

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

MINUTES OF OCTOBER 5, 2017

MEMBERS PRESENT: E. Beach, D. Horsley, K. Ibarra, C. Johnson, K. Matsumoto

MEMBERS ABSENT: M. Freschet, C. Groom (Chair)

STAFF PRESENT: M. Beveridge, J. Cassman, A. Chan, S. Cocke, L. Guan,
C. Gumpal, J. Hartnett, J. Hurley, M. Martinez

Vice Chair Don Horsley called the meeting to order at 5:01 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Vice Chair Horsley, said the October 1 report is in the reading file.

CONSENT CALENDAR

- a. Approval of Minutes of September 7, 2017
- c. Approval and Ratification of the Fiscal Year 2018 Transportation Authority Insurance Program

Motion/Second: Ibarra/Beach

Ayes: Beach, Horsley, Ibarra, Johnson, Matsumoto

Absent: Freschet, Groom (Chair)

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENDITURES FOR AUGUST 2017

Director Karyl Matsumoto said that the interest rate on page 3 of 9 of the Capital Project Reserves for the Investment Portfolio reflects 1.610 percent and asked why the interest rate percentage is higher than the County Pool and Local Investment Fund (LAIF). Derek Hansel, Chief Financial Officer, said that fundamentally the portfolio has a longer average life than either LAIF or the County Pool and invested longer.

Motion/Second: Matsumoto/Ibarra

Ayes: Beach, Horsley, Ibarra, Johnson, Matsumoto

Absent: Freschet, Groom (Chair)

CHAIRPERSON'S REPORT

No report.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

Director Matsumoto said her written report is in the reading file.

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

Jim Hartnett, Executive Director, said the October report is in the reading file.

Mr. Hartnett said that there was a robust discussion on the Caltrain Business Plan that included a report out by Business Plan Ad Hoc Committee. He also said there was discussion on the Senate Bill 797 (Hill) on the 1/8 sales. Staff provided a detailed report on the requirements that needs to be met for the measure to be placed on the ballot and noted that the Governor has until end of the month to sign the bill.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said his written report is in the reading file.

PROGRAM REPORT

HIGHWAY PROGRAM – 101 CORRIDOR MANAGED LANES

Leo Scott, Project Manager, City/County Association of Governments of San Mateo, explained that the problem is greater than one project can solve and reported the following:

- The Caltrain Electrification Project will not fully address projected demand
- SamTrans is studying express bus service on the 101 corridor
- Santa Clara Valley Transportation Authority VTA is in final design to create a 2+ High Occupancy Vehicle (HOV) Express Lanes from south of 85 to the San Mateo County line
- San Francisco County Transportation Authority SFCTA is coordinating with San Mateo to study an extension of the 101 managed lanes into SF
- Metropolitan Transportation Commission MTC is planning to improve and increase park and ride lots
- Municipalities implementing TDM measures

Mr. Scott also provided information on the purpose of the project, he reported the following:

- Reduce congestion in the corridor
- Encourage carpooling and transit use
- Provide managed lanes for travel-time reliability
- Minimize operational degradation of the general purpose lanes
- Increase person throughput
- Apply technology and/or design features to help manage traffic

Mr. Scott said the challenge overall are the following:

- Find a solution quickly
- Secure public and political support of the Project
- Secure the required funding
- Minimize environmental impacts
- Stay within the current Right of Way as much as possible
- Don't make congestion worse in the other lanes
- Reduce cut through traffic on the local street network
- Build the project as soon as possible

April Chan, Chief Officer of Planning, Grants, Real Estate and Transportation Authority, provided information on the tolling system roles:

- Facility owner (an agency)
 - Owns tolling equipment and related highway improvements
 - Sets tolling policy and rates
 - Budgets and pays for the operation, maintenance and liabilities of the facility
 - Distributes revenues
- Facility operator (an agency)
 - Manages the day to day operation of the facility on behalf of owner
 - Ensures that the system is maintained
- Toll System Manager (a consultant)
 - Defines toll system requirements
 - Oversees Toll System Integrator to ensure requirements are met
- Toll System Integrator (a contractor)
 - Designs and implements the Toll System according to the requirements
 - Supports operation of the Toll System for year 1 under warranty

Schedule:

- October – provide information to Board regarding toll operation and roles
- November – discuss tradeoffs between owner/operator options
- December/January – Board decides on owner/operator
- Late 2018 – operation policy decisions

Director Matsumoto asked the difference between HOV Lane and Express Lane. Mr. Scott said that HOV lane (carpool lane) is free for those who qualify and the Express Lane is a specific type of toll facility and noted that it is one lane and carpools still enter for free but tolling only those drivers that are not eligible as carpools and therefore considered a partially tolled lane.

