



Authority Board Meeting **MINUTES**

MEETING DATE: December 18, 2013

MEMBERS PRESENT: Janet Abelson, Newell Arnerich, Tom Butt, David Durant, Dave Hudson, Mike Metcalf, Karen Mitchoff, Julie Pierce, Kevin Romick, Robert Taylor

Ex-Officio Representatives: Myrna de Vera, Amy Worth

STAFF PRESENT: Randell Iwasaki, Amin AbuAmara, Brad Beck, Randall Carlton, Ross Chittenden, Martin Engelmann, Jack Hall, Brian Kelleher, Matt Kelly, Susan Miller, Hisham Noeimi, Ivan Ramirez, Linsey Willis, Mala Subramanian (Authority Counsel), Danice Rosenbohm (Executive Secretary)

MINUTES PREPARED BY: Danice Rosenbohm

A. CONVENE MEETING: *Chair Abelson* convened the meeting at 6:06 p.m.

B. PLEDGE OF ALLEGIANCE

PUBLIC COMMENT: Ralph Hoffmann, Walnut Creek resident, member of Contra Costa County's Advisory Council on Aging (CCC-ACOA) and Senior Mobility Action Council (SMAC), and Central Contra Costa Transit Authority's Citizens Advisory Committee, stated that the buses do not run frequently enough and that additional funding for public transportation was needed. He said that County Connection would be offering free transit between the hours of 10:00 a.m. and 2:00 p.m. through its Link door-to-door service for seniors and disabled riders on a six-month trial basis.

1.0 APPROVAL OF MINUTES: Authority Meeting Minutes of November 20, 2013.

ACTION: Commissioner Romick moved to approve the Authority Meeting Minutes of November 20, 2013, seconded by Commissioner Pierce. The motion passed unanimously, 8-0. (Commissioners Arnerich and Hudson had not yet arrived.)

2.0 CONSENT CALENDAR: Consent Items recommended by the following committees:

ACTION: Commissioner Mitchoff moved to approve the Consent Calendar, seconded by Commissioner Pierce. The motion passed unanimously, 8-0. (Commissioners Arnerich and Hudson had not yet arrived.)

2.A Administration & Projects Committee:

2.A.1 Monthly Project Status Report. Staff Contact: Ross Chittenden

2.A.2 Accept Monthly Accounts Payable Invoice Report for October 2013. The accompanying report provides a listing of invoices paid in alphabetical order by vendor or payee name for the month of October 2013. Staff Contact: Randall Carlton

2.A.3 Listing of Contract Change Orders (CCOs) Greater than \$25k for Construction Contracts Less than \$15M, and Greater than \$50k for Construction Contracts Larger than \$15M. CCOs are used during a project's construction phase to adjust the construction price to reflect agreed-upon changes in the plans, schedule, or in the working conditions that the contract was originally based upon. Authority policy requires that this list be submitted to the APC for information. Staff Contact: Ivan Ramirez

2.A.4 Authorize Amendments to Various Agreements. Staff has identified four (4) Agreements which have expired or are due to expire within the upcoming months. These Agreements are with Cardno Entrix, Mark Thomas & Company, Inc. and URS. Staff seeks authorization to extend the terms of these Agreements. No other changes are proposed, and there are no financial implications to the amendments. Staff Contact: Susan Miller

2.A.5 State Route 4 – Balfour Road Interchange – Phase 1 (Project 5005).

2.A.5.1 Authorization to Execute Amendment No. 1 to Agreement No. 354 with Quincy Engineering, Inc. for Design Services. Staff is seeking authorization for the Chair to execute Amendment No. 1 to Agreement No. 354 with Quincy Engineering in the amount not-to-exceed \$372,000 for additional design services. Staff Contact: Jack Hall

2.A.5.2 Authorization to Execute Amendment No. 2 to Agreement No. 369 with Kinder Morgan for the Purchase of Long Lead Time Items. Staff seeks approval for the Chair to execute Amendment No. 2 to Agreement No. 369 with Kinder Morgan to increase the scope and fee by \$2,865,000, for a total agreement value of \$3,530,000. The additional

fee is for the purchase of long lead time items needed for the booster pump facility relocation. Staff Contact: Jack Hall

