

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

MINUTES OF AUGUST 1, 2013

MEMBERS PRESENT: D. Canepa, C. Groom, D. Horsley, K. Matsumoto, T. Nagel,
N. Patridge

MEMBERS ABSENT: R. Foust

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, G. Harrington, C. Harvey,
R. Haskin, J. Hurley, E. Goode, M. Martinez, N. McKenna,
S. Murphy, M. Scanlon, J. Slavitt

Chair Carole Groom called the meeting to order at 5:03 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

CAC) Chair Barbara Arietta provided a report on the meeting of July 30, 2013 (see attached).

Directors Don Horsley and Karyl Matsumoto arrived at 5:09 p.m.

CONSENT CALENDAR

- a. Approval of Minutes of June 6, 2013
- b. Acceptance of Statement of Revenues and Expenditures for May 2013
- c. Information on Statement of Revenues and Expenditures for June 2013

A motion (Horsley/Patridge) to approve the Consent Calendar was approved.

PUBLIC COMMENT

None

APPOINTMENT OF JOHN BAKER TO THE CAC

Chair Groom said an opening became available on the CAC. There were candidates in the pool from the recruiting period earlier this year, and the nominating committee recommends John Baker to a partial term to expire May 31, 2015.

A motion (Matsumoto/Nagel) to appoint John Baker to the CAC was approved.

CHAIRPERSON'S REPORT – CAROLE GROOM

No report

JOINT POWERS BOARD (JPB) REPORT

Michael Scanlon, Executive Director, reported:

- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – May 2013 compared to May 2012

- Total Ridership was 1,439,276, an increase of 7.9 percent.
- Average Weekday Ridership was 52,980, an increase of 8.1 percent.
- Monthly Performance Statistics – June 2013 compared to June 2012
 - Total Ridership was 1,366,991, an increase of 3.6 percent.
 - Average Weekday Ridership was 53,041, an increase of 5.3 percent.
 - Total Farebox Revenue was \$6,146,121, an increase of 6.4 percent.
 - Caltrain Shuttle Ridership was 7,323, a decrease of 2.6 percent.
- Year-to-date Performance Statistics – June 2013 compared to June 2012
 - Total Ridership was 15,595,559, an increase of 10.3 percent.
 - Average Weekday Ridership was 49,031, an increase of 10.9 percent.
 - Total Revenue was \$68,767,170, an increase of 14.8 percent.
 - On-time Performance was 91.3 percent, a decrease of 2.1 percent.
 - Caltrain Shuttle Ridership was 7,893, an increase of 8.5 percent.
- Staff is continuing to look for additional equipment to help satisfy demand.
- Special event ridership created 786,000 additional trips.
- Caltrain provided 4,000 to 10,000 additional rides during the Bay Area Rapid Transit strike.
- Marian Lee, Executive Officer, Caltrain Modernization Program, gave an update on Caltrain Modernization and focused on the outreach to stakeholders, building the project team, planning studies, and the 4th and King Caltrain Station Study.
- The Board:
 - Authorized approval and ratification of the Fiscal Year (FY) 2014 Insurance Program at a total premium cost not-to-exceed \$4,148,697.
 - Authorized an amendment to the contract with Parsons Transportation Group to restructure option 2 to create new phases 3 and 4 and to exercise option 2, new phase 3 for a Communications-based Signal System/Positive Train Control (CBOSS/PTC) in the estimated amount of \$53.7 million.
 - Authorized an amendment with URS Corporation for the CBOSS/PTC Construction Management Services Contract in an amount not-to-exceed \$2.5 million.
 - Received an update on the execution of the FY2014 Fuel Hedge Program.
 - Received an update on the Peninsula Corridor Electrification Project delivery method.
 - Received a legislative update.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Staff is monitoring the general trend of California Department of Transportation (Caltrans) bid results. With the pickup in the economy, bids are coming in higher.
- The Buy America certification provisions have been extended to utility companies, which will adversely impact project delivery. Many agencies have been trying to get a phased, reasonable approach to implementing this change.

