

# MINUTES

## CALIFORNIA TRANSPORTATION COMMISSION

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**April 8, 2004  
Napa, California**

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### GENERAL BUSINESS (#1-4)

The meeting of the California Transportation Commission was called to order by Chair Bob Balgenorth at 8:35 a.m. on April 8, 2004, at the Napa County Building, Board of Supervisors Chambers, 1195 Third Street, Room 310, Napa, California.

Chair Balgenorth made the following announcements:

1. The Commission will move into Closed Session immediately following the lunch break, and the Commission will reconvene Open Session after the Closed Session is finished;
2. Commissioner Lindsey was reappointed to serve another four-year term;
3. Commissioner McKenna's term has expired, and she was not reappointed; and
4. Agenda Items #35 and #62 were withdrawn from the agenda.

**1                      Roll Call    1.(1)**

Roll call was conducted at 8:35 a.m. The Commissioners attendance was as follows:

Members Present:     Bob Balgenorth, Chair  
                              Joseph Tavaglione, Vice Chair  
                              James Ghielmetti  
                              Allen Lawrence  
                              Jeremiah Hallisey  
                              Esteban Torres  
                              R. Kirk Lindsey (arrived at 8:45 a.m.)

Members Absent:     Senator Kevin Murray, Ex-Officio  
                              Assemblyman Jenny Oropeza, Ex-Officio

**2                      Approval of Minutes for February 26, 2004 Meeting                      1.(2)**

Chair Balgenorth requested approval for the February 26, 2004 meeting minutes. Commissioner Tavaglione moved to approve the minutes. Commissioner Ghielmetti seconded the motion, which carried 6-0 (Commissioner Lindsey was absent).

**3                      Commission Reports    1.(3)**

Chair Balgenorth reported that his March 8-10 trip to Washington D.C. with Secretary McPeak, John Ferrera, Diane Eidam and Commissioners Ghielmetti, Torres, and Tavaglione was very productive. They had an aggressive schedule to meet with both Caucuses and the California infrastructure delegation members. Chair Balgenorth said he was impressed by the influence Commissioner Torres still commands even though it has been ten years since he was in Congress. There were no other Commission Reports.

**4 Commissioners' Meetings for Compensation 1.(4)**

Chair Balgenorth presented for approval the March Lists of Commissioners' Meetings for Compensation. Commissioner Lawrence moved to approve the lists. Commissioner Ghielmetti seconded the motion, which carried 6-0 (Commissioner Lindsey was absent).

**5 Report by Secretary and/or Assistant Secretary 1.(5)**

Business Transportation and Housing (BT&H) Agency Secretary Sunne Wright McPeak presented the Agency report. The annual Caltrans Workers Memorial for workers who have died in line of duty over the last 80 years was being held at the Capitol today. Yesterday, William Calloway, a Caltrans Structural Steel Painter, died after falling from the Benicia Bridge. Secretary McPeak said she would need to leave the meeting around 10:30 a.m. to report to the California Highway Patrol regarding this incident.

The Governor's proposed budget includes a commitment (p. 175) to seek alternative sources of transportation financing. Secretary McPeak emphasized the Agency's team building efforts with the Department and the Commission. The performance review efforts dealt with the economic situation, improving efficiency, identifying innovative and new funding opportunities, and the need to 'keep California moving'. Secretary McPeak emphasized that Governor Schwarzenegger is against 'dumb growth,' stating there is a need for a better connection between land use and transportation planning. On April 12, Secretary McPeak is meeting with the Governor to discuss performance recommendations and funding alternatives. The plan is to have a set of quantifiable performance measures developed by July 31.

John Ferrera, Assistant Secretary BT&H, reviewed the recommendations as a result of meetings with the Department and the expert review panel. The Innovative Finance Panel, which includes transportation and the business and labor community, plans to forward their recommendations to the Governor, which will include project delivery and management, transportation financing options, transportation funding, TCRP benefits and Prop 42.

Commissioner Balgenorth said that change is not easy to accomplish and commended Secretary McPeak for her leadership, intellect, energy and for the excellent progress she has made.

**6 Report by Caltrans' Director and/or Deputy Director 1.(6)**

Bob Garcia, Caltrans, began the Department's Report by congratulating Commissioner Lindsey for his reappointment. Tony Harris, Caltrans, was attending the Caltrans Workers Memorial service at the Capitol today. Mr. Garcia said that Caltrans has already begun an internal CPI process by implementing the changes to improve delivery that can be made without further approval.

**7 Caltrans Monthly FY 2003-04 Finance Report 3.1**

David Saxby, Caltrans, presented the Department's April monthly finance report. The Department's February 2004 cash forecasts are on track with no significant changes necessary. The federal budget was passed, but the Federal Transportation Authorization Act was not passed. The Consolidated Appropriation Act (CAA), which includes the transportation appropriation for 2004, was signed on January 23, 2004 by the President. However, the federal program authorization is approved only through April 30, 2004. A bill authorizing the full federal program has not been passed. As of January 31, 2004, the Department has utilized \$235 million of local OA; this includes \$200 million borrowed in July 2003 and \$35 million derived from the cash management of local OA. In FY 2004-05, the Department will work to achieve an additional \$489 million cash flow benefit through the cash management of local OA. The department added

two new items a Budgetary Analysis Report and Commitment against cash to the monthly finance report. Chair Balgenorth questioned the Department's decision to no longer report on the TIF forecast and TIF cash balance in the monthly finance report.

Peter DeHaan, RTPA Moderator, said the RTPA's task force held a conference call with Terry Abbott, the Department's Local Assistance Division Chief, on the subject of cash management of local OA. A major issue was Caltrans' need to borrow local apportionments along with the local OA and the need for the regions to approve the apportionment borrowing. The regions are concerned how can they sell this apportionment borrowing to their boards when the purpose of the borrowing is to have transportation money go to the State's General Fund.