- 2.A.6 State Route 4/State Route 160 Connector Ramps (Project 5001) - Authorization to Execute Agreement No. 387 with Rajappan & Meyer Consulting Engineers, Inc. for Design Services During Construction.** Staff seeks authorization for the Chair to execute Agreement No. 387 with Rajappan & Meyer Consulting Engineers, Inc. in the amount of \$500,000 for design services during construction. Staff Contact: Ivan Ramirez
- 2.A.7 City of Richmond – Richmond Parkway Lighting (Project 9002) - Request for Appropriation of Measure J Funds for Construction and Construction Management.** The City of Richmond is requesting an appropriation of \$1,500,000 in Measure J funds for construction and construction management. Staff seeks authorization for the Chair to execute Resolution 13-59-P to fund this appropriation. **Resolution 13-59-P.** Staff Contact: Jack Hall
- 2.A.8 I-680 Auxiliary Lanes Project - Segment 2 (Project 1106S2) - Authorization to Execute Amendment No. 3 to Cooperative Agreement No. 90.11.18 (District Agreement No. 04-2439) with Caltrans for the Construction of an Extension to Soundwall No. 3.** Staff is seeking authorization for the Chair to execute Amendment No. 3 to the Construction Cooperative Agreement No. 90.11.18 (District Agreement No. 04-2439) with Caltrans to extend Soundwall No. 3 through a construction change order to the Caltrans administered construction contract. Staff Contact: Susan Miller
- 2.A.9 Interstate 80/San Pablo Dam Road Interchange Improvements (Project 7002).**
- 2.A.9.1 Utility Agreement No. 384 with Pacific Gas & Electric (PG&E).** Staff requests authorization for the Chair to enter into Utility Agreement No. 384 with PG&E, in the estimated amount of \$290,002, to relocate its gas facilities and accommodate the I-80/San Pablo Dam Road interchange improvement project. Staff Contact: Hisham Noeimi
- 2.A.9.2 Utility Agreement No. 385 with East Bay Municipal Utility District (EBMUD).** Staff requests authorization for the Chair to enter into Utility Agreement No. 385 with EBMUD, in the estimated amount of \$2,118,200, to relocate its facilities and accommodate the I-80/San Pablo Dam Road interchange improvement project, and authorization for the Executive Director to make non-substantive changes to the agreement if needed. Staff Contact: Hisham Noeimi

- 2.A.9.3 Utility Agreement No. 386 with West County Wastewater District (WCWD).** Staff requests authorization for the Chair to enter into Utility Agreement No. 386 with WCWD, in the estimated amount of \$355,805, to relocate its facilities and accommodate the I-80/San Pablo Dam Road interchange improvement project. Staff Contact: Hisham Noeimi
- 2.A.10 State Route 4 Highway Operational Improvements (Project 6006) – Authorization to Begin Negotiations and Issue a Notice to Proceed to Mark Thomas & Company, Inc. for Project Initiation Document (PID) Services.** Staff seeks authorization to enter into negotiations with Mark Thomas and Company on scope and fee for Project Initiation Documentation services for the SR4 Operational Improvements Project (6006) and following a satisfactory conclusion of those negotiations, to issue a Notice to Proceed in an amount not-to-exceed \$100,000. Staff Contact: Susan Miller
- 2.A.11 Adoption of the 2013 Measure J *Strategic Plan*.** Staff recommends approval of Resolution 13-51-P adopting the 2013 Measure J *Strategic Plan*. A draft of the Plan was presented at the November Authority meeting. The *Plan* reflects revised financial assumptions, anticipated project schedules, and input from the Regional Transportation Planning Committees on priorities. **Resolution 13-51-P.** Staff Contact: Hisham Noeimi
- 2.A.12 Caldecott Tunnel Fourth Bore (Project 1001) – Authorization to Execute Cooperative Agreement No. 90.16.07 with Caltrans and Alameda County Transportation Commission (ACTC) for Landscaping.** Staff recommends approval of Cooperative Agreement No. 90.16.07, authorizing the Executive Director to make non-substantive changes, and authorizing the Chair to sign the agreement. Staff Contact: Hisham Noeimi
- 2.A.13 State Route 4 Widening – Loveridge Road to Somersville Road (Project 1406/3003) – Authorization to Execute Amendment No. 5 to Agreement No. 234 with URS Corporation Americas (URS) for Design Services During Construction.** Staff is seeking authorization for the Chair to execute Amendment No. 5 to Agreement No. 234 with URS in the amount of \$70,000 to provide additional support services including the preparation of electronic construction As-Built Plans and Right-of-Way Engineering services to support Caltrans with the decertification of excess project parcels. Staff Contact: Susan Miller
- 2.A.17 State Route 4/State Route 160 Connector Ramps (Project 5001) – Award of Construction Contract No. 377.** The Authority Advertised, and will also Award, and Administer (AAA) the construction contract for Project 5001. Bid opening for

the project was held on November 13, 2013. Under law, the project must be awarded to the lowest responsible and responsive bidder. Staff actions include reviewing and evaluating all bids received and subsequently issuing a preliminary Recommendation of Award. Staff requests that the Authority adopt Resolution 13-57-P, which authorizes the Executive Director to award the construction contract to the lowest responsible and responsive bidder and authorizes the Chair to execute Contract No. 377. **Resolution 13-57-P.** Staff Contact: Ivan Ramirez

