

CITIZENS ADVISORY COMMITTEE (CAC)
SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA)
1250 San Carlos Avenue, San Carlos CA 94070
Bacciocco Auditorium, 2nd Floor

MINUTES OF MAY 5, 2015

MEMBERS PRESENT: B. Arietta (Chair), D. Bautista, J. Bigelow, J. Fox, R. Hedges, R. Hees, J. Londer, D. Lujan, L. Shaine, A. Vargas, W. Warhurst, J. Whittemore

MEMBERS ABSENT: L. Simonson

STAFF PRESENT: J. Averill, S. Bhatnagar, A. Chan, S. Gaffney, J. Hurley, A. Oni, J. Slavitt, K. Watson

Chair Barbara Arietta called the meeting to order at 4:33 p.m. and Larry Shaine led the Pledge of Allegiance.

APPROVAL OF THE MARCH 31, 2015 MEETING MINUTES

Motion/Second: Bigelow/Hedges

Ayes: Arietta, Bautista, Bigelow, Hedges, Hees, Londer, Shaine, Vargas, Warhurst, Whittemore

Absent: Fox, Lujan, Simonson

PUBLIC COMMENT

None.

Chair Arietta introduced Jim Hartnett, Executive Director. Mr. Hartnett said he feels the advisory committee is important and he knows the CAC takes their responsibility seriously. He and the Board appreciate the CAC.

John Fox arrived at 4:38 p.m.

ITEMS FOR REVIEW – MAY 7, 2015 TA BOARD MEETING

Authorize Acceptance of the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended March 31, 2015 (TA Item 12a)

Motion/Second: Hedges/Whittemore

Ayes: Arietta, Bautista, Bigelow, Fox, Hedges, Hees, Londer, Shaine, Vargas, Warhurst, Whittemore

Absent: Lujan, Simonson

Carlos Oblites, Director, Public Financial Management (PFM) Asset Management, said rates for two-year investments were much lower a year ago than they are today. Most investors in the bond market today are anticipating the Federal Open Market Committee (FOMC) of the Federal Reserve (Fed) that sets the Fed Funds target rate to raise the rate from zero to 25 basis points. This expectation has made the rates very volatile. The FOMC indicated it is likely to raise the short-term rate sometime this year. The FOMC had held off on raising rates due to mixed economic news. The third quarter

Gross Domestic Product numbers were strong last year, but fourth quarter came in at 2.2 percent, lower than expected. The preliminary numbers for 2015 came in at 0.2 percent. The Fed may wait to remove stimulus in the form of low interest rates, so the interest rate environment will continue to be volatile. He said PFM works closely with TA staff to diversify the portfolio, review the yield relationship between sectors in the bond markets that he is allowed to buy per the investment policy, and make decisions to invest or not. Most of the returns as rates rise will come from interest income.

Daina Lujan arrived at 4:46 p.m.

Jim Whittemore asked why the duration on the portfolio went up after conversion to the new advisor. Mr. Oblites said in the past, the portfolio has maintained the duration relatively shorter than the benchmark. This is a discussion PFM is having with TA staff based on cash flow requirements and expectations for rising rates. He said if the duration is longer, it is exposed more to the changing market value.

Annual Reaffirmation of the Investment Policy and Reauthorization to Invest Monies with the Local Agency Investment Fund (TA Item 5c)

Mr. Whittemore said there is no real contractual agreement with the County Pool. He asked if staff is working on a true legal agreement with them. Kathryn Watson, Manager, Treasury, said the process with the County Pool is staff reviews their policies and procedures, and if there is no variance with the TA's policies and procedures, this process is signed off, and that is the process for entering into another year of agreement.

Mr. Shaine said he would like to know if the terms, conditions and fees with the County Pool are competitive, just like they are with asset management.