- Alpine Road Bicycle Improvement Program is funded with a combination of Measure A, State funds, and roadway mitigation fees. The San Mateo County Board of Supervisors authorized a contract for \$560,000 and construction is scheduled to begin this month.

PROGRAM REPORT: ALTERNATIVE CONGESTION RELIEF

John Ford, Executive Director, Peninsula Traffic Congestion Relief Alliance (Alliance), presented:

- The Alliance is San Mateo County's Transportation Demand Management (TDM) agency. Its mission is to improve the commute.
- Measure A funds account for about 13 percent of the budget.
- Accomplishments over the last fiscal year include:
 - Employer outreach/support services including improving the database of employers with more than 50 employees and revamping the emergency ride home program
 - Commuter outreach/transit alternatives, which include record participation in the Try Transit Campaign
 - Partnerships/innovative TDM projects
 - Employer-based Shuttle Program with 22 routes. Cost per passenger is \$5.18. Ridership is up 12.8 percent year over year. Fifty-six employers and property managers participate financially
- Major challenges and opportunities include extended commute time, high gas prices and congestion (which create more demand for service), requirements from Senate Bill 1339 that employers with more than 50 employees provide transit benefits, improvements to the shuttle program, and last-mile connection options.
- The work plan for the upcoming year includes updating the vanpool program, adding shuttle routes to Google Transit and using social media to drive programs.
- The Commute.org website contains ride matching services, carpool incentive program, applications, and a live Twitter feed.

Director Terry Nagel asked if the Alliance counts the free tickets given away through Try Transit or other programs when they conduct traffic and transit counts. Mr. Ford said the Alliance issues the tickets but they are not sure if those tickets get used. It is up to the agency that gets the tickets to count them.

Director Nagel asked if the Alliance goes to employers or other groups to maximize the use of the shuttles for the last-mile connection. Mr. Ford said it is a specially funded project through the Metropolitan Transportation Commission Innovative TDM Project. The Alliance subsidizes a big chunk of that cost. They work directly with employers and work with Enterprise Ride Share, which puts together carpools and vanpools. Enterprise Ride Share receives subsidies up to 75 percent. Employers can contribute but usually the employees pick up the remaining cost.

Director Nagel asked if there is any place where all the different information feeds from different forms of transportation are aggregated. Mr. Ford said all the Twitter feeds from the major transit agencies show up on the main page of Commute.org, but 511.org is the best place to get the alerts and other information.

FINANCE

Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review Outlook for the Quarter Ended June 30, 2013

Bill Osher, CSI Group of Sun Trust Bank, said the economy is stronger than people expected and the Federal Reserve (Fed) said it will not need to keep interest rates low forever. Short-term interest rates, three-year and under, will be heavily influenced by whether the Fed raises its funds rate, which is unlikely to happen for a couple of years. He said that is where the TA's portfolio is exposed. He said it is unlikely there will be large increases in short-term interest rates that would cause prices to fall and the value of the portfolio to drop. Long-term rates will continue to move up maybe higher than 3 percent on a 10-year bond. The strategy of keeping maturities short in the portfolio and trying to reduce the risk of the portfolio to increases in interest rates is sound, and he will keep everything safe. He said in a year or two he hopes short-term interest rates will go up so the portfolio will earn more.

Director Nagel said in May there was a projected decrease in interest of \$1.2 million in the current fiscal year budget and asked if the outlook has changed. Mr. Osher said no, to keep the TA portfolio safe it will not be able to take advantage of higher rates for another year.

Director Nagel asked why the portfolio has to use short-term bonds. Mr. Osher said as interest rates rise, the prices of the bonds fall, and the longer the term of the bond, the more the price falls. That is interest rate risk. To minimize that risk, the portfolio stays short. The advantage is once interest rates adjust upwards, the money can be reinvested much sooner to earn that higher rate.

A motion (Horsley/Matsumoto) to approve the Quarterly Investment Report and Fixed Income Market Review Outlook was approved.

