



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

February 7, 2013 – Thursday

5:00 p.m.

1. Pledge of Allegiance
2. Swearing in Rosanne Foust (Southern Judicial Cities Representative)
3. Call to Order/Roll Call
4. Report of the Citizens Advisory Committee
5. Consent Calendar MOTION
Members of the public or Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of January 3, 2013
 - b. Acceptance of Statement of Revenues and Expenditures for December 2012
6. Public Comment
Public comment by each individual speaker shall be limited to one minute
7. Chairperson's Report RESOLUTION
 - a. Resolution of Appreciation to Sepi Richardson
8. SamTrans Liaison Report – January 9, 2013 INFORMATIONAL
9. Joint Powers Board Report
10. Report of the Executive Director
11. Finance INFORMATIONAL
 - a. Fiscal Year 2012 Comprehensive Annual Financial Report
 - b. Authorize the Filing of an Application with Metropolitan Transportation Commission for \$3,613,000 in Surface Transportation Program / Congestion Mitigation and Air Quality Improvement Program Funds for the U.S. Highway 101/Broadway Interchange Reconstruction Project RESOLUTION

San Mateo County Transportation Authority
February 7, 2013 Agenda

- c. Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review Outlook for the Quarter Ended December 31, 2012 MOTION

- 12. Program
 - a. Program Report: Transit – Shuttles INFORMATIONAL
 - b. Approval of the 2013 Legislative Program MOTION
 - c. Update on State and Federal Legislative Program INFORMATIONAL

- 13. Requests from the Authority

- 14. Written Communications to the Authority

- 15. Report of Legal Counsel

- 16. Date/Time of Next Meeting: Thursday, March 7, 2013, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

- 17. Adjournment

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at www.smcta.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus Routes 260, 295, 390, 391, and KX.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the TA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to board@smcta.com; or by phone at 650-508-6242, or TDD 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

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

MINUTES OF JANUARY 3, 2013

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

MEMBERS ABSENT: R. Foust

STAFF PRESENT: J. Averill, L. Bhuller, J. Cassman, C. Cavitt, A. Chan, C. Chung, B. Fitzpatrick, G. Harrington, C. Harvey, R. Haskin, J. Hurley, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Carole Groom called the meeting to order at 5:09 p.m. and led the Pledge of Allegiance.

SWEARING IN

District Secretary Martha Martinez administered the oath of office to Directors Groom, Karyl Matsumoto, and Terry Nagel for a two-year appointment to the TA.

ELECTION OF 2013 OFFICERS

Director Don Horsley nominated Director Groom for chair, seconded by Director Nagel. Director Naomi Patridge nominated Director Matsumoto for chair. Director Matsumoto withdrew her name from nomination.

Director Patridge nominated Director Matsumoto for vice chair, seconded by Director Nagel.

A motion (Horsley/Nagel) was passed to close nominations and to elect Director Groom as chair and Director Matsumoto as vice chair.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

CAC Chair Barbara Arietta reported:

- The CAC supported the approval of all items on the TA agenda.
- The CAC re-elected her as chair and elected Laurie Simonson as vice chair for 2013.
- She attended the ribbon-cutting ceremony for the U.S. Highway 101 Auxiliary Lanes held in Menlo Park on December 5.
- A report was delivered on the Caltrain Electrification project's draft Environmental Impact Report (EIR), which is scheduled to be released in fall/winter of 2013. The final document is scheduled to be ready in spring/summer of 2014, and the project approval is planned for summer/fall of 2014.
- It would be beneficial for the CAC to hold a retreat to discuss the Strategic Plan.

APPROVAL OF MINUTES OF NOVEMBER 1, 2012

A motion (Patridge/Horsley) to approve the minutes of November 1, 2012 was approved (Nagel abstained).

CONSENT CALENDAR

- b. Acceptance of Statement of Revenues and Expenditures for October 2012
- c. Acceptance of Statement of Revenues and Expenditures for November 2012

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

PUBLIC COMMENT

No comments

CHAIRPERSON'S REPORT – CAROLE GROOM

No discussion

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

- a. November 14, 2012
- b. December 12, 2012

No discussion

JOINT POWERS BOARD REPORT

Executive Director Michael Scanlon reported:

- Director Ken Yeager was elected chair and Director Tom Nolan was elected vice chair.
- A Resolution of Appreciation was presented to outgoing chair Director Adrienne Tissier.
- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – November 2012 compared to November 2011
 - Total Ridership was 1,226,450, an increase of 11.4 percent.
 - Average Weekday Ridership (AWR) was 47,326, an increase of 12 percent.
 - Total Farebox Revenue was \$5,269,467, an increase of 14.4 percent.
 - On-time Performance (OTP) was 91 percent, a decrease of 2.7 percent.
 - Average Caltrain Shuttle Ridership was 8,696, an increase of 18.7 percent.
 - Year-to-Date Performance Statistics – November 2012 compared to November 2011
 - Total Ridership was 6,601,313, an increase of 12.6 percent.
 - AWR was 49,421, an increase of 12.5 percent.
 - Total Farebox Revenue was \$29,344,703, an increase of 18.7 percent.
 - OTP was 89.4 percent, a decrease of 3.9 percent.
 - Average Caltrain Shuttle Ridership was 8,774, an increase of 25 percent.
- There were 12 fatalities in 2012, down from 16 in 2011.
- An emergency preparedness drill took place on December 15 with outstanding cooperation from first responders.

- The Bicycle Advisory Committee meeting scheduled for January 17 has been cancelled due to vacancies.
- Special services included the Kraft Fight Hunger Bowl, which carried almost 2,000 additional riders, up about 8 percent from previous year; and four special trains on New Year's Eve after the fireworks event, which carried almost 5,000 riders, up almost 17 percent from previous year.
- The Freedom Train will operate January 21. The Dr. Martin Luther King Jr. Association of Santa Clara County will charter two trains and will make designated stops.
- The JPB is undertaking a Safety and Security Campaign using station visual message signs, conductor messages, web postings, and social media starting on January 7.
- Executive Officer, Caltrain Modernization Program Marian Lee gave the Board an update on Caltrain Modernization.
- Rich Walter, Principal from ICF, the engineering consulting firm hired to manage the electrification environmental process, gave a slide presentation to update the Board about the process.
- Deputy CEO Chuck Harvey gave an update on changes to Federal Transit Administration Title VI requirements.
- The farebox recovery goal has been increased to 45 to 65 percent.
- The second phase of the Caltrain signal system was authorized.
- Contracts were authorized for Federal legislative services.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Congratulated the Directors for their reappointments to the TA and for the elections.
- Director Groom was appointed to the California Coastal Commission.
- Foster City opened bids for the Triton Drive Project funded by the recent Streets and Highway Program Call for Projects (CFP) on November 29.
- The Pacifica shuttle service is up and running and it will serve Devil's Slide when the new tunnel opens.
- Director Sepi Richardson retired from public office and is consequently ineligible for the TA Board.

FINANCE

Authorize Amendment of Fiscal Year (FY) 2013 Budget to Increase Budget Expenditures by \$1,335,000 for a New Total of \$103,074,230

Manager of Budgets Ladi Bhuller said, based on FY2012 year-end sales tax receipts of \$68.5 million, staff is recommending an increase to the FY2013 sales tax projection. There will be an accompanying increase to categories that receive Measure A funds based on the percentage of the projected sales tax revenue.

A motion (Horsley/Matsumoto) to authorize the amendment of FY2013 Budget was approved.

Authorize Allocation of \$1 Million in New Measure A Highway Program Key Congested Area Funds for the U.S. 101/Peninsula/ Poplar Avenue Interchange Project Initiation Document (PID)/ Project Study Report (PSR) to the City of San Mateo

Interim Manager of Programming and Monitoring Celia Chung said these were funds the Board previously programmed in October as part of the Highway CFP. She said the condition the TA set to allocate the funds was that the San Mateo City Council needed to pass a resolution supporting the project. This condition was met.

Director Nagel asked if this funding is to study scenarios to relieve congestion and not to commit funds to any particular alternative. Ms. Chung said this is to study what alternatives would be possible.

A motion (Patridge/Matsumoto) to authorize the allocation of \$1 million for the U.S. 101/ Peninsula/ Poplar Avenue Interchange PID/PSR to the city of San Mateo was approved.

Authorize Allocation of \$2 Million in New Measure A Highway Program Supplemental Roadway Funds for the Staged U.S. 101 HOV Lane Project Study Report to the City/County Association of Governments (C/CAG)

Ms. Chung said the condition set for the allocation of these funds was for C/CAG to pass a resolution in support of the study. This condition was met.

A motion (Patridge/Horsley) to authorize the allocation of \$2 million for the staged U.S. 101 HOV Lane PSR was approved.

Authorize Cooperative Agreement with the County of San Mateo for Right of Way Services in Support of TA Capital Projects

Manager of Real Estate and Property Development Brian Fitzpatrick said the TA does not currently have the ability to condemn property for transportation or highway projects. He said the San Mateo County Board of Supervisors would consider resolutions of necessity, which are a prerequisite to allowing the TA to condemn property.

Director Nagel asked how the TA has existed until now without this authority. Mr. Fitzpatrick said the San Mateo County Board of Supervisors has adopted resolutions of necessity for a few projects in the past, and has bought real estate on behalf of the TA.

Mr. Scanlon said the San Mateo County Board of Supervisors will have discretion on a case-by-case basis. He said when the TA declares eminent domain, they do it very measuredly, and sometimes it is necessary to do in order to get the process moving forward.

A motion (Nagel/Patridge) to authorize a cooperative agreement with the county of San Mateo was approved.

Authorize Award of Contract to Holland & Knight, LLP for Federal Advocacy Services for a Firm Fixed Price of \$210,000 for a Five-year Term

Director of Contracts and Procurement Cheryl Cavitt said staff received three proposals in response to this Request for Proposals. She said the proposals were evaluated by a

committee consisting of representative from the TA, JPB, the San Mateo County Transit District, the Santa Clara Valley Transportation Authority, the San Francisco Municipal Transportation Agency, and C/CAG. She said the top scoring firm was Holland & Knight, LLP.

A motion (Horsley/Matsumoto) to award a contract to Holland & Knight, LLP was approved.

PROGRAM

Update on State and Federal Legislative Program

State

Director, Government and Community Affairs Seamus Murphy, said the Legislature convenes on January 7. He said the governor's budget will come out on January 10. He does not expect any issues in the budget since Proposition 1A was approved providing the state with revenue enhancements. The deadline for the introduction of legislation is February 22.

He said two key items that will be part of the TA's Legislative Program have already been introduced. One is the 55 percent vote threshold for sales tax measures for transportation projects. Since one party makes up two-thirds of both houses of the Legislature, this item has a higher probability of passing. The other bill is the reauthorization of the Carl Moyer Air Quality Program, which is an important part of the Caltrain Modernization funding plan.

Mr. Murphy said some committee chairs have been named. Senator Jim Beall, D-San Jose, will chair the Transportation Budget Subcommittee and Senator Mark DeSaulnier, D-Walnut Creek, will chair the Transportation and Housing Committee.

Assemblymember Rich Gordon, D-Menlo Park, is no longer chairing the Budget Subcommittee on Transportation but is still on the committee. He was very helpful to the TA as chair. Assemblymember Tom Ammiano, D-San Francisco, will be a member of the Transportation Committee. The chair is Bonnie Lowenthal, D-Long Beach.

Federal

The 113th Congress was sworn in on January 3, 2013. Legislation was passed to avoid the fiscal cliff, delaying spending cuts by a couple of months. The spending cuts do not affect any of the transportation formula funding but they do affect some of the discretionary programs such as the New Starts Program.

He said the big news on the transit front is the restoration of parity between the transit and parking pretax commuter benefits. They are both restored to \$240 a month, but only through 2013. Having parity helps the TA with its goal of fewer single-occupant vehicles on the road.

He said the alternative fuel tax credit was extended through the end of the year and is retroactive to the beginning of 2012.

Director Nagel asked if the pretax benefit is effective now. Mr. Murphy said it is effective now and it is retroactive to the beginning of 2012, but there are some administrative challenges in getting those retroactive benefits out.

Chair Groom said she read that there could be some changes in the Assembly and the Senate that could change the balance of the majority because some members are running for Congress. Mr. Murphy said it is too early to know what the outcome will be.

Program Report: Railroad Grade Separations (San Bruno)

Deputy CEO Chuck Harvey reported:

- Project goal is to improve safety by eliminating conflicts between trains and vehicular traffic at three at-grade crossings between Interstate 380 and San Felipe Avenue.
- The project will separate the grades by elevating the track, depressing the roadways at Angus, San Mateo, and San Bruno avenues, and constructing three pedestrian-only underpasses.
- The work consists of two construction projects: construction of a box culvert, completed in October 2010; and construction of the grade separation, estimated to be completed by the end of 2013.
- The project cost is \$147 million, which includes \$111.4 million in Measure A funds.
- A bypass is being constructed over the Bay Area Rapid Transit (BART) facility using tie-backs that help to restrain the bypass during seismic activities.
- Mechanically Stabilized Earth (MSE) panels were set in place, then lightweight concrete was laid, and straps made of bars were set in layers throughout the lightweight.
- Once the south end of the system is complete, which should be by 2013 summer, the train service will be moved up onto the grade separation, then the shoofly tracks will be torn out and the second half of the station will be built. Until that time, the temporary station will continue to be used.
- The area currently being used as a shoofly and for construction trailers will eventually be converted into a parking lot.
- Outreach was done to keep the community informed of the progress and status of the program including weekly construction updates, weekly constituent contact reports to city staff, and construction notices.

Photos of the project were shown.

Director Matsumoto asked how bicycles will access the station. Mr. Harvey said there are ramps that are in compliance with the Americans with Disabilities Act requirements.

Director Nagel asked if the project is on schedule and budget. Mr. Harvey said the project is 257 days behind schedule with a new expected completion date of the end of 2013. He said he does not believe the project will go much over budget.

Capital Projects Quarterly Status Report – 1st Quarter Fiscal Year 2013

Director, Transportation Authority Program Joe Hurley said there are two changes from the previous quarterly report. Both are on the Streets and Highway Program schedule section. The Calera Parkway Project schedule has been delayed because of the

volume and complexity of comments received on the environmental document. The replacement of the San Pedro Creek Bridge on Route 1 has been delayed due to the addition to the project scope of widening of the creek.

Director Horsley asked what the problems were with the San Pedro Creek Project. Mr. Hurley said this project requires many permits. He said the California Coastal Commission imposed the widening of the creek as a condition of the permit for this project.

Director Patridge asked if there are timeline limits to the habitat. Mr. Hurley said there will be restrictions when the channel can be accessed because of the migration of steelhead.

REQUESTS FROM THE AUTHORITY

Director Matsumoto said on December 31, the South San Francisco City Council appointed Doctor Pradeep Gupta to take Assemblyman Kevin Mullen's seat. Doctor Gupta will have a one-year term and will be up for reelection this fall.

Director Nagel said it would be good for cities to activate their emergency alert networks when major accidents occur on the freeways or when there are major delays on public transit.