Director Matsumoto asked what would happen if there is an accident in the fastest lane closest to the divider and what does it do to the system in a managed lane. Mr. Scott responded that the California Highway Patrol (CHP) on-site can issue a command decision to change the mode of the lane and remove it from toll mode and place into either closed mode, HOV only mode, or open to all.

Vice Chair Horsley asked if the project consist of turning an existing lane into an express lane. Ms. Chan said there are a few alternatives-turning existing lanes into an express lane or connecting the auxiliary lanes to add the lane back. Ms. Chan noted that staff will provide more information during the next meeting.

Vice Chair Horsley asked if it is required to do the auxiliary lane to create the express lane. Ms. Chan said the environmental report would provide information on how it would be impacting traffic and meet all the project objectives and would determine which would achieve it.

Vice Chair Horsley said if the express lane stops providing the level of service that it is scheduled to perform and single vehicles are removed out what happens to those vehicles. Ms. Chan said the signage will tell drivers and only HOV and buses can operate on the lane. Ms. Chan said that staff has been working with the San Francisco Transportation Authority to potentially continue the project from Interstate 380 to San Francisco.

Vice Chair Horsley asked if the equipment would be the same between San Francisco, San Mateo, Santa Clara counties. Mr. Scott said the equipment is similar but would depend on the toll integrator and based on contract structure.

Director Cameron Johnson asked about the revenue projections. Mr. Scott said somewhere between \$500,000 to \$1.5 million per year.

Director Johnson suggested staff should provide the public enough information and options and not set high expectations, particularly with the electric vehicle in cases where information can change in 2021.

Director Emily Beach asked if the owner is the policy maker and the operator runs the operation; is it possible to make a policy maker that is separate than the operator. Ms. Chan said, yes, and noted that staff would provide more detailed information that would include the timeframe at the next regular meeting.

Public Comment

Rich Hedges, San Mateo, said that he was involved with Metropolitan Transportation Commission (MTC) to get the permission to do these lanes. They tried to get it through legislature and they would not do it and he received a call if he could help because they were going through the California Transportation Commission and the Chair happened to be the head of the Carpenters Union and thought he may be able to help get the message out. This is where they got their authority and not through the legislature for these lanes. Mr. Hedges agrees with Director Johnson that electric cars are the cars of the future. Mr. Hedges hopes that this body and other bodies reach out to the California cities and start placing pressure on the legislature to really think this through better.

APPROVAL OF MEASURE A HIGHWAY PROGRAM FUNDING POLICY REVISION

Ms. Chan provided the following funding policy revisions for Measure A Highway Program Calls for Projects (CFP):

- 1) Prioritize projects that are already in the Measure A funding pipeline to enable sponsors to complete work already started, but also set aside up to \$10 million, through the remaining life of Measure A, to assist with the planning and environmental phases of work for projects that are not already in the Measure A funding pipeline.
- 2) Further leverage Measure A investments by requiring a minimum 10 percent funding match with each phase of work for all projects. Eligible sources of matching funds may consist of federal, state, regional and/or local sources, including those from

private development as well as a project sponsor's Measure A Local Streets and Transportation Program funds. A list of potential public funding sources that can serve as match is included as Exhibit A in the Staff Report.

- 3) For new highway facilities (e.g. those consisting of roads and/or interchanges at locations where they currently don't exist) that are already in the Measure A funding pipeline, the required funding match may be greater than 10 percent for the final design, right of way and construction phases of work. The match requirement will be proportionate to the impacts from additional traffic generated from new land use development that is generating the need for the new facility. The match requirement will be evaluated on a case-by-case basis with the project sponsor.
- 4) To further promote timely use of funds, there must be substantial activity on a project within two years of receiving a funding award, including demonstrating expenditures on the project.