Commissioner Lindsey asked if the Department is ready to recommend allocation of all the SHOPP projects in the \$800 million SHOPP allocation plan, as they are delivered. Bob Garcia, Caltrans, responded "yes."

- **Continue to display the TIF forecast and TIF Adjusted Cash Balance in the Monthly Finance Report.**

**ACTION: David Saxby**

**8 Report by Regional Agencies Moderator 1.(7)**

Peter DeHaan, RTPA Moderator, began the RTPA report by thanking Secretary McPeak for allowing him to participate in the Performance Improvement Initiative meetings, stating they were extremely helpful and thanking her for her personal attention and involvement. The RTPAs strongly support the Commission's staff recommendations of the Planning, Programming and Monitoring Funds and AB 3090s on the agenda.

**9 Report by Rural Counties Task Force (RCTF) Chair 1.(8)**

George Dondero, RCTF Chair, extended his greetings to Secretary McPeak and thanked her on behalf of the rural counties. He congratulated Chair Lindsey for his reappointment and thanked him for his sensitivity to rural county needs. The Rural Counties Task Force met in March and the next annual conference is scheduled for September 2004. Charles Field, Amador County, will be conducting a series of workshops, on May 21, on the topics of project delivery, air quality basins concerns and cash management policies. Commissioner Lindsey spoke regarding land use and job placement stating he wants to see more jobs in rural counties.

**10 IC Informational Report on Emergency: 2.5f.(1)  
G-11 Allocations. 11 projects totaling \$11,615,000.**

Deputy Director Stephen Maller presented the Information Calendar agenda Items #10 through #20. There were no questions or issues raised by the Commission on the Information Calendar.

Changes to Projects #7 and #10 agenda vote list and book item attachment were referenced on the "Changes to the CTC Agenda" pink handout.

**11 IC Informational Report on Seismic Retrofit: 2.5f.(3)  
(Proposition 192, Phase II): G-11 Allocations: One  
project for \$1,164,000.**

This item was presented on the Information Calendar.

**12 IC Informational Report on SHOPP Safety: G-01-10 2.5f.(4)  
Allocations. Three projects totaling \$7,848,000.**

This item was presented on the Information Calendar.

**13 IC Monthly Report on Status of Projects Previously Voted but Not Awarded 3.2**

This item was presented on the Information Calendar.

**14 IC Monthly Report on Projects Amended into the SHOPP by Department Action 3.3**

This item was presented on the Information Calendar.

**15 IC Monthly Report on Local Assistance STIP Projects Previously Voted but not Awarded 3.4**

This item was presented on the Information Calendar.

**16 IC Status of STIP Cash Commitments for AB 3090 Reimbursements and GARVEE Debt Service 3.5**

This item was presented on the Information Calendar.

**17 IC Pending Traffic Congestion Relief (TCR) Project Application Amendments—12 application amendments, including one amendment to deprogram (\$2,078,000) of TCR funds, per Resolution G-03-14, Traffic Congestion Relief (TCR) Program Policy for Managing Cash Between TCR Projects. 4.3b.(1)**

This item was presented on the Information Calendar.

**18 IC Pending Traffic Congestion Relief (TCR) Project Letters of No Prejudice (Letter), per Resolution G-03-12 – Seven Letter requests totaling \$569,325,000. 4.3b.(2)**

This item was presented on the Information Calendar.

**19 IC Pending Traffic Congestion Relief (TCR) Project Allocations – 19 project allocations totaling \$144,170,000. 4.3b.(3)**

This item was presented on the Information Calendar.

**20 IC Aeronautics Account Pending Allocations -- 13 Projects totaling \$1,484,000 4.3c.**

This item was presented on the Information Calendar.

**CONSENT CALENDAR (#21-34) CC**

Deputy Director Robert Chung recommended approving the Consent Calendar (Items #21-34) with the following modifications or notations:

1. Item #30, Project #17 changed to \$238,500, and
2. Item #23 the Commission, as a responsible agency, had no comment regarding the environmental notice of preparation. There were no other changes or questions on the Consent Calendar.

Commissioner Ghielmetti moved to approve the Consent Calendar, as modified and recommended by staff. Commissioner Tavaglione seconded the motion, which carried 6-0 (Commissioner Lawrence was absent).

- 21 CC STIP Amendment 02S-122 2.1a.(1)**  
The Santa Barbara County Association of Governments (SBCAG) is requesting this amendment. The City of Santa Maria requests the Commission approve this amendment for AB 3090 Replacement. The City of Santa Maria will use local Measure D funds to replace \$621,000 in RIP funds for Construction in FY 2006-07 for the Blosser Box Culverts project (PPNO 1198). The City of Santa Maria proposes to program a total of \$621,000 in RIP funds in FY 2006-07 for a replacement project (PPNO 1807) to be identified at a later date. SBCAG concurs with this request. This is a revenue neutral programming action. The replacement project is subject to reprogramming in the 2004 STIP.

This item was approved on the Consent Calendar.

- 22 CC STIP Amendment 02S-124 2.1a.(3)**  
The Regional Transportation Planning Agencies (RTPAs) and the Rural Counties Task Force are requesting this amendment. Sixteen RTPAs and rural transportation agencies propose to designate \$11,105,000 of Regional Improvement Program (RIP) funds currently programmed in FY 2003-04 for the Planning, Programming and Monitoring (PPM) activities as reimbursement projects per AB 3090. These agencies and counties will use their local funds to fund the program now for later RIP reimbursement. This is a revenue neutral programming action.

