



Tri-Valley ▲ San Joaquin Valley  
**REGIONAL RAIL AUTHORITY**

## Board of Directors Meeting Packet

June 12, 2024 at 2 p.m.

Mountain House Board Chambers

251 East Main Street

Mountain House, CA 95391



**AGENDA FOR REGULAR BOARD MEETING**  
**Wednesday, June 12, 2024 at 2:00 p.m.**  
**Mountain House CSD Board Chambers**  
**251 East Main Street, Mountain House, CA 95391**

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**TELECONFERENCE LOCATIONS**

Heritage House  
4501 Pleasanton Ave.  
Pleasanton CA

1755 Harvest Landing Ln.  
Tracy, CA

City Council Chambers  
200 Old Bernal Ave  
Pleasanton, CA

**MEETING PROCEDURE**

This Board of Directors meeting will be conducted in person.

Public comments will be accepted via email and in person. Emailed public comments will be accepted until 5:00 p.m. on the day before the meeting at [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com). Please include "Public Comment", the meeting date and the agenda item to which your comment applies in the subject line. In the body of the email please include your name. A list of the public comments submitted by the deadline will be read during public comment and copies of correspondence will be posted on the Authority's website along with other meeting material.

In-person public comment speakers must submit a "Speaker/Comment Card" to the secretary prior to the Public Comment portion of the agenda. No speaker cards will be accepted after the close of Public Comment.

Public comments will be subject to the regular two-minute time restriction.

There will be zero tolerance for any person addressing the Board making profane, offensive, and disruptive remarks, or engaging in loud, boisterous, or other disorderly conduct, that disrupts the orderly conduct of the public meeting.

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*Upon request, the Tri-Valley-San Joaquin Valley Regional Rail Authority will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. A speech-to-text option (live transcription) is now available on all Zoom meetings. Live transcription currently only supports English, and the accuracy of the feature depends on many variables, such as but not limited to background noise, volume and clarity of the speaker's voice, lexicons and dialects. Requests for any other reasonable accommodation should be submitted in writing, and must include your name, mailing address, phone number and brief description of the requested materials and the preferred alternative format or auxiliary aid or service at least 2 working days before the meeting. Requests should be sent to: [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com).*

## TRI-VALLEY – SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY

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#### Listen and view meeting online:

- Live on Zoom from a PC, Mac, iPad, iPhone or Android device click the link below:  
<https://zoom.us/j/93548110883>  
Password: **ValleyLink**

*Please note there is no option to make Public Comment on by video conference. Please see instructions below on making public comments.*

#### Listen via telephone to the meeting:

- For audio access to the meeting by telephone, use the dial-in information below:  
Dial: 1 (669) 900-6833  
Webinar ID: 935-4811-0883  
Password: **898381**

*Please note there is no option to make Public Comment on telephone access. Please see instructions below on making public comments.*

#### Written comments:

- Send public comments prior to the meeting by email, to [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com)

If you are submitting public comment via email, please do so by 5:00 p.m. the day before the meeting to [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com).

Please include "Public Comment – June 12, 2024" and the agenda item to which your comment applies in the subject line. In the body of the email please include your full name. A list of the public comments received by the deadline will be read during public comment, and letters will be posted on the Authority's website along with other meeting material.

#### In-Person Comments:

Speakers must submit a "Speaker/Comment Card" to the secretary prior to the Public Comment portion of the agenda. No speaker cards will be accepted after the close of Public Comment. Speakers are limited to 2 minutes at the discretion of the board chair.

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1. Call to Order and Pledge of Allegiance
2. Roll Call of Members and Confirmation of Quorum
3. Public Comments:  
Members of the public may address the Board on any issues not listed on the agenda that are within the purview of the Authority. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Time limits on public comments may be established by the Chair.
4. Consent Agenda – **ACTION**  
Recommend approval of all items on Consent Agenda as follows:
  - a. Minutes of April 10, 2024 Board of Directors Meeting
  - b. Treasurer’s Report for February 2024
  - c. Resolution R04-2024 Fiscal Year 2025 Budget
  - d. Resolution R05-2024 to Extend Terms of Employee Agreements
  - e. Submission of Transit and Intercity Rail Capital Program (TIRCP) Funding Request
5. Approve Resolution R06-2024 Authorizing the Executive Director/CEO to Negotiate a Contract for Alternative Delivery Support Services – **ACTION**
6. Equity Community Engagement Update – **INFORMATION**
7. Environmental Update – **INFORMATION**
8. State Legislative Update – **INFORMATION**
9. Executive Director’s Report – **INFORMATION**
10. Directors’ Discussion – Comments, Questions and Agenda Requests
11. Upcoming Meeting Details – The next regular meeting is scheduled for August 14, 2024 at Livermore Public Library Community Room, 1188 S. Livermore Avenue, Livermore, CA 94550
12. Adjourn

**AGENDA**

**ITEM 4 A**



Tri-Valley San Joaquin Valley Regional Rail Authority  
Minutes of Board meeting on April 10, 2024

Livermore Public Library Community Room  
1188 S. Livermore Avenue, Livermore 94550

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1. **Call to Order and Pledge of Allegiance**

The meeting of the board of directors was called to order by Vice Chair Dan Wright at 2:02 p.m. Director Marchand led the Pledge of Allegiance.

2. **Roll Call of Members and Confirmation of Quorum**

**Members Present - In-Person**

Director David Haubert, Alameda County  
Director David Hudson, San Ramon  
Director John Marchand, City of Livermore  
Director Jeff Nibert, City of Pleasanton  
Director Karen Stepper, Town of Danville  
Director Julie Testa, LAVTA

**Members Present - Remote**

Vice Chair Dan Wright, City of Stockton  
Director Paul Akinjo, City of Lathrop  
Director Mateo Bedolla, City of Tracy  
Director Jose Nuño, City of Manteca (*joined during item #4*)  
Director Robert Rickman, San Joaquin  
Director Leo Zuber, ACE

**Members Absent**

Chair Melissa Hernandez, City of Dublin  
Director Bernice King-Tingle, Mountain House

3. **Public Comments**

Public comments were heard from Roland Lebrun.

4. **Consent Agenda – ACTION**

Motion to approve all items on Consent Calendar as follows:

- a. Minutes of February 14, 2024 Board of Directors Meeting
- b. Treasurer's Reports for January 2024
- c. Draft Fiscal Year 2025 Budget
- d. Fiscal Year 2024 Budget Amendment

There was no public comment.

**Motion: Marchand/Zuber**

**Aye:** Akinjo, Haubert, Hudson, Marchand, Nibert, Rickman, Stepper, Testa, Zuber, Wright

**Nay:** None

**Abstain:** None

**Absent:** Hernandez, King-Tingle, Nuno

**Motion Passed**

5. Approve Resolution R01-2024 Authorizing the Executive Director/CEO to Negotiate a Contract for Real Estate Consultant Project Manager - **ACTION**

Tri-Valley San Joaquin Valley Regional Rail Authority  
Minutes of Board meeting on April 10, 2024

Livermore Public Library Community Room  
1188 S. Livermore Avenue, Livermore 94550

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Deputy Director, Wil Ridder requested that the Board authorize the Executive Director/CEO to negotiate a contract with the consultant firm Monument for Real Estate Consultant Project Manager, to develop, lead and manage the Valley Link Rail Project's right-of-way appraisal, land acquisition, condemnation, and relocation activities. Directors discussed this item. There was no public comment.