Authorize Allocation of \$410,000 in New Measure A Alternative Congestion Relief Funds to the Peninsula Traffic Congestion Relief Alliance for Fiscal Year 2014

Joel Slavit, Manager, Programming and Monitoring, said per the Expenditure Plan, 1 percent of Measure A funds is set aside for the Alternative Congestion Relief Program. This request will help the Alliance to fund its programs for FY2014.

A motion (Horsley/Patridge) to approve the allocation of \$410,000 in New Measure A funds to the Alliance was approved.

Authorize Allocation of \$3,354,000 in New Measure A Highway Program Category Funds to the City of Pacifica for the Route 1 San Pedro Creek Bridge Replacement Project

Mr. Slavit said the project cost increased by \$4.45 million due to expanded work scope, increases in related construction support costs, and additional regulatory agencies' requirements. A Federal One Bay Area Grant of \$1.09 million will offset the cost increase. He said the Construction Support Costs in the staff report reads \$2.1 million but should be \$2.2 million.

Mr. Slavit said it was determined the project requires additional creek bank widening that is about three times the original scope. During the design process, Caltrans

updated its standards, and that added additional requirements and cost. Because of the increase in work scope, the project has to go into two construction seasons, which causes the construction support costs to increase.

Mr. Slavitt said there are additional regulatory requirements from the California Coastal Commission and the Regional Quality Control Board.

Two main factors are considered for a Special Circumstance Request: urgency, and impacts to the Measure A Program. This request is considered urgent because there is \$3 million in California Transportation Commission funding at risk. In order to get the allocation the city of Pacifica must have preconstruction completed and funding in place.

There are two other projects listed in the Expenditure Plan, but this project is much farther along. There is \$24 million in the Measure A Coastal Highway Improvements Key Congestion Area Category, and this project will bring total dollar amount to \$10 million. He said this project is ready to go, and because this bridge does not meet current seismic safety standards or flood control, the impact of the loss of this bridge would affect the whole coastside.

He said the city of Pacifica has done due diligence with cost estimates, looked at bids and double checked them, and the project has received strong public support.

Director Matsumoto asked what the value of the other two projects in the Expenditure Plan is and what will happen if the project values exceed the \$24 million. Mr. Slavitt said there is more demand than funds available, and it is important to leverage other funding for these projects. Pacifica is bringing more than \$7 million from other funding sources. He said the estimate for the three projects was over \$100 million.

Director Matsumoto said regulatory requirements caused the increase and asked if the TA is responsible to provide more funding if the cost of the project increases again. Mr. Scanlon said this project can't get much more regulated because so much regulation has already been applied.

Director Nagel asked who was responsible for construction and if there was an outside contractor who is liable for not meeting the specifications. Mr. Slavitt said Army Corps of Engineers is responsible.

Director Nagel said this has the capacity for a 100-year storm event but the State is coming down with climate adaptation regulations and asked if the storm capacity could be beefed up so the protection could be increased to withstand a greater flood. Mr. Slavitt said that would increase costs. Van O'Campo, Director, Public Works, city of Pacifica, said the next level would be for a 500-year storm event.

Director Naomi Patridge asked if all regulations have been passed through California Coastal Commission and if the project has Commission approval. She asked if there are any endangered species or other problems that could cause more delays or cost

increases. Mr. O'Campo said this project has gone through extensive review by the Commission.

Director Patridge said she had a concern about going after another agency because they didn't do their due diligence and the TA should look at trying to get recoupment.

Public Comment

Barbara Arietta, Pacifica, said she used to be a senior field litigation specialist for an insurance company and she believes this project has about 20 percent error deficiency and should equal about \$800,000. She said she urges the TA to explore how and if funds can be recouped.

Joan Cassman, Legal Counsel, said she will look into it. She said it needs to be determined who has standing to confront the Army Corps of Engineers. Director Patridge said whoever has that edge should try to get some money back.

Len Stone, Mayor, Pacifica, said this is not a contentious issue with residents, and it has support. He said this is the only roadway that will connect Pacifica with the new \$1 billion Tom Lantos Tunnel, and if this bridge goes out, so does the tunnel.