This item was approved on the Consent Calendar.

- 23 CC Environmental Matters – Notice of Preparation of an Environmental Impact Report (EIR) – Route 65 in Tulare County – Realign route and construct four-lane expressway near Lindsay (NOP). 2.2a.**

Deputy Director Robert Chung reported, as a responsible agency, the Commission has no comment regarding the environmental notice of preparation for this item. This item was approved on the Consent Calendar.

- 24 CC Environmental Matters – Approval of Project for Future Consideration of Funding – Route 92 in San Mateo County – Construct an uphill slow vehicle lane near San Mateo (ND). Resolution E-04-06 2.2c.(1)**

This item was approved on the Consent Calendar.

- 25 CC Environmental Matters – Approval of Project for 2.2c.(2)**

**Future Consideration of Funding – Route 163 in San Diego County – Implement Corridor Management Plan in San Diego (FEIR).  
Resolution E-04-07**

This item was approved on the Consent Calendar.

- 26 CC Three Relinquishment Resolutions 2.3c.**
- 01-Lak-175-PM 23.8 Route 175 in the County of Lake Resolution R-3575**
  - 07-LA-105-PM 3.7 Route 105 in the City of Hawthorne Resolution R-3576**
  - 08-SBd-58-PM 29.7/39.3 Route 58 in the County of San Bernardino Resolution R-3577**

This item was approved on the Consent Calendar.

- 27 CC One Resolution of Necessity 2.4b.**  
**Resolution C-18904**

This item was approved on the Consent Calendar.

- 28 CC Director's Deeds 2.4d.**  
**Items #1 Through #16**  
**Excess Lands – Return to State \$5,276,480**  
**Return to Others: \$0**

This item was approved on the Consent Calendar.

- 29 CC Financial Allocation for 11 Minor Projects on the 2.5a.(1)**  
**FY-03-04 SHOPP Allocation Plan totaling \$5,161,000.**  
**Resolution FP-03-38**

This item was approved on the Consent Calendar.

- 30 CC Financial Allocation for 17 Minor Safety Projects 2.5a.(3)**  
**totaling \$7,476,400 plus \$77,000 from other sources.**  
**Resolution FP-03-39**

The dollar amount on Project #17 for \$238,000 was changed on the agenda vote list and referenced on the "Changes to the CTC Agenda" pink handout. This item was approved on the Consent Calendar.

- 31 CC Financial Allocation for One SHOPP Project Amended 2.5b.(3)**  
**into the SHOPP by Departmental action for**  
**\$4,200,000.**  
**Resolution FP-03-41**

This item was approved on the Consent Calendar.

- 32 CC Aeronautics Financial Matters – Increase allocation from \$2,200,000 to \$3,600,000 in Aeronautics Funds for Fiscal Year 2003-04 included as a set-aside to match Federal Airport Improvement Grants in the 2002 Aeronautics Program. Resolution FDOA-2004-1 2.7

This item was approved on the Consent Calendar.

- 33 CC Request to Extend the Period of Project Allocation for 17 local STIP projects totaling \$20,864,000. Waiver-03-38 2.8a.(1)

This item was approved on the Consent Calendar.

- 34 CC Request to Extend the Period of Project Allocation for Nine local STIP projects totaling \$11,320,000. Waiver-03-39 2.8a.(2)

This item was approved on the Consent Calendar.

**PROJECT BUSINESS MATTERS (#35-56)**

- 35 ~~STIP Amendment 02S-123~~ 2.1a.(2)

~~The San Joaquin Council of Governments (SJCOG) is requesting this amendment. SJCOG proposes to move \$16,040,000 in RIP funds from the Route 12 (Bouldin Island) Passing Lanes project (PPNO 7350) to the Tracy Widening, Stage 2 and 3 project (PPNO 7965B), and to move \$2,629,000 in RIP funds from Route 12 Kettleman Lane Gap Closure project (PPNO 7398) to the Route 99 Widening in North Stockton project (PPNO 7673). The Route 12 (Bouldin Island) Passing Lanes project and the Route 12 Kettleman Lane Gap Closure project will be removed from the STIP.~~

~~SJCOG also request AB 3090 approval to replace a total of \$117,976,000 in RIP and IIP funds with local measure funds (Measure K) for later reimbursement on four projects in San Joaquin County. SJCOG proposes to replace \$2,408,000 in RIP funds on the Route 99/120 East (Yosemite) Interchange project (PPNO 7635); replace \$5,388,000 in RIP funds on the Route 99/Hammer Lane Interchange project (PPNO 9841); replace \$7,862,000 in RIP funds and \$19,476,000 in IIP funds on the Route 99 Widening in North Stockton project (PPNO 7673); and replace \$43,710,000 in RIP funds and \$39,132,000 in IIP funds on the Tracy Widening, Stage 2 and 3 projects (PPNO 7965B). This is a revenue neutral programming action. The projects are subject to rescheduling in the 2004 STIP.~~

Item #35 was withdrawn prior to the meeting.





See action taken under Item #40.

- 45 Financial Allocation for One Local Assistance STIP Project for Regional Rideshare for \$25,000. 2.5c.(9)**  
**~~Resolution FP-03-\_\_\_~~**

See action taken under Item #40.

- 46 Financial Allocation for One STIP Rail/Transit Project for \$689,000. 2.6a.(1)**  
**~~Resolution MFP-03-\_\_\_~~**

See action taken under Item #40.

- 47 Financial Allocation for Two Intercity Rail Projects totaling \$9,000,000. 2.6a.(2)**  
**~~Resolution MFP-03-\_\_\_~~**

See action taken under Item #40.