Director Nagel asked if the Board would be interested in a presentation on financial safeguards, fiscal mismanagement, embezzlements, fraud, insurance, cash handling, government credit cards, and other topics.

Mr. Scanlon said if the Board would like that presentation staff could come up with something. Chair Groom said when staff has time to put it together then to schedule it.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

Chair Groom said since Sepi Richardson has resigned, the City Selection Committee will be notified and in due time the TA will have a new Board member.

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT MEETING

February 7, 2013 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

Meeting adjourned at 6:18 p.m. in memory of Mike Nevin.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDING DECEMBER 31, 2012**

ACTION

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2012 and supplemental information.

SIGNIFICANCE

Revenues: Year-to-date *Total Revenue* (\$41,601,604 - line 7) is **better** than staff projections by \$5,806,668 or 16.2 percent. *Grant Proceeds* (\$2,077,049 - line 5) is \$1,974,383 or 1,923.1 percent **better** than staff projections due to a portion of the \$4.2 million in State Transportation Improvement Program (STIP) funds for the Broadway Interchange project that were originally budgeted in Fiscal Year 2011.

Total Revenue (\$41,601,604 - line 7) is \$4,704,305 or 12.7 percent **better** than prior year performance. *Sales Tax* (\$35,969,127 - line 1) which is \$2,492,729 or 7.4 percent **better** than prior year is offset by *Interest Income* (\$2,019,990 - line 2) which is \$309,224 or 13.3 percent **worse**.

Expenditures: *Total Administrative* (\$319,765 - line 22) is **better** than staff projections by \$84,332 or 20.9 percent and also **better** than prior year actual by \$107,147 or 25.1 percent. Within total administrative, *Staff Support* (\$212,134 - line 18) is \$53,462 or 20.1 percent **better** than staff projections.

Budget Amendment: There are no budget revisions for the month of December 2012.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2013
December 2012

% OF YEAR ELAPSED: **50.0%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	STAFF PROJECTION	% OF PROJ	ADOPTED BUDGET*	STAFF PROJECTION**	% OF PROJ
REVENUES:								
1 Sales Tax	9,254,727	33,476,398	35,969,127	33,265,800	108.1%	65,000,000	65,000,000	51.2%
2 Interest Income	540,355	2,329,214	2,019,990	1,868,410	108.1%	4,022,150	4,022,150	46.5%
3 Miscellaneous Income	0	0	971,712 (A)	0	0.0%	0	0	0.0%
4 Rental Income	94,248	551,145	563,726	558,060	101.0%	1,116,180	1,116,180	50.0%
5 Grant Proceeds	290,387	540,542	2,077,049 (B)	102,666	2023.1%	0	308,000	674.4%
6								
7 TOTAL REVENUE	10,179,718	36,897,299	41,601,604	35,794,936	116.2%	70,138,330	70,446,330	59.1%
8								
EXPENDITURES:								
11 Annual Allocations	3,377,975	12,910,334	13,128,731	12,142,016	108.1%	23,725,000	23,725,000	55.3%
13 Program Expenditures	2,975,508	11,456,505	15,035,950	37,705,736	39.9%	73,175,646	76,544,646	19.6%
15 Oversight	107,872	222,311	200,608	242,500	82.7%	485,000	485,000	41.4%
16								
17 Administrative								
18 Staff Support	48,149	266,038	212,134	265,596	79.9%	634,125	634,125	33.5%
19 Measure A Info-Others	-	982	-	-	0.0%	16,500	16,500	0.0%
20 Other Admin Expenses	15,556	159,892	107,631	138,501	77.7%	333,959	333,959	32.2%
21								
22 Total Administrative	63,704	426,912	319,765	404,097	79.1%	984,584	984,584	32.5%
23								
24 TOTAL EXPENDITURES	6,525,059	25,016,062	28,685,054 (1)	50,494,349	56.8%	98,370,230	101,739,230	28.2%
25								
26 EXCESS (DEFICIT)	3,654,658	11,881,238	12,916,550	(14,699,413)		(28,231,900)	(31,292,900)	
27								
28 BEGINNING FUND BALANCE	Not Applicable	421,881,503	441,581,025	422,021,139		422,021,139	422,021,139	
29								
30 ENDING FUND BALANCE	Not Applicable	433,762,741	454,497,575 (2)	407,321,726		393,789,239	390,728,239	

33 Includes the following balances:

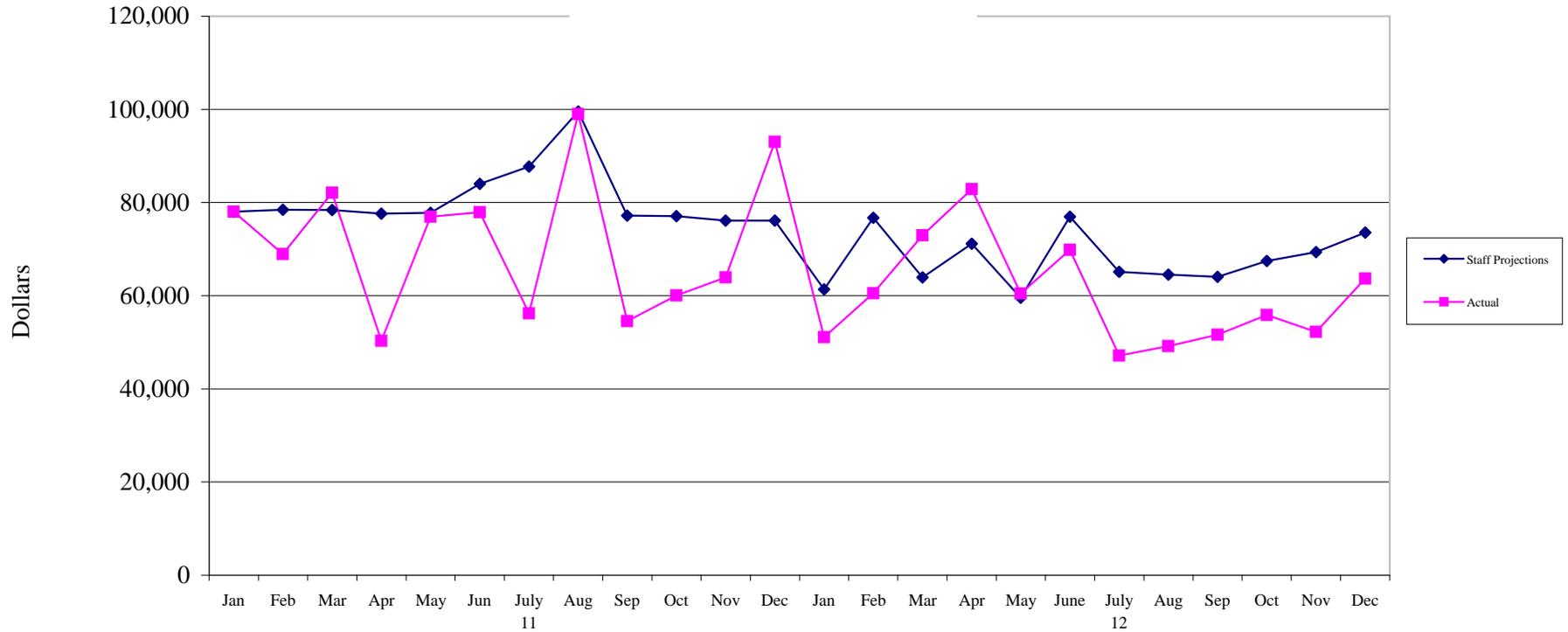
34 Cash and Liquid Investments	5,615,159	FY 2012 Carryover of Commitments	303,355,309
35 Current Committed Fund Balance	376,409,485 (3)	FY 2013 Additional Commitments (Budgeted)	98,370,230
36 Undesignated Cash & Net Receivable	<u>72,472,931</u>	Reso # 2012-18	308,000
37 Total	<u>454,497,575 (2)</u>	Reso # 2012-19	3,000,000
		Reso # 2012-23	61,000
		Less: Current YTD expenditures	<u>(28,685,054) (1)</u>
		Current Committed Fund Balance	<u>376,409,485 (3)</u>

42 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress
 43 against the annual budget. When comparing it to the amounts shown in the
 44 "% of PROJECT" column, please note that individual line items reflect variations
 45 due to seasonal activities during the year.

47 * The TA Adopted Budget is the Board adopted budget effective June 7, 2012.
 48 ** The TA Staff Projection is the adopted budget including year to date budget transfers.

50 (A) Unbudgeted recovery payout from Lehman Brothers bankruptcy.
 51 (B) Actual Grant Proceeds include a portion of the \$4.2 million in State
 52 Transportation Improvement Program (STIP) funds for the Broadway
 53 Interchange project that were originally budgeted in Fiscal Year 2011.

SMCTA Administrative Expenses



Current Year Data

	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
MONTHLY EXPENSES												
Staff Projections	65,111	64,548	64,047	67,471	69,366	73,559	0	0	0	0	0	0
Actual	47,161	49,198	51,630	55,868	52,203	63,705	0	0	0	0	0	0
CUMULATIVE EXPENSES												
Staff Projections	65,111	129,659	193,707	261,177	330,543	404,102						
Actual	47,161	96,359	147,989	203,857	256,060	319,765						
Variance-F(U)	17,950	33,300	45,718	57,320	74,483	84,337	0	0	0	0	0	0
Variance %	27.57%	25.68%	23.60%	21.95%	22.53%	20.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



BOARD OF DIRECTORS 2012

CAROLE GROOM, CHAIR
 KARYL MATSUMOTO, VICE CHAIR
 ROSANNE FOUST
 DON HORSLEY
 TERRY NAGEL
 NAOMI PATRIDGE
 SEPI RICHARDSON

MICHAEL J. SCANLON
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER, 2012

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #3	*	Liquid Cash	0.850%	\$ 268,073,798	\$ 268,073,798
Local Agency Investment Fund	**	Liquid Cash	0.326%	\$ 21,529,014	\$ 21,529,014
Investment Portfolio	***	Liquid Cash	1.216%	\$ 150,459,836	\$ 151,178,216
Other		Liquid Cash	0.000%	\$ 5,615,159	\$ 5,615,159
				<u>\$ 445,677,808</u>	<u>\$ 446,396,188</u>

Accrued Earnings for December 2012 \$ 355,853.61
 Cumulative Earnings FY2013 \$ 2,047,294.35

* County Pool average yield for the month ending December 31, 2012 was 0.850%. As of December 2012, the amortized cost of the Total Pool was \$2,978,184,692.82 and the fair market value per San Mateo County Treasurer's Office was \$2,989,261,685.35.

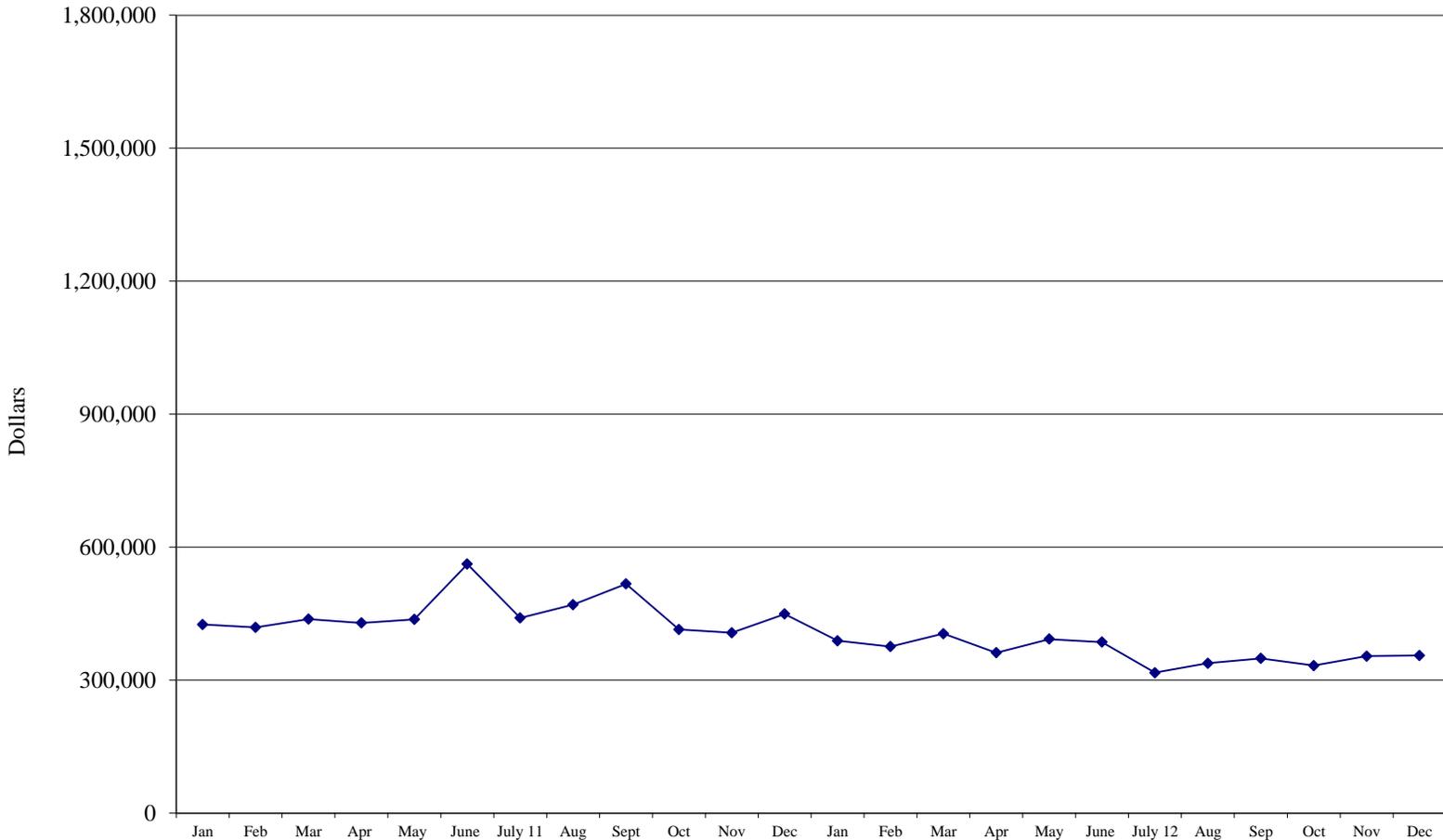
** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30 each fiscal year.