2.B Planning Committee:

2.B.1 Approval to Issue Annual Urban Limit Line (ULL) Policy Advisory Letter. Staff has prepared a draft ULL policy advisory letter for Authority review and approval. Adopted Authority policy requires that all local jurisdictions be advised annually in writing of the requirements for compliance with the Measure J ULL. Staff Contact: Martin Engelmann

2.B.3 PDA Investment and Growth Strategy Update. As part of the OneBayArea Grant (OBAG) program, MTC requires congestion management agencies (CMAs) like the Authority to prepare a Priority Development Area (PDA) Investment and Growth Strategy. The PDA Strategy is required to set OBAG funding priorities to support, encourage, and accelerate PDA development. The Authority adopted its Initial PDA Strategy in April 2013. The first annual update is due to MTC by May 1, 2014. The focus of the 2014 PDA Strategy Update will be on assessing housing policies, infrastructure needs and funding needs as well as on potential changes that would make regional policies more consistent with market and community conditions in Contra Costa's PDAs. Staff seeks Authority concurrence of the outline, approach, and schedule for the Update. Staff Contact: Brad Beck

2.B.4 PDA Planning Grant Approach and Schedule. During FY 2012-13 through 2015-16, the Authority will receive \$2.745 million in federal funds through MTC to support local PDA planning efforts. To provide this support, the Authority will conduct a consultant selection process to develop a list of consultant teams with the skills needed to work on the different planning studies requested by local agencies. In parallel, staff will release a call for proposed PDA planning studies to local jurisdiction that have PDAs, and will select projects to be funded through the program using the criteria identified in the Initial PDA Strategy. Authority staff and local staff will then work out the details of the planning study, including the consultant team assignments. Staff seeks Authority approval of the proposed approach and schedule for the PDA planning grant program. Staff Contact: Brad Beck

- 2.1 NEW ITEM: Approval of Amendment No. 1 to Extend the Schedule for Agreement No. 368 with Atkins North America, Inc. for Continued Support 2013 Congestion Management Program (CMP) and Multimodal Transportation Service Objective (MTSO) Monitoring Effort.** Staff seeks approval of this amendment which extends the schedule for Authority Agreement No. 368 with Atkins North America Inc., including analysis and reporting of the Action Plan MTSOs and CMP Level-of-Service (LOS) standards, and authorization for the Chair to execute the agreement. Staff Contact: Matt Kelly

End of Consent Calendar

3.0 MAJOR DISCUSSION ITEMS:

Chair Abelson stated that there was a request by staff to take Agenda Item 3.B.2 out of order. There were no objections.

- 3.B.2 PUBLIC HEARING: Adoption of Proposed 2013 Congestion Management Plan (CMP) Update.** As the Congestion Management Agency (CMA) for Contra Costa, the Authority must prepare a Congestion Management Program (CMP) and update it every other year. State law requires that the Authority adopt the CMP update at a noticed public hearing and submit it to MTC. For the 2013 CMP update, this action by the Authority will be taken through the adoption of Resolution 13-60-G. **Resolution 13-60-G.** Staff Contact: Matt Kelly

ACTION: Commissioner Mitchoff moved to adopt the Final 2013 CMP Update, approve Resolution 13-60-G, and authorize staff to make non-substantive edits as needed prior to transmittal to MTC, seconded by *Commissioner Romick*. The motion passed 7-1, with the dissenting vote by *Commissioner Butt*. (*Commissioners Arnerich and Hudson had not yet arrived.*)

DISCUSSION: Matt Kelly, Associate Transportation Planner, stated that the Congestion Management Program (CMP) Update was a requirement established in 1991 by the California state legislature for Congestion Management Agencies (CMAs). As the CMA for Contra Costa, the Authority must update the CMP at least every other year. Mr. Kelly noted that the 2013 CMP Update would be the 11th for Contra Costa.

Mr. Kelly stated that the legislature used CCTA's Growth Management Program (GMP) as the model for the CMP legislation. He said that for several CMP requirements, Contra Costa defers to its GMP to satisfy the goals of the CMP.

Mr. Kelly said that in addition to technical updates to the required elements, a major focus for the 2013 update was an update to the Capital Improvement Program (CIP), which he said was a listing of projects and programs that would be seeking regional, state or federal funding over the next seven-years. Mr. Kelly explained that staff focused on ensuring that local project sponsors updated all existing project information and added any new projects that had emerged since 2011, which was done through two open Calls for Projects. Mr. Kelly stated that the CIP was unconstrained in its funding, and grew from a total value of \$10.5 billion in 2011 to over \$11.1 billion in 2013.

