

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

MINUTES OF DECEMBER 4, 2014

MEMBERS PRESENT: D. Canepa, R. Foust, C. Groom, D. Horsley, K. Matsumoto (Chair), T. Nagel

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

Chair Karyl Matsumoto called the meeting to order at 5:08 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of December 2, 2014 (see attached).

APPROVAL OF CONSENT CALENDAR

- a) Approval of Minutes of November 6, 2014
- b) Acceptance of Statement of Revenues and Expenditures for Fiscal Year Ending June 2014 (Unaudited)
- c) Acceptance of Statement of Revenues and Expenditures for October 2014

Motion/Second: Canepa/Horsley

Ayes: Canepa, Foust, Groom, Horsley, Matsumoto, Nagel

PUBLIC COMMENT

None

CHAIRPERSON'S REPORT – KARYL MATSUMOTO

Resolution of Appreciation for Legal Counsel David J. Miller

Motion/Second: Foust/Groom

Ayes: Canepa, Foust, Groom, Horsley, Matsumoto, Nagel

The Board thanked Mr. Miller for his service and friendship.

Public Comment

Jim Bigelow, Redwood City-San Mateo County Chamber of Commerce, said he witnessed Mr. Miller's work in many venues, including the acquisition of the right of way, and many other difficult projects. He said the TA is blessed to have Mr. Miller. On behalf of the business community, he thanked Mr. Miller for all he has done.

Michael Scanlon, Executive Director, said a plaque will be installed at the Redwood City Caltrain Station in recognition of Mr. Miller's work, specifically for the acquisition of the right of way.

Mr. Miller said it has been a privilege to serve in this county and to serve the boards.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – KARYL MATSUMOTO

The report is in the Reading File.

JOINT POWERS BOARD (JPB) REPORT

Mr. Scanlon reported:

- Key Caltrain Performance Statistics October 2014 compared to October 2013
 - Monthly Performance Statistics:
 - Total Ridership was 1,699,129, an increase of 18.3 percent.
 - Average Weekday Ridership (AWR) was 61,673, an increase of 19.2 percent.
 - Total Revenue was \$7,649,147, an increase of 24.2 percent.
 - On-time Performance (OTP) was 89.8 percent, a decrease of 2.4 percent.
 - Caltrain Shuttle Ridership was 8,246, an increase of 21.2 percent. This percentage is artificially high due to miscounts last year.
 - Year-to-Date Performance Statistics:
 - Total Ridership was 6,520,585, an increase of 12.6 percent.
 - AWR was 60,591, an increase of 12.8 percent.
 - Total Revenue was \$29,194,566, an increase of 14 percent.
 - OTP was 91.6 percent, an increase of 0.5 percent.
 - Caltrain Shuttle Ridership was 8,901, an increase of 28.2 percent. This percentage is artificially high due to miscounts last year.
- Special Service
 - Upcoming Levi's Stadium events include the Pac-12 College Football Championship game December 5 and the Foster Farms College Bowl December 30.
 - The Holiday Train will be December 6 and 7.
 - A Sunday service will run Christmas Day.
 - Four extra trains will run New Year's Eve, leaving San Francisco every 30 minutes starting around 12:45 a.m.
 - The Freedom Train will run Martin Luther King Jr. Day, January 19.
- Work gets underway this month on the San Mateo Bridges Replacement Project.
- Staff is working with Santa Clara Valley Transportation Authority (VTA) on the light-rail expansion, which requires a major shift of the Caltrain main line.
- The Board:
 - Accepted the Statement of Revenues and Expenses for Fiscal Year (FY) Ending June 2014 (Unaudited)
 - Accepted the Statement of Revenues and Expenses for October 2014
 - Authorized Entering into a 10-Year Lease Agreement with Maverick Jack's, LLC for the Use of the Former Broadway Station Building at 1190 California Drive in Burlingame as a Restaurant
 - Authorized an Amendment to Citizens Advisory Committee Bylaws to Change How a Quorum is Defined
 - Presented a Resolution of Appreciation to Legal Counsel David J. Miller
 - Appointed a Nominating Committee for 2015 Officers
 - Received a Presentation on the Peninsula Corridor Electrification Project Final Environmental Impact Report (FEIR) Release