Motion/Second: Whittemore/Shaine

Ayes: Arietta, Bautista, Bigelow, Fox, Hedges, Hees, Londer, Lujan, Shaine, Vargas, Warhurst, Whittemore

Absent: Simonson

Program Report: Transit – Dumbarton Corridor (TA Item 13a)

April Chan, Executive Officer, Planning and Development, presented:

- History of Project
 - The TA financed the purchase of the Dumbarton right of way for \$14 million in 1994 using Original Measure A funds. The San Mateo County Transit District (District) is the owner of record of Dumbarton Rail Corridor.
 - The TA Board approved the transfer of \$50 million of Original Measure A funds from Grade Separation to the Caltrain category for the Dumbarton Rapid Rail Project.
 - The New Measure A provided \$30 million for Dumbarton station facilities through East Palo Alto, Menlo Park and Redwood City.
- Dumbarton Rail Project and Funding Partners
 - TA
 - Santa Clara Valley Transportation Authority (VTA)
 - Alameda County Transportation Commission (ACTC)

- Metropolitan Transportation Commission (MTC)
- Capitol Corridor Joint Powers Authority
- Some original funding commitments have since been redirected to other projects because this project was placed on hold.
- Environmental Review Process
 - Funding partners established a policy advisory committee to review the environmental review process.
 - Caltrain is the project manager and looked at three rail alternatives ranging from \$721 million to \$806 million in 2011 dollars.
 - The process began in 2010, was placed on hold in 2012 when Alameda's sales tax failed, and was suspended due to the lack of a robust funding plan.
- Information Request
 - A subset of the policy advisory committee voted to continue advocacy.
 - City representatives requested information on the restart of the environmental review for the project, which would include \$400,000 to \$500,000 in environmental support and \$40,000 to \$60,000 for staff support.
- Other Related Planning and Project Efforts
 - The General Plan update in the city of Menlo Park is looking at the land use around the Dumbarton rail corridor, and increasing the density of the area.
 - Facebook is exploring the construction of a bicycle/pedestrian trail along the Dumbarton West Bay rail corridor.
- TA's Considerations
 - TA concludes its work on the project with no additional funding to restart the environmental review.
 - Consider exploring other options.
- Next Steps
 - City representatives meet on May 29 to receive updates on the information request.
 - Staff returns to the Board with recommendations at a later meeting.

Jim Bigelow said Newark and Union City both want the Dumbarton Rail Project to move ahead, but recognize it is short funding. The traffic jam in that area is far worse than U.S. Highway 101. San Mateo County is adding more than 10,000 jobs, but it does not produce that kind of housing, so employees who work in the West Bay buy housing in the East Bay. Traffic is getting worse and worse. After a recent meeting of the cities, the word "rail" was taken off the program to allow funds that come from ACTC Sales Tax Measure BB be applied more generally. He said he does not advocate any action from the TA to end this program at the moment until more action is taken by the East Bay cities.

Rich Hedges said there was money from Regional Measure 2 (RM2) that was earmarked for east/west transit, but it is going to north/south transit. He considers this to be a violation of the voters' will.

Mr. Bigelow said up to \$5.5 million per year can be paid out of bridge tolls to support the Dumbarton Express bus service, but for the rest of the years of the measure, there was money that was supposed to subsidize the rail when it started running.

Mr. Fox said it is unfortunate the project is being held hostage because one partner has redirected funding elsewhere. Ms. Chan said there are a number of original funders whose funding went elsewhere even before the project was stopped. She said RM2 funding was loaned to the Bay Area Rapid Transit for the Warm Springs Project. VTA had not included its sales tax funding for this project for 10 years.

Preliminary Fiscal Year (FY) 2016 Budget (TA Item 12d)

Shannon Gaffney, Acting Budget Manager, presented:

