

MINUTES

CALIFORNIA TRANSPORTATION COMMISSION

<http://www.catc.ca.gov>

AUGUST 4-5, 2004
Sacramento, California

Wednesday, August 4, 2004

GENERAL BUSINESS (#1-4) **1.**

The meeting of the California Transportation Commission was called to order at 2:00 p.m. on August 4, 2004, at the Department of Water Resources Auditorium, 1416 Ninth Street, Sacramento, California

1 **• Roll Call** **1.1**

Roll call was conducted at 2:00 p.m. The Commissioners attendance was as follows:

Members Present: Bob Balgenorth, Chair
Joseph Tavaglione, Vice Chair
James Ghielmetti
Jeremiah Hallisey (arrived at 2:05 p.m.)
R. Kirk Lindsey
Allen Lawrence

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

2 **• Approval of Minutes for June 17, 2004 Meeting** **1.2**

Chair Balgenorth asked if there were any corrections to the June 17, 2004 meeting minutes. There being no changes or corrections the Minutes stand adopted.

Commissioner Tavaglione moved to approve the June 17, 2004 minutes. Commissioner Ghielmetti seconded the motion, which carried (5-0). (Commissioners Hallisey and Torres were absent)

3 **• Commission Reports** **1.3** **-- Adoption of 2005 Commission Meeting Schedule**

Commissioner Ghielmetti attended the Technical Advisory Committee on Aeronautics (TACA) task force meeting on July 14. There was a lively discussion on how to preserve the aeronautics funding. A final report with the results will be available in October.

Executive Director Diane Eidam presented for adoption the 2005 Commission Meeting Schedule. The meetings average every six weeks with all meetings being held in Sacramento except for the following: April in Stockton, July in San Diego, September in Monterey and December in San Francisco.

Commissioner Tavaglione moved to adopt the 2005 Commission Meeting Schedule. Commissioner Ghielmetti seconded the motion, which carried (5-0). (Commissioners Hallisey and Torres were absent).

- Distribute to interested parties and post on the Commission's website, the California Transportation Commission's adopted 2005 meeting schedule.**

ACTION: MARY LEA FILBERT

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4 • Commissioners’ Meetings for Compensation 1.4

Chair Balgenorth presented for approval the June and July Lists of Commissioners’ Meetings for Compensation. There was a correction noted by Commissioner Lindsey that a meeting scheduled for July 30 had been canceled.

Commissioner Lindsey moved to approve the lists as corrected. Commissioner Ghielmetti seconded the motion, which carried 6-0. (Commissioner Torres was absent)

REGIONAL AGENCIES AND RURAL COUNTIES REPORT (#5-6)

5 • Report by Regional Agencies Moderator 1.7

Celia McAdam, RTPA Moderator, announced she is starting her position as moderator this month, and thanked Peter DeHaan for leaving her in such a good position. Ms. McAdam highlighted the issues discussed at the Regional Transportation Planning Agency (RTPA) meeting held earlier today, particularly the presentation on performance measures by Debbie Mah, Caltrans. Ms. McAdam wants to be assured that the regions will be a part of the discussions regarding implementation.

6 • Report by Rural Counties Task Force Chair 1.8

George Dondero, RCTF Chair, reported on the Rural County Task Force meeting held on July 16, 2004. The hot topic was performance measures with the rural counties having concerns similar to the RTPAs. Mr. Dondero is looking forward to the September 30 – October 1 Annual Conference to be held in Sacramento.

2004 State Transportation Improvement Program (STIP) (#7)

7 • Presentation of the 2004 State Transportation Improvement Program (STIP) Staff Recommendations 4.2a.
TIMED ITEM
TIMED ITEM: Wednesday, August 4, 2004 at 2:00 p.m.

Deputy Director David Brewer gave an overview of the staff recommendations, process and statute requirements for the 2004 STIP, noting areas where the recommendations differed from recommendations in the regional transportation improvement programs or the Department’s interregional transportation improvement program.

The following persons addressed the Commission about the staff recommendations:

- Carl Andrietta, Member City of Dorris City Council
- Ed Traversal, Mayor of City of Dorris
- Joan Smith, Siskiyou County Supervisor
- Robert Hensley, Citizen of Dorris, Engineering Manager
- Les White, General Manager of Santa Cruz Metro
- Dianne Steinhauser, Metropolitan Transportation Commission

- **Schedule review of Dorris Bypass issue for the October Commission meeting, and meet with locals to discuss this issue prior to the October meeting. (October Agenda Item)**
ACTION: David Brewer
- **Report at the September Commission meeting on how the Department is deploying its project support resources and what projects are being worked on. Provide work plan with priorities based on support levels and delivery targets not 2004 STIP capital funding constraints. (September Agenda Item)**
ACTION: Ross Chittenden

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INFORMATION CALENDAR (#8-17)

IC

Deputy Director Stephen Maller presented the Information Calendar agenda Items #8 through #17. There were no questions or issues raised by the Commission on the Information Calendar.

- 8 IC • **Informational Report on Emergency: G-11 2.5f.(1)**
Allocations. Four projects totaling \$4,900,000.

This item was presented on the Information Calendar.

The Department identified changes to the book item in a pink "Changes to CTC Agenda" handout provided at the start of the meeting.

- 9 IC • **Informational Report on Seismic Retrofit: 2.5f.(3)**
(Proposition 192, Phase II): G-11 Allocations. One
project for \$480,000.

This item was presented on the Information Calendar.

- 10 IC • **Monthly Report on Status of Projects Previously 3.2**
Voted but Not Awarded

This item was presented on the Information Calendar.

- 11 IC • **Monthly Report on Projects Amended into the 3.3**
SHOPP by Department Action

This item was presented on the Information Calendar.

- 12 IC • **Monthly Report on Local Assistance STIP Projects 3.4**
Previously Voted but not Awarded

This item was presented on the Information Calendar.

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

This item was presented on the Information Calendar.

- 14 IC • **Pending Traffic Congestion Relief (TCR) Project 4.3b.(1)**
Application Amendments – 11 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.

This item was presented on the Information Calendar.

