

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

MINUTES OF JUNE 5, 2014

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

MEMBERS ABSENT: D. Horsley

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

Chair Karyl Matsumoto called the meeting to order at 5:02 p.m. and led the Pledge of Allegiance.

PUBLIC HEARING – FISCAL YEAR (FY) 2015 BUDGET

Josh Averill, Assistant District Secretary, reported Section 131265(a) of the California Public Utilities Code requires all county transportation authorities to adopt an annual budget. Section 131266 of the code requires a public hearing be held concerning the annual budget after notifying the public of the time and place of the public hearing by published notice at least 15 days prior to the date of the hearing.

In accordance with the applicable law, staff prepared and submitted for review at the May meeting the proposed annual budget for FY2015.

Notice of public hearing appeared in the Half Moon Bay Review on May 14, El Observador on May 16, the San Mateo Daily Journal on May 19, and the lobby of the San Mateo County Transit District building in San Carlos. No comments have been received.

Eva Goode, Manager, Budgets, said no changes have been made since last month when the preliminary budget was presented.

David Miller, Legal Counsel, said all legal requirements have been met and the public hearing can be closed.

Close the Public Hearing:

Motion/Second: Canepa/Foust

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

Absent: Horsley

Adopt the FY2015 budget in the amount of \$68,213,654:

Motion/Second: Canepa/Groom

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

Absent: Horsley

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of June 3, 2014 (see attached).

CONSENT CALENDAR

- a. Approval of Minutes of May 1, 2014
- b. Acceptance of Statement of Revenues and Expenditures for April 2014
- d. Authorize Adoption of the Appropriations Limit for FY2015 in the Amount of \$588,727,473

Motion/Second: Canepa/Foust

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

Absent: Horsley

PUBLIC COMMENT

None.

CHAIRPERSON'S REPORT – KARYL MATSUMOTO

None.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – KARYL MATSUMOTO

Chair Matsumoto said:

- June 19 is "Dump the Pump" day and Board members were asked to lead by example by taking public transportation. She forwarded that request on to the TA Board members.
- The SamTrans Service Plan update was positive and results were very good.
- The Board passed a \$131.6 million operating budget.

JOINT POWERS BOARD (JPB) REPORT

Michael Scanlon, Executive Director, reported:

- Rose Guilbault was sworn in as the newest Board member to represent SamTrans.
- A special meeting was called before the regular meeting.
 - The JPB met in closed session to consider a staff recommendation for a proposed settlement of change orders and claims brought forth by the contractor to close out the San Bruno Grade Separation Project. The Board approved the increase in change order authority to settle the claims and approved the change in the contract authority.
- A public hearing was held to discuss possible fare changes: Authorize the Executive Director to levy a charge of up to \$25 for parking during special events; increase the price of the Go Pass in order to be revenue neutral; continue to move customers from the paper ticket to Clipper by proposing a fare increase for paper ticket users; standardize the age of youth to 18 years to be consistent region wide.
- Key Caltrain Performance Statistics April 2014 compared to April 2013.
 - Monthly Performance Statistics
 - Total Ridership was 1,474,751, an increase of 9.1 percent.
 - Average Weekday Ridership (AWR) was 55,269, an increase of 9.1 percent.
 - Total Revenue was \$6,555,780, an increase of 10.3 percent.

- On-time Performance (OTP) was 88.2 percent, a decrease of 5.9 percent. This is primarily due to the slow order imposed on traffic over the Quint Street Bridge. Repairs were completed in May.
- Caltrain Shuttle Ridership was 9,291, an increase of 35.6 percent. This is possibly due to miscounts on the Marguerite Shuttle.
- Year-to-date Performance Statistics
 - Total Ridership was 13,931,291, an increase of 8.9 percent.
 - AWR was 52,450, an increase of 8.7 percent.
 - Total Revenue was \$61,053,377, an increase of 8.5 percent.
 - OTP was 92.3 percent, an increase of 1 percent.
 - Caltrain Shuttle Ridership was 8,223, an increase of 1.6 percent. Numbers have been volatile primarily due to the counting problems with the Marguerite Shuttle.
- Bay to Breakers ridership was down overall, but increased on the return trip. Service did not operate from the Santa Clara station, and alcohol was prohibited on these trains.
- Baseball service is up 10 percent over last year.
- Schedule changes will take effect October 5 to accommodate construction on the San Mateo Bridges Replacement Project.
- The Board:
 - Authorized Execution of Contracts of More Than \$100,000 for Information Technology License Renewals, Maintenance Services and Professional Services for FY2015 for an Aggregate Not-to-Exceed Amount of \$500,000.
 - Authorized Execution of Contracts for Technology Related Products and Services to Vendors Under Cooperative Purchasing Programs for FY2015 for an Aggregate Not-to-Exceed Amount of \$1 Million.
 - Proclaimed June 19 as Dump the Pump Day.
 - Received a Caltrain Modernization Update.
 - Accepted the Statement of Revenues and Expenses for April 2014.
 - Adopted the FY2015 Operating Budget in the Amount of \$125,736,026.
 - Adjourned in memory of Jim Gallagher, former Deputy General Manager.