**Motion:** Marchand/Nibert

**Aye:** Bedolla, Hudson, Marchand, Nibert, Nuno, Rickman, Stepper, Testa, Zuber, Wright

**Nay:** Akinjo

**Abstain:** None

**Absent:** Hernandez, King-Tingle

**Motion Passed**

6. Approve Resolution R02-2024 Authorizing the Executive Director/CEO to Extend the Agreement for Regional Advocacy Services – **ACTION**

Executive Director/CEO Kevin Sheridan requested the extension of the professional services agreement with Red Oak Engineering and Consulting for regional advocacy services for the term of 10 months beginning March 1, 2024. Sheridan acknowledged that Red Oak Engineering and Consulting has been a great help over the past 2 years with advocacy and addressing the agency's funding needs and strategies. Directors discussed this item. There was no public comment.

**Motion:** Haubert/Stepper

**Aye:** Akinjo, Bedolla, Haubert, Hudson, Marchand, Nibert, Nuno, Rickman, Stepper, Testa, Zuber, Wright

**Nay:** None

**Abstain:** None

**Absent:** Hernandez, King-Tingle

**Motion Passed**

7. Approve Resolution R03-2024 Authorizing the Executive Director/CEO to Negotiate a Contract for Financial Auditing Services – **ACTION**

Sheridan summarized the staff report and requested the approval of a professional services agreement with Maze and Associates to provide financial auditing services. Directors discussed this item. There was no public comment.

**Motion:** Stepper/Haubert

**Aye:** Bedolla, Haubert, Hudson, Marchand, Nibert, Nuno, Rickman, Stepper, Zuber, Wright

**Nay:** Akinjo, Testa

**Abstain:** None

**Absent:** Hernandez, King-Tingle

**Motion Passed**

Tri-Valley San Joaquin Valley Regional Rail Authority  
Minutes of Board meeting on April 10, 2024

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8. Subsequent Environmental Impact Report (SEIR) Update – **INFORMATION**  
Director of Planning and Environmental, Marianne Payne gave an update in the SEIR document's milestones and upcoming events. The SEIR's Notice of Availability (NOA) informing the public of the 45-day review period that will extend to June 6 at 5p.m. and or the open forum public hearings on May 8 in Livermore, May 9 in Mountain House and virtually on May 15. Directors discussed this item. Public comment was heard from Roland Lebrun.
9. Station Area Planning and Local Agency Agreements Update – **INFORMATION**  
Wil Ridder gave an update on ongoing activities surrounding station area planning and local agency agreements. He explained the need to do this work to meet the requirements to support our position for funding under the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) program. Directors discussed this item. There were no public comments.
10. Executive Director's Report - **INFORMATION**  
Sheridan gave an update on current legislature affecting the Valley Link project. He highlighted Senate Bill 1031 noting it was referred to the Policy Committee last week and will be going to the Transportation, Revenue and Tax Committee next. These hearings will take place at the end of April. Directors discussed this item. Public comment was heard from Roland Lebrun.
11. Director's Discussion – Comments, Questions, and Agenda Request  
Directors discussed making recordings of board meetings available online. Sheridan agreed to upload meeting recordings to the Authority's YouTube channel.
12. Upcoming Meeting Details The next regular meeting is scheduled for June 12, 2024 at Mountain House Chambers, 251 East Main Street, Mountain House, CA 95391
13. Adjourn  
Meeting adjourned without in objections at 3:38 p.m.



**AGENDA**

**ITEM 4 B**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: Treasurer's Report  
FROM: Tamara Edwards, Chief Financial Officer  
DATE: June 12, 2024

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### **Action Requested**

Staff requests that the Tri-Valley – San Joaquin Valley Regional Rail Authority Board accept the Treasurer's Report February 2024.

### **Background/Discussion**

The Treasurer's Report shows all expenses and revenues for the month(s) stated above, as well as the year-to-date totals.

The fund balance reflected on both the balance sheet and the expense report is the difference between the revenue received and the expenses. As the Rail Authority's funding is all on a reimbursement basis this will be reflected as a negative amount (expenses higher than revenues) until year end when accruals are done, at which time the fund balance will be zero. Additionally, as all the Rail Authority's funding is on a reimbursement basis LAVTA continues to provide the cash flow for the Rail Authority which is reflected in the funds due to LAVTA line item.

### **Attachments:**

1. February 2024 Treasurer's Report

## **ATTACHMENT 1**



**Tri-Valley San Joaquin Regional Rail Authority**  
**BALANCE SHEET**  
**FOR THE PERIOD ENDING:**  
**February 29, 2024**

**ASSETS:**

106 MONEY MARKET ACCOUNT	978,600
107 CD	3,000,000
108 CASH-GENERAL CHECKING	769,343
120 ACCOUNTS RECEIVABLE	(282)
150 PREPAID EXPENSES	0
111 NET PROPERTY COSTS	8,263

**TOTAL ASSETS****4,755,925****LIABILITIES:**

205 ACCOUNTS PAYABLE	176,654
20501 DUE TO LAVTA	2,929,055
22110 PAYROLL CLEARING	0
211 PRE-PAID REVENUE	4,988,858
22000 FIT	(1,257)
22010 SIT	(866)
22020 FICA	(6,638)
22030 SDI	0
22090 Worker's Comp	18,928
22100 457	404

**TOTAL LIABILITIES****8,105,140****FUND BALANCE:**

301 FUND RESERVE	0
304 GRANTS, DONATIONS, PAID-IN CAPITAL	0
30401 SALE OF BUSES & EQUIPMENT	0
FUND BALANCE	(3,349,215)

**TOTAL FUND BALANCE****-3,349,215****TOTAL LIABILITIES & FUND BALANCE****4,755,925**

**Tri-Valley San Joaquin Regional Rail Authority  
REVENUE REPORT  
FOR THE PERIOD ENDING:  
February 29, 2024**

<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>BALANCE AVAILABLE</b>	<b>PERCENT BUDGET EXPENDED</b>
	MTC-Bridge Tolls	22,401,750	0	1,543,889	20,857,861	6.9%
	State Budget Act of 2022	5,000,000	0	0	5,000,000	0.0%
	Interest	-	0	80,850	(80,850)	
	Alameda County/Strategic Development	0	0	0		
	<b>TOTAL REVENUE</b>	<b>27,401,750</b>	<b>0</b>	<b>1,624,738</b>	<b>25,777,012</b>	<b>5.9%</b>

Tri-Valley San Joaquin Regional Rail Authority  
EXPENDITURE REPORT  
February 29, 2024

