



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

December 7, 2017 – Thursday

5:00 p.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Report of the Citizens Advisory Committee
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of November 2, 2017
 - b. Acceptance of Statement of Revenues and Expenses for October 2017
5. Public Comment
Public comment by each individual speaker shall be limited to one minute. If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the TA Secretary.
6. Chairperson's Report
 - a. Resolution of Appreciation for Ken Ibarra
7. San Mateo County Transit District Liaison Report – K. Matsumoto
8. Joint Powers Board Report – J. Hartnett
9. Report of the Executive Director – J. Hartnett
10. Finance
 - a. Receive Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter ended September 30, 2017
 - b. Authorize Programming and Allocation of \$3.87 Million of Additional Measure A Funding for the US 101/Holly Interchange Reconstruction Project in San Carlos
11. Program
 - a. Program Report: Transit - Shuttles
 - b. Joint San Mateo County Transportation Authority (TA) and City/County Association of Governments (C/CAG) San Mateo County Shuttle Program Call For Project (CFP)
 - c. State and Federal Legislative Update
 - d. 2018 Legislative Program
 - e. Capital Projects Quarterly Status Report – 1st Quarter Fiscal Year 2018
12. Request from the Authority
13. Written Communications to the Authority

14. Date/Time of Next Regular Meeting: Thursday, January 4, 2018, 5:00 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA 94070

15. Report of Legal Counsel

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

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

16. Adjourn

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. Communications to the Board of Directors can be e-mailed to board@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 ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

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 TTY 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 NOVEMBER 2, 2017

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

MEMBERS ABSENT: None

STAFF PRESENT: J. Cassman, A. Chan, C. Fromson, C. Gumpal, J. Hartnett,
J. Hurley, M. Martinez, J. Slavitt

Chair Carole Groom called the meeting to order at 5:00 p.m. and led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Groom, said the report is in the reading file.

CONSENT CALENDAR

- a. Approval of Minutes of October 5, 2017
- b. Acceptance of Statement of Revenues and Expenses for September 2017
- c. Acceptance of Statement of Revenue and Expenses for Fiscal Year Ending June 2017 (Unaudited)
- d. Approval of 2018 Board of Directors Meeting Calendar
- e. Amend the FY2018 Budget to Increase the Streets and Highway Category by \$15,000 and Enter into an Agreement with the City/County Association of Government of San Mateo County for Preparation of a Benefit/Cost Analysis Associated with the 101 Managed Lanes Project – Approved by Resolution No. 2017-18
- f. Grant of Subsurface Utility Easement to PG&E to Support San Carlos Transit Village Transit Oriented Development Project – Approved by Resolution No. 2017-19

Motion/Second: Horsley/Johnson

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom (Chair)

CHAIRPERSON'S REPORT

No report.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

Chair Groom said the written report is in the reading file.

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

The written report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said his written report is in the reading file. Mr. Hartnett introduced new Deputy General Manager/Chief Executive Officer (CEO), Carter Mau.

Mr. Hartnett announced the retirement of Mark Simon, Chief of Staff; his last day will be in December 2017.

PROGRAM REPORT: 101 CORRIDOR MANAGED LANES

Leo Scott, President, Gray-Bowen-Scott, provided a report on the environmental review process, findings, and summary of the work completed, he said the draft environmental document is proposed to release end of November, the public will have the opportunity to review and provide comments and staff will compile and respond to the comments received during the public comment period, and finalize the document in mid-2018.

Director Cameron Johnson asked if it would be SamTrans buses for express bus and asked for additional clarity regarding the option of bus service. Mr. Hartnett said it does not need to be SamTrans. The buses would need to be purchased and the State would like the buses to be all electric. Ms. Chan said that the analysis is to shift people from driving to taking public transit, she said the other two alternative options does not include anticipating buses but staff did a traffic analysis without the bus service to see performance. She also said that SamTrans is currently undertaking an Express Bus Study in cooperation with Santa Clara Valley Transportation (VTA) and San Francisco to look at ways to encourage people to take transit.

Director Maureen Freschet asked about public outreach in San Mateo. Mr. Scott said outreach is happening now, there is a set of requirement of notification to go in the papers, and they have established connection with each of the cities to have the notification out to their circular distributions.

Director Emily Beach asked if there are any air quality or health benefits of having sound walls along the highway. Mr. Scott said health is a very broad topic; the sound wall evaluation is based on the level of noise and not any other sound.

Director Beach asked if there any commitment to no loss of greenery. Mr. Scott said they are not dealing with much native vegetation and will try to replace as best as they could on what is out there given that they are taking away some of the land that the plants are currently on and have less space to work with; possibly plant out more vines than trees.

Director Ken Ibarra asked if there is a concern with speed, circulation and transition from lane to lane with the single express lane and express buses. Mr. Scott said the lane will be twelve feet and buses would fit, he understands that the vehicles getting in and out would be challenging, one of the alternative models is to create enough open space in the general purpose lane to facilitate the safety of the in and out of vehicles .

Public Comment

Rich Hedges, San Mateo, said Ford Motor Company is investing money in the mobility management and if the study works, his guess is they may implement bus service. He also said that there is a history on express buses but died because they were too expensive.

April Chan, Chief Officer of Planning, Grants, Real Estate and Transportation Authority, reported on the toll system roles assessment and discussed the tradeoffs between owner/operation options. She provided the toll system schedule and timeline. The owner/operator policy decision should occur late 2018.

Director Freschet asked if the recommendation of the managed lanes consistent with other transportation agencies to avoid driver confusion. Mr. Scott responded yes, all express lanes have to use FasTrak within the State of California and every driver has to use the same mechanism as well as the same sign structure messaging system. He also said the High Occupancy Vehicle Lane (HOV) policy is to have the occupancy requirements the same for connected facilities.

AUTHORIZING THE RESOLUTION OF SUPPORT FOR \$34,498,000 OF REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) FUNDING FOR THE 101 MANAGED LANES PROJECT TO BE INCLUDED IN THE 2018 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Mr. Joseph Hurley, Director, Transportation Authority Program reported that the State Transportation Improvement Program (STIP) is a biennial five-year state funding program for the distribution of state funds by the California Transportation Commission (CTC) for transportation projects and programs, prior to being submitted to the CTC for approval, the Metropolitan Transportation Commission (MTC), as the Regional Transportation Planning Agency, must approve the program and to file an application for STIP funding, MTC requires every new STIP project to be accompanied by an adopted Resolution of Local Support, using MTC's prescribed template.

Approved by Resolution No. 2017-20

Motion/Second: Horsley/Johnson

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom (Chair)

PROGRAMMING AND ALLOCATION OF \$750,000 OF MEASURE A FUNDS FOR THE REDWOOD CITY WHIPPLE AVENUE GRADE SEPARATION PROJECT

Mr. Joel Slavis, Manager, Programming and Monitoring reported on highlights of the program, he said the goal is to reduce the number of at-grade crossings on the Caltrain right of way.

Director Beach asked if there are any other future high priority grade separations in the pipeline aside from Redwood City. Ms. Chan said staff has reached out to South San Francisco, San Bruno, San Mateo, Menlo Park and Burlingame, to find out their interest level in any other grade separation but have received any expressed interest.

Approved by Resolution No. 2017-21

Motion/Second: Johnson/Beach

Ayes: Beach, Freschet, Horsley, Ibarra, Johnson, Matsumoto, Groom (Chair)

PROGRAM REPORT: PEDESTRIAN AND BICYCLE PROGRAM REPORT

Mr. Slavitt provided a report on the Program background, funding allocation history and project status.

PROGRAM REPORT: NEW MEASURE 2017 PEDESTRIAN AND BICYCLE PROGRAM CALL FOR PROJECTS

Mr. Slavitt said the purpose of the Program is to fund specific projects that improve conditions to encourage walking and bicycling. He noted the eligibility requirements. A scheduled timeline was presented and the proposed Program of Projects will be submitted for Board's approval by March 2018.