- Authorized the Adoption of the Disadvantaged Business Enterprise Goal of 5.2 Percent for the Peninsula Corridor Electrification Project
- Authorized Approval to Exercise Option 2 Phase 4 with Parsons Transportation Group for the Communications-based Overlay Signal System/Positive Train Control System Integration, Testing, Training Commissioning, Final System Acceptance and Warranty in the Amount of \$32,809,927
- Authorized Programming of \$5,398,033 in Federal Transit Administration Formula Funds for the Caltrain Modernization Program and Rolling Stock State of Good Repair Project and Commit \$1,349,509 in Local Matching Funds
- Authorized Amendment to Increase the FY2015 Caltrain Capital Budget in the Amount of \$10 Million for the Rail Car Capacity Expansion Project and Approval of the Asset Purchase Agreement, Storage Agreement and \$1 Million Deposit with Southern California Regional Rail Authority
- Authorize Award of Contract to Disney Construction, Inc. in the Total Amount of \$8,393,333 for the San Francisco Roadway Bridges Replacement Project
- Authorize Award of Contracts to PFM Asset Management LLC and U.S. Bank to Provide Investment Management and Custodial Services for a Three-Year Base Term
- Received the Capital Projects Quarterly Status Report – 1st Quarter FY2015

Rita Haskin, Executive Officer, Customer Service and Marketing, said planning is underway for the next generation of Clipper. The current contract with Cubic expires in 2019 and the system is already outdated. Transit agencies have been working to figure out what they want out of the system. Some people don't find Clipper convenient, and can't afford the monthly pass. A public input survey has been launched at futureofclipper.com. There will be a two-year procurement and two-year implementation. A much better system will go live in 2019.

Director Rosanne Foust asked if there is a 30-day window for any lawsuit that might be brought for the certification of the EIR. Mr. Miller said yes, there is a 30-day statute of limitations. He said there are legal defenses the JPB will use if there is a lawsuit. One is on the theory of Federal preemption; Caltrain is subject to the jurisdiction of the Surface Transportation Board (STB) as an interstate carrier. There is a growing body of case law and STB decisional law asserting that Federal law preempts State law, and as a consequence any compliance with California Environmental Quality Act be wholly voluntary and not compulsory.

Chair Matsumoto asked if people will go back to driving cars since gas is getting cheaper. Mr. Scanlon said if the electrification project goes through as planned, ridership will be doubled in 10 to 12 years. Millennials seem to prefer public transportation, and transit-oriented development is the only way communities will be sustainable.

Director David Canepa asked when the new cars are coming online. Mr. Scanlon said there is funding for 75 percent of the fleet to be replaced with Electric Multiple Units. He said a Request for Proposals (RFP) for new vehicles will go out in March.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- The Highway 101 ramp metering began on the northbound side north of Route 92 on November 18. Ramp metering south of Route 92 has been operational since 2007. There are meters on 18 on-ramps. Metering is on during peak periods, defined as 6 a.m. to 10 a.m. and 3 p.m. to 8 p.m. The California State Department of Transportation will be monitoring the traffic conditions to make adjustments as necessary.
- The Highway 101/Woodside Interchange Program scoping period for the environmental document was launched November 20. Comments will be accepted through December 20. The TA allocated \$3.4 million for the environmental phase of the project, which is expected to be completed by early 2016.

FINANCE

Authorize Award of Contracts to PFM Asset Management LLC and U.S. Bank to Provide Investment Management and Custodial Services for a Three-Year Base Term

Gigi Harrington, Deputy CEO, said this was a competitive procurement. The custodial services portion is new and required by new Dodd-Frank rules. If there were no custodial services, an auditor would need to conduct a yearly review of the portfolio. The CAC submitted written questions about these contracts and staff will be meeting with the CAC to answer them. She said this procurement was highly competitive and the evaluation committee selected PFM. She said this is consistent with the existing procurement practices.

Director Foust asked what precipitated this change. Ms. Harrington said the five-year contract with Sun Trust expired and a staff went through a typical RFP process.

Director Foust asked who was on the ranking committee. Ms. Harrington said internal staff members: the manager of Budgets, the manager of Treasury, and one other manager.

Director Terry Nagel said a statement should be on the website stating how impartial the process is.

Chair Matsumoto suggested an expert from outside the agency should be on the evaluation committee. Ms. Harrington said frequently that is done, but this time staff was unable to find someone who was available in the time period of the evaluation.

