

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

MINUTES OF JANUARY 5, 2017

MEMBERS PRESENT: E. Beach, M. Freschet, C. Groom (Chair), D. Horsley, K. Ibarra, C. Johnson, K. Matsumoto

STAFF PRESENT: J. Cassman, A. Chan, C. Fromson, J. Hartnett, M. Martinez, N. McKenna, M. Simon, J. Slavitt, S. van Hoften

Chair Carole Groom called the meeting to order at 5:01 p.m. and led the Pledge of Allegiance.

SWEARING IN OF EMILY BEACH (CITIES-AT-LARGE), MAUREEN FRESCHET (CENTRAL COUNTY), CAMERON JOHNSON (SOUTH COUNTY), KARYL MATSUMOTO (SAMTRANS)
Martha Martinez, Authority Secretary, administered the Oath of Office.

ELECTION OF 2017 OFFICERS

Chair Groom was elected chair.

Motion/Second: Matsumoto/Beach

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Ibarra

Director Don Horsley was elected vice chair.

Motion/Second: Matsumoto/Johnson

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Absent: Ibarra

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of January 3, 2017 (see attached).

APPROVAL OF CONSENT CALENDAR

a) Approval of Minutes of December 1, 2016

b) Acceptance of Statement of Revenues and Expenditures for November 2016

Motion/Second: Johnson/Matsumoto

Ayes: Groom, Freschet, Johnson, Matsumoto, Horsley

Absent: Ibarra

Abstain: Beach

Director Ken Ibarra arrived at 5:14 p.m.

PUBLIC COMMENT

None.

CHAIRPERSON'S REPORT

No report.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

The January 4 report is in the reading file.

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

The January 5 report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, reported:

- On December 6 the Highway 92/El Camino Real project had a bid opening. The engineer's estimate for the project was \$16 million. Eight bids were submitted and the low bid from Ghilotti Construction was below the engineer's estimate. Construction will begin in March and will last one year.
- On December 14 the Highway 101/Willow Exchange Project bids were opened. The engineer's estimate was \$45 million. Eight proposals were received and the low bid received by a joint venture, Disney Construction and O.C. Jones, was 8.7 percent below the engineer's estimate.
- The Highway 101/Peninsula Avenue Interchange Project is sponsored by the city of San Mateo. There is an exploration of modification to the interchange that would add southbound on and off ramps. The completed project initiation document and environmental document currently underway are funded by Measure A. The project is within the city of San Mateo, but borders on the Burlingame/San Mateo city limits. On December 5 the city of San Mateo staff presented the project to the Burlingame City Council. Concerns from the council and public were expressed regarding the potential right of way impacts and the diversion of traffic onto local streets in Burlingame. San Mateo staff is committed to working with Burlingame to make sure these issues are studied during the environmental process.

FINANCE

Allocation of \$5.49 Million in Measure A Funds from the Highway Program Category to the City of Redwood City for the U.S. 101/Woodside Road Interchange Project

Joel Slavit, Manager, Programming and Monitoring, said the Board previously approved the programming of the funds, but it was conditioned upon the approval of the project report and environmental document. The condition has been met so the Board can now make the allocation.

Director Horsley asked if the utilities in the area have been addressed. Paul Krupka, Krupka Consulting, said the question is about comments county staff made on the environmental document related to a piece of property the county owns in the Fair Oaks area. The city had two meetings with staff and Supervisor Warren Slocum and follow-up meetings with county civil engineering staff.

