

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



Board of Directors

Meeting Packet

Nov. 18, 2020 at 2 p.m.

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

**AGENDA – BOARD OF DIRECTORS**  
**November 18, 2020 at 2:00 p.m. via teleconference**

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**CORONAVIRUS DISEASE (COVID-19) ADVISORY AND MEETING PROCEDURE**

On March 16, 2020, the Health Officer of Alameda County issued an Order that has been continued through May 31, 2020, that directed that all individuals living in the county to shelter at their place of residence except that they may leave to provide or receive certain essential services or engage in certain essential activities and work for essential businesses and governmental services.

Under the Governor’s Executive Order N-29-20, this meeting may utilize teleconferencing. As a precaution to protect the health and safety of staff, officials, and the general public. Councilmembers will not be physically in attendance, but will be available via video conference.

The regular meeting facilities for the meetings of the Board of Directors are currently closed to the public and will remain closed for the duration of the shelter-in-place order. Consequently, there will be no physical location for members of the public to participate in the meeting. We encourage members of the public to shelter in place and access the meeting online using the instructions listed on the agenda. Online attendees will have the opportunity to speak during Public Comment.

If you are would like to submit public comment via email, please do so by 11:00 a.m. on Wednesday, November 18, 2020 to [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com). Please include “Public Comment 11/18/2020” and the agenda item in the subject line. In the body of the email please include your full name. Public comments submitted will be read during Public Comment and will be subject to the regular three-minute time restriction.

This Board of Directors meeting will be conducted on the web-video communication platform Zoom. To view and/or participate in this meeting, members of the public will need to either download Zoom from the website [zoom.us](https://zoom.us). It is recommended that anyone wishing to participate in the meeting complete the download process before the start of the meeting. To listen without viewing, members of the public may also join the meeting by calling in via telephone. A live stream will also be available on our YouTube channel without the ability to make public comment. All public comments will be subject to the regular three-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.

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

**AGENDA – BOARD OF DIRECTORS**  
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**How to listen and view meeting online:**

- From a PC, Mac, iPad, iPhone or Android device click the link below:  
<https://zoom.us/j/93548110883>  
Password: **ValleyLink**
- To supplement a PC, Mac, tablet or device without audio, please also join by phone:  
Dial: 1 (669) 900-6833  
Webinar ID: 935-4811-0883  
Password: **898381**

*To comment by video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on the Agenda item. You will then be unmuted when it is your turn to make your comment for up to 3 minutes. After the allotted time, you will be muted.*

- Livestream online at: [Valley Link Rail YouTube Channel](#)

*No option to make Public Comment on YouTube live stream.*

**How to 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 to submit public comment via telephone dial \*9 on your dial pad. The meeting’s host will be informed that you would like to speak. If you are chosen, you will be notified that your request has been approved and you will be allowed to speak. You will then be unmuted when it is your turn to make your comment for up to 3 minutes. After the allotted time, you will be muted.*

**To submit 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 11:00 a.m. on Wednesday, November 18, 2020 to [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com)*

*Please include “Public Comment 11/18/2020” 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 submitted will be read during Public Comment and letters will be posted on the Authority’s website along with other meeting material.*

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

**AGENDA – BOARD OF DIRECTORS**  
**November 18, 2020 at 2:00 p.m. via teleconference**

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1. Call to Order and Pledge of Allegiance
2. Roll Call of Members
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 September 9, 2020 Board of Directors Meeting.
  - b. Treasurer’s Reports for August and September 2020.
5. Fiscal Year 2020 Basic Financial Statements and Memorandum of Internal Control – **ACTION**
6. Executive Directors Report – **INFORMATION**
7. Isabel Neighborhood Specific Plan – **INFORMATION**
8. Resolution R08-2020 Authorizing the Executive Director to Execute A Cooperative Agreement with The San Joaquin Regional Rail Commission for Project Support Services of the Valley Link Project – **ACTION**
9. Designation of a Presumed Operator of the Valley Link Train Service for the Purpose of Receiving Critical Input During Planning Process – **INFORMATION**
10. Adjourn to **CLOSED SESSION**
11. Closed Session pursuant to Government Code Section 54957(b):  
**PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
Title: Executive Director
12. Closed Session pursuant to Government Code Section 54957.6  
**CONFERENCE WITH LABOR NEGOTIATOR**  
Agency Representative: Michael Conneran, Legal Counsel  
Unrepresented Employee: Executive Director
13. Reconvene to **OPEN SESSION**

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

**AGENDA – BOARD OF DIRECTORS**  
**November 18, 2020 at 2:00 p.m. via teleconference**

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14. Consideration of Modification to Stipend Payment Arrangement with Executive Director Michael Tree – **ACTION**  
**Recommendation:** Legal Counsel recommends that the Board consider a modification to the stipend payment arrangement with Executive Director Michael Tree
15. Directors' Discussion  
Comments, Questions and Agenda Requests
16. Next Meeting Details: **December 9, 2020** – Via Teleconference
17. Adjourn

*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. Please send a written request, including 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 days before the meeting. Requests should be sent to: [comments@valleylinkrail.com](mailto:comments@valleylinkrail.com)*

**AGENDA**

**ITEM 4 A**



Tri-Valley San Joaquin Valley Regional Rail Authority (TVSJVRRRA)  
Minutes of September 9, 2020 meeting via Zoom Teleconference

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

Meeting was called to order by Board Chair Scott Haggerty at 2:02 p.m.

2. **Roll Call of Members**

**Members Present**

Chair Scott Haggerty, Alameda County  
Vice Chair Veronica Vargas, City of Tracy (*Joined during agenda Item 5*)  
Director Paul Akinjo, City of Lathrop  
Director Bob Elliott, San Joaquin County  
Director Melissa Hernandez, City of Dublin  
Director Bernice King Tingle, Mountain House  
Director John Marchand, City of Livermore  
Director John McPartland (District 5), BART  
Director Kathy Narum, City of Pleasanton  
Director Philip O'Loane, City of San Ramon  
Director Karen Stepper, Town of Danville  
Director Leo Zuber (Ripon), ACE

**Members Absent**

Director Sol Jobrack, City of Stockton  
Director Bob Woerner (Livermore), LAVTA  
Director Benjamin Cantu, City of Manteca

3. **Public Comments**

Chair Haggerty acknowledged the efforts of CalFire and all local Public Safety officers. There was no live public comment. One letter was received from Terra Land Group.

4. **Consent Calendar – ACTION**

A motion was made to approve all items on Consent Calendar as follows:

- a. Approve minutes of July 8, 2020 Board of Directors meeting.
- b. Approve Treasurer's Report for June and July 2020

**Motion:** Marchand/Tingle

**Aye:** Akinjo, Haggerty, Hernandez, Marchand, McPartland, Narum, O'Loane, Stepper, Tingle, Zuber, Elliott, Vargas

**Nay:** None

**Abstain:** None

**Absent:** Cantu, Jobrack, Woerner

**Motion Passed**

5. **Executive Director's Report – INFORMATION**

An update was given by Executive Director Michael Tree.

- Plan Bay Area 2050 – Thanks to efforts by Chair Haggerty and support from the general public, Valley Link was moved from Period 2 to Period 1 (Period 1 projects to begin before 2035).
- AECOM has been working on Valley Link EIR and 15% design. The EIR is still scheduled to be released this fall for public comment. The 15% design has been completed.

**Tri-Valley San Joaquin Valley Regional Rail Authority (TVSJVRRRA)  
Minutes of September 9, 2020 meeting via Zoom Teleconference**

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- Measure BB – ACTC Measure BB has \$400 million allocated for the BART to Livermore project. The Authority has asked for an amendment to this allocation to transfer BART to Livermore funds to the Valley Link project. A final decision on this allocation will be made on Sep. 24<sup>th</sup>
- Environmental – CEQA is being finalized. The next step is NEPA, staff is working with the state to have the High-Speed Rail Authority be the lead agency, with an alternative of the FTA. More information will be provided as it becomes available.
- City of Tracy – City is working on approval of the O&M Facility property. The City of Tracy Board of Directors will decide on the transfer of the property to the Valley Link project at their September meeting. Staff is following the city’s Growth Management Ordinance (Measure Y) – this will allow exemptions for housing near the Downtown Tracy Transit Center, which will be a stop for Valley Link – if passed the revised ordinance will give Transit-Oriented Development (TOD) priority.
- LAVTA Announcements – Tree reminded the board that key personnel on the Valley Link Team are LAVTA employees and announced that LAVTA received the American Public Transit Association (APTA) Transit Agency of the Year.
- Tri-Valley Hub Study – California State Transit Authority (CalSTA) has asked LAVTA to head up a study of the Dublin/Pleasanton Station, a major hub in the State Rail Plan. Progress on the study will be presented at future meetings.
- LAVTA Shared Autonomous Vehicle (SAV) – Now in the testing phase, this option was of significant interest to commuters as a first/last mile option to Valley Link.
- Other events – Valley Link was a topic of discussion and had much support at the following events: State of the County with Supervisor Haggerty, Mountain House Board meeting, Town Hall with Supervisor Miller and Councilmember Ransom
- Union Pacific Railroad (UPRR) – Staff is working to meet the new UPRR team.
- Legislative Update – Legislation will be introduced in February 2021 to amend AB758 to provide the Authority with design build capability as well as other project delivery tools.
- Valley Link organizational structure – Program Manager, Ric Rattray went over project goals, organizational structure; consisting of BART seconded staff, a Project Management Support and Services (PMSS) team and the General Engineering Consultants (GEC). He further outlined the transition scope and schedule between GEC firms AECOM and WSP/PGH Wong JV.