- FY2016 revenues total \$80.2 million
 - Sales Tax: \$76 million
 - Interest Income: \$3 million
 - Rental income: \$1.2 million
- Net increase in revenue is \$1.7 million
- Total annual allocations are \$27.7 million
 - Local Streets/Transportation: \$17.1 million
 - Caltrain Improvements – Operating: \$6.1 million
 - Accessible Services/Paratransit: \$3 million
 - San Francisco International Airport Bay Area Rapid Transit (BART) Extension: \$1.5 million
- Total program expenditures are projected to be \$33.5 million
 - Alternative Congestion Relief: \$800,000
 - Dumbarton: \$400,000
 - Caltrain: \$6.1 million
 - Pedestrian and Bicycle: \$2.3 million
 - Local Shuttle: \$3 million
 - Streets and Highways: \$20.9 million
- Total FY2016 expenditures are projected to be \$63.7 million
- Net decrease in expenditures is projected to be \$49.1 million
- Ending fund balance is projected to be \$441.3 million

Mr. Shaine asked if there are Original Measure A funds remaining. Ms. Gaffney said she would get him that number.

Mr. Bigelow said Caltrain is supposed to be electrified in five years. He asked if staff looks ahead at cash flow that may be needed to complete the electrification and how it might be paid for. Ms. Chan said the TA Board approved an allocation of the original \$60 million, which is what each of the partners is supposed to provide for the \$1.5 billion project. It is coming from the Original Measure A. Staff is looking now at the \$300 million shortfall and how much will come from the three Caltrain partners. Staff is still in discussion on how to fund the shortfall. Original Measure A funding might be used, but it has not been decided yet.

Mr. Whittemore said administrative expenses are consistently lower than they are projected to be and should be adjusted to actuals. Ms. Gaffney said the expectation is

there will be a higher draw based on the number of Calls for Projects (CFP) projected in 2016.

Presentation on the Highway Program CFP (TA Item 13b)

Joel Slavit, Manager, Programming and Monitoring, presented:

- Program Overview
 - Reduce congestion, improve throughput and safety on the most critical commute corridors
 - Measure A revenue for the program is 27.5 percent
- Project Eligibility
 - Capital funding for project development, right of way acquisition, and construction to:
 - Key Congested Areas (KCA) on State highways 101, 280, 92, and 1
 - Supplemental Roadways on highways and other roadways
 - Ineligible projects and activities include:
 - Maintenance/rehabilitation
 - Separate pedestrian/bicycle overcrossings
- Proposed Process
 - CFP to be issued May 8, 2015
 - Covers FY2016 and FY2017
 - Up to \$125 million available
 - Proposals will be evaluated by a panel consisting of TA and external agency staff

Mr. Hedges left at 5:39 p.m.

- Evaluation Criteria
 - Need
 - Effectiveness
 - Readiness
 - Funding leverage
 - Policy consistency and sustainability
- Summary of Proposed Revisions
 - Sponsors encouraged to coordinate with the TA to better ensure sufficient resources and expertise are in place to improve project delivery
 - Vary weighting for need and effectiveness criteria based on stats of environmental clearance
 - No set-aside for KCA planning projects
 - Resolutions required for all projects
- Next Steps
 - May 8: CFP released
 - May 11: CFP workshop
 - June 15: Applications due
 - September: Draft program of projects to TA CAC and Board
 - October: Approval of proposed program of projects

Jeff Londer asked how many people will be on the evaluation panel. Mr. Slavit said five: two members are from the TA Highway Program, one from TA Programming and

Monitoring, one from the San Mateo County Transit District who is involved with the Grand Boulevard Initiative, and one from VTA.

Mr. Bigelow said there is \$16 million from Original Measure A. He asked if the other \$109 million is money in the Highway Program that can be spent today. Mr. Slavitt said it is available today.

Mr. Whittemore said he likes the idea of changing the percentage between pre and post environmental clearance. He asked if any thought has been given to opening the panel to more than just staff to get more than five people and to get external input. He said people would like to provide input in the evaluation stage. Joe Hurley, Director, TA Program, said the five people on the panel are not making any decisions, they are providing a recommendation based on the criteria to the Board. Their recommendation will be rolled out as a draft, and input will be solicited at the public meeting.

William Warhurst said there is a tradeoff because staff are the legitimate experts, but his concern is there should be some way to open what is being asked of the sponsors to more inspection by the public. Mr. Slavitt said all materials used will be posted online on May 8. He will provide a link to the CAC.