*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST STATEMENT
DECEMBER 2012**

FY2013	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	316,822.41	316,822.41
AUGUST	338,213.28	655,035.69
SEPTEMBER	349,362.10	1,004,397.79
OCTOBER	332,798.20	1,337,195.99
NOVEMBER	354,244.74	1,691,440.73
DECEMBER	355,853.61	2,047,294.34
JANUARY		
FEBRUARY		
MARCH		
APRIL		
MAY		
JUNE		

SMCTA Interest Income



* Paratransit interest no longer displayed as corpus has been transferred to SamTrans.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
December 31, 2012

DESCRIPTION	TOTAL INVESTMENT 12-31-12	INTEREST RECEIVABLE 11-30-12	INTEREST EARNED 12-31-12	INTEREST RECEIVED 12-31-12	ADJ.	INTEREST RECEIVABLE 12-31-12
LAIF	21,529,014.36	16,342.86	7,148.77			23,491.63
COUNTY POOL	268,073,797.62	362,111.43	191,676.83			553,788.26
BANK OF AMERICA	5,615,159.48	0.00	0.00			0.00
INVESTMENT PORTFOLIO	<u>150,459,836.25</u>	<u>362,492.35</u>	<u>156,439.44</u>	<u>39,234.00</u>	<u>588.57</u>	<u>480,286.36</u>
	<u><u>445,677,807.71</u></u>	<u><u>740,946.64</u></u>	<u><u>355,265.04</u></u>	<u><u>39,234.00</u></u>	<u><u>588.57</u></u>	<u><u>1,057,566.26</u></u>

DECEMBER 2012 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report 12/31/12	355,853.61
Add:	
Misc. Income - Lehman Brothers Recovery	
Less:	
Management Fees	(6,230.14)
Amortized Premium/Discount	(33,251.11)
Capital Gain(Loss)	<u>(7,636.36)</u>
Total Interest & Capital Gain(Loss)	<u><u>308,736.00</u></u>

YEAR TO DATE -- SUMMARY

Interest Earned	2,047,294.34
Add:	
Misc. Income - Lehman Brothers Recovery	971,712.29
Less:	
Management Fees	(18,474.83)
Amortized Premium/Discount	(231,619.10)
Capital Gain(Loss)	<u>(8,829.16)</u>
Total Interest	<u><u>2,760,083.54</u></u>
Balance Per Ledger as of 12/31/12	
Exp. Acct. 530011 - Amort Prem/Disc	(231,619.10)
Int Acct. 409100 - Co. Pool	1,040,307.67
Int Acct. 409100 - LAIF	45,197.26
Int Acct. 409100 - B of A	30.83
Int Acct. 409101 - Portfolio Funds	943,283.74
Misc. Income Acct. 405240 - Other Non-Transit	971,712.29
Gain(Loss) Acct. 405210	<u>(8,829.16)</u>
	<u><u>2,760,083.54</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INVESTMENT PORTFOLIO
December 31, 2012**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	GASB 31 ADJUSTED 6-30-12	MARKET VALUE 12-31-12	MATURITY DATE	INT RATE	RATE/DAY	APPL. DAYS	INTEREST REC'VBLE 11-30-12	INTEREST EARNED 12-31-12	INTEREST RECEIVED	ADJ.	INTEREST REC'VBLE 12-31-12	PAR VALUE
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>															
<u>U.S. TREASURY NOTES AND BONDS</u>															
US TREASURY NOTE	912828HQ6	07-29-09	15,462,500.00	15,233,850.00	15,032,850.00	01-31-13	2.875%	1,197.9167	30	144,140.63	35,937.50		390.62	180,468.75	15,000,000 10.28%
<u>U.S. GOVERNMENT AGENCIES</u>															
FHLMC	3134G3AC4	12-06-11	4,990,725.00	5,001,000.00	5,000,050.00	12-06-13	0.600%	83.3333	5	14,583.33	416.67	15,000.00		0.00	5,000,000
FHLM	3137EACR8	02-08-11	18,901,470.00	19,319,960.00	19,255,360.00	02-25-14	1.375%	725.6944	30	69,666.67	21,770.83			91,437.50	19,000,000
FHLM	3137EACB3	03-30-11	13,932,270.00	14,025,825.00	13,906,755.00	04-23-14	2.500%	937.5000	30	35,625.00	28,125.00			63,750.00	13,500,000
FNMA	3135GOLX9	6-28-12	3,000,900.00	3,003,870.00	3,000,960.00	06-26-15	0.700%	58.3333	27	9,041.67	1,575.00	10,500.00	(116.67)	0.00	3,000,000
FHLMC	3134G3SD3	03-28-12	9,996,000.00	10,052,200.00	10,063,300.00	09-28-15	0.750%	208.3333	30	13,125.00	6,250.00			19,375.00	10,000,000
FNMA	3136G0EJ6	05-03-12	9,996,875.00	10,019,400.00	10,020,900.00	10-30-15	0.750%	208.3333	30	6,458.33	6,250.00			12,708.33	10,000,000
FHLMC	3134G3UV0	05-23-12	5,000,000.00	5,001,550.00	5,009,700.00	11-23-15	0.750%	104.1667	30	833.33	3,125.00			3,958.33	5,000,000
FNMA	3135GOLM3	05-25-12	14,995,500.00	14,997,900.00	15,029,250.00	11-24-15	0.750%	312.5000	30	2,187.50	9,375.00			11,562.50	15,000,000
FNMA	3135G0LT8	06-22-12	3,999,400.00	4,001,560.00	4,008,280.00	11-01-15	0.750%	83.3333	31	622.22	2,583.33		83.34	3,288.89	4,000,000
FHLMC	3134G3Y20	12-28-12	6,000,600.00	6,007,560.00	6,007,560.00	11-27-15	0.500%	83.3333	3	2,583.33	250.00			2,833.33	6,000,000
FNMA	3135G0RX3	12-07-12	20,015,000.00	20,019,800.00	20,019,800.00	11-27-15	0.500%	277.7778	24	2,777.78	6,666.67		(0.01)	9,444.44	20,000,000
FNMA	3135G0MB6	06-28-12	2,999,250.00	2,999,460.00	3,001,110.00	12-28-15	0.750%	62.5000	27	9,562.50	1,687.50	11,250.00		0.00	3,000,000
FHLMC	3134G3SE1	03-21-12	12,007,500.00	12,064,200.00	12,091,200.00	03-21-16	1.000%	333.3333	30	23,333.33	10,000.00			33,333.33	12,000,000
FNMA	3135GOKA0	05-03-12	10,030,700.00	10,043,400.00	10,028,300.00	04-26-16	1.125%	312.5000	30	10,937.50	9,375.00			20,312.50	10,000,000 84.22%
<u>U.S. TREASURY INFLATION PROTECTED SECURITIES</u>															
US INFLATION INDEXED	912828KM1	01-21-10	10,122,021.25	10,662,069.77	10,704,961.37	04-15-14	1.250%	360.5448	30	16,765.83	10,816.34		231.29	27,813.46	10,383,690 6.45%
<u>COLLATERIZED MORTGAGE OBLIGATIONS</u>															
FHLB SERIES 00-0606 Y	3133XE5D7	11-21-08	0.00	0.00	0.00	12-28-12	5.270%	82.8001	27	248.40	2,235.60	2,484.00		0.00	0 0.00%
		Jun. 13													
FHLMC	3134G3AC4	12-06-11	(4,990,725.00)	(5,001,000.00)	(5,000,050.00)										(5,000,000)
FNMA	3135GOLX9	6-28-12	(3,000,900.00)	(3,003,870.00)	(3,000,960.00)										(3,000,000)
FNMA	3135G0MB6	06-28-12	(2,999,250.00)	(2,999,460.00)	(3,001,110.00)										(3,000,000)
FHLB SERIES 00-0606 Y	3133XE5D7	11-21-08	0.00	0.00	0.00										0
TOTAL			150,459,836.25	151,449,274.77	151,178,216.37					362,492.35	156,439.44	39,234.00	588.57	480,286.36	149,883,691.01

11-Jan-13

Weighted Average Interest Rate 1.2155%

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2012 & FY2013
 DECEMBER 2012

1/11/13 1:26 PM

Approved Budget		Receipts		Over/(Under)	Current																				
Date	Amount	Date	Amount	Budget/Projection	Projection																				
FY2012:																									
1st Quarter	15,680,000	1st Quarter	17,044,298	1,364,298	17,044,298																				
2nd Quarter	16,562,400	2nd Quarter	18,016,949	1,454,549	18,016,949																				
3rd Quarter	14,812,600	3rd Quarter	16,477,299	1,664,699	16,477,299																				
4th Quarter	15,945,000	4th Quarter	17,937,211	1,992,211	17,937,211																				
FY2012 Total	63,000,000	FY2012 Total	69,475,757	6,475,757	69,475,757																				
FY2013:																									
Jul. 12	4,360,900	Sep. 12	4,903,100	542,200	4,903,100																				
Aug. 12	4,360,900	Oct. 12	5,242,800	881,900	5,242,800																				
Sep. 12	5,810,000	Nov. 12	6,537,500	727,500	6,537,500																				
1st Qtr. Adjustment	1,650,000	Dec. 12	2,172,590	522,590	2,172,590																				
3 Months Total	16,181,800		18,855,990	2,674,190	18,855,990																				
Oct. 12	4,507,000	Dec. 12	5,197,400	690,400	5,197,400																				
Nov. 12	4,507,000	Jan. 13		690,400	5,197,400																				
Dec. 12	6,330,000	Feb. 13			6,330,000																				
2nd Qtr. Adjustment	1,740,000	Mar. 13		(1,351,663)	388,337																				
6 Months Total	33,265,800		24,053,390	2,703,327	35,969,127																				
Jan. 13	4,092,500	Mar. 13			4,092,500																				
Feb. 13	4,092,500	Apr. 13			4,092,500																				
Mar. 13	5,580,800	May 13			5,580,800																				
3rd Qtr. Adjustment	1,516,400	Jun. 13		(1,351,663)	164,737																				
9 Months Total	48,548,000		24,053,390	1,351,663	49,899,663																				
Apr. 13	4,442,000	Jun. 13			4,442,000																				
May 13	4,442,000	Jul. 13			4,442,000																				
Jun. 13	5,923,000	Aug. 13			5,923,000																				
4th Qtr. Adjustment	1,645,000	Sep. 13		(1,351,663)	293,337																				
FY2013 Total	65,000,000	FY2013 Total	24,053,390	-	65,000,000																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 15%; text-align: right;">18,855,990</td> <td style="width: 65%;">1st Quarter</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">17,113,137</td> <td>2nd Quarter</td> <td></td> </tr> <tr> <td></td> <td></td> <td>3rd Quarter</td> <td></td> </tr> <tr> <td></td> <td></td> <td>4th Quarter</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>35,969,127</u></td> <td colspan="2" style="text-align: center;">YTD Actual Per Statement of Revenue & Expenses</td> </tr> </table>							18,855,990	1st Quarter			17,113,137	2nd Quarter				3rd Quarter				4th Quarter			<u>35,969,127</u>	YTD Actual Per Statement of Revenue & Expenses	
	18,855,990	1st Quarter																							
	17,113,137	2nd Quarter																							
		3rd Quarter																							
		4th Quarter																							
	<u>35,969,127</u>	YTD Actual Per Statement of Revenue & Expenses																							

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF DECEMBER 31, 2012

	<u>12/31/2012</u>
Cash -- Bank of America Checking Account	\$ 5,615,159.48
LAIF	21,529,014.36
County Pool	268,073,797.62
Investment Portfolio	150,459,836.25
	<hr/>
Total	<u><u>445,677,807.71</u></u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN -- DECEMBER 2012

Unit	Reference	Name	Date	Sum Amount	Method	Description
SMCTA	000802	PENINSULA CORRIDOR JOINT POWERS BOARD	12/28/2012	850,764.30	WIR	Capital Programs
SMCTA	003368	FEHR & PEERS	12/3/2012	14,617.36	CHK	Consultant
SMCTA	003369	GOVERNMENT FINANCE OFFICERS ASSN	12/3/2012	505.00	CHK	Printing and Information Svcs
SMCTA	003370	HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY	12/3/2012	12,519.00	CHK	Legal Services
SMCTA	003371	PENINSULA TRAFFIC CONGESTION RELIEF	12/3/2012	343,125.67	CHK	Other Contract Services
SMCTA	003372	URS CORPORATION	12/3/2012	354,098.85	CHK	Capital Programs
SMCTA	003373	ATKINS NORTH AMERICA, INC	12/10/2012	119,191.61	CHK	Consultant
SMCTA	003374	HOLLAND & KNIGHT LLP	12/10/2012	5,000.00	CHK	Legislative Advocate
SMCTA	003375	ADMARK PROMOTIONAL MARKETING	12/17/2012	272.14	CHK	Promotional Advertising
SMCTA	003376	CARDONA, GARY A.	12/17/2012	19.98	CHK	Business Travel
SMCTA	003377	GREEN CARPET LANDSCAPING	12/17/2012	580.00	CHK	Grounds Maintenance Service
SMCTA	003378	JACOBS ENGINEERING GROUP, INC.	12/17/2012	147.77	CHK	Consultant
SMCTA	003379	ATKINS NORTH AMERICA, INC	12/26/2012	51,304.77	CHK	Consultant
SMCTA	003380	BIANCHINI'S MARKET	12/26/2012	337.20	CHK	Miscellaneous
SMCTA	003381	FEHR & PEERS	12/26/2012	230.81	CHK	Consultant
SMCTA	003382	JACOBS ENGINEERING GROUP, INC.	12/26/2012	2,112.69	CHK	Consultant
SMCTA	003383	RAJAPPAN & MEYER CONSULTING	12/26/2012	883.58	CHK	Capital Programs
SMCTA	003384	RAJAPPAN & MEYER CONSULTING	12/28/2012	1,170.00	CHK	Capital Programs
SMCTA	003385	SHAW/YODER & ANTWIH, INC.	12/28/2012	3,795.00	CHK	Legislative Advocate

\$1,760,675.73

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 9, 2013**

The Community Relations Committee and Board

Jeff Gee representing City Selection Committee-Southern, was sworn in.

Accessibility Coordinator Tina Dubost reported MV Transportation has always had a strong emphasis on safety. They have a new internal Safety Contest and all operators who go 90 days without an accident are entered into a raffle to receive a cash prize.

Paratransit Coordinating Council (PCC) Chair Mike Levinson reported:

- The MV Transportation appreciation party will be February 12.
- The Consumer Corps Process is a group of "secret" riders who submit a trip report after each ride. The PCC has recently modified the form to incorporate the night-before calls, taxi service and an area for noting if the customer was from RediCoast.

Citizens Advisory Committee Chair Peter Ratto reported the January 2 meeting was cancelled because there was no quorum.

Deputy CEO Chuck Harvey presented the Mobility Management Report: Fixed-route Bus Service (attached).

Average weekday ridership for all modes for November 2012 compared to November 2011 was 100,925, an increase of 4.8 percent.

The Finance Committee and Board

The Board:

- Approved the Statement of Revenues and Expenses for November 2012.
- Authorized the Amendment of Fiscal Year 2013 Operating Budget in the Amount of \$299,554 for a Total Budget of \$132,107,471.
- Authorized the Disposition of Two Surplus Vehicles.
- Authorized Exercising Option with Gillig, LLC for the Purchase and Delivery of 62 New Heavy-duty Buses for a Total Estimated Cost of \$32,284,040.
- Authorized the Award of Contract to Seven Island Painting, Inc. to Provide Painting and Related Services for a Total Estimated Cost of \$200,880 for a Three-year Base Term.
- Authorized the Award of Contract to Holland & Knight, LLP to Provide Federal Legislative Advocacy Services for a Firm-fixed Price of \$240,000 for a Five-year Term.