Public Comment

Jim Whittemore, CAC member, said he asked to get a consolidated schedule of when contracts will be renewed or approved so the CAC would know when items were coming up, particularly on investment management. He said many deadlines are not being met. He said he was told the reason the TA continued with the current portfolio

manager in the past was because of his expertise. Mr. Whittemore said, he needed more information than what was in the staff report in order to feel comfortable supporting this contract and do his due diligence. He said the main thing he wanted to know was how much this cost.

Ms. Harrington said she will work with the CAC on any remaining questions.

Mr. Scanlon said when a contract expires, the agency is required by its own procurement policy and by Federal and other laws to conduct a competitive procurement. The incumbent investment manager did not win the contract.

Director Foust asked for an update on the staff meeting with the CAC on this topic at the next Board meeting.

Motion/Second: Foust/Nagel

Ayes: Canepa, Foust, Groom, Horsley, Matsumoto, Nagel

Authorize Reallocation of \$500,000 Originally Allocated to the City of Menlo Park for the Environmental Phase of the Highway 101/Willow Interchange Project Be Reallocated to Project Support During Subsequent Phases of Work

Joe Hurley, Director, TA Program, said this Board allocated \$500,000 to the city of Menlo Park for the Environmental Phase of the Highway 101/Willow Interchange Project. The process was completed without the need for the \$500,000. Menlo Park is now asking to use that funding for subsequent phases of the project.

Public Comment

Jim Bigelow, Menlo Park Chamber of Commerce, said the community and businesses around Belle Haven were suffering, and the Menlo Park council picked an alternative that was environmentally cleared. The council is committed to this project because it minimizes the right of way impacts.

Motion/Second: Horsley/Canepa

Ayes: Canepa, Foust, Groom, Horsley, Matsumoto, Nagel

PROGRAM

Authorize Approval of the Transportation Authority Strategic Plan 2014-2019

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

- Purpose of the Strategic Plan (Plan) is to set policy framework and guiding principles for:
 - Funding prioritization and evaluation criteria used for the selection of projects
 - Procedures for sponsors to initiate and implement projects
- Plan development process:
 - June-August
 - Looked at past Plan accomplishments
 - Reviewed demographic and travel data
 - Assessed financial outlook for the next five years
 - Conducted stakeholder outreach

- October 2 – Draft Plan framework to the Board
- October 10 – Draft Plan released and 30-day public comment period began
- November – Plan finalized with public input
- December 4 – Board adoption of final Plan
- Comments and responses from the public outreach period:
 - Included all relevant stakeholders in efforts to solve transportation issues. The TA continues to coordinate with key stakeholders in countywide transportation planning efforts.
 - Support for inclusion of Complete Streets in project selection criteria, expanded to Local Street and Transportation Program (LSTP). Cities and the county are required by the State to plan for Complete Streets, and sponsors have discretion on LSTP project selection.
- Three percent of Measure A for Pedestrian/Bicycle Program is insufficient. The three percent share is governed by the Transportation Expenditure Plan. Sponsors can apply for other grants to supplement Measure A funds.
- Concerns expressed about the Calera Parkway Highway Project proceeding. Project specific concerns are outside the purview of the Plan.
- Next steps:
 - Continue the competitive program funding calls.
 - Better align the timing of Measure A calls based on external grant cycles and project needs.
 - Develop a Capital Improvement Plan for large competitive capital programs.
 - Coordinate with key stakeholders on countywide transportation planning efforts.
 - Include Complete Streets and Sustainability in project selection criteria.
 - Require sponsor coordination with the TA to determine entities best suited to deliver projects as part of the application process.
 - Debt financing to be considered when appropriate to advance projects.
 - Explore and develop metrics to determine if programs and projects meet Measure A goals.

Director Don Horsley asked how population growth is projected. Ms. Chan said a consultant worked with the Association of Bay Area Governments (ABAG) to collect the demographics data. She said this data was collected to see whether the job, population and transportation growth would require the project selection process to be changed.

Mr. Horsley asked why it accelerated from 7 percent growth in one period of time to 17 percent in another period. Director Foust said there are four or five factors, including birth rate and housing units that predict growth rates.

Director Nagel asked what traffic volumes increasing on highway segments will mean for the county. Ms. Chan said Measure A is for funding multiple modes, including highways, roadways and transit. The TA should look at what other things there are that will need funding based on the predicted demographics changes, but it still has to take care of the existing roadways.

