue Bikeway and Streetscape</th>
<th>Fund Source</th>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CMAQ $695</td>
<td>SCL130030</td>
<td>In Sunnyvale, on Maude Avenue between Mathilda Avenue and Fair Oaks Avenue, install medians, modify roadway geometry and stripe bike lanes.</td>
<td>Field Review</td>
<td>$135 2015 12/2015 8/2016</td>
<td>Preliminary traffic studies performed. Project scoping and advertising for consultants are pending.</td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Nasser Fakih</td>
<td>ROW $0</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Phone/Fax</td>
<td>408-730-7617/408-730-7619</td>
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<td></td>
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<tr>
<td>E-Mail</td>
<td><a href="mailto:nfakih@sunnyvale.ca.gov">nfakih@sunnyvale.ca.gov</a></td>
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### Sunnyvale East and West Channel Multi-UseTrails

<table>
<thead>
<tr>
<th>Sponsor: City of Sunnyvale</th>
<th>Project Title: Sunnyvale East and West Channel Multi-UseTrails</th>
<th>Fund Source</th>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CMAQ $3,440</td>
<td>SCL130031</td>
<td>Project scope to be determined.</td>
<td>Field Review</td>
<td>$400 1/2013 7/2014</td>
<td>City to hire a consultant to evaluate potential projects after SCVWD completes their flood control project.</td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Nasser Fakih</td>
<td>ROW $0</td>
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</tr>
<tr>
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<tr>
<td>E-Mail</td>
<td><a href="mailto:nfakih@sunnyvale.ca.gov">nfakih@sunnyvale.ca.gov</a></td>
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# Programmed Projects Quarterly Monitoring Report
## July - September 2015

### Sunnyvale SRTS Ped Infrastructure Improvements

<table>
<thead>
<tr>
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<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130032</td>
<td>In Sunnyvale, construct sidewalks, bulb-outs, and curb ramps; install in-pavement</td>
<td></td>
<td></td>
<td></td>
<td>Design underway</td>
</tr>
<tr>
<td></td>
<td>crosswalk lights, signs, and pavement markings; upgrade (reduce) corner radius.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td>CMAQ $1,569</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local $331</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Nasser Fakih</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-730-7617/408-730-7619</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:nfakih@sunnyvale.ca.gov">nfakih@sunnyvale.ca.gov</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last Updated</td>
<td>8/11/2015</td>
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### Duane Avenue Roadway Preservation

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130033</td>
<td>In Sunnyvale, rehabilitate Duane Avenue pavement, curb and gutter between San Juan</td>
<td></td>
<td></td>
<td></td>
<td>Under Construction.</td>
</tr>
<tr>
<td></td>
<td>Avenue and Stewart Drive.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td>Local $223</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>STP $1,576</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Manager Name</td>
<td>Nasser Fakih</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-730-7617/408-730-7619</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last Updated</td>
<td>11/13/2015</td>
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</table>
### East San Jose Pedestrian Improvements

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL110121</td>
<td>Fill in sidewalk gaps and provide ADA enhancements within existing rights-of-way on various roads.</td>
<td>Project Milestone</td>
<td>County has NEPA clearance and is currently working to secure the R/W certification.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Schedule</th>
<th>Comments</th>
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</table>

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Local S532</th>
<th>STP S2,128</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Manager Name</th>
<th>Sadegh Sadeghi/Dawn Cameron</th>
<th>Bonnie Broderick</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Phone/Fax</th>
<th>408-494-1335/408-573-2465</th>
<th>(408) 793-2700</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>E-Mail</th>
<th><a href="mailto:sadegh.sadeghi@dawn.cameron">sadegh.sadeghi@dawn.cameron</a>@rda.sccgov.org</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Review</td>
<td>4/2014</td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$0</td>
<td>N.A.</td>
</tr>
<tr>
<td>Design</td>
<td>$0</td>
<td>N.A.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Project Title</th>
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<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$2,340</td>
<td>6/2016</td>
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<table>
<thead>
<tr>
<th>Project Title</th>
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<tbody>
<tr>
<td>Construction</td>
<td>$946</td>
<td>7/2015</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$946</td>
<td>7/10/14</td>
</tr>
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<table>
<thead>
<tr>
<th>Fund Source</th>
<th>CMAQ $538</th>
<th>Local S08</th>
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</table>

<table>
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<tr>
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<th><a href="mailto:Bonnie.Broderick@phd.sccgov.org">Bonnie.Broderick@phd.sccgov.org</a></th>
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</thead>
</table>
### Programmed Projects Quarterly Monitoring Report
#### July - September 2015

#### Sponsor:
**County of Santa Clara**

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130022</td>
<td>Construct an extension of the San Tomas Aquino Spur Trail (a Class I bicycle/pedestrian trail) on the west side of San Tomas Expressway from SR 82 (El Camino Real) to Homestead Road.</td>
<td>Field Review</td>
<td>$400</td>
<td>2013</td>
<td>8/2013 to 12/2014. Readvertise for Bids 12/2015; Bid open 01/2016.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Design</td>
<td>$0</td>
<td>1/2012 to 3/2014</td>
<td></td>
</tr>
<tr>
<td>Fund Source</td>
<td></td>
<td>ROW</td>
<td>$0</td>
<td>9/2013 to 1/2015</td>
<td></td>
</tr>
<tr>
<td>Manager Name</td>
<td>Dawn Cameron/Craig Petersen</td>
<td>Construction</td>
<td>$4,994</td>
<td>3/2015 to 12/2016</td>
<td>Funding Deadline obligated</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-573-2465/408-573-2490</td>
<td>Total</td>
<td>$5,394</td>
<td>E-76 Const (sub/app) 2/2015 to 5/2015 Last Updated 11/24/2015</td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td>dawn.cameron/craig.petersen@rda.sccgov.org</td>
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<td></td>
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#### Sponsor:
**County of Santa Clara**

<table>
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<th>Project No</th>
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<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL130037</td>
<td>In San Jose: Install Intelligent Transportation System infrastructure, fill in sidewalk gaps, install pedestrian sensors and bike detection at all intersections and implement traffic responsive and adaptive signal timing.</td>
<td>Field Review</td>
<td>$0</td>
<td>5/2014 to 12/2015</td>
<td>NEPA clearance is expected in December 2015. At 95% design level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Design</td>
<td>$1,434</td>
<td>3/2014 to 12/2015</td>
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<tr>
<td>Fund Source</td>
<td></td>
<td>ROW</td>
<td>$0</td>
<td>12/2015</td>
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</tr>
<tr>
<td>Manager Name</td>
<td>Dawn Cameron/Bill Yeung</td>
<td>Construction</td>
<td>$8,200</td>
<td>6/2016 to 12/2017</td>
<td>Funding Deadline 11/1/2016</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-573-2465/408-494-1309</td>
<td>Total</td>
<td>$9,634</td>
<td>E-76 Const (sub/app) 11/2015 to 2/2016 Last Updated 11/24/2015</td>
<td></td>
</tr>
<tr>
<td>E-Mail</td>
<td>dawn.cameron/bill.yeung@rda.sccgov.org</td>
<td></td>
<td></td>
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</tbody>
</table>
## Programmed Projects Quarterly Monitoring Report

**July - September 2015**

### Route 152 New Alignment

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL090016</td>
<td>Route 152 new alignment from Rte 101 to Rte 156. Realign highway and evaluate route management strategies, including potential roadway pricing. Also includes SR152 &quot;trade corridor&quot; study from 101 to I-5.</td>
<td>Field Review</td>
<td>ENV $13</td>
<td>2008/09 2008 3/2018</td>
<td>VTA is requesting additional funding from CTC to continue project efforts, including PA/ED. An additional $20 million is needed to complete the environmental clearance.</td>
</tr>
</tbody>
</table>

**Manager Name:** Gene Gonzalo  
**Phone/Fax:** 408-952-4236  
**E-Mail:** gene.gonzalo@vta.org  
**Fund Source:**  
- CIP $5  
- Local $5.15  
- STP $2.86

### SR 85 Express Lanes

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Description</th>
<th>Project Milestone</th>
<th>Funds ($000)</th>
<th>Schedule</th>
<th>Comments</th>
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</thead>
</table>

**Manager Name:** Maren Schram  
**Phone/Fax:** 408-952-4214  
**E-Mail:** maren.schram@vta.org  
**Fund Source:**  
- ARRA $1,300,000  
- Earmark $1,500,000  
- Local $2,000,000  
- RTP-LRP $163,200,000

**Funding Deadline:** PE: 6/30/2018
<table>
<thead>
<tr>
<th>Sponsor: VTA</th>
<th>Project Title: Regional Planning Activities and PPM - Santa Clara</th>
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</thead>
<tbody>
<tr>
<td>3 of 8</td>
<td>Project No SCL090035 Project Description Santa Clara: Regional Planning Activities and Planning, Programming and Monitoring</td>
</tr>
<tr>
<td>Fund Source</td>
<td>Local $148 STIP $3,944 STP $1,145</td>
</tr>
<tr>
<td>Manager Name</td>
<td>Amin Surani</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-546-7989</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:amin.surani@vta.org">amin.surani@vta.org</a></td>
</tr>
<tr>
<td>Field Review</td>
<td></td>
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<tr>
<td>ENV</td>
<td>$5,237 14/15-18/19</td>
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<tr>
<td>Design</td>
<td>$0</td>
</tr>
<tr>
<td>Programmed Year</td>
<td>Start mm/yyyy End mm/yyyy</td>
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<tr>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Last Updated</td>
<td>1/6/2015</td>
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</table>

<table>
<thead>
<tr>
<th>Sponsor: VTA</th>
<th>Project Title: US 101 Express Lanes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 of 8</td>
<td>Project No SCL110002 Project Description Implement roadway pricing on US 101 carpool lanes</td>
</tr>
<tr>
<td>Fund Source</td>
<td>Local $10,200 RTP-LRP $414,800</td>
</tr>
<tr>
<td>Manager Name</td>
<td>Lam Trinh</td>
</tr>
<tr>
<td>Phone/Fax</td>
<td>408-952-4217</td>
</tr>
<tr>
<td>E-Mail</td>
<td><a href="mailto:lam.trinh@vta.org">lam.trinh@vta.org</a></td>
</tr>
<tr>
<td>Field Review</td>
<td></td>
</tr>
<tr>
<td>ENV</td>
<td>$6,200 2010 11/2010 8/2015</td>
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<tr>
<td>Design</td>
<td>$34,000 2014</td>
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<tr>
<td>Programmed Year</td>
<td>Start mm/yyyy End mm/yyyy</td>
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<td>2010</td>
<td>2014</td>
</tr>
<tr>
<td>Last Updated</td>
<td>11/12/2015</td>
</tr>
</tbody>
</table>

PSR-PDS for Project Initiation Documents (PID) Phase approved in August 2012. Project Report and Environmental Document (CE/CE) were completed in August 2015. Design phase will be conducted via separate projects.
# Programmed Projects Quarterly Monitoring Report

## July - September 2015

### Project: SR 237 Express Lanes: Zanker Rd to Mathilda Ave

<table>
<thead>
<tr>
<th>Sponsor: VTA</th>
<th>Project Title: SR 237 Express Lanes: Zanker Rd to Mathilda Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project No</strong></td>
<td>SCL110008</td>
</tr>
<tr>
<td><strong>Project Description</strong></td>
<td>Implement roadway pricing on SR 237 carpool lane; extending the Express Lanes on SR 237 to Mathilda Avenue</td>
</tr>
<tr>
<td><strong>PID and PA/ED</strong></td>
<td>Completed in June 2015. PS&amp;E is in progress including Electronic Toll System (ETS) development.</td>
</tr>
<tr>
<td><strong>Manager Name</strong></td>
<td>Lam Trinh</td>
</tr>
<tr>
<td><strong>Fund Source</strong></td>
<td>Local $7,564, RTP-LRP $10,903, San Jose $1,000, Sunnyvale $1,739, VPPP $1,600</td>
</tr>
<tr>
<td><strong>Fund Source</strong></td>
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<tr>
<td><strong>Fund Source</strong></td>
<td>Local $7,564, RTP-LRP $10,903, San Jose $1,000, Sunnyvale $1,739, VPPP $1,600</td>
</tr>
<tr>
<td><strong>Manager Name</strong></td>
<td>Lam Trinh</td>
</tr>
<tr>
<td><strong>Phone/Fax</strong></td>
<td>(408) 952-4217</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:lam.trinh@vta.org">lam.trinh@vta.org</a></td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Programmed Year</strong></th>
<th><strong>Start mm/yyyy</strong></th>
<th><strong>End mm/yyyy</strong></th>
<th><strong>Schedule</strong></th>
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<tbody>
<tr>
<td>7/2014</td>
<td>12/2016</td>
<td>1/2017</td>
<td>8/2018</td>
</tr>
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</table>

### Field Review

- **ENV**
  - **Funds ($000)**: $2,850
  - **Programmed Year**: 2013
  - **Start mm/yyyy**: 1/2013
  - **End mm/yyyy**: 6/2015

- **Design**
  - **Funds ($000)**: $9,053
  - **Programmed Year**: 2013
  - **Start mm/yyyy**: 7/2014
  - **End mm/yyyy**: 12/2016

### Project Milestone

- **Total**
  - **Funds ($000)**: $22,806
  - **Comments**
    - E-76 Const (sub/app)
    - Last Updated: 11/10/2015

### Funding Deadline

- **E-76 Const (sub/app)**
  - **Last Updated**: 11/10/2015

### Project: I-680 Soundwalls - Capitol Expwy to Mueller Ave

<table>
<thead>
<tr>
<th>Sponsor: VTA</th>
<th>Project Title: I-680 Soundwalls - Capitol Expwy to Mueller Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project No</strong></td>
<td>SCL150001</td>
</tr>
<tr>
<td><strong>Project Description</strong></td>
<td>Construct sound walls on I-680 between Capitol Expressway and Mueller Avenue.</td>
</tr>
<tr>
<td><strong>Manager Name</strong></td>
<td>Brian Pantaleon</td>
</tr>
<tr>
<td><strong>Phone/Fax</strong></td>
<td>408-952-4283</td>
</tr>
<tr>
<td><strong>E-Mail</strong></td>
<td><a href="mailto:brian.pantaleon@vta.org">brian.pantaleon@vta.org</a></td>
</tr>
<tr>
<td><strong>Fund Source</strong></td>
<td>Local $471, STIP $4,456</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>Prepare RFP for selection of designer to start Project Approval/Environmental Document (PA/ED) Phase, targeted to begin in Spring 2016.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Programmed Year</strong></th>
<th><strong>Start mm/yyyy</strong></th>
<th><strong>End mm/yyyy</strong></th>
<th><strong>Schedule</strong></th>
</tr>
</thead>
</table>

### Field Review

- **ENV**
  - **Funds ($000)**: $566
  - **Programmed Year**: 2016
  - **Start mm/yyyy**: 3/2016
  - **End mm/yyyy**: 2/2017

- **Design**
  - **Funds ($000)**: $731
  - **Programmed Year**: 2017
  - **Start mm/yyyy**: 2/2017
  - **End mm/yyyy**: 1/2018

### Project Milestone

- **Total**
  - **Funds ($000)**: $4,927
  - **Comments**
    - E-76 Const (sub/app)
    - Last Updated: 11/10/2015

### Funding Deadline

- **E-76 Const (sub/app)**
  - **Last Updated**: 11/10/2015
Programmed Projects Quarterly Monitoring Report
July - September 2015

<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>VTA</th>
<th>Project Title:</th>
<th>Central and South County Bicycle Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
<td>Schedule</td>
</tr>
<tr>
<td>SCL150004</td>
<td>Phased update to the Santa Clara Countywide Bicycle Plan. The update will focus on disadvantaged communities in Santa Clara County, including downtown San Jose, East San Jose, northern Santa Clara, and Gilroy.</td>
<td>Field Review</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ENV</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Design</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ROW</td>
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<td>$501</td>
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<table>
<thead>
<tr>
<th>Sponsor:</th>
<th>VTA</th>
<th>Project Title:</th>
<th>I-280/Winchester Study</th>
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<tbody>
<tr>
<td>Project No</td>
<td>Project Description</td>
<td>Funds ($000)</td>
<td>Schedule</td>
</tr>
<tr>
<td>SCL150014</td>
<td>Conduct planning activities to identify and evaluate improvements in the vicinity of the I-280/Winchester Boulevard interchange.</td>
<td>Field Review</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ENV</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Design</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ROW</td>
<td>$0</td>
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<td></td>
<td></td>
<td>Total</td>
<td>$1,000</td>
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## Programmed Projects Quarterly Monitoring Report

### Attachment C

### List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABAG</td>
<td>Association of Bay Area Governments</td>
</tr>
<tr>
<td>ABC</td>
<td>Across Barrier Connections</td>
</tr>
<tr>
<td>AC</td>
<td>Asphalt Concrete</td>
</tr>
<tr>
<td>ACE</td>
<td>Altamont Commuter Express</td>
</tr>
<tr>
<td>ADA</td>
<td>Americans with Disabilities Act</td>
</tr>
<tr>
<td>ARRA</td>
<td>American Recovery and Reinvestment Act</td>
</tr>
<tr>
<td>BART</td>
<td>Bay Area Rapid Transit</td>
</tr>
<tr>
<td>BEP</td>
<td>Bicycle Expenditure Program</td>
</tr>
<tr>
<td>BRT</td>
<td>Bus Rapid Transit</td>
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<tr>
<td>BTG</td>
<td>VTA Bicycle Technical Guidelines</td>
</tr>
<tr>
<td>CDT</td>
<td>VTA Community Design &amp; Transportation</td>
</tr>
<tr>
<td>CEQA</td>
<td>California Environmental Quality Act</td>
</tr>
<tr>
<td>CIP</td>
<td>Capital Improvement Program</td>
</tr>
<tr>
<td>CMAQ</td>
<td>Congestion Mitigation and Air Quality Improvement Program</td>
</tr>
<tr>
<td>CMIA</td>
<td>Corridor Mobility Improvement Account</td>
</tr>
<tr>
<td>CMP</td>
<td>Congestion Management Program</td>
</tr>
<tr>
<td>CTC</td>
<td>California Transportation Commission</td>
</tr>
<tr>
<td>CUP</td>
<td>Conditional Use Permit</td>
</tr>
<tr>
<td>CWC</td>
<td>Citizen Watchdog Committee</td>
</tr>
<tr>
<td>DASH</td>
<td>San Jose Downtown Area Shuttle</td>
</tr>
<tr>
<td>DEIR</td>
<td>Draft Environmental Impact Report</td>
</tr>
<tr>
<td>DU/AC</td>
<td>Dwelling Units Per Acre</td>
</tr>
<tr>
<td>E76</td>
<td>Formally called “Authorization to Proceed&quot;</td>
</tr>
<tr>
<td>EIR</td>
<td>Environmental Impact Report</td>
</tr>
<tr>
<td>EIS</td>
<td>Environmental Impact Statement</td>
</tr>
<tr>
<td>ER</td>
<td>Environmental Review</td>
</tr>
<tr>
<td>ETS</td>
<td>Electronic Toll System</td>
</tr>
<tr>
<td>FAR</td>
<td>Floor Area Ratio</td>
</tr>
<tr>
<td>FEIR</td>
<td>Final Environmental Impact Report</td>
</tr>
<tr>
<td>GPA</td>
<td>General Plan Amendment</td>
</tr>
<tr>
<td>HBRR</td>
<td>Highway Bridge Replacement and Rehabilitation</td>
</tr>
<tr>
<td>HOV</td>
<td>High-Occupancy Vehicle</td>
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<tr>
<td>HPP</td>
<td>High Priority Project</td>
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<tr>
<td>HSR</td>
<td>High-Speed Rail</td>
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<tr>
<td>IS</td>
<td>Initial Study</td>
</tr>
<tr>
<td>ITS</td>
<td>Intelligent Transportation System</td>
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<tr>
<td>LPR</td>
<td>Local Program Reserve</td>
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<td>LRT</td>
<td>Light Rail Transit</td>
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<td>LU/TD</td>
<td>Land Use/Transportation Diagram</td>
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<td>MND</td>
<td>Mitigated Negative Declaration</td>
</tr>
<tr>
<td>MTC</td>
<td>Metropolitan Transportation Commission</td>
</tr>
<tr>
<td>ND</td>
<td>Negative Declaration</td>
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<td>NEPA</td>
<td>National Environmental Policy Act</td>
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<td>NOI</td>
<td>Notice of Intent</td>
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<tr>
<td>NOP</td>
<td>Notice of Preparation</td>
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<td>NPDES</td>
<td>National Pollution Discharge Elimination System</td>
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<td>Portland Concrete Cement</td>
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<td>PDR</td>
<td>Planned Development Rezoning</td>
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<tr>
<td>PE</td>
<td>Preliminary Engineering</td>
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<tr>
<td>PTG</td>
<td>VTA Pedestrian Technical Guidelines</td>
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<td>PUC</td>
<td>Public Utilities Commission</td>
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<tr>
<td>PUD</td>
<td>Planned Urban Development</td>
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<tr>
<td>R&amp;D</td>
<td>Research &amp; Development</td>
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<td>RFP</td>
<td>Request for Proposals</td>
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<td>ROW</td>
<td>Right-Of-Way</td>
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<tr>
<td>RTP/LRP</td>
<td>Long Range Undefined Funds</td>
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<td>SCVWD</td>
<td>Santa Clara Valley Water District</td>
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<td>SF</td>
<td>Square Foot</td>
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<td>SHOPP</td>
<td>State Highway Operation and Protection Program</td>
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<tr>
<td>SPA</td>
<td>Specific Plan Amendment</td>
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<tr>
<td>STIP</td>
<td>State Transportation Improvement Program</td>
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<td>STP</td>
<td>Surface Transportation Program</td>
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<td>SVRT</td>
<td>Silicon Valley Rapid Transit</td>
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<td>SVRTC</td>
<td>Silicon Valley Rapid Transit Corridor</td>
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<tr>
<td>SWPPP</td>
<td>Storm Water Pollution Prevention Program</td>
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<tr>
<td>TDM</td>
<td>Transportation Demand Management</td>
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<tr>
<td>TE</td>
<td>Transportation Enhancements</td>
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<td>TFCA</td>
<td>Transportation Fund for Clean Air</td>
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<tr>
<td>TIA</td>
<td>Transportation Impact Analysis</td>
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<td>Transit-Oriented Development</td>
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<tr>
<td>UPRR</td>
<td>Union Pacific Railroad</td>
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<tr>
<td>VPPP</td>
<td>Value Pricing Pilot Program</td>
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</tbody>
</table>
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Operating Officer, Inez Evans

SUBJECT: Transit Service Changes - January 2016

FOR INFORMATION ONLY

BACKGROUND:

VTA implements transit service changes on a quarterly basis in January, April, July and October. Major changes are typically planned for January and July, while minor changes are implemented in April and October. Proposed “major” service changes must be submitted to the VTA Board of Directors for review and approval. For Title VI compliance purposes, all “major” service changes also require that VTA staff perform a Service Equity Analysis.

The following modifications are considered “major” service changes as adopted by the VTA Board of Directors.

- Establishment of a new transit line or service.
- Elimination of a transit line or service.
- Route change that impacts 25 percent or more of a line’s route miles.
- Span of service or frequency changes affecting 25 percent or more of a line’s revenue vehicle hours.
- Series of changes on a single route which are included in the two-year Transit Service Plan and cumulatively meet any of the above criteria.
- Proposed changes that are anticipated to be controversial with a particular community or interested parties based on public feedback.
- System-wide change concurrently affecting five percent or more of the total system revenue hours.

Service change proposals that do not meet the criteria for “major” service changes are handled at the staff level and are still subject to an appropriate level of public and community review and comment.
DISCUSSION:

The following transit service changes will take effect on Monday, January 4, 2016, and were approved by the VTA Board of Directors in May 2015 as part of the two year FY16-FY17 Transit Service Plan. The Transit Service Plan also included the required Title VI Service Equity Analysis.

MAJOR CHANGES

Community Bus Line 14 (Gilroy Transit Center-St. Louise Hospital) - Major weekday and weekend schedule changes will be made. Lines 14 and 17 will have an integrated operation allowing easier trip making and reducing operating resources.