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

This item was presented on the Information Calendar.

- 16 IC • **Pending Traffic Congestion Relief (TCR) Project 4.3b.(3)**
Allocations – 22 project allocations totaling
\$146,170,000

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This item was presented on the Information Calendar.

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| 17 | IC | <ul style="list-style-type: none"> • Aeronautics Account Pending Allocations – 17 Projects totaling \$2,672,000. | 4.3c. |
|----|----|--|-------|

This item was presented on the Information Calendar.

<u>CONSENT CALENDAR (#18-28)</u>	CC
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Deputy Director Robert Chung recommended approving the Consent Calendar (Items #18 through 28), with the following modifications:

- Agenda Items #23, Resolution C-18925 (Eugene Gabrych) was withdrawn prior to the Commission meeting. The property owner had signed the right-of-way contract;
- Agenda Item #24, Director’s Deed #26 (DD000077 01 01) was withdrawn prior to the meeting, because the Department was not ready to proceed; and
- Item #22 had a typographical error. It should have read 1.55 acres not 1.55 square feet.

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

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|----|----|---|----------|
| 18 | CC | <ul style="list-style-type: none"> • Traffic Congestion Relief (TCR) Application Amendment Approval. Five application amendments, including one amendment to deprogram (\$95,000) of TCR funds. Resolution TAA-04-07, Amending Resolutions TA-01-01, TA-01-07, TA-01-11, TAA-03-08, TAA-03-12. -- Project #20.2 – San Francisco Muni Third Street Light Rail; extend third Street line to Chinatown (tunnel) in the City and County of San Francisco. The San Francisco Municipal Transportation Agency requests an amendment to update funding plan previously approved under Resolution TA-01-11. <i>(Related item under 2.6e.(2))</i> -- Project #38.1 – Los Angeles-San Fernando Valley Transit Extension; (A) build an East-West bus rapid transit system in the Burbank-Chandler corridor, from North Hollywood to Warner Center. The LACMTA requests an amendment to update project schedule and funding plan previously approved under Resolution TAA-03-12. <i>(Related item under 2.6e.(2).)</i> -- Project #55.1 – Alameda Corridor East; build grade separations on Burlington Northern-Santa Fe and Union Pacific Railroad lines, Los Angeles County Line to Colton, with rail-to-rail separation at Colton in San Bernardino County. The San Bernardino Associated Governments requests an amendment to update funding plan and schedule previously approved under Resolution TAA-03-08. <i>(Related item under 2.6e.(2).)</i> -- Project #60.1 – Route 15; southbound truck climbing lane at two locations in San Bernardino County. The Department requests an amendment to deprogram \$95,000 in TCR funds, update funding plan and project schedule previously approved under Resolution TA-01-01. <i>(Related item under 2.6e.(2).)</i> -- Project #91 – Route 180; build new expressway east of Clovis, Clovis Avenue to Temperance Avenue | 2.1c.(2) |
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in Fresno County. The Department and the Council of Fresno County Governments request an amendment to update project schedule and funding plan previously approved under Resolution TA-01-07. *(Related item under 2.6e.(2).)*

This item was approved on the Consent Calendar.

- 19 CC • Proposition 116 Non-Urban County Project Approval Amendment for the Redding Area Bus Authority (RABA). Request to reprogram \$6,899 in cost savings from the completed RABA Maintenance Facility project to a new bus shelter project in Anderson. *(Concurrent Allocation under 2.6b. and Allocation Amendment under 2.6c.)* Resolution PA-04-04, Amending Resolution PA-00-22 2.1d.

This item was approved on the Consent Calendar.

- 20 CC • Approve Project for Future Consideration of Funding–Route 395-Inyo County–Widen to four-lane expressway near Independence (ND) Resolution E-04-15 2.2c.(1)

This item was approved on the Consent Calendar.

- 21 CC • Approval of Project for Future Consideration of Funding–Route 219 in Stanislaus County–Widen to four lanes near Salida (ND). Resolution E-04-16 2.2c.(2)

This item was approved on the Consent Calendar.

- 22 CC • One Relinquishment Resolution -- 12-Ora-5-PM 35.0 Route 5 in the City of Anaheim Resolution R-3582 2.3c.

This item was approved on the Consent Calendar.

- 23 CC • Four Resolutions of Necessity Resolutions C-18924, C-18926, C-18927, C-18928 2.4b.
- 6 AYES

This item was approved on the Consent Calendar. Resolution C-18925 (Eugene Gabrych) was withdrawn prior to the meeting, as referenced on the “Changes to CTC Agenda” pink handout. The property owner signed the right-of-way contract.

- 24 CC • Director’s Deeds Items #1 through #25 and Items #27 and #28 Excess Lands – Return to State \$8,067,700 Return to Others: \$0 2.4d.

This item was approved on the Consent Calendar. Director’s Deed #26 (DD000077 01 01) was withdrawn prior to the meeting because they were not ready to proceed, as referenced on the “Changes to CTC Agenda” pink handout.

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- 25 CC • Financial Allocation for Three Minor SHOPP Safety Projects totaling \$704,000. Resolution FP-04-02 2.5a.(3)

This item was approved on the Consent Calendar.

- 26 CC • Financial Allocation for One Proposition 116 Non Urban County project for the Redding Area Bus Authority for \$6,899, per PUC 99628. (Concurrent Application Amendment under 2.1d.) Resolution BFP-04-01 2.6b.

This item was approved on the Consent Calendar.

- 27 CC • Financial De-Allocation of \$6,899 from One Proposition 116 Non-Urban County project in Shasta County. (Concurrent Application Amendment under 2.1d.) Resolution BFA-04-01, Amending Resolution BFP-98-30 2.6c.

This item was approved on the Consent Calendar.

- 28 CC • Traffic Congestion Relief (TCR) Project Allocation Amendment Approval. Five allocation amendment requests, including one request to de-allocate \$95,000 in TCR funds. Resolution TFP-04-04 2.6e.(2)

This item was approved on the Consent Calendar.

There being no further business the meeting adjourned at 3:00 p.m. and will reconvene at 9:00 a.m. on Thursday August 5, 2004.