- 48 Financial Allocation for 30 SHOPP Projects on the FY-03-04 SHOPP Allocation Plan totaling \$135,175,000. 2.5b.(2)**  
**Resolution FP-03-40**

Deputy Director Stephen Maller stated this item contains 30 SHOPP projects valued at \$137 million that are delivered and ready for allocation of funds. Mr. Maller recommended that the Commission only allocate \$75.1 million to projects #1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 14, 16, 17 and 27 and move the remaining 16 projects to the Pending Allocation List. A change to the financial allocation total and to Project #29 were referenced on the "Changes to the CTC Agenda" pink handout.

Commissioner Lindsey moved to allocate funds to 14 projects and move the remaining 16 projects to the Pending Allocation List, as recommended by staff. Commissioner Lawrence seconded the motion, which carried 7-0.

- 49 Highway/Rail and Transit Pending Allocations – 380 project allocations totaling \$659,245,000. 4.3a.**

Deputy Director Stephen Maller recommended that the Commission allocate \$24.8 million to the eight SHOPP projects identified by the Department in the book item, and that all other projects remain on the Pending Allocation List.

Commissioner Lindsey moved to allocate \$24.8 million to the eight SHOPP projects as recommended by staff. Commissioner Ghielmetti seconded the motion, which carried 7-0.

- 50 Request to Extend the Period of Contract Award for Two local STIP project in Los Angeles County totaling \$14,784,000. Waiver-03-40 2.8b.(1)**

Deputy Director Stephen Maller reported that this item is a request by two local agencies in Los Angeles County to extend their contract award timely use of funds deadline. Mr. Maller recommended that the Commission grant only six month extensions to both agencies and not the 18 months, as requested by the City of El Segundo.

Mayor of the City of El Segundo, Mike Gordon, stressed that these are extraordinary circumstances, stating this roadway is critical to the region and that their entire budget is committed to this project. Mayor Gordon asked the Commission to consider a 12-month extension. David Johnson, City of El Segunda, reported the problem has been the reluctance of three property owners, and that the condemnation process is currently underway but will take more than six months to complete. If only a six-month extension is granted, Mr. Johnson said this would definitely jeopardize the project.

Commissioner Torres made a motion to approve a 6-month extension for the Alameda Corridor-East project and a 12-month extension for the El Segundo project. Commissioner Lawrence seconded the motion, which carried 7-0.

**51** ~~**Request to Extend the Period of Contract Award for**~~ **2.8b.(2)**  
**WITH-** ~~**One STIP project for \$25,124,000.**~~  
**DRAWN** ~~**Waiver-03-41**~~

Item #51 was withdrawn by the Department prior to meeting, because the project was awarded.

Deputy Director Stephen Maller announced that the Amador County Transportation Commission sent an e-mail to Commissioner Lindsey expressing their gratitude to Caltrans and the Commission for the support they received in achieving the contract award milestone for this very important project in Amador County. Commissioner Lindsey said they are the "Poster Child of Cooperation," acknowledging their hard work.

**52** **POST FACT Request to Extend the Period of Project** **2.8c.**  
**Completion for the City of Glendale CNG Vehicle and**  
**Maintenance Facility STIP project in Los Angeles**  
**County totaling \$362,000.**  
**Waiver-03-42**

Deputy Director Stephen Maller reviewed Items #52 and #53 and recommended that the Commission approve the extension requests.

Commissioner Ghielmetti moved to approve the extension request. Commissioner Lawrence seconded the motion, which carried 7-0.

**53** **Request to Extend the Period of Project Development** **2.8d.**  
**Expenditure for Three local STIP projects totaling**  
**\$5,530,000.**  
**Waiver-03-43**

See action taken under Item #52.

**54** **Budget Revision to exchange \$22,000,000 of Capital** **2.5g.**  
**Outlay State Highway Operations and Protection**  
**Program (SHOPP) State Funds for Local Assistance**  
**Federal Trust Fund Dollars for Projects Programmed**  
**in the Safe Routes to Schools Program.**  
**Resolution FM-03-06**

David Saxby, Caltrans, said the Department is requesting that the FY 2003-04 Local Assistance allocation made at the start of the fiscal year be revised. The Safe Routes to School program was allocated \$20 million in federal funds. The Department is now proposing that the Safe Routes to school program be allocated \$22 million in state funds. The additional \$2 million is coming from the Federal Hazard Elimination and Safety Program allocation. The Department will shift the freed-up federal funds to the SHOPP minor program and move an equal amount of state



Mike Evans, Caltrans, reported that the Department analyzed the 2004 SHOPP's \$1.6 billion roadway rehabilitation category as requested by the Commission and found that approximately 17% of the funds will be spent on upgrades to current federal standards, 13% will be spent on other project related items and the remaining 70% will be spent on actual pavement rehabilitation. Mr. Evans indicated the funding is sufficient to maintain the distressed pavement at an 11,350 lane mile level, but will not allow the Department to reach the Ten-Year SHOPP Plan goal of 5,500 lane miles.

**58                      Approval of 2004 SHOPP  
Resolution G-04-02**

**4.2b.**

A change to the book item number was referenced on the "Changes to the CTC Agenda" pink handout.

Jim Nicholas, Caltrans, requested Commission approval of the 2004 SHOPP. Technical changes and adjustments have been submitted to the Commission. This 2004 SHOPP is constrained. There are 600 rehab and reconstruction projects in a four-year period for a total of \$5.5 billion. Mr. Nicholas said more money would be needed to bring down the 11,800 deteriorated lane miles to the 5,500 goal. Commissioner Lindsey suggested we should see whether there is any private funding available. Secretary McPeak said she will find out what is considered to be an acceptable level of deteriorated lane miles. Deputy Director Stephen Maller recommended the Commission approve the 2004 SHOPP.