Community Bus Line 17 (Gilroy Transit Center - St. Louise Hospital) - This line will be extended to operate to St. Louise Hospital (see map), and service will operate 7 days a week. The stops on Murray Avenue north of Leavesley Road and the Social Services facility stop on Tomkins Court will only be served on weekdays. Lines 14 and 17 will have an integrated operation allowing easier trip making and reducing operating resources.

Community Bus Line 18 (Gilroy Transit Center - Gavilan College) - New evening service
will operate until 9:45 p.m. currently the last bus is at 6 p.m. The extended hours serves night classes at Gavilan College better and connects with the last Line 68 bus that leaves Gilroy to go north to San Jose. Major weekday schedule changes will be made. Weekend service will be discontinued due to low ridership, which typically averages less than 3 passengers per trip. Resources from discontinuing weekend service were used to add the new weekday evening service.

**Community Bus Line 32 (San Antonio Shopping Center - Santa Clara Transit Center)** - On weekdays, midday service will be improved from a frequency of every 45 minutes to every 30 minutes. A new westbound trip will be added leaving Santa Clara Transit Center at 6:20 p.m., between the current 5:55 p.m. and 7:13 p.m. trips. A new eastbound trip will depart the San Antonio Transit Center at 7:35 p.m. to extend service as the current last trip leaves at 6:31 p.m.

**Line 51 (De Anza College - Moffett Field/Ames Center)** - This line will be merged with Line 81 (see Line 81 below).

**Line 66 (Kaiser San Jose - Milpitas)** - On weekends, service will be improved to operate every 20 minutes between 10 a.m. and 6 p.m. from the existing 30 minute frequency. Minor schedule changes will also be made on weekdays.

**Line 68 (Gilroy - San Jose Diridon Station)** - On weekends, service will be improved to operate every 20 minutes between 10 a.m. and 6 p.m. from the existing 30 minute frequency. Minor schedule changes will also be made on weekdays, and a midday bus will be added to improve layovers.

**Line 81 (Moffett Field/Ames Center - San Jose State University)** - Lines 51 and 81 will be merged into one route (Line 81). It will operate from Moffett Field/Ames Center in Mountain View to San Jose State University on weekdays and Saturdays. New service will be provided on Homestead Road between Stelling and Wolfe. Line 81 will operate every 30 minutes all day on weekdays from 6 a.m. to 7:30 p.m. Saturday service will operate hourly from 9:30 a.m. to 5:30 p.m.
Express Line 181 (Downtown San Jose- Fremont BART) - On weekdays, three additional trips will be provided in the evening to improve the frequency of service. On Sundays, eleven additional morning and evening trips will operate to improve service frequency. Minor schedule changes will also be made to other trips on weekday, Saturday and Sunday.

OTHER CHANGES

Community Bus Line 19 (Gilroy Transit Center - Wren & Mantelli) - On weekdays, the 6:11 a.m. southbound and 6:32 a.m. northbound trips will be discontinued due to low ridership (typically only 2 passengers per trip). Major weekday and weekend schedule changes will be made.

Line 64 (Almaden LRT Station - McKee & White) - Major weekday, minor Saturday and major Sunday schedule changes will be made. On weekdays, an additional bus will be added all day to improve layovers.

Line 77 (Eastridge - Great Mall) - On weekdays, a new northbound evening trip is being added to improve frequency and reduce overloads. Other minor schedule changes will be made on weekdays, Saturdays and Sundays to reflect the reopening of the Sierra and Lundy intersection due to the progress of the BART construction at this location. Extra service buses will be deployed on Saturdays to reduce overloads for Silicon Valley University students.

For reference, Silicon Valley University was founded earlier this year, and it’s located at 2010 Fortune Drive (near Lundy) in north San Jose. They offer business and computer classes. In September, enrollment increased substantially and they now have 3500 students attending the...
college. The attendees are primarily foreign visa students from India and the majority of them live in Fremont. Classes are offered seven days a week, and Saturday is the most popular day since there are more classes offered then. Line 77 stops very close to the site, although most students need to transfer from Line 180 (weekdays) or Line 181 (weekends) to make their trip. We began to experience many overloads on these lines once school started in September, and have been adding extra service buses since then to handle the demand. Ridership from the school is doing well. The estimated current ridership to the school is 550 on weekdays, 750 on Saturday and 250 on Sunday.

Express Line 180 (Aborn & White/Great Mall - Fremont BART) - On weekdays, northbound evening service will be improved to reduce overloads. Other minor schedule changes will be made. Extra service buses will be deployed in the southbound direction on weekday mornings to reduce overloads for Silicon Valley University students.

Minor Schedule Changes will be made on these routes:
Community Bus Line 16 (Morgan Hill Civic Center - Burnett Ave)
Line 22 (Palo Alto - Eastridge)
Line 23 (De Anza College-Alum Rock Transit Center)
Line 27 (Good Samaritan Hospital-Kaiser San Jose)
Community Bus Line 34 (San Antonio Shopping Center- Downtown Mountain View)
Line 52 (Foothill College-Mountain View)
Line 61 (Good Samaritan Hospital-Sierra & Piedmont)
Line 62 (Good Samaritan Hospital-Sierra & Piedmont)
Line 63 (Almaden Valley-San Jose State)
Community Bus Line 65 (Kooser & Blossom Hill-13th & Hedding)
Line 72 (Senter & Monterey-Downtown San Jose)
Line 73 (Snell & Capitol-Downtown San Jose)
Line 82 (Westgate - Downtown San Jose)
Community Bus Line 88 (Palo Alto Veteran's Hospital-Middlefield & Colorado)
Line 89 (California Ave. Caltrain Station-Palo Alto Veteran's Hospital)
Express Line 103 (Eastridge - Palo Alto)
Express Line 121 (Gilroy-Lockheed Martin/Moffett Park)
Express Line 140 (Fremont BART-Mission College & Montague Expwy)
Express Line 168 (Gilroy-San Jose Diridon Station)
DASH Line 201 (San Jose Diridon Station-San Jose State University)
Limited Stop Line 304 (Santa Teresa Light Rail Station - Sunnyvale Transit Center)
Limited Stop Line 323 (De Anza College-Downtown San Jose)
Limited Stop Line 330 (Almaden & Via Valiente - Tasman Drive)

Prepared By: Jim Unites
Memo No. 4786
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Financial Officer, Raj Srinath

SUBJECT: Monthly Investment Report for October 2015

FOR INFORMATION ONLY

BACKGROUND:

The investment activities of the Santa Clara Valley Transportation Authority are in compliance with the Investment of Non-Trust Held Funds Investment Policy, the VTA Retirees’ Other Post Employment Benefits Trust Investment Policy and the ATU, Local 265 Pension Investment Policy.

DISCUSSION:

Economic Watch

Real gross domestic product (GDP) increased 2.1% in the third quarter of 2015 at a seasonally adjusted annual rate, according to the “second” estimate released by the Bureau of Economic Analysis.

Headline consumer prices, as measured by the consumer price index (CPI), rose 0.2% year over year as of October 2015, on a seasonally adjusted basis. Core CPI, which excludes volatile food and energy prices increased at a rate of 1.90% year over year as of October 2015 on a seasonally adjusted basis. The Federal Reserve continues to target an inflation rate of 2.0%.

The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 4.0% in October 2015, up from a revised 3.7% in September 2015, and below the year-ago estimate of 5.0%. This compares with an unadjusted unemployment rate of 5.7% for California and 4.8% for the nation during the same period.
Market Watch

The S&P 500 Index returned 8.44% in October 2015. Large cap stocks returned 8.09% and small cap stocks returned 5.63%. Within the large cap space, growth stocks outperformed value stocks, returning 8.61% and 7.55% respectively. The top-performing sectors were material and processing, energy, and technology. The worst-performing sectors were consumer staples, financial services, and utilities.

The Barclays Aggregate index returned 0.02% in October 2015. Treasury bond yields increased 10 - 15 basis points during the month, as a result the treasury sector was the worst performing sector in the Barclays Aggregate returning -0.37% for the month of October. The investment grade corporate bond sector returned 0.42% for the month and high yield securities returned 3.10% for the month.

VTA Enterprise Funds

VTA Enterprise Funds are invested in portfolios managed by Payden & Rygel and in the LAIF investment account or an interest bearing checking account. Investment performance for the Payden & Rygel managed accounts is included in the table below.

The Payden & Rygel composite portfolio outperformed its policy benchmark by 0.08% in the current month, and by 0.14% calendar year-to-date. The current yield for the Payden long-term portfolio is 1.49%, the mid-term portfolio is 0.94%, and the short-term portfolio is 0.61%.

The current yield for funds invested in LAIF is 0.36% and VTA’s checking accounts is 0.05%.

Market performance for each Payden & Rygel account is summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Manager</th>
<th>Oct</th>
<th>3 Mo</th>
<th>Y-T-D</th>
<th>1 Yr</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>I-T-D</th>
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</thead>
<tbody>
<tr>
<td>Long-Term Fixed Income</td>
<td>Payden &amp; Rygel</td>
<td>-0.18%</td>
<td>0.49%</td>
<td>1.70%</td>
<td>1.92%</td>
<td>1.08%</td>
<td>1.87%</td>
<td>3.87%</td>
<td>4.29%</td>
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<tr>
<td>Barclays Cap US Govt. Intermediate Index</td>
<td></td>
<td>-0.32%</td>
<td>0.49%</td>
<td>1.71%</td>
<td>1.95%</td>
<td>1.04%</td>
<td>1.74%</td>
<td>3.85%</td>
<td>4.25%</td>
</tr>
<tr>
<td>Mid-Term Fixed Income 1</td>
<td>Payden &amp; Rygel</td>
<td>-0.02%</td>
<td>0.22%</td>
<td>0.98%</td>
<td>0.89%</td>
<td>0.79%</td>
<td>0.87%</td>
<td>-</td>
<td>1.46%</td>
</tr>
<tr>
<td>Merrill Lynch 1 to 3 Year Treasury Index</td>
<td></td>
<td>-0.10%</td>
<td>0.16%</td>
<td>0.88%</td>
<td>0.78%</td>
<td>0.66%</td>
<td>0.69%</td>
<td>-</td>
<td>1.08%</td>
</tr>
<tr>
<td>Short-Term Fixed Income 2</td>
<td>Payden &amp; Rygel</td>
<td>0.01%</td>
<td>0.10%</td>
<td>0.42%</td>
<td>0.38%</td>
<td>0.38%</td>
<td>0.42%</td>
<td>1.79%</td>
<td>1.77%</td>
</tr>
<tr>
<td>iMoneynet Money Market Index</td>
<td></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.03%</td>
<td>1.35%</td>
<td>1.30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Composite Portfolio Returns</th>
<th>Policy Benchmark Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.05%</td>
<td>0.27%</td>
</tr>
<tr>
<td>-0.13%</td>
<td>0.22%</td>
</tr>
</tbody>
</table>

1 Implemented February 11, 2009
2 Implemented February 14, 2003
VTA Retirees’ Other Post Employment Benefits (OPEB) Trust

The VTA Retirees’ OPEB Trust Investment Policy requires the following asset allocation:

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Range</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>35-70%</td>
<td>48%</td>
<td>38%</td>
</tr>
<tr>
<td>Domestic Large Cap Index</td>
<td>25-60%</td>
<td>50%</td>
<td>61%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-5%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The Retirees’ OPEB composite portfolio outperformed its policy benchmark by 1.27% in the current month, and by 0.10% calendar year-to-date. The current yield for the fixed income portfolio is 4.11%.

Market performance for each money manager is summarized in the following table:

<table>
<thead>
<tr>
<th>Investment Performance as of October 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Class</td>
</tr>
<tr>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Fixed Income</td>
</tr>
<tr>
<td>Barclays Cap US Aggregate Bond Index</td>
</tr>
<tr>
<td>Large Cap Index</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
</tr>
<tr>
<td>Composite Portfolio Returns</td>
</tr>
<tr>
<td>Policy Benchmark Returns</td>
</tr>
</tbody>
</table>

DODGE & COX - The Fixed Income portfolio manager outperformed its benchmark in October 2015 by 0.85%, but underperformed its policy benchmark by 0.47% calendar year-to-date. For the month of October, the main contributors to relative performance were the portfolio’s shorter relative duration, an overweight to corporate bonds and positive corporate security selection.

A 7.00% rate of return assumption is used in the annual actuarial analysis for the Retirees’ OPEB. The results of the actuarial analysis determine VTA’s annual contribution rates. Any difference between actual investment returns and the 7.00% assumed annual return is recognized in the same year. The annual returns for the Retirees’ OPEB portfolio have been equivalent to or exceeded the 7.00% assumed rate of return in 8 out of 14 years.

Historic Portfolio Performance for the last six calendar years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>Year</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>22.2%</td>
<td>2010</td>
<td>14.4%</td>
</tr>
<tr>
<td>2010</td>
<td>12.5%</td>
<td>2011</td>
<td>10.8%</td>
</tr>
<tr>
<td>2011</td>
<td>4.0%</td>
<td>2012</td>
<td>12.4%</td>
</tr>
</tbody>
</table>
SCVTA-ATU, Local 265 Pension Plan Assets

It is the policy of the SCVTA-ATU Board of Pensions to have a well-managed investment program that provides for the financial needs of the pension plan and allows the investments to be appropriately diversified and prudently invested to protect the safety of the principal while maintaining a reasonable return. Assets are invested within the following investment guidelines:

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Range</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>20-35%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>Domestic Large-Cap Value</td>
<td>12-22%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Domestic Large-Cap Index</td>
<td>7-17%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Domestic Small-Cap Value</td>
<td>5-15%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Int’l Equity Developed Markets</td>
<td>10-20%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Int’l Equity Emerging Markets</td>
<td>0-10%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>US Core Real Estate</td>
<td>5-15%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-5%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

The SCVTA-ATU Pension Plan composite portfolio outperformed its policy benchmark in October 2015 by 0.46%, and by 1.14% calendar year-to-date. The current yield of the Dodge & Cox Fixed Income portfolio is 4.21%.

Market performance for each money manager is summarized in the following table:
<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Manager</th>
<th>Oct</th>
<th>3 Mo</th>
<th>Y-T-D</th>
<th>1 Yr</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>I-T-D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>Dodge &amp; Cox</td>
<td>0.96%</td>
<td>0.06%</td>
<td>0.84%</td>
<td>1.33%</td>
<td>2.36%</td>
<td>3.76%</td>
<td>5.46%</td>
<td>6.31%</td>
</tr>
<tr>
<td>Barclays Cap US Aggregate Bond Index</td>
<td>0.02%</td>
<td>0.56%</td>
<td>1.16%</td>
<td>1.96%</td>
<td>1.65%</td>
<td>3.03%</td>
<td>4.73%</td>
<td>5.03%</td>
<td></td>
</tr>
<tr>
<td>Large-Cap Value Stocks</td>
<td>Boston Partners</td>
<td>7.86%</td>
<td>-3.02%</td>
<td>-1.72%</td>
<td>1.25%</td>
<td>15.44%</td>
<td>14.46%</td>
<td>8.99%</td>
<td>9.33%</td>
</tr>
<tr>
<td>Russell 1000 Value Index</td>
<td></td>
<td>7.55%</td>
<td>-1.91%</td>
<td>-2.10%</td>
<td>0.52%</td>
<td>14.53%</td>
<td>13.26%</td>
<td>6.71%</td>
<td>6.48%</td>
</tr>
<tr>
<td>Large-Cap Index</td>
<td>State Street</td>
<td>8.42%</td>
<td>-0.61%</td>
<td>2.70%</td>
<td>5.20%</td>
<td>16.15%</td>
<td>14.29%</td>
<td>7.87%</td>
<td>6.36%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td></td>
<td>8.44%</td>
<td>-0.62%</td>
<td>2.73%</td>
<td>5.23%</td>
<td>16.21%</td>
<td>14.34%</td>
<td>7.85%</td>
<td>6.26%</td>
</tr>
<tr>
<td>Small-Cap Value Stocks</td>
<td>Wedge 4</td>
<td>7.91%</td>
<td>0.06%</td>
<td>2.21%</td>
<td>5.27%</td>
<td>16.93%</td>
<td>14.42%</td>
<td>6.94%</td>
<td>9.97%</td>
</tr>
<tr>
<td>Russell 2000 Value Index</td>
<td></td>
<td>5.60%</td>
<td>-3.06%</td>
<td>-5.02%</td>
<td>-2.88%</td>
<td>11.65%</td>
<td>10.53%</td>
<td>6.19%</td>
<td>9.07%</td>
</tr>
<tr>
<td>Int'l Equity Dev. Markets Growth</td>
<td>MFS 5</td>
<td>7.18%</td>
<td>-3.63%</td>
<td>4.37%</td>
<td>2.39%</td>
<td>6.76%</td>
<td>5.74%</td>
<td>-</td>
<td>2.80%</td>
</tr>
<tr>
<td>MSCI AC World ex-US Growth Index</td>
<td>7.58%</td>
<td>-4.26%</td>
<td>1.17%</td>
<td>-0.82%</td>
<td>6.14%</td>
<td>3.58%</td>
<td>-</td>
<td>-0.22%</td>
<td></td>
</tr>
<tr>
<td>US Core Real Estate</td>
<td>UBS 6</td>
<td>3.43%</td>
<td>9.63%</td>
<td>12.94%</td>
<td>11.30%</td>
<td>11.77%</td>
<td>-</td>
<td>12.30%</td>
<td></td>
</tr>
<tr>
<td>NCREIF NFI-ODCE</td>
<td></td>
<td>3.68%</td>
<td>11.29%</td>
<td>14.92%</td>
<td>13.46%</td>
<td>14.03%</td>
<td>-</td>
<td>14.47%</td>
<td></td>
</tr>
<tr>
<td>Emerging Market</td>
<td>ROBECO E. M. 7</td>
<td>7.62%</td>
<td>-4.59%</td>
<td>-9.91%</td>
<td>-14.15%</td>
<td>-2.63%</td>
<td>-</td>
<td>2.64%</td>
<td></td>
</tr>
<tr>
<td>MCSI World Emerging Market</td>
<td></td>
<td>7.13%</td>
<td>-5.49%</td>
<td>-9.44%</td>
<td>-14.53%</td>
<td>-2.88%</td>
<td>-</td>
<td>-2.31%</td>
<td></td>
</tr>
<tr>
<td>Composite Portfolio Returns 8</td>
<td>4.66%</td>
<td>-0.79%</td>
<td>2.08%</td>
<td>3.21%</td>
<td>9.29%</td>
<td>9.15%</td>
<td>7.94%</td>
<td>8.18%</td>
<td></td>
</tr>
<tr>
<td>Policy Benchmark Returns</td>
<td></td>
<td>4.20%</td>
<td>-0.99%</td>
<td>0.94%</td>
<td>1.96%</td>
<td>8.07%</td>
<td>7.85%</td>
<td>6.02%</td>
<td>5.82%</td>
</tr>
</tbody>
</table>

4 Funded April 1, 2009. Prior manager was Brandywine with the same benchmark.
5 Funded December 14, 2007. Prior managers were Putnam and Fidelity with MSCI EAFE as their benchmark.
6 Initially funded July 1, 2010. UBS Realty Investors LLC with NCREIF NFI-ODCE as their benchmark. Performance report 45 days after quarter ended.
7 Initially funded December 1, 2010
8 Investment performances by prior managers are included in composite returns and historical policy benchmark returns.

DODGE & COX - The Fixed Income portfolio manager outperformed its benchmark in October 2015 by 0.94%, but underperformed its policy benchmark by 0.32% calendar year-to-date. For the month of October, the main contributors to relative performance were the portfolio’s shorter relative duration, an overweight to corporate bonds and positive corporate security selection.

BOSTON PARTNERS - The Domestic Large Cap Value Equity manager outperformed its policy benchmark in October 2015 by 0.31%, and by 0.38% calendar year-to-date. The strategy’s significant underweight to high dividend paying reits and utilities contributed to relative outperformance. Stock selection in the transportation sector also added value.
WEDGE - The Domestic Small Cap Value Equity manager outperformed its policy benchmark in October 2015 by 2.31%, and by 7.23% calendar year-to-date. Strong relative performance was driven by an overweight position to consumer goods and stock selection in the technology sector.

MFS - The International Equity manager underperformed its policy benchmark in October 2015 by 0.40%, but outperformed its policy benchmark by 3.20% calendar year-to-date. An overweight to consumer staples and an underweight to the utilities sector both contributed to relative performance. An overweight to healthcare detracted from relative performance.

ROBECO - The Emerging Markets Equity manager outperformed its policy benchmark in October 2015 by 0.49%, but underperformed its policy benchmark by 0.47% calendar year-to-date. Overweight positions in both Korea and Singapore contributed to relative performance. Stock selection neutral.

A 7.50% rate of return assumption is used in the annual actuarial analysis for the ATU Pension Plan. The results of the actuarial analysis determine VTA’s annual contribution rates. The annual returns for the ATU Pension Plan portfolio have been equivalent to or exceeded the 7.50% assumed rate of return 7 out of 14 years.

Historic Portfolio Performance (calendar year) for the last six calendar years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>Year</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>25.7%</td>
<td>2012</td>
<td>14.5%</td>
</tr>
<tr>
<td>2010</td>
<td>14.0%</td>
<td>2013</td>
<td>16.5%</td>
</tr>
<tr>
<td>2011</td>
<td>1.7%</td>
<td>2014</td>
<td>7.2%</td>
</tr>
</tbody>
</table>
ATU Spousal Medical Trust Fund, Dental, and Vision Plan

Asset allocation for the ATU Spousal Medical Trust Fund (including funds for dental and vision plans) is provided for in the SCVTA-ATU Pension Plan Investment Policy.

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Range</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>30-50%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>Domestic Large Cap Index</td>
<td>50-70%</td>
<td>60%</td>
<td>61%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-5%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

The ATU Spousal Medical Trust Fund composite portfolio outperformed its policy benchmark in the current month by 0.60%, but underperformed its policy benchmark by 0.18% calendar year-to-date. The current yield for the fixed income portfolio is 4.21%

Market performance for each money manager is summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Manager</th>
<th>Oct 3 Mo</th>
<th>Y-T-D</th>
<th>1 Yr 3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>I-T-D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>Dodge &amp; Cox</td>
<td>1.05%</td>
<td>-0.07%</td>
<td>0.31%</td>
<td>0.54%</td>
<td>2.14%</td>
<td>3.70%</td>
</tr>
<tr>
<td>Barclays Cap US Aggregate Bond Index</td>
<td>0.02%</td>
<td>0.56%</td>
<td>1.16%</td>
<td>1.96%</td>
<td>1.65%</td>
<td>3.03%</td>
<td>4.73%</td>
</tr>
<tr>
<td>Large-Cap Index</td>
<td>State Street</td>
<td>8.42%</td>
<td>-0.61%</td>
<td>2.70%</td>
<td>5.20%</td>
<td>16.15%</td>
<td>14.29%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td></td>
<td>8.44%</td>
<td>-0.62%</td>
<td>2.73%</td>
<td>5.23%</td>
<td>16.21%</td>
<td>14.34%</td>
</tr>
<tr>
<td>Composite Portfolio Returns</td>
<td>5.67%</td>
<td>-0.22%</td>
<td>2.15%</td>
<td>3.78%</td>
<td>11.02%</td>
<td>10.50%</td>
<td>7.61%</td>
</tr>
<tr>
<td>Policy Benchmark Returns</td>
<td>5.07%</td>
<td>-0.01%</td>
<td>2.33%</td>
<td>4.15%</td>
<td>10.32%</td>
<td>9.86%</td>
<td>6.88%</td>
</tr>
</tbody>
</table>

DODGE & COX - The Fixed Income portfolio manager outperformed its benchmark in October 2015 by 1.03%, but underperformed its policy benchmark by 0.85% calendar year-to-date. For the month of October, the main contributors to relative performance were the portfolio’s shorter relative duration, an overweight to corporate bonds and positive corporate security selection.

Other Data

The valuation of VTA’s securities is provided by Interactive Data Corporation (IDC), Merrill Lynch Securities Pricing Service and Bloomberg Generic Pricing Service. These firms are the leading providers of global securities data. They offer the largest information databases with current and historical prices on securities traded in all major markets.

This report complies with VTA’s adopted investment policies. Based on budgeted revenues and expenditures as well as actual transfers to/from reserves, there are sufficient funds available to meet expenditure requirements for the six months ending April 30, 2016.