Thursday, August 5, 2004

The meeting of the California Transportation Commission was called to order at 9:00 a.m. on August 5, 2004, at the Department of Water Resources Auditorium, 1416 Ninth Street, Sacramento, California.

- Members Present: Bob Balgenorth, Chair
 Joseph Tavaglione, Vice Chair
 James Ghielmetti
 Jeremiah Hallisey
 R. Kirk Lindsey (arrived at 9:05 a.m.)
 Allen Lawrence
 Esteban Torres

- Senator Kevin Murray, Ex-Officio
 Assemblyman Jenny Oropeza, Ex-Officio

- 29 TIMED • Adoption of the 2004 STIP 4.2b.
 ITEM Resolution G-04-07
 TIMED ITEM: Thursday, August 5, 2004 at 9:00 a.m.

Deputy Director David Brewer reviewed the draft resolution for adoption of the 2004 STIP and recommended the Commission's approval

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Executive Director Diane Eidam announced that the Active State Legislation matrix was distributed as a pink at the meeting. Chair Balgenorth noted ACA 24 that would eliminate a constitutional provision allowing the suspension of all or part of the annual transfer of money from the General Fund (GF) to the Transportation Investment Fund (TIF), as enacted by Proposition 42. Chair Balgenorth suggested a motion be made to send a letter to the Legislature in support of ACA 24.

Commissioner Ghielmetti moved that a letter supporting ACA 24 be sent to the Legislature. Commissioner Lindsey seconded the motion, which carried (7-0).

- Prepare a letter, for Chair Balgenorth’s signature, stating the Commission’s support on ACA 24.

ACTION: Diane Eidam

BUSINESS, TRANSPORTATION AND HOUSING AGENCY REPORT (#34)

- 34** • Report by Agency Secretary and/or Assistant Secretary 1.5

John Ferrera, Assistant Secretary BT&H, said Secretary Sunne Wright McPeak could not attend today’s meeting but sends her regards. Mr. Ferrera reported that the Federal reauthorization has been extended through September 24, 2004 for highway, traffic and safety, but there is no more confidence that a final bill will be passed this year. Work is continuing on the key problems, which are the fix of ethanol treatment and the federal tax code. California remains at 9.5%, even though we have 14% of the United States population. Mr. Ferrera urged everyone to talk to their delegation and stress the importance of achieving an ethanol fix this year.

CALTRANS REPORTS (#35-38)

- 35** • Report by Caltrans’ Director and/or Deputy Director 1.6

Bob Garcia, Caltrans, reported that Randell Iwasaki has been named as the Caltrans Interim Director, and that he is looking forward to having a good working relationship with all of the Commissioners. Mr. Garcia will be transferring to another agency and expressed his appreciation for the hard work the Commission, the Department and the regions do for transportation. Commissioner Tavaglione presented Mr. Garcia with a CTC resolution plaque for his years of dedicated service.

- 36** • Status Report on Benicia Bridge 4.5

At the June meeting, Commissioner Ghielmetti raised concerns with the progress and cost overruns on the new Benicia-Martinez Bridge Project and requested an update from the Department. Mo Pazooki, Caltrans’ Benicia Bridge Project Manager, gave a PowerPoint presentation, which illustrated the alignment, new bike and pedestrian path, new toll plaza, substructure issues, pile driving operation, air bubble curtain noise attenuation system, rotator method of drilling rock sockets, pier details, and the Benicia Corridor Projects schedule. There was a lengthy discussion regarding the fractured rock substructure and the fish injury/mortality issues, which were the major causes for the project cost increase and the two year project delay. The original cost of the project was estimated to be \$384 million, later raised to \$652 million and now the total stands at \$1.06 billion. There was also a problem with the concrete mix; an alternative mix had to be used, which further delayed the project.

The Commissioners questioned why the Caltrans’ project estimators hadn’t anticipated the fractured rock problem and either planned on doing the rotator method of drilling the rock sockets from the very beginning or added a contingency factor when preparing the estimate. Mr. Pazooki said that no matter what testing is done there is no way of knowing what construction problems will be encountered until the project begins.

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PROGRAM STATUS (#39-45)

- 39 • Final Close-Out Report on FY 2003-04 Lump Sum 3.8
Annual Allocation for Caltrans Right of Way Program**

The Department provided a pink handout at the meeting that revised the book item to reflect changes to the summary table due to coding errors.

Brice Paris, Caltrans ROW, presented the final close-out report on the FY 2003-04 lump sum right-of-way allocation. The total ROW needs for the year were estimated by the Department to be \$259 million, and the Commission allocated only \$173.5 million. In response, the Department reduced the Post-Certification reservation from \$62 million to \$31 million amongst other reductions. The Department expended the total \$173.5 million allocation as of June 30, 2004. Mr. Paris said the Department overspent the Post-Certification reservation by 150 percent and under spent other ROW categories mainly because the Department's estimate was not as good as it should have been.

- **At the September Commission meeting, provide detailed information on the additional \$16.5 million spent in the Post-certification Fund Reservation category of the 2003-04 right-of-way allocation. (September Agenda Item)**

ACTION: Brice Paris

- 40 • Caltrans FY 2003-04 4th Quarter/Year-End Report 3.6**

Carl Haack, Caltrans, reviewed the Department's 4th quarter and year-end delivery report. Mr. Haack reported the Department faced significant funding constraints that impacted project delivery. The Department did not meet its delivery goal of 100% of the dollars programmed for the first time since the 1994-95 fiscal year. The Department was unable to deliver \$453 million worth of programmed projects due to reductions in right-of-way funding. The Department delivered \$1.173 billion worth of STIP projects through the use of AB 3090 agreements and GARVEE bond financing. The Department delivered an additional \$990 million worth of SHOPP projects. Unfortunately, due to lack of SHA funds, the Commission did not allocate 74 Department projects worth \$477 million and the Department was not able to proceed to construction with those projects. The Commissioners questioned what had happened to the categorically exempt projects that did not move forward and what was being done differently today. Mr. Haack said he would report back to the Commission on the question of categorically exempt projects, and that programmatic project agreements are now being done resulting in projects moving through more quickly. The intercity rail program was 100% delivered. Chair Balgenorth complimented Mr. Haack on the format of the Executive Summary.