There was no public comment. Chair Haggerty thanked all MTC commissioners, Authority staff and persons who supported moving the Valley Link project from Phase 2 to Phase 1. Vice Chair Vargas thanked Chair Haggerty and Executive Director Michael Tree for being readily available to the people of San Joaquin County and the efforts to educate residents about Measure Y and TOD.

6. Station Operations and Maintenance – Amendment to TOD Policy – **ACTION**  
Item pulled from the agenda. To be continued.



**Tri-Valley San Joaquin Valley Regional Rail Authority (TVSJVRRRA)  
Minutes of September 9, 2020 meeting via Zoom Teleconference**

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7. Resolution R07-2020 Authorizing the Executive Director to Award Agreement No. R016 For General Engineering Consultant (GEC) Services – **ACTION**

Program Manager Ric Rattray gave a brief overview of the initial scope of the GEC contract and the agreement terms. Rattray introduced Olga Perez, a member of the PMSS team, who has 40 years of federal procurement background. Perez described the procurement process noting that the WSP/PGH Wong Joint Venture team was unanimously selected as the most qualified group. Perez introduced two members on the WSP/PGH Wong team John Fisher and Clifford Wong who outlined their team’s expertise and plans for working with the Authority on the Valley Link Project. Perez requested approval from the board to authorize the Executive Director to award the Contract.

Chair Haggerty asked a question about the details of the procurement process. Legal Counsel Michael Conneran commented that he would follow-up with a memo to the Board regarding the process used for evaluating professional service proposals. Public comment was heard from Roland LeBrun.

**Motion:** Stepper/Tingle

**Aye:** Akinjo, Elliott, Haggerty, Hernandez, Marchand, McPartland, Narum, O’Loane, Stepper, Tingle, Vargas, Zuber

**Nay:** None

**Abstain:** None

**Absent:** Cantu, Jobrack, Woerner

**Motion Passed**

8. Revised Ridership Forecasts and Conceptual Cost Estimate – **INFORMATION**

David Kutrosky with the PMSS team gave a presentation on projections for ridership, BART transfers and peak travel after 15% design revisions and reduced headways. Valley Link is projected to be one of the busiest commuter rail systems in the country.

Program Manager Ric Rattray presented cost estimates for additional sidings, increased service and maintenance based on ridership forecasts. Rattray covered cost variants for all-electric vehicles and full double-tracking, as well as an estimate for what the Alameda County portion of the project will cost. Chair Haggerty requested a cost estimate for a segment that would eliminate the need for a temporary O&M facility.

9. **Directors’ Discussion**

There was no discussion.

10. **Next Meeting**

Date: October 14, 2020 via teleconference.

11. **Adjourn**

Meeting adjourned at 4:09 p.m.

**AGENDA**

**ITEM 4 B**





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

**STAFF REPORT**

**SUBJECT:** Treasurer's Reports for August and September 2020.

**FROM:** Tamara Edwards, Director of Finance

**DATE:** November 18, 2020

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**Action Requested**

Staff requests that the Tri-Valley – San Joaquin Valley Regional Rail Authority Board accept the Treasurer's Reports for August and September 2020

**Background/Discussion**

The Treasurer's Reports show all expenses and revenues for the months of August and September as well as the year to date totals.

As all of the Rail Authority's funding is on a reimbursement basis LAVTA continues to provide the cash flow for the Rail Authority which again is reflected in the funds due to LAVTA line item.

**Attachments:**

1. August 2020 Treasurer's Report
2. September 2020 Treasurer's Report

## **ATTACHMENT 1**



**Tri-Valley San Joaquin Regional Rail Authority**  
**BALANCE SHEET**  
**FOR THE PERIOD ENDING:**  
**August 31, 2020**

**ASSETS:**

108 CASH-GENERAL CHECKING	2,484,290
120 ACCOUNTS RECEIVABLE	535,163
150 PREPAID EXPENSES	139

<b>TOTAL ASSETS</b>	<b>3,019,591</b>
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**LIABILITIES:**

205 ACCOUNTS PAYABLE	356,871
20501 DUE TO LAVTA	2,512,287
211 PRE-PAID REVENUE	198,765

<b>TOTAL LIABILITIES</b>	<b>3,067,923</b>
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**FUND BALANCE:**

301 FUND RESERVE	0
304 GRANTS, DONATIONS, PAID-IN CAPITAL	0
30401 SALE OF BUSES & EQUIPMENT	0
FUND BALANCE	(48,331)

<b>TOTAL FUND BALANCE</b>	<b>-48,331</b>
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<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>3,019,591</b>
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**Tri-Valley San Joaquin Regional Rail Authority  
REVENUE REPORT  
FOR THE PERIOD ENDING:  
August 31, 2020**

<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>
	Caltrans	87,521	0	0	87,521	0.0%
	MTC-Bridge Tolls	55,562,159	0	0	55,562,159	0.0%
	Alameda County/Strategic Development	39,950	0	0	39,950	0.0%
	Government Relations/Community Engage	58,815	0	0	58,815	0.0%
	<b>TOTAL REVENUE</b>	<b>55,748,445</b>	<b>0</b>	<b>0</b>	<b>55,748,445</b>	<b>0.0%</b>

ACCOUNT	DESCRIPTION	BUDGET	CURRENT MONTH	YEAR TO DATE	BALANCE AVAILABLE	PERCENT BUDGET EXPENDED
<b>Direct Labor</b>						
	Executive Director	245,618	10,885	21,769	223,849	8.86%
	Administrative Assistant	343,862	3,936	14,065	329,798	4.09%
	Finance Director	60,000	2,536	5,073	54,928	8.45%
	Program Management Staff	2,990,000	0	0		
	Community outreach manager	50,000	0	0		
	IT support	300,000	0	0		
	Counsel	525,000	0	0		
	Marketing Director	24,000	2,536	5,073	18,928	21.14%
	<b>TOTAL - Direct Labor</b>	<b>4,538,481</b>	<b>19,894</b>	<b>45,979</b>	<b>4,492,501</b>	<b>1.01%</b>
<b>Consultants</b>						
	Program Manager	291,000	0	0	291,000	0.00%
	Project Management support	625,000	0	0	625,000	0.00%
	ZEV Study	350,000	0	0	350,000	0.00%
	30% Design Review	350,000	0	0	350,000	0.00%
	Prelim. Hazard Analysis	150,000	0	0	150,000	0.00%
	Operating Network Simulation	75,000	0	0	75,000	0.00%
	Oversite of Technical Reports	450,000	0	0	450,000	0.00%
	Rail Vehicle Specs/Design	1,800,000	0	0	1,800,000	0.00%
	ROW Planning	670,000	0	0	670,000	0.00%
	Operations Study	385,000	0	0	385,000	0.00%
	Project Partner Agreements	2,187,000	0	0	2,187,000	0.00%
	Station Area outreach/TOD	350,000	0	0	350,000	0.00%
	Gov't Affairs/Community Outreach	350,000	0	0	350,000	0.00%
	Prime Contractor	33,534,000	0	0	33,534,000	0.00%
	Environmental/30% Design	5,629,344	0	0	5,629,344	0.00%
	Feasability Report	89,728	0	0	89,728	0.00%
	Senior Project Manager	106,514	0	0	106,514	0.00%
	Senior Lead Engineer	145,027	0	0	145,027	0.00%
	Strategic Development Dir	73,550	0	0	73,550	0.00%
	Strategic Planner	100,000	0	0	100,000	0.00%
	LTK	226,000	0	0	226,000	0.00%
	DBK Services	116,000	0	0	116,000	0.00%
	Kimley Horn	38,000	0	0	38,000	0.00%
	Government Relations/Community Engagement	156,200	0	0	156,200	0.00%
	<b>TOTAL - Consultants</b>	<b>48,247,363</b>	<b>0</b>	<b>0</b>	<b>48,247,363</b>	<b>0.00%</b>
<b>Other Direct Costs</b>						
	Legal	220,977	0	0	220,977	0.00%
	Grant Writing	125,000	0	0	125,000	0.00%
	Meeting Materials/office supplies/promotional materials	57,813	0	2,169	55,645	3.75%
	Insurance	88,328	0	0	88,328	0.00%
	Audits	45,000	0	0	45,000	0.00%
	Travel/Mileage/Mis	1,022,872	0	183	1,022,689	0.02%
	Office space/furnishings	850,114	0	0	850,114	0.00%
	BART	550,000	0	0	550,000	0.00%
	Caltrans Reimbursement	2,498	0	0	2,498	0.00%
	Union Pacific Reimbursement	-	0	0	0	0.00%
	<b>TOTAL OTHER DIRECT COSTS</b>	<b>2,962,601.55</b>	<b>0.00</b>	<b>2,351.73</b>	<b>2,960,250</b>	<b>0.08%</b>
	<b>TOTAL OPERATING EXPENDITURES</b>	<b>55,748,445</b>	<b>19,894</b>	<b>48,331</b>	<b>55,700,114</b>	<b>0.09%</b>
	<b>FUND BALANCE (OPERATING)</b>	<b>-</b>	<b>(19,894)</b>	<b>(48,331)</b>		

