

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

MINUTES OF NOVEMBER 3, 2016

MEMBERS PRESENT: M. Freschet, D. Horsley, K. Ibarra, M.A. Nihart, K. Matsumoto

MEMBERS ABSENT: C. Groom (Chair), C. Johnson

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, J. Hartnett, J. Hurley, E. Kay,
M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften,
N. Vigil

Vice Chair Don Horsley called the meeting to order at 5:02 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of November 1, 2016 (see attached).

Director Karyl Matsumoto arrived at 5:08 p.m.

APPROVAL OF CONSENT CALENDAR

- a) Approval of Minutes of October 6, 2016
- b) Approval of 2017 Board of Directors Meeting Calendar
- c) Acceptance of Statement of Revenues and Expenditures for Fiscal Year Ending June 2016 (Unaudited)
- d) Acceptance of Statement of Revenues and Expenditures for September 2016
- e) Receive and File the Semi-Annual Measure A Program Status Report
- f) Adoption of Conflict of Interest Code

Motion/Second: Nihart/Ibarra

Ayes: Freschet, Ibarra, Matsumoto, Nihart, Horsley

Absent: Groom, Johnson

PUBLIC COMMENT

Rich Hedges, San Mateo, said he went to Los Angeles and rode the new Expo Line, the Red Line, and the Gold Line. In the 2010 census, the standard metropolitan statistical area showed Los Angeles and Anaheim was the most densely populated area in the United States. In this county, building housing along transit stations and El Camino Real and development along Miller Street in South San Francisco is the right thing to do and there will be a bright future for transit in this area.

CHAIRPERSON'S REPORT

None

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

The November 2 report is in the reading file.

PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT – J. HARTNETT

The November 3 report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said

- The Highway 101/Willow Road Interchange Project in Menlo Park and East Palo Alto was advertised for construction on September 26 with bids scheduled to be open mid-November. The California State Department of Transportation (Caltrans) is to administer the construction contract. The opening of the bid is being delayed due to a utility line conflict with early construction activities. Caltrans is working with the utility company to address the issue quickly and to try to minimize the delay.
- The California Transportation Commission (CTC) had deprogrammed State funding for the Highway 92/El Camino Real Interchange Project, and in an effort to avoid delay in the of start of construction, the TA programmed and allocated an additional \$5.9 million to advance funds from the highway program category so construction could continue. Since that time, State funds have become available for the project. This allocation by the CTC eliminated the need for the TA to loan the money to the project.
- Caltrans held a scoping meeting for the 101 Managed Lane Project occurred October 27. Agenda covered the environmental process, concepts under consideration, and key issues and concerns that will be addressed as the project moves through environmental process. Comments on the items to be addressed in the environmental document will be accepted through November 18. Public meetings to share updates are targeted through spring and summer next year.

Director Mary Ann Nihart asked if this will be the only scoping meeting. Joe Hurley, Director, TA Program, said it is the only scoping meeting, but not the only public meeting. The intent of the scoping meeting is to solicit issues that need to be addressed in the environmental process, but as the technical studies progress, they will be shared with the public through subsequent public meetings.

FINANCE

Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended September 30, 2016

Monique Spyke, PFM Asset Management, said a large portion of the portfolio is in US Treasury and Federal Agency securities. The portfolio was in compliance with the TA's investment policy and California Government Code at the end of the quarter.

Ms. Spyke said the yield at cost in the portfolio was 1.03 percent, which is representative of the income that the TA can expect to receive on the portfolio assets. For the quarter, the TA realized earnings of approximately \$748,000 compared with \$250,608 for the same period last year.

Ms. Spyke said she manages the TA's portfolio on a return basis. In addition to the income, she also considers market value changes that occurred in the portfolio over the quarter. Interest rates increased compared to June 30, 2016. That resulted in a market value decline in the portfolio assets. There was negative performance for the

last three months, which represents the market value depreciation that occurred through the changes in interest rates. Compared to the TA's benchmark, she is working to mitigate the market value changes. The total return was less negative than the benchmark.

Ms. Spyke said interest rates rose over the quarter and that had to do with market correction after the volatility that was experienced at the end of June when Great Britain voted to leave the European Union. It has corrected itself.