Mike Lawson, Executive Director of Coalition of California, asked for everyone's support in working together with him on increasing investments in transportation infrastructure. Mr. Lawson said the adopted State budget was better than what was proposed in January, but the cupboard is now bare.

- **Report to the Commission why six projects that were identified as categorically exempt under CEQA were not completed this fiscal year and explain why four SHOPP draft EIRs were not completed.**

ACTION: Carl Haack

- 41 • Intercity Rail FY 2003-04 4th Quarter Operations 3.7
Report**

Warren Weber, Caltrans, gave the Department's 4th quarterly report on its intercity rail operations, providing ridership, farebox ratio, passenger miles per train mile and on-time performance measures for the Pacific Surfliner, San Joaquin and Capitol Corridors. A new record was set with the overall ridership for all three

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corridors up 5.8%, and the overall farebox ratio up to 43%. Mr. Weber reviewed the revenue and expenses for the three corridors. The biggest success was the Pacific Surfliner with ridership 9.4% higher than the previous year. The success was contributed to the Rail 2 Rail Program and targeting the Hispanic and senior markets. The San Joaquin ridership and on-time performance were down due to the levee break in the Delta, which caused widespread flooding. The farebox ratio on the Capitol Corridor is flat due to the large number of riders that buy multi-ride tickets and take shorter trips. The Commissioners congratulated Mr. Weber with the one part of transportation that is actually improving.

- 42 • **Financial Allocation for \$49,552,000 in Public Transportation Account (PTA) funds to the Department for Intercity rail and feeder bus services on the San Joaquin and Pacific Surfliner Routes. Resolution MFP-04-01** **2.6g.**

Warren Weber, Caltrans, reported the Department is requesting an allocation of \$49.5 million (\$20.9 million for the Pacific Surfliner and \$28.6 million for the San Joaquin), which is the same amount that was requested the last two years. Government Code Section 14031.8 specifies the Secretary of Business, Transportation and Housing make allocations for the Capitol Corridor. Deputy Director Robert Chung recommended the Commission approve the allocation request. Commissioner Lindsey asked if we should wait until the consultant report from R. L. Banks & Associates, Inc. for the "Intercity Passenger Rail Service Options Study" is final. Mr. Weber responded that this request has nothing to do with the allocation request and that the Department will present this report to the Commission once the report is issued.

Commissioner Lawrence moved to approve the allocation request as recommended by staff. Commissioner Lindsey seconded the motion, which carried (7-0).

- **At a future Commission meeting, present the RL Banks report examining the benefits and costs for contracting out intercity rail, if Amtrak remains in its current form. (Future Agenda Item)**
ACTION: Warren Weber
- **Provide by letter, to Commissioners and Commission staff, an explanation describing why the farebox ratio goals are not the same between the quarterly operations report and the intercity rail allocation request.**
ACTION: Warren Weber

- 43 • **Budget Revision to transfer \$1,045,300 STIP Budget Authority to SHOPP in FY 2002-03. Resolution FM-04-01** **2.5g.**

Bimla Rhinehart, Caltrans, presented the Department's request to transfer \$1,045,300 of STIP budget authority to SHOPP budget authority. Executive Director Diane Eidam said we need to eliminate the bureaucracy and recommended the Department work with the Department of Finance (DOF) to remove the inflexibility between STIP and SHOPP capital outlay authority in the State budget. Ms. Rhinehart agreed but said with the DOF's heavy work load, they haven't had the time to address this issue.

Commissioner Lindsey moved to approve the transfer. Commissioner Tavaglione seconded the motion, which carried (7-0).

- **Prepare a letter from the Commission to Agency Secretary McPeak asking her assistance in working with the Department of Finance to remove the inflexibilities in the STIP/SHOPP/Local Assistance budget transfer process.**
ACTION: Stephen Maller

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44 • Caltrans Monthly FY 2004-05 Finance Report and Revised Cash Flow Report on FY 2004-05 Budget 3.1

Bimla Rhinehart, Caltrans, gave a PowerPoint presentation of the Caltrans Monthly Finance Report. Compared to the May Forecast, the Public Transit Account (PTA) is up \$42 million, the State Highway Account (SHA) is down \$165 million and the Traffic Congestion Relief Fund (TCRF) is up \$67 million due to lower than forecast schedule. New forecasts will be presented as soon as the recently approved State budget has been analyzed by the Department. The Federal budget has passed but Authorization has not. The Consolidated Appropriation Act (CAA) was signed on January 23, 2004, which includes the 2004 Transportation appropriation. The Federal Transportation Act (FTA) program authorization is approved only through July 2004. The level of future federal funds is still being deliberated, which limits the department’s flexibility. The 2004-05 State Budget Act has been signed, however, the impact of final budget decisions has not been determined. Trailer bills and other budget related legislation will impact transportation cash forecasts. The SHA, PTA and TCRF Forecast graphs were reviewed. Ms. Rhinehart explained how the SHA May revise impacts the forecast. The SHA forecast did not assume revenues resulting from the tribal gaming compacts but does assume that the ethanol impact is fully mitigated. Further information will be available at the December meeting. Graphs depicting the cash flow with assumed allocation targets and what will happen if the Ethanol issue is not fixed were displayed and reviewed. Assuming there is no ethanol fix or gaming revenues, the Commission will have only \$500 million to allocate through December 2004. This would be the worst case scenario. There were no known changes to the proposed May revise that affected the forecasts for the PTA and TCRF. The PTA and TCRF forecasts also did not assume revenues from the renegotiation of the tribal gaming compacts. Commissioner Lindsey complimented Ms. Rhinehart on the excellent format of the Executive Summary.