## **ATTACHMENT 2**





**Tri-Valley San Joaquin Regional Rail Authority  
BALANCE SHEET  
FOR THE PERIOD ENDING:  
September 30, 2020**

**ASSETS:**

108 CASH-GENERAL CHECKING	1,926,635	
120 ACCOUNTS RECEIVABLE	324,362	
150 PREPAID EXPENSES	139	

<b>TOTAL ASSETS</b>		<b>2,251,137</b>
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**LIABILITIES:**

205 ACCOUNTS PAYABLE	(257)	
20501 DUE TO LAVTA	3,206,297	
211 PRE-PAID REVENUE	198,765	

<b>TOTAL LIABILITIES</b>		<b>3,404,805</b>
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**FUND BALANCE:**

301 FUND RESERVE	0	
304 GRANTS, DONATIONS, PAID-IN CAPITAL	0	
30401 SALE OF BUSES & EQUIPMENT	0	
FUND BALANCE	(1,153,668)	

<b>TOTAL FUND BALANCE</b>		<b>-1,153,668</b>
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<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>		<b>2,251,137</b>
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**Tri-Valley San Joaquin Regional Rail Authority  
REVENUE REPORT  
FOR THE PERIOD ENDING:  
September 30, 2020**

<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>
	Caltrans	87,521	0	0	87,521	0.0%
	MTC-Bridge Tolls	55,562,159	342,644	342,644	55,219,515	0.6%
	Alameda County/Strategic Development	39,950	0	0	39,950	0.0%
	Government Relations/Community Engage	58,815	0	0	58,815	0.0%
	<b>TOTAL REVENUE</b>	<b>55,748,445</b>	<b>342,644</b>	<b>342,644</b>	<b>55,405,801</b>	<b>0.6%</b>

ACCOUNT	DESCRIPTION	BUDGET	CURRENT MONTH	YEAR TO DATE	BALANCE AVAILABLE	PERCENT BUDGET EXPENDED
<b>Direct Labor</b>						
	Executive Director	245,618	10,885	32,654	212,964	13.29%
	Administrative Assistant	343,862	6,242	20,307	323,555	5.91%
	Finance Director	60,000	2,536	7,609	52,391	12.68%
	Program Management Staff	2,990,000	0	0		
	Community outreach manager	50,000	0	0		
	IT support	300,000	0	0		
	Counsel	525,000	0	0		
	Marketing Director	24,000	2,536	7,609	16,391	31.70%
	<b>TOTAL - Direct Labor</b>	<b>4,538,481</b>	<b>22,199</b>	<b>68,179</b>	<b>4,470,302</b>	<b>1.50%</b>
<b>Consultants</b>						
	Program Manager	291,000	0	0	291,000	0.00%
	Project Management support	625,000	298,032	298,032	326,968	47.69%
	ZEV Study	350,000	0	0	350,000	0.00%
	30% Design Review	350,000	0	0	350,000	0.00%
	Prelim. Hazard Analysis	150,000	0	0	150,000	0.00%
	Operating Network Simulation	75,000	0	0	75,000	0.00%
	Oversite of Technical Reports	450,000	0	0	450,000	0.00%
	Rail Vehicle Specs/Design	1,800,000	0	0	1,800,000	0.00%
	ROW Planning	670,000	0	0	670,000	0.00%
	Operations Study	385,000	0	0	385,000	0.00%
	Project Partner Agreements	2,187,000	0	0	2,187,000	0.00%
	Station Area outreach/TOD	350,000	0	0	350,000	0.00%
	Gov't Affairs/Community Outreach	350,000	0	0	350,000	0.00%
	Prime Contractor	33,534,000	0	0	33,534,000	0.00%
	Environmental/30% Design	5,629,344	518,400	518,400	5,110,944	9.21%
	Feasibility Report	89,728	0	0	89,728	0.00%
	Senior Project Manager	106,514	0	0	106,514	0.00%
	Senior Lead Engineer	145,027	0	0	145,027	0.00%
	Strategic Development Dir	73,550	13,300	13,300	60,250	18.08%
	Strategic Planner	100,000	0	0	100,000	0.00%
	LTK	226,000	15,983	15,983	210,017	7.07%
	DBK Services	116,000	0	0	116,000	0.00%
	Kimley Horn	38,000	0	0	38,000	0.00%
	Government Relations/Community Engagement	156,200	0	0	156,200	0.00%
	<b>TOTAL - Consultants</b>	<b>48,247,363</b>	<b>845,715</b>	<b>1,393,398</b>	<b>46,853,965</b>	<b>2.89%</b>
<b>Other Direct Costs</b>						
	Legal	220,977	28,843	28,843	192,134	13.05%
	Grant Writing	125,000	0	0	125,000	0.00%
	Meeting Materials/office supplies/promotional materials	57,813	1,632	3,801	54,012	6.57%
	Insurance	88,328	0	0	88,328	0.00%
	Audits	45,000	0	0	45,000	0.00%
	Travel/Mileage/Mis	1,022,872	1,909	2,092	1,020,780	0.20%
	Office space/furnishings	850,114	0	0	850,114	0.00%
	BART	550,000	0	0	550,000	0.00%
	Caltrans Reimbursement	2,498	0	0	2,498	0.00%
	Union Pacific Reimbursement	-	0	0	0	0.00%
	<b>TOTAL OTHER DIRECT COSTS</b>	<b>2,962,601.55</b>	<b>32,384.35</b>	<b>34,736.08</b>	<b>2,927,865</b>	<b>1.17%</b>
	<b>TOTAL OPERATING EXPENDITURES</b>	<b>55,748,445</b>	<b>900,298</b>	<b>1,496,313</b>	<b>54,252,132</b>	<b>2.68%</b>
	<b>FUND BALANCE (OPERATING)</b>	<b>-</b>	<b>(557,654)</b>	<b>(1,153,668)</b>		

**AGENDA**

**ITEM 5**





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

## STAFF REPORT

SUBJECT: Fiscal Year 2020 Basic Financial Statements and Memorandum of Internal Control

FROM: Tamara Edwards, Director of Finance

DATE: November 18, 2020

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### **Action Requested**

Acceptance of the Authority's Basic Financial Statements (BFS).

### **Background**

The Finance Department has prepared the BFS following the guidelines of the Government Finance Officers Association and in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board.

### **Discussion**

Attached for your review is the draft Basic Financial Statements for the fiscal year ending June 2020. This report includes the annual audit prepared by Maze and Associates and staff stating that for the period audited, there were no findings.

David Alvey from Maze and Associates will be attending the Board meeting to provide an overview and answer any questions.

### **Recommendation**

Staff recommends that the Board of Directors accept the Basic Financial Statements for Fiscal Year 2020

### **Attachments:**

1. Draft Tri-Valley-San Joaquin Valley Regional Rail Authority FY2020 Basic Financial Statements
2. Memorandum of Internal Control

## **ATTACHMENT 1**



**TRI-VALLEY – SAN JOAQUIN VALLEY REGIONAL  
RAIL AUTHORITY  
BASIC FINANCIAL STATEMENTS  
June 30, 2020**

**TRI-VALLEY – SAN JOAQUIN  
VALLEY REGIONAL RAIL AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For The Year Ended June 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Tri-Valley – San Joaquin Valley Regional Rail Authority  
Livermore, California

### *Report on Financial Statements*

We have audited the accompanying financial statements of the Tri-Valley – San Joaquin Valley Regional Rail Authority (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2020, and changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pleasant Hill, California  
November 12, 2020

## MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

The Tri-Valley-San Joaquin Valley Regional Rail Authority is required to prepare financial statements in accordance with Government Accounting Standards Board Statement Number 34 (GASB 34). GASB 34 required changes to the traditional financial statements and disclosures and required the preparation of a Management Discussion and Analysis (MD&A)– a narrative overview and analysis of the financial activities of the Authority for each fiscal year. This MD&A is for the fiscal year ended June 30, 2020.

GASB 34 requires the format of Authority-wide financial statements, which are contained in the Financial Section of the accompanying report. These Authority-wide statements include a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Net Position. The Statement of Net Position presents information on all of the Authority's assets and liabilities with the difference of the assets minus the liabilities being the Authority's Net Position. The Statement of Revenues, Expenses and Changes in Net Position summarizes how the Authority's Net Position have changed over the fiscal year.

Page references are to the attached fiscal year ended June 30, 2020 basic financial statements.