In the third quarter, the TA's investment policy was revised. The benchmark was changed from a very specific custom benchmark to the zero-to-five-year US Treasury Index, which gives a better sense of risk versus return for the portfolio. The average maturity of the portfolio was increased to that of the benchmark, which provides better performance matching. The allocation to Federal Agency Securities was increased.

The election may cause some market uncertainty. There is a 78 percent probability that the Federal Reserve will raise rates in December, which would have positive impacts on income for the portfolio. Over the next quarter, the average maturity will be kept to what it is now. She will start using various allocations to the sectors allowed in the investment policy.

Director Matsumoto asked if this is a different strategy than what the previous investment advisors used. Ms. Spyke said when PFM inherited the portfolio, it was very short in terms of the average maturity compared to what the policy allowed. PFM has systematically expanded the maturity range of the portfolio, buying longer-term investments. This is taking advantage of the steepness of the yield curve: the longer it goes, the more income it earns. PFM is balancing that by letting some assets drift short.

Motion/Second: Matsumoto/Nihart
Ayes: Freschet, Ibarra, Matsumoto, Nihart, Horsley
Absent: Groom, Johnson

Award of Contract to Mark Thomas & Company and AECOM Joint Venture to Provide On-Call General Engineering Consultant Services for an Estimated Aggregate Not-to-Exceed Total of \$52.2 Million for a Three-Year Base Term

Nita Vigil, Acting Director, Contracts and Procurement, said the contract provides services for multidisciplinary engineering, architectural design, and construction phase services to support the TA's projects. An example is design support for the US 101 Managed Lanes Project. This is an on-call contract, which means the \$52.2 million is the capacity of the contract, but the TA will award based on work directives.

Motion/Second: Ibarra/Nihart
Ayes: Freschet, Ibarra, Matsumoto, Nihart, Horsley
Absent: Groom, Johnson

PROGRAM

Program Report: U.S. Route 101/State Route 92 Interchange

Mr. Hurley presented:

- Preliminary Planning Study (PPS)
 - TA (funding and implementer) and the City/County Association of Governments of San Mateo County (C/CAG) (sponsor) joint effort with input from the California State Department of Transportation (Caltrans), the city of San Mateo, the city of Foster City, and consultant
 - Assess traffic deficiencies, develop project purpose and need
 - Develop alternatives with stakeholders; evaluate costs, impacts and benefits
 - Recommend short- and long-term projects to move forward into the Caltrans Project Initiation Document (PID) phase
- Previous studies include
 - State Route (SR) 92 Project Study Report (PSR)/Project Development Support (PDS) (2001)
 - US 101/SR 92 Area Study (2013)
 - SR 92/SR 82 Project Report (PR) (2014)
 - US 101 High Occupancy Vehicle PSR/PDS
- Project purpose: Improve traffic flow and safety, and increase mobility through the US 101/ SR 92 Interchange area by minimizing traffic conflict locations and improving peak-period travel times within project limits along US 101 and SR 92
- Project need: Overall substantial delay and congestion at the US 101 and SR 92 Interchange
- Alternatives development
 - Evaluated seven short-term and 21 long-term alternatives
 - Brainstorming session with cities of San Mateo and Foster City, C/CAG and TA
 - Shortlisted nine basic alternatives
 - Presented to Caltrans
 - Revised alternatives based on Caltrans comments; cost estimates, impact evaluations, design exceptions and traffic operations benefits incorporated into final PPS June 2016
- Naming convention for alternatives
 - Short-term alternatives: A
 - Projects that can be implemented more quickly through streamlined Permit Engineering Evaluation Report (PEER) Caltrans process
 - Projects with relatively low total cost (less than \$10 million)
 - Long-term alternatives: X, Y, Z
 - Projects that require full Caltrans oversight process (planning, environmental, design) and take longer to implement
 - Projects with relatively high total cost (more than \$10 million)
 - Projects that provide more traffic and safety improvements
- Alternatives rated on various criteria
 - Safety
 - Low: No improvement to weave/merge areas; minimal mobility improvement could potentially lower rear-end type of accidents