Director Beach said if they had more than one application, it would be helpful for each jurisdiction to rank the order of their top priority. Mr. Slavitt agreed.

UPDATE ON STATE AND LEGISLATIVE PROGRAM

Ms. Casey Fromson, Government and Community Affairs Director, said the draft The Legislative Program will be submitted to the Board during the next meeting would help guide the frame work for next year and hope to have it adopted in January. She also noted that the agenda packet includes bills that have been signed by the Governor and staff has been monitoring funding opportunities.

REQUEST FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

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

REPORT OF LEGAL COUNSEL

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast v. California Department of Transportation, et al.; San Mateo County Superior Court Case No. CIV-523973
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Recessed to closed session at 6:45 p.m.

Reconvened to open session at 7:10 p.m.

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

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, December 7, 2017 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

The meeting adjourned at 7:11 p.m.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
OCTOBER 31, 2017**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of October 2017 and supplemental information.

The statement columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of October year-to-date, the Total Revenues (page 1, line 6) is \$2.4 million higher than prior year. This is primarily driven by higher Sales Tax revenue (page 1, line 1) and Interest Income (page 1, line 2).

Year to Date Expenses: As of October year-to-date, the Total Expenditures (page 1, line 26) are \$27.5 million higher than prior year. This is primarily driven by Measure A Categories (page 1, line 12) with \$17.2 million spent for Caltrain Electrification project, and \$7.6 million spent for 101 Interchange to Willow project.

Budget Amendment:

There are no budget amendments for the month of October 2017.

Prepared By: Dapri Hong, Analyst, FP&A
Ray Galindo, Accountant

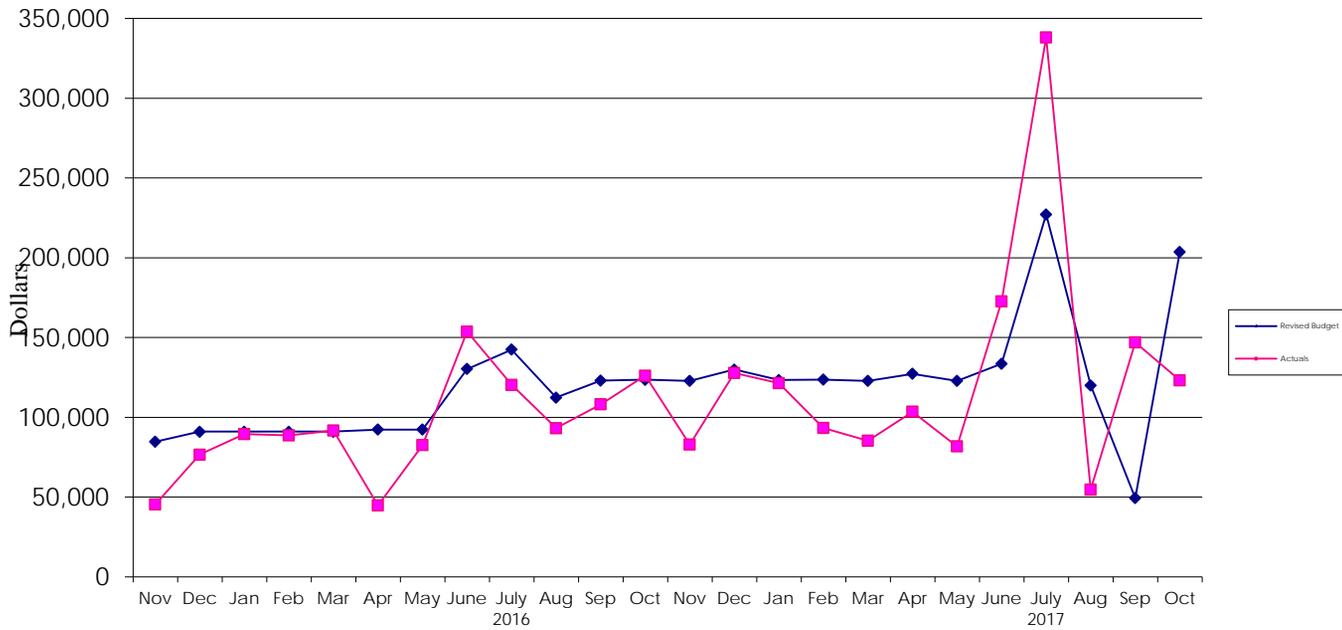
650-622-8055
650-508-7757

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2018
October 2017

% OF YEAR ELAPSED: 33.00%

	YEAR TO DATE				ANNUAL
	PRIOR ACTUAL	CURRENT ACTUAL	VARIANCE	% VARIANCE	BUDGET*
REVENUES:					
1 Sales Tax	\$ 25,069,924	\$ 27,155,551	\$ 2,085,627	8.3%	\$ 84,660,000
2 Interest Income	1,857,161	2,184,748	327,587	17.6%	3,700,000
3 Miscellaneous Income	-	1,500	1,500	0.0%	-
4 Rental Income	412,057	389,165	(22,892)	-5.6%	792,930
5					
6 TOTAL REVENUE	27,339,142	29,730,964	2,391,822	8.7%	89,152,930
7					
8 EXPENDITURES:					
9					
10 Annual Allocations	9,371,361	9,911,776	540,415	5.8%	30,900,900
11					
12 Measure A Categories	6,784,782	33,311,130	26,526,348	391.0%	52,912,500
13					
15 Dumbarton Maintenance of Way	111,765	55,874	(55,891)	-50.0%	260,000
16					
17 Oversight	231,644	524,234	292,590	126.3%	1,185,000
18					
19 Administrative					
20 Staff Support	242,569	448,220	205,651	84.8%	867,563
21 Measure A Info-Others	20	49	29	142.9%	15,000
22 Other Admin Expenses	205,129	214,531	9,402	4.6%	703,301
23					
24 Total Administrative	447,718	662,800	215,082	48.0%	1,585,864
25					
26 TOTAL EXPENDITURES	16,947,270	44,465,814	27,518,544	162.4%	86,844,264
27					
28 EXCESS (DEFICIT)	10,391,872	(14,734,850)	(25,126,722)	-241.8%	2,308,666
29					
30 BEGINNING FUND BALANCE	479,742,406	500,394,731			398,162,346
31					
32 ENDING FUND BALANCE	\$ 500,394,731	\$ 485,659,881	\$ (25,126,722)		\$ 400,471,012
33					
34					
44					
45 * The TA Adopted Budget is the Board adopted budget effective June 1, 2017.					
46					
47					
48					
49					

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18
MONTHLY EXPENSES												
Revised Budget	227,128	120,007	49,331	203,568								
Actual	338,084	54,648	146,873	123,195								
CUMULATIVE EXPENSES												
Staff Projections	227,128	347,135	396,466	600,034								
Actual	338,084	392,732	539,605	662,800								
Variance-F(U)	(110,956)	(45,597)	(143,139)	(62,766)								
Variance %	-48.85%	-13.14%	-36.10%	-10.46%								



BOARD OF DIRECTORS 2017

CAROLE GROOM, CHAIR
DON HORSLEY, VICE CHAIR
EMILY BEACH
MAUREEN FRESCHET
KEN IBARRA
CAMERON JOHNSON
KARYL MATSUMOTO

JIM HARTNETT
EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF OCTOBER 31, 2017

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	1.195%	\$ 311,429,920	\$ 311,429,920
Local Agency Investment Fund**		Liquid Cash	1.143%	\$ 987,027	\$ 987,027
Investment Portfolio	***	Liquid Cash	1.625%	\$ 157,878,755	\$ 157,265,205
Other		Liquid Cash	0.000%	\$ 9,749,476	\$ 9,749,476
				<u>\$ 480,045,178</u>	<u>\$ 479,431,629</u>

Accrued Earnings for October 2017 \$ 603,452
Cumulative Earnings FY2018 \$ 2,276,941

* County Pool average yield for the month ending October 31, 2017 was 1.195%. As of October 2017, the total cost of the Total Pool was \$4,349,936,957 and the fair market value per San Mateo County Treasurer's Office was \$4,348,157,907.