### Background and Overview of the Presentation of the Financial Statements

The Authority's basic financial statements are comprised of four parts:

1. The Independent Auditor's Report
2. The Management Discussion and Analysis
3. The Basic Financial Statements
4. The Notes to the Financial Statements

1. *The Independent Auditor's Report*. This is an annual report prepared by the auditor to accompany the financial statements.
2. *Management Discussion and Analysis (MD&A)*. This report accompanies the GASB34 compliant financial statements. The MD&A must include:
  - A brief explanation of the presentation that makes up the basic financial statements and the relationship of one statement to another.
  - Condensed financial information, allowing comparison of current and prior fiscal periods.
  - Analysis of the Authority's overall financial position (Statement of Net Position), and results of operations (Statement of Revenues, Expenses and Changes in Net Position).

- Any facts, decisions, or conditions known at the close of audit fieldwork that is expected to have a significant effect on the financial position or results of operations.

3. *Basic Financial Statements.* The basic Authority-wide financial statements are prepared under a set of rules referred to by their regulatory identifier, GASB 34. The Authority-wide financial statements are designed to provide a broader overview of the Authority's financial position, using an accounting basis similar to the model used in prior years.

The Statement of Net Position summarizes the Authority's assets and liabilities, with the difference of the two reported as Net Position (rather than equity). The Statement of Net Position is designed to provide information about the financial position of the Authority as a whole, including all of its capital assets and long-term liabilities, on a full accrual basis of accounting, similar to the accounting model used by private sector firms. Over time, increases or decreases in Net Position could serve as an indication of whether the overall financial position of the Authority is stable.

The following table summarizes the Net Position of governmental activities as of June 30, 2020 and June 30, 2019:

Table 1

Statement of Net Position	Year Ending 6/30/2020	Year Ending 6/30/2019
<b>Assets:</b>		
Cash and investments	\$0	\$0
Receivables	1,031,476	3,077,922
Capital assets (depreciated)	<u>0</u>	<u>0</u>
Total assets	<u>1,031,476</u>	<u>3,077,922</u>
<b>Deferred Outflows</b>		
Deferred Outflows	<u>0</u>	<u>0</u>
<b>Liabilities:</b>		
Accounts/Claims payable	1,031,476	3,097,196
Net Pension Liability	0	0
Net OPEB liability	<u>0</u>	<u>0</u>
Total liabilities	<u>1,031,476</u>	<u>3,097,196</u>
<b>Deferred Inflows</b>		
Deferred inflows	<u>\$0</u>	<u>\$0</u>
<b>Net Position:</b>		
Net investments in capital assets	0	0
Unrestricted	<u>0</u>	<u>(19,274)</u>

Total restricted Net Position	<u>0</u>	<u>(19,274)</u>
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## Net Position

The Statement of Revenues, Expenses and Change in Net Position provides information about the Authority's revenues and expenses on the full accrual basis, with an emphasis on measuring the net revenues or expenses for each of the Authority's main activities. The Statement of Revenues, Expenses and Change in Net Position explains in detail the change in Net Position for a given year. The amounts in the Statement of Revenues, Expenses and Change in Net Position represent Rail Planning activities.

The following table summarizes the Statement of Revenues, Expenses and Change in Net Position, or the change in Net Position of governmental activities, for the year ended June 30, 2020 and June 30, 2019:

Table 2  
Statement of Revenues, Expenses and Change in Net Position

	Year Ending 6/30/2020	Year Ending 6/30/2019
<b>EXPENSES</b>		
Expenses, non-capital		
Board of Directors	\$0	\$115
Executive Director	2,285,294	3,511,031
Administrative Services	188,493	130,539
Planning	82,254	0
Marketing	325,217	164,239
Operations	<u>7,886</u>	<u>7,508</u>
Total Expenses, non-capital	<u>2,889,144</u>	<u>3,813,432</u>
Expenses, capital		
Depreciation	0	0
Total Expenses, capital	<u>0</u>	<u>0</u>
Total expenses	<u>2,889,144</u>	<u>3,813,432</u>
<b>REVENUES</b>		
Program operating revenues:		
Fare and contract revenues	\$0	\$0
Advertising and ticket concessions	<u>0</u>	<u>19,422</u>
Total operating revenues	0	19,422
Non-operating revenues, non-capital:		
Operating grants and contributions	2,908,418	3,794,010
Total non-operating revenues, non-capital	<u>2,908,418</u>	<u>3,794,010</u>

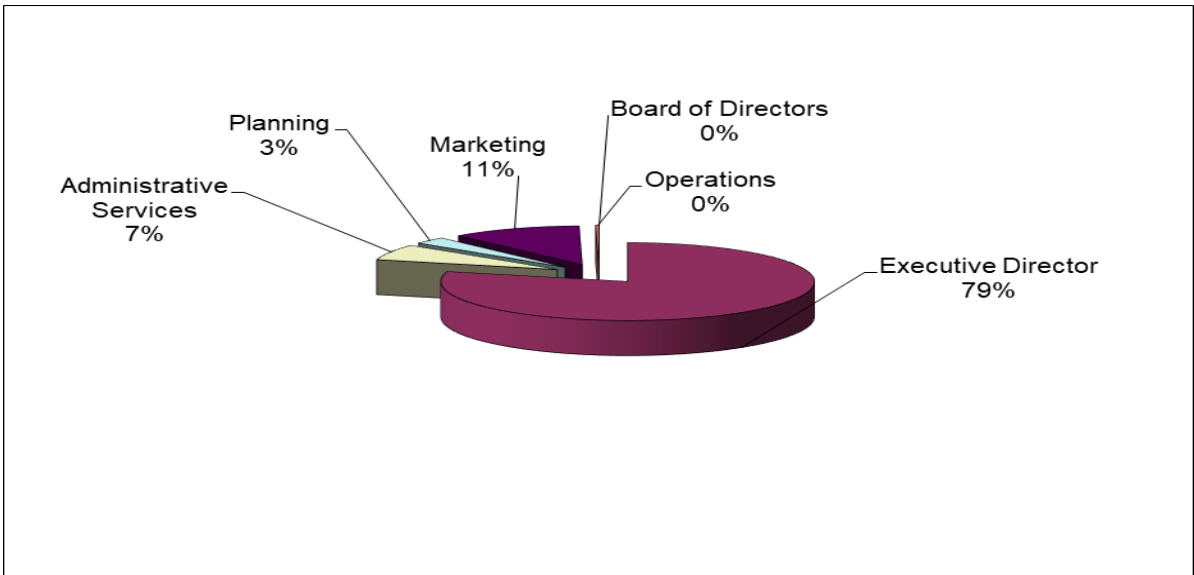
Total non-capital revenues	<u>2,908,418</u>	<u>3,813,432</u>
Total revenues	<u>\$2,908,418</u>	<u>\$3,813,432</u>
Transfers out		<u>(19,274)</u>
CHANGE IN NET POSITION	19,274	(19,274)
Net Position, beginning	<u>(19,274)</u>	<u>0</u>
Net Position, ending	<u>0</u>	<u>(19,274)</u>

## Expenses

Expenses, excluding depreciation, are sorted by department. A brief description of each department's function is as follows:

- *Board of Directors* All the costs associated with the Board of Directors including their stipends and professional development expenses are charged to this department.
- *Executive Director* The Executive Director is responsible for the general supervision of the administration of the transit system. All costs associated with this position, and projects that the Executive Director oversees are accounted for in this cost center.
- *Administrative Services* Specific department responsibilities include: financial reporting and analysis; oversight of all financial and compliance audits and preparation of the annual financial statements, human resources management; administration of grants; and general office administration. Significant costs charged to this department are salary and benefits for the eight accounting, grants, administrative and customer service positions, as well as utilities and facility maintenance expenses.
- *Planning* This department plans, organizes, directs, and implements the Authority's planning programs.
- *Marketing* The Marketing Department is responsible for planning, organizing, directing, and implementing the Authority's marketing and community outreach programs.
- *Operations* liability insurance, are significant costs attributed to this department.