The Legislative Committee and Board

The Legislature convened on January 7 and the governor is releasing his budget on January 10. The deadline for submitting legislation is February 22. Staff has expressed an interest in seeing the reduction for approval of sales tax measures for transportation improvements and services from two-thirds to 55 percent and the extension and

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 9, 2013**

reauthorization of the Carl Moyer Program which is part of the Caltrain Modernization Program funding passed.

Senator Jim Beal, D-San Jose, will chair the Transportation Budget Subcommittee and Senator Mark DeSaulnier, D-Walnut Creek, will chair the Transportation and Housing Committee. Assemblyman Tom Ammiano, D-San Francisco, will be a member of the Transportation Committee. Senator Jerry Hill, D-San Mateo, was named Democratic Party Caucus Chair.

Federal

The big news was avoiding the fiscal cliff and it delayed some cuts. The main cuts that would have affected transportation were to the New Starts Program. People were surprised to see two things in the bill itself. One is the restoration of parity to transit and pre-tax benefits, which was extended through the end of the year, and the other is the extension of the alternative fuel tax credit through the end of the year.

Planning, Development and Sustainability and Board

- Received an update on the SamTrans Service Plan (SSP) and Federal Transit Administration (FTA) Title VI requirements. The SSP is an in-depth study of the SamTrans fixed-route bus system, which covers San Mateo County and parts of Palo Alto and San Francisco. The Title VI requirements, which have been updated recently by the FTA, now require the public transportation's governing board to approve system-wide service standards and policies before March 31, 2013.
- Received an update on the preliminary SamTrans Transit Sustainability Project (TSP) Strategic Plan. The Metropolitan Transportation Commission created the TSP in 2010 to address operating and capital shortfalls experienced by the various transit operators in the nine-county San Francisco Bay Area. The purpose of the TSP is to help improve transit performance and to attract more customers to the transit systems. The final Plan will be presented for approval at the February 13 meeting.

Board of Directors

Election of officers for 2013 was postponed to the February 13 meeting.

Rose Guilbault and Shirley Harris (public members) were re-elected and will be sworn in at the February meeting.

General Manager/CEO Michael Scanlon reported:

- It has been decided to move the Board meeting to the first Wednesday of each month starting in April. Staff will bring an action item to the February meeting for Board approval.
- Staff continues to work on logistics for the Devil's Slide Tunnel.

**Summary of San Mateo County Transit District's
Committee and Board of Directors Meeting of
January 9, 2013**

- SamTrans, Caltrain and MV Transportation staff, participated in a field emergency exercise on December 15. There was outstanding support from all the first responders, transit police, the county, Redwood City Fire Department, the Federal Railroad Administration and the California Public Utilities Commission. The exercise started with classroom instruction followed by hands-on activities in the field.
- MV Transportation recently had their quarterly maintenance audit and they are in full compliance with the District's Preventative Maintenance Program and no vehicles were removed from service due to safety problems.
- The scheduling department is working with the San Mateo County Transportation Authority to help the city of Belmont on a proposal for a shuttle to bring it to fruition.
- Runbook 110 is effective January 13. One change will move service off of Farralone Avenue in Montara.

The next meeting of the Board is scheduled for Wednesday, February 13, 2013 at 2 p.m.

The logo for samTrans, featuring the word "samTrans" in a bold, sans-serif font. The "a" and "m" are lowercase, while "T" and "r" are uppercase. Below the text are two horizontal bars: a red one on top and a blue one on the bottom.

Mobility Management: Fixed-route Bus Service

January 9, 2013

Fixed-route Bus Service

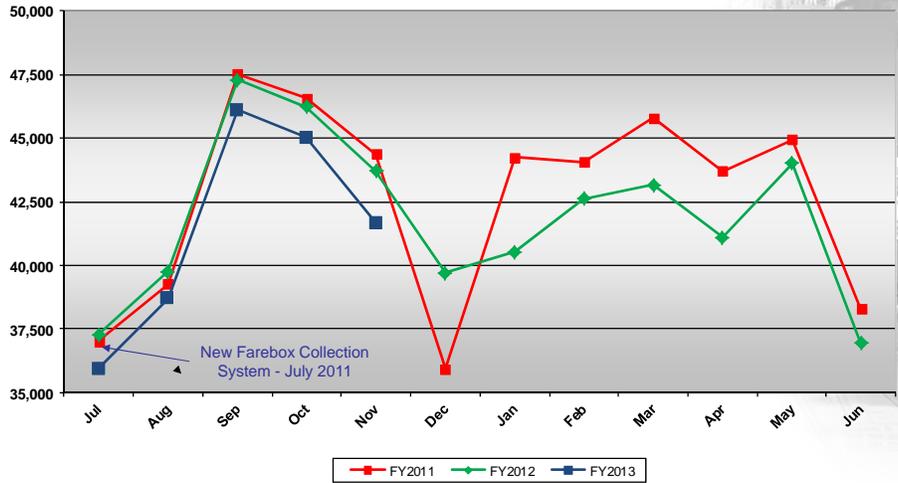
The logo for samTrans, featuring the word "samTrans" in a bold, sans-serif font. The "a" and "m" are lowercase, while "T" and "r" are uppercase. Below the text are two horizontal bars: a red one on top and a blue one on the bottom.

- Performance Statistics
- FY 2012 Service
- Emissions Reductions
- Human Capital Investment
- Summary



2

Average Weekday Ridership



3

ECR – November Service

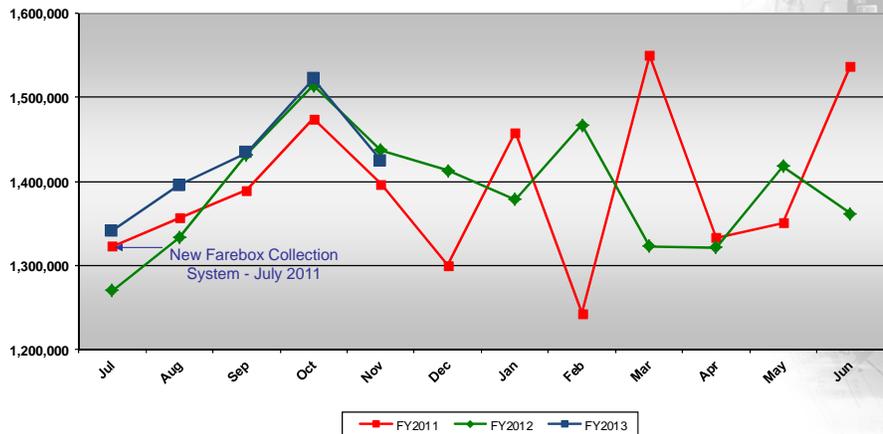


	<u>2011</u>	<u>2012</u>	<u>Change</u>	<u>%Change</u>
Ave. Saturday	7,464	7,582	118	1.6%
Ave. Sunday	6,015	6,661	647	10.7%
Ave. Holiday	3,677	4,230	553	15.0%
Total	57,589	61,201	3,612	6.3%



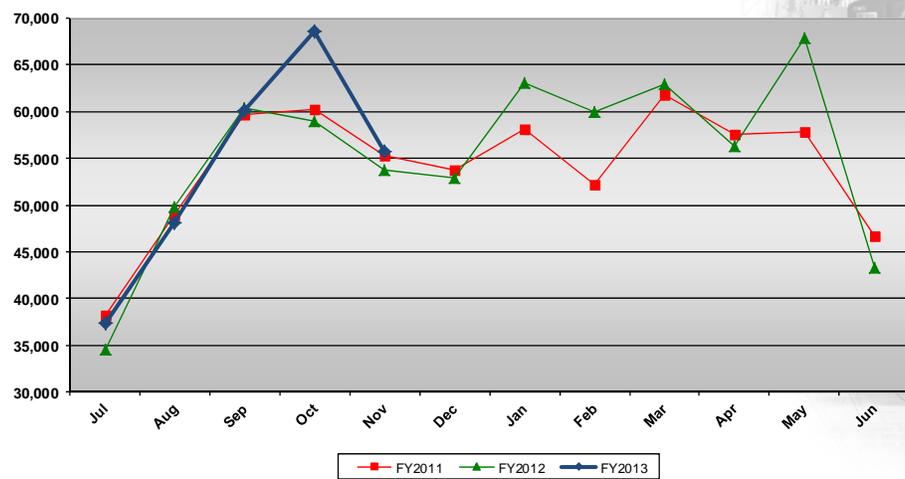
4

Monthly Farebox Revenue



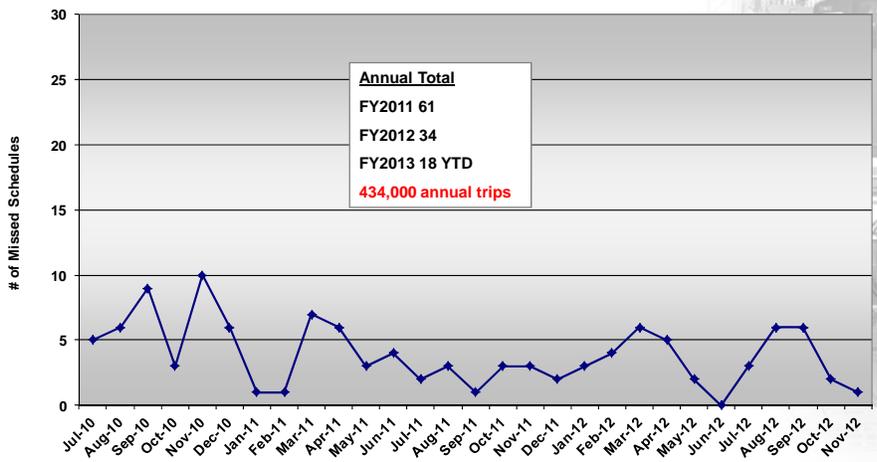
5

Token Usage

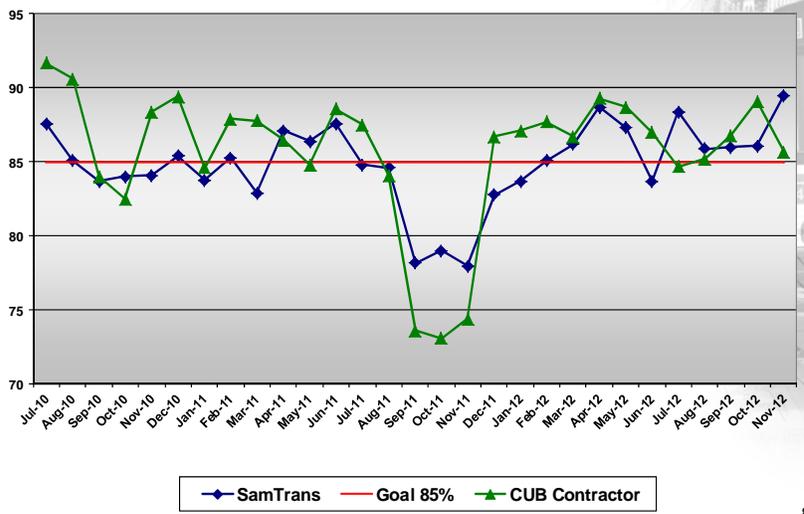


6

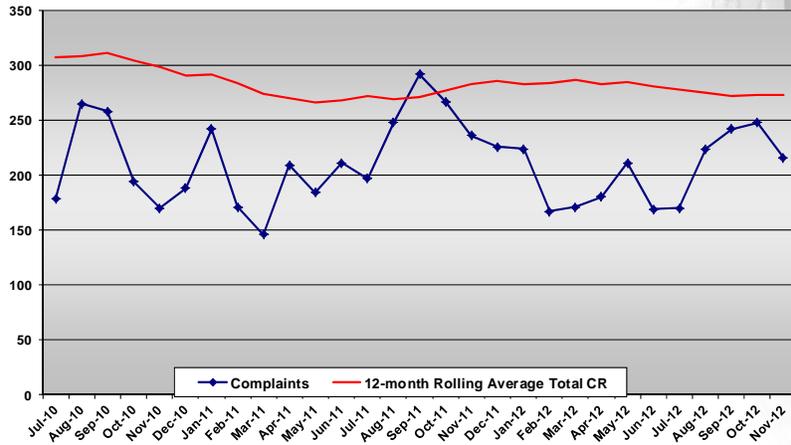
Missed Schedules



On-time Performance

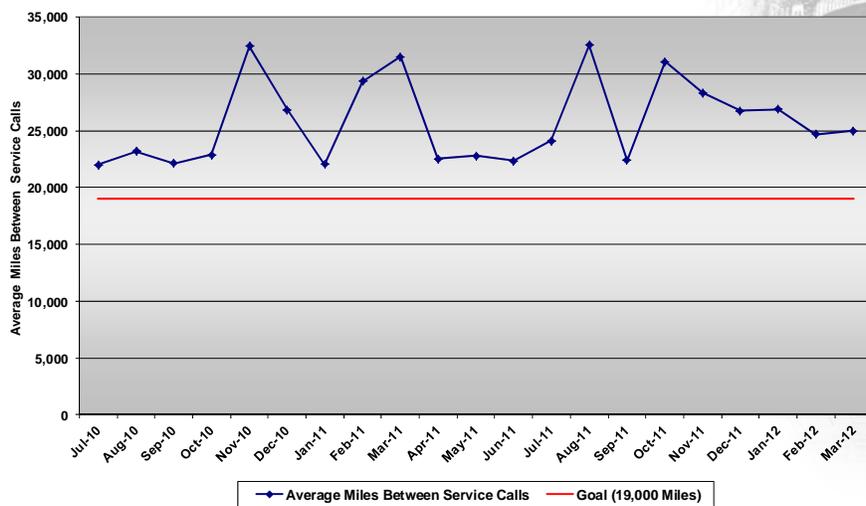


Consumer Reports



9

Fleet Reliability



10

FY 2012 Service

samTrans

	<u>Passenger Miles</u>	<u>Trips</u>	<u>Ave. Miles Per Trip</u>
SamTrans	42,828,847	9,960,197	4.3
CUB	19,082,911	2,687,734	7.1
Total	61,911,758	12,647,931	4.9