Randy Hees said it seems like a short amount of time between posting the information and expecting responses from sponsors. Mr. Slavitt said this is nothing new to the cities. He has gone to numerous meetings to inform the cities that this is coming.

Mr. Shaine asked if geographic equity is considered. Mr. Slavitt said staff monitors the cycles and makes sure there is even distribution over time. There has been only one CFP so far with the New Measure A.

Authorize Award of Contract to Vavrinek, Trine, Day & Co., LLP to Provide Financial Audit Services for a Firm-Fixed Price of \$164,860 Over a Five-Year Term, and Requested Additional Financial Auditing Services at the Not-to-Exceed Amount of \$100,000 (TA Item 12b)

Adwoa Oni, Contract Officer, said this is a five-year contract term, but it includes the option to terminate for convenience if the performance is not satisfactory or if other issues come up.

Mr. Whittemore said five-year contracts seem excessive, especially in the subject of audits. Three years with two one-year extensions is a standard audit contract. Ms. Oni said with the two one-year options, each time an option is exercised, it entails staff time and the Federal Transit Administration requires the TA to conduct a price analysis just like when conducting a new solicitation, so the staff time is enormous.

Mr. Whittemore said staff would make the decision to terminate the contract in the case of terminating for convenience. He said audit is not a place for cost effectiveness, it is for audit integrity. He said he does not like having the same auditor for all three agencies because it will not include the benefit of having three independent auditors. He said this is a contract for the three agencies and asked how much the total amount

of the contract and how much the increase is from the previous contract. Ms. Oni said it is over \$800,000 for the three fixed-term prices, and additional money has been allocated for additional expenses.

Mr. Whittemore asked if this company performs any other functions for the three agencies besides audits. Ms. Oni said no.

Motion/Second: Lujan/Bigelow

Ayes: Arietta, Bautista, Bigelow, Fox, Hees, Londer, Lujan, Shaine, Vargas, Warhurst

Noes: Whittemore

Absent: Hedges, Simonson

Acceptance of Statement of Revenues and Expenditures for March 2015 (TA Item 5b)

Motion/Second: Lujan/Shaine

Ayes: Arietta, Bautista, Bigelow, Fox, Hees, Londer, Lujan, Shaine, Vargas, Warhurst, Whittemore

Absent: Hedges, Simonson

Authorize Reallocation of \$700,000 of Measure A Funding from Preparation of a Project Initiation Document to Fund Further Technical Studies Associated with the Highway 101 High Occupancy Vehicle Lanes Project (TA Item 12c)

Mr. Warhurst said he doesn't like the idea that the money is being moved based on political pressure and not because it went through a needs-analysis to determine this is the best way to spend the money. Mr. Hurley said this was an efficient approach to save money. The City/County Association of Governments (C/CAG) looked at a bookend approach rather than multiple alternatives to save cost. Pressure is growing on the Highway 101 corridor to fix congestion. One option was do nothing with the money and wait for the CFP, which means the money would not be available until December. Another option was to save time and money to identify and do due diligence on further technical analysis to make an informed decision to advance this project. A lot of the information from the project initiation document was on traffic data that was available at the time as opposed to updated traffic information.

Mr. Fox left at 6:12 p.m.

Mr. Bigelow said C/CAG put up the original funding to understand what was happening on Highway 101 from Whipple Avenue to Interstate 380. The public works directors agreed there should be a focus in that area to fix the problem, but C/CAG has limited funds to go any further. This is a natural next step to understand the problem to later develop a solution.

Diana Bautista asked if this money will be put aside to help in case Assembly Bill (AB) 378 does not help. Mr. Hurley said this money will be used right away.

Ms. Lujan asked who determines which technical studies to pursue. Mr. Hurley said the TA will use a consultant contract, develop a work directive with a specific scope of work, work with the California State Department of Transportation (Caltrans) to identify which technical studies are most appropriate and the information needed to make

informed decisions. This includes data collection. If traffic counts are not done in May, they will have to wait until September after the summer season.