** 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 30th each 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 ON INVESTMENTS
October 31, 2017**

DESCRIPTION	TOTAL INVESTMENT 10-31-17	INTEREST RECEIVABLE 09-30-17	PREPAID INT RECEIVABLE 09-30-17	INTEREST EARNED 10-31-17	INTEREST RECEIVED 10-31-17	ADJ.	INTEREST RECEIVABLE 10-31-17
LAIF	987,027.10	2,682.96	0.00	957.26	2,664.24	(18.72)	957.26
COUNTY POOL	311,429,920.23	986,855.25	0.00	330,828.16	991,445.94	4,590.68	330,828.16
BANK OF AMERICA	9,270,347.83	0.00	0.00				0.00
WELLS FARGO	19,623.00	0.00	0.00				0.00
US BANK (Cash on deposit)	459,505.49	0.00	0.00				0.00
INVESTMENT PORTFOLIO	157,265,204.91	536,586.66	0.00	267,094.76	292,527.61		511,153.81
		0.00					0.00
	<u>479,431,628.56</u>	<u>1,526,124.87</u>	<u>0.00</u>	<u>598,880.17</u>	<u>1,286,637.79</u>	<u>4,571.97</u>	<u>842,939.22</u>

OCTOBER 2017 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	10/31/17	603,452.14
Add:		
Less:		
Management Fees		(10,292.38)
Amortized Premium/Discount		
Capital Gain(Loss)		<u>(2,229.95)</u>
Total Interest & Capital Gain(Loss)		<u><u>590,929.81</u></u>

YEAR TO DATE -- SUMMARY

Interest Earned	2,276,941.24
Add:	
Less:	
Management Fees	(41,522.29)
Amortized Premium/Discount	77,558.55
Capital Gain(Loss)	<u>(92,193.28)</u>
Total Interest	<u><u>2,220,784.22</u></u>
Balance Per Ledger 10/31/17	
Amort Prem/Disc-acct 409104	77,558.55
Management/Bank Fees (530040)	(41,522.29)
Int Acct. 409100 - Co. Pool	1,322,274.10
Int Acct. 409100 - LAIF	3,621.50
Int Acct. 409101 - Portfolio Funds	951,045.64
Gain(Loss) Acct. 405210	<u>(92,193.28)</u>
	<u><u>2,220,784.22</u></u>

INVESTMENT PORTFOLIO
October 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL DAYS	INTEREST REC'VBLE 9/30/2017	PREPAID INT REC'VBLE 9/30/2017	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	PAR VALUE
			PURCHASE PRICE	VALUE 10/31/2017							EARNED 10/31/2017			REC'VBLE 10/31/2017	
SECURITIES MANAGED BY INVESTMENT ADVISOR:															
U.S. TREASURY NOTES AND BONDS															
US TREASURY NOTE	912828Q78	01-05-17	3,136,500.00	3,151,625.60	04-30-21	1.375%	122.2222	31	18,413.04		3,708.51	22,000.00		121.55	3,200,000
US TREASURY NOTE	912828S18	03-23-15	119,845.31	119,475.00	04-30-19	1.250%	4.1667	31	627.72		126.42	750.00		4.14	120,000
US TREASURY NOTE	912828F62	09-09-15	602,414.06	598,851.60	10-31-19	1.500%	25.0000	31	3,786.89		762.56	4,500.00		49.45	600,000
US TREASURY NOTE	912828VF4	12-07-15	3,163,560.35	3,179,962.54	05-31-20	1.375%	122.4132	31	30,128.28		5,886.57	17,472.26		18,542.59	3,205,000
US TREASURY NOTE	912828VP2	08/01/2017	3,188,998.24	3,108,979.71	07-31-20	2.000%	171.3889	31	10,395.11		5,197.55			15,592.66	3,085,000
US TREASURY NOTE	912828L32	06-29-16	341,124.22	331,846.31	08-31-20	1.375%	12.7951	31	415.32		390.14			805.46	335,000
US TREASURY NOTE	912828R77	03-17-17	3,409,082.03	3,444,080.50	05-31-21	1.375%	133.6806	31	16,173.16		4,076.16			20,249.32	3,500,000
US TREASURY NOTE	912828D72	04-05-17	8,472,773.45	8,438,060.40	08-31-21	2.000%	466.6667	31	15,521.74		14,152.17			29,673.91	8,400,000
US TREASURY NOTE	912828T67	08-03-17	9,862,746.09	9,800,709.75	10-31-21	1.250%	348.9583	31	39,709.70		9,951.34	48,970.79		690.25	10,050,000
															20.64%
FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS															
FNMA	3136ANJY4	04-30-15	460,381.40	455,505.99	04-01-18	1.550%	19.63	31	613.61		588.77	613.61		588.77	455,825
FNA 2014-M6 A2	3136AJ7G5	12-15-16	3,519,808.59	3,504,828.09	05-25-21	2.679%	256.74	31	7,700.72		7,700.72	7,700.72		7,700.72	3,450,000
FANNIE MAE	3136AQDC0	10-30-15	993,082.66	981,946.03	09-01-19	1.646%	44.96	31	1,446.72		1,348.67	1,844.68		950.71	983,237
															3.11%
FEDERAL AGENCY NOTES AND BONDS															
FHLMC	3137EAEB1	07-20-16	4,638,747.00	4,592,312.10	07-19-19	0.875%	113.02	31	8,137.50		3,390.63			11,528.13	4,650,000
FNMA	3135GON33	08-02-16	3,194,624.00	3,158,752.00	08-02-19	0.875%	77.78	31	4,588.89		2,333.33			6,922.22	3,200,000
FHLB	3130A8C55	07-15-16	3,180,540.80	3,117,148.80	07-14-21	1.125%	100.00	31	7,700.00		3,000.00			10,700.00	3,200,000
FHLB	3130A8Y72	08-04-16	798,464.00	789,565.60	08-05-19	0.875%	19.44	31	1,088.89		583.33			1,672.22	800,000
FNMA	3135GON82	08-19-16	822,177.68	805,143.90	08-17-21	1.250%	28.65	31	0.00		0.00			0.00	825,000
FNMA	3135GON82	08-19-16	2,664,166.25	2,610,618.10	08-17-21	1.250%	92.88	31	5,347.21		3,645.84			8,993.05	2,675,000
FNMA	3135G0P49	09-02-16	3,993,760.00	3,955,396.00	08-28-19	1.000%	111.11	31	3,666.66		3,333.33			6,999.99	4,000,000
FNMS	3135G0T60	08-01-2017	2,392,728.00	2,384,025.60	07-30-20	1.250%	83.33	31	6,000.00		3,000.00			9,000.00	2,400,000
FHLB	3130A9EP2	09-09-16	4,695,911.00	4,643,426.10	09-26-19	1.000%	130.56	31	652.78		3,916.66			4,569.44	4,700,000
FHLMC	3137EAEJ4	09-29-17	988,208.10	984,994.56	09-29-20	1.625%	44.69	31	89.38		1,340.62			1,430.00	990,000
FNMA	3135G0T29	02-28-17	2,653,300.80	2,642,335.65	02-28-20	1.500%	110.63	31	3,650.62		3,318.75			6,969.37	2,655,000
FHLB	3130AAXX1	03-10-17	3,955,801.20	3,954,100.22	03-18-19	1.375%	151.44	31	1,968.73		4,543.23			6,511.96	3,965,000
FHLB	3130ACE26	09-08-17	363,828.35	360,559.05	09-28-20	1.375%	13.94	31	41.82		418.23			460.05	365,000
FHLMC	3137EAEF2	04-20-17	2,690,766.00	2,676,199.50	04-20-20	1.375%	103.13	31	16,603.13		3,093.75	18,562.50		1,134.38	2,700,000
															23.58%
CORPORATE NOTES															
TOYOTA MOTOR	89236TDH5	10-18-16	1,149,425.00	1,143,884.30	10-18-19	1.550%	49.51	31	8,070.76		1,485.42	8,912.50		643.68	1,150,000
TOYOTA MOTOR CREDIT CORP	89236TDM4	-01-09-17	1,999,300.00	1,998,866.00	01-09-19	1.700%	94.44	31	7,744.44		2,833.34			10,577.78	2,000,000
AMERICAN EXPRESS	0258M0EC9	10-31-16	2,799,321.80	2,788,326.80	10-30-19	1.700%	132.22	31	19,965.56		3,966.66	23,800.00		132.22	2,800,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,418,042.95	07-24-20	5.500%	481.25	31	32,243.75		14,437.50			46,681.25	3,150,000
PFIZER INC	717081E85	11-21-16	2,078,502.40	2,078,017.76	12-15-19	1.700%	98.22	31	10,411.56		2,946.66			13,358.22	2,080,000
JOHN DEERE	24422ESR1	11-22-16	919,254.75	915,092.42	12-15-17	1.550%	39.40	31	10,565.40		1,724.37	6,931.94		5,357.83	915,000
JOHN DEERE CAPITAL CORP.	24422ETM1	01-06-17	1,199,220.00	1,200,572.40	10-15-18	1.650%	55.00	31	9,130.00		1,650.00	9,900.00		880.00	1,200,000
JOHN DEERE CAPITAL CORP.	24422ETL3	03-15-17	681,979.15	694,612.61	01-06-22	2.650%	50.42	31	4,286.01		1,512.71			5,798.72	685,000
CATERPILLAR FINL	14913Q2A6	09-07-17	1,099,076.00	1,093,623.30	09-04-20	1.850%	56.53	31	1,356.67		1,695.83			3,052.50	1,100,000
GOLDMAN SACHS	38141GGQ1	11-28-16	3,035,092.50	3,012,737.75	07-27-21	5.250%	401.04	31	25,666.67		12,031.25			37,697.92	2,750,000
AMERICAN HONDA	02665WAH4	12-20-16	3,165,655.50	3,169,341.00	08-15-19	2.250%	196.88	31	9,056.25		5,906.25			14,962.50	3,150,000
BANK OF AMERICA	06051GGS2	09-18-2017	965,000.00	961,673.65	10-01-21	2.328%	62.40	31	811.24		1,872.10			2,683.34	965,000
CITIGROUP INC	172967LF6	01-10-17	1,574,370.00	1,583,911.35	01-10-20	2.450%	107.19	31	8,682.19		3,215.62			11,897.81	1,575,000
MICROSOFT CORP	594918BV5	02-06-17	1,518,981.60	1,520,904.40	02-06-20	1.850%	78.11	31	4,296.11		2,343.33			6,639.44	1,520,000
BERKSHIRE HATHAWAY	084670BL1	12-23-16	3,167,829.00	3,170,314.35	08-14-19	2.100%	183.75	31	8,636.25		5,512.50			14,148.75	3,150,000
WALT DISNEY	25468PDP8	03-06-17	659,828.40	661,121.34	03-04-20	1.950%	35.75	31	965.25		1,072.50			2,037.75	660,000
APPLE INC BONDS	037833CS7	05-11-17	1,323,648.50	1,322,357.95	05-11-20	1.800%	66.25	31	9,275.00		1,987.50			11,262.50	1,325,000
JP MORGAN CHASE & CO	46625HJD3	05-26-17	1,622,730.00	1,619,311.50	01-24-22	4.500%	187.50	31	12,562.50		5,625.00			18,187.50	1,500,000