Deputy Director Stephen Maller reported on the Transportation Funding Shortfall. Over \$5 billion has been lost to transportation in FY 2004-05. Transportation sales tax revenues from Proposition 42 have not been made available due to the state budget crisis. Federal reimbursements will be running approximately \$300 million less in FY 04-05 than previously expected. The SHA is estimated to have only \$500 million in project allocation capacity through December 2004, which is less than one quarter of the planned \$2.2 billion in allocations for the fiscal year. Mr. Maller said everything that could be done using GARVEEs and AB 3090 funding has been done and recommended there be no new STIP allocations unless the Ethanol issue is resolved, the federal reauthorization is passed at a higher level than proposed, or Propositions 68 and 70 are defeated.

The Commissioners found it alarming how the transportation community is not fighting for dedicated transportation funding sources. Without dedicated funding sources we will continue to see further impacts on traffic congestion, jobs being lost and repairs not being made. The Commission stressed that transportation issues need to be made public.

Commissioner Torres suggested that the Commission write a letter to the California Congressional delegation urging them to move on the ethanol fix. Celia McAdam, RTPA Moderator, stated the regions are concerned about the recommendation of no STIP allocations and asked if the Commission would establish a pending list for allocations once a fix is made. Mr. Maller responded that the intent is to still deliver for allocation, but Caltrans would not put the items on the agenda.

- **Meet with Commissioner Lindsey and provide a detailed explanation of the monthly finance report’s appendix charts.**

ACTION: Bimla Rhinehart

- **Prepare a letter to be signed by the Commissioners to the California Congressional Delegation regarding the transportation funding issue.**

ACTION: Diane Eidam

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- 45 • **Re-Suspension of Delegated Allocation Authority 4.11**
 Resolution G-04-08, Replacing Resolution G-03-11

Deputy Director Stephen Maller recommended that, due to the State Highway Account’s cash flow problems, the Commission suspend all individual project allocation delegations given to Caltrans until the end of the 2004-05 fiscal year, except for emergency, safety and seismic retrofit projects.

Commissioner Lawrence moved to approve suspending all project allocation delegations as recommended by staff. Commissioner Tavaglione seconded the motion, which carried (7-0).

Financial Allocations for STIP/SHOPP/TE Highway and Rail/Transit Projects (#46-59)

- 46 • **Financial Allocation for Three State Administered 2.5c.(1)**
 STIP Projects on the State Highway System for
 \$12,481,000 plus \$25,000,000 from other sources.
 ~~Resolution FP-04~~_____

Deputy Director Stephen Maller recommended that due to the State Highway Account’s cash flow problems, the Commission table Items #46 through #51 and direct the Department not to place any more STIP allocation requests on the Commission’s agenda. Commissioner Lindsey said it is significant that \$25 million in matching funds could be lost due to the fact that the Commission does not have the funds to allocate projects.

Commissioner Lindsey moved to approve the staff recommendation. Commissioner Tavaglione seconded the motion, which carried (7-0).

- 47 • **Financial Allocation for One Locally Administered 2.5c.(2)**
 STIP Projects on the State Highway System for
 \$100,000 plus \$593,000 from other sources.
 ~~Resolution FP-04~~_____

This item was presented under Item #46.

- 48 • **Financial Allocation for Four Locally Administered 2.5c.(3)**
 STIP Projects off the State Highway System totaling
 \$3,776,000 plus \$22,813,000 from other sources.
 ~~Resolution FP-04~~_____

This item was presented under Item #46.
The Department identified changes to the book item and agenda vote box in a pink “Changes to CTC Agenda” handout provided at the start of the meeting.

- 49 • **Financial Allocation for 19 Locally Administered 2.5c.(6)**
 STIP Planning, Programming and Monitoring
 projects totaling \$11,351,000. ~~Resolution FP-04~~_____

This item was presented under Item #46.
The Department identified changes to the book item in a pink “Changes to CTC Agenda” handout provided at the start of the meeting.

- 50 • **Financial Allocation for Two Local Rail/Transit 2.6a.(1)**
 STIP projects totaling \$521,000. ~~Resolution MFP-04~~

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This item was presented under Item #46.

- 51 • **Financial Allocation for Two Intercity Rail STIP projects totaling \$10,254,000. Resolution MFP-04___** 2.6a.(2)

This item was presented under Item #46.

- 52 • **Financial Allocation for One Locally Administered STIP Project on the State Highway System for \$313,000 plus \$715,000 from other sources not proposed for allocation at this time. Resolution FP-04___** 2.5c.(2.1)

Deputy Director Stephen Maller reported that Items #52, #53 and #54 contain STIP projects that are delivered and project sponsors are requesting an advance allocation of funds. Since there is no STIP capacity, Mr. Maller recommended the Commission deny all advance allocation requests and direct the Department not to place any more STIP advance allocation requests on the Commission’s agenda.

Commissioner Lindsey moved to approve the staff recommendation. Commissioner Tavaglione seconded the motion, which carried (7-0).

- 53 • **Financial Allocation for Ten Locally Administered STIP Projects off the State Highway System totaling \$689,000 plus \$678,000 from other sources not proposed for allocation at this time. Resolution FP-04___** 2.5c.(3.1)

This item was presented under Item #52.

- 54 • **Financial Allocation for One Local Rail/Transit STIP project for \$1,800,000 not proposed for allocation at this time. Resolution MFP-04___** 2.6a.(1.1)

This item was presented under Item #52.

- 55 • **Financial Allocation for 11 Minor Projects totaling \$4,996,000. Resolution FP-04-01** 2.5a.(1)

Deputy Director Stephen Maller reported on Items #55 through #58, which includes 36 SHOPP projects valued at \$105 million that are delivered and ready for allocation of funds. Mr. Maller recommended that the Commission allocate funds to the SHOPP projects. The Commissioners requested information on the Department’s strategy for prioritizing SHOPP projects.

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

- **At the September Commission meeting present the Department’s strategy for prioritizing SHOPP project allocations. (September Agenda Item)**
ACTION: Ross Chittenden

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- 56 • **Financial Allocation for 17 SHOPP Projects totaling \$59,757,000. Resolution FP-04-03** 2.5b.(1)

This item was presented under Item #55.