Prepared By: Sean Bill, Investment Program Manager
Memo No. 4865
<table>
<thead>
<tr>
<th>Description</th>
<th>Total Market Value</th>
<th>Oct Total Market Return</th>
<th>Total Market Return</th>
<th>VTA Calendar</th>
<th>Benchmark Calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Prior Month</td>
<td>Current Month</td>
<td>$Unrealized Gain/Loss</td>
<td>%Unrealized Gain/Loss</td>
<td>YTD</td>
</tr>
<tr>
<td>1 - Fixed Income Long-Term Investment Pool</td>
<td>254,370,546</td>
<td>253,893,825</td>
<td>(476,721)</td>
<td>-0.18%</td>
<td>1.70%</td>
</tr>
<tr>
<td>1 - Fixed Income Mid-Term Investment Pool</td>
<td>565,018,948</td>
<td>564,913,886</td>
<td>(105,062)</td>
<td>-0.02%</td>
<td>0.98%</td>
</tr>
<tr>
<td>2 - Fixed Income Short-Term Investment Pool</td>
<td>256,527,828</td>
<td>256,554,236</td>
<td>26,408</td>
<td>0.01%</td>
<td>0.42%</td>
</tr>
<tr>
<td>3 - Fixed Income Collateral Investment Pool (3)</td>
<td>1,688,827</td>
<td>1,688,840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 - VTA Bond Funds with Fiscal Agents (2)</td>
<td>81,512,043</td>
<td>68,487,199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 - Funds with LAIF Investment Pool</td>
<td>50,000,000</td>
<td>25,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - Funds with Union Bank-Congestion Management</td>
<td>8,094,347</td>
<td>12,561,747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 - Funds with Union Bank-Measure B</td>
<td>7,542,776</td>
<td>7,516,481</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 - Funds with Union Bank DDA account</td>
<td>46,585,073</td>
<td>19,681,643</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total VTA Funds</strong></td>
<td><strong>1,271,340,388</strong></td>
<td><strong>1,210,297,857</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - Retirees' OPEB - Fixed Income</td>
<td>105,166,673</td>
<td>106,085,249</td>
<td>918,576</td>
<td>0.87%</td>
<td>0.69%</td>
</tr>
<tr>
<td>2 - Retirees' OPEB - State Street - Index</td>
<td>154,777,333</td>
<td>167,805,104</td>
<td>13,027,771</td>
<td>8.42%</td>
<td>2.70%</td>
</tr>
<tr>
<td><strong>Total Retirees' OPEB Funds</strong></td>
<td><strong>259,944,006</strong></td>
<td><strong>273,890,353</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - VTA/ATU Pension Fund-Fixed Income</td>
<td>159,522,711</td>
<td>161,055,513</td>
<td>1,532,802</td>
<td>0.96%</td>
<td>0.84%</td>
</tr>
<tr>
<td>2 - VTA/ATU Pension Fund-Stock Large Cap Value</td>
<td>70,314,352</td>
<td>75,844,276</td>
<td>5,529,924</td>
<td>7.86%</td>
<td>-1.72%</td>
</tr>
<tr>
<td>3 - VTA/ATU Pension Fund-State Street - Index</td>
<td>47,515,116</td>
<td>51,514,513</td>
<td>3,999,397</td>
<td>8.42%</td>
<td>2.70%</td>
</tr>
<tr>
<td>4 - VTA/ATU Pension Fund-Stock Small Cap Value</td>
<td>48,253,578</td>
<td>52,072,104</td>
<td>3,818,526</td>
<td>7.91%</td>
<td>2.21%</td>
</tr>
<tr>
<td>5 - VTA/ATU Pension Fund-Int'l - Equity Growth</td>
<td>62,351,248</td>
<td>66,828,963</td>
<td>4,477,715</td>
<td>7.18%</td>
<td>4.37%</td>
</tr>
<tr>
<td>6 - VTA/ATU Pension Fund- Emerging Markets (4)</td>
<td>24,367,685</td>
<td>26,146,134</td>
<td>1,778,449</td>
<td>7.62%</td>
<td>-9.91%</td>
</tr>
<tr>
<td>7 - VTA/ATU Pension Fund- US Core Real Estate (5)</td>
<td>53,537,937</td>
<td>55,226,268</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Pension Fund</strong></td>
<td><strong>465,862,627</strong></td>
<td><strong>488,687,771</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - ATU Spousal Med Fund - Dodge &amp; Cox - Index</td>
<td>8,243,369</td>
<td>8,329,558</td>
<td>86,189</td>
<td>1.05%</td>
<td>0.31%</td>
</tr>
<tr>
<td>2 - ATU Spousal Med Fund-State Street - Index</td>
<td>12,926,965</td>
<td>14,015,042</td>
<td>1,088,077</td>
<td>8.42%</td>
<td>2.70%</td>
</tr>
<tr>
<td><strong>Total ATU Spousal Funds</strong></td>
<td><strong>21,170,334</strong></td>
<td><strong>22,344,600</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>2,018,317,355</strong></td>
<td><strong>1,995,220,581</strong></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Legend:
(1) Total includes contributions / withdrawals made during current month.
(2) Bonds Reserves for Debt Service Funds and Measure A Project Funds. During August 2015 no cash was drawn from 2010 project fund for Measure A Projects.
(3) Funded 7/23/2012 $202,149.96 and $2,840,114.82 on 7/15/2013; withdraw $414,890.44 on 8/8/2014; withdraw $944,706.75 on 8/7/2015
(4) Initial funded December 1, 2010 - Performance reported quarterly.
(5) Initial funded July 1, 2010 - Performance reported quarterly.
VTA INVESTMENT COMPOSITE PORTFOLIO PERFORMANCE.
PER GENERAL LEDGER BALANCE - SETTLEMENT DATE
FOR THE MONTH OF OCTOBER 2015

SUMMARY: OCTOBER 31, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 16 Sep-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Fiscal 16 Oct-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Change for the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value /Cost</td>
<td>Year-to-Date /$</td>
<td>Oct-15 Book Value /Cost</td>
<td>Earnings - $</td>
<td>Earnings - $</td>
</tr>
<tr>
<td>VTA FUNDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - Fixed Income - Long-Term Investment Pool</td>
<td>252,703,701 /253,119,547</td>
<td>515,885 /1,199,764</td>
<td>683,879</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 - Fixed Income - Mid-Term Investment Pool</td>
<td>563,571,558 /563,927,974</td>
<td>726,026 /1,059,590</td>
<td>333,564</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - Fixed Income - Short-Term Investment Pool</td>
<td>256,430,296 /256,451,509</td>
<td>122,336 /216,940</td>
<td>94,604</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 - Fixed Income - Collateral</td>
<td>1,688,827 /1,688,840</td>
<td>52 /66</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 - VTA Bond Funds with Fiscal Agent (2)</td>
<td>81,512,043 /68,487,199</td>
<td>4,937 /7,756</td>
<td>2,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - Funds with LAIF Investment Pool</td>
<td>50,000,000 /25,000,000</td>
<td>34,725 /47,649</td>
<td>12,924</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 - Funds with Union Bank-Congestion Management</td>
<td>8,094,347 /12,561,747</td>
<td>2,120 /3,108</td>
<td>988</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 - Funds with Union Bank-Measure B</td>
<td>7,542,776 /7,516,481</td>
<td>2,055 /2,721</td>
<td>666</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 - Funds with Union Bank Pooled DDA account</td>
<td>46,585,073 /19,681,643</td>
<td>625 /2,160</td>
<td>1,535</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total VTA Funds</td>
<td>1,268,128,621 /1,208,434,940</td>
<td>1,408,761 /2,539,754</td>
<td>1,130,993</td>
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<td></td>
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</tbody>
</table>

RETIREES' OPEB FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 16 Sep-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Fiscal 16 Oct-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Change for the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value /Cost</td>
<td>Year-to-Date /$</td>
<td>Oct-15 Book Value /Cost</td>
<td>Earnings - $</td>
<td>Earnings - $</td>
</tr>
<tr>
<td>1 - Retirees' OPEB - Fixed Income</td>
<td>103,163,108 /103,449,098</td>
<td>1,065,782 /1,415,540</td>
<td>349,758</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 - Retirees' OPEB - State Street - Index</td>
<td>90,802,619 /90,802,619</td>
<td>2,535,574 /2,535,574</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Retirees' OPEB Funds</td>
<td>193,965,727 /194,251,717</td>
<td>3,601,356 /3,951,114</td>
<td>349,758</td>
<td></td>
<td></td>
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</tbody>
</table>

ATU PENSION FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 16 Sep-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Fiscal 16 Oct-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Change for the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value /Cost</td>
<td>Year-to-Date /$</td>
<td>Oct-15 Book Value /Cost</td>
<td>Earnings - $</td>
<td>Earnings - $</td>
</tr>
<tr>
<td>1 - VTA/ATU Pension Fund - Fixed Income</td>
<td>156,916,337 /157,435,903</td>
<td>1,774,240 /2,341,827</td>
<td>567,587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 - VTA/ATU Pension Fund - Stock Large Cap Value - BOSTON</td>
<td>62,364,106 /64,096,056</td>
<td>1,585,742 /3,317,700</td>
<td>1,731,958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - VTA/ATU Pension Fund - State Street - Index</td>
<td>20,282,135 /20,282,135</td>
<td>0 /6,797,571</td>
<td>6,797,571</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 - VTA/ATU Pension Fund - Stock Small Cap Value - WEDGE</td>
<td>41,817,003 /42,759,275</td>
<td>880,567 /1,822,973</td>
<td>942,406</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 - VTA/ATU Pension Fund - Int'l - Equity Growth - MFS</td>
<td>48,574,856 /48,574,856</td>
<td>0 /484,695</td>
<td>484,695</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - VTA/ATU Pension Fund - Emerging Markets - ROBECO (3)</td>
<td>28,500,000 /28,500,000</td>
<td>0 /0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 - VTA/ATU Pension Fund - US Core Real Estate - UBS (4)</td>
<td>35,000,000 /35,000,000</td>
<td>0 /0</td>
<td>0</td>
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<td></td>
</tr>
<tr>
<td>Total ATU Pension Funds</td>
<td>393,454,437 /396,648,225</td>
<td>4,240,549 /14,764,766</td>
<td>10,524,217</td>
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</table>

ATU SPOUSAL MEDICAL PLAN FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 16 Sep-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Fiscal 16 Oct-15</th>
<th>Fiscal 16 Year-to-Date</th>
<th>Change for the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value /Cost</td>
<td>Year-to-Date /$</td>
<td>Oct-15 Book Value /Cost</td>
<td>Earnings - $</td>
<td>Earnings - $</td>
</tr>
<tr>
<td>1 - ATU Spousal Med Fund - Dodge &amp; Cox - Index</td>
<td>5,927,234 /5,927,234</td>
<td>0 /0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 - ATU Spousal Med Fund - State Street - Index</td>
<td>7,607,187 /7,607,187</td>
<td>0 /0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ATU Spousal Plan Funds</td>
<td>13,534,421 /13,534,421</td>
<td>0 /0</td>
<td>0</td>
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</table>

Total Investments

<table>
<thead>
<tr>
<th>Book Value /Cost /Year-to-Date /$</th>
<th>Fiscal 16 Oct-15 Book Value /Cost</th>
<th>Fiscal 16 Year-to-Date /$</th>
<th>Fiscal 16 Oct-15 Earnings - $</th>
<th>Fiscal 16 Year-to-Date Earnings - $</th>
<th>Change for the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,869,083,206 /1,812,869,303</td>
<td>9,250,666</td>
<td>21,255,634</td>
<td>12,004,968</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:
(1) Total includes contributions / withdrawals made during current month.
(2) Bonds Reserves and/or Debt Service Funds
(3) Initial funding 12/1/2010
(4) initial funding 7/1/2010
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Government Affairs, Jim Lawson

SUBJECT: Transportation Funding Special Session

FOR INFORMATION ONLY

BACKGROUND:

In June 2015, Gov. Jerry Brown called a special session of the Legislature to encourage lawmakers to take the necessary steps to begin addressing primarily the significant funding shortfalls that exist for maintenance and rehabilitation work on both the state highway and local roadway systems. In his special session proclamation, the Governor specifically directed the Assembly and Senate to enact legislation to provide permanent and sustainable funding to maintain and repair the state’s critical infrastructure, improve the state’s key trade corridors, and complement local infrastructure efforts. In response, the legislative leadership appointed a conference committee consisting of five Assembleymembers and five Senators to work on possible solutions to the challenges identified in Gov. Brown’s special session proclamation. The special session will run concurrent with the 2015-2016 regular legislative session and, thus, will end on August 31, 2016.

DISCUSSION:

The conference committee held two informational hearings in October, its first meetings since being formed. These hearings focused on comparing the various transportation funding proposals that have surfaced in the special session to date.

In September, Gov. Brown waded into the work of the special session by unveiling a proposal that seeks to generate roughly $3.2 billion a year in new funding for transportation, with an emphasis on “fix-it-first” investments for state highways and local streets/roads, and on mobility improvements in key trade corridors. The revenues for these ongoing investments would be generated by:

- Increasing the diesel excise tax by 11 cents per gallon.
• Indexing both the gasoline and diesel excise taxes annually for inflation.
• Imposing a new road improvement charge of $65 per year on all motor vehicles.
• Assuming $100 million in annual savings by improving the efficiency of Caltrans, which could be reinvested in capital projects.

In addition, the Governor’s plan provides one-time revenues consisting of an appropriation of $500 million in cap-and-trade auction proceeds and the repayment of $879 million in outstanding loans owed by the General Fund to various transportation accounts. Of the $500 million in one-time, cap-and-trade auction proceeds, $400 million would be allocated to the Transit and Intercity Rail Capital Program; and $100 million to a new, competitive Low Carbon Road Program for complete streets, and other city and county roadway projects that reduce greenhouse gas emissions. The $879 million in General Fund loan repayments would be distributed as follows:

- $334 million for trade corridors.
- $265 million for the Transit and Intercity Rail Capital Program.
- $132 million for state highways.
- $148 million for the Traffic Congestion Relief Program (TCRP).

A second proposal, SBX1-1 (Beall), which was introduced on June 22, calls for generating approximately $4 billion-$5 billion a year in new transportation revenues through five different tax and fee increases, with the revenues being primarily targeted for maintenance and rehabilitation work on the state highway and local roadway systems funded through a new Road Maintenance and Rehabilitation Account, and for goods movement projects. The revenues would be derived from the following sources:

- Increasing the gasoline excise tax by 12 cents per gallon.
- Increasing the diesel excise tax by 22 cents per gallon. Under the provisions of SBX1-1, the revenues derived from 12 cents of this increase would be deposited into the existing Trade Corridors Improvement Fund and used for goods movement projects programmed by the California Transportation Commission (CTC). The revenues generated from the remaining 10 cents would be deposited into the Road Maintenance and Rehabilitation Account.
- Imposing a registration surcharge of $35 per year on all motor vehicles.
- Imposing a registration surcharge of $100 per year on zero-emission vehicles.
- Imposing a new road access charge of $35 per year on all motor vehicles.

A detailed summary of the Governor’s plan and SBX1-1 are attached. In addition to raising new revenues for transportation purposes, both would:

- Fix the volatility of the variable or “price-based” portion of the state’s gasoline excise tax, which resulted in a loss of approximately $876 million in funding for transportation in FY 2016.
- End the erosion of the purchasing power of the gasoline and diesel excise taxes by indexing them to inflation.
• Push Caltrans to become more efficient.

Given that both the Governor’s plan and SBX1-1 require a two-thirds vote of the Legislature, much attention is being focused on trying to find the necessary Republican votes, while at the same time, shoring up support from moderate Democrats representing competitive districts.

So far, the Assembly and Senate GOP caucuses are holding firm in their opposition to any transportation funding package that would impose new taxes or fees. Instead, they have countered with their own measures that focus on:

• Redirecting existing revenues currently dedicated to other purposes to state highways and local streets/roads, including cap-and-trade auction proceeds, vehicle weight fees, funding for the state’s high-speed rail system, and General Fund surpluses.
• Achieving savings that could be reinvested in transportation projects by cutting Caltrans capital outlay support and eliminating vacant positions throughout state government.

Also a high priority for Republicans is a constitutional amendment that would protect all current and future taxes and fees imposed on motor vehicles from being loaned to the General Fund, used to pay for general obligation bond debt service, or diverted to other non-transportation purposes. If enacted, this constitutional amendment, among other things, would end the current practice of using $1 billion in annual vehicle weight fees revenues for bond debt service, and require any increase in the vehicle license fee above the current 0.65 percent of the market value of a vehicle to be dedicated for transportation purposes, rather than distributed to the General Fund.

Finally, Republicans are pushing a series of policy measures that would:

• Make existing statutory authority for using public-private partnerships for transportation projects permanent.
• Convert the State Transportation Improvement Program (STIP) to block grants.
• Create an Office of the Transportation Inspector General to audit and, if necessary, investigate the California High-Speed Rail Authority and Caltrans.
• Provide an exemption from the California Environmental Quality Act (CEQA) for roadway maintenance projects occurring within existing rights-of-way.
• Pull the CTC out from under the California State Transportation Agency (CalSTA) and re-establish it as a separate state government entity.
• Require Caltrans to contract out a certain percentage of engineering work.
• Prohibit a court in a judicial action or proceeding under CEQA from staying or enjoining a highway construction project.

Similar to GOP lawmakers, moderate Democrats in both the Assembly and Senate have expressed a reluctance to vote for any tax or fee increases. Many of them represent communities in the Central Valley that are still struggling to recover from the most recent economic recession. As a result, they are concerned that increases in fuel taxes or motor vehicle fees would hit their constituencies hardest. Fresh off victories in bottling up legislation that would have set targets for reducing greenhouse gas emissions beyond 2020 and in stripping language out of a major
climate change bill requiring a 50 percent reduction in petroleum use, moderate Democrats, particularly in the Assembly, are flexing their muscles.

While work on developing a potential compromise transportation funding package is expected to continue through the remainder of this year and into next year, the conference committee appears to be coalescing around a handful of key principles, which is a start. These principles include an emphasis on “fix-it-first” investments; a constitutional amendment to protect all new revenues that may be generated; modest reforms to CEQA to speed up project delivery; an extension of existing statutory authority to utilize public-private partnerships for transportation projects; and Caltrans efficiency improvements.

There have been no additional hearings of the conference committee since October. If any conversations are occurring, they are taking place behind closed doors.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance Committee considered this item as part of their consent agenda on December 17, 2015 and placed it on the January 7, 2016, VTA Board of Directors' consent agenda.

Prepared By: Kurt Evans
Memo No. 5284
GOVERNOR’S TRANSPORTATION FUNDING PROPOSAL
SEPTEMBER 2015

Ongoing Revenue Sources:
• Creates the Road Maintenance and Rehabilitation Account (RMRA).

• The RMRA would be funded with revenues derived from the following sources:
  1. Increasing the diesel excise tax by 11 cents per gallon.
  2. Indexing the gasoline and diesel excise taxes for inflation on an annual basis.
  3. Imposing a new road improvement charge of $65 per year on all motor vehicles to be collected by the Department of Motor Vehicles (DMV) as part of the annual vehicle registration process.

• Separate constitutional amendment would protect revenues deposited into the RMRA from being used for non-transportation purposes or to pay debt service for general obligation bonds authorized by the voters before November 4, 2014. Includes provisions prohibiting future Legislatures from amending the statutory provisions of the RMRA to divert the money to other uses. The proposed constitutional amendment is silent on the question of whether RMRA funds could be loaned to the General Fund.

Road Maintenance and Rehabilitation Account:
• Requires the revenues deposited into the RMRA to be used for the following types of projects:
  1. Road maintenance and rehabilitation.
  2. Safety projects.
  3. Railroad grade separations.
  4. Bicycle/pedestrian safety and other active transportation projects that are implemented in conjunction with any other allowable project.
  5. Trade corridor investments.

• After deducting the administrative expenses incurred by the Controller’s Office and the California Transportation Commission (CTC) to carry out their responsibilities under this proposal, the revenues deposited into the RMRA would be distributed as follows:
  1. $250 million per year for a Local Partnership Program for counties that have sought and received voter approval for taxes, or that have imposed fees (including uniform developer fees) that are dedicated solely to transportation improvements.
  2. $200 million per year to a newly created Trade Corridors Enhancement Account for goods movement projects programmed by the CTC in the same manner as the Proposition 1B Trade Corridors Improvement Fund.
  3. 40 percent of the remainder to cities and counties. Funds would be equally divided between cities and counties, with the cities’ portion being allocated by a formula based on population, and the counties’ share by a formula based on vehicle registrations and miles of maintained county roads.
4. 60 percent of the remainder to the State Highway Account for expenditure by Caltrans for maintenance of the state highway system, or State Highway Operation and Protection Program (SHOPP) projects.

One-Time Revenues: Loan Repayments:
- Requires $879 million in outstanding loans owed by the General Fund to various transportation accounts to be repaid by June 30, 2019, from the Budget Stabilization Account pursuant to the provisions of Proposition 2 from 2014. Under current state law, these loans are required to be repaid with tribal gaming revenues.
- Requires these revenues to be transferred to the Traffic Congestion Relief Fund and distributed as follows:
  1. $148 million for Traffic Congestion Relief Program (TCRP) projects.
  2. $334 million to the Trade Corridors Enhancement Account.
  3. $265 million to the Public Transportation Account for allocation to the Transit and Intercity Rail Capital Program.
  4. $132 million to the State Highway Account for SHOPP projects.

Other One-Time Revenues:
- $400 million in cap-and-trade auction proceeds from the Greenhouse Gas Reduction Fund distributed to the Transit and Intercity Rail Capital Program. Requires 50 percent of these funds to be allocated to projects that benefit disadvantaged communities.
- $100 million in cap-and-trade auction proceeds from the Greenhouse Gas Reduction Fund distributed to a new Low Carbon Road Program.
- In both cases, the funds would come from the 40 percent of cap-and-trade auction proceeds that are “uncommitted” and subject to annual appropriation by the Legislature through the Budget Act.

Variable Gas Tax:
- Eliminates the Board of Equalization’s annual adjustments to the variable or “price-based” gas tax rate as currently required under the 2010-2011 transportation funding swap.
- Converts the variable rate to a fixed rate of 18 cents per gallon and indexes it to inflation on an annual basis.
- Revenues from the 18-cent rate would be distributed according to current law: 44 percent for local streets/roads, 44 percent to the State Transportation Improvement Program (STIP), and 12 percent to the SHOPP.
Governor’s Proposal Summary
Page Three

- Revenues from indexing would be deposited into the RMRA.

**Diesel Excise Tax:**
- Eliminates the Board of Equalization’s annual adjustments to the diesel excise tax rate that are currently required under the 2010-2011 transportation funding swap.
- Fixes the rate at 13 cents per gallon and indexes it to inflation on an annual basis.
- Revenues from the 13-cent rate would be distributed according to current law: 52 percent to cities and counties for local streets/roads allocated through the Highway Users Tax Account (HUTA), and 48 percent to the State Highway Account.
- Revenues from indexing would be deposited into the RMRA.

**Local Partnership Program:**
- Funds are to be allocated to eligible counties and to cities in those counties for road maintenance and rehabilitation projects.
- Requires any funds not allocated in a given fiscal year to be redistributed to all cities and counties. The funding would be equally divided between cities and counties, with the cities’ portion being allocated by a formula based on population, and the counties’ share by a formula based on vehicle registrations and miles of maintained county roads.
- By July 1, 2016, requires the CTC to develop guidelines for the allocation of funds under the program.

**Low Carbon Road Program:**
- Competitive grant program to provide funding to cities, counties and tribal governments for road projects that reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities.
- Requires Caltrans to evaluate applications for funding and prepare a list of recommended projects.
- Requires the CTC to award grants to applicants pursuant to the list prepared by Caltrans.
- Projects eligible for funding under the program include all of the following:
  1. Complete streets.
  2. Roundabouts replacing stop-controlled intersections.
  3. Optimization of traffic signals.
4. Street/road projects that improve safety for pedestrians and bicyclists to increase active transportation.
5. Other street/road improvements expected to reduce greenhouse gas emissions, and authorized in program guidelines developed by Caltrans.