Motion/Second: Ibarra/Matsumoto

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Committing to Fund up to \$135 Million in Additional Funds to Secure the Full Funding Grant Agreement for the Peninsula Corridor Electrification Project

April Chan, Chief Officer, Planning, Grants and the Transportation Authority, said the Caltrain electrification project is \$1.98 billion and has been in development for a number of years and includes \$316 million in contingency funds. A number of funding sources have been secured and committed to fund this project including the California High-Speed Rail Authority (CHSRA) bond funds over \$640 million, the CHSRA did commit another \$113 million, the Metropolitan Transportation Commission (MTC) programmed Federal Transit Administration (FTA) Formula Funds to replace the diesel fleet and each of the JPB funding partners committed \$80 million. The FTA application has been approved and staff is trying to get a Full Funding Grant Agreement (FFGA) to fill the gap to fully fund the \$1.98 billion. The Limited Notice to Proceed (LNTP) has been issued by the JPB. A Full Notice to Proceed cannot be issued until March 2017. The last remaining requirement from FTA is that on top of the \$316 million contingency, funds up to 10 percent of the total project costs are available in the event more funding is needed. Staff has been working extensively with the funding partners, San Francisco County Transportation Authority (SFCTA), Santa Clara Valley Transportation Authority (VTA), the MTC and SMCTA. Originally the heads of each of the agencies provided a letter to FTA committing \$50 million each. FTA said the letters weren't good enough and wanted the Boards to take action. The original request in the agenda included a resolution committing \$50 million. Each agency was going to supply this resolution to the FTA for a total of \$200 million. San Mateo County is in control of the Measure A sales tax money and VTA has their own sales tax money. The San Francisco and MTC source of money is the State Transportation Improvement Program (STIP) funds. STIP is money allocated by the State, but goes to each of the counties who decides what to do with it. Staff just heard from FTA that they are not happy with the San Francisco or MTC pledge of STIP funding.

At the time the item was presented to the TA CAC, staff was hoping the SMCTA and VTA could share the costs equally, but VTA's maximum contribution was \$65 million. In order to continue to meet the requirement of the 10 percent, staff is proposing the SMCTA pledge \$135 million. Should this funding ever be needed staff is preparing a separate agreement amongst the partners. If the \$200 million needs to be tapped into, staff will meet with MTC, SFCTA, VTA and the SMCTA to decide how the \$200 million will be funded. In the funding agreements with the funding partners, the Nine-Party Agreement in 2012 and 2016, there are very restrictive project control oversight responsibilities.

In the SMCTA Expenditure Plan, funding is allocated on a percentage as approved by the voters. The amount is coming from the Caltrain category. Currently there is \$50 million that has not been allocated or assigned to any projects in the Caltrain category. Caltrain gets 16 percent from the sales tax receipts from Measure A on an annual basis, which is equivalent to \$13.5 million.

Director Matsumoto said originally the contingency was \$200 million and now it is \$300 million. Ms. Chan said FTA will only count the sales tax money. It is \$135 million from SMCTA, \$65 million from VTA and \$50 million each from SFCTA and MTC.

Director Johnson thanked staff for all their efforts. He asked why staff is going through the \$50 million backfills from SFCTA and MTC since FTA doesn't recognize it. Ms. Chan said staff feels the money is real and wants them at the table.

Mr. Hartnett said the Seven-Party Agreement is in place. The STIP funds are meaningful because they demonstrate that by actions being taken by the two agencies, funds can be accessed and are identifiable sources of funds. Secondly, FTA said they wouldn't proceed if they didn't produce the \$50 million. CHSRA recognizes this project cannot fail and realizes they will have to contribute if need be. This project cannot be scaled back and needs to be built all at once.

Director Johnson said the \$50 million from the other two agencies is essentially for identifying the source of where the money comes through, but if money is needed it goes back to the Seven-Party Agreement.

Director Horsley said this is an important project and he supports it, but if the costs are overrun the SMCTA is committed to \$135 million.

Mr. Harnett said there is a funding contingency in the budget of \$300 million. If there is a cost overrun over that amount staff would go to the Seven-Party Agreement to get the funds. Among the four parties passing resolutions, no party will be required to provide a disproportionate share and another agreement will be prepared, not relating to just the four parties, but all parties involved.

Director Beach appreciates all staff hard work. She asked if needed, if the money in the Caltrain bucket is available now. Ms. Chan said it is unassigned money and only for Caltrain projects.

Joan Cassman, Legal Counsel, said this is a Caltrain project and the three counties are responsible for funding the project. If there is an overrun the three parties that form the JPB are responsible, MTC is stepping in and there is the Seven-Party Memorandum of Understanding.