11

Emissions Reductions

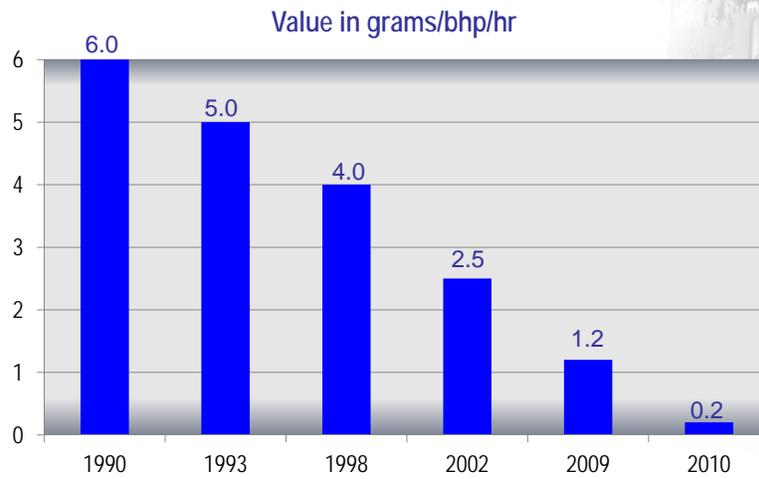
samTrans

- 2001 – District chose California Air Resources Board (CARB) diesel path for its fleet
- 2001 – Ultra low sulfur fuel (ULSF) standard in California
- 2002-2004 – ULSF fuel combined with advances in engine and exhaust after treatment significantly reduced emissions
- 2010 – Certified emissions levels for clean-diesel and Compressed Natural Gas (CNG) engines becomes identical

12

Diesel NOx Emissions Reductions

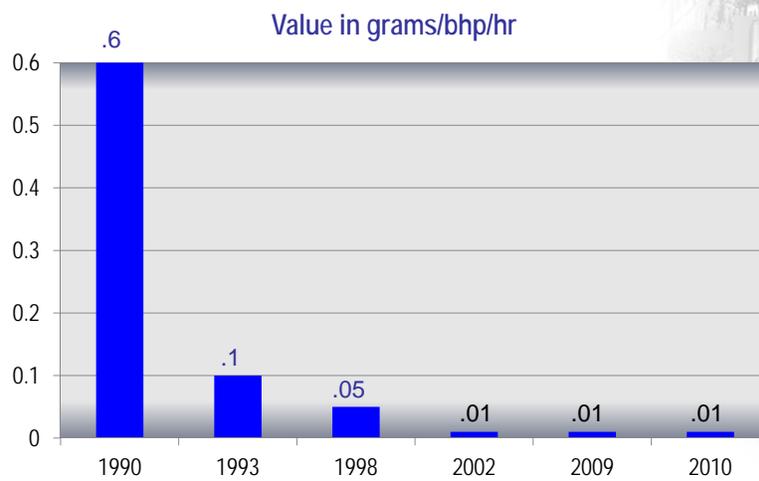
samTrans



13

Diesel PM Emissions Reductions

samTrans



14

Emission Reductions/Fuel

samTrans

- Replacing oldest fleet (62 -1998 Gillig) will reduce overall fleet emissions and save fuel - \$3.0 million over 12 years
- 25 of 62 new buses will be District's first diesel-electric hybrid drive models
 - Even lower emissions than standard clean diesel
 - Improved fuel economy compared to non-hybrid model
 - Hybrid buses funded by Federal Transit Administration State of Good Repair grant (SOGR)

15

Human Capital Investment

samTrans

<u>Hours</u>	<u>Training</u>
6,618	new Bus Operator
1,120	new Maintenance
192	new Bus Transportation Supervisor
3,848	DMV mandated
2,271	Bus Operator retraining
1,080	Professional Development
<u>4,198</u>	Maintenance
19,327	Total hours



16

Summary

samTrans

- Bus ridership lower than prior year, but trend may be changing for the better
- New weekend ECR Route is a success
- Monthly farebox revenue is up
- Missed schedules remains extremely low
- On-time performance has improved in recent months
- Consumer Reports and Complaints are low
- Fleet reliability is very high
- New bus purchase will continue to reduce emissions and increase efficiency
- Continuing Human Capital investments

17

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2012 – INFORMATIONAL ONLY**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

Maze and Associates conducted the annual audit of the financial statements for the year ended June 30, 2012 and determined that in their opinion the financial statements fairly represent the financial position for the period of July 1, 2011 to June 30, 2012.

The Comprehensive Annual Financial Report (CAFR) has three sections, the introductory, financial and statistical section. The financial section includes:

- 1) Independent Auditor's Report – this report was prepared by the independent auditors who rendered an unqualified opinion, which is the most favorable opinion an agency can receive in an audit. An unqualified opinion means that the financial statements are presented fairly and in accordance with generally accepted accounting principles.
- 2) Management's Discussion and Analysis – this section provides management's overview of the financial activities.
- 3) Basic Financial Statements – the basic financial statements include a statement of net assets, statement of activities, governmental fund balance sheet, governmental fund statement of revenues, expenditures and changes in fund balance and notes to the statements, which are essential to a full understanding of the data provided.
- 4) Required Supplementary Information – this includes the budgetary comparison for the Special Revenue Fund and the budgetary comparison for the Transportation System Management Fund.

Annually, the TA submits the Comprehensive Annual Financial Report to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. The TA has received an award for every year that the report was submitted.

The Fiscal Year 2012 Comprehensive Annual Financial Report is available online at <http://www.smcta.com/Finance/CAFR.html>.

Budget Impact

There is no impact on the budget.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: April Chan
Executive Officer, Planning and Development

SUBJECT: **AUTHORIZE THE FILING OF AN APPLICATION FOR SURFACE
TRANSPORTATION PROGRAM/CONGESTION MITIGATION AND AIR
QUALITY FUNDS FOR THE U.S. HIGHWAY 101/BROADWAY INTERCHANGE
RECONSTRUCTION PROJECT**

ACTION

Staff proposes the Board authorize the Executive Director, or his designee, to file an application with the Metropolitan Transportation Commission (MTC), and execute any necessary documents or agreements for the U.S. Highway 101/Broadway Interchange Reconstruction Project to receive \$3,613,000 in Federal Surface Transportation Program (STP)/Congestion Mitigation and Air Quality (CMAQ) funds.

SIGNIFICANCE

The proposed programming of STP/CMAQ funds, in an amount of \$3,613,000, will replace an equivalent amount of Measure A funds programmed and allocated to the U.S. Highway 101/Broadway Interchange Reconstruction Project.

BUDGET IMPACT

The programming of STP/CMAQ funds for this project would reduce the amount of New Measure A funds programmed and allocated to this project from \$36,000,000 to \$32,387,000.

BACKGROUND

At the October 4, 2012 meeting, the TA Board programmed and allocated \$36 million in New Measure A funds to the U.S. Highway 101/Broadway Interchange Reconstruction Project (Resolution No. 2012-17). The programming of the STP/CMAQ funds would replace an equivalent amount of Measure A funds for the project.

The award of a construction contract for the 101/Broadway Interchange Reconstruction Project is not anticipated to occur until early 2014. Prior to programming funds from its Federal grant programs, MTC requires all applicants to adopt resolutions of support ensuring that these projects can meet program funding and project delivery requirements.

Prepared By: Joel Slavitt, Manager, Grants and Fund Programming 650-508-6476

RESOLUTION NO. 2013 –

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA**

*** * ***

**AUTHORIZING THE FILING OF AN APPLICATION FOR FUNDING TO THE METROPOLITAN
TRANSPORTATION COMMISSION, IN THE AMOUNT OF \$3,613,000, AND COMMITTING ANY
NECESSARY MATCHING FUNDS AND STATING THE ASSURANCE TO COMPLETE THE
U.S. HIGHWAY 101/BROADWAY INTERCHANGE RECONSTRUCTION PROJECT**

WHEREAS, the San Mateo County Transportation Authority (Authority) is submitting an application to the Metropolitan Transportation Commission (MTC) for \$3,613,000 in funding assigned to MTC for programming discretion, including but not limited to Federal funding administered by the Federal Highway Administration (FHWA) such as Surface Transportation Program funding, Congestion Mitigation and Air Quality Improvement funding and/or Transportation Alternatives funding (herein collectively referred to as Regional Discretionary Funding) for the U.S. Highway 101/Broadway Interchange Reconstruction Project (herein referred to as Project) for the Federal One Bay Area Grant (OBAG) Program; and

WHEREAS, the Moving Ahead for Progress in the 21st Century Act (Public Law 112-141, July 6, 2012) and any extensions or successor legislation for continued funding (collectively, MAP 21) authorize various Federal funding programs including, but not limited to the Surface Transportation Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) and the Transportation Alternatives Program (TA) (23 U.S.C. § 213); and

WHEREAS, State statutes, including California Streets and Highways Codes 182.6 and 182.7 provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning

Agency (RTPA); and

WHEREAS, pursuant to MAP-21, and any regulations promulgated thereunder, eligible project sponsors wishing to receive Federal funds for a project shall submit an application first with the appropriate MPO for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of Federal funds; and

WHEREAS, the Authority is an eligible sponsor for Regional Discretionary Funding; and

WHEREAS, as part of the application for Regional Discretionary Funding, MTC requires a resolution adopted by the responsible implementing agency stating the following:

1. The commitment of any required matching funds; and
2. That the sponsor understands that the Regional Discretionary Funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional Regional Discretionary Funding; and
3. That the project will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
4. The assurance of the sponsor to complete the project as described in the application, and if approved, as included in MTC's Federal Transportation

Improvement Program (TIP); and

5. That the project will comply with all project-specific requirements as set forth in the Program.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority authorizes the Executive Director, or his designee, to execute and file an application for funding for the Project for Regional Discretionary Funding under MAP-21 for continued funding; and

BE IT FURTHER RESOLVED that the Authority, by adopting this resolution, does hereby state that:

1. It will provide any required matching funds; and
2. It understands that the Regional Discretionary Funding for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the Authority from other funds, and that the Authority does not expect any cost increases to be funded with additional Regional Discretionary Funding; and
3. It understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) and the Authority has, and will retain the expertise, knowledge and resources necessary to deliver Federally-funded transportation projects, and has assigned, and will maintain a single point of contact for all FHWA-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency, MTC, Caltrans and FHWA on all communications, inquires or issues that may arise during the Federal programming and delivery

process for all FHWA-funded transportation projects implemented by the Authority; and

4. The Project will be implemented as described in the complete application and in this resolution and, if approved, for the amount approved by MTC and programmed in the Federal TIP; and
5. The Authority and the Project will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the Program; and

BE IT FURTHER RESOLVED that:

1. The Authority is an eligible sponsor of Regional Discretionary Funding funded projects; and
2. That the Authority is authorized to submit an application for Regional Discretionary Funding for the Project; and
3. That there is no legal impediment to the Authority making applications for the funds; and
4. That there is no pending or threatened litigation that might in any way adversely affect the proposed Project, or the ability of the Authority to deliver such Project; and
5. That the Authority authorizes its Executive Director, or designee, to execute and file an application with MTC for Regional Discretionary Funding for the Project as referenced in this resolution; and
6. That a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and
7. That the MTC is requested to support the application for the Project

described in the resolution and to include the Project, if approved, in MTC's
Federal TIP; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is authorized
to take all other actions necessary to give effect to this resolution.

Regularly passed and adopted this 7th day of February 2013 by the following
vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET REVIEW AND
OUTLOOK**

ACTION

Staff recommends the Board accepts and enters into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2012.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on January 15, 2013 in order to meet the 30 day requirement.

BUDGET IMPACT

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

BACKGROUND

The TA is required by state law to submit quarterly reports within 30 days of the end of the quarter covered by the report to the Board of Directors. The report is required to include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on page 5 & 6. The schedule separates the investments into two groups: The Investment Portfolio which is managed by SunTrust Banks, doing business as CSI Capital a SunTrust Group (CSI); and Liquidity funds which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

CSI provides the TA a current market valuation of all the assets under its management for each quarter. The valuation is provided by FT Interactive Data, the major operating division of Interactive Data Corporation (IDC). IDC is a leading provider of global securities data. They offer one of the largest information databases with current and historical prices on securities traded in all major markets including daily evaluations for more than 2.5 million fixed income securities.

Due to the nature of securities which are bought and sold in a principal market, such as fixed income securities, multiple market values may exist for a given security at any given time. CSI has chosen IDC as an unbiased estimator of these prices based on their leading role as a provider of end of the day pricing, an evaluation of their methodology and the experience of their evaluation staff. Unfortunately, given the recent volatility in the markets, not every security is currently supported or accurately reflected by IDC. Therefore at the end of the quarter, CSI surveyed a number of Wall Street firms to get an accurate market value of the securities held in the TA's portfolio. These surveys reflect the levels at which someone is actually willing to purchase the securities held by the TA. In the case of money market instruments, which are not supported by IDC, CSI uses adjusted cost.

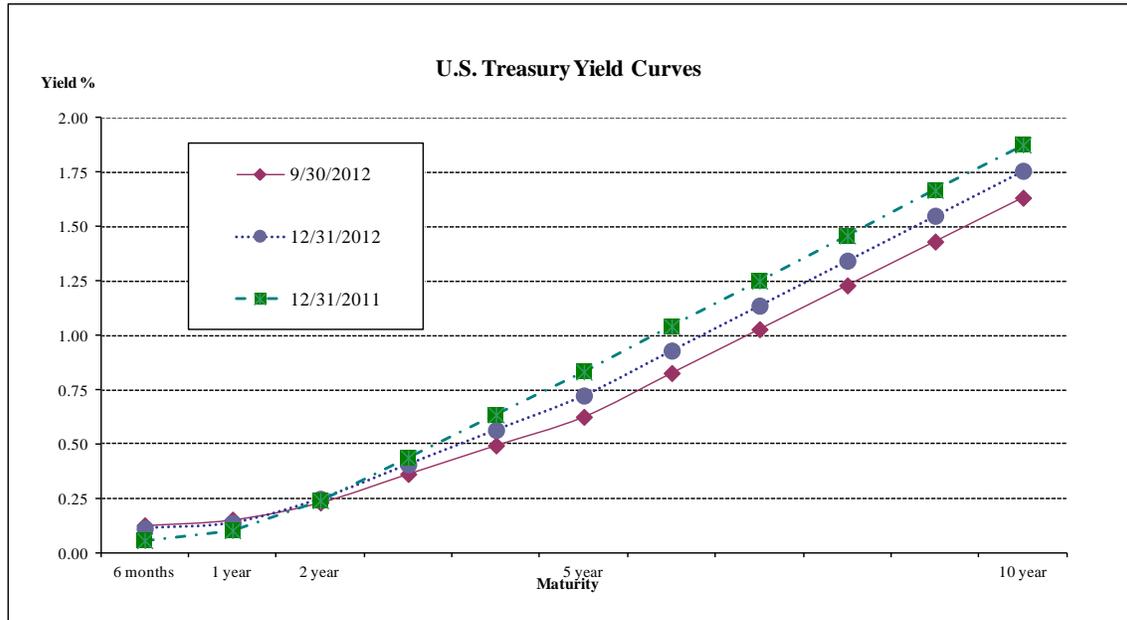
The Liquidity funds managed by TA staff are considered to be cash equivalents and therefore market value is considered to be equal to book value, (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share, book and market value are equal and rate of income is recalculated on a daily basis.

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The TA has the ability to meet its expenditure requirements for the next six months.

DISCUSSION

Market Review and Outlook

Interest rates rose modestly in the last quarter of the year as the markets turned their attention first to the election and then to the looming "Fiscal Cliff". Despite the uncertainty generated by a strongly divided Congress, consumers remained optimistic and the economy experienced solid although modest growth.



Data Source: Bloomberg Finance L.P.