ACCOUNT	DESCRIPTION	BUDGET	CURRENT MONTH	YEAR TO DATE	BALANCE AVAILABLE	PERCENT BUDGET EXPENDED
<b>Direct Labor and Benefits</b>						
	Executive Director	255,000	26,640	227,173	27,827	89.09%
	Deputy Executive Director	250,000	20,875	176,321	73,679	70.53%
	Administrative Assistant	90,000	12,322	88,904	1,096	98.78%
	Finance Director	42,609	0	10,500	32,109	24.64%
	Manager of Policy, Planning, and Environmental	235,000	18,553	156,607	78,393	66.64%
	Rail Engineering, and Construction Project Manager	240,000	19,946	168,435	71,565	70.18%
	Employee Benefits	185,641	4,504	36,789	148,852	19.82%
	<b>TOTAL - Direct Labor</b>	<b>1,298,250</b>	<b>102,838</b>	<b>864,730</b>	<b>433,520</b>	<b>66.61%</b>
<b>Consultants/seconded staff</b>						
	General Engineering Consultants	20,000,000	0	2,989,237	17,010,763	14.95%
	AECOM	3,500,000	0	480,481	3,019,519	13.73%
	Program Management Support Services	1,000,000	66,546	333,456	666,544	33.35%
	Hydrogen Proof of Concept	-	0	0	0	
	Temporary Clerical Help	50,000	0	15,796	34,204	0.00%
	Financial Advisory Services	150,000	0	0	150,000	0.00%
	Government Relations/Community Engagement	450,000	18,400	138,800	311,200	30.84%
	<b>TOTAL - Consultants</b>	<b>25,150,000</b>	<b>84,946</b>	<b>3,957,769</b>	<b>21,192,231</b>	<b>15.74%</b>
<b>Other Direct Costs</b>						
	Legal	270,000	0	34,120	235,881	12.64%
	Insurance	50,000	0	12,299	37,701	24.60%
	Audits	25,000	0	8,315	16,685	33.26%
	HR	-	43	293	(293)	
	Line of Credit		125,000	0	125,000	0.00%
	Bank Fees	-	0	214	(214)	
	Travel/Mileage/Mis	15,000	1,442	7,646	7,354	50.97%
	Office space/furnishings	137,500	5,405	43,066	94,434	31.32%
	Professional Development	2,500	0	0	2,500	0.00%
	Memberships	8,500	0	7,500	1,000	88.24%
	Information Technology/Software	20,000	1,585	12,680	7,320	63.40%
	ACTC	100,000	0	0	100,000	0.00%
	SJRRRC	50,000	0	0	50,000	0.00%
	BART	100,000	0	25,100	74,900	25.10%
	Caltrans Reimbursement	-	0	0	0	
	Union Pacific Reimbursement	50,000	0	0	50,000	0.00%
	<b>TOTAL OTHER DIRECT COSTS</b>	<b>953,500.00</b>	<b>8,475.57</b>	<b>151,232.86</b>	<b>802,267</b>	<b>15.86%</b>
	<b>TOTAL OPERATING EXPENDITURES</b>	<b>27,401,750</b>	<b>196,260</b>	<b>4,973,732</b>	<b>22,428,018</b>	<b>18.15%</b>
	<b>LAVTA Expense</b>		<b>0</b>	<b>0</b>		
	<b>FUND BALANCE (OPERATING)</b>		<b>(196,260)</b>	<b>(3,348,993)</b>		

**AGENDA**

**ITEM 4 C**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: Approve Resolution R04-2024 to Adopt the Fiscal Year 2025 Budget  
FROM: Wil Ridder, Deputy Director  
DATE: June 12, 2024

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### **Action Requested**

Staff requests that the Board of Directors approve Resolution R04-2024 to adopt the Fiscal Year (FY) 2025 Budget.

### **Background/Discussion**

The Tri-Valley – San Joaquin Valley Regional Rail Authority continues to receive funding from the allocation of funds approved by the Metropolitan Transportation Commission to advance the Valley Link Project. These funds are received on a reimbursement basis. In FY 2025 these funds will be augmented by the State budget funds approved by the legislature in 2023 and State Transit and Intercity Rail Capital Program (TIRCP) funds allocated by the California Transportation Commission (CTC) in December 2023. The budget for FY 2025 focuses primarily on the Project Approval and Environmental Documentation (PA&ED) work in the I-580 corridor, federal environmental clearance, 30% design, and Federal Transit Administration (FTA) requirements under the Capital Investment Grants (CIG) Program.

Authority staff recognizes that the FY 2025 Budget includes only TIRCP funds for consultant services previously awarded or planned for award by June 2024. As additional consultant awards are recommended for Board approval, staff will bring back to the Board budget amendments to add these expenses and revenues.

Attached are the anticipated revenues and expenses that make up the FY 2025 Budget. The direct labor and benefits expenses for Authority staff include a 2.5% increase in salaries for a cost-of-living adjustment based on the December 2023 San Francisco Bay Area Consumer Price Index (CPI-U 12-month). Below is a brief description of the revenues and expenses:

### Revenues

#### **MTC Allocation**

MTC provided a multi-year allocation of bridge toll funds in June of 2020 in the amount of \$46.8 million to perform the project development work as noted above in the staff report.

#### **State Budget Funding**

The State legislature approved \$5 million to the Authority for the Valley Link rail project as part of the FY 2023 State Budget (Assembly Bill 179) for environmental and preliminary engineering activities.

#### **State Transit and Intercity Rail Capital Program (TIRCP) Funding**

The California Transportation Commission (CTC) allocated \$25 million to the Authority for the Valley Link rail project for environmental and preliminary engineering activities.



## Expenses

### **Executive Director/CEO**

Executive Director and Chief Executive Officer for the Authority

### **Deputy Director**

Oversees or a wide variety of critical roles within the agency.

### **Chief Financial Officer**

The Chief Financial Officer for the Authority is also the Finance Director for the Livermore Amador Valley Transit Authority (LAVTA) and is paid a stipend for duties performed as Chief Financial Officer of the Authority.

### **Director, Policy Planning and Environmental**

Provides policy planning and environmental analysis, key role in the Authority for all policy and environmental reviews and related consultant contract management.

### **Director, Rail Engineering, Construction, and Operations**

Provides program management contract oversight over rail engineering and construction, key role in the Authority for all engineering reviews and related consultant contract management.

### **Executive Assistant**

The Executive Assistant provides a wide variety of support and administrative activities for the agency.

### **General Engineering Consultant**

WSP/PGH Wong is under contract to complete the preliminary engineering necessary for Caltrans Project Approval and Environmental Document (PA&ED) within the State's right of way (I-580) and off highway system rail engineering (30% design). This effort includes the work to support the environmental document for the initial operating phase. The Authority has budgeted \$18.8 million dollars to complete this effort in FY 2025.

### **Environmental Clearance**

AECOM is under contract to complete the National Environmental Policy Act (NEPA) process to meet the requirements under both the Caltrans Project Approval and Environmental Document (PA&ED) process and the FTA Capital Investment Grants (CIG) Program. The PA&ED phase will also include supplemental work pursuant to the California Environmental Quality Act (CEQA) for modifications to the Valley Link initial operating segment from Dublin/Pleasanton to the new Mountain House Community station. The Authority has budgeted \$2.25 million to complete this effort in FY 2025.

### **Program Management Support Services**

Gray Bowen Scott is under contract to provide Program Management Support Services. The Authority is budgeting \$1 million for these services in FY 2025.

### **Government Relations/Marketing**

Support for Regional Advocacy is provided by Red Oak Consulting. Support for State grants and other State funding opportunities is provided by Khouri Consulting. Federal advocacy and marketing support is yet to be determined.

### **Equity Community Engagement**

Equity First Consulting is under contract to provide equity community engagement services. The Authority is budgeting \$250,000 for these services in FY 2025.