- 57 • **Financial Allocation for Seven SHOPP Projects totaling \$39,749,000 ready for vote if funds are available. Resolution FP-04-04** 2.5b.(1.1)

This item was presented under Item #55.

The Department identified changes to the book item in a pink "Changes to CTC Agenda" handout provided at the start of the meeting.

- 58 • **Financial Allocation for One SHOPP Transportation Enhancement Project for \$650,000. Resolution FP-04-05** 2.5b.(3)

This item was presented under Item #55.

- 59 • **Financial Allocation for One Locally Administered STIP Transportation Enhancement Project for \$150,000. Resolution FP-04-06** 2.5c.(5)

Deputy Director Stephen Maller recommended the Commission allocate \$150,000 to a federal Transportation Enhancement (TE) project and direct the Department to keep placing federal TE funded projects on the Commission's agenda.

Commissioner Tavaglione moved to approve the allocation as recommended by staff. Commissioner Lawrence seconded the motion, which carried (7-0).

- 60 • **Report by Resources Agency on Status of Hearst Ranch Scenic Acquisition Project** 4.4

Steve Horn, Deputy Executive Officer of the California Coastal Conservancy, gave an updated report on the Hearst Ranch Acquisition on behalf of the State Resources Agency. The Resources Agency and Hearst announced a "tentative agreement" on June 4, 2004 to conserve the 82,000 acre property. On July 15, 2004, a public hearing was conducted in San Luis Obispo County to reveal the overall Hearst deal. Details about how the agreement was reached and the environmental assessment on the property are posted for public review on the internet under www.resources.ca.gov. There is a great deal of public interest in this transaction. Mr. Horn reviewed all the various easements involved.

On August 12, 2004, the State Wildlife Conservancy Board will vote on funding one half of the Resources Agency's part of the Hearst deal. These results will also be posted on the internet. On September 15, 2004, The California Coastal Conservancy is scheduled to meet in Santa Rosa to consider funding the other half of the Hearst deal.

Two additional acts are necessary in order to implement the project: 1) The Public Works Board will need to meet regarding the title transfer on the 13 miles of coastline property west of Highway 101; and 2) legislative authority is required in order to use the tax credit program. Mr. Horn reviewed the appraisal process for this transaction. These decisions will also be posted on the Resource Agency's website.

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Commissioner Ghielmetti asked could this property be used as a mitigation source in the future. Mr. Horn said, no because it is already protected.

Chair Balgenorth asked Mr. Horn to return at the October 2004 meeting to give an updated report on the outcomes of the August 12 and September 15 board meetings.

**61 • Presentation on the California Performance Review 4.10
(CPR) Recommendations – Infrastructure**

Joan Borucki, CTC and California Performance Review (CPR) Team Member, gave the first official presentation of the CPR (established by Executive Order S-4-04) that was released on Tuesday, August 3. Ms. Borucki said Chon Gutierrez wanted to personally give the presentation but was unable to attend due to previous family commitments.

Ms. Borucki reviewed the basic charges given by the Governor. The CPR team was told to look at all areas of government for recommendations on how to cut costs, improve customer service, better manage taxpayer dollars, manage government more strategically and take advantage of modern ways of doing business. The two principal elements of the CPR report, which are performance and policy reform and organizational reform, were reviewed. Reasons why California state government must change include: the continuing fiscal crisis, 34% of the state workforce will be eligible for retirement within the next five years, and people are demanding superior performance.

The CPR started with 2,300 ideas from all areas (i.e. anything printed, final reports, archive files, etc.) and have been consolidated into over 250 issues, which resulted in more than 1,200 recommendations for improvement and change. A few examples mentioned were procurement, education, asset management, and health and human services. Ideas for improving the efficiency and management of the State’s infrastructure programs, saving taxpayer infrastructure dollars and government reorganization were reviewed. California infrastructure is currently divided between 32 different agencies. An organizational chart was presented showing the CPR’s recommendation, which is to have one infrastructure agency in order to get rid of the government duplication and inefficiency. Ms. Borucki said if anyone has comments regarding the CPR’s recommendations, they are encouraged to send them to: www.cpr.ca.gov or 1-877-End Waste. Public comments will be heard at the next CPR meeting, which is scheduled to meet at Riverside UCR from 10:00 a.m. to 3:00 p.m. The Office of Planning and Research (OPR) decides who will present the report to the Governor in September.

The Commissioners expressed the following concerns:

1. How can nine people in the infrastructure authority possibly have the breadth of knowledge necessary to handle all of these areas. Ms. Borucki agreed it would be a challenge to find people of that caliber and dedicated to public service. That decision will be up to the implementing secretary.
2. The fear of getting incompetent people in these offices.
3. The people on the CPR team, unlike the private industry, do not have the experience with merging businesses. Five billion dollars has been taken out of transportation over the last three fiscal years and many Caltrans positions have been cut, yet no one seems to be focusing on agencies and how they can improve efficiency.
4. The recommendations, as presented, will create chaos.
5. With the Commission’s independence being dissolved, the buffer between this Administration and legislature and the checks and balances would be gone.
6. During the entire CPR process nobody came to the Commission for their input. The Commission did not feel they did “due diligence.” Fear of what will happen when we put all this power is in one person’s hands. Ms. Borucki said there will be six-year staggered terms, and that the Governor has no more power in the executive branch than he had before. Chair Balgenorth disagreed.

Ms. Borucki said the issues and recommendations proposals can go forward, but that the reorganization is a separate issue that is going to take more time to implement and will have an upfront cost.

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Commissioner Ghielmetti said he remains optimistic and feels that some consolidation is necessary to save money. Ms. Borucki said any government reorganization will have to go through the Little Hoover Commission and, if approved, will then go to legislature for their approval. This reorganization assumes moving people and assumes no lay offs. Details on how this will be implemented still need to be worked out. Commission staff will all be housed under the Planning, Programming and Evaluation Unit office and the Commission's independence will be negated. If no one opposes these recommendations on September 17, a report would be put together for the Governor who could implement these recommendations with next year's budget and present it to the Little Hoover in December. There were discussions regarding transportation funding recommendations and how Constitutional provisions regarding public utilities will be handled.