Public Comment

Greg Conlon, Atherton, said the city of Atherton is being more aggressive to get quad gates at Watkins Avenue because of a passionate plea from a resident. With 90 trains a day, it is dangerous and difficult to see traffic coming. He said the Atherton Rail Committee unanimously passed a motion to ask the city council try to fund up to \$1 million to get the quad gates built. The council put an item in their budget for \$100,000. He asked for funding from the JPB to help fund the remaining portion. He said he will also request a quiet zone from Menlo Park to Redwood City if the quad gates are built.

Mr. Scanlon said the FY2015 JPB budget was just approved, and the installation of quad gates is only a piece of what is required to get quiet zones.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- The American Public Transportation Association sponsors a nationwide effort called "Dump the Pump Day" to raise awareness and get people to move to other forms of transportation to help improve the environment, save money and cut down on using fuel. Directors David Canepa and Don Horsley have agreed to take public transit on Dump the Pump Day. Staff will help directors plan their trips and tweet or use other social media to promote and build awareness.
- The U.S. Highway 101/Broadway Interchange bids came in for the reconstruction. The engineer's estimate was \$44.6 million. Nine bids were submitted. The low bid was \$45 million, but they ranged up to \$52.6 million. The low bidder is Ghilotti Construction Company out of Santa Rosa. The Board allocated \$36 million for this project, and the balance will come from Federal, State and local funding. The California Department of Transportation is reviewing the results. If the bid is determined to be responsive and responsible, an award will be made in the near future, construction will get underway this summer, and is slated to be completed by end of 2017.
- The environmental document for the Route 92/El Camino Real Interchange Project was approved May 6. The project would modify the ramp configuration to eliminate the short weaving distance, increase storage capacity on ramps, and create a safer interchange. The Board allocated \$600,000 for the environmental phase and programmed \$1.6 million for the design phase. Staff will come back at the next meeting looking for the allocation of funds.

Mr. Scanlon requested the Board adjourn in memory of Mr. Gallagher.

Chair Matsumoto said the San Bruno Grade Separation will change the dynamics of San Bruno's downtown. It used to be a very dangerous intersection.

PROGRAM

Program Report: Transit Ferry Program – South San Francisco

April Chan, Executive Officer, Planning and Development, said the Water Emergency Transportation Authority (WETA) staff will not be attending tonight because of a disagreement over the presentation that would be made and by whom. Ms. Chan presented:

- Two percent of the Measure A Program is set aside for the Ferry Program. This is about \$30 million over the life of the program. About \$15 million has been allocated to the South San Francisco project.
- The South San Francisco service was initiated in June 2012. Staff has 21 months of data to report.
- The service operates between the East Bay and South San Francisco, and South San Francisco and San Francisco.
- The WETA FY2014 Operating Budget total is \$3,578,300:
 - Contracted operator costs: \$2,132,700
 - Fuel costs: \$708,600
 - Other costs: \$737,000

- WETA's total revenue is \$3,578,300:
 - Fare revenue: \$294,800
 - Metropolitan Transportation Commission (MTC) Regional Measure 2 (RM2) funds: \$3,283,500
- FY2014 average weekday ridership is 327.
- Operating cost per passenger is under \$39.
- MTC required that the ferry reach a 40 percent farebox recovery ratio by June 30, 2015. The current farebox ratio is 17 percent.
- As part of the funding agreement between the TA and WETA, WETA agreed to operate scheduled service for a minimum of five years, and maintain water channels and terminal infrastructure for emergency use.
- WETA's proposed next steps include marketing efforts, maintaining a peak-period schedule, modifying midday service, evaluating and monitoring the service, and working with employers to raise awareness and promote the service.

Director Carole Groom asked what the marketing budget is, how much is spent and what the plan looks like. Ms. Chan said she will look into it.

Director Rosanne Foust asked if the Board would consider sending a letter stating they are disappointed with WETA staff's treatment of the TA's discussions and requests, sending their slides late, and other issues.