Notable during the quarter were several announcements by the Federal Reserve (the Fed) regarding monetary policy. These included additional stimulative measures designed to keep interest rates artificially low and to increase the supply of money making its way through the economy. It remains to be seen how these measures will affect the economy. The Fed also shared with investors the levels of inflation and unemployment that might trigger a change in policy to raise interest rates. Many economists have interpreted these announcements as the Fed's recently skewed preference for lower levels of unemployment and a willingness to tolerate higher levels of inflation.

Looking forward, our policy makers have their work cut out for them over the next several months. While a last minute compromise on tax rates may have averted the country from going over the fiscal cliff, we are now headed for a fiscal wall. That wall is the upcoming debate on the country's debt ceiling and spending policy. The stakes here are exceptionally high. Under a worst case scenario, a failure to raise the debt ceiling could lead to a temporary shutdown of the government, a possible temporary default on US government debt and most certainly another ratings downgrade on U.S. Treasuries. While this scenario is highly unlikely, the exceptionally fractured state of our political system today is reason for continued caution.

If there is a silver lining in our current predicament, it is the sound economic fundamentals that exist for fostering continued growth. Recent improvements in the housing sector coupled with high profit margins and lower energy costs create a favorable backdrop for job growth and increased spending. Unfortunately, a first step to any sustained meaningful improvement in the economy is the removal of the uncertainty created by our current fiscal policy. The optimists among us recognize that the current wrangling over deficit reduction and the debt ceiling will likely be behind us by spring. The pessimists, however, are more concerned with how we get from here to there in the meantime.

Strategy

Over the foreseeable future CSI expects interest rates to remain flat or move modestly higher. They continue to caution that the current low rates leave no room for a sudden rise in interest rates, which would result in negative returns.

Given CSI's outlook and the current level of uncertainty in the markets, we are comfortable keeping the portfolio's exposure to a change in interest rates below that of the benchmark.

As of the end of the quarter, the Transportation Authority's portfolio consisted of approximately 82.9 percent Agency Securities and 17.1 percent US Treasury securities; see Exhibit 6.

Budget Impact

The portfolio's performance is reported on a total economic return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses). For the quarter ending December 31, the portfolio returned 0.15 percent. This compares to the benchmark return of 0.14 percent. The Performance graph in Exhibit 3 shows the relative performance of the Authority since inception. The Growth of a Thousand Dollars graph in Exhibit 4 shows the cumulative performance over this same time frame for the Authority's portfolio.

The portfolio's yield to maturity, the return the portfolio will earn in the future if all securities are held to maturity is also reported. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the portfolio's yield to maturity or call was 0.42 percent. The benchmark's yield to maturity was 0.50 percent.

Another method of measuring the portfolio's yield to maturity is the yield of the portfolio at cost. This calculation is based on the value of the portfolio at cost and does not include any unrealized gains or losses as part of its computation. As of the end of the quarter the portfolio's rate of return on investments, at cost, was 1.15 percent.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2012**

EXHIBIT 1

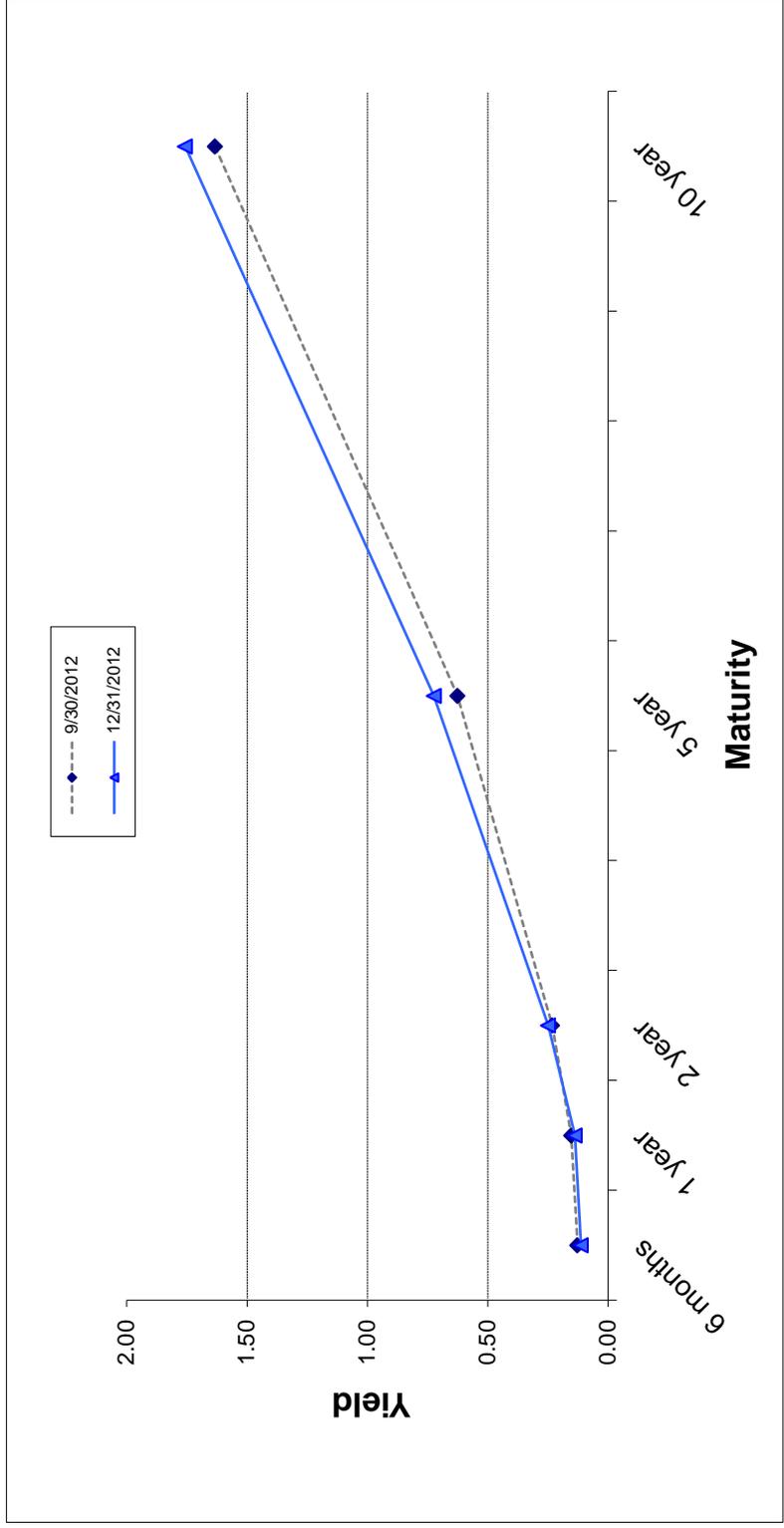
TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<u>FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP</u>							
<u>INVESTMENT PORTFOLIO:</u>							
CORPORATE BONDS							
TREASURY SECURITIES							
U.S. Treasury Note	912828HQ6	01-31-13	15,000,000	15,462,500	15,032,850	180,469	15,213,319
GOVERNMENT BONDS							
FHLM	3137EA CR8	02-25-14	19,000,000	18,901,470	19,255,360	91,438	19,346,798
FHLM	3137EA CB3	04-23-14	13,500,000	13,932,270	13,906,755	63,750	13,970,505
FHLMC	3134G3SD3	09-28-15	10,000,000	9,996,000	10,063,300	19,375	10,082,675
FNMA	3136G0E16	10-30-15	10,000,000	9,996,875	10,020,900	12,708	10,033,608
FHLMC	3134G3UV0	11-23-15	5,000,000	5,000,000	5,009,700	3,958	5,013,658
FNMA	3135G0LM3	11-24-15	15,000,000	14,995,500	15,029,250	11,563	15,040,813
FNMA	3135G0LT8	11-01-15	4,000,000	3,999,400	4,008,280	3,289	4,011,569
FHLMC	3134G3Y20	11-27-15	6,000,000	6,000,600	6,007,560	2,833	6,010,393
FNMA	3135G0RX3	11-27-15	20,000,000	20,015,000	20,019,800	9,444	20,029,244
FHLMC	3134G3SE1	03-21-16	12,000,000	12,007,500	12,091,200	33,333	12,124,533
FNMA	3135G0KA0	04-26-16	10,000,000	10,030,700	10,028,300	20,313	10,048,613

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 REPORT OF INVESTMENTS (Continued)
 FOR QUARTER ENDED DECEMBER 31, 2012

EXHIBIT 1 (Cont.)

TYPE	CUSIP NUMBER	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
<u>FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP (Cont'd.)</u>							
TREASURY INFLATION PROTECTED SECURITIES							
US Inflation Indexed Note	912828KM1	04-15-14	10,284,795	10,122,021	10,704,961	27,813	10,732,775
				149,784,795	151,178,216	480,286	151,658,503
TOTAL FUNDS MANAGED BY SUNTRUST BANK/CSI GROUP							
<u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u>							
BANK OF AMERICA CHECKING LAIF				5,615,159	5,615,159	0	5,615,159
SAN MATEO COUNTY POOL				21,529,014	21,529,014	23,492	21,552,506
				268,073,798	268,073,798	553,788	268,627,586
				295,217,971	295,217,971	577,280	295,795,251
TOTAL FUNDS MANAGED BY DISTRICT STAFF							
				445,677,808	446,396,188	1,057,566	447,453,754
TOTAL AS OF DECEMBER 31, 2012							

San Mateo County Transportation Authority Historical Yield Curve



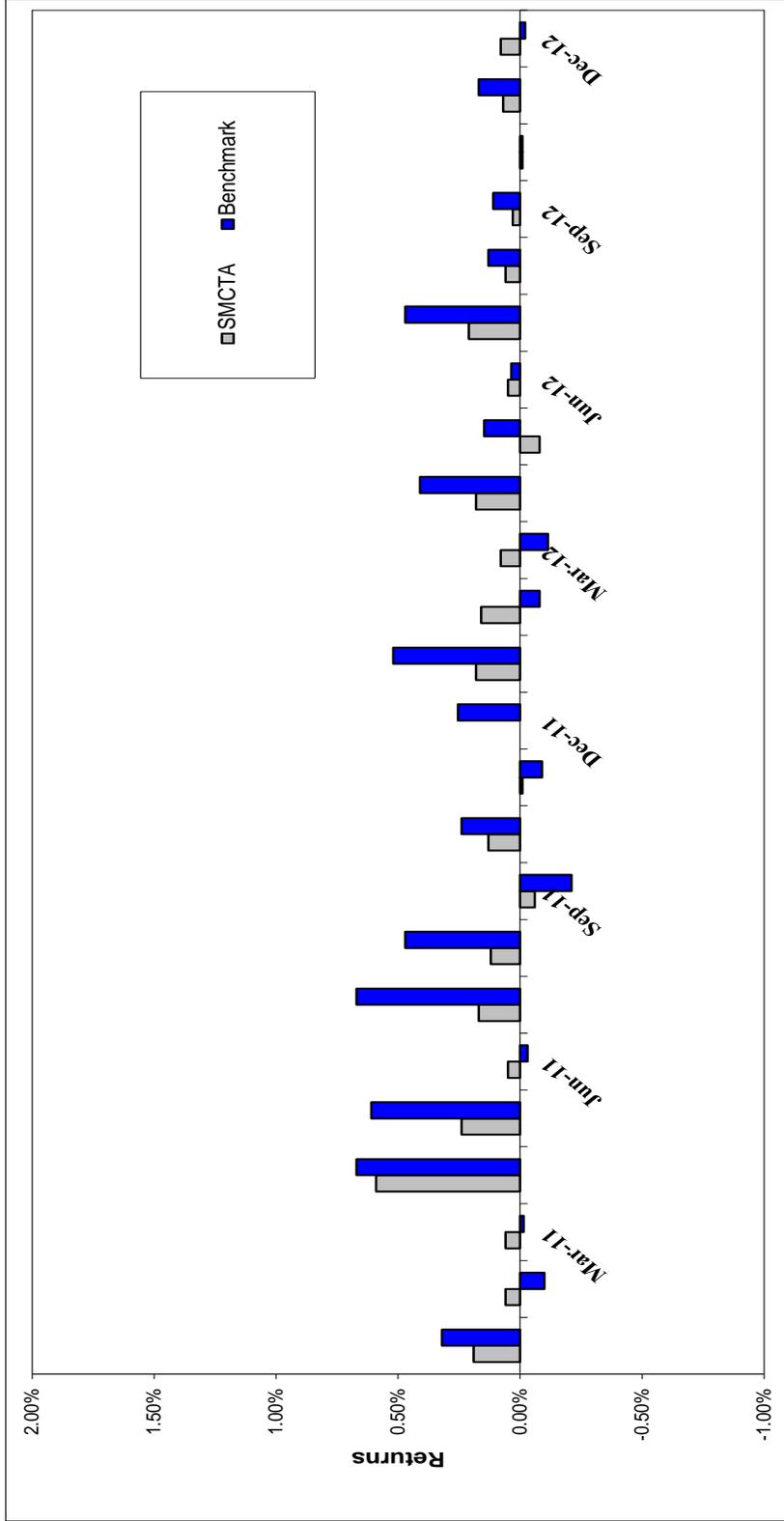
Data Source: Bloomberg

CSI Capital, a SunTrust Group

San Mateo County Transportation Authority

Monthly Review – Account vs. Benchmark

Rolling 24 Months



Trailing 12 Months	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Trailing 12
MONTHLY PERFORMANCE DATA													
SMCTA	0.18%	0.16%	0.08%	0.18%	-0.08%	0.05%	0.21%	0.06%	0.03%	-0.01%	0.07%	0.08%	1.01%
Benchmark	0.52%	-0.08%	-0.11%	0.41%	0.15%	0.04%	0.47%	0.13%	0.11%	-0.01%	0.17%	-0.02%	1.78%