Public Comment

Paul Krupka, San Mateo, Project Manager for 101 Woodside Road Interchange Project, commented that he has been actively tracking this project and the priorities to work on pipeline are ideal and also a great opportunity to move in to the next stage. Mr. Krupka also noted that the revisions provided by staff has made it simple to interpret from a sponsor stand point and thanked staff for the great work.

Motion/Second: Johnson/Ibarra

Ayes: Beach, Horsley, Ibarra, Johnson, Matsumoto

Absent: Freschet, Groom (Chair)

UPDATE ON MEASURE A 2017 HIGHWAY PROGRAM CALL FOR PROJECTS

Joel Slavit, Manger, Programming and Monitoring, presented the following:

Program Overview

- Measure A Highway Program funds can help projects be more competitive for State SB 1 awards scheduled for Spring 2018
- Proposed Measure A Call for Projects: Fall 2017
- Measure A funding awards: Early 2018
- Amount of funds available now: Approximately \$50 million + \$25 million cost savings to leverage external sources
- Work must be ready to start within 12 months of funding award

Summary of New Funding Policies

- A minimum 10 percent funding match required with each phase of work
- The match requirement may be greater than 10 percent for new highway facilities, proportionate to the traffic impacts from new development
- To further promote timely use of funds, there must be substantial activity on a project within 2 years of the funding award or the funds may be made available for other projects

Schedule

- October 2017- Informational item to TA CAC and TA Board
- October 9, 2017- Call for Projects released for Fiscal Years 2016 and 2017, workshop to be held
- October 17, 2017- Call for Projects Sponsor Workshop
- November 20, 2017- Applications due
- December 2017- Evaluation Panel reviews and prioritizes project proposals
- January 4, 2018- Informational item to TA CAC and TA Board on Draft Program of Projects
- February 1, 2018 - TA Board Approves Proposed Program of Projects

Director Beach suggested that the TA can possibly create incentives to reward jurisdictions that are sponsoring projects that have aggressive Transportation Demand Management (TD) strategies in trying to change modes of transportation.

RECEIVE AND FILE MEASURE A SEMI-ANNUAL PROGRAM STATUS REPORT

Mr. Slavitt, reported:

The Semi-Annual Program Status Report provides an overview of the eight program categories under the Original Measure A and six program categories under the New Measure A. Staff has performed an extensive review during the past year to true-up the financial information to ensure its accuracy. The formatting of the report has also been revised to improve transparency and better report on the current status of available funding for new programming and allocation within each of the program categories.

For both the Original Measure A and the New Measure A reports, we now provide the following information: a) Funds collected to-date; b) amount of funds programmed; and c) amount remaining for programming and allocation. The following additional changes are specific to each of the measures:

Original Measure A Program Status

Rental income, in the amount of \$18.7 million, that was previously reported under the Caltrain, Dumbarton and Grade Separation program categories has been removed. These funds have been used and will continue to be made available for maintenance of way, program management and/or further programming expenses. Original Measure A sales tax revenue can only be used for the projects explicitly listed in the 1988 Transportation Expenditure Plan. There are no prescribed restrictions on the use of rental income, which from this point forward will be tracked separately.

New Measure A Program Status

- Columns labeled "Funds Collected to Date" and "Available Funding" have been added
- The column that was previously included, labeled "Total Estimated Revenue (2009-2033)" has been removed

The sales tax projections for each of the program categories previously provided, under Total Estimated Revenue (2009-2033), were in 2004 dollars from the Transportation Expenditure Plan (TEP), and are outdated and no longer provide a reasonable estimate

of projected revenue. The sales tax revenue that has been collected since the inception of the New Measure has been significantly higher than the TEP projections.

Motion/Second: Matsumoto/Beach

Ayes: Beach, Horsley, Ibarra, Johnson, Matsumoto

Absent: Freschet, Groom (Chair)

DELEGATE THE EXECUTIVE DIRECTOR THE AUTHORITY TO ASSIGN NEW MEASURE A FUNDS ON PROJECTS TO BE FUNDED UNDER EITHER MEASURE

Joel Slavit, Manger, Programming and Monitoring, reported that the request is to expend Original (1988) and/or New (2004) Measure A funds on Caltrain, Highway and Grade Separation projects that (1) have been awarded funds by the Board with or without reference to a specific Measure A funding source and (2) are eligible to receive funding under both the Original and New Measure A Transportation Expenditure Plans.