INVESTMENT PORTFOLIO
October 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL. DAYS	INTEREST	PREPAID	INTEREST	INTEREST	ADJ.	INTEREST	PAR VALUE
			PURCHASE PRICE	VALUE 10/31/2017					REC'VBLE 9/30/2017	INT REC'VBLE 9/30/2017	EARNED 10/31/2017	RECEIVED		REC'VBLE 10/31/2017	
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>															
HOME DEPOT INC	437076BQ4	06-05-17	749,565.00	749,040.75	06-05-20	1.800%	37.50	31	4,350.00		1,125.00			5,475.00	750,000
PEPSICO INC	713448DX3	10-10-17	1,014,797.00	1,012,258.49	04-15-21	2.000%	56.39	31			1,184.17			1,184.17	1,015,000
WALMART STORES INC	931142EA7	10-20-17	1,547,752.50	1,546,735.70	12-15-20	1.900%	81.81	31			899.86			899.86	1,550,000
BRANCH BANKING & TRUST CORP	05531FAZ6	10-26-17	749,655.00	748,678.50	02-01-21	2.150%	44.79	31			223.96			223.96	750,000
															22.70%
<u>COMMERCIAL PAPERS</u>															
BNP PARIBAS NY BRANCH	09659CC71	07-07-17	3,167,600.00	3,184,060.80	03-07-18	0.000%	0.00	31	0.00					0.00	3,200,000
BANK OF TOKYO MITSUBISHI	06538CGL9	10-24-17	2,963,236.67	2,964,435.00	07-20-18	0.000%	0.00	31	0.00					0.00	3,000,000
CREDIT AGRICOLE CIB NY	22533TYL4	05-23-17	2,980,240.83	2,998,056.00	11-20-17	0.000%	0.00	31	0.00					0.00	3,000,000
JP MORGAN	46640OQFJ5	5-23-17	3,062,937.78	3,068,767.50	09-21-17	0.000%	0.00	31	0.00					0.00	3,100,000
ING (US) FUNDING LLC	4497W1G26	10-13-17	3,063,902.22	3,067,140.00	07-02-18	0.000%	0.00	31	0.00					0.00	3,100,000
															9.78%
<u>CERTIFICATE OF DEPOSIT</u>															
CANADIAN IMPERIAL BANK NY	13606A5Z7	12-05-16	3,097,582.00	3,107,663.20	11-30-18	1.760%	151.56	31	18,792.89		4,698.22			23,491.11	3,100,000
SVENSKA HANDELSBANKEN NY	86958JHB8	01-12-17	3,100,000.00	3,091,165.00	01-10-19	1.890%	162.75	31	13,508.25		5,045.25			18,553.50	3,100,000
NORDEA BANK FINLAND NY	65558LWA6	12-05-16	3,100,000.00	3,107,663.20	11-30-18	1.760%	151.56	31	18,338.22		4,546.67			22,884.89	3,100,000
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-06-17	3,100,000.00	3,096,565.20	04-05-19	1.910%	164.47	31	29,276.06		5,098.63	29,933.94		4,440.75	3,100,000
SUMITOMO MITSUI BANK NY	86563YVNO	05-04-17	3,100,000.00	3,105,549.00	05-03-19	2.050%	176.53	31	25,949.58		5,295.84			31,245.42	3,100,000
															9.84%
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>															
CCCIT 2017-A2 A2	17305EGA7	01-26-17	2,649,492.53	2,650,935.72	01-17-21	1.740%	128.08	31	9,478.17		3,842.50			13,320.67	2,650,000
ALLYA 2017-1 A3	02007PAC7	01-31-17	704,938.38	703,403.32	06-15-21	1.700%	33.29	31	532.68		998.75	998.75		532.68	705,000
FORDO 2017-A A3	34531EAD8	01-25-17	2,199,991.86	2,193,809.20	06-25-21	1.670%	102.06	31	1,632.89		3,061.67	3,061.67		1,632.89	2,200,000
TAOT 2017-A A3	89238MAD0	03-07-17	779,908.19	779,002.61	02-15-21	1.730%	37.48	31	599.73		1,124.50	1,124.50		599.73	780,000
ALLYA 2017-2 A3	02007HAC5	03-29-17	2,484,707.02	2,482,247.12	08-15-21	1.780%	122.87	31	1,965.91		3,686.08	3,686.09		1,965.90	2,485,000
TAOT 2017-B A3	89190BAD0	05-17-17	3,099,762.23	3,092,971.68	07-15-21	1.760%	151.56	31	2,424.89		4,546.67	4,546.67		2,424.89	3,100,000
HAROT 2017-3 A3	43814PAC4	09-29-2017	579,937.19	578,872.71	09-18-21	1.790%	28.84	31	57.68		865.17	547.94		374.91	580,000
CCCIT 2017-A3 A3	17305EGB5	05-22-17	1,604,272.00	1,597,660.00	04-07-22	1.920%	85.33	31	14,506.67		2,560.00	15,018.67		2,048.00	1,600,000
JOHN DEERE ABS	47788BAD6	07-18-17	999,926.80	997,753.00	10-15-21	1.820%	50.56	31	808.89		1,516.67	1,516.67		808.89	1,000,000
AMXCA 2017-4 A	02582JHG8	05-30-17	1,199,807.76	1,197,610.68	12-15-21	1.640%	54.67	31	880.00		1,640.00	1,640.00		880.00	1,200,000
															10.35%
<u>SALE/PAYDOWN/MATURITY:</u>															
FHLB	313376BR5	08-11-16			12-14-18	1.750%	0.00	31	3,901.04		328.13	4,229.17		(0.00)	
FHLMC	3137EAED7	08-31-2017			10-12-18	0.875%	0.00	31	1,211.75		64.53	1,276.28		0.00	
CANADIAN IMPERIAL HLDNG	13607EXD6	01-19-2017			10-13-17	0.000%	0.00	31	0.00		31,843.46	31,843.46		0.00	
BANK OF TOKYO MITSUBISHI	06538BXP3	04-21-17			0-23-17	0.000%	0.00	31	0.00		20,966.67	20,966.67		0.00	
<u>CASH AND CASH EQUIVALENT</u>															
	31846V534								178.13		306.54	178.13		306.54	
TOTAL			157,878,754.64	157,265,204.91					536,586.66	0.00	267,094.76	292,527.61	0.00	511,153.81	157,449,061.42