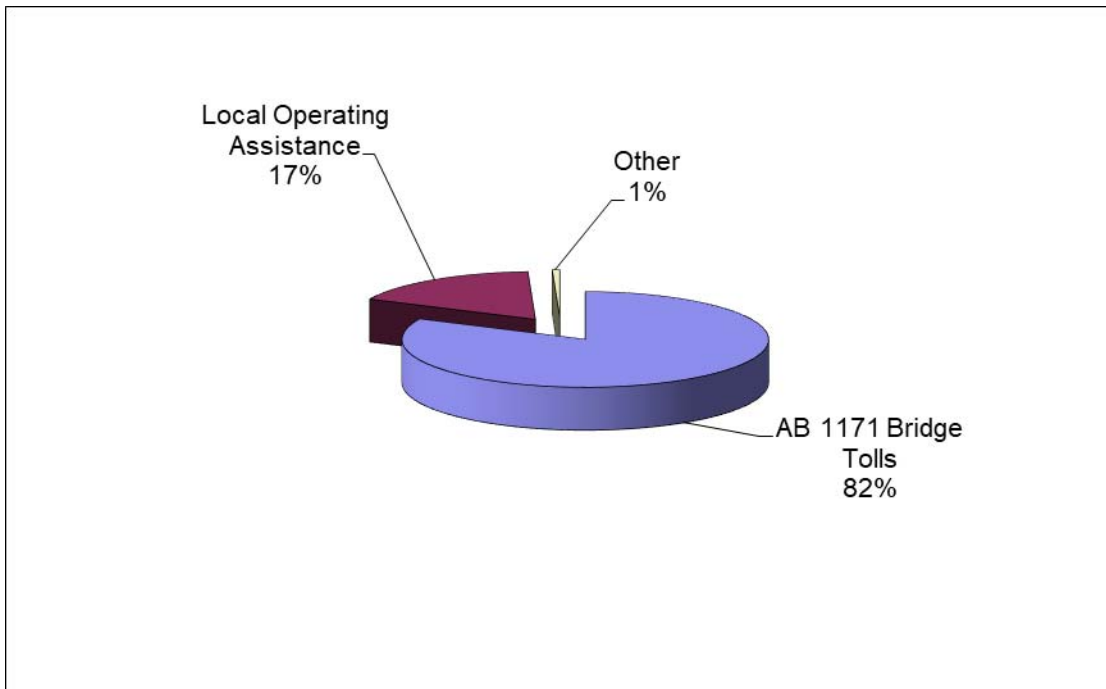
Below are the percentages by department for the fiscal year ending June 2020.



**Revenues**

The Authority’s primary source of operating revenue is AB1171 Bridge Tolls Administered by the Metropolitan Transportation Commission.

Below are percentages by funding source for the fiscal year ending June 2020.





4. *Notes to the Financial Statements*

The notes provide additional information that is important to a full understanding of the data provided in the Authority-wide, and the traditional fund-based, financial statements.

Finally, there were no facts, decisions, or conditions known at the close of fieldwork that are expected to have a significant effect on the financial position or results of operations.

Contacting Authority Management

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to the Authority, at Livermore Amador Valley Transit Authority, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

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**TRI-VALLEY - SAN JOAQUIN VALLEY  
REGIONAL RAIL AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

**ASSETS**

Current Assets:

Accounts receivable	\$ 1,031,337
Prepaid expenses	139
Total Current Assets	1,031,476

Total Assets	1,031,476
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**LIABILITIES**

Current Liabilities:

Due to other governments	585,583
Accounts payable and accrued liabilities	357,128
Total Current Liabilities	942,711

Long-term Liabilities:

Unearned revenues	88,765
Total Noncurrent Liabilities	88,765

Total Liabilities	1,031,476
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**NET POSITION**

Unrestricted	-
Total Net Position	\$ -

See accompanying notes to financial statements.

**TRI-VALLEY - SAN JOAQUIN  
VALLEY REGIONAL RAIL AUTHORITY  
STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>PROGRAM OPERATING EXPENSES</b>	
Executive Director	\$ 2,285,294
Finance	188,493
Planning	82,254
Marketing	325,217
Operations	<u>7,886</u>
Total program operating expenses	<u>2,889,144</u>
<b>PROGRAM OPERATING LOSSES</b>	<u>2,889,144</u>
<b>NON-OPERATING REVENUES</b>	
Local Operating Assistance	503,735
Bridge Tolls	2,385,409
Other	<u>19,274</u>
Total non-operating revenues	<u>2,908,418</u>
Changes in Net Position	19,274
Total Net Position - Beginning	<u>(19,274)</u>
Total Net Position - Ending	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**TRI-VALLEY - SAN JOAQUIN  
VALLEY REGIONAL RAIL AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 2,046,585
Payments to vendors	(3,127,263)
Payments to and on behalf of employees	<u>(232,628)</u>
Net cash provided by operating activities	<u>(1,313,306)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Alameda County	200,000
Bridge tolls	2,385,409
Due to other governments	(1,291,377)
Other	<u>19,274</u>
Net cash (used in) provided by capital and related financing activities	<u>1,313,306</u>
Net change in cash and cash equivalents	-
Cash and investments at beginning of period	<u>-</u>
Cash and investments at end of period	<u><u>-</u></u>
<b>Reconciliation of operating income/(loss) to net cash provided by operating activities:</b>	
Operating income (loss)	(2,889,144)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	2,046,585
Prepaid expenses	(139)
Accounts payable	<u>(470,608)</u>
Net cash provided by operating activities	<u><u>(1,313,306)</u></u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2020

**NOTE 1 –NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Reporting Entity**

The Tri-Valley – San Joaquin Valley Regional Rail Authority (the Authority) is a public entity established pursuant to California Public Utilities Code Section 132651 et seq and its primary purpose is to plan, develop and deliver cost-effective and responsive transit connectivity between the San Francisco Bay Area Rapid Transit District's (BART) rapid transit system and the Altamont Corridor Express commuter rail service. The Authority was established on January 1, 2018.

The governing board (Board) of the Authority should be composed of one representative from each of the following entities to be appointed by the governing board, mayor or supervisor for each entity:

- City of Dublin
- City of Lathrop
- City of Livermore
- Town of Danville
- City of San Ramon
- City of Manteca
- City of Pleasanton
- City of Stockton
- City of Tracy
- Mountain House Community Services District
- County of Alameda
- County of San Joaquin
- Livermore Amador Valley Transit Authority
- San Francisco Bay Area Rapid Transit District (BART)
- San Joaquin Regional Rail Commission

**B. Basis of Accounting**

The accompanying financial statements report the financial position of the Authority in accordance with accounting standards generally accepted in the United States of America. As the Authority is a governmental entity, the preparation of its financial statements is governed by the pronouncements of the Governmental Accounting Standards Board (GASB).

The Authority, as a proprietary enterprise, is accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Notes to Financial Statements

June 30, 2020

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Statement of Net Position*– The statement of net position is designed to display the financial position of the Authority. The Authority’s fund equity is reported as net position, which is the excess of all of the Authority’s assets over all its liabilities. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position and are described below:

*Net investment in capital assets*, describes the Authority’s capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

*Statement of Revenues, Expenses, and Changes in Net Position* – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and nonoperating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

**C. *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**D. *Capital Assets***

The additions to capital assets are capitalized at historical cost. Cost includes material, direct labor and fringe benefits, transportation, and such indirect items as engineering, supervision, and interest on borrowed funds during construction, net of interest earned on unspent construction proceeds. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

**E. *Preoperating Costs***

In accordance with accounting principles generally accepted in the United States of America, preoperating costs which have no discernible future economic benefit are expensed as incurred.

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

Notes to Financial Statements

June 30, 2020

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***F. Cash and Cash Equivalents***

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

***Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**NOTE 2 – RELATED PARTY TRANSACTIONS**

Livermore Amador Valley Transit Authority (LAVTA) is named as the Managing Agency. The Authority does not have employees. LAVTA provides professional services as well as administrative services. LAVTA provides certain treasury management and accounting services including conducting all cash transactions and provided for the annual audit. LAVTA received \$232,628 for their services for the year ended June 30, 2020.



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

Notes to Financial Statements

June 30, 2020

**NOTE 3 – RISK MANAGEMENT**

The Authority carries special liability insurance through Alliant Insurances, including personal injury coverage (both bodily injury and property damage) and public officials errors and omissions in up to \$3,000,000, and fire damage liability up to \$1,000,000. The deductible is \$1,000 for this coverage. The Authority requires its consultants and any subconsultants, suppliers, temporary workers, independent consultants, or any other persons, firms or corporations that consult to procure and maintain at their sole cost and expense insurance coverages, including workers compensation and employer liability insurance, commercial general liability insurance, business automotive liability insurance, professional liability insurance, railroad protective liability insurance, and cyber liability insurance.

## **ATTACHMENT 2**



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

**MEMORANDUM ON INTERNAL CONTROL  
AND REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

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

**MEMORANDUM ON INTERNAL CONTROL  
AND REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2020**

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## MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of  
Tri-Valley – San Joaquin Valley Regional Rail Authority  
Livermore, California

In planning and performing our audit of the basic financial statements of the Tri-Valley – San Joaquin Valley Regional Rail Authority (Authority) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Pleasant Hill, California  
November 12, 2020

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**MEMORANDUM ON INTERNAL CONTROL****SCHEDULE OF OTHER MATTERS****NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

**EFFECTIVE FISCAL YEAR 2020/21:****GASB 84 – Fiduciary Activities**

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**MEMORANDUM ON INTERNAL CONTROL****SCHEDULE OF OTHER MATTERS****GASB 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61***

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**MEMORANDUM ON INTERNAL CONTROL****SCHEDULE OF OTHER MATTERS****EFFECTIVE FISCAL YEAR 2021/22:****GASB 87 – Leases**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

**GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**MEMORANDUM ON INTERNAL CONTROL****SCHEDULE OF OTHER MATTERS****EFFECTIVE FISCAL YEAR 2022/23:*****GASB 91 - Conduit Debt Obligations***

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  - (1) an issuer
  - (2) a third-party obligor, and
  - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

**MEMORANDUM ON INTERNAL CONTROL****SCHEDULE OF OTHER MATTERS**

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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## REQUIRED COMMUNICATIONS

To the Board of Directors of  
Tri-Valley – San Joaquin Valley Regional Rail Authority  
Livermore, California

We have audited the basic financial statements of the Tri-Valley – San Joaquin Valley Regional Rail Authority (Authority) for the year ended June 30, 2020.