Director Terry Nagel said she supports the letter and agrees the Board needs to see the marketing plan and budget. She asked what the fare is. Ms. Chan said \$7 per trip.

Director Naomi Patridge asked what "other costs" are in the budget. She would like a better breakdown to understand the costs of advertising and other items.

Chair Matsumoto said she sits on the Water Transportation Advocates (WTA). She said Ernest Sanchez, WETA's Manager, Public Information and Marketing, didn't show up at the last meeting. She said WETA often cancels their regular board meetings. She said the concern is that the farebox recovery is at 17 percent and needs to be 40 percent. When the RM2 money goes away, WETA will have to impose fare increases. They were not able to capitalize on the bridge closures and the Bay Area Rapid Transit (BART) strike. She said at least a percentage of the uptick is attributable to Genentech subsidizing the fare. She said WETA did a survey and 44 percent of the riders heard about the ferry through employer transportation coordinators and word of mouth, so their marketing efforts are not working. She said WETA does not want to pay docking fees to provide service to Giants games or other places, and every suggestion made is brushed off. There will be fare increases over the next three years, and she is concerned how WETA will make up the \$3 million after the RM2 money goes away.

Director Foust said WETA has only three sitting members and the governor only appointed one of his three appointments to that body, and that's part of the reason some of the meetings get canceled. She said sending a letter with copy to MTC and the governor would help.

Chair Matsumoto said the letter should copy Assemblymember Kevin Mullin. She said she doesn't think people will pay the fares as they get higher. She said WETA is totally nonresponsive.

Director Groom asked what the commuter ferry costs from Marin County to San Francisco. Mr. Miller said he thinks it is about \$8. He said it took quite a long time to market the system and get to the demand it has now.

Chair Matsumoto said \$15 million has been allocated to Redwood City and asked if another operator will have to be found. Director Foust said Redwood City has to have a project sponsor. She said the ferry site has no infrastructure and no electricity, and water and other needs would have to be installed. The funds from the TA are for a ferry terminal. The Port of Redwood City has been a host for private ferry service. Facebook and Google tried pilot projects where the Port of Redwood City paid the docking fee. She said the support for this has to be found, and if this isn't working, they have to find a new model.

Chair Matsumoto said Caltrain is over capacity. The ferry allows bikes onboard, and a good percentage of Caltrain riders take bicycles, so the ferry could be a way to help with Caltrain ridership.

Director Nagel said she never sees any advertising or promotions for the ferry. People might try it if they knew about it.

Chair Matsumoto said she suggested the ferry run on Saturdays to go to the Farmers' Market in Oakland and the shopping area there.

Director Foust said it is frustrating because there have been many suggestions. One was to have Mr. Sanchez present to the 20 cities in the county and the chambers of commerce to talk about the ferry.

Public Comment

Jim Bigelow, Water Transit Advocates, said the presentation does not show the capacity of vessel or the average number of riders on each trip. He said to analyze the existing fares to see if it is possible to make the 40 percent farebox recovery. He said Genentech and other employers have people from the East Bay who come by BART to the Balboa Station, and then run full-sized buses to the technology companies. He said there needs to be more contact with employers. He said employers waited for years for ferry service, and it didn't happen, so they improvised and used other methods like the buses to get employees to work. He said now that there is ferry service, there needs to be better communication with employers.

Chuck Harvey, Deputy CEO, said staff could run a pro forma to see if it is possible to reach 40 percent farebox recovery.

Mr. Miller said the Larkspur Ferry costs \$6 with Clipper and \$10 with cash.

Capital Projects Quarterly Status Report – 3rd Quarter FY2014

Joe Hurley, Director, Transportation Authority Program, said this is the last report that will include the Third Avenue to Millbrae Auxiliary Lane Project. There will be a number of new projects added to the next report because there is a series of projects on the Highway Program and the Grade Separation Program that have recently come online.

Update on State and Federal Legislative Program

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

State

The governor's proposal and the Assembly plan for Cap and Trade are both for one year. The Senate plan would be an ongoing program that would lock-in a specific dollar amount for different components. Most notably, 25 percent of all future Cap and Trade revenues would be dedicated to public transit, 20 percent would be for implementation of the Sustainable Communities strategies at the regional level, and 5 percent for rail connectivity. Whether it is a one-year proposal or an ongoing proposal, whatever rail modernization program is included, the governor's office intends to make those funds available for intercity operators and commuter-rail operators.

Mr. Murphy said the budget will be approved without immediately addressing Cap and Trade, which will be worked out separately. Staff will push for the long-term proposal and make sure the components this agency cares about will be included.