- In order to be eligible for funding, requires a project to demonstrate that it will achieve a reduction in greenhouse gas emissions.

- In evaluating grant applications for funding, requires Caltrans to consider the following co-benefits that support the implementation of sustainable communities strategies:
  1. Reducing auto vehicle miles traveled.
  2. Promoting infill housing development.
  3. Supporting the expansion of existing rail and public transit systems.
  4. Promoting active transportation.
  5. Improving public health.

- In addition, requires Caltrans to consider:
  1. Geographic equity.
  2. Consistency with the adopted sustainable communities strategies and the recommendations of regional agencies.

- Requires 50 percent of the funding to be allocated to projects benefiting disadvantaged communities.

CTC Oversight:
- For each fiscal year in which Caltrans receives an allocation of funding from the RMRA, requires the CTC to evaluate the completed projects to determine the effectiveness of the department in reducing deferred maintenance and improving roadway conditions on the state highway system.

- Allows the CTC to withhold future funding from Caltrans if it determines that the RMRA funds have not been appropriately spent.

- For each fiscal year in which a city or county receives an allocation of funding from the RMRA, requires the CTC to evaluate the list of projects submitted by the city or county to determine the effectiveness in reducing deferred maintenance and improving local roadway conditions.

- In any given fiscal year, if the CTC determines that a city or county has not appropriately expended its allocation of funding from the RMRA, the commission is required to direct the
Controller’s Office to make that city or county ineligible to receive an allocation during the next fiscal year.

Eligible Projects for Cities and Counties:
- Requires cities and counties to use their formula shares from the RMRA for any of the following:
  1. Improvements to transportation facilities that will assist in reducing further deterioration of the existing roadway system.
  2. Satisfying a local match requirement for obtaining federal or state funds for similar purposes.
  3. An active transportation project that is done as part of a roadway maintenance, repair or rehabilitation project.
- Allows a city or county to spend its formula share for other priorities only if it has an average Pavement Condition Index that meets or exceeds 85.
- In order to remain eligible for an allocation from the RMRA, a city or county must maintain its historic commitment of local funds for street/road purposes by annually spending not less than the average of its expenditures for FY 2010, FY 2011 and FY 2012.

Caltrans Efficiency:
- Requires Caltrans to implement efficiency measures with the goal of generating at least $100 million a year in savings to be invested in maintaining and rehabilitating the state highway system. Requires Caltrans to report the savings to the CTC annually.
- Requires Caltrans to increase its annual use of contracting with private entities, so that 20 percent of its capital outlay support consists of such resources by FY 2021.
- By January 1, 2016, requires Caltrans to develop performance measures for major highway projects and to report these measures to the CTC. Requires Caltrans to establish annual targets for each performance measure identified.

Project Delivery:
- Increases the number of state highway projects for which Caltrans may use the Construction Manager/General Contractor (CMGC) procurement method from six to 12.
- Extends existing statutory authority for regional transportation agencies, as defined, to use public-private partnerships for transportation projects to January 1, 2027.
- Exempts from the California Environmental Quality Act (CEQA) a project that consists of the inspection, maintenance, repair, restoration, reconditioning, relocation, replacement, or
removal of existing transportation infrastructure, if the project is located within an existing right-of-way and meets other specified conditions.

- Requires Caltrans to establish an Advanced Mitigation Program to accelerate project delivery and improve outcomes of environmental mitigation for state-sponsored SHOPP and STIP projects. Allows for the use of mitigation banks, in-lieu-of fee programs and conservation easements. Beginning with FY 2017, requires Caltrans to set aside at least $30 million per year for the Advanced Mitigation Program from the annual appropriations for the SHOPP and the STIP.

- Provides the necessary state statutory authorization on a permanent basis for Caltrans to assume the responsibilities of the Federal Highway Administration (FHWA) under the National Environmental Policy Act (NEPA).
Ongoing Revenue Sources:

• Creates the Road Maintenance and Rehabilitation Account (RMRA).

• The RMRA would be funded with revenues derived from the following sources:
  1. Increasing the diesel excise tax by 22 cents per gallon and dedicating the revenues derived from 10 cents of this increase to the RMRA.
  2. Increasing the gasoline excise tax by 12 cents per gallon.
  3. Imposing a registration surcharge of $35 per year on all motor vehicles.
  4. Imposing a registration surcharge of $100 per year on zero-emission vehicles.
  5. Imposing a new road access charge of $35 per year on all motor vehicles to be collected by the Department of Motor Vehicles (DMV) as part of the annual vehicle registration process.

One-Time Revenues: Loan Repayments:

• Requires roughly $1 billion in outstanding loans owed by the General Fund to the State Highway Account, the Motor Vehicle Fuel Account, the Highway Users Tax Account (HUTA), and the Motor Vehicle Account to be repaid over a three-year period ending June 30, 2018.

• Requires one-third of the balance owed to be repaid in FY 2016 and FY 2017, and the remaining 34 percent in FY 2018.

• Requires the revenues from these loan repayments to be deposited into the RMRA.

Road Maintenance and Rehabilitation Account:

• Requires the revenues deposited into the RMRA to be used for the following types of projects:
  1. Road maintenance and rehabilitation.
  2. Safety projects.
  3. Railroad grade separations.
  4. Bicycle/pedestrian safety and other active transportation projects that are implemented in conjunction with any other allowable project.
  5. Wildlife crossings.

• After deducting the administrative expenses incurred by the Controller’s Office and the California Transportation Commission (CTC) to carry out their responsibilities pursuant to the bill, the revenues deposited into the RMRA would be distributed as follows:
  1. 5 percent taken off the top and set aside for allocation to counties that currently do not have a local transportation sales tax, but gain voter approval of one after July 1, 2015.
  2. 50 percent of the remainder to cities and counties. Funds would be equally divided between cities and counties, with the cities’ portion being allocated by a formula based
on population, and the counties’ share by a formula based on vehicle registrations and miles of maintained county roads.

3. 50 percent of the remainder to Caltrans for maintenance of the state highway system, State Highway Operation and Protection Program (SHOPP) projects, or any other purpose allowable under the bill.

Trade Corridors:
- Requires the revenues derived from 12 cents of the 22-cent-per-gallon increase in the diesel excise tax to be deposited into the existing Trade Corridors Improvement Fund and used for goods movement projects programmed by the CTC pursuant to current law.

Gasoline Excise Tax:
- Eliminates the Board of Equalization’s annual adjustments to the variable or “price-based” gas tax rate as currently required under the 2010-2011 transportation funding swap.

- Converts the variable rate to a fixed rate of 17.3 cents per gallon and indexes it to inflation every three years, beginning July 1, 2019.

- Revenues derived from the 17.3-cent rate and from indexing this rate would be distributed according to current law: 44 percent for local streets/roads, 44 percent to the State Transportation Improvement Program (STIP), and 12 percent to the SHOPP.

- Indexes the base gas tax rate of 18 cents per gallon to inflation every three years, beginning July 1, 2019, and distributes these revenues according to current law: 36 percent to cities and counties for local streets/roads allocated through HUTA, and 64 percent to the State Highway Account.

- Indexes the 12-cent-per-gallon increase in the gas tax proposed by the bill to inflation every three years, beginning July 1, 2019, and deposits these revenues into the RMRA.

Diesel Excise Tax:
- Eliminates the Board of Equalization’s annual adjustments to the diesel excise tax rate that are currently required under the 2010-2011 transportation funding swap.

- Fixes the rate at 13 cents per gallon and indexes it to inflation every three years, beginning July 1, 2019.

- Revenues derived from the 13-cent rate and from indexing this rate to inflation would be distributed according to current law: 52 percent to cities and counties for local streets/roads allocated through HUTA, and 48 percent to the State Highway Account.
Indexes the 22-cent-per-gallon increase in the diesel excise tax proposed by the bill to inflation every three years, beginning July 1, 2019. Distributes the revenues derived from the indexing of 10 cents of the 22-cent increase to the RMRA, and the revenues resulting from the indexing of the other 12 cents to the Trade Corridors Improvement Fund.

Local Partnership Program:
- Funds are to be allocated to eligible counties and to cities in those counties for road maintenance and rehabilitation projects.
- Requires any funds not allocated in a given fiscal year to be redistributed 50 percent to Caltrans for maintenance of the state highway system, SHOOP projects or any other purpose allowable under the bill; and 50 percent to all cities and counties pursuant to the formula that is used for the RMRA.
- By July 1, 2016, requires the CTC to develop guidelines for the allocation of funds under the program.

CTC Oversight:
- Requires the CTC to adopt performance criteria relative to highway performance goals, greenhouse gas emissions, social equity impacts, and public health impacts for projects funded with revenues from the RMRA.
- For each fiscal year in which Caltrans receives an allocation of funding from the RMRA, requires the CTC to evaluate the completed projects to determine the effectiveness of the department in reducing deferred maintenance, improving roadway conditions on the state highway system, and meeting the performance criteria adopted by the commission.
- Allows the CTC to withhold future funding from Caltrans if it determines that the RMRA funds have not been appropriately spent.
- For each fiscal year in which a city or county receives an allocation of funding from the RMRA, requires the CTC to evaluate the list of projects submitted by the city or county to determine the effectiveness in reducing deferred maintenance, improving local roadway conditions, and meeting the performance criteria adopted by the commission.
- In any given fiscal year, if the CTC determines that a city or county has not appropriately expended its allocation of funding from the RMRA, the commission is required to direct the Controller’s Office to make that city or county ineligible to receive an allocation during the next fiscal year.
Eligible Projects for Cities and Counties:

- Requires cities and counties to use their formula shares from the RMRA for any of the following:
  1. Improvements to transportation facilities that will assist in reducing further deterioration of the existing roadway system.
  2. Satisfying a local match requirement for obtaining federal or state funds for similar purposes.
  3. An active transportation project that is done as part of a roadway maintenance, repair or rehabilitation project.
  4. Other eligible purposes allowable under the bill.

- Allows a city or county to spend its formula share for other priorities only if it has an average Pavement Condition Index that meets or exceeds 85.

- In order to remain eligible for an allocation from the RMRA, a city or county must maintain its historic commitment of local funds for street/road purposes by annually spending not less than the average of its expenditures for FY 2010, FY 2011 and FY 2012.

Caltrans Efficiency:

- By April 1, 2016, requires Caltrans to present to the CTC a plan to increase its efficiency by up to 30 percent over the subsequent three years.

- Requires Caltrans to expend the savings resulting from this increased efficiency for maintenance of the state highway system or SHOPP projects.

SHOPP and STIP:

- Beginning February 1, 2017, requires a CTC allocation for all capital and support costs for projects programmed in the SHOPP.

- Requires Caltrans or any local agency, when undertaking any capital improvement project on a state highway or local street/road that is being funded under the SHOPP or STIP to include new bicycle and pedestrian safety, access and mobility improvements as part of the project, except in certain specified cases.

- To the maximum extent feasible, requires all transportation projects funded under the SHOPP or STIP to be implemented in a manner that reduces greenhouse gas emissions and positively benefits vulnerable or disadvantaged communities.

- Requires the CTC to adopt performance criteria for SHOPP and STIP projects relative to greenhouse gas emissions, social equity impacts and public health impacts.
Requires the CTC to evaluate and determine the effectiveness of each completed SHOPP and STIP project based on all of the following:
1. Reduction of deferred maintenance and improvement of roadway conditions on the state highway or local roadway system.
2. Reduction of greenhouse gas emissions.
3. Improvement of public health and air quality.
4. Improvement of access and mobility for low-income and disadvantaged community residents.
5. Enhancement of wildlife connectivity.

Allows the CTC to withhold future funding allocations from Caltrans or a local agency if the commission determines that its previous use of SHOPP or STIP funding has not adequately furthered the state’s climate, equity and health goals in tandem with the state’s highway and roadway system maintenance and preservation goals.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Government Affairs, Jim Lawson

SUBJECT: 2016 Legislative Program

ACTION ITEM

RECOMMENDATION:

Approve the 2016 Legislative Program for the Santa Clara Valley Transportation Authority (VTA).

BACKGROUND:

VTA annually adopts a Legislative Program to provide direction for its policy activities for the year. The purpose of the Legislative Program is to establish financial, statutory, regulatory, and administrative policies and principles to guide VTA’s advocacy efforts at the federal, state and regional levels. The program is meant to be flexible in order to give VTA the ability to pursue unanticipated legislative and administrative opportunities that may present themselves during the course of the year, and to respond expeditiously to the dynamic political and policy environments in Washington, DC, Sacramento and the Bay Area.

DISCUSSION:

The recommended 2016 Legislative Program is divided into three sections: (1) Federal; (2) State; and (3) Regional. Each section consists of a summary of the key policy issues that potentially could be considered and a series of related advocacy principles.

Federal Section: With the recent enactment of the Fixing America’s Surface Transportation (FAST) Act, a new, long-term surface transportation authorization bill covering FY 2016 through FY 2020, the focus of the Federal Section is on the FY 2017 federal transportation appropriations process. In recent years, the appropriations process has been complicated by the Budget Control Act of 2011, which imposed caps on General Fund spending for both defense
and domestic discretionary programs. Subsequent budget agreements adjusted those caps on a
temporary basis to avoid the implementation of automatic, across-the-board spending cuts
through a process known as “sequestration.”

Most surface transportation programs fall under the Highway Trust Fund and are exempt from
the spending caps, which apply to General Fund programs. However, those surface
transportation programs that receive General Fund money are impacted, most notably the New
Starts/Small Starts Program, and the Transportation Investment Generating Economic Recovery
Program (TIGER). Therefore, the recommended 2016 Legislative Program notes that VTA will
continue to work with the American Public Transportation Association (APTA), the New Starts
Working Group and other relevant transportation stakeholders to minimize the impact of any
future budget agreements on those surface transportation programs that receive their money from
the General Fund.

In addition, VTA will advocate for the highest possible levels of overall appropriations for
highways and public transit in FY 2017, as well as for individual programs within the Highway
and Transit Titles. The key federal surface transportation programs for VTA are: (a) the
Urbanized Area (UZA), State of Good Repair and Bus/Bus Facilities Formula Programs; (b) the
New Starts/Small Starts Program; (c) the Surface Transportation Program (STP); and (d) the
Congestion Mitigation and Air Quality Improvement Program (CMAQ). At a minimum, these
programs should receive FY 2017 appropriations consistent with the amounts authorized in the
FAST Act.

Other key advocacy principles related to the federal transportation appropriations process
included in the recommended 2016 Legislative Program are as follows: (1) pursue an FY 2017
New Starts Program appropriation that would allow VTA’s BART Silicon Valley Berryessa
Extension Project to receive an allocation from the Federal Transit Administration (FTA) that is
consistent with the project’s Full Funding Grant Agreement (FFGA); and (2) pursue federal
actions, as necessary, to help advance VTA’s Silicon Valley Express Lanes Program and the
State Route 152 Trade Corridor Project.

State Section: In many respects, California is at a crossroads when it comes to transportation.
Statistics indicate that transportation funding has not kept pace with the state’s growth in
population, licensed drivers, registered vehicles, and vehicle miles traveled. At the same time,
increases in automobile fuel economy and a shift to alternative-fuel vehicles have resulted in
motorists paying less excise taxes for each mile they drive. Furthermore, while the cost of
constructing transportation infrastructure projects goes up each year, excise tax rates stay
constant, eroding purchasing power.

In June 2015, Gov. Jerry Brown called a special session of the Legislature to encourage
lawmakers to take the necessary steps to begin addressing primarily the significant funding
shortfalls that exist for maintenance and rehabilitation work on both the state highway and local
roadway systems. In his special session proclamation, the Governor specifically directed the
Assembly and Senate to enact legislation to provide permanent and sustainable funding to
maintain and repair the state’s critical infrastructure, improve the state’s key trade corridors, and
complement local infrastructure efforts. In response, the legislative leadership appointed a
conference committee consisting of five Assemblymembers and five Senators to work on
possible solutions to the challenges identified in Gov. Brown’s special session proclamation. The special session will run concurrent with the 2015-2016 regular legislative session and, thus, will end on August 31, 2016.

As in past years, VTA and our transportation partners will need to be mindful of how any FY 2017 budget proposals impact state funding for transportation. At the same time, we will need to work together to take advantage of any opportunities that may arise to provide new state funding to operate, maintain, rehabilitate, and improve California’s transportation infrastructure as a result of the special session called by Gov. Brown. The recommended 2016 Legislative Program includes a series of advocacy principles related to this subject.

Other policy issues addressed under the State Section of the recommended 2016 Legislative Program are: (1) climate change; (2) high-speed rail; (3) project delivery; (4) transit service delivery; and (5) regional governance. Some of the key advocacy principles in these areas are as follows:

- Pursue legislative and administrative avenues to enhance the ability of VTA to secure funding through cap-and-trade auction proceeds for Phase 2 of the BART Silicon Valley Extension Project and other high-priority projects.

- Support legislation to enhance the ability of VTA and other project sponsors to utilize public-private partnerships, the construction manager/general contractor (CMGC) method of procurement, and other innovative contracting approaches to deliver state highway and other types of transportation projects.

- Actively participate in the California Transit Association’s efforts to: (1) reach a consensus with Caltrans on lingering issues related to the state’s new weight limit for public transit buses; (2) authorize more public transit agencies to operate buses on the shoulders of state highways; and (3) allow for the issuance of citations to motorists who illegally park or drive in dedicated bus-only lanes.

- Work to ensure that any state legislation proposing to merge the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) results in a true merger of the two agencies with a new regional governance and organizational structure, not simply one agency assuming the responsibilities of the other. In addition, a new regional organization resulting from a merger of MTC and ABAG should not encroach into project delivery, operating and other areas of responsibilities that historically have been or should be within the purview of the Bay Area’s public transit agencies or county congestion management agencies; or that are otherwise inappropriate for a regional planning agency to perform.

Regional Section: MTC allocates more than $1 billion per year in federal, state and toll revenues to operate, maintain and expand the Bay Area’s transportation network. In some cases, the commission suballocates the funds directly to public transit agencies and county congestion management agencies on a formula basis. In other cases, MTC has the discretion to determine which projects get funded. When it comes to these discretionary dollars, Santa Clara County has historically been a donor county, receiving significantly less money from MTC than what the
county’s population-based share would suggest. Moreover, as opposed to most of the other Bay Area counties, Santa Clara County receives no bridge toll revenues and is not compensated for that fact when it comes to MTC’s distribution of other discretionary dollars.

Given that Valley Transportation Plan 2040 (VTP 2040) identified approximately $25 billion in unfunded transportation needs in Santa Clara County over the next 25 years, this situation is no longer acceptable. Therefore, the recommended 2016 Legislative Program notes that VTA will oppose any allocation of discretionary funds by MTC that would result in Santa Clara County receiving less than its population-based share.

Other key advocacy principles pertaining to MTC issues that are contained in the recommended 2016 Legislative Program are as follows:

- In light of the enactment of state legislation establishing a long-term investment structure for cap-and-trade auction proceeds, support revisions to MTC’s Regional Cap-and-Trade Funding Framework that prioritize those projects that would result in significant reductions in greenhouse gas emissions in order to ensure that the Bay Area is not put at a competitive disadvantage with other regions of the state.

- Retain complete autonomy for VTA to develop, construct and operate express lanes in Santa Clara County, while working with MTC to ensure consistency for Bay Area motorists, to the extent practicable, among different express lane corridors in the region.

- Oppose any efforts to divert express lane revenues generated by corridors within Santa Clara County to fund corridors in other parts of the Bay Area.

With regard to the Caltrain Commuter Rail Service, the Bay Area’s Memorandum of Understanding: High-Speed Rail Early Investment for a Blended System on the Peninsula Corridor, which was executed in 2012, outlines the projects necessary to modernize Caltrain, including electrification, and to provide the facilities for future high-speed train service along the Peninsula Corridor. Currently, the three Caltrain Joint Powers Board (JPB) partners are each contributing $60 million in local funds for electrification. In addition, VTA has allocated $26 million of its formula share of Proposition 1A connectivity funds to this effort. However, recent events seem to point to the need to update and revise the MOU.

In particular, indications are that the cost of electrification will exceed the projections that were used to craft the MOU. As the three JPB partner agencies and MTC consider how to fund these additional costs, VTA, along with the other two JPB partners, may be asked to provide more funding for the project. At this point, VTA will seek to limit its contribution to an additional $20 million that could be provided from five years of anticipated Transit Core Capacity funds. This additional contribution would be dependent on like commitments from the other two JPB partners.

With the modernization of Caltrain and the potential for high-speed train service, major development plans are being considered for the San Jose Diridon Station, and the 4th and King Station in San Francisco. These conceptual plans have the potential to better utilize the land in and around the stations, as well as to create demand for future public transit ridership. As these
plans move forward, the recommended 2016 Legislative Program notes that any costs associated with the necessary studies should not be paid by the JPB, but rather by the developers and/or the local jurisdictions that are pursuing these efforts. In addition, any potential land-use changes in and around the stations should not negatively impact Caltrain operations or train storage. Finally, if any Caltrain cost issues arise from the redevelopment of a station, the developer and/or the local jurisdiction should be responsible for paying the JPB for any one-time or additional ongoing costs that result from the development.

**ALTERNATIVES:**

It is necessary for VTA to have a Legislative Program in place to be prepared to address policy and legislative issues that may arise in Washington, DC, Sacramento and the Bay Area during the year. The Board of Directors may elect to add other elements to VTA’s 2016 Legislative Program, or to modify or delete elements contained in the recommended program.

**FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration and Finance Committee considered this item on December 17, 2015, and recommended approval. Director Cindy Chavez noted that the 2016 Legislative Program states that the possible merger of ABAG and MTC presents an opportunity to address the issue of MTC “mission creep” head on. She asked staff to develop a set of specific recommendations for how to better align the roles and responsibilities between a new merged regional planning entity, the county CMAs and the Bay Area’s public transit agencies.

Prepared by: Kurt Evans, Government Affairs Manager
Memo No. 5208

**ATTACHMENTS:**

- 2016 Legislative Program-5208 (PDF)
SANTA CLARA
Valley Transportation Authority

2016 LEGISLATIVE PROGRAM

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San Jose, California 95134
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EXECUTIVE SUMMARY

The Santa Clara Valley Transportation Authority (VTA) annually adopts a Legislative Program to provide direction for its policy activities for the year. The purpose of the Legislative Program is to establish financial, statutory, regulatory, and administrative policies and principles to guide VTA’s advocacy efforts at the federal, state and regional levels. The program is meant to be flexible in order to give VTA the ability to pursue unanticipated legislative and administrative opportunities that may present themselves during the course of the year, and to respond expeditiously to the dynamic political and policy environments in Washington, DC, Sacramento and the Bay Area.

The 2016 Legislative Program is divided into the following sections:

1. Federal.
2. State.
3. Regional.

Each section of the program consists of a summary of the key policy issues that potentially could be considered and a series of related advocacy principles.

FEDERAL

With the recent enactment of the Fixing America’s Surface Transportation (FAST) Act, a new, long-term surface transportation authorization bill covering FY 2016 through FY 2020, the focus of the Federal Section of VTA’s 2016 Legislative Program is on the FY 2017 federal transportation appropriations process.

The FAST Act replaces the Moving Ahead for Progress in the 21st Century (MAP-21) surface transportation authorization bill, which formally expired on December 4, 2015, after several short-term extensions. The FAST Act provides an inflationary adjustment to current spending levels for federal highway, public transit and surface transportation programs, as well as a modest amount of growth over the authorization period. The total amount authorized over the five-year life of the bill is $305 billion. However, there is an estimated gap of roughly $70 billion between projected Highway Trust Fund revenues and the FAST Act’s authorized spending levels. Rather than cutting spending or raising new revenues through a gasoline excise tax increase, Congress covered this shortfall through a series of General Fund transfers, with corresponding budgetary offsets to prevent the federal deficit from growing. While these General Fund transfers and offsets fully fund the bill over the five-year authorization period, the FAST Act does not ensure the solvency of the Highway Trust Fund beyond FY 2020.