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2018
 OCTOBER 2017

Approved Budget		Receipts		Over/(Under) Budget/Projection	Current Projection
Date	Amount	Date	Amount		
FY2017:					
1st Quarter	19,338,441	1st Quarter	18,526,300	(812,141)	18,526,300
2nd Quarter	20,753,590	2nd Quarter	22,307,178	1,553,588	22,307,178
3rd Quarter	21,051,276	3rd Quarter	19,175,362	(1,875,914)	19,175,362
4th Quarter	21,856,693	4th Quarter	24,345,230	2,488,537	24,345,230
FY2017 Total	83,000,000	FY2017 Total	84,354,070	1,354,070	84,354,070
FY2018:					
Jul. 17	6,173,245	Sep. 17	5,760,900	(412,345)	6,173,245
Aug. 17	6,173,245	Oct. 17	5,760,900	(412,345)	6,173,245
Sep. 17	9,148,973	Nov. 17			9,148,973
3 Months Total	21,495,463		11,521,800	(824,690)	21,495,463
Oct. 17	6,484,778	Dec. 17			6,484,778
Nov. 17	6,279,663	Jan. 18			6,279,663
Dec. 17	9,645,126	Feb. 18			9,645,126
6 Months Total	43,905,030		11,521,800	(824,690)	43,905,030
Jan. 18	5,525,697	Mar. 18			5,525,697
Feb. 18	5,504,678	Apr. 18			5,504,678
Mar. 18	7,882,317	May 18			7,882,317
9 Months Total	62,817,722		11,521,800	(824,690)	62,817,722
Apr. 18	6,117,920	Jun. 18			6,117,920
May 18	6,103,123	Jul. 18			6,103,123
Jun. 18	9,621,235	Aug. 18			9,621,235
FY2018 Total	84,660,000	FY2018 Total	11,521,800	(824,690)	84,660,000
	21,083,118	1st Quarter			
	6,072,433	2nd Quarter			
		3rd Quarter			
		4th Quarter			
	27,155,551	YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF OCTOBER 31, 2017

10/31/2017

Cash -- Bank of America Checking Account	9,270,347.83
Cash -- Wells Fargo Lockbox Account	19,623.00
Cash - US Bank (on deposit)	459,505.49
LAIF	987,027.10
County Pool	311,429,920.23
Investment Portfolio	157,265,204.91
	<hr/>
Total	<u><u>479,431,628.56</u></u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
OCTOBER 2017**

Unit	Ref	Name	Amount	Method	Description
SMCTA	000113	IBARRA, KENNETH	100.00	ACH	Board Member Compensation
SMCTA	000114	MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA	000115	URS CORPORATION	452,358.36	ACH	Consultants
SMCTA	000116	HORSLEY, DONALD	100.00	ACH	Board Member Compensation
SMCTA	000117	JOHNSON, CAMERON	100.00	ACH	Board Member Compensation
SMCTA	000118	IBARRA, KENNETH	100.00	ACH	Board Member Compensation
SMCTA	000119	BEACH, EMILY RANDOLPH	100.00	ACH	Board Member Compensation
SMCTA	000120	URS CORPORATION	70,767.17	ACH	Consultants
SMCTA	004517	BARTHOLOMEW, TASHA	48.58	CHK	Business Meetings
SMCTA	004518	SELF-HELP COUNTIES COALITION	550.00	CHK	2017 Focus on the Future Conference
SMCTA	004519	SLAVIT, JOEL A	753.27	CHK	State Planning (APA) Conference
SMCTA	004520	DEPARTMENT OF TRANSPORTATION	9,215,424.80	CHK	Capital Programs (1)
SMCTA	004521	HANSON BRIDGETT LLP	13,794.00	CHK	Legal Services
SMCTA	004522	JACOBS ENGINEERING GROUP INC.	5,499.34	CHK	Consultants
SMCTA	004523	MENLO PARK, CITY OF	31,202.45	CHK	Capital Programs (2)
SMCTA	004524	PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA	004525	SAN MATEO COUNTY COMM COLLEGE DISTRICT	28,187.04	CHK	Capital Programs (2)
SMCTA	004526	DMJM HARRIS/MARK THOMAS JV	68,090.87	CHK	Consultants
SMCTA	004527	HANSON BRIDGETT LLP	2,242.00	CHK	Legal Services
SMCTA	004528	ATKINS NORTH AMERICA, INC	56,162.47	CHK	Consultants
SMCTA	004529	SLAVIT, JOEL A	35.65	CHK	Business Meetings
SMCTA	004530	DEPARTMENT OF TRANSPORTATION	392,670.34	CHK	Capital Programs (3)
SMCTA	900105	PENINSULA CORRIDOR JOINT POWERS BOARD	6,336,754.67	WIR	Capital Programs (4)
			<u>16,684,391.01</u>		

- (1) 101 Interchange to Broadway \$1,941,887.76; 101 Interchange to Willow \$4,434,180.77; Marsh to SM/SC line \$15,248.25; 101 HOV Ln Whipple-San Bruno \$216,537.14; SR92 El Camino Real Ramp \$2,607,570.88
- (2) FY17/FY18 Local Shuttles
- (3) 101 Interchange to Broadway \$287,704.73; Marsh to SM/SC line \$4,747; 101 HOV Ln Whipple - San Bruno \$100,218.61
- (4) Caltrain Electrification

Resolution No. 2017-22

Resolution of Appreciation

Presented to

KEN IBARRA

WHEREAS, representing the Northern Judicial Cities of San Mateo County, **Director Ken Ibarra** will step down from the San Mateo County Transportation Authority Board of Directors; and

WHEREAS, **Director Ibarra** provided invaluable leadership during his two years on the San Mateo County Transportation Authority Board; and

WHEREAS, during **Director Ibarra's** time on the board, he supported the agency's efforts to funds shuttle service throughout the County; and