Director Nagel said she hears about a need for east-west connections and that is not in the Plan. Ms. Chan said the TA can look at the countywide transportation efforts because they will reveal the types of projects that should be coming online when the Calls for Projects go out.

Motion/Second: Canepa/Horsley

Ayes: Canepa, Foust, Groom, Horsley, Matsumoto, Nagel

Update on State and Federal Legislative Program

Seamus Murphy, Director, Government and Community Affairs, provided the following update:

State Update

Assemblyman Kevin Mullin (D-San Mateo) has been named Speaker Pro Tem of the Assembly. Assemblyman Jim Frazier (D-Oakley) has been named chair of the Assembly Transportation Committee. Senator Jim Beall (D-San Jose) will chair the Senate Transportation Committee. Cap and Trade is primed for more movement as 60 percent of those funds have been organized into categories that will be ongoing through the life of the program, and 40 percent can be used to supplement programs that would benefit transportation and infrastructure improvements that are already set up. He said the fuels sector of Cap and Trade revenue will come online in the next fiscal year and it will be a huge bump because all of the oil producers and refineries will be buying credits to offset their emissions. Senator Fran Pavley (D-Agoura Hills) has introduced a bill to extend Cap and Trade permanently. The current bill expires in 2020.

Federal Update

None

Capital Projects Quarterly Status Report – 1st Quarter Fiscal Year 2015

Chair Matsumoto said some of the residents in Pacifica do not understand the TA's role in the Calera Parkway Project. Mark Simon, Executive Officer, Public Affairs, said the next step is for the Pacifica City Council to vote on whether they want to proceed with the project. There is a lawsuit pending against it so that has made the council reluctant to take a position. Until that happens, the TA has not been formally asked to fund the project. The TA is not advocating for the project, but is waiting for the city of Pacifica to tell the TA what they want to do.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

DATE AND PLACE OF NEXT MEETING

January 8, 2015 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

Director Carole Groom asked that the meeting be adjourned in memory of former TA CAC member Daniel Mensing. She said despite having multiple sclerosis for many years, Mr. Mensing worked hard, fought hard, was very creative and very smart, and had a loving family.

REPORT OF LEGAL COUNSEL

Mr. Miller said the Board will meet in closed session on a matter of existing litigation.

Meeting adjourned to closed session at 6:42 p.m.

Reconvened at 6:57 p.m.

Conference with Legal Counsel – Existing Litigation (Government Code §54956.9(a)):
San Mateo County v. Robert Wadell and Angela Bramble (San Mateo Superior Court
Case No. 522021)

Mr. Miller said the Board has approved a process by which this case will be disposed of through an independent appraisal process and the matter will come back to the Board at a future date.

The meeting was adjourned at 6:58 p.m. in memory of Daniel Mensing.

TA CAC Chair's Report

December 4, 2014

Good afternoon Madam Chair and Board members,

We began our CAC meeting this past Tuesday on a happy note, with a very pleasant surprise, by not only receiving warm holiday greetings, but also a big box of chocolates, as well, from TA Board Chair Karyl Matsumoto, with the request that they be used for dessert at our Holiday Dinner that was held later that evening.

The CAC appreciated both the holiday gift and the thoughtfulness of Chairperson Matsumoto in giving it to us and has asked me to extend their heartfelt thanks for that warm holiday gesture, and most importantly, that the candy was delicious!

As far as our order of business that evening, I have the following to report from the December 2nd meeting of the CAC:

(TA Item 4a) The CAC reviewed the TA Board's Minutes of November 6, 2014, without questions or comments.

(TA Item 4b) The CAC supported the Board's Acceptance of the Statement of Revenues and Expenditures for the period ending June 2014 (Unaudited).

(TA Item 4c) The CAC supported the Board's Acceptance of the Statement of Revenues and Expenditures for the period ending October 30, 2014, without questions or comments.

(TA Item 10a) On this particular item, the CAC had a number of questions, primarily focusing on what was perceived to be missing information that would be helpful if not necessary for the Board to make an informed decision on this item. Questions pertained to items such as: cost comparison between the current and proposed contract, the need to change the investment advisory, the procurement process and strategies to insure a smooth transition.

Due to this quandary, the CAC failed to support the Awarding of the Contract to PFM Asset Management LLC and US Bank to Provide Investment Management and Custodial Services. Staff noted the questions and concerns articulated by the CAC and committed to providing answers and additional information to allow for the Board to make a more informed decision.