### **Significant Audit Findings**

#### *Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

#### *Unusual Transactions, Controversial or Emerging Areas*

We noted no transactions entered into by Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

#### *Disclosures*

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated November 12, 2020.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Information Accompanying the Financial Statements**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

\*\*\*\*\*

This information is intended solely for the use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Pleasant Hill, California  
November 12, 2020



**AGENDA**

**ITEM 6**





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

## STAFF REPORT

SUBJECT: Executive Director's Report  
FROM: Michael Tree, Executive Director  
DATE: November 18, 2020

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### **\$400 Million in Measure BB Transferred to Valley Link Project**

On September 24<sup>th</sup> the Alameda County Transportation Commission approved amendments to the Measure BB Transportation Expenditure Plan to recognize the Tri-Valley – San Joaquin Valley Regional Rail Authority as an eligible recipient to receive Measure BB funding, and to transfer \$400 million in Measure BB funding from the BART to Livermore project to the Valley Link Project.

### **City of Tracy Approves Option for Rail Authority to Receive Property**

On September 15<sup>th</sup> the City Council in Tracy approved an option that allows the Tri-Valley – San Joaquin Valley Regional Rail Authority to acquire 200 acres that is being considered for the Valley Link Operations and Maintenance facilities. The option can be exercised upon certification of the EIR and adoption of the project. The estimated value of the property is \$40 million.

### **AB 758 Amendments**

Staff is working with Assemblymember Susan Eggman on potential amendments to AB758 in the next legislative cycle that will provide more project delivery tools for the Valley Link project. An update will be made to the Board at the December meeting.

### **FTA Grant Application Submitted in October**

During the month of October staff submitted an FTA grant application for planning funding towards Transit Oriented Development in the Valley Link Corridor. The grant application requested \$500,000 and was highly leveraged by local funding.

### **Certification of EIR and adoption of Isabel Neighborhood Specific Plan**

On November 9<sup>th</sup> the City Council in Livermore approved the Isabel Neighborhood Specific Plan. The plan established land use regulations for the development of a completed transit-oriented neighborhood in the area adjacent to the Valley Link Isabel Station. The Plan allows for up to 4,095 new multi-family housing units and approximately 1.97 million square feet of net new non-residential uses. An update on the approval of the Plan will be provided as an informational item at the November Board meeting.

### **Draft Environmental Impact Report Update**

The draft EIR is scheduled to be released for public comment on Wednesday, December 2, 2020. Following the comment period, it is anticipated that the Board will consider the certification and adoption of the project in the spring of 2021.

**Union Pacific Railroad**

Meetings, both formal and informal, continue with the Union Pacific Railroad on the Valley Link project. Staff is working with the UP on issues and opportunities related to train technology, preserving of access to industrial leads, and other important topics.

**National Environmental Policy Act (NEPA) for Valley Link**

In preparation for NEPA clearance for the Valley Link project, staff met with both the California High Speed Rail and the Federal Transit Administration (FTA) to discuss potential lead agency roles. The FTA is anticipating that they will be the NEPA lead for Valley Link. In a recent meeting with the FTA, compliments were provided to the Rail Authority on its legal, financial and technical capacity improvements over the past year.

**Planning for Cash Flows at the Rail Authority**

As work progresses on the Valley Link project, the Livermore Amador Valley Transit Authority (LAVTA) is managing a much larger cash flow for the Rail Authority. Staff is crafting a Memorandum of Understand that will be considered by the Board in December to formalize the relationship between the two agencies as it relates to management of cash flows.

**Share Autonomous Vehicle Project**

The Livermore Amador Valley Transit Authority has completed Phase I of shared autonomous vehicle (SAV) testing in the area around the Dublin/Pleasanton BART station and will be providing rides to the public beginning November 16, 2020. It is anticipated that Phase II will begin in 2021 with new SAVs that will travel faster with improved technology. Phase II will have the SAVs circulating frequently between a high-density business park and the Dublin/Pleasanton BART station. During public meetings for the Valley Link project, SAVs were of high interest by the public as a first/last mile solution into Valley Link stations.

**AGENDA**

**ITEM 7**





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

## STAFF REPORT

SUBJECT: Isabel Neighborhood Specific Plan

FROM: Michael Tree, Executive Director

DATE: November 18, 2020

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### **Action Requested**

There is no action requested by staff at this time. This is an information item for discussion only.

### **Background/Discussion**

On November 9, 2020, the Livermore City Council adopted the Isabel Neighborhood Specific Plan – a big step forward in the advancement of Valley Link TOD Policy goals and objectives. The Plan establishes land use regulations for the development of a complete transit-oriented neighborhood in the area surrounding the proposed Valley Link station in the median of I-580, just east of Isabel Avenue. The Plan allows for up to 4,095 new multi-family housing units and approximately 1.97 million square feet of net new non-residential uses. It identifies the necessary infrastructure to serve the planned development, including three new neighborhood parks, multi-use trails, and pedestrian and bike facilities. The Plan also includes affordable housing strategies and policies and infrastructure financing strategies and policies. City of Livermore staff will provide an overview of the adopted Plan at the November 18, 2020 Board meeting.

### **Fiscal Impact**

There are no fiscal impacts associated with this item.

### **Attachment:**

1. Valley Link TOD Policy

## **ATTACHMENT 1**



## Valley Link TOD Policy

The key elements of the TOD policy include:

- (a) Establishment of corridor-level thresholds to quantify appropriate minimum levels of development around transit stations along new corridors;
- (b) Development of local station area plans, in conjunction with local communities, that address future land use changes, station access needs, circulation improvements, pedestrian-friendly design, and other key features in a transit-oriented development.

### **Corridor-Level Thresholds**

The corridor-level housing thresholds are as follows:

- 2,200 housing units for commuter rail.
- Meeting the corridor level thresholds requires that within a half mile of all stations, a combination of existing land uses and planned land uses meets or exceeds the overall corridor threshold for housing;
- To be counted toward the threshold, planned land uses must be adopted through general plans, and the appropriate implementation processes must be put in place, such as zoning codes prior to completion of station final design. Ideally, planned land uses will be formally adopted through a specific plan (or equivalent), zoning codes and general plan amendments along with an accompanying programmatic Environmental Impact Report (EIR) as part of the overall station area planning process. Minimum densities will be used in the calculations to assess achievement of the thresholds.
- An existing end station is included as part of the transit corridor for the purposes of calculating the corridor thresholds; optional stations will not be included in calculating the corridor thresholds.
- New below-market housing units will receive a 50 percent bonus toward meeting the corridor threshold (i.e. one planned below-market housing unit counts for 1.5 housing units for the purposes of meeting the corridor threshold. Below market for the purposes of this policy is affordable to 60% of area median income for rental units and 100% of area median income for owner-occupied units).

### **Station Area Plans**

At a minimum, station area plans will define both the land use plan for the area as well as the policies—zoning, design standards, parking policies, etc.—for implementation. The plans shall at a minimum include the following elements:

- Current and proposed land use by type of use and density within the half-mile radius, with a clear identification of the number of existing and planned housing units and jobs;
- Station access and circulation plans for motorized, nonmotorized and transit access. The station area plan should clearly identify any barriers for pedestrian, bicycle and wheelchair access to the station from surrounding neighborhoods (e.g., freeways, railroad tracks, arterials with inadequate pedestrian crossings), and should propose strategies that will remove these barriers and maximize the number of residents and employees that can access the station by these means. The station area and transit village public spaces shall be made accessible to persons with disabilities.
- Estimates of transit riders walking from the half mile station area to the transit station to use transit;
- Transit village design policies and standards, including mixed use developments and pedestrian-scaled block size, to promote the livability and walkability of the station area;
- TOD-oriented parking demand and parking requirements for station area land uses, including consideration of pricing and provisions for shared parking;
- Implementation plan for the station area plan, including local policies required for development per the plan, market demand for the proposed development, potential phasing of development and demand analysis for proposed development.