Mr. Scanlon said the Board may want to consider an amendment encouraging the city of Pacifica to look at recovering funds. The TA would reserve the right to recover some of the funds in proportion to what the TA paid. Mayor Stone said he wouldn't want to dilute the impetus for going after that funding considering the resources and costs involved. Ms. Cassman said staff can look into the options.

Director Nagel said she hopes the TA would lend legal assistance.

In conjunction with the foregoing resolution, the Board directed the staff to encourage and assist the city of Pacifica in determining whether any claim or remedy may exist that could lead to a recovery of TA and/or Pacifica funds related to the defective design of improvements to the San Pedro Creek undertaken by the Army Corp of Engineers.

A motion (Horsley/Canepa) to approve the allocation of funds to the city of Pacifica for the San Pedro Creek Replacement Project was approved.

Authorize Approval and Allocation of \$90,762 in New Measure A Local Shuttle Program Funds for the Daly City Bayshore Circulator Shuttle

Mr. Slavitt said the funding for this project was deferred pending further development of the proposed route and service plan. Daly City submitted a revised application. Staff now recommends the project for funding.

Director David Canepa thanked TA and Daly City staff for their work on this project. He said the Bayshore District is an underserved area and faces the issue of getting around. He said this plan allows people to get to the grocery store and medical appointments.

A motion (Canepa/Nagel) to approve the allocation of funds for the Daly City Bayshore Circulator Shuttle was approved.

Authorize Allocation of \$11,960,000 in New Measure A Funds and \$6,390,200 in Original Measure A Funds to the San Mateo County Transit District for Application Towards Caltrain's Fiscal Year 2014 Capital and Operating Budgets and Paratransit Program

Eva Goode, Manager, Budgets, said staff recommends the Board approve \$3.8 million for San Mateo County's share of the Caltrain FY2014 Capital Budget, \$5.4 million for Caltrain's operating budget, \$2.7 million for the San Mateo County Transit District's Paratransit Program, and \$6.4 million for Caltrain's Modernization Program.

Director Nagel asked if the other partners are paying their share and if they are on time. Ms. Goode said yes.

Director Horsley asked how much the TA has contributed so far and how much the other agencies have contributed to the Joint Powers Authority. Ms. Goode said the early investment strategy for Caltrain includes \$180 million from all three agencies, and all three agencies have allocated or committed to allocate \$60 million. She said the TA has already budgeted the \$60 million. Last year Caltrain got \$3 million from each agency and this year Caltrain is getting \$6.4 million from each agency. As the money comes in, all three agencies are paying the same amount. Mr. Scanlon said this is the share of the local partners toward a \$1.5 billion project. Half of that is coming from high-speed rail. He said very little has been spent.

A motion (Horsley/Nagel) to approve the allocation towards Caltrain's budgets was approved.

PROGRAM

Grade Separation Program Update

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

- Proposed process for the Call for Projects (CFP):
 - First round in the fall of 2013, next round in two years
 - Approximately \$5 million to \$7 million available
 - Proposed Measure A maximums are up to \$1 million for planning phase projects and up to \$5 million for preliminary engineering/environmental phase projects
 - Coordinate with Caltrain on cost estimates to complete work
- Evaluation criteria includes:
 - Project readiness – 20 percent: quality of the application, sponsor readiness, potential risk factors, consistency with policy
 - Safety and traffic improvements – 35 percent: Public Utilities Code 190 scoring
 - Project need and justification – 35 percent: meeting the need, effectiveness in resolving need and economic development
 - Leveraging – 10 percent: using other funding to complete the project
- Next steps include soliciting projects for first round of funding in August and September, and Board reviewing and approving the first round of funding in October and November.

Ms. Chan said there is a lot more need than funding available. Doing the preconstruction activities creates a pipeline of work so if funding should come available the county will be prepared.

