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September 4, 2019

Honorable Deborah A. Ryan, Presiding Judge
Santa Clara County Superior Court
ATTN: Clerk of the Court
191 North First Street
San Jose, CA 95113

(ENDORSED)
FILED
SEP 11 2019

Clerk of the Court
Superior Court of CA County of Santa Clara
BY Antoney Huebbig DEPUTY

Re: Response to Grand Jury Report: Inquiry into Governance of the Valley Transportation Authority, dated June 18, 2019.

Judge Ryan:

In accordance with California Penal Code Section 933(c), the City of Morgan Hill City Council respectfully submits the following responses to the Grand Jury Report dated June 18, 2019.

Finding 1

The VTA Board, currently made up exclusively of elected official from the Santa Clara County, Board of Supervisors, the City of San Jose and the other smaller cities in the County, suffers from:

- A lack of experience, continuity and leadership;
- Inadequate time for the directors to devote to their duties to the VTA Board due to their primary focus on the demands of their elected positions;
- A lack of engagement on the part of some directors, fostered in part by the committee system, resulting in VTA functioning largely as a staff-driven organization;
- Domination, in terms of numbers, seniority and influence, by representation of the Santa Clara County Board of Supervisors and the City of San Jose; and
- Frequent tension between the director's fiduciary duties to VTA and its regional role, on the one hand, and the political demands of their local elected positions, on the other.

Response: Morgan Hill agrees with the finding and consistent with recommendation 1c, will deliver a report regarding its view of VTA governance and demographic representation significance by December 31, 2019.

Recommendation 1c

As constituent agencies of VTA, each of the cities in the County should prepare and deliver to VTA and the County Board of Supervisors a written report setting forth its views regarding VTA



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governance, with specific reference to the elements listed in Recommendation 1a. This report should be completed and delivered prior to December 31, 2019.

Response: *The recommendation has not yet been implemented. The recommendation will be implemented in the future in accordance with the time schedule provided by the Grand Jury; December 31, 2019. Morgan Hill will look critically at the issue of jurisdictional diversity and methods of ensuring proportional, but highly qualified demographic representation.*

Recommendation 1d

Within six months following the completion of the studies and report specified in Recommendation 1a, 1b, and 1c, the County of Santa Clara and /or one or more of VTA's other constituent agencies should propose enabling legislation , including appropriate amendments to Sections 100060 through 100063 of the California Public Utilities Code, to improve the governance structure of VTA (which potentially could include an increase in the directors' term of service, the addition of term limitations and the inclusion of appointed directors who are not currently serving elected officials).

Response: *The recommendation requires further analysis. Morgan Hill would like to be instrumental in determining the implementation steps and strategy for any agreed upon governance changes that strengthen the demographic representation, quality, term, and expertise of the Governing Board. Until those are known, Morgan Hill is unable to determine whether this recommendation is unwarranted or unreasonable. Morgan Hill will defer this determination to the findings of further reports and recommendations regarding an improved structure, if made, in accordance to the schedule recommended by the Grand Jury.*

Recommendation 1e

In order to provide more continuity in the leadership of the VTA Board, within six months following the completion of the studies and reports specified in Recommendations 1a, 1b, and 1c, the County of Santa Clara and/or one or more of VTA's other constituent agencies, should propose enabling legislation amending Section 100061 of the California Public Utilities code to provide that the Chairperson of the VTA Board shall be elected for a term of two years rather than one.

Response: *The recommendation requires further analysis. Morgan Hill agrees to be instrumental in determining the implementation steps and strategy for any agreed upon governance changes that strengthen the demographic representation, quality, term, and expertise of the Governing Board. Until those are known, Morgan Hill is unable to determine whether this recommendation is unwarranted or unreasonable. Morgan Hill*



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will have to defer to the findings of further reports and recommendations regarding an improved structure, if made.

Sincerely,

A handwritten signature in blue ink, appearing to read "CT", is positioned below the word "Sincerely,".

Christina Turner
City Manager