### **Real Estate Consultant Project Manager**

The Authority is recommending the award of a consultant contract for these services at the April 2024 Board meeting. The Authority is budgeting \$500,000 for these services in FY 2025.

**Alternative Delivery Support Services**

The Authority is targeting the award of a consultant contract for these services at the June 2024 Board meeting. The Authority is budgeting \$350,000 for these services in FY 2025.

**Financial Advisory Services**

Support for financial advisory and planning services is provided by PFM Financial Advisors on an on-call basis.

**Insurance**

The Authority carries liability insurance for the agency.

**Financial Audits**

Each year the Authority financial statements are audited to ensure the Board that the financial documents are accurately prepared and represented.

**Legal and Legal Supplemental**

General Counsel is provided by Mr. Michael Conneran of Hanson Bridgett LLP. Legal services have been used extensively to review the environmental work ongoing by the agency and to prepare and review contracts and Authority policies and procedures.

**Line of Credit**

Thus far, cash flow management has been provided through the Livermore Amador Valley Transit Authority (LAVTA). Staff anticipate the need for a line of credit as more significant work is performed by consultants.

**Office Space/Furnishings/Office Supplies/Utilities**

The Authority leases an office suite as provided within the MTC allocation of funds for the project. This line item covers costs associated with effective day-to-day operations.

**Travel/Mileage/Meetings**

This budget item is set up for meetings that require staff travel. Included in this line item are the costs associated with meetings, including Authority Board meetings.

**Professional Development**

This budget item is set up for staff development, training and related activities.

**Memberships**

This budget item is set up for corporate memberships.

**Information Technology/Software**

This budget item is set up for computer software and information technology support.

**BART/SJRRC/ACTC/UPRR**

Included in the June 2020 MTC allocation and 2023 State Budget earmark are funds to reimburse key partner agencies that are critical in the planning and delivery of Valley Link. For FY 2025 these agencies are anticipated to include Bay Area Rapid Transit (BART), San Joaquin Regional Rail Commission (SJRRC), Alameda County Transportation Commission (ACTC) and the Union Pacific Railroad (UPRR).

**Fiscal Impact**

Adoption of the FY 2025 Budget will authorize the expenditure of up to \$25,644,000 in funding provided by MTC and the State for Valley Link project development activities.

**Recommendation**

Approve Resolution R04-2024 to adopt the FY 2025 Budget.

**Attachments:**

1. FY 2025 Revenues and Expenses
2. Resolution R04-2024

## **ATTACHMENT 1**



**TRI-VALLEY — SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY  
FISCAL YEAR 2025 BUDGET**

**REVENUES**

MTC Allocation	\$	20,144,000.00
State Budget Funding	\$	2,500,000.00
State TIRCP Funding	\$	3,000,000.00

**Grand Total Revenues \$ 25,644,000.00**

**EXPENSES****Direct Labor and Benefits**

Executive Director/CEO	\$	361,700.00
Deputy Director	\$	284,800.00
Director, Rail Engineering, Construction and Operations	\$	265,800.00
Director, Policy Planning and Environmental	\$	247,200.00
Chief Financial Officer	\$	42,600.00
Executive Assistant	\$	130,500.00
Other LAVTA Administrative Support Activities	\$	10,400.00
<b>Total</b>	<b>\$</b>	<b>1,343,000.00</b>

**Consultants**

General Engineering Consultant	\$	18,800,000.00
Environmental Clearance	\$	2,250,000.00
Administrative Support	\$	50,000.00
Program Management Support Services	\$	1,000,000.00
Government Relations/Marketing	\$	240,000.00
Equity Community Engagement	\$	250,000.00
Real Estate Consultant Project Manager	\$	500,000.00
Alternative Delivery Support Services	\$	350,000.00
Financial Advisory Services	\$	50,000.00
<b>Total</b>	<b>\$</b>	<b>23,490,000.00</b>

**Other Direct Costs**

Insurance	\$	42,000.00
Financial Audits (incl software)	\$	25,000.00
Legal / Legal Supplemental	\$	150,000.00
Line-of-Credit	\$	125,000.00
Office Space/Furnishings/Office Supplies/Utilities	\$	137,500.00
Travel/Mileage/Meetings	\$	2,500.00
Professional Development	\$	500.00
Memberships	\$	8,500.00
Information Technology/Software	\$	20,000.00
BART	\$	100,000.00
SJRRC	\$	50,000.00
ACTC	\$	100,000.00
UPRR	\$	50,000.00
<b>Total</b>	<b>\$</b>	<b>811,000.00</b>

**Grand Total Expenses \$ 25,644,000.00**

## **ATTACHMENT 2**





**RESOLUTION NO. R04-2024**

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**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
TRI-VALLEY-SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY  
ADOPTING THE FISCAL YEAR 2025 BUDGET**

**WHEREAS**, the Legislature adopted AB 758, establishing the Tri-Valley-San Joaquin Valley Regional Rail Authority (Authority) under California Public Utilities Code Section 132651 *et seq.*, to plan, develop and deliver cost-effective and responsive transit connectivity between the Bay Area Rapid Transit District's rapid transit system in the Tri-Valley and the Altamont Corridor Express commuter rail service;

**WHEREAS**, as required by AB 758, the Authority prepared and delivered an initial Project Feasibility Report to the Legislature on June 30, 2019 to explore the improvement of transit connectivity between the Tri-Valley and San Joaquin Valley;

**WHEREAS**, pursuant to the final Project Feasibility Report, the Authority has been engaged in the design and environmental activities to advance the Valley Link Project (Project) towards construction and eventual operation;

**WHEREAS**, on June 24, 2020 the Authority secured \$46.8 million in Assembly Bill 1171 funds from the Metropolitan Transportation Commission (MTC) for project development activities;

**WHEREAS**, on June 23, 2023 the Authority entered into a \$5 million Funds Transfer Agreement in Assembly Bill 179 State Budget funds from the California Department of Transportation (Caltrans) for project development activities;

**WHEREAS**, on December 7, 2023 the Authority secured \$25 million in Transit and Intercity Rail Capital Program (TIRCP) funds from the California Transportation Commission (CTC) for project development activities;

**WHEREAS**, the budget for FY 2025 funds project development activities including the Project Approval and Environmental Documentation (PA&ED) work in the I-580 corridor, federal environmental clearance, 30% design, and Federal Transit Administration (FTA) requirements under the Capital Investment Grants (CIG) Program;

**WHEREAS**, the direct labor and benefits expenses for Authority staff include a 2.5% increase in salaries for a cost-of-living adjustment based on the December 2023 San Francisco Bay Area Consumer Price Index (CPI-U 12-month); and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Tri-Valley-San Joaquin Valley Regional Rail Authority hereby adopts the FY 2025 Budget authorizing the expenditure of up to \$25,644,000 in funding provided by MTC and the State for Valley Link project development activities.

**APPROVED AND PASSED**, this 12th day of June 2024.

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Melissa Hernandez, Chair

**ATTEST:**

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Kevin Sheridan, Executive Director/CEO

**APPROVED AS TO FORM:**

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Michael Conneran, Legal Counsel



**AGENDA**

**ITEM 4D**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

**SUBJECT:** Resolution R05-2024 Authorizing the Executive Director to Extend Terms of Employee Agreements with the Authority's Deputy Director; Director of Rail Engineering and Construction; and Director of Policy, Planning and Environmental to June 30, 2025.