Mr. Kelly noted that another primary focus was to demonstrate the consistency between the current Regional Transportation Plan (RTP), known as Plan Bay Area, and the Contra Costa CMP.

Mr. Kelly stated that the draft CMP was circulated for comments in July, which resulted primarily in updates to the CIP project listing, and significant updates to the Transportation Demand Element chapter as a result of comments by TRANSPAC staff.

Mr. Kelly said that in November staff submitted the draft CMP to MTC, and that it met all consistency requirements. He noted that MTC's Planning Committee recently approved all seven Bay Area CMPs, and that adoption by the full commission was scheduled for January. Mr. Kelly stated that staff was requesting adoption of the Final 2013 CMP, approval of Resolution 13-60-G, and authorization to transmit the Final CMP to MTC.

Chair Abelson opened the Public Hearing. There were no public comments, and the Public Hearing was closed.

Commissioner Butt stated that he was somewhat torn on the issue, and noted that the 7-year CIP included a total of approximately 53% for new roads in the Arterial/Roadway, Expressway, Freeway, and Interchange project types. He said that traffic in the Bay Area had reached levels not seen in over ten years and would only get worse, and that you cannot build your way out of congestion. *Commissioner Butt* said that he was concerned about the amount of greenhouse gases being emitted into the environment, and that the gravity of the situation was not being taken seriously enough. *Commissioner Butt* said that he would be voting no on the item.

Commissioner Pierce said that she believed paving roadways was important for express buses and continuous HOV lanes. She said that the only way to improve

capacity was to put more people in vehicles and make the trips more expedient, to incentivize people to carpool and use transit.

Commissioner Durant said that he agreed that the Authority should continue investing more in multi-modal transportation, however the Authority's investment of approximately \$4.3 billion in bike, pedestrian, rail, rapid transit and intermodal infrastructure investments reflected a serious commitment.

Matt Kelly clarified that the arterial roadway category encompassed many projects from the jurisdictions, and that it was difficult to identify appropriate categories for projects which involved entire streets.

Chair Abelson commented that as leaders of the community, members of the Authority should commit to using transit whenever possible to demonstrate that it can work. She noted that if the roads were not good she would not have been able to use transit to attend the meeting. *Chair Abelson* said that she was supportive of the work that had been done on the 2013 CMP Update and planned to vote yes on the item.

Representative Worth arrived at 6:23 p.m.

3.A.14 Legislation. Will Kempton, Executive Director of Transportation California, will make a presentation on a proposed constitutional amendment that would provide a new source of transportation funding to address the State's critical roadway and transit preservation fiscal crisis. Working in collaboration with the California Alliance for Jobs, a final determination will likely be made in January about pursuing such a measure in 2014.

ACTION: None taken – information only

DISCUSSION: Will Kempton, Executive Director of Transportation California, discussed initiatives proposed at the State level to increase funding for transportation.

He began by highlighting the success of Contra Costa as the first self-help county to incorporate a growth management strategy as part of its sales tax measure, sponsoring the largest fee-supported investment in transportation across the State of California. Mr. Kempton also noted that he had the honor of serving as the contracted Executive Director of the East Contra Costa Regional Fee and Financing Authority (ECCRFFA) for a number of years. He congratulated the Authority on the effective and rapid completion of the Caldecott Fourth Bore project.

As former Director of Caltrans, Mr. Kempton commended Randy Iwasaki for his fine work as his Chief Deputy of Caltrans and later as the Director of Caltrans, and particularly his help and assistance with the Bay Bridge project. Mr. Kempton noted that Randy Iwasaki had been both his predecessor and successor at Caltrans.

Mr. Kempton provided background on Transportation California. He explained that the transportation gas tax had been heavily relied upon as the backbone for transportation funding for many years, but with a more fuel efficient fleet, an increasing number of electric vehicles, and a decline in purchasing power, the gas tax was losing its effectiveness. Mr. Kempton said that something needed to be done to restore funding for transportation.

Mr. Kempton noted that there had been a significant amount of transportation infrastructure investment over the past 7-8 years, which was funded by Proposition 1B bonds approved by the voters in November 2006. He said that while the funds had been effectively managed by the California Transportation Commission (CTC) and projects efficiently delivered by Caltrans and local agencies, bond funds would soon be running out. Mr. Kempton stated that a comprehensive needs assessment conducted by the CTC revealed that over the next 10 years there would be a shortfall of \$295 billion.