EXHIBIT 3

CSI Capital, a SunTrust Group

San Mateo County Transportation Authority

Growth of a Thousand Dollars

Rolling 24 Months

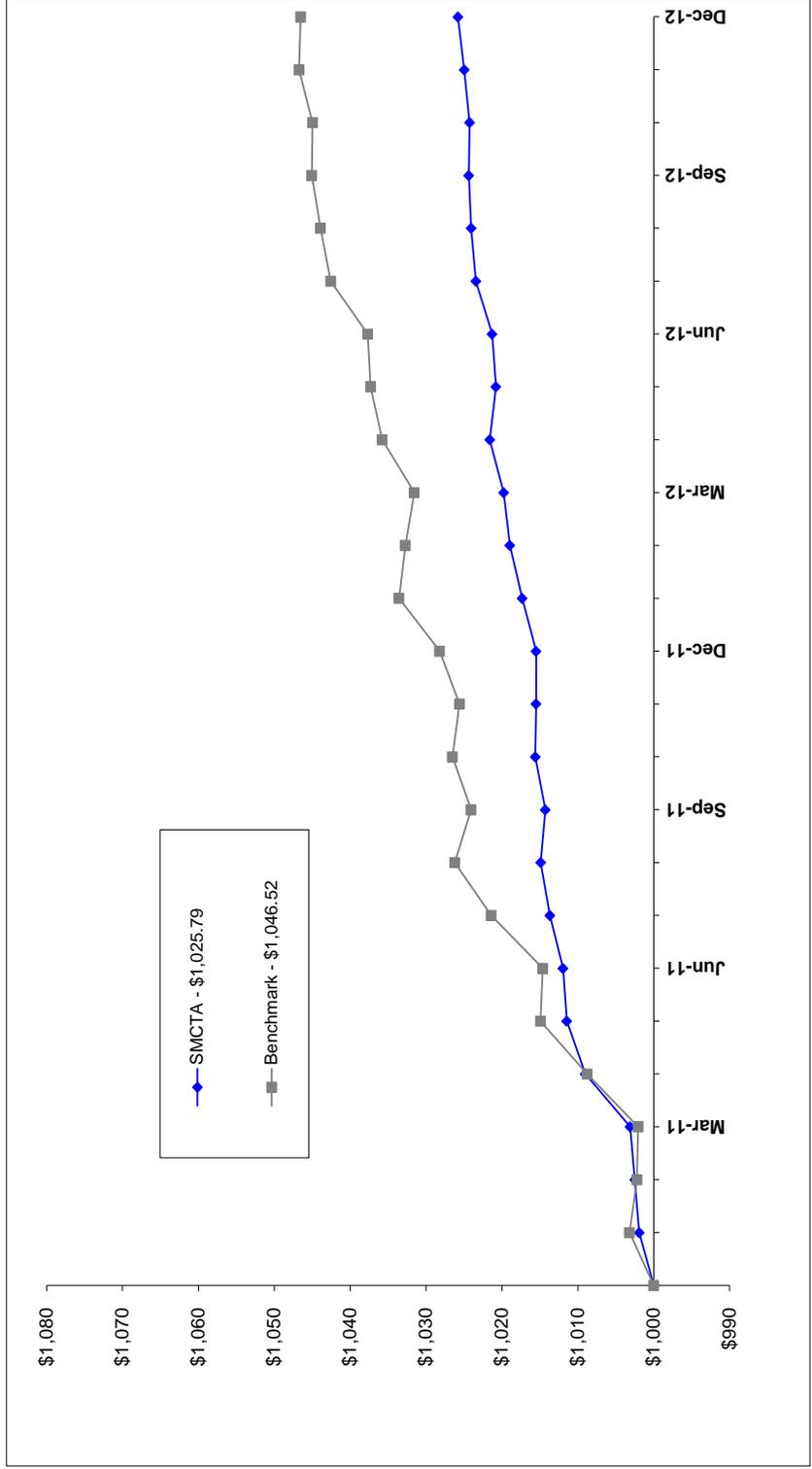
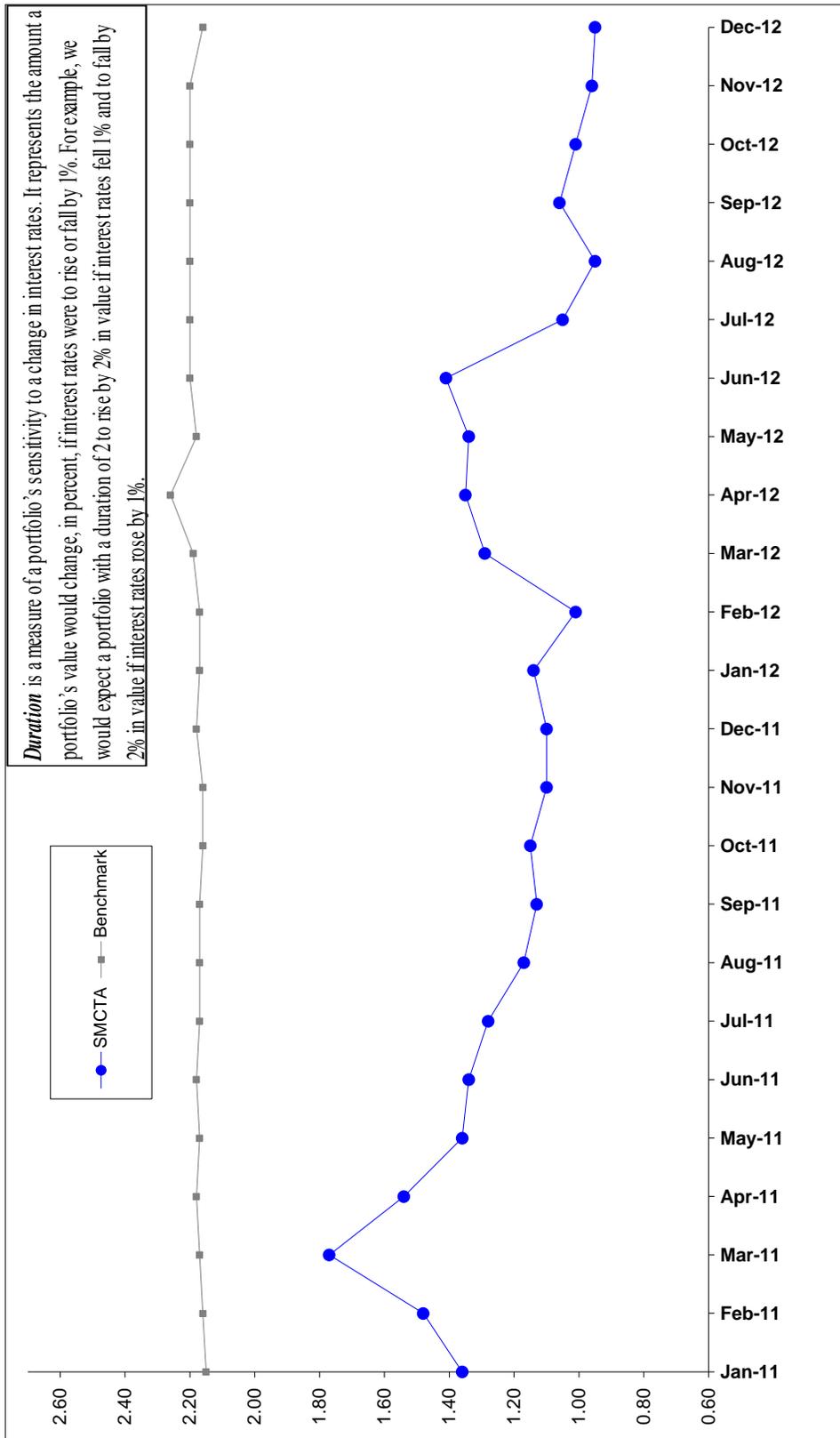


EXHIBIT 4

CSI Capital, a SunTrust Group

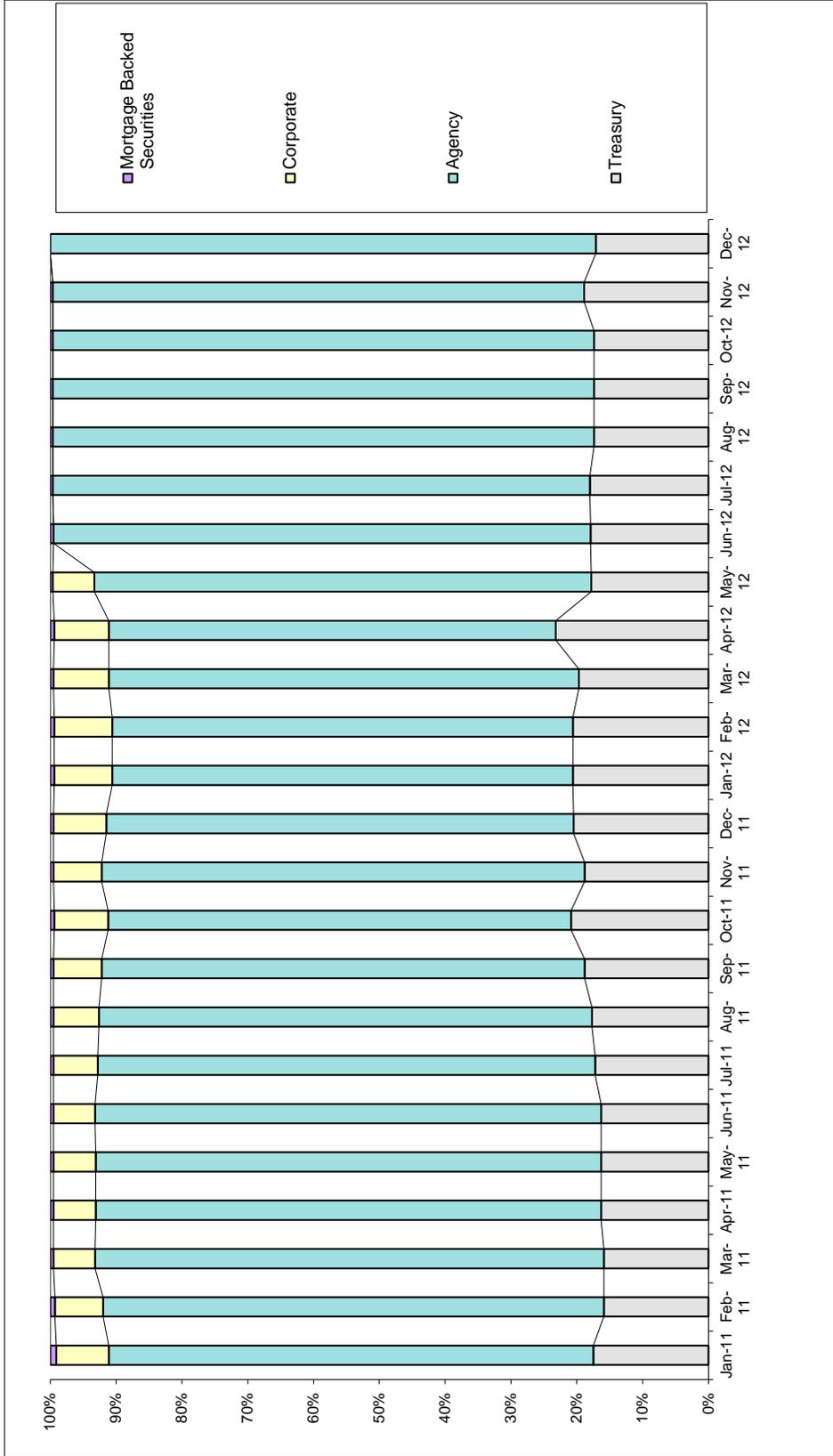
San Mateo County Transportation Authority

Duration vs. Benchmark



San Mateo County Transportation Authority

Percent of Assets Held by Type



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **2013 STATE AND FEDERAL LEGISLATIVE PROGRAM**

ACTION

Staff proposes Board adoption of the attached legislative program to guide the Transportation Authority's (TA) advocacy efforts in Sacramento and Washington D.C. over the course of the 2013 calendar year.

SIGNIFICANCE

The 2013 State and Federal Legislative Program establishes the principles that will guide the TA's State and Federal legislative and regulatory advocacy efforts through the first half of the 2013-14 State Legislative session and the 113th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered and flexible enough to allow the TA, its staff, and its legislative advocates to respond swiftly and effectively to unanticipated developments. Adoption of the program provides our legislative delegation and our transportation partners with a Board-approved statement of the TA's priorities.

The 2013 State and Federal Legislative Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance State and Federal funding opportunities to support the TA's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the TA's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

The Legislative Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

State Issues:

1. State Budget and Transportation Funding Opportunities
2. Transportation Operations and Project Delivery Regulation
3. MAP-21 Implementation
4. Caltrain Modernization and High-Speed Rail

Federal Issues:

1. MAP-21 Implementation
2. Surface Transportation Reauthorization
3. 2014 Appropriations
4. Climate Change and Livability

Should other issues surface that require the TA's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the TA's Board of Directors for consideration.

The TA and its State and Federal legislative consultants will employ a variety of advocacy tactics to support the 2013 Legislative Program, including:

1. Direct Advocacy
The TA will engage policymakers directly and will sponsor legislation, submit correspondence and provide public testimony that communicates and advances our legislative priorities and positions.
2. Coalition-based Advocacy
The TA will work to engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on our behalf. The TA will coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2013 Legislative Program.
3. Media Advocacy
The TA will build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces. The TA will engage the broader public in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on The TA's behalf

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff actively monitors State and Federal legislative activity and will seek Board positions on selected bills as appropriate to further the TA's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

San Mateo County Transportation Authority 2013 State and Federal Legislative Program

Purpose

State and Federal legislative and regulatory actions have potential to offer dramatic benefits to the San Mateo County Transportation Authority's (TA) programs and services. They also have potential to present serious challenges that threaten the TA's ability to meet San Mateo County's most critical public transportation demands.

The 2013 State and Federal Legislative Program establishes the principles that will guide The TA's State and Federal legislative and regulatory advocacy efforts through the first half of the 2013-14 State Legislative session and the 113th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the TA to respond swiftly and effectively to unanticipated developments.

Federal and State Policy Objectives

The 2013 State and Federal Legislative Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance State and Federal funding opportunities to support the TA's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the TA's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

Issues

The Legislative Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

State Issues

1. State Budget and Transportation Funding Opportunities
2. Transportation Operations and Project Delivery Regulation
3. MAP-21 Implementation
4. Caltrain Modernization and High-Speed Rail

Federal Issues:

1. MAP-21 Implementation
2. Surface Transportation Reauthorization
3. 2014 Appropriations
4. Climate Change and Livability

**San Mateo County Transportation Authority
2013 State and Federal Legislative Program**

Should other issues surface that require the TA's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the TA Board of Directors for consideration

Advocacy Tactics

The TA and its State and Federal legislative consultants will employ a variety of advocacy tactics to support the 2013 Legislative Program, including:

1. Direct Advocacy

The TA will engage policymakers directly and will sponsor legislation, submit correspondence and provide public testimony that communicates and advances our legislative priorities and positions.

2. Coalition-based Advocacy

The TA will work to engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on our behalf. The TA will coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2013 Legislative Program.

3. Media Advocacy

The TA will build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces. The TA will engage the broader public in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on the TA's behalf.