Mr. Murphy said there are some eligibility issues being addressed through separate legislation, specifically legislation that would specify that ramp metering and other street and road-related improvements would be eligible for the sustainable communities funding. The governor's plan also has funding for the State Highway Program.

Mr. Murphy said staff expects the budget to be approved after June 13.

Federal

Mr. Murphy said House and Senate committees have moved forward with appropriations for 2015. They can't spend any of that money until they address the shortfall in the Highway Trust Fund, and the surface transportation programs are reauthorized. They are starting to talk now about how the reauthorization program would be financed. One proposal would cut Saturday U.S. Postal Service delivery to support transportation programs for eight months. This would not address the long-term issue about how to keep the Highway Trust Fund solvent. He said the Senate is more interested in the long-term reauthorization proposal but hasn't come out with any specific ideas.

Director Nagel asked if a Vehicles Miles Traveled tax will go by the wayside. Mr. Murphy said there are privacy concerns, so he thinks it will go away. He said California hopefully figured out legislation to establish a pilot program to vet the issues and challenges with this type of program.

Director Nagel said she read about Senate Bill 1145 to enact legislation to facilitate the process of establishing local safety enhancements at railroad crossings for quiet zones. She said it is difficult to create a quiet zone because the city has to take on the liability of any accidents. She asked if there is any hope for this. Mr. Murphy said when Moving Ahead for Progress in the 21st Century was approved, there were a number of regulatory changes included. One was that the Federal Railroad Administration (FRA) would revisit their quiet zone and train horn regulations. They are in the process of doing that, but no one knows how long it will take to see recommendation from the FRA. This bill is a companion piece to what the FRA is doing and some changes at the State level are anticipated to reflect whatever changes are enacted at the Federal level.

Public Comment

Greg Conlon, Atherton, said he doesn't understand the liability issue with quiet zones. He said the concern seems to be the timers wouldn't work on the quad gates or someone would get trapped inside the gates, but he has never heard of that being an issue. He said if someone drives through the gate it would be suicide.

Mr. Miller said the question is not whether that person is entitled to protection, but if that person were to bring a lawsuit, who is responsible for defending it and managing the litigation.

Mr. Harvey said it is not just whether a car drives through a quad gate. The issue would be any time an accident occurred on the right of way. For example, a trespasser who goes on the right of way and gets struck when the train horns are not sounding.

REQUESTS FROM THE AUTHORITY

Chair Matsumoto congratulated Directors Groom and Horsley on their reelection to the Board of Supervisors.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

REPORT OF LEGAL COUNSEL

Mr. Miller said in the last month there have been oral arguments before the California Court of Appeal on high-speed rail litigation. Two decisions are likely to be made by mid-August. One had to do with the bond validation proceeding and the other was with financial plan compliance with Proposition 1A. Both of those decisions in the trial court were adverse to the California High-speed Rail Authority (CHSRA). CHSRA sought a writ to the Court of Appeal and amicus briefs to ask and encourage the court to make a decision and to expedite resolution of these issues. The Court of Appeals was directed to consider that by the California Supreme Court. They heard oral arguments on May 23 and under the rules a decision should be rendered within 90 days.

The town of Atherton California Environmental Quality Act (CEQA) case, having to do with whether CHSRA is obligated to comply with CEQA based on the premise that CHSRA is regulated by the Surface Transportation Board and, therefore, might be

subject only to National Environmental Policy Act, is under submission and a decision should be rendered by August. This will also have a bearing on Caltrain Electrification Program because the JPB has been certified as an interstate carrier.

DATE AND PLACE OF NEXT MEETING

August 7, 2014 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 6:24 p.m. in memory of James Arthur Gallagher, who worked for SamTrans 28 years, saw the formation of the TA and the saving of Caltrain, and was the fifth-ever employee of SamTrans.

TA CAC Chair's Report

June 5, 2014

I have the following to report from the June 3rd meeting of the CAC:

We began our CAC meeting by welcoming our newest CAC member, Diana Bautista, who has recently been appointed to fill the remaining one year term of our former CAC member, Daniel Mensing. We look forward to working with Diana and believe that she will be an asset to our committee moving forward.

After Diana's introduction to the CAC, we then received a highly informative presentation by Hanson-Bridgett attorneys, Catherine Groves and Julie Sherman, on the elements of the Brown Act, the government ethics law that governs how meetings are conducted, and its new reporting requirements. Following the presentation, members of the CAC posed a number of questions to the attorneys, the answers to which were either given at our meeting, or scheduled to be researched by the attorneys and then reported back to us at a later date.