Commissioner Lawrence moved to approve the 2004 SHOPP. Commissioner Tavaglione seconded the motion, which carried 7-0.

- **At a future CTC meeting, report on the Department's long-term plan regarding reducing distressed payment from 11,800 lane miles to 5,500 lane miles. (Future Agenda Item)**

**ACTION: Jim Nicholas**

**59                      Transportation Funding Alternatives**

**4.7**

Executive Director Diane Eidam reported on the "Transportation Funding Alternatives" document, which is a result from several meetings with the transportation professionals naming, Mike Evanhoe, Norm Emerson, Eric Haley, Mark Watts, Gary Gallegos, Bob McCleary, and Commission staff. The purpose of this document is to provide a menu of alternatives for policy makers to consider as they attempt to address the transportation funding crisis. Ms. Eidam highlighted the "State's Near-Term Alternatives," which included protecting Prop 42 funds, keeping the Fund Estimate whole, the TCR, the appropriate level of GARVEE bonding; "Federal Near-Term Alternatives," which included treatment of the Ethanol taxation, providing federal reauthorization predictability, and the status of Caltrans TEA-21 projects. The long-term alternatives reviewed included a statewide half-cent sales tax, state gas tax legislation, value pricing, vehicle usage fee as a replacement for the gas tax, examining the state's role in transportation funding, and commercial vehicle cost recovery to find out if we are getting adequate reimbursement. As policy advisors to BT&H and the administration, Ms. Eidam recommended staff prepare the document for Chair Balgenorth's final review and signature and formally transmit the Transportation Funding Alternatives to BT&H Agency and Legislature.

John Ferrera, BT&H Assistant Secretary, said the Administration is looking to build on other efforts elaborating on a few of the many opportunities.

Commissioner Ghielmetti said there was an old bill regarding public utilities right-of-way use that did not allow local government to charge rents or royalties and suggested that legislature needs to look at that in more detail.

John Ferrera reported that PUC 7901 was written in the 1870's when freeways were not anticipated. The Department is moving forward with a fee for permit policy.

Peter DeHaan, RTPA Moderator, expressed the RTPAs' appreciation of the Commission staff's proactive approach for the upcoming budget and supported the Commissions' recommendation that the Transportation Funding Alternatives be forwarded to the BT&H and legislature for their consideration.

Commissioner Lawrence congratulated Commission staff and the work group for their hard work in producing this document.

Commissioner Lawrence moved to have the Transportation Funding Alternatives document approved by the Commission and forwarded to BT&H Agency and the Legislature for their review and consideration. Commissioner Balgenorth asked that the document be amended to include 1) economic benefits namely jobs and 2) a reference to the increase cost resulting from deferred maintenance. Commissioner Lawrence amended his motion to include Chair Balgenorth's recommendations. Commissioner Tavaglione seconded the amended motion, which carried 7-0.

- **Transmit the Commission's Transportation Funding Recommendations to BT&H Agency, the Administration and the Legislature, and per the Commission's request include a discussion of costs of deferring rehabilitation/maintenance.**

**ACTION: Diane Eidam**

**60 State and Federal Legislative Matters \* 4.1**  
**\*The Commission may consider bills or resolutions newly introduced, recently amended, or calendared for Legislative committee or floor action, subsequent to publication of this agenda. For further information, call Executive Director Diane Eidam at (916) 654-4245.**

Executive Director Diane Eidam referenced the currently active bills on the pink handout. Ms. Eidam reported the main bill concerning staff is AB 2372 (Correa), which was initiated by Orange County. This bill would severely limit the Commission's ability to get transportation projects that are ready to go in the STIP period underway and instead potentially builds up reserves that may be used for other non-transportation purposes. Ms. Eidam gave a brief explanation for the bill sympathizing with Orange County's situation.

Deputy Director David Brewer said if this bill passes, it would remove flexibility in the future. Ms. Eidam recommended the Commission write a letter of opposition to the bill's author taking issue with the provisions in AB 2372 before the Monday, April 12 hearing.

Sue Zuhlke, OCTA, reviewed items that were not in the staff's report. The Commission recommended staff meet with the sponsor staff to go over the differences.

Commissioner Lindsey moved to approve the letter of opposition as recommended by staff. Commissioner Ghielmetti seconded the motion, which carried 7-0.

John Ferrera, BT&H Assistant Secretary, gave a detailed report on the current federal legislative activity. The main issue of concern is the recent House action to approve reauthorization contained provisions that substantially disadvantage the State. MTC is very concerned about TEA-21 and has prepared a breakdown analysis of the House and Senate bills. Administration has taken a supportive position on the amendment by Isaacson, which is on the House floor. Mr. Ferrera reported not all of the money is earmarked (approximately \$2.5 billion of the \$12.5) adding that we have huge obstacles to overcome.

Commissioner Lawrence requested more information from Caltrans regarding AB 21–710 corridor limit rental rates.

- **Send letter of opposition on AB 2372 to bill author.**  
**ACTION: Diane Eidam**

**61            Technical Advisory Committee on Aeronautics' 4.6  
                 (TACA) Recommendation on Legislation Affecting the  
                 Aeronautics Program**

Dan Burkhart, TACA Chair, stated that TACA recommended SB 1095 (Chesbro) and AB 1800 (Oropeza) be amended to specify that the proposed \$745,000 transfer from the Aeronautics Accounts to the General Fund should be a loan that will be repaid on a specified date from the General Fund to the Aeronautics Account.

Deputy Director Robert Chung recommended the Commission send letters to Senator Chesbro and Assemblymember Oropeza supporting SB 1095 and AB 1800, if these bills are amended as TACA recommended, making the \$745,000 a loan from the Aeronautics Account to the General Fund.