Mr. Kempton stated that Transportation California had developed a package of improvements for consideration by the Legislature and potentially the voters to deal with the problems that California is facing. He explained that the package would provide for the investment of cap and trade dollars that are made available for investment in efforts to reduce greenhouse gas emissions in transportation improvements. Mr. Kempton said that Transportation California also supported lowering the voter approval threshold to 55 percent, which could raise approximately \$300 million per year among (up to) six more self-help counties, and would allow counties like Contra Costa to continue to extend their sales tax programs for transportation purposes.

Mr. Kempton stated that because of the surplus projected at the State level, there could be an opportunity for re-capturing (for a period of time) truck weight fees, or approximately \$938 million per year, currently going toward debt service on transportation-related bonds. He explained that while the bonds were issued as general obligation bonds, debt service on those bonds was being paid with transportation dollars.

Mr. Kempton stated that if the public was going to be asked to pay more for transportation, the system needed to be made more efficient, accountable, and transparent.

Mr. Kempton stated that on November 18th, Transportation California in conjunction with the California Alliance for Jobs, filed an initiative with the Attorney General to increase the Vehicle License Fee (VLF) by 1 percent, which would be done incrementally over a period of 4 years and would generate approximately \$3 billion in revenue that could be dedicated to transportation. He stated that voter research indicated that the public views maintenance of existing infrastructure as the biggest problem, and that the initiative would therefore be dedicated to “fix it first.” Mr. Kempton outlined the proposed allocation of funding, which includes 25 percent to cities and 25 percent to counties for the repair of local streets and roads, 40 percent to the State Highway Operations and Protection Program for system improvements, and 10 percent for transit. He explained that transit did not score as highly statewide as it might locally, and that they tried to achieve a balance that would appeal to voters if the decision is made in January or February to move forward with a ballot measure for a decision by voters in November 2014.

Mr. Kempton said that whether or not the initiative moves forward, Transportation California had increased awareness of the transportation problem in California and would continue its work to raise more revenues and support transportation, vital to the State’s economy and quality of life.

Chair Abelson asked how the combined total of 50 percent for cities and counties could be used. Mr. Kempton responded that it was restricted to the rehabilitation of the local streets and roads system, and could include sidewalks.

Commissioner Metcalf asked for clarification of timeframe for the potential ballot measure. Mr. Kempton responded that the objective was for the initiative to the voters in November 2014, and that a decision would be made mid to late January following a poll test of the ballot language in early January.

Commissioner Metcalf also asked if any of the revenue would be directed toward high speed rail. Mr. Kempton responded that the revenue could be used only for the repair and rehabilitation of existing transportation infrastructure.

Representative Worth thanked Mr. Kempton for his leadership on the issue. She noted that earlier in the day MTC had adopted the framework for the cap and trade revenue that will flow into the Bay Area, and committed to using the funds for transit capital maintenance and operations of the system.

Commissioner Taylor asked about other ballot measures slated for November 2014. Mr. Kempton responded that there were a number of other competing measures including transportation sales tax measures being contemplated by local agencies, but that he was encouraged by the increased awareness (indicated by the polling that had been done) of the transportation system problem.

Randy Iwasaki asked if there was any regulation reform tied to the proposed initiative. Mr. Kempton responded that there were no specific reform measures contingent upon the passage of the initiative, but that improvements to transportation system investments were essential elements of the larger package.

On behalf of the Authority, *Chair Abelson* thanked Mr. Kempton for the informative presentation.

Mr. Kempton said that CCTA staff would be kept apprised of the progress and that a report back to the Authority would be provided in early 2014.

Commissioner Hudson arrived at 6:29 p.m.

4.0 REGULAR AGENDA ITEMS:

4.A Administration & Projects Committee:

4.A.15 Comprehensive Annual Financial Report (CAFR) and Management Letter for the Fiscal Year Ended June 30, 2013. The purpose of the CAFR is to provide an independent assessment and audit of the Authority's financial statements to accurately portray financial activities that occurred during the fiscal year. The auditors, Macias Gini & O'Connell (MGO) will provide a brief overview of the statements. Staff Contact: Randall Carlton.

ACTION: Commissioner Taylor moved to accept the Fiscal Audit and Management Letter for the fiscal year ended June 30, 2013, seconded by *Commissioner Pierce*. The motion passed unanimously, 9-0. (*Commissioner Arnerich had not yet arrived.*)

DISCUSSION: Randy Carlton, Chief Financial Officer, stated that the Fiscal Audit and Management Letter for the fiscal year ended June 30, 2013 was discussed in detail with the Administration and Projects Committee (APC), and that there were no additional comments or direction provided by the committee. Mr. Carlton said that the audit was a clean report and resulted in no adverse findings or instances of noncompliance, material weaknesses or comments. He noted

that there were no new management letter findings and that all prior year findings had been addressed. Mr. Carlton noted that the Authority was in the 3rd year of a positive trend in sales tax revenues, at pre-recession levels, not taking into account inflation. He stated that the Authority was successful in leveraging its Measure J dollars to increase grant funding, which represented 42 percent of all revenues as compared to 24 percent in the prior year.