This afternoon the TA CAC did receive supplemental information and responses to questions raised and I understand that these questions and answers are included in your reading file.

(TA Item 10b) The CAC supported the Authorization for the Reallocation of \$500,000 Originally Allocated for the Environmental Phase of the Highway 101/Willow Interchange Project to Project Support During Subsequent Phases of Work, without questions or comments.

(TA Item 11a) After receiving a "high level" review of the Strategic Plan by Joel Slavit, Manager, Programming and Monitoring, which was followed by a robust Q and A session, the CAC voted to support the Authorization for the Approval of the Transportation Authority's Strategic Plan for the new period 2014-2019.

(TA Item 11b) The CAC received a brief update on both State and Legislative news from Schweta Bhatnagar, Government Affairs Officer, focusing on the results of the recent November elections and the potential impact of legislative membership changes on matters pertaining to both public transportation and transit issues.

(TA Item 11c) Joe Hurley, TA Program Director, gave the CAC a brief overview of the current statuses of various projects in the Capital Projects Quarterly Status Report for the 1st Quarter Fiscal Year 2015. This was for informational purposes only. No action by the CAC was required.

In my own Chair's Report to the CAC, I advised the following:

1. I appointed a Nominating Committee for the Selection of next year's Chair of the CAC. The members of the Nominating Committee are CAC members April Vargas, Jim Bigelow and John Fox. All members of the CAC interested in running for leadership of the CAC have been advised to contact our CAC secretary, Josh Averill, who, in turn, will let the Nominating Committee know of their interest in running for either Chair or Vice Chair.

2. I reminded the CAC that comments on the MTC's recently released Draft 2015 Public Participation Program are due to be submitted to the MTC by 4pm on Monday, January 12, 2015. Comments can be either emailed to info@mtc.ca.gov or sent to Public Information, MTC, Metro Center, 101 8th Street, Oakland, CA 94607. The final Commission Action on Draft PPP is due to be accomplished by 2/25/2015, or in April 2015, if a second comment period is necessary.

3. The Caltrain Holiday Train, presented by the Silicon Valley Community Center, will be rolling down the tracks from San Francisco to Santa Clara this coming Saturday, December 5 and Sunday, December 6. It's due to visit nine Caltrain stations. Each stop will be for 20 minutes where Santa and Mrs. Claus and Frosty the Snowman will exit the train and people can join in singing with on-board carolers and a Salvation Army Brass Band. Prior to the arrival of the trains, families can enjoy live entertainment at

each of the Holiday Train station stops. Food trucks will be onsite in Menlo Park, Santa Clara, Mountain View and Sunnyvale.

4. This week the Caltrain board was scheduled to review at its meeting this morning the final Environmental Impact Report for electrification. The EIR is scheduled to be certified at the January board meeting. Additionally, the board was due to receive reports this morning on what efforts Caltrain and High Speed Rail are making regarding compatible platform heights, with the goal of more service to Transbay Terminal, which would, reportedly, mean more ridership overall.

5. On behalf of the CAC I expressed to Josh Averill, our CAC secretary, how much we appreciated his body of work for us throughout the year and thanked him for doing such a fine job. Additionally, the CAC also highly praised our staff liaison, Joe Hurley, for being the best staff liaison any committee could have. The CAC applauded both gentlemen for a job well done!

6. And, lastly on a very sad note, I advised the CAC that there will be a Memorial Service for our former CAC member, Daniel Mensing, who due to failing health, departed from our committee one year ago this month. The services will be held on Saturday, December 13 at 1pm at Bethany Lutheran Church, 1095 Cloud Ave, in Menlo Park. In lieu of flowers, it is requested that donations be made in Daniel's name to either Bethany Lutheran Church or the National Multiple Sclerosis Society. (We adjourned our meeting that evening in Daniel's honor.)

In Joe's report to the CAC, he advised us that there will be a meeting with the residents of the Pedro Point neighborhood in Pacifica this evening concerning the traffic issues involved with the San Pedro Creek Project. In concluding his report, Joe expressed his continuing appreciation for the due diligence that the CAC has displayed in their work for the San Mateo County Transportation Authority and how much he has enjoyed in working with us. .

Respectfully submitted,

BARBARA ARIETTA

Chair

San Mateo County Transportation Authority, CAC