## **ATTACHMENT 2**





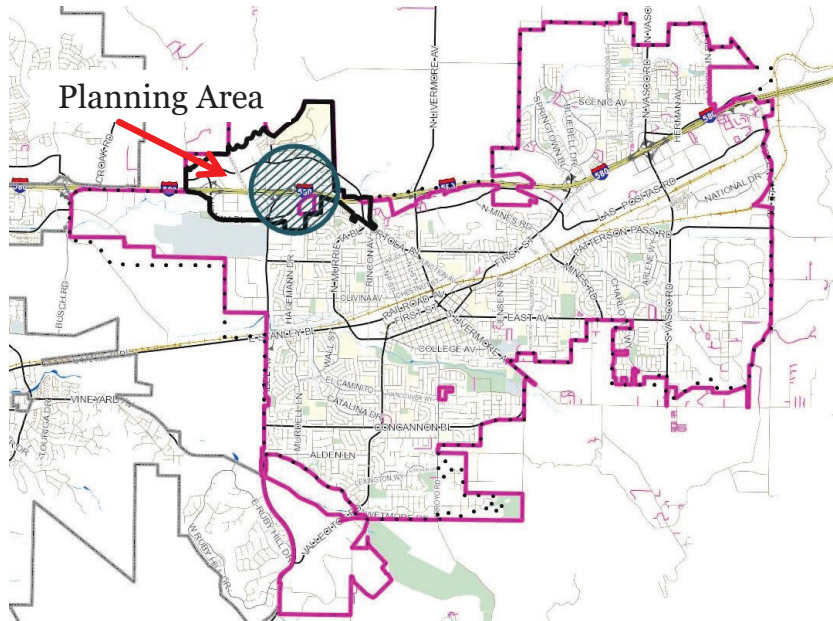


# Isabel Neighborhood Specific Plan

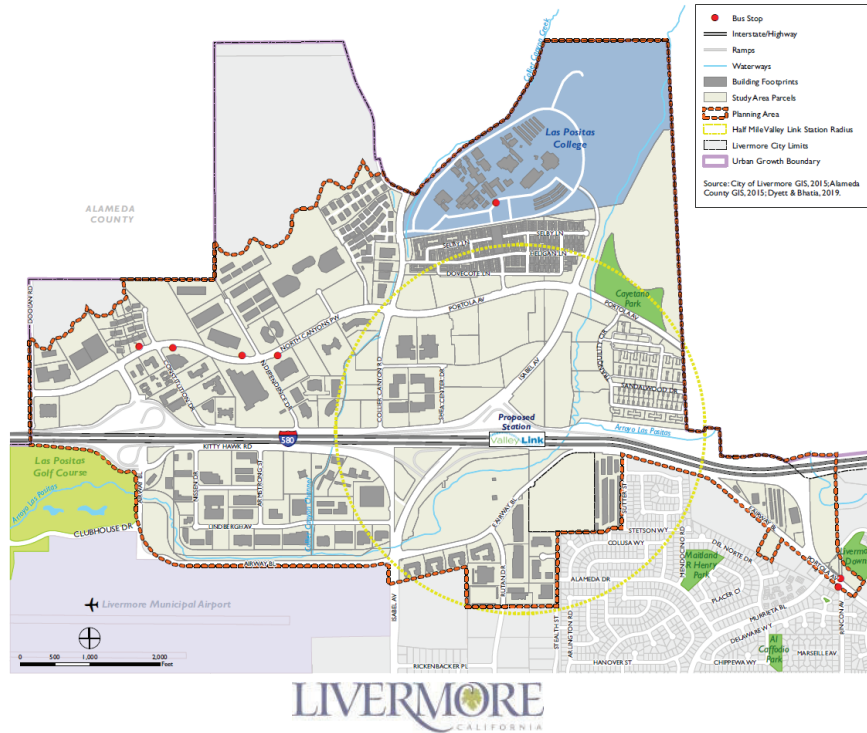
## Tri-Valley San Joaquin Valley Regional Rail Authority

November 18, 2020

### Isabel Neighborhood Specific Plan



# Planning Area



# Plan Objectives

1. Create a safe, vibrant, and complete neighborhood
2. Support citywide goals for increased transportation options, housing choices, and economic vitality
3. Support the Valley Link rail project



## Planning Process

1. Visioning
2. Alternatives
3. Preferred Plan
4. Draft Plan and Draft SEIR
5. Adoption hearings

Outreach: over 50 meetings with over 800 participants + over 3,000 survey responses

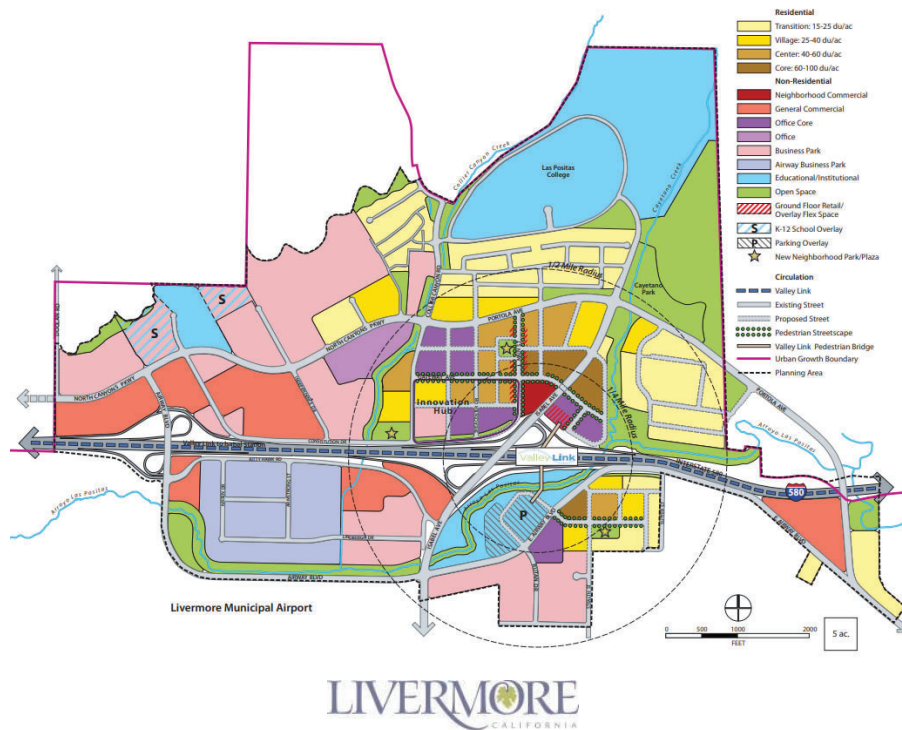


## Visioning

- “Complete” neighborhood
- High-quality urban design
- Walkable and bike-able neighborhood
- Open spaces, arroyos, and scenic views
- Community gathering spaces
- Compatibility with existing uses



# Land Use Diagram



## Net New Development under Build-out of the Plan

Land Use	Planning Area Total
Residential	4,095 housing units
Office	1,730,500 sf
Business Park	180,390 sf
Neighborhood Commercial	167,185 sf
General Commercial	159,700 sf
General Industrial	270,175 sf
<b>Total</b>	<b>1,967,600 sf</b>
<b>Jobs</b>	<b>9,200 jobs</b>

# Affordable Housing

## City-wide requirement:

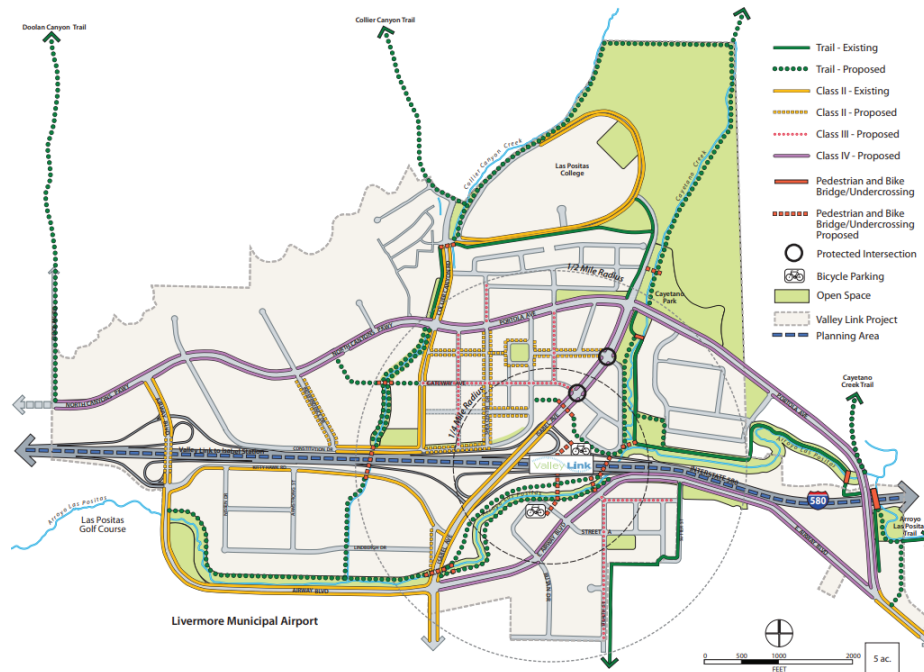
- Requirement for 15% of all for-sale residential units must be affordable

## Isabel Neighborhood requirement:

- Plan-wide: Goal for 25% of all residential units to be affordable
- Per-project: Requirement for 20% of all residential units must be affordable