Mr. Carlton noted that the 2012 bond sale raised needed capital and enabled the Authority to accelerate project delivery, with \$197 million being spent on transportation projects – an increase from \$65 million in the prior year – with management expenses increasing only \$300 thousand over the prior year. He also noted that the Authority remained well within its 1 percent administrative limitation, and that it did not exceed any major budgetary expenditure categories in the general fund. Mr. Carlton stated that the Authority's financial health remained strong, with revenues increasing, cost of borrowing low, and a strong AA+ credit rating.

Lastly, Mr. Carlton said that bound color copies of the report, which was included in the APC packet, were available by request.

Chair Abelson thanked staff for the good work.

4.A.16 Authorization to Execute Agreement No. 390 with the Contra Costa Water District (CCWD) for Los Vaqueros Pipeline Work. Staff seeks authorization for the Chair to execute Agreement No. 390 that requires CCWD to pay the Authority for Los Vaqueros Pipeline Longitudinal Utility Encroachment Exception work, estimated at \$1,817,000. Staff Contact: Jack Hall

ACTION: Commissioner Taylor moved to authorize the Chair to execute Agreement No. 390 with Contra Costa Water District, seconded by Commissioner Durant. The motion passed unanimously, 10-0.

DISCUSSION: Jack Hall, Associate Engineer, said that Agreement No. 390 with the Contra Costa Water District (CCWD) related to the relocation of the Los Vaqueros Pipeline (LVP) appurtenances as part of the Authority's upcoming Balfour Interchange project. He explained that in 1994 an agreement was made between the State Route 4 Bypass Authority and CCWD requiring construction of the 90 inch Los Vaqueros Pipeline – the only extended emergency water supply for over 500,000 Contra Costa residents – outside the Bypass right-of-way. The CCWD tried to install the pipeline outside of the Bypass right-of-way, however the Superior Court it would not allow condemnation of property for installation of the pipeline because the Bypass (at that point) was speculative.

The agreement was amended in 1995 with the provision that the CCWD would be responsible for relocation of the LVP if construction on the Balfour Interchange was started within 20 years (by June 2015).

In early 2012, the Bypass Authority obtained funding to start design on the SR4/Balfour Road Interchange project, and selected an engineering firm to develop plans to relocate the LVP, prior to construction of the SR4/Balfour Interchange, at a cost estimated at \$20 million.

Mr. Hall said that while Caltrans had insisted for over 20 years that the LVP be relocated outside of State right-of-way, the Authority submitted a Longitudinal Utility Encroachment Exception (LUEE) request to leave the pipeline in place that had been tentatively approved by Caltrans and would save Contra Costa taxpayers approximately \$18.4 million. He thanked Ross Chittenden for leading the effort with Caltrans and the CCWD to address the issue.

Mr. Hall noted that the final agreement, which reflected a revised final cost estimate for the Contra Costa Water District Los Vaqueros pipeline work of \$1,580,000, had been included in the meeting handout packet.

Commissioner Durant asked for clarification on the revised agreement. Mr. Hall responded that in addition to the revised cost for relocation of the LVP appurtenances, the revised agreement included language beneficial to the Authority, making CCWD responsible for costs that exceed the revised estimate, and a provision for the Authority to be reimbursed for costs to date if the LUEE falls through.

Commissioner Arnerich arrived at 6:59 p.m.

4.A.18 2014 State Transportation Improvement Program (STIP) Fund Exchange

Proposal: Staff seeks authorization to pursue a fund exchange proposal with MTC to advance 2014 STIP funds for I-680/SR4 (Phase 3) - \$8.3 million and I-80/San Pablo Dam Rd (Phase 2) - \$9.2 million from FY 2017-18 to FY 2015-16. The final agreement will be presented next month. Staff Contact: Ross Chittenden

ACTION: *Commissioner Pierce* moved to authorize staff to pursue the fund exchange proposal, seconded by *Commissioner Arnerich*. The motion passed unanimously, 10-0.

DISCUSSION: Ross Chittenden, Deputy Executive Director for Projects, stated that staff was proposing a \$27 million fund exchange with MTC in Measure J funds for a

like amount of federal funds. He stated that the arrangement was mutually beneficial, as MTC would get non-federal funds to use for programs ineligible for federal funding, and the Authority would get a combination of its own STIP funds and \$27 million in new STIP funds two years earlier than usual.