2013 Transportation Authority Legislative Program

STATE ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p>1. State Budget and Transportation Funding Opportunities</p> <p><u>State Transit Assistance (STA)</u> After years of diversion to support the State's General Fund, funding for the STA program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the public transportation community. Still, a small increment of STA funding remains vulnerable to diversion under current law.</p> <p><u>Underfunded Infrastructure</u> State investment in transportation infrastructure continues to be underfunded. Infrastructure investments are achieved primarily through the sale of voter-approved bonds and despite recent legislation that covers financing costs, the State's bond debt service needs will soon outpace available revenues.</p> <p><u>Voter Threshold for Transportation Revenue Measures</u> Despite broad-based majority support for dedicating additional revenue to public transportation services and programs, efforts to raise local funds are often unsuccessful due to the requirement that certain revenue measures receive two-thirds supermajority support from voters.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Protect against the elimination or diversion of any State-directed funds that support San Mateo County transportation needs • Support State funding allocation requests for investments that support San Mateo County public transportation programs and services • Work with statewide transit coalitions to identify and advance opportunities for new funding that will support San Mateo County public transportation priorities <p><u>State Transit Assistance (STA)</u></p> <ul style="list-style-type: none"> • Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation <p><u>Underfunded Infrastructure</u></p> <ul style="list-style-type: none"> • Advocate for the regularly scheduled issuance of State infrastructure bonds and the appropriation and equitable allocation of bond revenues to Proposition 1A and Proposition 1B programs that support San Mateo County's transportation services and programs <p><u>Voter Threshold for Transportation Revenue Measures</u></p> <ul style="list-style-type: none"> • Support efforts to eliminate or lower the two-thirds supermajority vote requirement for ballot measures that provide new revenues for transportation services and programs

2013 Transportation Authority Legislative Program

STATE ISSUES	
Issues and Background	Strategies
<p><u>Cap-and-Trade Revenues</u> Last year, the State began implementing the cap-and-trade market-based compliance system approved as a part of the Global Warming Solutions Act (AB 32). The state estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs throughout the State. Under legislation approved last year, the Administration must submit a three-year expenditure plan to the Legislature as a part of the Governor's 2014 May Budget Revision. Low carbon public transportation and sustainable transportation infrastructure projects are eligible expenditures.</p> <p><u>Sustainable Communities Strategies</u> In conjunction with AB 32 Implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop sustainable communities strategies with integrated housing, land-use and transportation policies that will reduce regional passenger vehicle emissions by specific amounts.</p>	<p><u>Cap-and-Trade Revenues</u></p> <ul style="list-style-type: none"> • Work with Department of Finance and through statewide public transportation coalitions to support the submission of a three-year cap-and-trade expenditure plan that makes a broad array of emissions-reducing transportation projects, programs and services eligible for investment <p><u>Sustainable Communities Strategies</u></p> <ul style="list-style-type: none"> • Advocate for policies that provide adequate funding to support increased regional demand and dependence on public transportation associated with the implementation of AB 375.

2013 Transportation Authority Legislative Program

STATE ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p>2. Operations and Project Delivery Regulation</p> <p><u>Cap-and-Trade Utility Rebates</u> Current law exempts certain utility ratepayers from electricity cost increases associated with the implantation of AB 32, the State's landmark greenhouse gas reduction legislation. Transit operations, however, are not exempt from these costs, which are estimated to increase by 30-50 percent.</p> <p><u>California Environmental Quality Act (CEQA)</u> Several regional and statewide public transportation advocates will be working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Work with statewide public transportation partners and advocates to identify and advance opportunities to remove barriers to efficient project delivery and promote innovative contracting and project delivery alternatives <p><u>Cap-and-Trade Utility Rebates</u></p> <ul style="list-style-type: none"> • Work with our public transportation partners and broader coalitions to pursue legislation that exempts public transit agencies from utility rate increases associated with implementation of the State's Cap-and-Trade emissions reduction strategy <p><u>California Environmental Quality Act (CEQA)</u></p> <ul style="list-style-type: none"> • Closely monitor efforts to modernize CEQA and support proposals that integrate a project's long-term environmental benefits into the review process and expedite overall project review without compromising CEQA's effectiveness as an environmental protection policy.

2013 Transportation Authority Legislative Program

STATE ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p>3. Moving Ahead for Progress in the 21st Century (MAP-21) Implementation</p> <p>The two-year surface transportation authorization bill approved last year makes significant changes to the Federal transportation program funding structure. The Metropolitan Transportation Commission (MTC) and other Metropolitan Planning Organizations continue to meet with State transportation officials to develop a framework for the distribution of Federal transportation funds under MAP-21.</p>	<ul style="list-style-type: none"> • Work with the MTC to support legislation that maximizes the region's access to Federal funds that will support San Mateo County transportation programs and services.
<p>4. Caltrain Modernization and High-speed Rail</p> <p>In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor in preparation for eventual high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain's aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.</p> <p>In addition to planning these improvements, Caltrain is working to identify what additional infrastructure will be needed to support modernized Caltrain service and the addition of high-speed operations to the corridor as part of a Blended System that requires Caltrain and high-speed rail to primarily share the corridor's existing infrastructure.</p>	<ul style="list-style-type: none"> • Advocate for the allocation of Proposition 1A connectivity funding requested from the California Transportation Commission to support the implementation of the corridor's advanced signal system • Support legislation that reauthorizes the Carl Moyer Memorial Air Quality Standards Attainment Program to support eventual regional allocation of funds to support the Caltrain Modernization Program • Work with local and regional stakeholders to identify and secure additional funding to support Blended System improvements.

2013 Transportation Authority Legislative Program

FEDERAL ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p>1. MAP-21 Implementation</p> <p>MAP-21 Authorizes Federal surface transportation programs through September 2014 and essentially maintains existing funding levels over that time. MAP-21 simplifies the Federal transportation funding structure by consolidating several programs and includes several policy changes including eligibility expansion, the conversion of some discretionary programs to formula-based programs and policies designed to expedite project delivery.</p> <p>Implementation of these changes will require significant guidance and rulemaking by the Federal Highway Administration and the Federal Transit Administration.</p>	<ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals dealing with MAP-21 implementation • Collaborate with local, regional, state and national transportation advocacy groups to submit comments and advocate for implementation that maximizes benefits for public transportation programs and services
<p>2. Surface Transportation Authorization</p> <p>While MAP-21 includes significant benefits for transportation agencies, it does not address several critical issues including the long-term solvency of the Highway Trust Fund, the reauthorization of Federal rail and rail safety programs, the permanent extension of transit-related tax benefits and the passage of a longer-term authorization that guarantees reliable funding for local programs.</p>	<ul style="list-style-type: none"> • Advocate for a dedicated source of revenue that maintains the long-term solvency of the Highway Trust fund, allows for the expansion of Federal transportation funding and supports long-term surface transportation authorization • Support the reauthorization of Federal rail and rail safety programs that promote the efficient delivery of Caltrain service and include significant funding eligible to support improvements associated with the modernization of the Caltrain system and the addition of blended high-speed rail service • Support the permanent extension of pre-tax transit commute benefits that are equal to or greater than parking benefits. Support additional tax incentives that benefit public transportation programs and riders

2013 Transportation Authority Legislative Program

STATE ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p>3. 2014 Federal Appropriations</p> <p>Every year, Congress adopts at least 12 separate appropriations bills, including one for transportation. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. 2014 will mark the first appropriations process under MAP-21. In recent years, Congress has essentially maintained existing funding levels, However, under MAP-21, authorized funding has been increased slightly over prior years.</p>	<ul style="list-style-type: none"> ● Partner with local, regional, state and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County transportation services and needs ● Work with local and regional coalitions to support the TA's requests for funding from discretionary programs
<p>4. Climate Change and Livability</p> <p>Despite several recent efforts, Congress has been unable to pass legislation that would address climate change by reducing greenhouse gas emissions. Previous versions of the legislation have included a cap and trade system with emissions allowances that would be traded in a market based system. A portion of the revenues generated through the sale of these allowances could be used to fund clean transportation projects. The transportation sector produces approximately one-third of the greenhouse gas emissions in this country, primarily in the form of carbon dioxide (CO2) emissions generated by automobiles.</p> <p>States continue to enact transportation and land-use planning policies that encourage mixed-use, higher density, walkable development near transit. In addition, federal agencies have announced new partnerships intended to reduce VMT by promoting these goals on a national scale.</p>	<ul style="list-style-type: none"> ● Advocate that climate change legislation includes a funding strategy that reflects the opportunity for greenhouse gas reduction through new investment in clean transportation alternatives ● Support dedicated formula funding that promotes energy efficiency in transit operations ● Support funding for planning and capital investment related to the promotion of transit oriented development opportunities and sustainable land use strategies that would result in VMT reduction ● Advocate for the inclusion of funding that furthers coordinated integration of programs that support housing, transportation and land use planning and investment

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

STATE ISSUES

Legislation

Among the bills introduced in advance of the February 22 introduction deadline, several would potentially impact San Mateo County transportation programs or services, including:

Senate Bill (SB) 1 (Steinberg) – Allows cities, counties or special districts to establish Sustainable Community Investment authorities, which would essentially take on the powers formerly held by local redevelopment agencies, except that the new entities will have authority over Sustainable Community Investment areas. Projects that qualify as Sustainable Community Investment areas include public transit priority project areas and public transit vehicles.

Senate Constitutional Amendment (SCA) 4 and SCA 8 (Liu and Corbett) – Reduces the voter threshold required for special taxes that fund local transportation projects from two-thirds to 55 percent.

Assembly Bill (AB) 8 and SB 11 (Perea and Pavley) – Extends until 2024 the vehicle registration and smog abatement fees that support the Air Quality Improvement Fund and the Alternative and Renewable Fuel and Vehicle Technology Fund. It also reauthorizes the Carl Moyer Memorial Air Quality Standards Attainment Program until 2024.

AB 160 (Alejo) – Exempts public transportation workers from the 2012 Public Employees' Pension Reform Act.

FEDERAL ISSUES

Secretary LaHood Retirement

After serving four years, United States Secretary of Transportation Ray LaHood announced that he will be stepping down. Secretary LaHood will however remain in office until a successor has been named.

House Transportation and Infrastructure Committee

The House Transportation and Infrastructure announced subcommittee chairmanships and released its 2013 oversight plan. Congressman Tom Petri (R-WI) will chair the Highways and Transit Subcommittee and Congressman Jeff Denham (R-CA) will chair the Pipelines, Railroads and Hazardous Materials Subcommittee. The focus areas identified in the committee's work plan include:

- MAP-21 Implementation
- Solvency of the Highway Trust Fund
- Reauthorization of the 2008 Rail Safety Improvement Act
- Reauthorization of Federal Rail Administration Programs

Prepared By: Seamus Murphy, Government and Community Affairs
Director

650-508-6388

**SMCTA Bill Matrix
as of 1/29/2013**

Bill ID/Topic	Location	Summary	Position
<p>AB 8 Perea D</p> <p>Alternative fuel and vehicle technologies: funding programs.</p>	<p>ASSEMBLY TRANS.</p>	<p>Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (commission), to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the State's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding, including block grants administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers. Existing law requires the commission to develop and adopt an investment plan to determine priorities and opportunities for the program.</p> <p>This bill would provide that the State Air Resources Board (State board), until January 1, 2024, has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any person to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen fueling station. The bill would require the State board to aggregate and make available to the public, no later than January 1, 2014, and every two years thereafter, the number of vehicles that automobile manufacturers project to be sold or leased, as reported to the State board. The bill would require the commission to allocate \$20 million each fiscal year, and up to \$20 million each fiscal year thereafter, for purposes of achieving a hydrogen fueling network sufficient to provide convenient fueling to vehicle owners, and expand that network as necessary to support a growing market for vehicles requiring hydrogen fuel, until there are at least 100 publicly available hydrogen fueling stations. The bill, on or before December 31, 2015, and annually thereafter, would require the commission and the State board to jointly review and report on the progress toward establishing a hydrogen fueling network that provides the coverage and capacity to fuel vehicles requiring hydrogen fuel that are being placed into operation in the State. The bill would authorize the commission to design grants, loan incentive programs, revolving loan programs, and other forms of financial assistance, for purposes of assisting in the implementation of these provisions. The bill, no later than July 1, 2013, would require the State board and air districts to jointly convene working groups to evaluate the specified policies and goals of specified programs.</p>	
<p>AB 160 Alejo D</p> <p>California Public Employees' Pension Reform Act of 2013: exceptions.</p>	<p>ASSEMBLY PRINT</p>	<p>The California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas, requires new members of public retirement systems to contribute at least a specified amount of the normal cost for their defined benefit plans, and prohibits an enhancement of a public employee's retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement.</p> <p>This bill would except from PEPRA, by excepting from the definition of public retirement system, certain multiemployer plans authorized under Federal law and retirement plans for public employees whose collective bargaining rights are protected by a specified provision of Federal law.</p>	

**SMCTA Bill Matrix
as of 1/29/2013**

Bill ID/Topic	Location	Summary	Position
<p>SB 1 Steinberg D</p> <p>Sustainable Communities Investment Authority.</p>	<p>SENATE G.&F.</p>	<p>The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies.</p> <p>This bill would authorize certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law in a specified manner. The bill would require the authority to adopt a Sustainable Communities Investment Plan for a Sustainable Communities Investment Area and authorize the authority to include in that plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. The bill would authorize the legislative body of a city or county forming an authority to dedicate any portion of its net available revenue to the authority through its Sustainable Communities Investment Plan.</p>	
<p>SB 11 Pavley D</p> <p>Alternative fuel and vehicle technologies: funding programs.</p>	<p>SENATE T.&H.</p>	<p>Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (commission), to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the State's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding, including block grants administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers. Existing law requires the commission to develop and adopt an investment plan to determine priorities and opportunities for the program.</p> <p>This bill would provide that the State Air Resources Board (State board), until January 1, 2024, has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any person to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen fueling station. The bill would require the State board to aggregate and make available to the public, no later than January 1, 2014, and every two years thereafter, the number of vehicles that automobile manufacturers project to be sold or leased, as reported to the State board. The bill would require the commission to allocate \$20 million each fiscal year and up to \$20 million each fiscal year thereafter, for purposes of achieving a hydrogen fueling network sufficient to provide convenient fueling to vehicle owners, and expand that network as necessary to support a growing market for vehicles requiring hydrogen fuel, until there are at least 100 publicly available hydrogen fueling stations. The bill, on or before December 31, 2015, and annually thereafter, would require the commission and the State board to jointly review and report on the progress toward establishing a hydrogen fueling network that provides the coverage and capacity to fuel vehicles requiring hydrogen fuel that are being placed into operation in the State. The bill would authorize the commission to design grants, loan incentive programs, revolving loan programs, and other forms of financial assistance for purposes of assisting in the implementation of these provisions. The bill, no later than July 1, 2013, would require the State board and air districts to jointly convene working groups to evaluate the specified policies and goals of specified programs.</p>	

**SMCTA Bill Matrix
as of 1/29/2013**

Bill ID/Topic	Location	Summary	Position
<p>SCA 4 Liu D</p> <p>Local government transportation projects: special taxes: voter approval.</p>	<p>SENATE PRINT</p>	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55 percent of the voters within the jurisdiction of these entities.</p> <p>This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55 percent of its voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes.</p>	
<p>SCA 8 Corbett D</p> <p>Transportation projects: special taxes: voter approval.</p>	<p>SENATE PRINT</p>	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55 percent of the voters within the jurisdiction of these entities.</p> <p>This measure would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55 percent of its voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes.</p>	
<p>SCA 11 Hancock D</p> <p>Local government: special taxes: voter approval.</p>	<p>SENATE PRINT</p>	<p>The California Constitution conditions the imposition of a special tax by a local government upon the approval of 2/3 of the voters of the local government voting on that tax, and prohibits a local government from imposing an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property.</p> <p>This measure would instead condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55 percent of the voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes.</p>	