Commissioner Lindsey moved to have the Commission review the California Performance Review (CPR) report and prepare a letter with Commission comments on the CPR report for submittal to the CPR Commission. Commissioner Ghielmetti seconded the motion, which carried (6-0). (Commissioner Hallisey was absent)

- Provide Commissioners and staff with a list of individuals who the CPR Infrastructure team received input from prior to issuance of the CPR report.

ACTION: Ms. Borucki

- Review the CPR report and prepare a letter of Commission comments on the report for submittal to the CPR Commission.

ACTION: Diane Eidam/David Brewer

Traffic Congestion Relief (TCR) Program (#62-66)

62 WITH-DRAWN • ~~Proposed budget language regarding criteria to ensure that Traffic Congestion Relief Program (TCRP) projects receiving future allocations must (1) maximize economic impact, including job creation, (2) maximize goods movement and (3) leverage local, federal and private funds.~~ 4.8

This item was withdrawn prior to the meeting.

63 • Traffic Congestion Relief (TCR) Application Approval. Three applications totaling \$247,200,000. 2.1c.(1)
Resolution TA-04-_____
 -- Project #37.1 - \$105,100,000 for All Phases, for Los Angeles Mid-City Transit Improvements; build bus rapid transit system or light rail transit in Mid-City/ Westside/ Exposition Corridors in Los Angeles County.
 Applicant Agency: Los Angeles County Metropolitan Transportation Authority (LACMTA)
 Implementing Agency: LACMTA
 (Related item under 2.6e.(1).)
 -- Project #37.2 - \$44,100,000 for Phases 2 and 4, for Los Angeles Mid-City Transit Improvements; build bus rapid transit system or light rail transit in Mid-City/Westside/Exposition Corridors in Los Angeles County.
 Applicant Agency: LACMTA
 Implementing Agency: LACMTA
 -- Project #38.2 - \$98,000,000 for All Phases, for Los Angeles-San Fernando Valley Transit Extension;

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**(B) Build a North-South corridor bus transit project that interfaces with the foregoing East-West Burbank Chandler corridor project and with the Ventura Boulevard Rapid Bus project.
 Applicant Agency: LACMTA
 Implementing Agency: LACMTA
 (Related item under 2.6e.(1).)**

Ross Chittenden, Caltrans, reviewed the three TCRP applications to program \$247.2 million, recommending action be deferred until TCR funds are available.

Commissioner Ghielmetti moved to approve deferring action as recommended by the Department. Commissioner Tavaglione seconded the motion, which carried (6-0). (Commissioner Lawrence was absent)

- 64 • **Traffic Congestion Relief (TCR) Application Amendment Approval. Two application amendments, no net change in TCR funding. Resolution TAA-04-08 Amending Resolutions TA-00-01 and TA-00-02** 2.1c.(3)
 - Project #87.1 – Routes 94/125; build two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County. The Department requests an amendment to transfer \$490,000 of TCRF savings to TCRP Sub-Project #87.2 (below), and update the overall funding plan previously approved under Resolution TA-00-02. *(Related item under 2.6e.(3).)*
 - Project #87.2 – Routes 94/125; build two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County. The Department requests an amendment to transfer \$490,000 in TCRF savings from TCRP Sub-Project #87.1 (above), update project schedule and funding plan previously approved under Resolution TA-00-01. *(Related item under 2.6e.(3).)*

Ross Chittenden, Caltrans, reviewed Item #64 and requested approval for two TCRP application amendments that would result in zero net cost. Funding would be redirected with the goal to deliver the project within the program amount. Deputy Director Robert Chung, CTC, recommended that the Commission approve the application amendment requests to program the cost savings and transfer the approved funds from Phase 1 to fund the right-of-way hardship acquisition.

Commissioner Lindsey moved to approve the TCR application amendment requests as recommended by staff. Commissioner Tavaglione seconded the motion, which carried (5-0). (Commissioners Hallisey and Lawrence were absent)

- 65 • **Traffic Congestion Relief (TCR) Project Allocation Approval. Two allocation requests totaling \$41,900,000 in new TCR funding. Resolution TFP-04-___** 2.6e.(1)

Ross Chittenden, Caltrans, reviewed the request with corrections to the book item and Vote Box #1 for approving two allocation requests and recommended the Commission defer action until TCR funding is restored. Deputy Director Robert Chung agreed with the Department’s recommendation.

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Commissioner Lindsey moved to defer the TCR allocation request as recommended by the Department and staff. Commissioner Tavaglione seconded the motion, which carried (5-0). (Commissioners Hallisey and Torres were absent).

- 66 • Traffic Congestion Relief (TCR) Project Allocation Amendment Approval. Two allocation amendment requests, no net change in TCR funding. Resolution TFP-04-05 2.6e.(3)**

Ross Chittenden, Caltrans, reviewed the request to approve an allocation request to de-allocate \$490,000 in cost savings and re-allocate the \$490,000 and re-direct \$310,000 from a prior allocation for right-of-way hardship acquisition. Deputy Director Robert Chung recommended that the allocation request be approved.

Commissioner Lindsey moved to approve the TCR allocation request as recommended by staff. Commissioner Tavaglione seconded the motion, which carried (5-0). (Commissioners Hallisey and Torres were absent).

Supplemental Funds (#67)

- 67 • Financial Allocation for Supplemental Funds for Previously Voted Projects. Six projects totaling \$4,860,000. Resolution FA-04-01 2.5e.**
 - 01-DN-169 – SHOPP Project in Del Norte County. Current allocation is \$3,300,000. This request for \$625,000 to award the construction contract results in an increase of 19% over the voted amount.
 - 01-Hum-101 – SHOPP Project in Humboldt County. Current allocation is \$2,540,000. This request for \$840,000 to award the construction contract results in an increase of 33% over the voted amount.
 - 04-Son-101 – SHOPP Project in Sonoma County. Current allocation is \$7,039,000. This request for \$2,638,000 to award the construction contract results in an increase of 37% over the voted amount.
 - 07-LA-5 – SHOPP Project in Los Angeles County. Current allocation is \$855,000. This request for \$280,000 to award the construction contract results in an increase of 33% over the voted amount.
 - 07-LA-101 – SHOPP Project in Los Angeles County. Current allocation is \$700,000. This request for \$357,000 to award the construction contract results in an increase of 51% over the voted amount.
 - 08-Riv-71 – STIP Project in Riverside County. Current allocation is \$9,674,000. This request for \$120,000 to complete the construction contract results in an increase of 17% over the allocated amount.