Mr. Warhurst said it has not been determined if \$700,000 is enough or not enough for the study or how it is going to result in less congestion. He said normally, staff presents a need, a process, the people who can help and how much funding is required, but in this case, the funds are being presented and used without the normal process. Mr. Hurley said there is a plan for data collection, modeling analysis, validation, and traffic forecasting. The project has flexibility in case other needs arise, but it is mostly for traffic operational analysis.

Mr. Londer asked if the traffic loops count traffic. Mr. Hurley said some of them do not work and Caltrans is unable to maintain them all. This project will help fill these gaps in the information.

Mr. Whittemore asked if there are technical expert resources working on this and if this money allows them to keep working. He asked if this would have to wait until September if it is not used in May. Mr. Hurley said yes.

Motion/Second: Whittemore/Bautista

Ayes: Arietta, Bautista, Bigelow, Hees, Londer, Lujan, Shaine, Vargas, Whittemore

Noes: Warhurst

Absent: Fox, Hedges, Simonson

Update on State and Federal Legislative Program (TA Item 13c)

Shweta Bhatnagar, Government Affairs Officer, said the governor will release his May revised budget on May 14. She anticipates it will include a revised expenditure plan for the excess Cap and Trade revenues. The auctions were initially estimated to generate \$550 million in revenue, but as of the last auction, there was \$865 million and there is one auction left.

Ms. Bhatnagar said there are two proposals included in the agenda packet that address the \$59 billion backlog in deferred roadway maintenance.

Ms. Bhatnagar said AB194 allows Caltrans and regional transportation agencies to apply for High Occupancy Toll lanes and was amended to require the MTC to work with local transportation agencies before submitting an application. The TA is in support of the amendment.

Ms. Bhatnagar said AB464 increases the local sales tax cap from 2 percent to 3 percent. This bill will go before the Assembly for a vote on May 14.

Ms. Bhatnagar said AB378 is a two-year bill to get a discussion started on options for congestion relief, including ramp metering, toll lanes, and High Occupancy Vehicle lanes. There is no funding in the bill.

Ms. Bautista left at 6:27 p.m.

Approval of Minutes of April 2, 2015 (TA Item 5a)

No discussion

REPORT OF THE CHAIR – BARBARA ARIETTA

See attachment for Chair Arietta's complete report.

REPORT FROM STAFF – JOE HURLEY

Mr. Hurley said:

- The San Pedro Creek Bridge Replacement Project resumed construction on April 15. During the hiatus, girders were being fabricated offsite. The anticipated completion of the project is late fall.
- As of today, ramp metering for southbound Highway 101 north of Highway 92 has been turned on.

Mr. Londer asked if ramp metering will be turned on at Poplar Avenue near the Department of Motor Vehicles. Mr. Hurley said he would look into it.

MEMBER COMMENTS/REQUESTS

Mr. Londer said Caltrain will begin using six-car trains starting Monday during commute hours.

Mr. Warhurst said the best use of the \$700,000 may be to fix the loop detectors to get ongoing data collection.

Mr. Bigelow said he has the 2020 Gateway Study that he can forward to the CAC. The costs for projects listed in it go from \$50,000 to \$1.3 billion. It was an extensive evaluation on Dumbarton Rail and other venues. It is listed on the C/CAG website.

Ms. Lujan said tomorrow is Bike to School Day and May 14 is Bike to Work Day.

DATE, TIME AND PLACE OF NEXT MEETING

Tuesday, June 2, 2015 at 4:30 p.m. at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA 94070

Adjourned at 6:43 p.m.

From: Barbara Arietta <barietta@hotmail.com>
Sent: Thursday, May 14, 2015 3:44 PM
To: Averill, Joshua
Subject: *****CAC Chair's Report to CAC May 5, 2015*****

MTC 2015 UPDATE: LOCAL STREETS NO BETTER, NO WORSE

The good news is that the quality of the pavement in the typical Bay Area street did not deteriorate in 2014. The bad news is neither did it improve, according to the MTC's Updated Regional Pavement Report. The region's nearly 43,000 lane miles of local streets and roads registered an average pavement condition index (PCI) of 66 out of a maximum possible 100 points. One of the MTCs goals is to get that average up to a PCI score of 75 or better.