Director Matsumoto said geographic equity was discussed at one time and asked if that would affect applications. Director Patridge said the subcommittee did not consider geographic equity as a criterion because it is very difficult to do in this case. There are many other factors that need to be taken into account.

Director Nagel said it is great that the TA is asking for support from neighboring communities. She said she struggles with community and stakeholder support because in every city there will be local opposition to these projects but she hopes cities can demonstrate enough support from the majority to make the projects go forward.

Director Nagel asked if there will be money left to do projects after the TA spends money for preliminary planning. She said she hopes money will become available from other sources and asked if there is any hope of getting other Federal dollars.

Mr. Scanlon said staff has always known there will be more demand than money. He said there are only so many things that can be done at once so even if the projects had all the money, constructing them while Caltrain is operating would be very difficult. He said getting as much done and taking it as far as possible builds pressure to create enlightened public policy that says these projects should be built because they are going to last many years, save lives, and impact the economy.

Chair Groom asked if there will be workshops with cities and what type of public process will occur. Ms. Chan said this was taken to the City/County Association of Governments Technical Advisory Committee. Some of the project sponsors are on that committee and received a preview of the program. Mr. Scanlon said staff sent out letters of interest and received responses from five of the eight jurisdictions. He said staff will conduct outreach to public works directors.

Update on State and Federal Legislative Program

State

Seamus Murphy, Director, Government and Community Affairs, said the State Legislature is on recess.

Federal

Mr. Murphy said there has been trouble getting a transportation bill passed due to proposed cuts to discretionary spending that have been much deeper than in the past in order to preserve defense programs. Half the House Republicans felt the cuts were too deep, the other half felt the cuts were not deep enough, and no Democrats support the bill. He said this has the makings of a continuing resolution, which means the appropriations process gets complicated by the debt-limit negotiations coming up in the fall.

Mr. Murphy said there was an amendment in the Senate bill that would require the Federal Railroad Administration to evaluate existing regulations governing train horn noise at grade crossings to determine if those regulations should be revised. This was targeted towards communities that want to establish quiet zones.

Mr. Murphy said a related amendment proposes to appropriate \$42 million to assist local governments to establish quiet zones.

Director Horsley asked what the status is of Senate Constitutional Amendment 11 regarding the special tax by local government. Mr. Murphy said it is a two-year bill and the governor asked legislative leadership not to bring it forward until next session.

REQUESTS FROM THE AUTHORITY

Director Nagel said a solution for peak-hour congestion is similar to airline miles in that commuters could get one point for traveling but if commuters travel during off-peak hours they could get 3 points. The points could qualify commuters for prizes or other incentives. This has been done successfully in a program at Stanford University and in Singapore and this could be adapted to public transit, Caltrain, and highway travel. She said she would like staff to look into the program.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT MEETING

September 5, 2013 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

Meeting adjourned at 6:44 p.m.

CAC CHAIR'S REPORT TO TA BOARD –August 1, 2013

Good evening Madam Chair and Members of the Board.

Our CAC meeting Tuesday evening was a good one and a long one, due to receiving a very full agenda... Here is what I have to report about the CAC's actions taken on Tuesday evening:

(TA Item 4a) The CAC had no questions or comments concerning the TA minutes of June 6, 2013.

(TA Item 4b) The CAC unanimously supported the Board's Acceptance of Revenues and Expenditures for the period ending May 31, 2013.

(TA Item 4C) In reference to the Statement of Revenues and Expenses for the period ending June 30, 2013 no action was taken, due to the postponement of the receipt of this report by the CAC until our November meeting.

(TA Item 10) John Ford, Executive Director of the Peninsula Traffic Congestion Relief Alliance, gave the CAC a highly informative overview of the Program, which included the FY 2012-2013 accomplishments, the challenges and opportunities ahead, and the FY 2013-2014 Work Plan. Upon conclusion of this excellent presentation, even though no action was required of it, the CAC voted to enthusiastically support the efforts of the Peninsula Traffic Congestion Relief Alliance.