Director Beach asked if the FTA doesn't think STIP funds are good enough for them, how reliable STIP funds are for the SMCTA's funding partners. Ms. Chan said the last cycle of STIP had struggled recently and that is why FTA came back and didn't like this funding source. She noted there is positive movement on STIP in the next two cycles.

Director Beach asked if there are any stipulations with FTA about side agreements. Ms. Chan said FTA indicated side agreements are okay with them.

Public Comment

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said it has been 20 years of advocating for getting the trains out of a diesel emission to no emission electric. There is Bay Area Rapid Transit to San Mateo County and other large projects the Federal government is involved with. The Federal funding agreement is a commitment by not only the local people, but the Federal government over the years of construction to pay up. Tonight is a very key point to lock in the Federal government

into the funding agreement. Also want to have full funding agreement by March 31 so construction can begin in July. Mr. Bigelow urged the Board to pass this resolution

Rosanne Foust, Executive Director, San Mateo County Economic Development Association (SAMCEDA), said she and the SAMCEDA Board of Directors urges the Board to pass this resolution. It was this Board and the passage of Measure A in 1988 that assisted in buying the right of way that Caltrain sits on today. San Mateo County is truly a self-help County and this project is something the residents, communities and employers need.

Anthony Lazaurus, San Mateo County High-Speed Rail Working Group, said he advocates for the Board to pass this item.

Motion/Second: Horsley/Freschet

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom

Director Freschet appreciates staff reaching out to the Board and the hard work in turning this around and making sure the SMCTA is protected.

Director Ibarra said he is surprised how much money the SMCTA Board allocates.

Director Ibarra left at 6 p.m.

Director Harnett thanked Ms. Chan and staff for the hard work and said he is proud of the team. This is an important decision for the Board and will allow the electrification project to move forward. This is one of the most important decisions the SMCTA Board has made.

Chair Groom said the people in the county know how important electrification is and it is needed.

PROGRAM

Program Report: Transit – Shuttles

Mr. Slavitt presented:

- 4 percent of Measure A goes to shuttles with a minimum 25 percent match required.
- There have been three shuttle Calls for Projects (CFP) under the New Measure A with a total allocation of \$13.3 million.
- 29 shuttles were allocated \$5.8 million in Measure A funds for operation in Fiscal Year (FY) 2015 and FY2016.
- There are 24 commuter and community shuttles. Commuter shuttles provide the first- and last- mile commute link. Community shuttles provide all, mid-day or weekend service for basic needs and often serve the transit-dependent.
- In the FY2015 and FY2016 funding call Measure A funds were allocated to 25 existing shuttles and four new shuttles.
- Maps of shuttle routes were shown.
- FY2016 performance:
 - Sponsor progress reports

- Ridership
- Total operating cost
- Total service hours
- Program performance
 - Ridership
 - Cost per passenger
 - Passengers per service hour
- Total monthly ridership on Measure A funded shuttles was around 70,000-90,000 per month.
- Total annual ridership was 974,000, a 9 percent increase, but does include two new shuttles.
- FY2016 operating cost per passenger for commuter shuttles were \$6.17 per person, below the benchmark of \$7 and community shuttles were \$13.88 per person, above the benchmark of \$9 per person.
- Passengers per service hour on commuter shuttles were was 17.1, above the benchmark of 15, and 6.6 for community shuttles, below the benchmark of 10.
- Related activities:
 - Next joint SMCTA/City/County Association of Governments CFP tentatively to be released December 2017 for shuttles funding in FY2019 and FY2020.
 - For next CFP, consider increasing match requirement, up to a maximum of 50 percent, for existing shuttles that don't meet the operating cost/passenger benchmark to help pay for cost above the benchmark.

Director Johnson said last Shuttle Program CFP was under subscribed and all shuttles were funded. Mr. Slavitt said historically the Program was under subscribed and only one was denied funding as it duplicated SamTrans service.