Commissioner Ghielmetti moved to approve the legislation, as recommended by staff. Commissioner Tavaglione seconded the motion, which carried 7-0.

- **Send letter to respective authors of SB 1095 and AB1800 regarding the Commission's recommendations on the legislation effecting aeronautics.**  
**ACTION: Robert Chung**

**62            ~~Presentation on California Performance Review~~            4.4**

Item #62 was withdrawn prior to the meeting.

**63            Traffic Congestion Relief (TCR) Project Allocation 2.6e.(1)  
                 Approval. One allocation request to convert and  
                 reimburse previously approved AB 1335 Letter of No  
                 Prejudice, per Resolution G-03-12.  
                 ~~Resolution TFP-04~~ \_\_\_\_\_**

Ross Chittenden, Caltrans, reported that due to the uncertainty of the Traffic Congestion Relief Program and the unavailability of funds, he recommended against approving Alameda County Congestion Management Agency's (ACCMA's) request to convert a partially completed AB 1335 Letter of No Prejudice for the ACE parking structure to an allocation at this time. Deputy Director Robert Chung concurred with the Department's recommendation and recommended that the request be denied.

Commissioner Ghielmetti moved to deny the request. Commissioner Tavaglione seconded the motion, which carried 6-0 (Commissioner Lindsey was absent).

**64            Traffic Congestion Relief (TCR) Application 2.1c.(2)  
                 Amendment Approval. One application amendment,  
                 no new funding. Resolution TAA-04-04, Amending  
                 Resolution TAA-04-04 Amending Resolution TA-00-01**

Deputy Director Robert Chung reviewed the TCR application amendment to approve a request to transfer the implementing agency status from Caltrans to Contra Costa Transportation Authority (CCTA) for the Caldecott Tunnel fourth bore project and update to the project schedule. The Department recommended deferring action. However, Commission staff recommended that the

Commission approve changing the implementing agency from Caltrans to the CCTA, which would make CCTA eligible for costs incurred.

Commissioner Ghielmetti recommended approval to change the implementing agency from Caltrans to CCTA, as recommended by staff. Commissioner Hallisey seconded the motion, which carried 6-0. (Commissioner Lindsey was absent).

**65 Traffic Congestion Relief (TCR) Project Allocation 2.6e.(2)  
Amendment Approval. One allocation amendment to transfer previously allocated TCR funds from the California Department of Transportation (Department) to the Contra Costa Transportation Authority, no net change in TCR funding.  
Resolution TFP-04-03 Amending Resolution TFP-00-02**

Deputy Director Robert Chung reviewed Caltrans and the Contra Costa Transportation Authority's (CCTA) request to transfer previously allocated TCR funds from Caltrans to the CCTA. Mr. Chung stated that the Department recommended the allocation amendment be deferred and added to the pending list for allocation amendments. Mr. Chung recommended the Commission amend the allocation to add CCTA as a recipient and place the request on the Pending Allocation List. This action would allow CCTA to request a Letter of No Prejudice, which would show that CCTA is willing to use its own funds to advance the project, should TCR funding not be available to proceed with the project. Mr. Chung said the CCTA understands that it **may** be reimbursed at a future date should TCRP funds become available.

Commissioner Tavaglione recommended changing the implementing agency from Caltrans to CCTA on the allocation and direct the CCTA to request a Letter of No Prejudice, as recommended by Commission staff. Commissioner Ghielmetti seconded the motion, which carried 6-0. (Commissioner Lindsey was absent).

**66 Presentation on Hot Lane/Carpool Lane in the I-680 5.2a.  
Corridor (Sunol Grade)**

Dennis Fay, (Alameda County Congestion Management Agency) reviewed the agency's I-680 Smart Carpool Lane Demonstration Project that would allow fee paying single-occupant vehicles to use the high-occupancy vehicle (HOV) lane on southbound Interstate 680 on the 14-mile stretch between Pleasanton and Milpitas.

Christine Monson, Alameda County Transportation Improvement Authority, discussed the agency's funding role in the project and the need for traffic congestion relief.

Jim Bourgart, Parsons Brinckherhoff Consultant, presented the I-680 demonstration project. He explained how the electronic toll collections, CHP enforcement, and access and egress would work for the proposed HOT lanes. Mr. Bourgart discussed how the anticipated revenues and expenditures would be used for transportation purposes. Mr. Bourgart referenced AB 2032, pending legislation that would allow the AACMA to establish HOT lanes.

John Ferrera, Assistant Secretary BT&H, reported that agency has not taken a position on AB 2032, because a bill analysis has not been prepared by the CHP or Caltrans. Mr. Ferrera said the corridor funding is very attractive.

Mr. Fay referenced AB 2032, (Dutra, HOT Lane: Demonstration Projects) asking for Commission support on this bill.

Chairman Balgenorth requested that staff review AB 2032 as part of the May CTC Legislative report .

- **Review AB 2032 “Smart Lane” bill at the May Commission meeting for possible action. (May Agenda Item)**

**ACTION: Diane Eidam**

### **CLOSED SESSION**

The Commission moved into a Closed Session following the lunch break, pursuant to Government Code Section 11126(e)(2)(A) to confer with legal counsel with regard to the City of South Pasadena litigations. The open session of the Commission meeting reconvened at 1:25 p.m. Chair Balgenorth reported no action had taken place during the Closed Session.

**67**  
**ADDED BY**  
**ADDENDA**

**Status of Notice of Determination, Route 710 in 2.2c.(3) Alhambra, South Pasadena, and Pasadena from Route 10 to Route 210, six-lane freeway. Resolution E-04-08**

Deputy Director Stephen Maller reviewed the history of the Route 710 Notice of Determination (NOD) document. Mr. Maller recommended that the Commission withdraw its Route 710 NOD filed with the State Office of Planning and Research (OPR) on April 14, 1998.