WHEREAS, **Director Ibarra** was a dedicated advocate for bike and pedestrian needs, allocating \$4.9 million to projects designed to serve their needs; and

WHEREAS, **Director Ibarra** responded to request to meet local mobility needs through the funding of more than \$8 million to provide 36 local shuttles throughout the County; and

WHEREAS, **Director Ibarra** helped preserve essential federal funding for the Caltrain Electrification Project by voting to authorize a commitment of \$135 million of Measure A funding to meet Federal Transit Administration requirements ; and

WHEREAS, **Director Ibarra** approved significant policy changes to the Measure A Highway Program to help the TA better manage and leverage its funds; and

WHEREAS, **Director Ibarra** took action to help address congestion and improve safety on our highways, allocating \$5.9 million to the Route 92/El Camino Real Interchange Project, \$7.5 million to the US 101/Broadway Interchange Project, \$10.4 million to the Highway 101/Willow Road Interchange Project, and worked to advance the 101 Corridor Managed Lanes Project; and

WHEREAS, **Director Ibarra** helped improve local traffic congestion and create opportunities for enhanced rail service by advocating that \$65.3 million to go to the 25th Avenue Grade Separation Project; and

WHEREAS, during **Director Ibarra's** term, his guidance helped the Transportation Authority reach unprecedented milestones, serving the diverse needs of commuters throughout San Mateo County; and

NOW, THEREFORE, BE IT RESOLVED that the San Mateo County Transportation Authority Board of Directors, does thank and commend **Ken Ibarra** for his successful tenure, and wish him good fortunes in his future endeavors.

UNANIMOUSLY ADOPTED by the San Mateo County Transportation Authority this 7th day of December, 2017.



Chair, San Mateo County Transportation Authority



Memorandum

Date: November 28, 2017
To: TA Board of Directors
From: Jim Hartnett, Executive Director
Subject: December 7, 2017 TA Board Meeting Executive Director's Report

101 Managed Lanes Project

The 101 Managed Lanes Draft Environmental Document (DED) was released for public circulation and comment on November 21. The DED is available for review online at <http://www.dot.ca.gov/d4/101managedlanes/>, and hard copies are available at local libraries as noted on the link.

Two public meetings will provide information and solicit public input on the project.

- Wednesday, December 6, 2017, 6:00pm – 8:00pm, Redwood City Hall
- Monday, December 11, 2017, 6:00pm – 8:00pm, San Mateo City Hall

Comments on the project should be sent to:

Caltrans, Environmental Analysis c/o
Yolanda Rivas, 111 Grand Avenue
Oakland, CA 94623

Comments on the project will be accepted until January 19, 2018.

Highway Program Call-for-Projects

The TA released a Highway Program Call-for-Projects on October 9 which will make available up to \$75 million in Measure A funding. The application period closed on November 20. The TA received 7 applications from 8 project sponsors, requesting a total amount of funding of \$46.8 million. Three of these applications were jointly sponsored; two applications for 101/92 Interchange sponsored by the

cities of San Mateo and Foster City, and the 101 Managed Lanes Project was jointly sponsored by C/CAG and the TA.

A review panel comprised of TA and external staff will review the applications and propose a draft funding recommendation to the Board as an information item in January, to be followed by an allocation action in February.

Pedestrian and Bicycle Program Call-for-Projects

The TA released a Pedestrian and Bicycle Call-for-Projects on November 6 which will make available up to \$5 million in Measure A funding. A workshop was held on November 8 to help guide prospective applicants. Applications for this program are due on December 15.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

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

ACTION

Staff recommends the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended September 30, 2017.

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 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.

Exhibit I, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 7, 8 and 9. The Exhibit separates the investments into two groups: the Investment Portfolio managed by PFM Asset Management LLC (PFM), and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

PFM provides the TA a current market valuation of all the assets under its management for each quarter. Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

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 Senate Bill 564 (1995). The TA has the ability to meet its expenditure requirements for the next six months.

DISCUSSION

ECONOMIC SNAPSHOT

- Gross domestic product (GDP) increased at an annualized rate of 3.1 percent in the second quarter of 2017.
- The acceleration in second quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, exports, and federal government spending, offset by negative contributions from residential fixed investments, imports, and state and local government spending.
- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 to \$97 billion. The lost economic output is forecasted to be \$9 – \$11 billion.

INTEREST RATES

- Two-year treasury yields moved modestly higher towards the end of the quarter, possibly due to heightened expectations of another rate hike and a tax overhaul that could increase government borrowing.
- Treasury yields are substantially higher compared to a year ago. Short-term yields continue to rise in response to the Fed raising rates in their efforts to normalize policy. Longer-term yields still remain relatively low in response to low inflation and growth expectations.



Maturity	6/30/17	9/30/17	Change
3-Mo.	1.01	1.05	0.04
6-Mo.	1.13	1.19	0.06
1-Yr.	1.23	1.29	0.06
2-Yr.	1.38	1.49	0.11
3-Yr.	1.55	1.62	0.07
5-Yr.	1.89	1.94	0.05
10-Yr.	2.31	2.33	0.02
20-Yr.	2.61	2.60	0.01
30-Yr.	2.84	2.86	0.02

PORTFOLIO RECAP

- Policy challenges in the U.S., combined with escalating tensions on the geopolitical front, led to bouts of uncertainty which triggered periods of “risk-off” and “risk-on” during the third quarter. Nonetheless, volatility remained low and equities continued to book new record highs, reflective of investor complacency.
- After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank’s enormous balance sheet. The plan is to gradually reduce the Fed’s securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in strong relative performance for corporate, mortgage-backed (MBS), and asset-backed (ABS) securities.
- The yield spreads on federal agency securities vs. comparable-maturity Treasuries narrowed to historic lows, in some cases near zero, leading to diminished value of the agency sector.
- Corporate yield spreads also tightened to multi-year lows as investors reaching for yield piled into a limited market supply of investment-grade securities.
- Following three straight quarters of underperformance, the MBS sector generated solid excess returns during the third quarter and is now in positive excess return territory year-to-date.
- Despite weakening collateral metrics in some higher risk areas of the ABS sector (e.g., subprime auto loans which PFM does not purchase), higher quality prime auto loan and credit-card-backed tranches performed well, benefitting from higher initial yields.
- Without a clear trend in the direction of interest rates, we maintained the portfolio duration in line with the benchmark to minimize return volatility.

Outlook and Strategy

- Although current low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30 percent mid-third quarter to over 70 percent.
- With 2-year Treasury yields at the highest level since 2008, we plan to maintain the portfolio duration generally in line with the benchmark. However, the significant flattening of the yield curve since the beginning of the year has reduced the benefit of some maturity extensions, so we will carefully assess value along the yield curve.
- As we near the end of Janet Yellen's term as Chair of the Federal Reserve, which will expire early next year, we will assess the market implications of all new appointees to the Fed (there will be a total of 4 openings on the Fed's 7-member Board of Governors).
- Our prevailing economic theme includes moderate growth expectations in the U.S. and abroad, further improvements in the tightening U.S. labor market, healthy consumer demand, and a stable corporate backdrop.
- The impact from the recent Gulf Coast hurricanes will likely manifest itself in weaker economic data for September and early fourth quarter. However, history shows that the effects of weather-related events are typically short-lived and may be smoothed over by the subsequent recovery and rebuilding activity.
- On the policy front, the potential for tax reform is worth watching, as will be the debt ceiling debate, which will resurface in December.

Budget Impact

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending September 30, the total return of the portfolio was **0.40 percent**. This compares to the benchmark return of **0.29 percent**. The Performance graph on page 11 shows the relative performance of the TA over the last 12 months.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter, the portfolio's yield to maturity at cost was **1.64 percent**.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending September 30, the portfolio's market yield to maturity was **1.67 percent**.

Prepared by: Connie Mobley-Ritter, Director - Treasury

650-508-7765

Investment Glossary:

Asset Backed Securities - An asset-backed security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

Certificate of Deposit - A certificate of deposit (CD) is a savings certificate with a fixed maturity date, specified fixed interest rate and can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000 per individual.