Because MAP-21 contained the most significant policy revisions since the enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 and because many of those changes have yet to be implemented, Congress did not use the FAST Act as an opportunity to significantly rework the structure of the federal government’s various highway, public transit, highway safety, motor carrier safety, transportation research, and passenger rail programs. For the most part, the FAST Act simply made adjustments to the program structure that was put in place by MAP-21, while addressing the emerging need to begin investing in the nation’s major freight corridors.
For the next several years, the spotlight will be on the U.S. Department of Transportation and its various modal administrations, including the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), which are tasked with implementing the changes to surface transportation programs brought about by MAP-21, as well as those found in the FAST Act.

**FY 2017 Federal Transportation Appropriations**

Every year, Congress considers appropriations bills for all federal agencies, departments and programs. These measures provide the legal authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. In developing these appropriations bills, Congress may allocate funding for programs within a particular policy area up to the maximum amount included in the related authorizing legislation. In the case of surface transportation, the annual appropriations process is guided by the FAST Act.

In recent years, the appropriations process has been complicated by the Budget Control Act of 2011, which imposed caps on General Fund spending for both defense and domestic discretionary programs. The act authorized an increase in the nation’s debt limit, coupled with corresponding reductions in the federal deficit. In the case of the latter, the Budget Control Act identified an initial $1.5 trillion in deficit reduction measures to be implemented over the next 10 years. In addition, it called upon Congress to come up with another $1.2 trillion in deficit reduction measures over 10 years by a certain date; otherwise, an equivalent amount of across-the-board cuts would automatically occur through a process known as “sequestration.” Congress was unsuccessful in this endeavor, resulting in the initial triggering of sequestration in March 2013. Since then, Congress has negotiated several budget agreements that have adjusted the caps on a temporary basis to prevent sequestration from being implemented.

Most surface transportation programs fall under the Highway Trust Fund and are exempt from the spending caps, which apply to General Fund programs. However, those surface transportation programs that receive General Fund money are impacted, most notably the New Starts/Small Starts Program and the Transportation Investment Generating Economic Recovery Program (TIGER).

In general, VTA’s advocacy efforts with regard to the FY 2017 federal transportation appropriations process will emphasize the following:

- Advocate for the highest possible levels of overall funding for highways and public transit, as well as for individual programs within the Highway and Transit Titles. The key federal surface transportation programs for VTA are: (a) the Urbanized Area (UZA), State of Good Repair and Bus/Bus Facilities Formula Programs; (b) the New Starts/Small Starts Program; (c) the Surface Transportation Program (STP); and (d) the Congestion Mitigation and Air Quality Improvement Program (CMAQ). At a minimum, these programs should receive appropriations consistent with the amounts authorized in the FAST Act.

- Work with the American Public Transportation Association (APTA), the New Starts Working Group and other relevant transportation stakeholders to minimize the impact of any budget agreements and other actions Congress may take to address federal budget deficits on those surface transportation programs that receive their money from the General Fund, particularly the New Starts/Small Starts Program.
• Pursue an FY 2017 appropriation for the New Starts Program that would allow the BART Silicon Valley Berryessa Extension Project to receive an allocation from the Federal Transit Administration (FTA) consistent with the project’s Full Funding Grant Agreement (FFGA). In addition, provide advocacy support for efforts to advance the second phase of the BART Silicon Valley Extension Project through the New Starts process.

• Pursue federal actions, as necessary, to help advance VTA’s Silicon Valley Express Lanes Program and the State Route 152 Trade Corridor Project.

STATE

The State Section of VTA’s 2016 Legislative Program is divided into the following policy areas:

1. Transportation Funding.
2. Climate Change.
3. High-Speed Rail.
4. Project Delivery.
5. Transit Service Delivery.
6. Regional Governance.

TRANSPORTATION FUNDING

For years, transportation funding in California has been plagued by uncertainty, unpredictability and instability. While the enactment of the Traffic Congestion Relief Act (TCRP) in 2000 and voter approval of several bond measures provided an infusion of funding for the state’s transportation infrastructure, they created obligations for the General Fund. Moreover, two severe economic downturns significantly impacted General Fund revenues, forcing lawmakers to grapple with huge budget deficits year after year. To help address those deficits, significant amounts of transportation dollars were either loaned or transferred to the General Fund.

Eventually, legislation was enacted that restructured state transportation funding in a way that permitted vehicle weight fee revenues to be used to make debt service payments on transportation-related general obligation bonds, thereby relieving the General Fund of this obligation. This legislation resulted in General Fund savings in excess of $1 billion per year, and broke the pattern of annual diversions and borrowing of transportation dollars to plug holes in the state budget. However, it decreased the overall amount of state funding for transportation purposes, particularly for public transit.

Persistent General Fund challenges not only impacted transportation in the short term, but they also exacerbated a historic underinvestment in the state’s transportation infrastructure. Statistics indicate that transportation funding has not kept pace with the state’s growth in population, licensed drivers, registered vehicles, and vehicle miles traveled. At the same time, increases in automobile fuel economy and a shift to alternative-fuel vehicles have resulted in motorists paying less excise taxes for each mile they drive. Furthermore, while the cost of constructing transportation infrastructure projects goes up each year, excise taxes stay constant, eroding purchasing power.

In November 2011, the California Transportation Commission (CTC) released a Statewide Transportation System Needs Assessment. This assessment indicated that the state has close to
$300 billion in unfunded transportation needs (excluding high-speed rail) over the next 10 years. This number has almost tripled from the $120 billion estimate that the CTC provided in 1999, an indication that California is actually losing ground.

In 2014, the California Transportation Infrastructure Priorities Initiative (CTIP) working group, which was convened by the California State Transportation Agency (CalSTA), released a report that offered a vision for the state’s transportation future. This vision emphasizes the efficient flow of people and goods across California and within the state’s communities, while simultaneously delivering on the three important objectives of mobility, safety and sustainability. In addition, the CTIP report suggested a set of action items to achieve this vision centered on the concepts of preservation, innovation, integration, reform, and funding. The centerpiece of the report was a recommendation that California begin exploring a mileage-based fee as a potential replacement for the state gas tax. This recommendation was embodied in SB 1077 (DeSaulnier), which requires CalSTA to develop and oversee a pilot program designed to assess the various issues related to implementing a mileage-based fee in California and to submit a report of its finding to the Legislature no later than June 30, 2017.

In the meantime, Gov. Jerry Brown, in June 2015, called a special session of the Legislature to encourage lawmakers to take the necessary steps to begin addressing primarily the significant funding shortfalls that exist for maintenance and rehabilitation work on both the state highway and local roadway systems. In his special session proclamation, the Governor specifically directed the Assembly and Senate to enact legislation to provide permanent and sustainable funding to maintain and repair the state’s critical infrastructure, improve the state’s key trade corridors, and complement local infrastructure efforts. In response, the legislative leadership appointed a conference committee consisting of five Assemblymembers and five Senators to work on possible solutions to the challenges identified in Gov. Brown’s special session proclamation. The special session will run concurrent with the 2015-2016 regular legislative session and, thus, will end on August 31, 2016.

As in past years, VTA and our transportation partners will need to be mindful of how any FY 2017 budget proposals impact state funding for transportation. At the same time, we will need to work together to take advantage of any opportunities that may arise to provide new state funding to operate, maintain, rehabilitate, and improve California’s transportation infrastructure as a result of the special session called by Gov. Brown. Along these lines, VTA’s advocacy efforts in 2016 will focus on the following:

- Actively work with others in the transportation community to develop a consensus on a state transportation funding package that would provide new revenues to meet California’s, as well as Silicon Valley’s, growing transportation infrastructure needs.

- Guard against any FY 2017 budget proposals that could disadvantage state transportation funding, including appropriations for the State Transit Assistance Program (STA) and the State Highway Account.

- Ensure that all previous loans from the various state transportation accounts to help address prior-year General Fund deficits are repaid in full and as expeditiously as possible.

- Constitutionally protect all existing and future taxes and fees imposed on motor vehicles from being: (1) loaned to the General Fund; (2) used to pay debt service on general obligation bonds; or (3) diverted to other non-transportation purposes.
• Recapture vehicle weight fee revenues and gas tax dollars generated by the purchase of fuel by off-road vehicles for transportation purposes.

• Index the gasoline and diesel excise taxes for inflation, preferably on an annual basis, to end the erosion of purchasing power that currently is occurring because both excise taxes are fixed, per-gallon rates.

• Address the problems associated with the variable or “price-based” gasoline excise tax to avoid downward adjustments in the per-gallon rate. These downward adjustments result in decreases in funding for the State Highway Operation and Protection Program (SHOPP), the State Transportation Improvement Program (STIP), and local streets/roads. The preferred approach would be to eliminate the Board of Equalization’s annual adjustments to the rate as currently required under the 2010-2011 transportation funding swap, convert the variable gas tax to a fixed per-gallon rate, and index the rate for inflation on a regular basis.

• Eliminate the Board of Equalization’s annual adjustments to the diesel excise tax rate. The 2010-2011 transportation funding swap required adjustments over a period of four years to be made to the state sales tax rate relative to the purchase of diesel fuel. The amount of these adjustments was specified in state law. The intent was to increase the level of funding for STA to a minimum of $350 million per year. At the same time, the transportation funding swap required the Board of Equalization to perform a specified calculation on an annual basis and to implement a corresponding adjustment to the per-gallon diesel excise tax rate to ensure that consumers did not experience a tax increase at the pump. The last statutorily mandated adjustment to the diesel sales tax rate occurred in FY 2015. Therefore, it is no longer necessary for the Board of Equalization to do a corresponding adjustment to the diesel excise tax.

• Work with other transportation stakeholders on possible reforms to the STIP process, such as: (1) ensuring that the CTC cannot add or delete projects from a regional transportation improvement program (RTIP) without the concurrence of the affected regional agency; (2) establishing clear criteria as to when the CTC may reject an RTIP in its entirety; (3) defining a process for developing Allocation Plans in those instances when actual revenues in a given fiscal year fall short of the amount of money projected to be available in the five-year STIP Fund Estimate that includes a robust role for the regional agencies; and (4) allowing local agencies to bond against their STIP county shares.

• Oppose legislation authorizing the Metropolitan Transportation Commission (MTC) to issue bonds backed by federal transit formula dollars, unless it includes provisions to protect from the inappropriate shifting of debt service payments and projects costs for Caltrain and BART from the San Francisco UZA to the San Jose UZA.

• Support efforts to place a constitutional amendment before the voters of California to allow them to decide whether the two-thirds voting requirement for local transportation sales tax measures should be lowered. In addition, guard against legislative attempts to impose requirements on how expenditure plans for local transportation sales tax measures should be developed, or to restrict the ability of agencies to craft a ballot proposition that adequately addresses local transportation priorities and that has a chance of succeeding at the polls.
Climate Change

In 2011, the California Air Resources Board (CARB) adopted a cap-and-trade regulation that is expected to help the state reduce greenhouse gas emissions pursuant to AB 32 (Nunez), the Global Warming Solutions Act of 2006. The cap-and-trade regulation sets a limit on the total amount of greenhouse gases that can be emitted by specific sources within the state. Those entities falling under the cap-and-trade regulation that anticipate exceeding their cap must purchase additional allowances through a market-based auction system. CARB is conducting auctions for these allowances on a quarterly basis, and the revenues generated are available for appropriation by the Legislature.

Legislation was enacted in 2014 to put in place a framework for investing proceeds derived from cap-and-trade auction sales, as follows:

- **Low Carbon Transit Operations Program** = 5 percent. This formula-based program provides operating and capital assistance to public transit agencies to reduce greenhouse gas emissions, improve mobility, and enhance or expand service to increase mode share. Under this program, funding flows to public transit agencies according to the STA formula. If a public transit agency’s service area includes disadvantaged communities, at least 50 percent of its funding must be used for projects or services that benefit those communities. Caltrans is the grant administrator for the Low Carbon Transit Operations Program.

- **Transit and Intercity Rail Capital Program** = 10 percent. This competitive grant program is intended to fund “transformative” capital improvements that reduce greenhouse gas emissions, and modernize intercity, commuter and urban transit systems. CalSTA is responsible for selecting the projects to be funded under this program, while the CTC administers the grants. At least 25 percent of the money allocated to the Transit and Intercity Rail Capital Program is required to be spent in a way that benefits disadvantaged communities.

- **Affordable Housing and Sustainable Communities Program** = 20 percent. This program provides grant funds on a competitive basis for projects that reduce greenhouse gas emissions through the implementation of land-use, housing, transportation, and agricultural land preservation practices that support infill and compact development. The Strategic Growth Council is responsible for administering the Affordable Housing and Sustainable Communities Program. There is a goal of spending 50 percent of available funding under this program to benefit disadvantaged communities. In addition, at least half of the money must be used for affordable housing projects.

- **High-Speed Rail** = 25 percent. In the near term, the California High-Speed Rail Authority plans to use these funds for construction of the initial piece of the state’s proposed high-speed train system in the Central Valley, and for further environmental and design work related to other segments of the project.

- **Miscellaneous** = 40 percent. These cap-and-trade auction proceeds are set aside for low-carbon transportation, as well as for energy efficiency, clean energy, weatherization, wetlands, coastal watersheds, fire prevention, urban forestry, and waste diversion. How much gets appropriated in any given fiscal year to each of these categories is determined by the Legislature during the annual budget process.
In 2016, VTA will continue to pursue legislative and administrative avenues to enhance its ability to secure funding through cap-and-trade auction proceeds for Phase 2 of the BART Silicon Valley Extension Project and other high-priority projects. Along these lines, VTA will focus its advocacy efforts on the following:

- Under the Low-Carbon Transit Operations Program, allow public transit agencies to “bank” their funds, as well as to use of Letters of No Prejudice (LONPs) and other similar tools that would enable them to more effectively manage and expend their formula shares. In addition, clarify that project development work for capital projects is an eligible expenditure of funds under this program.

- Modify the 50 percent disadvantaged communities requirement for the Low-Carbon Transit Operations Program to apply on a program-wide basis as is the case with the other cap-and-trade funding programs, rather than to individual public transit agencies with disadvantaged communities census tracts in their service areas.

- Partner with MTC and other Bay Area transportation entities to support legislation to revise the definition of disadvantaged communities as it relates to cap-and-trade funding to better align it with the region’s definition of “communities of concern,” which includes a greater proportion of the region’s low-income census tracts than the California Environmental Protection Agency’s CalEnviroScreen tool.

- Increase the annual percentage of cap-and-trade auction proceeds that would be continuously appropriated to the Low Carbon Transit Operations Program from 5 percent to 10 percent, and to the Transit and Intercity Rail Capital Program from 10 percent to at least 25 percent by shifting funds to these programs from the 40 percent that was set aside for miscellaneous expenditures. The current total of 15 percent of cap-and-trade auctions proceeds being distributed to these two programs does not adequately reflect the vital role that public transit plays in reducing vehicles miles traveled and, thus, greenhouse gas emissions.

- Restructure the Affordable Housing and Sustainable Communities Program in a way that would allocate 50 percent of the available funding to the Strategic Growth Council to administer a competitive grant program for affordable housing projects, and 50 percent to regional agencies according to a population-based formula for transportation projects that help implement regional sustainable communities strategies.

**HIGH-SPEED RAIL**

Rapid population growth, congested highways and constrained airports prompted California policymakers to consider building a high-speed train system in the state along the lines of those that have been in operation for decades in Europe and Asia. In 2000, the California High-Speed Rail Authority, the agency responsible for planning, building and operating the state’s high-speed train system, unveiled a plan for an 800-mile network that would link all of the state’s major population centers, including the Bay Area, Los Angeles, Sacramento, the Inland Empire, Orange County, and San Diego. Through a subsequent program-level environmental document, the High-Speed Rail Authority recommended using an alignment over the Pacheco Pass to enter the Bay Area.
To fund the core segment of the state’s proposed high-speed train system, SB 1856 (Costa) was enacted into law in 2002 to provide for the submission of the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century to the voters of California for their approval. The bond act calls for issuing a total of $9.95 billion in bonds, $9 billion of which would be used in conjunction with federal and private funds for the planning and construction of the first phase of the system—from the Los Angeles Basin to the Bay Area. The remaining $950 million is for urban, commuter and intercity rail projects that: (a) provide connectivity to the high-speed train system; or (b) enhance the capacity or safety of urban, commuter or intercity rail services. Under the provisions of SB 1856, the bond act was initially scheduled for the 2004 general election. However, two subsequent bills postponed its consideration until November 2008, at which time it was approved by California voters as Proposition 1A.

In the Bay Area, the High-Speed Rail Authority; MTC; five Bay Area transportation agencies, including VTA and Caltrain; and two municipalities, including the city of San Jose, executed the Memorandum of Understanding (MOU): High-Speed Rail Early Investment for a Blended System on the Peninsula Corridor in 2012. This document included a comprehensive financial element that contemplates investing a total of $1.456 billion to modernize and electrify the Peninsula Corridor. However, it is now outdated.

As part of its 2016 Legislature Program, VTA will work with the High-Speed Rail Authority, MTC, Caltrain, and other regional partners to reach a consensus on revisions to the MOU and, once the updated MOU has been executed, pursue actions at the state and federal levels that would advance the financial element embodied in the document for the Peninsula Corridor.

**PROJECT DELIVERY**

Transportation projects can take a considerable amount of time to complete. Project sponsors must maneuver through a multi-stage development and review process that includes planning; design and engineering; right-of-way acquisition; environmental impact review and mitigation; financing; construction; and other related requirements at various levels of government. To control costs and provide the benefits of transportation improvements to the public sooner, it is important to explore different and innovative ways to expedite the delivery of projects.

In 2016, VTA will support legislation to:

- Extend the existing statutory authority for Caltrans and regional transportation agencies to utilize public-private partnerships for transportation projects. Currently, this authority is scheduled to expire on January 1, 2017. Under current state law, VTA is not authorized to utilize public-private partnerships. This oversight needs to be corrected by specifically including VTA in the definition of “regional transportation agency.”

- Enhance the ability of VTA and other project sponsors to utilize the construction manager/general contractor (CMGC) method of procurement and other innovative contracting approaches to deliver state highway and other types of transportation projects.

**TRANSIT SERVICE DELIVERY**

**Bus Axle Weight Limit:** In 2015, legislation was enacted to address the challenges posed by the state’s single axle weight limit for public transit buses in a way that respects the interests of
cities, counties and the state when it comes to the condition of their roadway systems. The bill, AB 1250 (Bloom), was the result of negotiations involving the California Transit Association, the League of California Cities, the California State Association of Counties (CSAC), and Caltrans. It permanently exempts all public transit buses that were purchased through a solicitation issued after January 1, 2013, and before January 1, 2016, from the state’s single axle weight limit to ensure that these buses can continue to operate legally. Buses procured through a solicitation issued before January 1, 2013, were excluded from the limit through legislation that was enacted in 2012. For public transit buses procured through a solicitation issued after January 1, 2016, the existing gross weight limit is replaced with new curb weight limits for standard public transit buses, as well as for articulated and zero-emission buses. These limits would be gradually reduced over time to push manufacturers to design and build increasingly lighter buses. Under the provisions of AB 1250, curb weight is defined as the weight of the bus, including fuel and all equipment used in normal operations, but excluding the weight of the driver and passengers.

However, there is one lingering issue. According to Caltrans, the gross weight of public transit buses may still exceed the department’s design standards for bridges on the state highway system. While public transit buses are subject to local ordinances and state laws pertaining to vehicle weights on bridges, Caltrans is pushing for legislation to require a public transit bus to be permitted if the bus exceeds the load-weight of the bridge over which the bus is traveling. As part of its 2016 Legislative Program, VTA will actively participate in the California Transit Association’s efforts to reach a consensus with Caltrans on a way to address this issue.

**Buses on Shoulders:** A second issue deals with the ability of public transit agencies to operate buses on the shoulder of state highways. In 2013, legislation was enacted to authorize Monterey-Salinas Transit (MST) and the Santa Cruz Metropolitan Transit District (Santa Cruz Metro), in consultation with Caltrans and the California Highway Patrol (CHP), to designate the shoulders of certain state highways in their respective counties as transit bus-only corridors in order to: (1) minimize congestion-related interruptions of operations; and (2) improve travel times for public transit relative to cars in a manner that is low-cost and easy to implement. The California Transit Association is considering whether to sponsor legislation to extend this authority to other public transit agencies in California. As part of its 2016 Legislative Program, VTA will support the Association’s efforts in this regard, or sponsor its own bill if the Association decides not to move forward.

**Bus Rapid Transit:** VTA and several other California public transit agencies either are constructing or have in operation bus rapid transit (BRT) lines where a portion of the corridor consists of bus-only lanes. As part of its 2016 Legislative Program, VTA will work with the California Transit Association and other affected public transit agencies to determine whether current state law provides sufficient authorization to allow for the issuance of citations to motorists who illegally park or drive in designated bus-only lanes, and to partner on legislation, if necessary.

**REGIONAL GOVERNANCE**

Population, employment centers and travel patterns have altered dramatically since MTC was formed in 1970. The emergence of Silicon Valley has created a new, major metropolitan area where one previously did not exist. Today, Santa Clara County is the largest in the MTC region in terms of population and jobs, and will continue to grow over the next 30 years. Moreover, although other Bay Area counties intermingle with regard to commute and work patterns, Santa
Clara County, in many respects, functions as its own subregion. Close to 88 percent of Santa Clara County commuters travel to destinations within the county. Therefore, our biggest transportation challenge is moving a large number of our own residents to job sites within our own county.

Over the years, there have been periodic attempts to restructure regional governance in the Bay Area, with limited success. A recent MTC staff proposal recommending that the planning department of the Association of Bay Area Governments (ABAG) be subsumed within MTC has sparked a conversation about whether the time has come to completely merge the two agencies, which requires state legislation. Given that the Bay Area is the only multi-county region in California with two separate agencies performing various planning functions rather than one, a compelling case could be made for merging ABAG and MTC in order to move away from fragmented and toward wholly integrated regional land-use, housing and transportation planning. However, it should be a true merger, with a new regional governance and organizational structure, not simply an assumption of ABAG’s functions by MTC.

Equally important is that discussions concerning a merger of ABAG and MTC into one regional planning entity provides an opportunity to re-examine roles and responsibilities. MTC was created to “provide comprehensive regional transportation planning” for the nine-county San Jose-San Francisco-Oakland Bay Area. Over the years, however, MTC has assumed a broad array of other responsibilities, such as managing the Bay Area’s state-owned toll bridges, implementing a regional express lanes network, administering a regional transit fare card, overseeing a regional bike share program, managing a 511 traveler information service, attempting to operate regional express buses, and dictating how the Bay Area’s public transit agencies should manage their operating budgets. More recently, MTC has been considering whether it should pursue taking over the responsibility for overseeing state highways in the Bay Area from Caltrans. Not only can legitimate questions be raised about whether it is appropriate for MTC to perform these types of roles, but it also can be argued that they detract from the core function for which the commission was created—to provide comprehensive regional transportation planning. A merger of ABAG and MTC presents an opportunity to address the issue of MTC mission creep head on.

It is the view of VTA that a new regional organization resulting from a merger of ABAG and MTC should be structured in a way that does not encroach into project delivery, operating and other areas of responsibilities that historically have been or should be within the purview of the Bay Area’s public transit agencies or county congestion management agencies; or that are otherwise inappropriate for a regional planning agency to perform.

As part of its 2016 Legislative Program, VTA will advocate for changes in the Bay Area’s regional governance structure that protect the interests of Santa Clara County taxpayers and travelers.

**REGIONAL**

The Regional Section of VTA’s 2016 Legislative Program is divided into the following areas:

1. Metropolitan Transportation Commission (MTC).
2. Caltrain Commuter Rail Service.
3. Capitol Corridor Service.
METROPOLITAN TRANSPORTATION COMMISSION

Regional Discretionary Funds: MTC allocates more than $1 billion per year in federal, state and toll revenues to operate, maintain and expand the Bay Area’s transportation network. In some cases, MTC suballocates the funds directly to public transit agencies and county congestion management agencies on a formula basis. In other cases, MTC has the discretion to determine which projects get funded. When it comes to these discretionary dollars, Santa Clara County has historically been a donor county, receiving significantly less money from MTC than what the county’s population-based share (approximately 25 percent) would suggest. Moreover, as opposed to most of the other Bay Area counties, Santa Clara County receives no bridge toll revenues and is not compensated for that fact when it comes to MTC’s distribution of other discretionary dollars.