**FROM:** Kevin Sheridan, Executive Director/CEO

**DATE:** June 12, 2024

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### **Action Requested**

Staff requests that the Board of Directors (Board) authorize the Executive Director to extend the terms of the employment agreements with three employees to June 30, 2025, in a form approved by legal counsel. The three employee agreement extensions apply to William "Wil" Ridder (Deputy Director), Bill O'Hair (Director of Rail Engineering and Construction, and Marianne Payne (Director of Policy, Planning, and Environmental).

### **Background/Discussion**

Previously the Authority authorized the Executive Director to execute employee agreements with three employees. The agreement's term limits were set for an initial twenty-four-month period, with provisions to extend the term limits should the parties desire. As the employee agreement term limits have expired, staff are recommending extending the employee agreements to June 30, 2025. The Executive Director discussed extending the employee agreement term limits with each of the three staff members and all are amenable to extending the agreement's term limits to June 30, 2025. The employees name, position, and current salaries are as follows:

- William Ridder, Deputy Director, \$215,250
- Bill O'Hair, Director—Rail Engineering and Construction, \$204,750
- Marianne Payne, Director—Policy, Planning, and Environmental, \$189,000

Wil, Bill, and Marianne have continued to serve the Authority as highly qualified professionals within each of their key positions, delivering key project milestones and managing multiple consultant contracts.

### **Fiscal Impact**

None. The cost to extend the Employment Agreement term limits is within the Authority's existing FY 2024/25 budget

**Recommended Action**

Authorize the Executive Director to extend the terms of the employee agreements for the Authority's Deputy Director, Director of Rail Engineering and Construction, and Director of Policy, Planning and Environmental to June 30, 2025, in a form approved by legal counsel.

**Attachments**

1. Resolution R05-2024

## **ATTACHMENT 1**





Tri-Valley San Joaquin Valley  
**REGIONAL RAIL AUTHORITY**

**RESOLUTION NO. R05-2024**

\* \* \*

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRI-VALLEY-SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND, UNTIL JUNE 30, 2025, THE TERM OF THE EMPLOYMENT CONTRACTS OF THE AUTHORITY'S DEPUTY DIRECTOR, DIRECTOR OF RAIL ENGINEERING AND CONSTRUCTION, AND DIRECTOR OF POLICY, PLANNING AND ENVIRONMENTAL**

**WHEREAS**, the Legislature adopted AB 758, establishing the Tri-Valley-San Joaquin Valley Regional Rail Authority (Authority) under California Public Utilities Code Section 132651 *et seq.*, to plan, develop and deliver cost-effective and responsive transit connectivity between the Bay Area Rapid Transit District's rapid transit system in the Tri-Valley and the Altamont Corridor Express commuter rail service;

**WHEREAS**, as required by AB 758, the Authority prepared and delivered an initial Project Feasibility Report to the Legislature on June 30, 2019 to explore the improvement of transit connectivity between the Tri-Valley and San Joaquin Valley; and

**WHEREAS**, pursuant to the final Project Feasibility Report, the Authority has been engaged in the design and environmental activities to advance the Valley Link Rail Project (Project) towards construction and eventual operation; and

**WHEREAS**, the Authority has executed employment agreements with its Deputy Director, Director of Rail Engineering and Construction, and Director of Policy, Planning and Environmental, all of which it desires to extend until June 30, 2025.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Tri-Valley-San Joaquin Valley Regional Rail Authority hereby authorizes the Executive Director to extend, until June 30, 2025, the Employment Agreements with Authority's Deputy Director, Director of Rail Engineering and Construction, and Director of Policy, Planning and Environmental, all in a form approved by legal counsel.

**BE IT FURTHER RESOLVED** that the Executive Director is authorized to take such additional actions necessary continue the employment of these individuals.

**APPROVED AND PASSED**, this 12<sup>th</sup> day of June 2024.

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Melissa Hernandez, Chair

**ATTEST:**

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Kevin Sheridan, Executive Director

**AGENDA**

**ITEM 4E**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: Submission of Transit and Intercity Rail Capital Program (TIRCP) Funding Request

FROM: Wil Ridder, Deputy Director

DATE: June 12, 2024

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### **Action Requested**

Staff requests that the Board of Directors approve the submittal of a 2024 Transit and Intercity Rail Capital Program (TIRCP) grant application as a joint application with the Livermore Amador Valley Transit Authority (LAVTA).

### **Background/Discussion**

TIRCP was created by State law to provide grants to fund transformative capital improvements intended to modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems while reducing emissions of greenhouse gases (GHG), vehicle miles traveled (VMT), and congestion. State law also requires the TIRCP to achieve a programmatic goal to provide at least 25 percent of available funding to projects that provide a direct, meaningful, and assured benefit to disadvantaged communities.

The 2024 TIRCP is linked to the Climate Action Plan for Transportation Infrastructure (CAPTI) adopted by California State Transportation Agency (CalSTA) in July 2021 to identify specific statewide actions and investment strategies to combat and prepare for climate change. The 2024 TIRCP Guidelines continue to support the implementation of actions listed in CAPTI, particularly implementation of integrated transit systems, support for deployment of zero-emission vehicle (ZEV) fleets, and support for infill housing development.

CalSTA approves a new five-year program of projects every two years. The 2024 TIRCP grant cycle will program projects starting with the 2024-25 fiscal year and ending with the 2028-29 fiscal year. The 2024 TIRCP fund estimate totals \$900 million statewide and is based on anticipated revenue through the 2028-29 fiscal year from the Greenhouse Gas Reduction Fund (Cap-and-Trade Program revenue) as well as a specified portion of annual Senate Bill 1 revenues directed to TIRCP for new programming in this cycle. The Tri-Valley – San Joaquin Valley Regional Rail Authority is an eligible applicant along with other public agencies that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service, urban rail transit service, or bus or ferry transit service. Applications are due July 23, 2024.

The Valley Link project scope to be applied for as part of the joint application with LAVTA will include the final design and construction of a hydrogen fuel plant to be located at the operations and maintenance



facility outside of the City of Tracy. This project scope will be integrated with the LAVTA project to complement it by providing a source of “green” hydrogen to be produced with renewable solar and/or wind energy generated on the operations and maintenance facility property. Significant to TIRCP Cycle 7 is that per CalSTA Guidelines, agencies may apply to TIRCP Cycle 7 for projects that use SB 125 resources for new projects with SB 125 funding being counted as matching funds in the TIRCP discretionary grant application. In October 2023 the Valley Link Board authorized the Authority’s Executive Director/CEO to submit a request to the San Joaquin Council of Governments (SJCOG) for \$35 million in Senate Bill 125 transit funding from SJCOG, including \$30 million for the Valley Link hydrogen production facility at the Tracy Operations and Maintenance Facility. Since that time Authority staff has participated on the SJCOG SB 125 Working Group that was established by the SJCOG Board of Directors in November 2023 to guide the investment of SB 125 funds made available to San Joaquin County. Authority staff continues to work with SJCOG staff to secure a commitment of SB 125 funding to the Valley Link hydrogen production facility.