Motion/Second: Beach/ Ibarra

Ayes: Beach, Horsley, Ibarra, Johnson, Matsumoto

Absent: Freschet, Groom (Chair)

UPDATE ON LEGISLATIVE PROGRAM

Gus Khouri, Khouri Consulting reported that on September 15, the legislature adjourned after concluding its business for the first year of the 2017-18 Session.

Mr. Khouri reported highlights on local items:

AB 1613 (Mullin) has been signed and would allow SamTrans to use the .5 percent sales tax exemption from the 2 percent local sales tax cap created by SB 705 (Hill), a bill sponsored by San Mateo County Transportation Authority (SMCTA) in 2015, to pursue a transportation measure. The bill requires an expenditure plan be developed in concurrence with the County and allows either SamTrans or SMCTA to administer the proceeds, if approved by voters.

SB 595 (Beall) is pending and would authorize the placement of a third Regional Measure 3 (RM3) to be placed on the ballot in all nine counties of the San Francisco Bay Area that, if approved by a majority of the voters, would increase tolls on the seven state- owned toll bridges by up to \$3 and allocate proceeds for various projects and programs detailed in the expenditure plan defined in the bill. The expenditure plan contains specific projects that benefit San Mateo, as well as other competitive programs (\$300 million for express lanes, which the 101 managed lanes project qualifies for and \$20 million regional express buses that provide countywide and regional priorities.

SB 797 (Hill) is pending and would allow an exemption of .125 percent from the two percent local sales tax cap for Caltrain, subject to a two-third vote approval of the Caltrain Board, the Board of Supervisors from the Counties of San Francisco, San Mateo, and Santa Clara, as well as the San Francisco County Transportation Authority, Santa Clara Valley Transportation Authority, and SamTrans, prior to placing the item before voters.

Mr. Khouri said the county is coordinating with City/County Association of Governments of San Mateo County (C/CAG) to insert language into Bill SB 595 that would allow for the TA to be a party to any agreement for the Santa Clara Valley Transportation Authority to operate High-Occupancy Toll lanes (as provided under existing law) within San Mateo County and ensures that proceeds generated within the county, including those that are bonded against, are retained within the county for investment consistent with expenditure plans adopted by the TA and C/CAG. Mr. Khouri said that his company has coordinated with the MTC to ensure SamTrans were eligible project sponsors for the Dumbarton Transportation Center.

Mr. Khouri said zero emission vehicles can use carpool lanes but they must pay a fee all single occupant vehicles are subject to paying toll.

Mr. Khouri also reported:

Solutions for Congested Corridors:

SB 1 creates this new \$250 million per year program beginning in FY 2017-18. The California Transportation Commission (CTC) responsibilities include developing guidelines, holding public hearings, reviewing corridor plans, scoring project nominations, programming projects, allocating funds to projects, monitoring program delivery, and reporting to the Legislature. The initial launch of program allocations may be adopted over a three-year period (\$750 million). The CTC will adopt guidelines at its' December 6-7 meeting. Applications will be due in February 2018, with allocations being made in May 2018.

State and Local Partnership Program (SLPP):

SB 1 creates this new \$200 million per year program. Guidelines for the SLPP must be adopted on or before January 1, 2018. Funding from this program is for counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees (toll revenues will not be factored in as they were under the 2009 SLPP established under Prop 1B, because the CTC is not provided with that flexibility per the language in SB 1, meaning possibly lower shares for the North). Funds are appropriated "for allocation to each eligible county and city in the county for road maintenance and rehabilitation purposes" but the Governor's budget trailer bill seeks to provide flexibility for usage for other purposes.

Public Comment:

Rich Hedges, San Mateo, said that he supports the bill and said there are ways to defeat this, he suggested regular press releases on the projects and information on where the money would be used.

REQUEST FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

Vice Chair Horsley, said the report is in the reading file.

REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973

- b. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast, et al. v. California Department of Transportation, et al.; U.S. District Court, Northern District of California Civil Case No. 3:15-cv-02090-VC

Recessed to closed session at 6:45 p.m.

Reconvened at 7:16 p.m.

Joan Cassman, Legal Counsel, said the Board met in closed session and received an update on potential litigation. No action was taken.

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, November 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 7:16 p.m.