Director Beach said shuttles serve a critical role. She asked if cost per passenger is similar to operating cost per passenger for SamTrans. Mr. Slavitt said it's \$8 per passenger for SamTrans.

2017 Legislative Program

Casey Fromson, Manager, Government and Community Affairs, said the Program establishes the principles that will guide the SMCTA's legislative and regulatory advocacy efforts through the 2017 calendar year, including the second half of the State legislative session and the first session of the 115th Congress. The Program has three primary objectives: Direct Engagement, Coalition-based Engagement and Media Engagement.

Motion/Second: Johnson/Horsley

Ayes: Beach, Freschet, Horsley, Johnson, Matsumoto, Groom

Absent: Ibarra

Update on State and Federal Legislative Program

Ms. Fromson provided the following update:

State:

- On January 4, the Legislature reconvened in Sacramento to begin the work of the 2017-18 Legislative Session. There will be a number of new faces in Sacramento, including one new delegate representing San Mateo County, Assembly Member Marc Berman (D-Menlo Park). Assembly Members Kevin Mullin (D-South San Francisco) and Phil Ting (D-San Francisco), along with Senator Jerry Hill (D-San Mateo), also continue to represent the county.
- Senator Jim Beall (D-San Jose) will continue to chair the Senate Transportation and Housing Committee and Senator Bob Wieckowski (D-Fremont) will chair the Senate Budget Subcommittee #2 on Resources and Transportation. In the Assembly, Assembly Member Jim Frazier (D-Oakley) will continue to chair the Assembly Transportation Committee and Assembly Member Richard Bloom (D-Santa Monica) will also retain his post as chair of the Assembly Budget Subcommittee #3 on Resources and Transportation.
- On November 30, the Legislature officially adjourned the Special Session on Transportation and Infrastructure without passing a transportation funding package. Just before adjournment, Governor Jerry Brown and legislative leadership announced that a deal could not be reached in the special session, but committed to tackling transportation funding in the next session, possibly early in 2017. The Governor has indicated a renewed interest in transportation funding, so we could see a revised funding plan with the release of his proposed 2017-2018 State budget on January 10. Both transportation committee chairs introduced bills on December 5, representing a \$6 billion funding package for local streets and roads, State highways, goods movement, and transit.

Federal:

- On December 9, with less than an hour until the deadline, the Senate voted 63 to 36 to pass a continuing resolution (CR) (H.R. 2028) funding the Federal agencies at current funding levels until April 28. Since the CR is funded at Fiscal Year 2016 funding levels, programs will not see the funding increases for highways and transit that were included in the Fixing America's Surface Transportation Act.
- During the campaign session, Donald Trump promised a \$1 trillion infrastructure bill, but in recent weeks he has publically said that his administration will not make infrastructure a priority. We will continue to follow this closely.
- The 115th Congress was sworn in on January 3 and the inauguration of the next president will be on January 20.
- Senator Kamala Harris, who replaced retiring Senator Barbara Boxer, received her committee assignments. She will be on the Environment and Public Works Committee. The Environment and Public Works Committee is an important transportation related committee in the Senate.

REQUESTS FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, February 2, 2017 at 5 p.m. in the San Mateo County Transit District
Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue,
San Carlos CA 94070

The meeting adjourned at 6:20 p.m.

TA CAC Chair's Report

January 5, 2017

Good evening, Madame Chair and Members of the Board.

The CAC was pleasantly surprised and delighted to be visited by Director Karyl Matsumoto at our meeting on Tuesday. Members of the CAC were equally pleased and delighted to both hear what she had to say to us and to also share in the box of delicious chocolates that she gave to us to start off our New Year. On behalf of the CAC, I would once again like to extend our thanks to Director Matsumoto for her generous gift.

We began our meeting by selecting the new officers for 2017. This year's Nominating Committee consisted of Rich Hedges, Jeff Londer and Olma O'Neill. The CAC agreed with the nominations presented by the Committee's spokesperson, Jeff Londer, and unanimously voted for both John Fox from Menlo Park to be the new Vice Chair and for myself, Barbara Arietta from Pacifica, to serve as the continuing Chair of the CAC.