Mr. Chittenden said that the fund exchange would enable the Authority to complete the first phase of the 680/4 interchange two years early. He said that an exchange of such magnitude was unprecedented for the Authority, and that preliminary discussions indicated that the MTC funding would come at no risk, additional cost or interest, providing the exchange is repaid over three years.

Mr. Chittenden said that following Authority concurrence and approval, staff would negotiate an agreement and return to the Authority for final approval in March or April.

Commissioner Pierce said that the fund exchange was very exciting and would enhance safety through the interchange in Central County sooner than later.

- 4.1 NEW ITEM: Funding Proposal for I-680 Southbound Carpool Lane Completion Project (Project 8001).** Staff will present a funding plan for the I-680 Southbound Carpool Lane Completion Project. The funding plan protects nearly \$20 million in Regional Measure 2 committed to projects in the county, leverages \$19 to \$24 million in regional funds and allows the project to be under construction in 2016. Staff seeks authorization to a) amend the 2014 STIP to add \$10 million to the Project, b) amend the 2013 *Strategic Plan* to increase Measure J funding commitment to the Project by \$4.9 million, subject to TRANSPAC concurrence, and c) develop a proposal to commit \$5 million from various sources (2014 STIP, Measure J I-680 *Corridor Reserve*, other) that will be matched by MTC in the event the California Transportation Commission does not approve over programming the 2014 STIP. Staff Contact: Ross Chittenden

ACTION: Commissioner Durant moved to authorize staff to pursue the funding plan as outlined in the staff report, seconded by *Commissioner Hudson*. The motion passed unanimously, 10-0.

DISCUSSION: As a motion to approve the item was made immediately, no staff report was provided.

Commissioner Metcalf asked how a 20 percent reduction could be achieved through Value Engineering. Mr. Chittenden explained that the primary change from the initial design related to a four-foot buffer between the general purpose

lane and the express lanes which had been reduced to a maximum of two feet, which would allow the elimination of a large retaining wall near Rudgear Road. He said that ramp reconfigurations and widening could result in additional cost savings.

Mr. Chittenden stated that environmental approval was expected in Spring 2014, after which the redesign would be addressed. He said that staff would report on progress at a later date.

Commissioner Metcalf asked about the source of funding in the case of a shortfall. Mr. Chittenden responded that while there was Measure J funding available in the I-680 Carpool Lanes/Transit Corridor Improvements category, MTC staff was highly motivated to partner with the Authority to achieve successful completion of the I-680 segment of the Express Lane Network.

Commissioner Arnerich said that he thought the funding plan was a good solution and that he would be supporting it.

- 4.2 NEW ITEM: Pay for Performance Program.** The Authority has a policy of providing rewards to recognize exceptional employee performance. The Executive Director is requesting approval to grant awards of up to \$1,000 per employee for those employees that have met the criteria. To be eligible, an employee must have received an “excellent” rating on their employee performance appraisal in the past year. Staff Contact: Randell Iwasaki

ACTION: Commissioner Hudson moved to Authorize the Executive Director to grant Pay for Performance awards of up to \$1000 per eligible employee, seconded by *Commissioner Arnerich*. The motion passed 8-2, with dissenting votes by *Commissioner Mitchoff* and *Commissioner Romick*.

DISCUSSION: Chair Abelson noted that she had advised the Executive Director to include the Pay for Performance item on the agenda, however it was already provided for in the Authority’s approved Budget. She stated that the past year included many successes as intended by the program, and encouraged the Authority to support it.

Commissioner Mitchoff said that while she agreed with the comments made by the Chair, she would not be supporting the item because she does not believe in pay for performance programs.

Commissioner Metcalf agreed that the year had been remarkable, but said that the public might question how all employees could be considered excellent. He asked if there were any implications of the bonuses being “non-PERSable.”

Mala Subramanian, Authority Counsel, stated that the Pay for Performance Program was considered a bonus program and not salary, and therefore should not be challenged.

Commissioner Arnerich noted that the Town of Danville has had a similar program for over twenty years, which had been very effective for motivating and retaining employees. He stated that it was important for the Executive Director to be allowed the ability to manage his employees within the guidelines already approved by the Authority, and noted that the award was a very modest amount of money.

Commissioner Pierce said that she agreed that the program was good, and that the Authority might want to consider doing the same for the Executive Director. Ms. Subramanian responded that the Executive Director was specifically excluded from the program when the policy was approved, but that the policy could be revised going forward.