(TA Item 11A) The CAC voted, without questions or comments, to support the acceptance of the Quarterly Investment Report and Fixed Income Market Review Outlook for the Quarter ending June 30th 2013.

(TA Item 11B) After a brief presentation by Joel Slavitt, Manager, Programming and Monitoring, the CAC voted to support the Allocation of \$410,000 in new Measure A Alternative Congestion Relief Funds to the Peninsula Traffic Congestion Relief Alliance for Fiscal Year 2014.

(TA Item 11C) Following an in-depth "Q and A" with Joel Slavitt, Manager, Programming and Monitoring, and Van Ocampo, Director of Public Works for the City of Pacifica, the CAC acknowledged the need to advance this project and unanimously supported the Allocation of an additional \$3,354,000 in New Measure A Highway Program Category Funds to the City of Pacifica for the Route 1 San Pedro Creek Bridge Replacement Project.

However, it is also to be noted that, upon the CAC findings that a contributing factor to the need for this additional funding was extra work that must be done because of another agency's alleged technical studies deficiency. The CAC recognizes the time sensitivity of this action and fully support the staff recommendation for additional funding- but in parallel, recommends that the TA staff explore and if deemed feasible, pursue opportunities to recover some of these additional cost.

(TA Item 11D) Without questions or comments, the CAC supported the Approval and Allocation of \$90,762 in new Measure A Local Shuttle Program Funds for the Daly City Bayshore Circulator Shuttle.

(TA Item 11 E) After a brief presentation by Eva Goode, Manager, Budgets the CAC supported the Allocation of \$11,960,000 in New Measure A Funds and \$6,390,200 in Original Measure A Funds to the

San Mateo County Transit District for Application Toward Caltrain's Fiscal Year 2014 Capital and Operating Budgets and Paratransit Program.

(TA Item 12A) April Chan, Executive Officer, Planning and Development gave us a comprehensive presentation on Measure A's Grade Separation Proposed Evaluation Criteria, which included the TA Grade Separation Program Overview, the approved Program Guiding Principles, the Proposed Evaluation Criteria to guide prioritization of projects and the next steps in the Program. Members of the CAC expressed some concerns about funding the projects that we have with the limited amount of money that we have overall for those projects.

(TA Item 12B) We were very pleased to receive an in-person update on State and Federal Legislative Programs from Schweta Bhatnagar, Government Affairs Officer.

In my own report to the CAC I reported the following:

- The first Public Meeting on the Devil's Slide Coastal Trail Concept plan was held on July 25th. In Moss Beach. The next will be on August 29th. The BOS is scheduled to give plan approval on September 17th, with the Transfer of Land title to the county in October 2013. Construction will start in the winter of 2013/2014, with the trail due to open in March of 2014.
- On July 23rd, the BOS voted to recommend \$10M over two years from the new Measure A sales tax to fund Sam Trans Paratransit. Having Paratransit fully funded in 2014/2015 will help Sam Trans fill the \$5.2 million gap in its obligation to Caltrain.
- Memberships for bike sharing are now being sold for \$88 annually in the \$7 million dollar pilot program in the new Peninsula Bike Sharing Program that will operate soon in San Francisco, Redwood City, Mountain View, Palo Alto and San Jose. Membership gives riders free use up to 30 minutes per day. There is a \$4 charge for the second 30 minutes and \$7 for each half hour thereafter. Keeping the bike for 24 hours will cost \$150, but losing the bike will cost \$1200!
- Clipper cards can now be used for parking payments at five SF garages, with a separate "parking value" added to the driver's Clipper cards.
- And, in concluding my report I announced that the MTC approved the final Plan Bay Area on July 19th. The transportation element of the Plan specifies how some \$292 billion in federal, state and local funds will be spent through 2040.

In Joe's Report to the CAC, he advised that the Devil's Slide Shuttle will be extended to the trailhead. Joe also revealed that Mr. John Baker is a candidate to fill the seat on the CAC recently vacated by Elizabeth Lasensky.

Respectfully submitted,

Barbara Arietta, Chair, TA/CAC