In reference to the details of Tuesday's meeting of the CAC, I have the following to report:

(TA Item 7a) The CAC reviewed the Board's Minutes of December 1, 2016 without questions or comments.

(TA Item 7b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for November 2016, without questions or comments.

(TA Item 13a) Following a brief update by Joel Slavit, Manager, Programming and Monitoring, the CAC supported the Allocation of \$5.49 Million in Measure A Funds from the Highway Program Category to the City of Redwood City for the U.S. 101/Woodside Road Interchange Project.

(TA Item 13b) The CAC participated in a robust Q and A session after having received a detailed update from April Chan, Chief Officer, Planning, Grants and the Transportation Authority on the reasons for the need to increase the TA's monetary commitment for an additional amount of Measure A funding which at the time of the CAC Meeting was up to \$100 Million to the Peninsula Corridor Electrification Project. Various concerns were expressed by CAC members: Do we actually have adequate funds available to make this commitment? Would this commitment "freeze" or "lock out" any other projects that we have in the pipeline for other purposes? Would it impact other categories in the Measure A program? How will the TA be assured of the commitment from San Francisco and the MTC being paid back to us, if the need for using this extra money should actually be realized? What type of written legal assurances will we have? After hearing Ms. Chan's detailed

answers to these questions, the CAC unanimously voted to support the Commitment by the TA to Fund up to \$100 Million in Additional Funds to the Peninsula Corridor Electrification Project.

(TA Item 14a) Joel Slavit gave the CAC a comprehensive report highlighting the Measure A Local Shuttle Program Status. After reviewing the FY2016 Performance Charts, the monthly Ridership Reports and the Operating Cost Per Passenger Reports, the CAC appeared to fully understand the potential future need to increase the match requirements for the next Call for Projects up to a maximum of 50% for existing shuttles that don't meet the operating cost per passenger benchmark in order to help pay for costs above the benchmark. Members of the CAC, however, did question whether a 2-3% increase in ridership was considered to be a healthy increase in ridership and were satisfied to hear from Joel that such an increase rate was considered adequate, if not positive, when comparing ridership increases with other means of transportation, such as SamTrans, whose ridership numbers appeared to have decreased a little bit this past year. Positive comments for increased ridership were also expressed by CAC members about a Trip Planning app that now includes the shuttle times and was being reported to actually be helping in building ridership on the shuttles.

(TA Item 14b) The CAC received a highly informative presentation overview from Casey Fromson, Manager Government and Community Affairs, on the 2017 Legislative Program, which included not only information on the purpose and core objectives of the program, but also information on the public engagement strategies, State and Federal issues, as well as regulatory and administrative issues. The CAC unanimously voted to support the Board's acceptance of the 2017 Legislative Program.

(TA Item 14c) The CAC received a brief Legislative update from Casey Fromson, covering both State and Federal issues. She also advised the CAC of the recent elections of local politicians to the California State Assembly and United States Senate. The CAC was pleased to learn that our new U. S. Senator, Kamala Harris, was been appointed to the Environment and Public Works Committee, which is a very important committee in relation to transportation issues, and of which our former U.S. Senator Barbara Boxer was the Chair.

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

1. I informed the CAC about the upcoming Caltrain schedule changes beginning in April to facilitate the electrification project and asked that they help get out the word on the public outreach efforts associated with these changes.
2. I informed the CAC that work has begun on the new San Carlos Transit Center. Once completed, the Transit Center will better serve the community by enhancing connectivity between commuters using SamTrans buses, riding Caltrain, taking local shuttles, as well as biking or walking. Construction is due to be complete by the summer of 2018.

In Joe's staff report, he advised the CAC about the Route 92/El Camino and 101/Willow

Interchange Projects bid opening results. He also advised us that Jeannette Ward has resigned from the CAC and we have a new opening.

Respectfully submitted,

BARBARA ARIETTA
Chair, San Mateo County Transportation Authority CAC