Given that Valley Transportation Plan 2040 (VTP 2040) identifies approximately $25 billion in unfunded transportation needs in Santa Clara County over the next 25 years, this situation is no longer acceptable. Therefore, as part of its 2016 Legislative Program, VTA will oppose any allocation of discretionary funds by MTC that would result in Santa Clara County receiving less than its population-based share. In addition, VTA will:

- Oppose efforts on the part of MTC to impose additional conditions, other than those required by federal or state law, when suballocating federal and state formula-based funds to public transit agencies or county congestion management agencies.

- Seek to direct any unanticipated regional funding received by MTC to high-priority projects in Santa Clara County.

- Oppose efforts on the part of MTC to take discretionary funding “off the top” to administer regional competitive grant programs, advocate for project selection and program implementation for discretionary funds to occur at the county level, and advocate for the use of regional discretionary funding for VTA’s Silicon Valley Express Lanes Program.

Cap-and-Trade: Prior to action being taken by the Legislature, MTC adopted a 25-year, $3.15 billion Regional Cap-and-Trade Funding Framework, assuming that the state would: (1) suballocate all cap-and-trade auction proceeds for transportation purposes directly to regional transportation planning agencies such as MTC based on population; and (2) allow these agencies to determine how to spend their formula shares. The Regional Cap-and-Trade Funding Framework called for providing $875 million for transit core capacity challenge grants; $500 million for a Transit Operating and Efficiency Program; $1.05 billion for the region’s One Bay Area Grant Program (OBAG); $275 million for MTC’s existing Climate Initiatives Program; and $450 million for goods movement over the 25-year period covered by Plan Bay Area, the current regional transportation plan.

While MTC committed to allocate $800 million under its Regional Cap-and-Trade Funding Framework for state-of-good-repair projects for three Bay Area public transit agencies, it provided no funding for the construction of Phase 2 of VTA’s BART Silicon Valley Extension Project, even though this project would achieve significant reductions in greenhouse gas emissions, a requirement for the expenditure of cap-and-trade auction proceeds. Moreover, under the framework, Santa Clara County could have expected to receive significantly less than
its population-based share.

SB 862, which was approved by the Legislature in June 2014 and signed into law shortly thereafter by Gov. Brown, established a long-term investment structure for cap-and-trade auction proceeds that is dramatically different from MTC’s Regional Cap-and-Trade Funding Framework. Except for the Low Carbon Transit Operations Program and high-speed rail, SB 862 allocates cap-and-auction proceeds to competitive grant programs that would be administered at the state level. Only in the case of the Low Carbon Transit Operations Program would MTC receive any funding directly. As a result, much of the Regional Cap-and-Trade Funding Framework would be challenging to achieve.

In light of this situation, MTC is in the process of revisiting the Regional Cap-and-Trade Funding Framework. As part of its 2016 Legislative Program, VTA will support revisions to this framework that prioritize those projects that would result in significant reductions in greenhouse gas emissions in order to ensure that the Bay Area has the best opportunity to effectively compete at the state level for cap-and-trade auction proceeds.

**Express Lanes:** In Santa Clara County, express lanes currently are in operation in the southbound direction of a portion of I-680 and at the I-880/State Route 237 Interchange. VTA also is moving forward with project development work for express lanes on State Route 237, U.S. 101 and State Route 85. Meanwhile, MTC is pursuing a limited regional express lane network covering portions of I-80, I-880 and I-680, and the approaches to the Dumbarton and San Mateo Bridges. As in past years, VTA will continue to advocate for a regional express lane network under which:

- VTA retains complete autonomy for developing, constructing and operating express lanes in Santa Clara County, while working with MTC to ensure consistency for Bay Area motorists, to the extent practicable, among different express lane corridors in the region.

- There is a recognition that popular, political and legislative support rest on demonstrating that express lane revenues collected in a particular corridor are used to benefit travelers in that corridor. Thus, VTA will oppose any efforts to divert express lane revenues generated by corridors within Santa Clara County to fund corridors in other parts of the Bay Area.

**Caltrain Commuter Rail Service**

Caltrain is a 76.8-mile daily commuter rail service that runs between San Francisco and Gilroy. It operates on railroad tracks owned by the Peninsula Corridor Joint Powers Board (JPB) between San Francisco and the Tamien Station in San Jose, and on Union Pacific Railroad tracks between the Tamien Station and Gilroy. Caltrain is administered through a joint powers agreement that was executed by the City and County of San Francisco, the San Mateo County Transit District (SamTrans), and VTA. The JPB, which consists of three members appointed from each of the three counties, governs the service, while SamTrans serves as the managing agency.

Executed in 2012, the Bay Area’s *Memorandum of Understanding: High-Speed Rail Early Investment for a Blended System on the Peninsula Corridor* outlines the projects necessary to modernize Caltrain and provide the facilities for future high-speed train service along the Peninsula Corridor. This early investment strategy includes funding commitments for two major projects: (1) electrification of the corridor; and (2) an advanced signal system. The three JPB
partners are each contributing $60 million in local funds. In addition, VTA has allocated $26 million of its formula share of Proposition 1A connectivity funds to this effort.

However, recent events seem to point to the need to update and revise the MOU. In particular, indications are that the cost of electrification will exceed the projections that were used to craft the MOU. As the three JPB partner agencies and MTC consider how to fund these additional costs, VTA, along with the other two JPB partners, may be asked to provide more funding for the project. At this point, VTA will seek to limit its contribution to an additional $20 million that could be provided from five years of anticipated Transit Core Capacity funds. This additional contribution would be dependent on like commitments from the other two JPB partners.

As different strategies are explored for completing electrification, VTA’s highest priority will be to maintain the original project scope and the revised partner agency funding contribution levels. To accomplish the goal of electrifying Caltrain, all options should be explored, including phasing the project, securing additional funds through grants and/or loans, and working cooperatively with the California High Speed Rail Authority to assist in electrifying the entire corridor from Gilroy to San Francisco.

With the modernization of Caltrain and the potential for high-speed train service, major development plans are being considered for the San Jose Diridon Station, and the 4th and King Station in San Francisco. These conceptual plans have the potential to better utilize the land in and around the stations, as well as to create demand for future public transit ridership. As these plans move forward, any costs associated with the necessary studies should not be paid by the JPB, but rather by the developers and/or the local jurisdictions that are pursuing these efforts. In addition, any potential land-use changes in and around the stations should not negatively impact Caltrain operations or train storage. If any Caltrain cost issues arise from the redevelopment of a station, the developer and/or the local jurisdiction should be responsible for paying the JPB for any one-time or additional ongoing costs that result from the development.

In 2016, VTA’s advocacy efforts with regard to Caltrain will focus on the following:

- Work collaboratively with our JPB and other regional partners to reach a consensus on revisions to the MOU, and provide sufficient direction regarding the early investment strategy to ensure that the electrification of the Peninsula Corridor is delivered in an efficient and cost-effective manner, as well as in a way that protects the interests of VTA and Santa Clara County. This includes: (1) identifying additional funding sources to address any increases in the cost of electrification, while maintaining VTA’s commitment of $60 million in local funds; (2) ensuring that each funding agency allocates its local contribution pursuant to the early investment strategy; and (3) maximizing the benefits of the project for Santa Clara County residents.

- Ensure the most efficient and effective Caltrain management structure possible.

- Work collaboratively with our JPB partners to explore funding opportunities and strategies to: (1) support Caltrain operations; (2) maintain Caltrain equipment, facilities and infrastructure in a state of good repair; and (3) pay for Caltrain system improvements, including grade separations, to provide cost-effective benefits for current and future passengers.
• Work collaboratively with our JPB partners and other parties on any development opportunities for Caltrain stations, provided that: (1) the JPB does not pay for the studies; and (2) any one-time or additional ongoing costs to Caltrain that result from a development is paid for by the developer and/or the local jurisdiction.

**CAPITOL CORRIDOR INTERCITY RAIL SERVICE**

The Capitol Corridor is a 170-mile intercity rail service that runs between Auburn/Sacramento and San Jose. The Capitol Corridor Joint Powers Authority (JPA) consists of two representatives from each of the eight counties that the trains serve. Funding is provided by the state, and BART serves as the managing agency.

As part of its 2016 Legislative Program, VTA will advocate for the prioritization of improvements that will increase the frequency of Capitol Corridor service to San Jose and shorten travel times. In addition, with the successful opening of Levi’s Stadium and increased private development interest adjacent to the Capitol Corridor stations in Santa Clara County, VTA will work collaboratively with the Capitol Corridor, as well as with the Altamont Commuter Express (ACE), to pursue capital improvements that ensure seamless public transit connections between VTA light rail and bus service, and those two train services. Finally, VTA will work with the Capitol Corridor and ACE to advocate for any potential land-use planning efforts that will improve access to, and avoid impacting the operations of, their services.
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
    Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Planning and Program Development, John Ristow

SUBJECT: Diridon Station Intermodal Conceptual Plan

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

ACTION ITEM

RECOMMENDATION:

Authorize the General Manager to 1) Enter into funding agreements with California High Speed Rail Authority for the Diridon Station Intermodal Conceptual Plan; 2) Enter into inter-agency agreements as needed with City of San Jose, California High Speed Rail Authority and Caltrain for development and study of the Diridon Station; and 3) Augment the 1996 Measure B Transportation Improvement Program Fund Capital Budget by $700,000.

BACKGROUND:

The San Jose Diridon Station is a major transit hub for Santa Clara County and the Bay Area. The station currently serves Caltrain, Amtrak, Capitol Corridor, the Altamont Commuter Express, and VTA light rail. Additionally, the station serves many VTA bus routes and several regional express bus services. With identification of Diridon Station as stations for both BART and California High Speed Rail, the station will experience significant expansion in the next decade. Over 890 transit vehicles currently travel through Diridon Station per day; when the station is built out, approximately 1555 transit vehicles will travel through each day. The land surrounding the station has strong potential for redevelopment as a vibrant, high-density urban center.

To help centralize the work required for the expanded station and services, the Diridon Station Policy Advisory Board (PAB) was created in spring 2010. The PAB is comprised of representatives from VTA, Peninsula Corridor Joint Powers Board (Caltrain), BART, the California High Speed Rail Authority (CAHSR), the City of San Jose, the Metropolitan Transportation Commission, and the State of California (ex-officio).
DISCUSSION:

VTA and City of San Jose staff traveled to Denver, CO in September 2015 to learn about the process undertaken by Denver Regional Transportation District (RTD) to develop Denver Union Station (DUS). RTD staff provided detail on the importance of identifying the transit needs of DUS, the process and partners needed to develop DUS, and the governance needs associated with the entire process. With lessons learned from the trip to Denver and with progress of various capital transportation projects that impact Diridon Station, the importance of interagency coordination became even more paramount. As such, the City of San Jose began to coordinate meetings with all of agencies involved with the development of Diridon Station: CAHSR, Caltrain, VTA, and staff from invested departments within the City of San Jose. This working group has been meeting regularly to develop a Diridon Intermodal and Development Implementation Strategy.

An integral piece of the process is identification of the future transportation needs of Diridon Station. VTA is taking the lead to develop an Intermodal Conceptual Plan for Diridon Station. The Diridon Station Intermodal Conceptual Plan will identify the transportation needs for all current and planned services in the Diridon Area as well as the facilities that will be required to provide seamless passenger connections to and between all of those services. Station facility requirements will be identified and configuration alternatives developed and evaluated as part of the Diridon Station Intermodal Conceptual Plan project process. The Intermodal Conceptual Plan is a key piece of information that is needed to inform future redevelopment of the Diridon Station.

The anticipated budget of the Intermodal Conceptual Plan is $1,000,000. CAHSR grant funding is available to provide $300,000 in funds toward the plan. 1996 Measure B funds will provide required matching and balance of $700,000 needed to complete the study. The initial phase of the study is expected to be completed within six months of contract award. A funding agreement with the CAHSR will need to be executed in order to receive CAHSR grant funding.

As of December 1, 2015 the unspent balance of 1996 Measure B appropriation is $6.469 million. However, the current 1996 Measure B cash position indicates a slightly higher balance of available funds. Therefore, the approved 1996 Measure B appropriation is requested to be increased by $700,000 to provide funding for the Diridon Station Intermodal Conceptual Plan.

ALTERNATIVES:

Caltrain, VTA, and CAHSR can each conduct a study for their individual transportation needs and work together to ensure they are compatible.

FISCAL IMPACT:

This action will add $700,000 to the FY16 Adopted 1996 Measure B Transportation Improvement Program Fund Capital Budget.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Administration & Finance committee considered this item on December 17, 2015. An
interested citizen expressed concern with a funding source of the Diridon Station Intermodal Conceptual Plan, and the committee members had a brief discussion on the impact on ridership, the direction of governance, and capturing the most value for Diridon Station. The committee unanimously recommended the item for approval by the Board of Directors at the January 7, 2016 meeting.

Prepared by: Jane Shinn
Memo No. 5320

ATTACHMENTS:
• MT_5320_Attachment_A (PDF)
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

FROM: General Manager, Nuria Fernandez

SUBJECT: Auditor General Process Service Delivery Model Report and Resulting GM/CEO Recommendations

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

ACTION ITEM

RECOMMENDATION:

Receive the report on the review of the current VTA Auditor General function service delivery model and based on the report’s findings and recommendations, approve the following related actions for the Auditor General function: (1) continue utilizing the outside contract model; and (2) initiate process to have in place by June 2016 or soon thereafter a new contract that stresses the need for a local presence and responsiveness; the contract would have a five-year base term and two one-year extensions to maximize vendor interest and commitment.

BACKGROUND:

VTA’s Auditor General (AG) program is responsible for assisting the Board of Directors in fulfilling its fiduciary responsibilities of overseeing risks and controls in financial reporting, financial integrity, program activities, reputation and public perception of the organization. The Auditor General reports directly to the Board, is overseen by the Governance & Audit Committee, and has an administrative reporting relationship to the General Manager.

In August 2015, VTA GM/CEO Nuria Fernandez commissioned a review of the current service delivery model for the VTA Auditor General program. The purpose was to determine whether the Audit General Function ought to remain as an external contracted function (outsourced) or whether instead it should become an in-house function. CH2M Hill was retained to conduct this assessment.
The methodology involved the following steps:

1. Document review
2. Stakeholder interviews
3. Peer Agency Benchmarking
4. Report preparation

**DISCUSSION:**

Through the peer agency benchmarking of seven similar organizations, the team found that there is no single audit general model in the Bay Area. Five peers employed an in-house model and two peers employed a contracted model, and all interviewed expressed satisfaction with their current model.

Stakeholder interviews revealed a significant variety of views on the contracting model that generally comprised three groups. One group favored the change to an in-house AG model. A slightly larger group favored the current contracted model. The third group did not ascribe to a strong preference for either model, although they leaned slighted towards maintaining the status quo.

For the final assessment, the team evaluated each model against core objectives such as:

- Unquestionable independence
- AG gravitas (i.e., recognized “big name” firm)
- Minimized Board administration
- Day-to-day collaboration with executive staff
- Responsiveness to ad-hoc needs
- First-hand knowledge of transit and of VTA
- In-house retention of audit knowledge.

The final selection of a model ultimately depends on the top objectives selected. If collaboration and responsiveness were the top objective, then an in-house model would be recommended. However, the team believes that unquestionable independence and gravitas are more important long-term objectives for the AG function. As a result, the contracted model (with some modifications) is recommended.

**ALTERNATIVES:**

For the Auditor General function service model, the Board could choose to: (A) change to an in-house model; (b) keep the current contracted (outsourced) model while replacing the contractor; (C) keep the current contracted model while retaining the same contractor; or (D) change to a co-sourced model that utilizes a VTA Auditor General managing consultant staff. However, these are not recommended because they are not optimal as the model recommended.
**FISCAL IMPACT:**

There will be no incremental financial impact of this action. Ultimately, the Board determines the level-of-effort and associated costs for this function via its adoption of the Internal Audit Work Plan for each fiscal year.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Governance & Audit Committee considered this item on December 14, 2015 as part of its Regular Agenda. The committee, without major comment, unanimously recommended that the Board of Directors approve this item and that it be placed on the Board’s Regular Agenda.

Prepared by: Stephen Flynn, VTA and Yonel Grant and Joe Speaks, CH2M Hill
Memo No. 5341
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Government Affairs, Jim Lawson

SUBJECT: 2016 Appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees

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

ACTION ITEM

RECOMMENDATION:


BACKGROUND:

The VTA Administrative Code specifies five Board standing committees:

1) Administration and Finance (A&F)
2) Congestion Management Program & Planning (CMPP)
3) Transit Planning and Operations (TP&O)
4) Silicon Valley Rapid Transit Program Working Committee (SVRTPWC)
5) Governance & Audit

It also specifies that the membership of the Governance & Audit Committee consists of the Board Chairperson, Board Vice Chairperson, and the chairpersons of three Board standing committees: (1) A&F; (2) CMPP; and (3) TP&O. Due to this, the Board Chairperson and Vice Chairperson cannot concurrently serve as chairperson of A&F, CMPP or TP&O. All other standing committees consist of four Directors each, with no more than two for each committee being from the same City Grouping.
The Administrative Code further specifies that at its first meeting in January, the Board of Directors approves the members and chairpersons of all Board standing committees based on recommendations for these positions provided by the Governance & Audit Committee. The term of appointment is one year, coinciding with the calendar year. Only directors, not alternates or ex-officio members, are eligible for appointment to standing committees. However, Board alternate members are eligible for VTA appointment to joint powers boards (JPBs), policy advisory boards (PABs), and ad hoc committees.

**DISCUSSION:**

Submitted for Governance & Audit Committee consideration are possible appointments to the indicated committees. They are based on the known or likely membership of the VTA Board of Directors for 2016 and attempt to balance member expertise, interest, and schedule conflicts. However, they are dependent on each City Group’s appointment of its VTA Board member(s) for 2016. The potential appointments are:

**Board Standing Committees**

- **Administration & Finance (A&F)**
  Jason Baker, Chair  
  Cindy Chavez  
  Perry Woodward  
  Manh Nguyen (appointment to Board by the City of San Jose is pending)

- **Congestion Management Program & Planning (CMPP)**
  Rose Herrera, Chair  
  Jamie Matthews  
  Magdalena Carrasco  
  Jose Esteves

- **Transit Planning & Operations (TP&O)**
  Johnny Khamis, Chair  
  Sam Liccardo  
  Ken Yeager  
  Jeannie Bruins

- **SVRT Program Working Committee**
  Sam Liccardo, Chair  
  Cindy Chavez  
  Jose Esteves  
  Ken Yeager

- **Governance & Audit Committee**
  Board chairperson (also serves as Governance & Audit Committee chairperson)  
  Board vice chairperson (also serves as Governance & Audit Committee vice chairperson)  
  A&F chairperson  
  CMPP chairperson  
  TP&O chairperson
Joint Powers Boards (JPBs)

Peninsula Corridor Joint Powers Board
Ken Yeager
Perry Woodward
Raul Peralez

Capitol Corridor Joint Powers Board
Magdalena Carrasco
Raul Peralez

I-680 Sunol SMART Carpool Lane Joint Powers Board
Jason Baker

Santa Clara Valley Habitat Plan Joint Powers Board
Ann Calnan
Tom Fitzwater, Alternate

Policy Advisory Boards (PABs)

County Expressways Policy Advisory Committee
Jamie Matthews
Johnny Khamis

Committee for Transit Accessibility
Cindy Chavez (ex-officio member; Board chairperson serves as representative)

Diridon Station Policy Advisory Board
Cindy Chavez

Downtown East Valley Policy Advisory Board
David Cortese
Rose Herrera

Dumbarton Rail Policy Advisory Board
Jeannie Bruins
John McAlister

El Camino Rapid Transit Policy Advisory Board
To be determined

Silicon Valley Rapid Transit Corridor & BART Warm Springs Extension PAB
Sam Liccardo
Ken Yeager
Ad Hoc Committees

Ad Hoc Committee on Envisioning Silicon Valley
Sam Liccardo, Chair
Cindy Chavez
Jason Baker
Perry Woodward
Jamie Matthews
Magdalena Carrasco

For the Santa Clara Valley Habitat Conservation Plan JPB, the Joint Powers Agreement for that body allows VTA appointment of staff members. The recommended appointees are two VTA Environmental Planning managers. Both of these staff members have the experience and expertise to represent VTA’s interests as well as a long history with this organization.

The Governance & Audit Committee’s final recommended appointments will be submitted for approval by the Board of Directors at its January 7, 2016 meeting. The appointments will take effect immediately following Board approval.

FISCAL IMPACT:

There is no fiscal impact.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Governance & Audit Committee considered this item on December 14, 2015 as part of its Regular Agenda. The committee, without major comment, unanimously recommended that the Board of Directors approve this item and that it be placed on the Regular Agenda.

Prepared by: Stephen Flynn, Advisory Committee Coordinator
Memo No. 5282
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Chief Operating Officer, Inez Evans

SUBJECT: Update on Compressed Natural Gas (CNG) analysis

FOR INFORMATION ONLY

On August 15, 2013 Santa Clara Valley Transportation Authority (VTA) staff began an analysis of Compressed Natural Gas (CNG) as a potential fuel for the transit fleet. This study was requested by the Transit Planning and Operations Committee (TP&O) based on a recommendation from Director Khamis. The analysis is complete and staff’s recommendation is to continue with the policy the Board adopted in 2000; namely to pursue the diesel path to conversion to a zero emission fleet.

BACKGROUND:

In 1999 the California Air Resources Board (CARB) required transit operators to select either a diesel path or a CNG fuel path to achieve a zero emission standard. Based upon available evidence at that time, the Board selected the low sulfur diesel fuel path. Because of the recent low cost and increased availability of CNG, the committee requested staff to reevaluate this decision.

With the continued requirement of transitioning to a zero emission fleet, staff evaluated the several aspects of a proposed conversion to determine if there was an opportunity to achieve a cost savings to the organization through the use of CNG fuel. The analysis shows that while there is a theoretical savings of $2.3 million per year, this is offset by other factors involved in conversion to a CNG fuel source beyond the cost of fuel:

- Capital cost of facilities for service and fueling
- Potentially greater Green House Gas (GHG) emissions
- Increased service costs
- Decreased service reliability
- Challenge of supporting three technologies (diesel, electric and CNG) simultaneously
Given the importance of potential savings suggested by the cost comparison of diesel fuel to CNG, staff analyzed the overall impacts on our operation with great care. We also participated with CARB in an extensive test of emissions generated by our hybrid electric coaches as compared to CNG coaches on both dynamometer testing as well as actual revenue service testing. Staff’s decision was influenced by the fact that the majority of the cost savings is in the purchase comparison of the vehicles (diesel electric hybrid v. CNG). Due to CARB’s requirement that we begin purchasing a percentage of zero emission vehicles in 2018 transitioning to all zero emission bus purchases by 2028, this advantage is reduced.

Staff recognizes and appreciates the opportunity to examine this potential economy. As a result of this analysis, we are reassured that the Board has selected the most prudent and path to achieve the transition to a zero emission fleet. Attachment A provides more detailed information on the analysis that was performed and updates the previous report.

**SUMMARY**

Conversion to CNG buses could potentially result in some operating cost savings. However, the cost for yearly maintenance is higher. The buses are less fuel efficient. CNG may increase Greenhouse Gas emissions. Pending regulations requiring zero-emission buses would require additional facility costs and result in three different fuel structures per division, increasing maintenance, parts and materials complexity and likely requiring expansion of two divisions. The timeline to complete facility modifications and fueling station infrastructure is also substantial. These factors offset any potential savings.

Therefore, VTA staff recommends continuing the purchase of hybrid buses with a shift to zero-emission battery buses as they become more widely available.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Transit Planning and Operations (TP&O) committee reviewed this item at its September 16, 2015 meeting. Chairperson Khamis noted that VTA would realize substantial savings by purchasing CNG buses and would realize substantial savings in annual fuel costs. He did not fully support the facility infrastructure costs VTA would pay to accommodate CNG buses and felt that the emissions data presented did not fully represent the true benefit of Hybrids over CNG. However, Chairperson Khamis would support whatever direction the Board of Directors would take on this issue. Chairperson Khamis requested that staff present this memo at the October 1, 2015 Board meeting.

The VTA Board of Directors met on October 1, 2015, and deferred this item to a future meeting.

