

County of Santa Clara

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Megan Doyle
Clerk of the Board

September 10, 2019

The Honorable Deborah A. Ryan
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

(ENDORSED)
FILED
SEP 12 2019
Clerk of the Court
Superior Court of CA County of Santa Clara
BY Britney Huelbig DEPUTY

RE: Grand Jury Report: Inquiry into Governance of the Valley Transportation Authority

Dear Judge Ryan:

At the August 27, 2019 meeting of the County of Santa Clara Board of Supervisors (Item No. 43), the Board adopted the response from the Office of the County Executive to Final Civil Grand Jury Report entitled, Inquiry into the Governance of the Valley Transportation Authority.

As directed by the Board of Supervisors and on behalf of the Board President, our office is forwarding to you the enclosed copy of the response to the Final Grand Jury Report. The response constitutes the response of the Board of Supervisors, consistent with provisions of California Penal Section 933(c).

If there are any questions concerning this issue, please contact our office at (408) 299-5001 or by email at boardoperations@cob.sccgov.org.

Sincerely,

Jessica Schmidt
Deputy Clerk, Board of Supervisors
County of Santa Clara

Enclosures

County of Santa Clara

Office of the County Executive

County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-5105



DATE: August 5, 2019

TO: Miguel Márquez
Chief Operating Officer

FROM: Steve Preminger *SP*
Director, Office of Strategic and Intergovernmental Affairs

SUBJECT: Response to Santa Clara County Civil Grand Jury Final Report: Inquiry into the Governance of the Valley Transportation Authority

Adopted: 08/27/2019

On June 18, 2019, the Santa Clara County Civil Grand Jury released its final report entitled, **Inquiry into the Governance of the Valley Transportation Authority**. The report contained one finding and three recommendations requiring a response from the County of Santa Clara. This report reflects the County's response to those findings and recommendations.

Finding 1

"The VTA Board, currently made up exclusively of elected officials from the Santa Clara County Board of Supervisors, the City of San José 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 representatives of the Santa Clara County Board of Supervisors and the City of San José; 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 to Finding 1: The County disagrees in part with Finding 1.

Valley Transportation Authority (VTA) was established in its current governing structure in 1995 as an independent special district by the California legislature. While several Grand Jury reports have made recommendations to make alterations to the governing structure, no changes have been made.

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Each of the members of the VTA governing board is elected to office in their respective jurisdictions and are then selected through a public process in each jurisdiction to sit on the VTA board. The Public Utilities Code (PUC) dictates that, to the extent possible, appointments to the VTA board be made of individuals who have expertise, experience or knowledge relative to transportation issues. Because the PUC code calls for members with useful background in transportation issues, the County would not benefit in supporting governance structures other than what the State Legislature has already put in place, since the composition of the VTA board is expected to include such qualifications. Beyond the composition of the VTA Board membership, the other areas of concern identified in the report could be addressed by the VTA itself, and do not require legislative action.

Recommendation 1b

“As the appointing entity with an interest in the transit needs of all County residents, the County of Santa Clara should commission its own study of transportation agency governance structures, focusing on the elements listed in Recommendation 1a. This study should be commissioned prior to December 31, 2019.”

Recommendation 1d

“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, 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).”

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 to Recommendations 1b, 1d, and 1e:

The County does not plan to implement the recommendations as described. The County has examined the current report and does not believe the Grand Jury’s recommendations to legislatively change the composition and structure of the VTA Board will address the problems articulated in the report. Issues with director engagement and other concerns can be addressed

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without legislative change, and the County will support VTA's efforts to address the issues raised in the report, to the extent possible given the County's role.

In addition, a turnaround in ridership would address concerns of low ridership raised in the report. Opportunities such as Caltrain's new business plan, which is being unveiled to the public this year, offers opportunity for VTA to realize its potential to move many more riders throughout the county. Altering VTA's governing structure would not be in the interest of such a shift, given that it would result in the loss of knowledge represented by the current governing board.