PCI scores of 90 or higher are considered excellent. Pavement in the 80 to 89 range are considered "very good", with pavement in the 70-79 range to be determined as "good". PCI scores in the 60-69 range are considered to be only "fair", while PCI scores of 50 to 59 are deemed to be "at risk". Scores of 25 to 49 are considered "poor" and scores below 25 are considered "failed".

Foster City in San Mateo County has a PCI score of 81 which falls within the "very good" range. In the good range are the San Mateo County cities of Colma (78), Daly City (77), Menlo Park (77), Redwood City (77), Brisbane (77), Burlingame (75), San Mateo (73), Hillsborough (72), South San Francisco (71), Woodside (71) and the County of San Mateo at (70).

In the fair range are San Mateo County cities Half Moon Bay (63), Ssan Bruno (62) and San Carlos at (60).

In the "At Risk" category are cities: East Palo Alto (58), Pacifica (56), Millbrae (56) and Belmont (55).

TA BOARD TO HONOR DEPARTING LONG TIME CAC MEMBER DORIS MAEZ

At the May 7th meeting of the Transportation Authority's Executive Board, departing Citizen's Advisory Committee (CAC) member, Doris Maez, will receive a Letter of Recognition attesting to her long-term loyal service on the CAC. Any and all CAC members are encouraged to attend the Executive Board's meeting to applaud her contributions to the CAC and bid her an official fond farewell. Doris has been a very effective contributing member of the CAC since the 1990's and her departure from our committee will reflect a sizeable dimishment of the "institutional knowledge" of our committee.

THREE INCUMBENTS, ONE FORMER CAC MEMBER AND TWO NEW MEMBERS TO BE APPOINTED TO CAC

At that same May 7th meeting of the TA Executive Board it will be officially announced that three incumbents, Vice Chair Laurie Simonson, member Diana Bautista and myself have been re-appointed to the TA/CAC for a new three year term ending in 2018. At the same time, the Executive Board will also appoint two new members, Philip Rosenblatt and Shaunda Scruggs, to replace our former deceased member Daniel Mensing and our newly relocating member, Doris Maez.

The Board will also appoint, for the second time around , former CAC member, Paul Young. Paul was first appointed, along with April Vargas and myself, to the CAC in May 2007. However, due to the development of unforeseen family circumstances, Paul had to resign after serving only a relatively brief time on the CAC. He always did a great job on our committee and we welcome him back, wholeheartedly, as we look forward to working with him once again.

And, as we are welcoming back Paul Young , we shall be saying good-bye to April Vargas. April has proven herself to be a hard-working, dedicated and dynamic member of our CAC, as well as a great representative from the mid-coast where she lives. We shall miss the energy that she brought to the CAC and wish her well on her future career endeavors.

UPCOMING DUMBARTON RAIL CORRIDOR MEETINGS

The next Dumbarton Rail Corridor meetings are scheduled in May 2015. The Citizen Advisory Panel meeting will be on Wednesday, May 20th at 7:00 pm in the Community Room of the San Mateo County East Palo Alto Government Center at 2415 University Ave. in East Palo Alto.

The Policy Advisory Committee meeting will take place at the same address on Friday, May 29th at 2:30pm in the Council Chambers.

BAY AREA OPEN HOUSE SCHEDULED FOR PLAN BAY AREA 2040 REGIONAL TRANSPORTATION AND HOUSING PLAN

A series of public open houses for Bay area residents to learn about an update to the region's long-range transportation and housing roadmap known as Plan Bay Area 2040 is currently being conducted.

The Open House for San Mateo County will be held on Wednesday, May 6, 2015, 7 pm to 9 pm, San Mateo County Event Center, Event Pavilion, 1346 Saratoga Drive, in San Mateo.

Respectfully submitted,

BARBARA ARIETTA

Chair, San Mateo County Transportation Authority, CAC