- High: Clear safety improvement by eliminating unsafe merges at weave conflict locations
- Environmental
 - Low: Minimal impact that could likely be cleared with Categorical Exemption/Categorical Exclusion (CE/CE) approval
 - Medium: Not CE/CE, but avoids adverse impacts and may qualify for Initial Study/Environmental Assessment approval
 - High: Adverse impacts requiring Environmental Impact Report/Environmental Impact Statement
- Right of way
 - Low: May have only temporary construction easement requirements
 - Medium: May require partial right of way acquisitions or sliver takes
 - High: Full right of way acquisitions potentially requiring relocations
- Summary of alternatives along US 101
 - 1X (\$52 million) improves weaving and operations, high safety benefit, needs further evaluation to determine impact to local traffic circulation, medium environmental impact, medium right of way impact
 - 1Y (\$89 million) improves weaving and operations (northbound only), high safety benefit, needs further evaluation to determine impact to local traffic circulation, medium environmental impact, high right of way impact
 - 2X (\$93 million) improves operations for ML users (westbound SR 92 to US 101) and operations for US 101, low safety benefit, no impact to local traffic circulation, medium to high environmental impact, medium right of way impact
 - 3A (\$3.3 million) low operations benefit, low to medium safety benefit, no impact to local traffic circulation, low environmental impact, no right of way impact
 - 3X (\$6.5 million) operational benefit (northbound only), low to medium safety benefit, no impact to local traffic circulation, low environmental impact, low right of way impact
- Summary of alternatives along SR 92
 - 7A (\$7 million) improves operations for ML users (westbound SR 92 to southbound US 101 only), low safety benefit, no impact to local traffic circulation, low environmental impact, no right of way impact
 - 8A (\$3.5 million) improves weaving and operations, high safety benefit, no impact to local traffic circulation, low environmental impact, no right of way impact
 - 8X (\$40 million) improves weaving and operations, high safety benefit, no impact to local traffic circulation, high environmental impact, low right of way impact
 - 8Y (\$58 million) low weaving improvement, low safety benefit, no impact to local traffic circulation, high environmental impact, medium right of way impact
 - 8Z (\$103 million) improves weaving and operations, high safety benefit, needs further evaluation to determine impact to local traffic circulation, high environmental impact, medium right of way impact

- 8ZX (\$154 million) improves weaving and operations, high safety benefit, needs further evaluation to determine impact to local traffic circulation, high environmental impact, high right of way impact
- 9A (\$500,000) low operations benefit, low safety benefit, needs further evaluation to determine impact to local traffic circulation, low environmental impact, no right of way impact
- 9Y (\$47 million) improves weaving and operations, high safety benefit, needs further evaluation to determine impact to local traffic circulation, high environmental impact, medium right of way impact
- Recommended alternatives and packages
 - Short term: Alternatives 3A, 7A, 8A, and 9A (\$14 million)
 - Long term reduced package: 1X, 3X, 8X, 9Y (\$146 million)
 - Long term alternate package: 1Y, 3X, 8Z, and 9Y (\$246 million)
 - Long term primary package: 1X, 2X, 3X, 8ZX, and 9Y (\$353 million)
- Next steps
 - Project sponsor(s) to determine which alternatives to advance using stakeholder input, regional goals and anticipated funding ranges
 - Sponsor to pursue Measure A or other source to fund effort
 - Engage Caltrans with pre-PID meeting to discuss project purpose and need and project development path
 - Prepare PEER, PID, and PR or PID as appropriate to program funding; gain project approval

Director Ken Ibarra asked if there is any anticipation about how bad things will get with all the new development at SR 92 in San Mateo and in Foster City. Mr. Hurley said San Mateo's focus is on transit-oriented development, and the hope is it won't compound the traffic congestion problem.

Director Maureen Freschet asked what the timeframes are for short term or long term. Mr. Hurley said short term is solutions that could be implemented as soon as three years, and long term is funding controlled.

Director Nihart said east bound on Delaware Avenue is part of the problem. She asked if that is going to be pushed off onto the surface streets. Mr. Hurley said the closure of that ramp was considered, but now with all the development the ramps are needed even more. There are three interchanges in close proximity, Delaware Avenue, SR 92/El Camino Real, and SR 92/US 101. That proximity contributes to the problem. One solution spills over onto the next. These worked great many years ago when the traffic volume wasn't so heavy. Over 400,000 cars travel through the US 101/SR 92 Interchange on a daily basis.

Update on State and Federal Legislative Program

Seamus Murphy, Chief Communication Officer, provided the following update:

Federal

There will have to be some action on appropriations before December 9 when the existing Continuing Resolution (CR) expires. There will probably be another CR to maintain existing funding levels. When there is an appropriations deal for Fiscal Year

2017, staff will be looking to see if the Core Capacity Program is well funded to support the various needs of projects throughout the country, and Caltrain will be a recipient of those funds.