### **Fiscal Impact**

The total cost estimate of the Valley Link hydrogen fuel plant, including final design, right-of-way, and construction is being updated from the original estimate of \$117 million. The TIRCP funding request is specifically targeted for final design and construction, which previously totaled \$97 million. This cost and the TIRCP funding request will also be updated based upon the outcome of ongoing discussion with SJCOG on the commitment of SB 125 funds and the valuation of 100 acres in right-of-way that would be provided as local matching funds to the TIRCP request. These 100 acres of right-of-way are part of 200 acres in property previously committed to the Valley Link project by the City of Tracy for the operations and maintenance facility.

### **Recommendation**

Approve the submittal of a 2024 TIRCP grant application as a joint application with LAVTA, including the commitment of local matching funds from the valuation of property planned for the operations and maintenance facility and potential SB 125 funds secured from SJCOG, and authorize the Executive Director to negotiate and execute any and all agreements with regional and State partners.

**AGENDA**

**ITEM 5**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

**SUBJECT:** Approve Resolution R06-2024 Authorizing the Executive Director/CEO to Negotiate a Contract for Alternative Delivery Support Services (ADSS)

**FROM:** Wil Ridder, Deputy Director

**DATE:** June 12, 2024

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### **Action Requested**

Staff requests that the Board of Directors authorize the Executive Director/CEO to negotiate and enter into a Professional Services Agreement with AECOM for Alternative Delivery Support Services (ADSS), in a form approved by legal counsel, for a not-to-exceed amount of \$600,000 for a three-year base term with up to two additional one-year term options, for on-call services.

### **Background/Discussion**

The Authority is seeking to hire a consultant firm to provide ADSS to identify, evaluate, and provide recommendations on delivery methods for the Valley Link Rail Project. The ADSS Consultant team will be responsible for working with the Authority, its General Engineering Consultant (GEC) and Program Management Support Services (PMSS) Consultant and coordinating with the Project partners including the Federal Transit Administration (FTA) and the California Department of Transportation (Caltrans), to identify, evaluate, and provide recommendations on delivery methods for the Project and its elements. The delivery methods may include, but are not limited to, Design Bid Build (DBB), Construction Management/General Contractor (CM/GC), Progressive Design Build (PDB), Design Build (DB) and Design, Build, Operate, Maintain (DBOM).

*The ADSS work is planned to be conducted in two phases:*

Phase 1 of the work is planned from the notice to proceed of this contract to approximately November 2024, as the Authority plans to complete the Federal Transit Administration (FTA) Project Management Plan (PMP) in December 2024, which will be informed by the evaluated and selected delivery methods. During this phase of work the selected Consultant will identify, analyze, and recommend alternative delivery methods that best meet the needs of the Project, its elements, the Authority's organization, and FTA and Caltrans requirements.

Phase 2 of the work will occur during the Engineering phase of the FTA Capital Investment Grants (CIG) Program process, which is anticipated to commence in spring 2025. During this phase of the work the Consultant will be responsible for the development of procurement documents for the selected delivery

methods in compliance with federal and state requirements and supporting the Authority during the advertisement and post-award periods of the delivery contract.

Staff has now completed a thorough and inclusive effort to solicit proposals from qualified firms and, consistent with the Authority Procurement Manual, issued an RFP and completed all steps necessary to complete a ranking of proposals received from qualified consultants. The following is a summary of this process.

#### RFP Distribution

The RFP was distributed through a distribution list of prospective firms based on the identification of consultant firms that have either performed similar work for peer agencies or were included in those peer agency procurement processes. Notification of RFP availability was sent to all parties on the RFP distribution list and the RFP was released through BidExpress on April 29, 2024, with a proposal due date of May 28, 2024, at 4:00 p.m.

#### Pre-Proposal Conference

On May 7, 2024, staff conducted a virtual pre-proposal conference via zoom. A total of 42 individuals expressed interest in the RFP and 20 people attended the pre-proposal conference.

#### Proposals Received

A total of three proposals were received by the 4:00 p.m. deadline on May 28, 2024, reviewed by staff and determined to be responsive to the requirements identified in the RFP and then forwarded to the consultant selection panel for review:

- AECOM Technical Services, Inc.
- KPMG LLP
- Lockwood, Andrews & Newman, Inc.

#### Consultant Selection Committee Review

A consultant selection committee consisting of staff from the Authority, the California Department of Transportation (Caltrans), the Mountain House Community Services District, and the Alameda County Transportation Commission reviewed and scored the three proposals received based on evaluation criteria contained in the RFP. All three firms were also invited to make an oral presentation and answer questions from the committee. The selection committee held these interviews on June 4, 2024, and through further scoring determined a final ranking for the three firms.

#### Consultant Rankings

The consultant selection committee scores resulted in AECOM being ranked number one as the most qualified and responsive firm with KPMG and Lockwood, Andrews & Newman ranked as two and three respectively. Subject to negotiation of final contract terms, staff is recommending awarding the Alternative Delivery Support Services contract to AECOM. If final contract negotiations are not successful with AECOM, staff would move to award the contract to the next highest ranked firm, subject to separate contract negotiations and Board approval.

AECOM is a firm with experience and expertise in establishing alternative delivery strategies and managing alternative delivery procurements for major transportation projects across the State and country. These have included both highway projects under Caltrans oversight and public transit projects

under FTA oversight. AECOM has led the development of alternative delivery method analyses and recommendations, procurement development and advertisement, and contract management for a number of similar projects including the Inglewood Transit Connector and the Transbay Program (Transit Center and Downtown Rail Extension Project), both of which are in the FTA CIG Program with the Transbay Program recently receiving a commitment of \$3.4 billion in CIG funding from FTA for the Caltrain extension to the Transbay (Salesforce) Transit Center. The firm has garnered experience from its work with a wide variety of transportation agency clients and has worked directly with most of the stakeholders involved in the Valley Link Rail Project. AECOM is also uniquely positioned to support the Authority's current Project Development schedule due to their history of work on the Valley Link Rail Project including the 2019 Feasibility Study, the 2021 California Environmental Quality Act (CEQA) clearance, and their current role leading the Subsequent CEQA and National Environmental Protection Act (NEPA) processes.

### **Fiscal Impact**

The \$600,000 for the award of this Alternative Delivery Support Services contract with AECOM will be funded through the Transit and Intercity Rail Capital Program (TIRCP) award made by the California State Transportation Agency in April 2023 and allocated by the California Transportation Commission (CTC) in December 2023.

### **Recommendation**

Authorize the Executive Director to negotiate and enter into a Professional Services Agreement with AECOM, in a form approved by legal counsel, for a not-to-exceed amount of \$600,000 for a three-year base term with up to two additional one-year term options for on-call services and, if final contract negotiations are not successful with AECOM, authorize staff to negotiate with the next highest ranked firm and enter into a Professional Services Agreement subject to separate Board approval.