Commissioner Romick asked whether the bonus would be disclosable as part of the employee’s compensation, available as a public record. Ms. Subramanian said that the bonus would be included with other compensation and that the bonus amount would be difficult to identify.

Commissioner Durant said that he agreed with *Commissioner Pierce* that the program should also apply to the Executive Director, and should be placed on a future agenda soon for Authority consideration. He said that the program was a very good first step for motivating and inspiring already exceptional staff.

4.B Planning Committee None

5.0 CORRESPONDENCE AND COMMUNICATIONS:

5.1 Letter dated December 9, 2013 to CTC Chair Ghielmetti RE: Bay Area Congestion Management Association Comments on Draft Active Transportation Program

A letter dated December 6, 2013 to the California Department of Transportation from the Bay Area Congestion Management Agencies regarding MTC’s Interregional Transportation Improvement Program (ITIP) Principles was included in the meeting handout packet.

6.0 ASSOCIATED COMMITTEE REPORTS:

- 6.1 Central County (**TRANSPAC**): The report of December 12, 2013 was included in the meeting handout packet.
- 6.2 East County (**TRANSPLAN**):
- 6.3 Southwest County (**SWAT**): (Note: December 2, 2013 meeting canceled)
- 6.4 West County (**WCCTAC**): Report of December 6, 2013

7.0 COMMISSIONER AND STAFF COMMENTS:

7.1 Chair's Comments and Reports

Chair Abelson said that it had been a fantastic year.

7.2 Commissioners' Comments and Reports on Activities and Meetings

Representative deVera provided an update at the request of the Bus Transit Operators on the schedule for implementation by MTC of the Clipper card on County Connection, TriDelta Transit, and WestCAT. She stated that the three East Bay operators had been advocating for expedited implementation of Clipper since 2010, however MTC had deferred implementation because Clipper hardware was technically obsolete and the region did not have sufficient Clipper units for the East Bay fleets. She reported that the new generation hardware was still under development, and that pricing, contractual changes, and major changes to Clipper were being deliberated. *Representative deVera* said that MTC was preparing to go out to bid in approximately 12 to 18 months for potentially a new vendor and different program structure.

Commissioner Pierce reported that she had attended the Focus on the Future Conference, held November 17-19, 2013 in San Diego, and that it was one of the best Focus on the Future conferences to date. As the Authority's representative on the California Councils of Government (CalCOG) and the second Vice President of the organization, she participated in the CalCOG conference which immediately followed at the same location. She highlighted some of the topics discussed, and said that holding the conference in the same location was a cost effective and convenient option for so many who routinely attend both conferences.

Commissioner Arnerich thanked Randy Iwasaki, Ross Chittenden, and Susan Miller for their assistance with the I-680 Auxiliary Lanes Gap Closure soundwall and landscaping projects.

Commissioner Metcalf said that he had participated in the Port of Oakland tour, which he enjoyed very much. He mentioned that the tour included the airport, which is now a part of the Port of Oakland.

Commissioner Romick thanked Ross Chittenden and CCTA staff for improvements made on State Route 4, on which traffic was moving faster and more smoothly in the westbound direction.

Commissioner Hudson said that the Bay Area Air Quality Management District had recently discussed SB 1339, asked that the Authority's representatives on MTC keep the Board apprised of developments.

7.3 Executive Staff Comments and Reports

Randy Iwasaki reviewed his Executive Director's report. He also noted that with the Caldecott Fourth Bore opening, the traffic flow toward Oakland had improved greatly due to better geometry, and that the Authority had opened 15 lane miles of new roadway on State Route 4, paid for largely by local sales tax measures. Mr. Iwasaki said that the Port of Oakland provides 73,000 direct jobs, and that the port was looking for partnerships, much like CCTA. He wished everyone a happy and safe holiday season.

8.0 CALENDAR:

8.1 Meeting Calendar: January 2014/February 2014/March 2014

Chair Abelson noted that both the APC and PC January meetings had been canceled.

8.2 Calendar of Upcoming Events

9.0 CLOSED SESSION Conference with Legal Counsel – Anticipated Litigation. (*Closed Session to be held in the Diablo Conference Room, Suite 100.*) Significant exposure to litigation pursuant to Government Code Section 54956.9(b) (1 case)

The Authority adjourned to closed session at 7:37 p.m.

10.0 RECONVENE IN OPEN SESSION - Report on Action Taken in Closed Session.

The Authority reconvened in open session and there was no action taken during closed session to report.

11.0 ADJOURNMENT to Wednesday, January 15, 2013, at 6:00 p.m.

The meeting was adjourned at 7:49 p.m. to Wednesday, January 15th at 6:00 p.m.

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