State

The Special Session on Transportation has an expiration date of November 30. There have been a lot of competing proposals but little action. There has not been direction from the governor about which proposal he would find agreeable. The California Transit Association is trying to build consensus before the session expires.

There are competitive races in Assembly District 24 and Senate District 11 that will affect the makeup of the county's State's legislative delegation.

Proposition 53 is a ballot measure that would require voters to approve bond expenditures for projects over \$2 billion. This would impact the high-speed rail project, but it is not anticipated the measure will pass.

REQUESTS FROM THE AUTHORITY

Director Matsumoto said South San Francisco received the Metropolitan Transportation Commission's 2016 Excellence in Motion Award for their free shuttle. The shuttle was allocated TA funding.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, December 1, 2016 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting adjourned at 5:50 p.m.

TA CAC Chair's Report

November 3, 2016

Good evening Madam Chair and members of the Board,

Here are the results from this past Tuesday's meeting of the CAC :

We began the meeting by welcoming the six new members of the CAC

(TA Item 4a) The CAC reviewed the Minutes of the Board's October 6, 2016, without questions or comments.

(TA Item 4b) The CAC supported the Board's Approval of the 2017 Board of Director's Meeting Calendar, without questions or comments.

(TA Item 4c) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for the period Ending June 2016 (Unaudited). However, a question was raised about the period of time the report covered (the month of June or the full year). After discussion with Carl Cuba, Director of the Treasury, it was agreed for clarity to refer to the report as the period ending June 30, 2016 to more accurately reflect the actual timeframe.

(TA Item 4d) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for the period ending September 2016, without questions or comments.

(TA Item 4e) The CAC supported the Board's receipt and filing of the Semi-Annual Measure A Program Status Report.

(TA Item 4f) The CAC supported the Board's Adoption of the Conflict of Interest Code, without questions or comments.

(TA Item 10a) The CAC supported the Board's Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended September 30, 2016 without any questioning or discussion.

(TA Item 10b) After a brief presentation by Nita Vigil, Manager of Contracts and Procurement, the CAC inquired about outreach efforts and participation of small business enterprises. Staff explained their outreach efforts and opportunities made available under the proposed contract award.

(TA Item 11a) The CAC was given a high level presentation on the US 101/92 Interchange by Joe Hurley, TA Program Director. Joe covered previous studies, existing conditions, as well as current recommended alternatives and packages. The CAC appreciated the complexity of the problem. One member commented that the biggest problem with the "flyovers" was with securing permits from the numerous regulatory agencies involved. Unfortunately, no one had any immediate answers as to what alternatives would be the best solution for the US 101/92 Interchange traffic problems. But, all agreed that we need to keep in mind how to most effectively address this heavily congested area in light of all of the right of way, environmental and funding constraints.

(TA Item 11b) Due to Shweta Bhatnagar, Manager Government and Community Relations, being "under the weather" on Tuesday evening, the CAC did not receive an "in person" update on the State and Federal Legislative program, but rather received a print out of the State Legislative Update. The CAC had no questions or comments on the report.

(CAC Chair's Report to the CAC)

In my own report to the CAC, I reported on the latest projections and statistics on San Mateo County traffic congestion, as reported in C/CAG's San Mateo Countywide Transportation Plan 2040, sharing that by 2040 the number of trips is expected to increase by 22% from 2015 levels. Transit is expected to grow by 70% and biking is projected to grow by 62%, however, the auto is predicted to continue to dominate the mode split. The average San Mateo County household has 2.7 cars and there are now more registered vehicles than licensed drivers in this county.

An estimated 70 percent of those who commute to work in the county drive alone and by 2040 the number of daily trips are estimated to increase by more than 116,000.

Caltrain, Bay Area Rapid Transit, Sam Trans, shuttles and possibly increased transbay ferry service are all modes the plan hopes to promote in an effort to curb trips generated by an increase in population and jobs.

(Staff Report to the CAC)

In Joe's report to the CAC, he advised the CAC that there was a Scoping Meeting on the 101 Managed Lane Project held at San Mateo City Hall on October 27th. He advised the CAC that public comments on this project will be welcomed thru 11/18/2016.

Respectfully submitted,

BARBARA ARIETTA
Chair, San Mateo County Transportation Authority, CAC