### **Attachments**

1. Resolution R06-2024

## **ATTACHMENT 1**





**RESOLUTION NO. R06-2024**

\* \* \*

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRI-VALLEY-SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH AECOM FOR ALTERNATIVE DELIVERY SUPPORT SERVICES**

**WHEREAS**, the Legislature adopted AB 758, establishing the Tri-Valley-San Joaquin Valley Regional Rail Authority (Authority) under California Public Utilities Code Section 132651 *et seq.*, to plan, develop and deliver cost-effective and responsive transit connectivity between the Bay Area Rapid Transit District's rapid transit system in the Tri-Valley and the Altamont Corridor Express commuter rail service;

**WHEREAS**, as required by AB 758, the Authority prepared and delivered an initial Project Feasibility Report to the Legislature on June 30, 2019 to explore the improvement of transit connectivity between the Tri-Valley and San Joaquin Valley;

**WHEREAS**, pursuant to the final Project Feasibility Report, the Authority has been engaged in the design and environmental activities to advance the Valley Link Project (Project) towards construction and eventual operation;

**WHEREAS**, on December 7, 2023 the Authority secured \$25 million in Transit and Intercity Rail Capital Program (TIRCP) funds from the California Transportation Commission (CTC) for the Project including funds for Alternative Delivery Support Services;

**WHEREAS**, the Authority prepared and issued a Request for Proposals (RFP) for Alternative Delivery Support Services on April 29, 2024;

**WHEREAS**, timely and responsive submittals to the RFP were received on May 28, 2024, and a consultant selection committee comprised of Project partners reviewed and evaluated the proposals based on the evaluation criteria contained in the RFP and determined that AECOM was the most qualified firm;

**WHEREAS**, on June 4, 2024, a consultant selection committee convened for oral presentations that resulted in AECOM being ranked number one by the panel; and

**WHEREAS**, the consultant selection panel recommends an award under RFP No. 2024-02 to AECOM in an amount not to exceed \$600,000 for an initial three-year period with two (2) one-year options, for on-call services subject to funding availability and future board approval,

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Tri-Valley-San Joaquin Valley Regional Rail Authority hereby authorizes the Executive Director to negotiate and enter into Professional Services Agreement with AECOM to provide Alternative Delivery Support Services, in a form approved by legal counsel, for a not-to-exceed amount of \$600,000 for an initial three-year period with two (2) one-year options, the exercise of which is subject to funding availability and future board approval, and if final negotiations are not successful with AECOM, authorizes staff to negotiate a Professional Services Agreement with the next-highest ranked firm, subject to separate Board approval.

**APPROVED AND PASSED**, this 12<sup>th</sup> day of June 2024.

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Melissa Hernandez, Chair

**ATTEST:**

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Kevin Sheridan, Executive Director/CEO

**APPROVED AS TO FORM:**

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Michael Conneran, Legal Counsel



**AGENDA**

**ITEM 6**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: Equity Community Engagement Update

FROM: Marianne Payne, Director of Policy, Planning and Environmental

DATE: June 12, 2024

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### **Action Requested**

This is an information item. No action is requested.

### **Background/Discussion**

Staff will provide an update on the equity community engagement work at the June 12, 2024, board meeting. This will include a look at the travel shed analysis completed to date as well as the Altamont Pass Passenger Rail Survey which is currently underway. Both efforts are part of the Equity and Inclusion Analysis which will inform the development of an Equity Community Engagement Plan. The survey will be available on the Authority's website.

### **Fiscal Impact**

There is no fiscal impact.

**AGENDA**

**ITEM 7**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: Environmental Update

FROM: Marianne Payne, Director of Policy, Planning and Environment

DATE: June 12, 2024

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### **Action Requested**

This is an information item. No action is requested.

### **Background and Discussion**

At the upcoming June 12, 2024 Board meeting, staff will provide information on important project milestones in the environmental review of the Valley Link Rail Project: the release of a Draft Subsequent Environmental Impact Report (SEIR) and Public Hearings that were held during the month of May. A Notice of Availability (NOA) of the Draft SEIR for the Valley Link Rail Project and Notice of Public Hearings was distributed on April 22, 2024. The Draft SEIR, prepared in accordance with the California Environmental Quality Act (CEQA), was available for review and comment for a 45-day period that ended at 5:00 p.m. on June 6, 2024. Three Open Forum Public Hearings were held during this review period:

- **Wednesday, May 8, 2024 – 6:30 p.m. until 8:00 p.m.**  
Robert Livermore Community Center in Livermore
- **Thursday, May 9, 2024 – 6:30 p.m. until 8:00 p.m.**  
Mountain House Community Services District
- **Wednesday, May 15, 2024 – 2:00 p.m. until 3:30 p.m.**  
Virtual Public Hearing – conducted via Zoom

In total, there were approximately 75 people who attended these meetings. Each of the public hearings had Spanish translators available and a court reporter was available at both of the in-person public hearings to record public comments upon request. The public also had an opportunity to submit comments online through the project website, by email and by mail. All comments received on the Draft SEIR will be addressed in the Final SEIR which is targeted for completion later this summer.

Consistent with the requirements of the National Environmental Policy Act (NEPA), the Authority is also continuing to concurrently advance the environmental review of the Valley Link Rail Project with the Federal Transit Administration (FTA) as the NEPA Lead Agency. An Administrative Environmental Assessment (EA) has been completed, and Authority staff and consultants are working collaboratively with FTA Region 9 on their review of the document.

### **Fiscal Impact**

There is no fiscal impact.

**AGENDA**

**ITEM 8**





# Tri-Valley San Joaquin Valley **REGIONAL RAIL AUTHORITY**

## STAFF REPORT

SUBJECT: State Legislative Update  
FROM: Wil Ridder, Deputy Director and Gus Khouri, State Legislative Consultant  
DATE: June 12, 2024

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### **Action Requested**

This is an information item. No action is requested.

### **General Outlook**

The legislature is contemplating legislation in policy committees in the second house (Assembly bills in the Senate, Senate bills in the Assembly). These bills must progress to the respective Appropriations Committee by July 3. Bills heading to the Appropriations Committee must progress to the Floor by August 16. The 2024 Calendar states that August 31 will be the final day of the 2023-24 Legislative Session. Governor Newsom will have until September 30 to sign or veto legislation. The Big Three -Governor Newsom, Senate President pro-Tempore Mike McGuire, and Assembly Speaker Robert Rivas are finalizing negotiations on the FY 2024-25 State Budget, which must be enacted by the legislature on June 15 and signed by the Governor by June 30.

### **State Budget**

On April 11, the legislature sent SB 106 (Wiener) and AB 106 (Gabriel) to the Governor's desk to address \$17.3 billion of a \$38 billion state budget deficit, which the Governor projected in January. Governor Newsom signed the package on April 18. Adjustments to the remainder of the FY 2022-23 and FY 2024-25 budget included \$3.6 billion in reductions, \$5.2 billion in borrowing, \$5.2 billion in deferrals, and \$3.3 billion in fund shifts.

On May 10, Governor Newsom released his May Revision to the proposed FY 2024-25 State Budget, citing a \$27.6 billion General Fund deficit. Governor Newsom identified a \$37.9 billion deficit in January. The legislature took corrective action by passing AB 106 and SB 106 to find \$17.3 billion in solutions (borrowing, delays, reductions, and shifts), but lackluster receipts increased the deficit by \$7 billion. A \$28.4 billion structural deficit is also identified for FY 2025-26. Governor Newsom proposes a total of \$44.7 billion in solutions for FY 2024-25 (\$4.2 billion in reserves, \$3 billion in efficiencies, \$15.2 billion in reductions, \$14.8 billion in expansion pauses and shifts, and an additional \$7.5 billion in borrowing) to close the gap. For FY 2025-26, \$8.4 billion in Rainy Day Funds are used to balance the budget, leaving \$22.8 billion in reserves.