We then began our review of the agenda for tonight's meeting of the TA and I have the following actions to report:

(TA Item 3a) The CAC supported the Adoption of the Fiscal Year 2015 Budget in the Amount of \$68,213,654.

(TA Item 5a) The CAC reviewed the TA's Minutes of May 1, 2014, without questions or comments.

(TA Item 5b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for April, 2014, without questions or comments.

(TA Item 5c) The CAC supported the Adoption of the Appropriations Limit for Fiscal Year 2015 in amount of \$588,727,473.

(TA Item 8a) The CAC reviewed the SamTrans Liaison Report of the Meeting of May 7, 2014, without questions or comments.

(TA Item 11a) A presentation on the Measure A Ferry Program, focusing on an update of the South San Francisco Ferry Service statistics, was delivered to the CAC by April Chan, Executive Officer of Planning and Development. Unfortunately, due to a schedule conflict, representatives from the Water Emergency Transportation Authority (WETA), the agency responsible for the operations of the SSF Ferry service were not able to attend and participate in the discussion.

After the presentation April received several questions posed by members of the CAC for submission to WETA for its response. The CAC inquiries included questions about the proposed methods planned to increase future fare box recovery to achieve the required minimum of 40% by next year, including a request for the enumeration of the various marketing campaigns undertaken thus far, describing the success or failure of each, after reviewing their metrics, and what changes in marketing approach, if any, are they now planning for future increases in ferry ridership.

(TA Item 11b) The CAC reviewed the Capital Projects Quarterly Status Report for the 3rd Quarter Fiscal Year 2014, with only a few questions or comments concerning points of clarification on the status of various projects, which were fielded by Joe.

(TA Item 11c) Schweta Bhatnagar, Government Affairs Officer, delivered both a thorough and highly informative update on the State and Federal Legislative Program, once again focusing primarily on the State's Cap and Trade Program, giving a high level overview comparing the elements of Governor Brown's proposal, Senate Pro Tem Steinberg's Proposal and the Assembly's Proposal concerning the potential allocation of revenues from the program both short term and long term.

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

1) Per a request from the CAC, Joe Hurley, TA Program Director, has arranged with Doug Kim, the District's Director of Planning, for a future program presentation to be given to the CAC in either August or September on the current results of the Bike Share Program and why the Bike Share Program in Redwood City has fallen below expectations and what strategies can be implemented to improve the Bike Share Program.

2) On June 3rd, CAC member Jeff Londer, along with CAC Vice Chair Laurie Simonson and myself attended the Spring 2014 Indicators Launch and Lunch that was put on by Sustainable San Mateo County. It was both a highly informative program and stimulating Standing Room Only (SRO) meeting. The subject was Transportation: Connecting the Last Mile. Among the panelists were our very own CAC member, Daina Lujan, who gave an excellent presentation on Safe Routes to School and also our TA Executive Board member Rosanne Faust, who

participated in a dynamic panel presentation on important economic trends in San Mateo County, as well as ways to improve connectivity in our cities and towns.

3) The City of San Mateo will host a Community Workshop on Sustainable Streets Planning on Thursday, June 12th, from 5:30 pm - 8:00 pm at the San Mateo Public Library, 55 West 3rd Ave. in San Mateo.

4) The Bay Area Commuter Benefits Program is scheduled to go into effect this September 30th. Under SB 1339, Bay Area employers, with 50 or more fulltime employees within the Bay Area, must offer their employees a commuter benefit including a choice of pre-tax benefit for transit costs, employer-provided transit/vanpool subsidy, employer-provided transit, or an alternate benefit such as a telework program or bicycle subsidy. For more info on the program I directed the CAC to see commuterbenefits511.org.

In Joe's report to the CAC, he confirmed that the CAC would definitely be conducting a meeting in July and expanded on the elements of that meeting by advising us that we would be participating in the development of the updated TA Strategic Plan . Joe also informed us that the work on the San Pedro Creek Bridge Replacement Project has begun with the trapping of frogs and the relocation of fish, in preparation for the construction activities on the bridge and within the creek.

At the end of Tuesday's meeting, in the Members Comments section of our meeting , CAC member Jim Whittemore, based upon his personal research and findings, which revealed that there is yet no formal written policy on "whistleblowing" , asked that his strong conviction be conveyed to the TA Board and its staff that all major organizations, such as the TA, in the public sector need and prosper with formal, well-communicated, "whistleblower" policies that are reviewed with all staff annually and updated regularly in the course of normal business. He asked that my report and our meeting minutes reflect this request.

Respectfully submitted,

Barbara Arietta

Chair, San Mateo County Transportation Authority, CAC