Jerry Patterson, City of Alhambra, spoke before the Commission supporting any action toward ending litigation and stated the City’s continued support for the Route 710 project. Nat Reed, 710 Freeway Coalition, indicated the Federal Highway Administration did not rescind its record of decision, but only suspended work on the project.

Commissioner Lawrence moved to withdraw the Commission’s Route 710 Notice of Determination filed on April 14, 1998 with OPR. Mr. Lawrence stated, “I support the approval of this motion because its passage allows us to move forward on this important project and puts these legal issues behind us.”

An affirmative vote by the Commission will not be a negative reflection on the quality of this project or the quality of the environmental documents. An affirmative vote would merely be a procedural way for the Commission, Caltrans and the Federal Highway Administration to move forward on the subsequent and supplemental documents for this project.” Commissioner Hallisey seconded the motion, which carried 6-0 (Commissioner Lindsey was absent).

**68**  
**GARVEE Bonds: Post Pricing Presentation by 4.5 Citibank**

Kim Quinones, Director, Public Finance Department, Municipal Securities Division from the Los Angeles office of Citigroup Global Markets, Inc. made a presentation on the results of the GARVEE bond sale in late February. This was the first GARVEE bond sale in California, and it was extremely successful. The sale realized \$657 million for the eight projects approved by the Commission at 3.03% interest. Presale accomplishments included a AA rating from all first time direct GARVEEs received. This sets a good tone for the future. Ms. Quinones expressed her appreciation to all of the participants for all their contributions to the success of the sale bond effort. Offers were received from five different bond insurance companies, which increased our rating from a AA to AAA at the lowest rate to date, which sets future bond sales on a good path. The State Treasurers Office used three of the bond insurers. The February 23 institutional investors’ conference call had an incredibly strong showing of investors. Pricing was done on February 25 on the heels of a \$2 billion bond sale. Propositions 57 and 58 were voted on the following week. G.O. bonds got \$800 million and \$170 million of our bonds were placed by individual investors and balanced institutional investors at 3.03%.

Commission Lindsey asked about the timing limits, should they be on an annual basis. Ms. Quinones said it is a trade-off. You want to keep the bond size large enough to get the economics of size. Patterns of project readiness have a lot to do with this decision, suggesting no more than twice a year.

**69 Auditor's Report on NCRA Disallowed Costs 5.1d.**

Maura Twomey, Caltrans, presented the Department's audit report regarding NCRA's Q-fund loan. She explained how the right-of-way was purchased by Golden Gate Bridge District, Marin County, and NCRA with state and federal dollars. As part of the ROW purchase agreement, NCRA agreed to be the exclusive guarantor to repay the Q-Fund loan to the FHWA. In the Caltrans' 2000 audit, which was a follow-up to the findings reported by NCRA's 1996 Independent Audit, Caltrans found NCRA in noncompliance with the use of the Q-fund loan to purchase the right-of-way. Accordingly, NCRA was required to reimburse \$1.3 million to FHWA. The Department repaid the disallowed costs, as required by the federal government since the Department is the responsible state agency. The Department invoiced NCRA, which received approval from the Commission to withdraw funds from the Q fund loan repayment account to reimburse the Department.

**70 North Coast Railroad Authority (NCRA) Quarterly Report on Debt Reduction 5.1c.**

John Woolley, NCRA Chair, reported that last year the decision was made to go with an alternate project to reopen the line south of Willits (140 mile stretch) using FEMA OES funding that will be available to the NCRA on April 10. Congressman Mike Thompson's efforts with HR 3550, which is waiting for signature by the President, forgives the remainder of the Q-fund loan

David Ripple, NCRA, gave an update on the status of the environmental consent decree. The Environment Consent Decree (ECD) was funded by the Commission through Traffic Congestion Relief (TCR) funding. The ECD required NCRA to do a clean-up on 316 miles of rail line, eight rail yards and one station site. TCRP allocations under Project #32.5 totaling \$1.146 million will bring the first phase to completion.

Mitch Stogner, NCRA Executive Director, reported that NCRA took a stance to do work on the southern end using the FEMA grant with the goal of getting the trains running on that 142 mile segment. Mr. Stogner said although their emphasis is on the south end, they won't abandon cities to the north of Willits. They are currently at a standstill with the operator.

Deputy Director Robert Chung recommended that the Commission direct NCRA to work with the Commission and Caltrans district staff to resolve the following issues:

1. Funding plan (FY 2002-03 through 2013-14) to address the negative funding for FY 2004-05 thru 2008-09, for its administrative function, its outstanding debt, and other pertinent issues.
2. Proposed use of the TCR funds that may be freed up with the forgiveness of the Q fund loan, should TEA LU be signed.
3. Strategic plan for re-opening the entire line north of Willits. Address the impact on NCRA's ability to comply with the ECD, if the line is not re-opened north of Willits.
4. Estimate of the revenues and the number of clientele that would use the line south of Willits, as well as north of Willits when the entire line is re-opened.

5. Progress in hiring in a shortline operator and the actual funding it would generate for NCRA.
6. Progress in remediating the environmental hazards and achieving consensus with the ECD agencies to move forward with the clean-up. A joint written statement from the ECD agencies and NCRA is requested.
7. Final proposal to Commission and Caltrans district staff regarding the repayment of the \$166,000 in disallowed Proposition 116 costs.

Commissioner Lawrence moved to approve the report with staff's recommendations. Commissioner Hallisey seconded, motion carried 6-0 (Commissioner Lindsey was absent).