Prepared By: Art Douwes
Memo No. 5154
FUEL COSTS

The fuel cost analysis in the 2013 report was based on average pricing for that year, with a 3% inflation escalator going forward, as projected by the Federal Department of Energy. Since that time, both diesel and CNG prices have actually fallen significantly, as shown below. Forecasting fuel prices is likely to remain extremely difficult.

<table>
<thead>
<tr>
<th></th>
<th>Diesel (per gallon)</th>
<th>CNG (per diesel gallon equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Report Cost Assumption</td>
<td>$3.64</td>
<td>$0.91</td>
</tr>
<tr>
<td>2015 Year to Date Actual Average</td>
<td>$1.88</td>
<td>$0.36</td>
</tr>
</tbody>
</table>

Please note that VTA pays wholesale prices and receives some tax exemptions. Diesel pricing shown is per gallon; CNG pricing is given in diesel gallon equivalency (DGE). These figures include sales tax.

Considering the updated fuel pricing, any savings from switching the fleet to CNG are substantially reduced. Fuel savings would decline from an estimated cumulative of $35,162,503 to $19,577,657. The total savings over 12 years, which included cost estimates for maintenance of CNG vehicles, facility installation and maintenance costs, and the cost savings from buying CNG vehicles instead of hybrid vehicles, would now be $27,357,619, down from $42,942,465 in the 2013 analysis.

BUS COST

The 2013 evaluation indicated a bus cost differential between comparably equipped CNG and hybrid buses of approximately $150,000 per bus. This is the main area of savings in all analyses done. This price differential appears to be the same in 2015.

FUELING FACILITY O&M COST

VTA’s experience indicates that the diesel fueling facilities have negligible Operation and Maintenance (O&M) costs. VTA does not have any experience operating a CNG fueling facility. However, based on other transit agencies such as Los Angeles County Metropolitan Transportation Authority (LACMTA) and figures from CNG providers, there is a significant cost for the compression of natural gas as well as maintenance cost of the compressors and other parts of the facility. This cost is estimated to be approximately $0.41 per diesel gallon equivalent (DGE).

FACILITY MODIFICATION

Modifications are required for maintenance facilities to safely accommodate CNG buses. Procurement and installation of CNG fueling facilities is required as well. Estimates for these facility projects range from $18,000,000 to $47,000,000, for VTA’s three bus divisions. In the 2013 analysis, VTA estimated these costs at $28,000,000. These numbers are still valid in 2015. These are construction cost estimates. There may also be some real estate acquisition costs, as noted on the Fleet Projections section of this memorandum.
MAINTENANCE COST

It is widely acknowledged that the maintenance cost for CNG buses is higher than diesel hybrid buses. VTA’s maintenance cost for standard diesel buses is approximately $1.30 per mile, which includes parts and labor. VTA’s maintenance cost for hybrid buses is lower, approximately $1.01 per mile -- though it should be noted that the hybrid buses are newer and they will require a one-time battery replacement. The estimated cost for the battery replacement adds approximately $0.08 per mile.

Other agencies with CNG fleets contacted for this analysis indicated that the additional costs for maintenance of the CNG buses are between $0.06 and $0.20 per mile more than standard diesel buses. VTA buses logged 18,071,293 miles in FY 2015. Using an average of $0.13 per mile, this would add $2.35 million per year to VTA’s annual maintenance cost for a CNG fleet. This alone offsets the purchasing and fuel cost advantages of CNG.

EFFICIENCY

All of the cost analyses provided take into account the lower energy capacity of CNG versus diesel hybrid. Because of that lower energy capacity, the mileage for CNG buses is approximately 3.6 mpg (using DGE) as compared to 5.1 mpg for diesel hybrid buses. This could potentially exacerbate future fuel cost increases because the CNG fleet would require more fuel. The current fleet used approximately 4 million gallons of fuel in FY 2015. A CNG fleet would have required 5 million gallons to complete the same number of miles.

The 2013 CNG analysis assumed 176 new buses in service by FY 2018. For a variety of regulatory and funding reasons, VTA purchases are now planned to be compressed for delivery between FY 2017 and FY 2020 (see Fleet Projections section). While this alone would change the numbers of the estimate, it does not affect the overall conclusion from 2013.

That analysis showed that when the costs of maintenance, fuel and facilities, and new bus costs are taken into account, savings are possible by switching from hybrid diesel buses to CNG buses for VTA’s fleet. However, the savings are offset by reliability and emissions issues. We also know, going forward, we face the costs associated with the State’s mandate to switch to zero-emission buses. Other potential costs and issues are discussed elsewhere in this report.

CALIFORNIA AIR RESOURCES BOARD (CARB) TESTING and RESULTS:

EMISSIONS

The California Air Resources Board (CARB) requested the use of three VTA hybrid buses for emissions testing and evaluation. In 2014, CARB tested three VTA hybrid buses (low mileage, medium mileage, and high mileage) on a chassis dynamometer as well as on the road over a specific route. The preliminary result of the testing indicated that there was no apparent degradation of the emissions system.

Previously, CARB contracted with West Virginia University (WVU) to test CNG buses. CARB provided the following analysis based on those and the VTA bus tests:
“Results from these two studies, as well as those from the VTA study, are reported in the attached table. CNG Total Hydrocarbon (THC) emissions were higher for both chassis dynamometer and on-road testing relative to the hybrid and diesel buses. This is most likely due to the use of CH₄, a hydrocarbon itself, as the primary fuel source. Emissions of Carbon Monoxide (CO) were also considerably higher for CNG buses relative to the hybrid and diesel buses for chassis dynamometer and on-road testing. CO emissions are significantly larger for the more aggressive urban driving routes and for the higher-mileage CNG buses relative to the low-mid-mileage buses tested. Nitrogen Oxides (NOₓ) emissions are on average lower for CNG buses for dynamometer testing, and similar values for on-road testing compared to hybrid buses. However, for both testing regimes, CNG buses show large inter-bus variability for NOₓ emissions. CO₂ emissions are comparable between hybrid, diesel, and CNG buses for all tests. However, CNG buses again show larger variability between buses and routes than for hybrid and diesel buses.”

CARB also provided their Emission Comparison of Transit Bus Technologies. This assessment indicates that the greenhouse gas (GHG) emissions of the hybrid bus, on a well-to-wheel basis, are lower than that of a CNG bus. The electric bus is projected to produce the least GHG. More detail on the CARB testing data is included in Appendix A of this memorandum.

**BUS FLEET PROJECTIONS**

CARB proposed new regulations to reduce Greenhouse Gas Emissions as well as other regulated emissions for transit bus fleets. The goal is to have 100% of the transit buses be zero emissions buses (ZEBs) by 2040. To achieve this goal and transition from fossil fuel buses to ZEBs, the proposed regulation is to mandate that a percentage of transit buses purchased in California after 2018 be ZEBs and that all new transit buses purchased after 2028 be ZEBs.

**VTA’s BUS PROCUREMENT NEEDS**

VTA’s bus procurement plans include bus replacements and buses for service expansion. Between now and 2028, VTA estimates purchasing approximately 600 new buses. Considering the expected requirement to start purchasing ZEBs effective 2018, the estimated bus procurement plan is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Order</th>
<th>Fossil Fuel Buses</th>
<th>ZEBs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td>179</td>
<td>5</td>
<td>184</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>57</td>
<td>0</td>
<td>57</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>45</td>
<td>11</td>
<td>56</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>56</td>
<td>14</td>
<td>70</td>
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<td>2022</td>
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<td>56</td>
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<td>76</td>
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<td>37</td>
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<td>74</td>
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<tr>
<td>2026</td>
<td></td>
<td>65</td>
<td>65</td>
<td>130</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>439</strong></td>
<td><strong>147</strong></td>
<td><strong>591</strong></td>
</tr>
</tbody>
</table>
VTA will be purchasing another (439) fossil fuel buses, which could be diesel, hybrid electric diesel, or CNG. The following factors should be considered for the purchase of the buses.

**FACILITIES**

To operate CNG or electric buses, VTA must make significant facility modifications. For CNG buses, the maintenance facilities need to be modified to safely accommodate the volatile lighter-than-air natural gas.

Additionally, CNG fueling facilities must be installed at the three bus divisions. For zero emission buses, charging stations must also be installed at each bus division.

The use of CNG buses would mean that, in the near future, VTA would be operating buses on three different fuels (diesel, CNG and electricity). This would also mean that the facilities would need to be equipped for such. Adding both CNG fueling and electric charging facilities will be difficult at two of the bus divisions due to space limitations, compounded by the expansion of VTA’s fleet -- especially with plans to more than double the number of 60’ articulated buses.

The Chaboya Division is VTA’s most crowded facility, and the introduction of articulated buses to that yard for planned BRT routes will bring it to maximum capacity, even without additional fueling facilities.

At North Division, the situation is similar; full introduction of the Santa Clara-Alum Rock BRT service and the future increase in standard articulated buses will also bring it to its maximum practical capacity. The issue overall is more critical at North because, with Hwy 101 and surface roads on all sides, there is no adjacent property that could be used for expansion.

CNG will be new technology to VTA. There will be costs associated with introducing it to the fleet. As examples, other properties have experienced issues with the methane detection and fire suppression systems becoming sources of service interruptions and requiring specialized maintenance. They found it critical to work with the fuel station manufacturer to review and revise maintenance practices and procedures, and to determine life-cycle planning, including regulatory agencies periodic inspections. They found it essential to review and revise staffing levels, financial plans, and capital funding, and they discovered that some materials required for vehicle and station maintenance have long lead times.

**OPERATIONS RELIABILITY**

Reliability is a major factor in transit operation. Breakdowns on the road (Roadcalls) are a disruption to passengers. An excessive number of Roadcalls could lead the public to lose confidence in the system and therefore reduced ridership. Although the CNG buses have made improvements in their performance, they are still more prone to breakdowns than diesel engines. CNG Engines require more frequent overhauls.

VTA’s experience with the hybrid buses indicates a better reliability. For the 3rd quarter of FY 2014, the overall fleet averaged 8,409 miles between road calls, while the standard hybrid bus averaged 11,556 miles between road calls. This equates to a 37% improvement in reliability. The Express hybrid buses operated at more than 67,000 miles between road calls.
MAINTAINABILITY

Extensive new equipment and training of maintenance mechanics at an unknown cost will be required to safely maintain CNG buses. VTA training staff will need to be expanded if both CNG and zero-emission buses are introduced to the fleet. Along with specialized training for the CNG itself, specialized training will be needed for handling the high-pressure tanks, valves, and plumbing used to store the CNG on board the buses.
CALL TO ORDER
The Regular Meeting of the Silicon Valley Rapid Transit (SVRT) Program Working Committee was called to order at 10:08 a.m. by Chairperson Liccardo in Conference Room B-104, Valley Transportation Authority (VTA), 3331 North First Street, San Jose, California.

1. ROLL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cindy Chavez</td>
<td>Vice Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Jose Esteves</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Ken Yeager</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Sam Liccardo</td>
<td>Chairperson</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was present.

2. Public Presentations

There were no Public Presentations.

3. Meeting Minutes of October 5, 2015

M/S/C (Yeager/Esteves) to approve the Meeting Minutes of October 5, 2015.

4. Update on the VTA BART Silicon Valley Berryessa Extension (SVBX) Operations and Maintenance Agreement

Carolyn Gonot, Director of Engineering and Transportation Infrastructure Development, and Dennis Ratcliffe, Deputy Director, SVRT Program, provided an update, highlighting the following: 1) Silicon Valley Berryessa Extension (SVBX) Operations and Maintenance (O&M) Agreement – Key Elements; 2) Audit Recommendations; 3) Audit Recommendations – Summary; and 4) SVBX O&M Agreement Update.

Discussion ensued about the following: 1) status and timeline of potential agreement; 2) creation of an Enterprise Fund within VTA; 3) revenue generating possibilities; 4) revenue collection issues; and 5) Members of the Committee requested VTA add a governance component as a framework for assessing areas relative to the decision making power of VTA.

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

Roland Lebrun, Interested Citizen, stated that advertising on the train should be BART’s responsibility, and advertising in the station should be VTA’s responsibility. He advocated for the use of digital advertising boards only.

On order of Chairperson Liccardo and there being no objection, the Committee received an update on VTA BART Silicon Valley Berryessa Extension (SVBX) Operations and Maintenance Agreement.

5. SVBX Project and Silicon Valley Rapid Transit (SVRT) Program Updates/key activities.

Mr. Ratcliffe and John Engstrom, SVBX Project Director, provided a brief presentation on the following:

a. Schedule & Budget Update

Mr. Ratcliffe and Mr. Engstrom presented information on the SVRT Program cost summary, project property acquisitions, and the SVBX Project integrated summary schedule. Mr. Ratcliffe added the SVBX Project is 10 months ahead of schedule.

b. Construction Progress (Activities/Safety/Interfaces)

Mr. Engstrom provided a status update on the following: 1) Warm Springs Boulevard and Mission bridge in Fremont; 2) Kato bridge in Fremont; 3) ductbank near Dixon Landing Road in Milpitas; 4) Calaveras to Abel guideway in Milpitas; 5) Milpitas Station; 6) Montague trench in Milpitas; 7) Trade Zone pump station and sound wall in Milpitas; and 8) Berryessa aerial structure in San Jose.

c. C700 Contract Status (Line, Track Stations, Systems)

Mr. Engstrom provided information on the C700 Line, Track Stations, Systems Contract Summary.

Mr. Engstrom and Mr. Ratcliffe provided information on the Change Order Report, noting upcoming material change orders.

C730 Contract Status (Parking Structures)

Mr. Engstrom provided an update on the C730 Contract status noting executed and upcoming change orders.

e. Status of Other Contracts

Mr. Engstrom provided information on the Status of C754 – SVBX Residential Noise Improvement Program 5.
f. **Community Outreach Activities**

Mr. Engstrom provided an update on significant outreach support and construction notices.

**Public Comment**

Mr. Lebrun commented on the following: 1) commended forecasting for Right of Way (ROW), Land; 2) noted cost for Professional Services is a red flag; 2) and queried if the switches and crossovers were delivered preassembled and put in place, or if they were assembled on site.

Discussion ensued about the following: 1) conducting an evaluation of the current process and possible changes in moving forward with Phase II; 2) the importance of building partnerships during construction on East Santa Clara Street in San Jose; 3) consider restructuring banking partnerships to negotiate more flexible terms; 4) eligible residents have signed-off on the noise reduction program in Milpitas; and 5) reduction of change order requests.

Members of the Committee made the following comments: 1) queried if flea market tenant relocation obligations have been completed; 2) commended staff on the new presentation style which shows what potential overruns may be, noting the information is very helpful; 3) suggested an examination of professional services costs; 4) commended VTA for being under budget and ahead of schedule on the project; and 5) queried about a tentative project opening date. Staff indicated mid to late next year VTA will have a better idea of when revenue service will begin.

On order of Chairperson Liccardo and there being no objection, the Committee received the VTA BART Silicon Valley Berryessa Extension (SVBX) Project and Silicon Valley Rapid Transit (SVRT) Program Updates/Key Activities.

6. **Phase II of VTA’s BART Silicon Valley Extension – Request to Enter FTA’s New Starts Project Development**

Leyla Hedayat, Project Manager, Transportation Planning, provided a brief update on the following:

a. **Federal Transit Administration’s (FTA) New Starts Project Development Submittal**

Ms. Hedayat and Ms. Gonot provided an update on the FTA New Starts Project Development Submittal process.

b. **Environmental**

Ms. Hedayat provided a brief update on the scoping process for FTA’s New Starts Project Development.
a. Community Working Groups (CWG)

Ms. Hedayat provided a brief update on the status of the CWGs and noted the schedule for public meetings. She added VTA will be conducting research on peer projects best practices relative to communication, planning, and construction methods.

Vice Chairperson Chavez expressed an interesting in knowing what kinds of strategies were used to protect impacted neighborhoods and businesses. She noted she will be requesting that an Underground Authority be established to map utilities.

Public Comment

Mr. Lebrun commented on the following: 1) consider funding gap alternative by using BART and non-BART technology; 2) commended work on 28th Street in San Jose; 3) expressed concern about the tentative four-year time period it will take to construct the East Santa Clara Street project, noting the plan should be re-examined; and 4) stated the Diridon Station is in the wrong location and needs to be redesigned as it will conflict with the new development being planned.

On order of Chairperson Liccardo and there being no objection, the Committee received an update on Phase II of VTA’s BART Silicon Valley Extension – Request to Enter FTA’s New Starts Project Development.

7. Committee Staff Report

There was no Committee Staff Report.

8. Review the SVRT Program Working Committee Work Plan

On order of Chairperson Liccardo and there being no objection, the Committee reviewed the Silicon Valley Rapid Transit Program Working Committee Work Plan.

9. Open/Pending Issues

There were no Open/Pending Issues.

10. Announcements

There were no Announcements.

Public Comment

Mr. Lebrun referenced the previous contracts and noted Construction Manager/General Contractor (CMGC) did not work out for TransBay. He suggested VTA consider the European method called New Engineering Contract 3 (NEC3), which is on schedule and on budget every time.
11. **Adjournment**

**On order of Chairperson Liccardo** and there being no objection, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,

Anita McGraw, Board Assistant  
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Governance and Audit Committee (Committee) was called to order at 1:03 p.m. by Chairperson Pro Tem Baker in Conference Room B-104, VTA River Oaks Campus, 3331 North First Street, San José, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cindy Chavez</td>
<td>Vice Chairperson</td>
<td>Absent</td>
</tr>
<tr>
<td>Rose Herrera</td>
<td>Member</td>
<td>Present</td>
</tr>
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<td>Jason Baker</td>
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<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Perry Woodward</td>
<td>Chairperson</td>
<td>Absent</td>
</tr>
</tbody>
</table>

A quorum was not present and a Committee of the Whole was declared.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Pro Tem Baker deferred consideration of the Consent Agenda until a quorum is present. He also deferred the Closed Session Items, Agenda Item #20 and #20.X, to a future meeting.

On order of Chairperson Pro Tem Baker and there being no objection, the Committee of the Whole accepted the Orders of the Day.

The Agenda was taken out of order.

REGULAR AGENDA

8. Public Safety Process Assessment

Patrick J. Hagan, Auditor General, provided a brief background and introduced Corey Saunders, Deputy Auditor General.

Mr. Saunders announced Mr. Hagan’s retirement effective December 31, 2015.

Mr. Saunders provided a brief overview of the objective and scope of the assessment, noting an overall Low Risk Report rating.

Member Herrera took her seat at 1:15 p.m. and a quorum was established.
Upon query of Chairperson Pro Tem Baker, Nuria I. Fernandez, General Manager and Chief Executive Officer (CEO), clarified VTA’s goal of assigning four security officers on all BART trains to ensure consistency of minimum security requirements currently in place for Santa Clara County. The overall safety and maintenance needs pertaining to VTA’s BART Silicon Valley Extension are being discussed as part of the Operations and Maintenance Companion Agreement between VTA and BART.

M/S/C (Khamis/Herrera) to review and receive the Auditor General's report on the Public Safety Process Assessment.

CONSENT AGENDA

4. **Regular Meeting Minutes of November 5, 2015**
   M/S/C (Herrera/Khamis) to approve the Regular Meeting Minutes of November 5, 2015.

5. **Appointments to the Bicycle & Pedestrian Advisory Committee**
   M/S/C (Herrera/Khamis) to recommend that the VTA Board of Directors ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

6. **Board Chairperson and Vice Chairperson Rotational Process**
   M/S/C (Herrera/Khamis) to receive information on the Board-established process to ensure equitable rotation of Board leaderships positions between the City of San Jose, County of Santa Clara and the Small City Groups.

REGULAR AGENDA (continued)

7. **Approve Alum Rock Bus Rapid Transit (BRT) Construction Delay Assessment Project to be Conducted by VTA Auditor General**
   Bill Eggert, Director, Auditor General’s Office, provided a brief overview of the objectives, proposed scope, and schedule.

Member Herrera expressed concern about the recently published op-ed regarding the Alum Rock/Santa Clara BRT project and asked whether there are guidelines in place for VTA Board Members when it comes to writing op-eds.

Ms. Fernandez suggested the Governance and Audit Committee could help define guidelines for VTA Board Members when writing opinion pieces.

M/S/C (Herrera/Khamis) to 1) Approve amendment of the FY 2016 Internal Audit Work Plan to add the Alum Rock/Santa Clara BRT Project Construction Delay Assessment at a maximum cost of $73,000. This action is to fulfill the Governance & Audit Committee’s request for the VTA Auditor General’s Office to perform an independent analysis of the factors causing construction delays to the Alum Rock-Santa Clara Bus Rapid Transit project and as well as providing recommendations for improved delivery of future VTA construction projects; and 2) Authorize the General Manager to amend the contract with RSM US LLP for Auditor General and internal audit services to increase the current $1,275,000 maximum contract amount by $73,000, resulting in a revised maximum of $1,348,000. The current term of this contract ends June 30, 2016.

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

Mr. Eggert provided an overview of the report, noting an overall *High Risk Report* rating based on the observations in the assessment.

Discussion ensued between Members of the Committee and staff regarding the following: 1) Americans with Disabilities Act (ADA) compliance and certification process by paratransit service providers; 2) VTA access to the vendor’s data and contract management; and 3) invoice review process.

Inez Evans, Chief Operating Officer, noted consideration of paratransit service contract amendments are currently being discussed to include VTA access to source data and modification of the existing advance invoicing process.

Upon query of Member Herrera, Ms. Fernandez noted that a third-party could perform an evaluation to determine optimum paratransit service eligibility process.

**Public Comment**

Roland Lebrun, Interested Citizen, made the following suggestions: 1) survey other Bay Area counties to gain insight on how they address similar issues; and 2) examine the San Francisco Municipal Transportation Agency’s (SFMTA) best practices for data collection on its Commuter Shuttle Program.

Steve Schmoll, Sourcewise CEO, stated changes in the eligibility determination process might affect seniors and the disabled.

**M/S/C (Khamis/Herrera)** to review and receive the Auditor General's report on the Paratransit Operations Assessment.

10. **Review Status of Internal Audit Work Plan**

Mr. Saunders provided a brief overview of the report.

Members of the Committee stressed the importance of ensuring that issues identified by the Auditor General are addressed, and agreed upon action plans are followed through.

Ms. Fernandez noted that internal processes have been identified to track implementation of audit findings and recommendations. Staff could provide status updates of action plan implementation as appropriate.

**On order of Chairperson Pro Tem Baker** and there being no objection, the Committee received an update from Auditor General Office staff on the status of projects contained in the current Internal Audit Work Plan.

11. **Auditor General Process Service Delivery Model Report and Resulting GM/CEO Recommendations**

Ms. Fernandez provided a brief background and introduced Joe Speaks, Senior Consultant, CH2M Hill.

Mr. Speaks provided an overview of the report, noting the scope of the review of service delivery model of the current Auditor General program, methodology for the review, and key objectives for the Auditor General function. A contracted model, with modifications incorporating other key objectives, was recommended.

Members of the Committee expressed general support of the assessment.
The Committee and staff discussed the importance of knowledge transfer between internal staff and auditor. It was noted that the external auditor should have knowledge of transit, familiarity of VTA and local practices, and have the ability to support staff in implementing the auditor recommendations.

Upon inquiry, Raj Srinath, Chief Financial Officer, clarified the current Auditor General contract expires on June 2016; a Request for Proposal (RFP) is underway. The assessments that are in progress are expected to be completed before June 2016 and will not conflict should a new external auditor be identified.

**Public Comment**

Mr. Lebrun made the following comments: 1) day to day collaboration between the Auditor General and staff reflects an in-house model; and 2) first-hand knowledge of transit, not necessarily of VTA, should be a critical objective.

**M/S/C (Herrera/Khamis)** to receive the report on the review of the current VTA Auditor General function service delivery model and based on the report’s findings and recommendations, approve the following related actions for the Auditor General function: (1) continue utilizing the outside contract model; and (2) initiate process to have in place by June 2016 or soon thereafter a new contract that stresses the need for a local presence and responsiveness; the contract would have a five-year base term and two one-year extensions to maximize vendor interest and commitment.

**12. 2016 Appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees**

M/S/C (Herrera/Khamis) to review and recommend for Board approval appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees for 2016.