Collateralized Mortgage Obligation - Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

Commercial Paper - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

Credit Spreads - The spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Duration - The term duration has a special meaning in the context of bonds. It is a measurement of how long, in years, it takes for the price of a bond to be repaid by its internal cash flows. It is an important measure for investors to consider, as bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

Net Asset Value - Net asset value (NAV) is value per share of a mutual fund or an exchange-traded fund (ETF) on a specific date or time. With both security types, the per-share dollar amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

Roll-down - A roll-down return is a form of return that arises when the value of a bond converges to par as maturity is approached. The size of the roll-down return varies greatly between long and short-dated bonds. Roll-down is smaller for long-dated bonds that are trading away from par compared to bonds that are short-dated.

Roll-down return works two ways in respect to bonds. The direction depends on if the bond is trading at a premium or at a discount.

If the bond is trading at a discount the roll-down effect will be positive. This means the roll-down will pull the price up towards par. If the bond is trading at a premium the opposite will occur. The roll-down return will be negative and pull the price of the bond down back to par.

Volatility - Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

Yield Curve - A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates, and it is also used to predict changes in economic output and growth.

Yield to Maturity - Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Source: Investopedia.com

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED SEPTEMBER 30, 2017

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET VALUE	INTEREST REC'VBLE	MARKET VALUE + ACCR INT.
				PURCHASE PRICE			
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>U.S. TREASURY NOTES AND BONDS</u>							
US TREASURY NOTE	912828Q78	04-30-21	3,200,000	3,136,500.00	3,159,500.80	18,413.04	3,177,913.84
US TREASURY NOTE	912828ST8	04-30-19	120,000	119,845.31	119,653.08	627.72	120,280.80
US TREASURY NOTE	912828F62	10-31-19	600,000	602,414.06	600,000.00	3,786.89	603,786.89
US TREASURY NOTE	912828VF4	05-31-20	6,520,000	6,435,698.43	6,485,104.96	30,128.28	6,515,233.24
US TREASURY NOTE	912828VP2	07-31-20	3,085,000	3,188,998.24	3,118,500.02	10,395.11	3,128,895.13
US TREASURY NOTE	912828L32	08-31-20	335,000	341,124.22	332,696.88	415.32	333,112.20
US TREASURY NOTE	912828R77	05-31-21	3,500,000	3,409,082.03	3,452,694.00	16,173.16	3,468,867.16
US TREASURY NOTE	912828D72	08-31-21	8,400,000	8,472,773.45	8,466,939.60	15,521.74	8,482,461.34
US TREASURY NOTE	912828T67	10-31-21	7,550,000	7,420,656.25	7,381,302.80	39,709.70	7,421,012.50
21.15%							
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>							
FNMA	3136ANJY4	04-01-18	475,055	479,803.84	474,803.41	613.61	475,417.02
FNA 2014-M6 A2	3136AJ7G5	05-25-21	3,450,000	3,519,808.59	3,515,860.16	7,700.72	3,523,560.88
FANNIE MAE	3136AQDQ0	09-01-19	1,054,716	1,065,278.15	1,054,081.39	1,446.72	1,055,528.11
3.16%							
<u>FEDERAL AGENCY NOTES AND BONDS</u>							
FHLMC	3137EAEB1	07-19-19	4,650,000	4,638,747.00	4,596,166.95	8,137.50	4,604,304.45
FNMA	3135GON33	08-02-19	3,200,000	3,194,624.00	3,162,268.80	4,588.89	3,166,857.69
FHLB	3130A8QS5	07-14-21	3,200,000	3,180,540.80	3,125,977.60	7,700.00	3,133,677.60
FHLB	313376BR5	12-14-18	750,000	765,165.00	752,700.75	3,901.04	756,601.79
FHLB	3130A8Y72	08-05-19	800,000	798,464.00	790,535.20	1,088.89	791,624.09
FNMA	3135G0N82	08-17-21	825,000	822,177.68	807,270.75	0.00	807,270.75
FNMA	3135G0N82	08-17-21	2,675,000	2,664,166.25	2,617,514.25	5,347.21	2,622,861.46
FNMA	3135G0P49	08-28-19	4,000,000	3,993,760.00	3,960,808.00	3,666.66	3,964,474.66
FNMS	3135GOT60	07-30-20	2,400,000	2,392,728.00	2,386,881.60	6,000.00	2,392,881.60
FHLB	3130A9EP2	09-26-19	4,700,000	4,695,911.00	4,651,176.40	652.78	4,651,829.18
FHLMC	3137EAEED7	10-12-18	295,000	294,873.15	293,534.74	1,211.75	294,746.49
FHLMC	3137EAEJ4	09-29-20	990,000	988,208.10	987,471.54	89.38	987,560.92
FNMA	3135G0T29	02-28-20	2,655,000	2,653,300.80	2,648,686.41	3,650.62	2,652,337.03
FHLB	3130AAXX1	03-18-19	3,965,000	3,955,801.20	3,959,758.27	1,968.73	3,961,727.00
FHLB	3130ACE26	09-28-20	365,000	363,828.35	361,508.41	41.82	361,550.23
FHLMC	3137EAEF2	04-20-20	2,700,000	2,690,766.00	2,682,798.30	16,603.13	2,699,401.43
24.24%							

EXHIBIT 1
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED SEPTEMBER 30, 2017

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL		INTEREST REC'VBLE	MARKET VALUE + ACCR INT.
				PURCHASE PRICE	MARKET VALUE		
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>CORPORATE NOTES</u>							
TOYOTA MOTOR	89236TDH5	10-18-19	1,150,000	1,149,425.00	1,143,800.35	8,070.76	1,151,871.11
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-19	2,000,000	1,999,300.00	2,000,468.00	7,744.44	2,008,212.44
AMERICAN EXPRESS	0258M0EC9	10-30-19	2,800,000	2,799,321.80	2,791,199.60	19,965.56	2,811,165.16
MORGAN STANLEY	6174467P8	07-24-20	3,150,000	3,516,187.50	3,421,876.50	32,243.75	3,454,120.25
PFIZER INC	717081EB5	12-15-19	2,080,000	2,078,502.40	2,078,893.44	10,411.56	2,089,305.00
JOHN DEERE	24422ESR1	12-15-17	2,315,000	2,325,764.75	2,315,840.35	10,565.40	2,326,405.75
JOHN DEERE CAPITAL CORP.	24422ETM1	10-15-18	1,200,000	1,199,220.00	1,200,733.20	9,130.00	1,209,863.20
JOHN DEERE CAPITAL CORP.	24422ETL3	01-06-22	685,000	681,979.15	694,192.02	4,286.01	698,478.03
CATERPILLAR FINL	14913Q2A6	09-04-20	1,100,000	1,099,076.00	1,094,924.60	1,356.67	1,096,281.27
GOLDMAN SACHS	38141GGQ1	07-27-21	2,750,000	3,035,092.50	3,021,741.25	25,666.67	3,047,407.92
AMERICAN HONDA	02665WAH4	08-15-19	3,150,000	3,165,655.50	3,174,995.25	9,056.25	3,184,051.50
BANK OF AMERICA	06051GGS2	10-01-21	965,000	965,000.00	962,984.12	811.24	963,795.36
CITIGROUP INC	172967LF6	01-10-20	1,575,000	1,574,370.00	1,587,503.93	8,682.19	1,596,186.12
MICROSOFT CORP	594918BV5	02-06-20	1,520,000	1,518,981.60	1,526,257.84	4,296.11	1,530,553.95
BERKSHIRE HATHAWAY	084670BL1	08-14-19	3,150,000	3,167,829.00	3,180,586.50	8,636.25	3,189,222.75
WALT DISNEY	25468PDP8	03-04-20	660,000	659,828.40	662,199.78	965.25	663,165.03
APPLE INC BONDS	037833CS7	05-11-20	1,325,000	1,323,648.50	1,325,596.25	9,275.00	1,334,871.25
JP MORGAN CHASE & CO	46625HJD3	01-24-22	1,500,000	1,622,730.00	1,625,266.50	12,562.50	1,637,829.00
HOME DEPOT INC	437076BQ4	06-05-20	750,000	749,565.00	750,548.25	4,350.00	754,898.25
				21.48%			
<u>COMMERCIAL PAPERS</u>							
BNP PARIBAS NY BRANCH	09659CC71	03-07-18	3,200,000	3,167,600.00	3,180,044.80	0.00	3,180,044.80
CANADIAN IMPERIAL HLDNG	13607EXD6	10-13-17	3,100,000	3,068,156.54	3,098,567.80	0.00	3,098,567.80
BANK OF TOKYO MITSUBISHI	06538BXP3	0-23-17	3,000,000	2,979,033.33	2,997,585.00	0.00	2,997,585.00
CREDIT AGRICOLE CIB NY	22533TYL4	11-20-17	3,000,000	2,980,240.83	2,994,900.00	0.00	2,994,900.00
JP MORGAN	46640QQFJ5	09-21-17	3,100,000	3,062,937.78	3,065,639.60	0.00	3,065,639.60
				9.78%			
<u>CERTIFICATE OF DEPOSIT</u>							
CANADIAN IMPERIAL BANK NY	13606A5Z7	11-30-18	3,100,000	3,097,582.00	3,107,815.10	18,792.89	3,126,607.99
SVENSKA HANDELSBANKEN NY	86958JHB8	01-10-19	3,100,000	3,100,000.00	3,090,064.50	13,508.25	3,103,572.75
NORDEA BANK FINLAND NY	65558LWA6	11-30-18	3,100,000	3,100,000.00	3,107,815.10	18,338.22	3,126,153.32
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-05-19	3,100,000	3,100,000.00	3,095,966.90	29,276.06	3,125,242.96
SUMITOMO MITSUI BANK NY	86563YVNO	05-03-19	3,100,000	3,100,000.00	3,105,797.00	25,949.58	3,131,746.58
				9.84%			