**71                    Advice and Consent on Caltrans Ten-Year State Rail Plan – Resolution G-04-03    5.1a.**

Warren Weber, Caltrans, reported on the Department's new Ten-Year State Rail Plan (Plan) (2003-04 through 2013-14). The Plan's goals are similar to the previous 2001-02 plan. The Department pushed everything out several years and did not include expansion. This year's Plan has standards for meeting goals, sets priorities for increased revenues, increased capacity, reduced running times and cost effectiveness. The Plan is divided into two major areas; the Passenger Rail Element and the Freight Rail Element. Deputy Director Robert Chung recommended the Commission adopt the draft resolution prepared by staff that states the Commission's Advice and Consent in four points.

Caltrans should:

1. Provide charts and graphs showing the progress in attaining the stated goals;
2. Highlight its federal funding needs in the executive summary;
3. Provide a chart showing the number of rail equipment that must be overhauled, the projected cost and when the overhaul is needed, particularly since rail equipment does not have a dedicated funding source; and
4. Provide charts or graphs in the ten-year plan on the principal route objectives and showing the progress in attaining the objectives for the three corridors, as well as reflecting the changes in the objectives.

Mr. Chung recommended that the Commission direct staff to prepare a letter transmitting the Ten-Year Rail Plan along with the Commission's Advice and Consent to the Legislature. Mr. Weber agreed to work with Commission staff to make the changes to the Plan or note the suggested changes for the next update of the Plan.

Commissioner Lindsey moved to approve the Caltrans Ten-Year State Rail Plan, per staff's recommended modifications. Commissioner Tavaglione seconded the motion, which carried 7-0.

**72                    Annual Review of Draft Strategic Business Plans for Intercity Rail Corridors:    5.1b.**

- Capitol Corridor
- San Joaquin Corridor
- Surfliner (San Diegan) Corridor

Gene Skoropowski, Capitol Corridor JPA, presented the Capitol Corridor Annual Business Plan. He reviewed state funding levels and costs, operating strategies, the service plan, the capitol improvement program, marketing strategies, performance standards, and goals for the board. Farebox recovery ratios have increased from 38% to 42%, and there has been a 2.1% growth in ridership over the past 12 months. The CCJPA could run more service if they had more trains, but they are out of rolling stock.

Mr. Skoropowski noted that Washington did not consider security a high priority for funding. With their limited funds the CCJPA is securing rolling stock at end points with fencing and adding dogs for security. They are also installing cameras on the trains.

Warren Weber, Caltrans, reviewed the status of the San Joaquin and the Surfliner Corridor Annual Business Plans. Mr. Weber reviewed marketing programs, capital programs, and the possibilities for new service and stations. He also stated that the Amtrak cost increases are due to insurance, fuel and maintenance.

Commissioner Lawrence thanked Mr. Skoropowski and Mr. Weber for their positive reports during such difficult times.

Deputy Director Robert Chung suggested that the expenses should be looked at closely to see if more efficiencies can be made and recommended the Commission accept the report.

Commissioner Lawrence moved to accept the report with staff recommendations. Commissioner Ghielmetti seconded the motion, which carried 6-.0 (Commissioner Lindsey was absent)

#### **OTHER MATTERS / PUBLIC COMMENT**

Diane Eidam announced there will be a CTC transportation finance roundtable in conjunction with the June Commission meeting. The roundtable will review the alternative finance strategies implemented over the past two years, including AB 3090 approvals and GARVEEs, and discuss where we want to go in the future with these existing strategies as well as the new strategies being looked at through the Administration's initiative. Ms. Eidam will work with together with Eric Haley, Self-Help Counties Chair, George Dondero, RCTF Chair, and Peter DeHaan, RTPA Moderator.

#### **ADJOURN**

There being no further business, the meeting adjourned at 2:32 p.m.

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Diane C. Eidam, Executive Director

**STATUS OF ACTION ITEMS**  
From  
April 8, 2004 Commission Meeting

- 7 (3.1) David Saxby – Continue to display the TIF forecast and TIF Adjusted Cash Balance in the Monthly Finance Report.
- **This will be done.**
- 54 (2.5g) David Saxby/Stephen Maller – In the future, budget the Safe Routes to Schools Program funds in the proper category to alleviate the necessity of doing exchanges between funds.
- **This will be done.**
- 55 (2.1e) Kathie Jacobs – Request Monterey County to make a presentation at the May Commission meeting regarding their housing and transportation policies. (*May Agenda Item*)
- **This issue was discussed with Monterey County and Commissioner Ghielmetti following the April Commission meeting and was resolved at that time.**
- 58 (4.2b) Jim Nicholas – At a future CTC meeting, report on the Department’s long-term plan regarding reducing distressed payment from 11,800 lane miles to 5,500 lane miles. (*Future Agenda Item*)
- **This will be done and reported on at a future Commission meeting.**
- 59 (4.7) Diane Eidam – Transmit the Commission’s Transportation Funding Recommendations to BT&H Agency, the Administration and the Legislature, and per the Commission’s request include a discussion of costs of deferring rehabilitation/maintenance.
- **This has been done.**
- 60 (4.1) Diane Eidam – Send letter of opposition on AB 2372 to bill author.
- **This has been done.**
- 61 (4.6) Robert Chung – Send letter to respective authors of SB 1095 and AB1800 regarding the Commission’s recommendations on the legislation effecting aeronautics.
- **This has been done.**
- 66 (5.2a) Diane Eidam – Per the Commission’s request, review AB 2032 “Smart Lane” bill at the May Commission meeting for possible action. (*May Agenda Item*)
- **This will be discussed under May Tab No. 56 Agenda Item 4.1.**