**13. New Board Member Orientation Process**

Jim Lawson, Director of Public Affairs and Executive Policy Advisor, provided a brief overview of the staff report.

M/S/C (Herrera/Khamis) to review the staff proposal and determine the process to effectively orient new VTA Board members.

**OTHER ITEMS**

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

Board Member Herrera inquired about guidelines relating to Op-eds written by the VTA Board Chairperson on behalf of the entire VTA Board of Directors.

**15. Governance & Audit Committee Work Plan**

Nuria I. Fernandez, General Manager and CEO, provided a brief overview of the status of projects contained in the Governance & Audit Committee Work Plan. She noted the next Governance & Audit Committee meeting is scheduled for January 7, 2016, at 4:00 p.m. in Conference Room 157, County Government Center, 70 West Hedding Street, San José, California.

On order of Chairperson Pro Tem Baker and there being no objection, the Committee reviewed the Committee Work Plan.
16. **Committee Staff Report**

Ms. Fernandez expressed her appreciation to Chairperson Woodward for his leadership, and to the Committee for adopting the Governance and Audit Committee.

17. **Chairperson’s Report**

There was no Chairperson’s Report.

18. **Determine Items for the Consent Agenda for future Board of Directors’ Meetings.**

**CONSENT:**

*Agenda Item #5* – Recommend that the VTA Board of Directors ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

*Agenda Item #7* – 1) Approve amendment of the FY 2016 Internal Audit Work Plan to add the Alum Rock/Santa Clara BRT Project Construction Delay Assessment at a maximum cost of $73,000. This action is to fulfill the Governance & Audit Committee’s request for the VTA Auditor General’s Office to perform an independent analysis of the factors causing construction delays to the Alum Rock-Santa Clara Bus Rapid Transit project and as well as providing recommendations for improved delivery of future VTA construction projects; and 2) Authorize the General Manager to amend the contract with RSM US LLP for Auditor General and internal audit services to increase the current $1,275,000 maximum contract amount by $73,000, resulting in a revised maximum of $1,348,000. The current term of this contract ends June 30, 2016.

*Agenda Item #8* – Review and receive the Auditor General’s report on the Public Safety Process Assessment.

*Agenda Item #9* – Review and receive the Auditor General's report on the Paratransit Operations Assessment.

**REGULAR:**

*Agenda Item #11* – Receive the report on the review of the current VTA Auditor General function service delivery model and based on the report’s findings and recommendations, approve the following related actions for the Auditor General function: (1) continue utilizing the outside contract model; and (2) initiate process to have in place by June 2016 or soon thereafter a new contract that stresses the need for a local presence and responsiveness; the contract would have a five-year base term and two one-year extensions to maximize vendor interest and commitment.


19. **ANNOUNCEMENTS**

There were no announcements.

20. **RECEESSED TO CLOSED SESSION (Deferred)**

Public Employee Performance Evaluation
[Government Code Section 54957]

Title: General Manager
20.X (Deferred)
Public Employee Performance Evaluation
[Government Code Section 54957]
Title: General Counsel

21. RECONVENED TO OPEN SESSION (Deferred)
22. CLOSED SESSION REPORT (Deferred)
   • Public Employee Performance Evaluation
     [Government Code Section 54957]
     Title: General Manager
   • Public Employee Performance Evaluation
     [Government Code Section 54957]
     Title: General Counsel

23. ADJOURNMENT
   On order of Chairperson Pro Tem Baker and there being no objection, the Committee
   was adjourned at 2:35 p.m.

Respectfully submitted,

Michelle Oblena, Board Assistant
VTA Office of the Board Secretary
NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Transit Planning and Operations (TP&O) Committee Meeting scheduled for Wednesday, December 16, 2015, at 10:00 a.m. has been cancelled.

Theadora Travers, Board Assistant
VTA Office of the Board Secretary
NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Congestion Management Program and Planning Committee Meeting scheduled for Thursday, December 17, 2015, at 10:00 a.m. has been cancelled.

Michelle Oblena, Board Assistant
VTA Office of the Board Secretary
Administration & Finance

Regular Meeting Minutes of December 17, 2015

WILL BE FORWARDED UNDER SEPARATE COVER
CALL TO ORDER
The Regular Meeting of the Governance and Audit Committee (Committee) was called to order at 1:03 p.m. by Chairperson Pro Tem Baker in Conference Room B-104, VTA River Oaks Campus, 3331 North First Street, San José, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cindy Chavez</td>
<td>Vice Chairperson</td>
<td>Absent</td>
</tr>
<tr>
<td>Rose Herrera</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Jason Baker</td>
<td>Member</td>
<td>Present</td>
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A quorum was not present and a Committee of the Whole was declared.

2. PUBLIC PRESENTATIONS
There were no Public Presentations.

3. ORDERS OF THE DAY
Chairperson Pro Tem Baker deferred consideration of the Consent Agenda until a quorum is present. He also deferred the Closed Session Items, Agenda Item #20 and #20.X, to a future meeting.

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The Agenda was taken out of order.

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8. Public Safety Process Assessment
Patrick J. Hagan, Auditor General, provided a brief background and introduced Corey Saunders, Deputy Auditor General.

Mr. Saunders announced Mr. Hagan’s retirement effective December 31, 2015.

Mr. Saunders provided a brief overview of the objective and scope of the assessment, noting an overall Low Risk Report rating.

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M/S/C (Khamis/Herrera) to review and receive the Auditor General's report on the Public Safety Process Assessment.

CONSENT AGENDA

4. Regular Meeting Minutes of November 5, 2015
   M/S/C (Herrera/Khamis) to approve the Regular Meeting Minutes of November 5, 2015.

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   M/S/C (Herrera/Khamis) to recommend that the VTA Board of Directors ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

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**12. 2016 Appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees**

**M/S/C (Herrera/Khamis)** to review and recommend for Board approval appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees for 2016.

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Jim Lawson, Director of Public Affairs and Executive Policy Advisor, provided a brief overview of the staff report.

**M/S/C (Herrera/Khamis)** to review the staff proposal and determine the process to effectively orient new VTA Board members.

**OTHER ITEMS**

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Board Member Herrera inquired about guidelines relating to Op-eds written by the VTA Board Chairperson on behalf of the entire VTA Board of Directors.

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Nuria I. Fernandez, General Manager and CEO, provided a brief overview of the status of projects contained in the Governance & Audit Committee Work Plan. She noted the next Governance & Audit Committee meeting is scheduled for January 7, 2016, at 4:00 p.m. in Conference Room 157, County Government Center, 70 West Hedding Street, San José, California.

**On order of Chairperson Pro Tem Baker** and there being no objection, the Committee reviewed the Committee Work Plan.
16. **Committee Staff Report**

Ms. Fernandez expressed her appreciation to Chairperson Woodward for his leadership, and to the Committee for adopting the Governance and Audit Committee.

17. **Chairperson’s Report**

There was no Chairperson’s Report.

18. **Determine Items for the Consent Agenda for future Board of Directors’ Meetings.**

**CONSENT:**

**Agenda Item #5** – Recommend that the VTA Board of Directors ratify the appointment to the Bicycle & Pedestrian Advisory Committee of Mila Zelkha, representing the County of Santa Clara, for the two-year term ending June 30, 2016.

**Agenda Item #7** – 1) Approve amendment of the FY 2016 Internal Audit Work Plan to add the Alum Rock/Santa Clara BRT Project Construction Delay Assessment at a maximum cost of $73,000. This action is to fulfill the Governance & Audit Committee’s request for the VTA Auditor General’s Office to perform an independent analysis of the factors causing construction delays to the Alum Rock-Santa Clara Bus Rapid Transit project and as well as providing recommendations for improved delivery of future VTA construction projects; and 2) Authorize the General Manager to amend the contract with RSM US LLP for Auditor General and internal audit services to increase the current $1,275,000 maximum contract amount by $73,000, resulting in a revised maximum of $1,348,000. The current term of this contract ends June 30, 2016.

**Agenda Item #8** – Review and receive the Auditor General's report on the Public Safety Process Assessment.

**Agenda Item #9** – Review and receive the Auditor General's report on the Paratransit Operations Assessment.

**REGULAR:**

**Agenda Item #11** – Receive the report on the review of the current VTA Auditor General function service delivery model and based on the report’s findings and recommendations, approve the following related actions for the Auditor General function: (1) continue utilizing the outside contract model; and (2) initiate process to have in place by June 2016 or soon thereafter a new contract that stresses the need for a local presence and responsiveness; the contract would have a five-year base term and two one-year extensions to maximize vendor interest and commitment.

**Agenda Item #12** – Review and recommend for Board approval appointments to Board Standing Committees, Joint Powers Boards, Policy Advisory Boards, and Ad Hoc Committees for 2016.

19. **ANNOUNCEMENTS**

There were no announcements.

20. **RECESSED TO CLOSED SESSION (Deferred)**

Public Employee Performance Evaluation
[Government Code Section 54957]
Title: General Manager
20.X (Deferred)
   Public Employee Performance Evaluation
   [Government Code Section 54957]
   Title: General Counsel

21. RECONVENED TO OPEN SESSION (Deferred)

22. CLOSED SESSION REPORT (Deferred)
   • Public Employee Performance Evaluation
     [Government Code Section 54957]
     Title: General Manager
   • Public Employee Performance Evaluation
     [Government Code Section 54957]
     Title: General Counsel

23. ADJOURNMENT
   On order of Chairperson Pro Tem Baker and there being no objection, the Committee
   was adjourned at 2:35 p.m.

   Respectfully submitted,

   Michelle Oblena, Board Assistant
   VTA Office of the Board Secretary
CITIZENS ADVISORY COMMITTEE and
2000 MEASURE A CITIZENS WATCHDOG COMMITTEE

Wednesday, December 9, 2015

NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Citizens Advisory Committee and 2000 Measure A Citizens Watchdog Committee Meeting scheduled for Wednesday, December 9, 2015, at 4:00 p.m. has been cancelled.

The next meeting of the Santa Clara Valley Transportation Authority Citizens Advisory Committee and 2000 Measure A Citizens Watchdog Committee Meeting is scheduled for Wednesday, January 13, 2016, at 4:00 p.m. at Conference Room B-104, Building B, 3331 North First Street, San Jose, California.

Anita McGraw, Board Assistant
VTA Office of the Board Secretary
NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Bicycle and Pedestrian Advisory Committee Meeting scheduled for Wednesday, December 9, 2015, at 6:30 p.m. has been cancelled.

The next meeting of the Santa Clara Valley Transportation Authority Bicycle and Pedestrian Advisory Committee Meeting is scheduled for January 13, 2016, at 6:30 p.m. at Conference Room B-104, Building B, 3331 North First Street, San Jose, California.

Thalia Young, Board Assistant
VTA Office of the Board Secretary
TECHNICAL ADVISORY COMMITTEE

Thursday, December 10, 2015

NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Technical Advisory Committee Meeting scheduled for Thursday, December 10, 2015, at 1:30 p.m. has been cancelled.

The next meeting of the Santa Clara Valley Transportation Authority Technical Advisory Committee Meeting is scheduled for January 14, 2016, at 1:30 p.m. in Conference Room B-104, Building B, 3331 North First Street, San Jose, California.

Michelle Oblena, Board Assistant
VTA Office of the Board Secretary
POLICY ADVISORY COMMITTEE

Thursday, December 10, 2015

NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Policy Advisory Committee Meeting scheduled for Thursday, December 10, 2015, at 4:00 p.m. has been cancelled.

The next meeting of the Santa Clara Valley Transportation Authority Policy Advisory Committee Meeting is scheduled for January 14, 2016, at 4:00 p.m. at Conference Room B-104, Building B, 3331 North First Street, San Jose, California.

Theadora Travers, Board Assistant
VTA Office of the Board Secretary
STATE ROUTE 85 CORRIDOR POLICY ADVISORY BOARD  
Monday, December 14, 2015  

MINUTES  

CALL TO ORDER  
The Regular Meeting of the State Route 85 Corridor Policy Advisory Board (SR 85) was called to order at 10:03 a.m. by Vice Chairperson McAlister in the Auditorium, Santa Clara Valley Transportation Authority (VTA), 3331 North First Street, San José, California. Chairperson Sinks attended the meeting via teleconference/Skype from Hamburg, Germany.

1. ROLL CALL  

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenn Hendricks</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Tara Martin-Milius</td>
<td>Alternate Member</td>
<td>Present</td>
</tr>
<tr>
<td>Walter Huff</td>
<td>Member</td>
<td>Absent</td>
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<tr>
<td>Burton Craig</td>
<td>Alternate Member</td>
<td>Absent</td>
</tr>
<tr>
<td>Marcia Jensen</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Rob Rennie</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>John McAlister</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Lenny Siegel</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Howard Miller</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Mary-Lynne Bernald</td>
<td>Alternate Member</td>
<td>N/A</td>
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<tr>
<td>Paul Resnikoff</td>
<td>Member</td>
<td>Present</td>
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<tr>
<td>Liz Gibbons</td>
<td>Alternate Member</td>
<td>N/A</td>
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<td>Megan Satterlee</td>
<td>Member</td>
<td>Absent</td>
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<tr>
<td>Jeannie Bruins</td>
<td>Alternate Member</td>
<td>Present</td>
</tr>
<tr>
<td>Rod Sinks</td>
<td>Member</td>
<td>Present</td>
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<tr>
<td>Barry Chang</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Chappie Jones</td>
<td>Member</td>
<td>Present</td>
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<tr>
<td>Vacant, San José</td>
<td>Alternate Member</td>
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<tr>
<td>Vacant, County</td>
<td>Member</td>
<td>N/A</td>
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<tr>
<td>Vacant, County</td>
<td>Alternate Member</td>
<td>N/A</td>
</tr>
<tr>
<td>Bijan Sartipi</td>
<td>Ex-Officio, Caltrans</td>
<td>Absent</td>
</tr>
<tr>
<td>Dan McElhinney</td>
<td>Alt. Ex-Officio, Caltrans</td>
<td>Absent</td>
</tr>
</tbody>
</table>

A quorum was present.

2. PUBLIC PRESENTATIONS  

Roland Lebrun, Interested Citizen, made the following comments: 1) Highway 237 has the same congestion problem as State Route 85 (SR 85); and 2) suggested extending the
scope of the State Route 85 Corridor Policy Advisory Board (SR 85 Corridor PAB) to include Highway 237 or establishing another PAB to focus on Highway 237.

3. **ORDERS OF THE DAY**

Vice Chairperson McAlister noted that Chairperson Sinks was joining via Skype and a roll call vote will be conducted on all action items.

Vice Chairperson McAlister requested that **Agenda Item #7, Summary of the SR 85 Corridor Policy Advisory Board’s Objectives, Study Area, and Schedule**, be removed from the Consent Agenda and placed on the Regular Agenda.

**M/S/C (Bruins/Miller)** on a vote of 7 ayes and 0 noes and 0 abstentions and 0 recusals to accept the Orders of the Day.

**CONSENT AGENDA**

4. **Approve the Regular Meeting Minutes of November 16, 2015**

Member Hendricks asked for clarification on the objectives excluding policy.

**M/S/C (Bruins/Miller)** on a vote of 7 ayes and 0 noes and 0 abstentions and 0 recusals to approve the Regular Meeting Minutes of November 16, 2015.

5. **Summary of Ongoing VTA and Regional projects and Studies**

**On order of Vice Chairperson McAlister** and there being no objection, the Committee received a summary of ongoing VTA and other regional projects and studies affecting Santa Clara County.

6. **Long-Range Plan Projects in the West Valley/North County Area**

**On order of Vice Chairperson McAlister** and there being no objection, the Committee received a list of Envision Silicon Valley projects in the West Valley/North County area.

7. **Summary of the SR 85 Corridor Policy Advisory Board’s Objectives, Study Area, and Schedule**

Members of the Committee discussed the following: 1) reducing transit time; 2) formulating solutions through policy not projects; and 3) creating a policy that VTA staff can use to solve the problems on SR 85.

Member Jones took his seat at 10:19 a.m.

**NOTE:** **M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.**
M/S/C Miller/Jensen on a vote of 8 ayes and 0 noes and 0 abstentions and 0 recusals to make the following changes: 1) add a statement about policy leading to the objectives to the Objectives preamble on the memo; 2) expand transportation alternatives to reduce travel time, 3) include a statement to the end of the Objectives section of the memo that the SR 85 Corridor PAB will recommend policies to support the objectives, and 4) have staff bring the item back to the SR 85 Corridor PAB as an action item to ratify the changes.

Public Comment

Mr. Lebrun commented on the following: 1) suggested adding freeways to the study area map; 2) a solution is needed to have Gilroy access SR 85 via rail and use rail up SR 85; and 3) encouraged Chairperson Sinks to ride light train while in Germany noting it is the future of transit in Silicon Valley.

On order of Vice Chairperson McAlister and there being no objection, the Committee confirmed the State Route 85 Corridor Policy Advisory Board’s Objectives, Study Area, and Schedule.

8. Discuss Potential Transportation Options

Members of the Committee brainstormed transportation options with Eileen Goodwin, Apex Strategies.

Public Comment

Ruth Callahan, Interested Citizen, expressed concern about: 1) neighborhood traffic; 2) lane width; and 3) air pollution.

Mr. Lebrun commented that more than two lanes are needed to reduce congestion on SR 85 with the possibility of adding light rail or light train in the center divide.

Rishi Kumar, Interested Citizen, commented on the following; 1) air pollution; 2) a transportation model with real solutions; and 3) VTA providing transit options and project criteria.

Vice Chairperson McAlister noted that committee members can direct questions regarding the agenda packet to John Ristow, Director of Planning & Program Development, before the meeting.

Members of the Committee would like to see VTA’s data on who is riding which transit mode and how they are getting there, the agreements between some cities along the State Route 85 Corridor and VTA, and the lawsuit against VTA.

On order of Vice Chairperson McAlister and there being no objection, the Committee conducted a brainstorming session to identify a list of potential transportation options for the study area.

9. ANNOUNCEMENTS

Vice Chairperson McAlister wished everyone a happy holidays.
10. ADJOURNMENT

On order of Vice Chairperson McAlister and there being no objection, the Committee meeting was adjourned at 11:47 a.m.

Respectfully submitted,

Thalia Young, Board Assistant
VTA Office of the Board Secretary
CALL TO ORDER

The Regular Meeting of the Diridon Station Joint Policy Advisory Board (“Committee”) was called to order at 3:22 p.m. by Chairperson Liccardo in Wing Room 120, San José City Hall, 200 East Santa Clara Street, San José, California.

1. ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tbody>
<tr>
<td>Tom Blalock</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Cindy Chavez</td>
<td>Vice Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Sam Liccardo</td>
<td>Chairperson</td>
<td>Present</td>
</tr>
<tr>
<td>Pierluigi Oliverio</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Raul Peralez</td>
<td>Member</td>
<td>Present</td>
</tr>
<tr>
<td>Jim Beall</td>
<td>Ex-Officio</td>
<td>Present</td>
</tr>
<tr>
<td>Rod Diridon, Sr.</td>
<td>Ex-Officio</td>
<td>Present</td>
</tr>
</tbody>
</table>

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

CONSENT AGENDA

3. Regular Meeting Minutes of June 19, 2015

M/S/C (Oliverio/Chavez) to approve the Regular Meeting Minutes of June 19, 2015.

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

4. Diridon Intermodal Station Collaboration Task Force

Jim Lawson, Government Affairs Director & Executive Policy Advisor, introduced John Ristow, Director of Planning & Program Development. Mr. Ristow noted the following: 1) the Diridon Intermodal Station is behind the BART Phase II project and the high speed rail project; and 2) there is about 18 months of work in the first phase to determine size of building.

Kim Walesh, Director of Economic Development and the City of San José’s City Manager, gave a brief report highlighting: 1) looking at other large transit hubs and their governance model; 2) a development of this size will require a single entity to govern it with a master developer; and 3) five high level goals, which include: a) expand Diridon Station to create a well-integrated station; b) build an office and entertainment center; c) create an attractive pedestrian environment; d) high intensity land use to support high ridership; and e) develop a land use plan which will benefit everyone. Ms. Walesh noted the following contributed to the success of the Denver Union Station: a) interagency coordination is paramount; b) collective planning effort for intermodal station and the area around the station is needed to maximize efficiencies; and c) need a road map that looks out at least ten years.

Nanci Klein, Assistant Director of Economic Development for the City of San José, noted the following: 1) Bill Ekern has been hired as development manager for the project; 2) examination of European models in addition to the model used in Denver; 3) look at combined development of station and businesses, offices, etc.; 4) defining roles and where partnership and leadership come in; and 5) looking at the project from different perspectives (marketing, financial, etc.).

The Committee discussed the following: 1) drafting a general agreement which will take at least three months; 2) encouraged staff to look outside of the Denver station to Europe and Asia; 3) using multiple investors; and 4) the Diridon Station becoming a signature site not only for San José but for the whole region.

M/S/C (Oliverio/Chavez) to approve formation of the Diridon Intermodal Station Collaboration Task Force; Approve Task Force focus on three tracks: Intermodal Conceptual Study, Master Developer/Financing Strategy and Governance.

5. Government Affairs Report

Aaron Quigley, Senior Policy Analyst, gave a brief overview highlighting: 1) the Omnibus Bill; and 2) New Starts Program.

On order of Chairperson Liccardo and there being no objection, the Committee received an update on the Government Affairs Report.

6. California High Speed Rail Update

Ben Tripousis, Northern California Regional Director, California High Speed Rail Authority (CHSRA), provided a PowerPoint presentation entitled “A Transformative Investment in California’s Future”, highlighting: 1) Connecting California: Northern
Public Comment

Roland Lebrun, Interested Citizen, made the following comments: 1) requested an Environmental Impact Report for Gilroy to San Francisco and another for Gilroy to Merced high speed train service; and 2) minimize impact to the public.

Adina Levin, Friends of Caltrain, commented on the following: 1) the opportunity to serve long distance travel as well as commuter travel; 2) hopes that Diridon Station will provide education to Millbrae; and 3) expressed concern that freight was not mentioned.

Members of the Committee discussed the following: 1) adding service to the San José International Airport into the service plan; and 2) implementing a streamlined process for baggage when multiple public transportation agencies are used.

Member Oliverio left the meeting at 4:09 p.m.

On order of Chairperson Liccardo and there being no objection, the Committee received an update on California High Speed Rail.

7. Caltrain Update

Casey Fromson, Caltrain Modernization Program, provided a brief overview, highlighting: 1) Caltrain Daily Ridership; 2) Exceeding Capacity Today; 3) Actions to Increase Capacity; 4) Caltrain Modernization Program; 5) Project Description; 6) Service Benefits; 7) Project Delivery Efforts; 8) Funding Update; 9) Electrification Infrastructure; 10) Electric Multiple Unit Trains (EMUs); and 11) 2020 Revenue Service.

Vice Chairperson Chavez left the meeting at 4:17 p.m. and a Committee of the Whole was declared.

Members of the Committee and Staff discussed the following: 1) the continued use of diesel trains when Caltrain moves to an electric fleet; 2) the challenges of sharing track with Union Pacific; and 3) maintenance work at Diridon Station that has not been addressed.

Senator Beall inquired about the breakdown in funding for the nine parties which are part of the Memorandum of Understanding (MOU) and what the unfunded amount is. Ms. Fromson will come back to the Committee with the information.
Public Comment

Ms. Levin expressed concern that there is not a stop Transbay Station in San Francisco and encouraged staff to include it in the scope.

Mr. Lebrun commented on the following: 1) gratitude for appointing Member Peralez to the Caltrain Board; 2) expressed concern that $2 billion will be spent for electrification of the system resulting in less seating; 3) track alignment needing work and coordination with other transit operators at Diridon Station; and 4) Project T45 on the November 2016 ballot will provide frequent service between Blossom Hill and Alviso and will provide a direct connection between Diridon and the San José Airport, which cannot be electrified.

On order of Chairperson Liccardo and there being no objection, the Committee received an update on Caltrain.

8. ANNOUNCEMENTS

There were no Announcements.

9. ADJOURNMENT

On order of Chairperson Liccardo and there being no objection, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

Thalia Young, Board Assistant
VTA Office of the Board Secretary
El Camino Real Rapid Transit Policy Advisory Board

Regular Meeting Minutes of December 14, 2015

WILL BE FORWARDED UNDER SEPARATE COVER