### **How Did We Get Here?**

The May Revision cites \$201 billion in General Fund spending, down from \$208.7 billion in January and \$288.1 billion overall when factoring in special funds (\$291.5 billion in January). This is a sharp turn from

the past few years, following surpluses in the FY 2022-23 State Budget (\$101.4 billion) and the FY 2021-22 State Budget (\$74.3 billion) surplus, predominantly used for one-time expenditures rather than long-term obligations. This was attributable to a 55% increase in revenue from personal income tax, corporate tax, and capital gains revenue during the pandemic.

A portion of the deficit is attributable to the 33% reduction in capital gains, which contributed to the collection of only \$18 billion of the \$42.9 billion expected in tax receipts. Due to severe storms in 2022, the Internal Revenue Service delayed tax collection to November 16 in 55 of 58 counties, impacting 99% of all state taxpayers and the late estimates. Had the tax collection delay not been in place, most of the \$31.7 billion deficit for FY 2023-24 would have been more significant due to lower tax receipts reflected in the May Revision and a smaller shortfall for FY 2024-25. While the stock market rebounded and received nearly all its losses by the end of 2023, cash receipts for the year remained weak due partly to increased capital loss carryovers from 2022. New data for 2022 shows those losses grew by 62 percent, exceeding the 58 percent realized during the Great Recession in 2008.

### **Poor Forecasting**

There is a disparity between forecasted and realized revenues. The “Big Three” revenues—personal income tax, corporate tax, and capital gains—were projected at \$210 billion in FY 2022-23 and \$220.9 billion in FY 2023-24 but are not estimated at \$170.1 billion and \$177.7 billion, respectively. This represents a whopping \$83.1 billion difference (\$39.9B + \$43.2B) in revenue projection over actual.

### **Impact on Transportation**

The FY 2022-23 Budget Act included \$13.8 billion for transportation programs and projects aligned with the state’s climate goals. The May Revise proposed maintaining \$13.6 billion of these investments but includes \$200 million in reductions, \$791 million in fund shifts, and \$3.1 billion in delays across various programs. Please see below for the proposed adjustments in the May Revise and the actions taken by the Assembly and Senate. All items remain subject to “Big Three” negotiations.

### **Significant Budget Adjustments**

- **Transit and Intercity Rail Capital Formulaic Program**—A delay, from FY 2024-25 to 25-26, of \$1.3 billion of formulaic Transit and Intercity Rail Capital Program funds provided in SB 125, leaving \$1 billion for this program in FY 2024-25. Additionally, the Budget proposes to shift \$261.4 million of the remaining \$1 billion in FY 2024-25 from the General Fund to the GGRF. This fund shift will have no programmatic impact. **Legislative Leadership Action:** The Assembly Speaker and Senate President pro-Tempore agreed with the Governor’s proposal to hold the program harmless.
- **Transit and Intercity Rail Capital Program** – A reduction of \$148 million in unused funds from Cycle 6, which is from the \$1.8315 billion balance dedicated to projects in Southern California, including the counties of Orange, Imperial, Los Angeles, Riverside, San Bernardino, San Diego, and Ventura. **Legislative Leadership Action:** The Assembly Speaker and Senate President pro-Tempore rejected the cut to the program.
- **Active Transportation Program**—A reduction of \$399 million (\$300 million scored in FY 2024-25 and \$99 million scored in FY 2026-27), in addition to the \$200 million proposed in January, leaves \$451 million of General Fund, which is a 57 percent cut of the original contribution (\$1.05B). This likely impacts the California Transportation Commission’s ability to fund all projects awarded in Cycle 6, which covers FY 2023-24 to FY 2026-27. Applications for Cycle 7, due on June 17 and covering programming capacity between FY 2025-26 and FY 2028-29, could be impacted. The ATP program generates \$275 million annually in funding, with Cycles 6 and 7 being exceptions. CalSTA Secretary Toks Omishakin noted that \$980 million over the next four years is programmed for improvements in biking and walking infrastructure using SHOPP despite the cuts. **Legislative**

**Leadership Action:** The Assembly Speaker and Senate President pro-Tempore rejected the cut to hold the program harmless.

- **Grade Separation Funding**—\$350 million in one-time General Fund revenues will be eliminated to fund seven projects statewide (\$251 million) and six port infrastructure projects (\$98.5 million). Secretary Omishakin stated that these high-priority investments would be a priority to backfill with federal funds from the Federal Rail Administration or the Federal Transit Administration, if possible. **Legislative Leadership Action:** The Assembly Speaker and Senate President pro-Tempore accepted the Governor’s proposal to eliminate funding.

## Bills of Interest

- **SB 1068 (Eggman) CM/GC Project Delivery Method for Valley Link**  
This bill allows Valley Link to utilize the Construction Manager/General Contractor (CM/GC) project delivery method to construct the Valley Link system. The CM/GC project delivery method allows an owner to engage a construction manager during the design process to provide constructability input. The construction manager is generally selected based on qualifications, experience, or a best-value basis. CM/GC is being considered to deliver the initial operating segment between Dublin/Pleasanton and Mountain House. **Status:** Assembly Transportation Committee.
- **SB 1031 (Wiener and Wahab) San Francisco Bay Area Regional Measure for Transportation**  
As amended on May 20, this bill proposes new taxes (sales tax, parcel tax, payroll tax, and regional vehicle registration fee) to allocate new revenue and issue bonds for specified transportation projects. The bill's sponsor, the Metropolitan Transportation Commission (MTC), could go out to regional voters in each county except Marin and Sonoma in 2026. Marin and Sonoma would be eligible for consideration in 2028 and beyond. The bill also includes reforms intended to provide a more seamless experience for public transportation riders, including integrating schedules, fares, and maps among systems and requiring the 27 transit operators to be assessed for consolidation.

While the bill provides four funding sources as options, much of the discussion has revolved around imposing a ½ cent sales tax, which would generate \$1 billion annually over 30 years. The bill was recently amended to include return-to-source provisions, starting at 70 percent and increasing to 90 after five years for each county. MTC must go to the ballot before 2040, include a 30-year sunset, and have no more than a ½ cent sales tax assessed. Bonding against the measure is only provided for capital purposes. **Status:** Assembly Transportation Committee. MTC elected not to pursue this vehicle for the year, engage stakeholders in resolving outstanding issues, and introduce a bill next year.

- **SB 904 (Dodd) Sonoma-Marine Area Rail Transit District**  
This bill authorizes the Sonoma-Marine Area Rail Transit District (SMART) to have special taxes imposed by a qualified voter initiative if the independent initiative complies with certain requirements, such as imposing at least a 1/4 cent sales tax, and that revenues generated from the measure would fund a rail system under SMART’s jurisdiction. **Status:** Assembly Rules. Awaiting referral to policy committees.



**AGENDA**

**ITEM 9**





Tri-Valley ▲ San Joaquin Valley  
**REGIONAL RAIL AUTHORITY**

**STAFF REPORT**

SUBJECT: Executive Director's Report  
FROM: Kevin Sheridan, Executive Director/CEO  
DATE: June12, 2024

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**Action Requested**

This is an information item. No action is requested.

**Background/Discussion**

An oral report and/or presentation will be provided at the board meeting.