Commissioner Lindsey moved to table Item #67 until the September Commission meeting. Commissioner Tavaglione seconded the motion, which carried (6-0). (Commissioner Hallisey was absent)

- Return at the September meeting regarding the detailed analysis on supplemental allocations. (September Agenda Item)**

ACTION: Ross Chittenden

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Time Extension Request to Extend the Period of Project Completion (#68)

- 68 • Request to Extend the Period of Project Completion 2.8c.
for One STIP Project in Mendocino County for
\$18,385,000. Waiver-04-01

Deputy Director Stephen Maller recommended the Commission approve this request by the Department to extend the project completion deadlines by two months for a four lane widening of Route 101 at Hopland in Mendocino County.

Commissioner Lindsey moved to approve the two-month extension request as recommended by staff. Commissioner Tavaglione seconded the motion, which carried (6-0). (Commissioner Hallisey was absent)

OTHER MATTERS / PUBLIC COMMENT

There were no other matters or public comments.

ADJOURN

There being no further business, the meeting adjourned at 2:35 p.m.

Diane C. Eidam, Executive Director

STATUS OF ACTION ITEMS
From
August 4-5, 2004 Commission Meeting

- 3 (1.3) Mary Lea Filbert – Distribute to interested parties, and have posted on the CTC website, the Commission's adopted 2005 meeting schedule.
- **This has been done.**
- 7 (4.2a) David Brewer – Schedule review of Dorris Bypass issue for the October Commission meeting, and meet with locals to discuss this issue prior to the October meeting. (*October Agenda Item*)
- **This will be done and reported on at the October 2004 Commission meeting.**
- 7 (4.2a) Ross Chittenden – Report at the September Commission meeting on how the Department is deploying its project support resources and what projects are being worked on. Provide work plan with priorities based on support levels and delivery targets not 2004 STIP capital funding constraints. (*September Agenda Item*)
- **This will be discussed at the September 2004 Meeting under Tab 8 (Agenda Item 4.2).**
- 33 (4.1) Diane Eidam – Prepare a letter, for Chair Balgenorth's signature, stating the Commission's support on ACA 24.
- **This has been done.**
- 36 (4.5) Ross Chittenden – For the September Commission meeting prepare a history of what was estimated for seismic retrofit of the Toll Bridges and an actual accounting for all costs regardless of funding source. Also return in September with a report on the status of the Bay Bridge. (*September Agenda Items*)
- **This will be discussed at the September 2004 Meeting under Tab 51 (Agenda Item 4.4).**
- 38 (4.7) Tony Anziano – At the September Commission meeting, provide the legal basis for the transfer of the Transbay Terminal properties to the Transbay Joint Powers Authority. Also provide information on the benefits to the State of such a transfer. Ask the TJPA to attend and provide input on the project's status and direction. (*September Agenda Item*)
- **This will be discussed at the September 2004 Meeting under Tabs 53 and 54 (Agenda Item 4.6 and 4.7).**
- 39 (3.8) Brice Paris – At the September Commission meeting, provide detailed information on the additional \$16.5 million spent in the Post-certification Fund Reservation category of the 2003-04 right-of-way allocation. (*September Agenda Item*)
- **This will be discussed at the September 2004 Meeting under Tab 11 (Agenda Item 3.6).**
- 40 (3.6) Carl Haack – Report to the Commission why six projects that were identified as categorically exempt under CEQA were not completed this fiscal year, as well as explaining why four SHOPP draft EIRs were not completed.
- **This will be done and reported on at future Commission meeting.**

- 42 (2.6g) Warren Weber – At a future Commission meeting, present the RL Banks report examining the benefits and costs for contracting out intercity rail, if Amtrak remains in its current form. (*Future Agenda Item*)
- **This will be done and reported on at future Commission meeting.**
- 42 (2.6g) Warren Weber – Provide by letter, to Commissioners and Commission staff, an explanation describing why the farebox ratio goals are not the same between the quarterly operations report and the intercity rail allocation request.
- **A letter has been prepared and is in draft form, but will be transmitted in the near future.**
- 43 (2.5g) Stephen Maller – Prepare a letter from the Commission to Agency Secretary McPeak asking her assistance in working with the Department of Finance to remove the inflexibilities in the STIP/SHOPP/Local Assistance budget transfer process.
- **This will be done.**
- 44 (3.1) Bimla Rhinehart – Meet with Commissioner Lindsey and provide a detailed explanation of the monthly finance report's appendix charts.
- **A meeting has been scheduled for September 6.**
- 44 (3.1) Diane Eidam – Prepare a letter for Commissioners' signature to the California Congressional Delegation regarding the transportation funding issue.
- **A letter has been prepared and is in draft form, but will be transmitted in the near future.**
- 55 (2.5a(1)) Ross Chittenden – At the September Commission meeting present the Department's strategy for prioritizing SHOPP project allocations. (*September Agenda Item*)
- **This will be discussed at the September 2004 Meeting under Tab 12 (Agenda Item 4.10).**
- 61 (4.10) Joan Borucki – Provide Commissioners and staff with a list of individuals who the California Performance Review Infrastructure team received input from prior to issuance of the CPR report.
- **This will be done.**
- 61 (4.10) Diane Eidam/David Brewer – Review the CPR report and prepare a letter of Commission comments on the report for submittal to the California Performance Review Commission.
- **The comments are in the process of being prepared and will be transmitted in the near future.**
- 67 (2.5e) Ross Chittenden – Return at the September meeting regarding the detailed analysis on supplemental allocations. (*September Agenda Item*)
- **This will be discussed at the September 2004 Meeting under Tab 55 (Agenda Item 2.5e.(1)).**