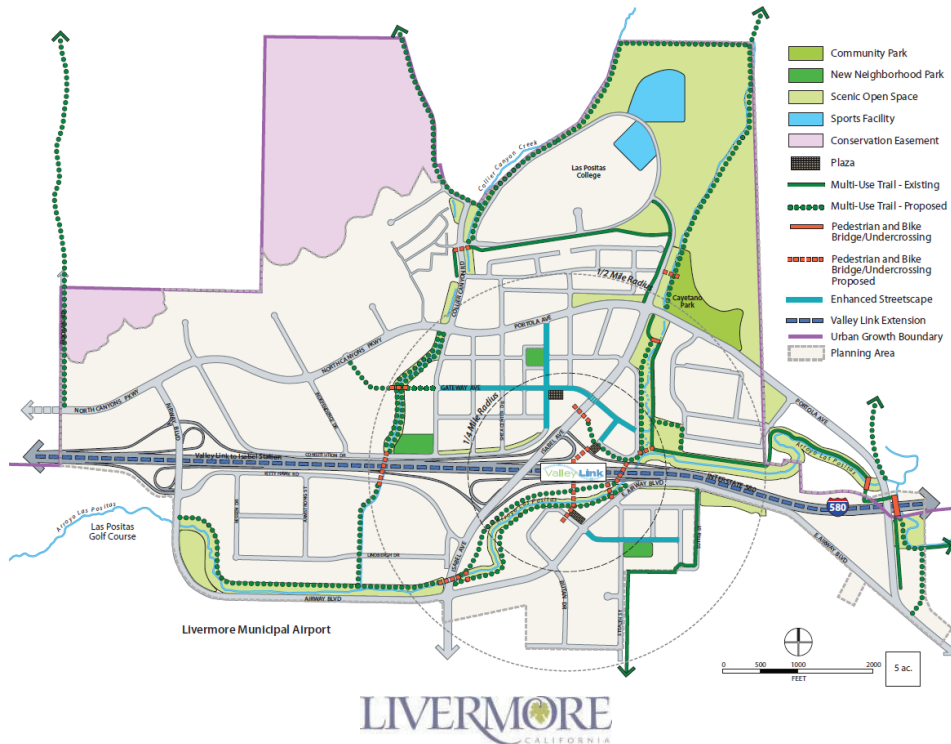
# Bicycle Circulation



# Trail Network



# Parks and Open Space



**AGENDA**

**ITEM 8**





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

## STAFF REPORT

**SUBJECT:** Resolution R08-2020 Authorizing the Executive Director To Execute A Cooperative Agreement With The San Joaquin Regional Rail Commission For Project Support Services of the Valley Link Project

**FROM:** Michael Tree, Executive Director

**DATE:** November 18, 2020

### **Action Requested**

Staff requests that the Board of Directors approve Resolution R08-2020 authorizing the Executive Director to execute a Cooperative Agreement with the San Joaquin Regional Rail Commission (“SJRRRC”).

### **Background/Discussion**

Pursuant to the Board of Directors’ approval of Resolution R02-2020 at its May 13, 2020 meeting, the Executive Director submitted a completed Initial Project Report (IPR) to the Metropolitan Transportation Commission (MTC), requesting \$46.8 million in bridge toll funds for the purposes of completing the 30% design plans, Caltrans PA&ED documents, federal environmental NEPA documents, and other operational and technical reports. Included within this request are funds to reimburse the support activities of project partners.

SJRRRC is a valued project partner and is a member of the Executive Steering Committee (ESC), which also includes representatives from BART, MTC, San Joaquin Council of Governments (SJCOG), Caltrans, Alameda County Transportation Commission (ACTC), and California State Transportation Agency (CalSTA). SJRRRC has been an active supporter of the Valley Link Project since its inception and performed the initial planning work for the concept that became the Valley Link Project. SJRRRC has partnered with the Authority to develop and advocate for a shared vision for the Altamont Corridor that includes coordinated and integrated Valley Link and ACE services. SJRRRC has also supported the Authority in receiving critical funding from MTC and ACTC needed to implement the Valley Link Project and for getting Valley Link included in the Regional Transportation Plans (RTPs) for both MTC and SJCOG.

The proposed Cooperative Agreement specifically focuses on reimbursing SJRRRC for its costs to participate in the development of the Valley Link Project. SJRRRC has identified an estimated budget of \$300,000 for the required resources to continue its participation in the development of the design and operating plans for the period of January 2021 through June 2022. This work will be funded from the allocation of \$46.8 million from MTC at its June 24, 2020 Commission meeting.

### **Fiscal Impact**

The \$300,000 for SJRRRC’s review of design plans and operational strategies is included within the Authority’s receipt of \$46.8 million from MTC at its June 24, 2020 Commission meeting (pursuant to Resolution R02-2020).



## **ATTACHMENT 1**



## RESOLUTION NO. R08-2020

\* \* \*

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRI-VALLEY–SAN JOAQUIN VALLEY REGIONAL RAIL AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A COOPERATIVE AGREEMENT WITH THE SAN JOAQUIN REGIONAL RAIL COMMISSION FOR PROJECT SUPPORT SERVICES

**WHEREAS**, the Legislature adopted AB 758 (2018), 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 (the "Valley Link Project" or "Project");

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

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

**WHEREAS**, the Authority has been advancing the Valley Link Project and it has been agreed among the Authority and its project partners that the Authority would reimburse its project partners for the support services they provide to advance the Project;

**WHEREAS**, one of the project partners, San Joaquin Regional Rail Commission ("SJRRRC"), as the Managing Agency for the Altamont Corridor Express ("ACE") commuter trains, has been actively involved in the development of the operating service plans and preliminary design plans for the Project and has estimated a cost of \$300,000 for continued support of the Project for the period of January 2021 through June 2022; and

**WHEREAS**, the Authority has included this cost estimate for Project Partner Support services for the period through June 2022 within the Initial Project Request allocation request of \$46.8 million to the Metropolitan Transportation Commission ("MTC") pursuant to the Board of Directors approval of Resolution R02-2020 (May 13, 2020); and

**WHEREAS**, the Authority received the allocation of \$46.8 million from MTC at its June 24, 2020 Commission meeting; and

**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 execute a Cooperative Agreement, in a form approved by legal counsel, with the San Joaquin Regional Rail Commission for Project Support Services for the Valley Link Project for an amount not-to-exceed \$300,000 for the period of January, 2021 through June, 2022.

**APPROVED AND PASSED**, this 18<sup>th</sup> day of November, 2020.

\_\_\_\_\_  
Scott Haggerty, Chair

**ATTEST:**

\_\_\_\_\_  
Michael Tree, Executive Director

**AGENDA**

**ITEM 9**





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

## STAFF REPORT

**SUBJECT:** Designation of a Presumed Operator of the Valley Link Train Service for the Purpose of Receiving Critical Input During Planning Process

**FROM:** Michael Tree, Executive Director

**DATE:** November 18, 2020

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### **Action Requested**

This is an informational item and no action is requested.

### **Background**

Pursuant to the enactment of Assembly Bill 758, the Tri-Valley–San Joaquin Valley Regional Rail Authority (Authority) was established to plan, construct and operate the Valley Link train service between Dublin/Pleasanton BART Station and the San Joaquin Valley that connects with and complements the Altamont Corridor Express (ACE) Service. As the Authority nears the release of the Draft Environmental Impact Report (EIR), the Executive Team is recognizing the need to identify a presumed operator for the Valley Link system in an effort to receive valuable input during the upcoming planning phases.

### **Discussion**

Staff has met with transit operators in the region and has been advised that the San Joaquin Regional Rail Commission (SJRRRC), operators of ACE and the Amtrak San Joaquins, would be the best fit to operate the Valley Link service and thus provide critical input during the planning phases.

SJRRRC has an exemplary safety record in managing transit services that connect Central Valley with the Bay Area as the oversight agency for the operations of both the ACE commuter rail service (over 20 years) and the Amtrak San Joaquins (for over 7 years), which includes oversight and management of the San Joaquins connecting bus services. Bringing on SJRRRC as the presumed operator for the Authority would allow SJRRRC to provide input to the Authority on early service planning decisions, and assist with the coordination and network integration in the San Joaquin Valley. SJRRRC has expertise in the development of all aspects of transit service from procuring a contracted operator to developing specifications for various transit vehicles to preparing various regulatory safety and security operating plans.

The timing is best now for the Authority to bring on its operations planning team. The Authority can effectively and efficiently use SJRRRC's resources and experience as an existing operations manager rather than creating a new one. SJRRRC has positive relationships with Federal Railroad Administration (FRA), the federal regulatory agency, and UPRR, who is the host railroad for the ACE trains and owns the right-of-way on portions of the Valley Link route in San Joaquin County.

At its November 6, 2020 meeting, the SJRRC Board of Directors received an informational report from SJRRC staff on the concept to have SJRRC be the agency to manage the operation of the Valley Link service. SJRRC Board concurred with the report and asked that staff enter into discussions with the Authority to develop the initial agreements to begin the process that would allow the SJRRC to perform service planning functions and position itself to manage the contracted operation of the Valley Link service in the future.

**Fiscal Impact**

As this is an informational item, there is no fiscal impact to the Authority.