EXHIBIT 1

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED SEPTEMBER 30, 2017**

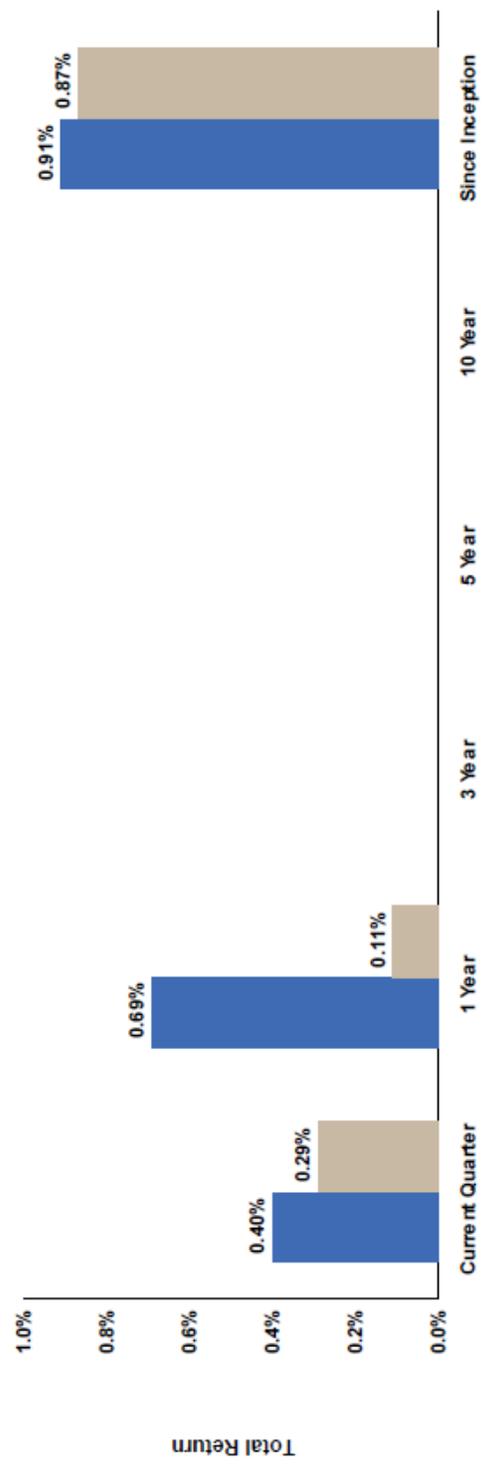
<u>TYPE OF SECURITY</u>	<u>CUSIP #</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>ORIGINAL PURCHASE PRICE</u>	<u>MARKET VALUE</u>	<u>INTEREST REC'VBLE</u>	<u>MARKET VALUE + ACCR INT.</u>
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>							
<u>ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS</u>							
CCCIT 2017-A2 A2	17305EGA7	01-17-21	2,650,000	2,649,492.53	2,652,542.94	9,478.17	2,662,021.11
ALLYA 2017-1 A3	02007PAC7	06-15-21	705,000	704,938.38	704,116.42	532.68	704,649.10
FORDO 2017-A A3	34531EAD8	06-25-21	2,200,000	2,199,991.86	2,196,543.14	1,632.89	2,198,176.03
TAOT 2017-A A3	89238MAD0	02-15-21	780,000	779,908.19	779,506.81	599.73	780,106.54
ALLYA 2017-2 A3	02007HAC5	08-15-21	2,485,000	2,484,707.02	2,483,722.71	1,965.91	2,485,688.62
TAOT 2017-B A3	89190BAD0	07-15-21	3,100,000	3,099,762.23	3,099,639.16	2,424.89	3,102,064.05
HAROT 2017-3 A3	43814PAC4	09-18-21	580,000	579,937.19	579,401.61	57.68	579,459.29
CCCIT 2017-A3 A3	17305EGB5	04-07-22	1,600,000	1,604,272.00	1,601,000.64	14,506.67	1,615,507.31
JOHN DEERE ABS	47788BAD6	10-15-21	1,000,000	999,926.80	999,341.50	808.89	1,000,150.39
AMXCA 2017-4 A	02582JHG8	12-15-21	1,200,000	1,199,807.76	1,198,557.24	880.00	1,199,437.24
			10.35%				
<u>CASH AND CASH EQUIVALENT</u>							
	31846V534					178.13	178.13
	4497WOWM6					0.00	0.00
TOTAL			157,484,771.33	157,974,815.44	157,644,370.77	536,586.66	158,180,957.43

LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:

SAN MATEO COUNTY POOL	329,823,995	329,823,995	986,855	330,810,850
LOCAL AGENCY INVESTMENT FUND	984,363	984,363	2,683	987,046
U,S, BANK (CASH ON DEPOSIT)	70,202	70,202	0	70,202
BANK OF AMERICA CHECKING	2,209,639	2,209,639	0	2,209,639
WELLS FARGO	0	0	0	0
TOTAL FUNDS MANAGED BY DISTRICT STAFF	333,088,199	333,088,199	989,538	334,077,737
TOTAL AS OF SEPTEMBER 30, 2017	491,063,014	490,732,570	1,526,125	492,258,695

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSPORTATION AUTHORITY*	2.17	0.40%	0.69%	-	-	-	0.91%
San Mateo County Transportation Authority Custom Index**	2.15	0.29%	0.11%	-	-	-	0.87%
Difference		0.11%	0.58%	-	-	-	0.04%



*Portfolio performance is gross of fees unless otherwise indicated.
**Composed of the 0-3 Year U.S. Treasury Index, 15% 0-1 Year Government Index, 15% 0-1 Year Federal Agency Index, 20% 1-3 Year U.S. Government Index, 20% 3-5 Year U.S. Government Index, 10% 1-10 Year U.S. Government Index, and 20% 1-5 Year Corporate Index.

EXHIBIT 3

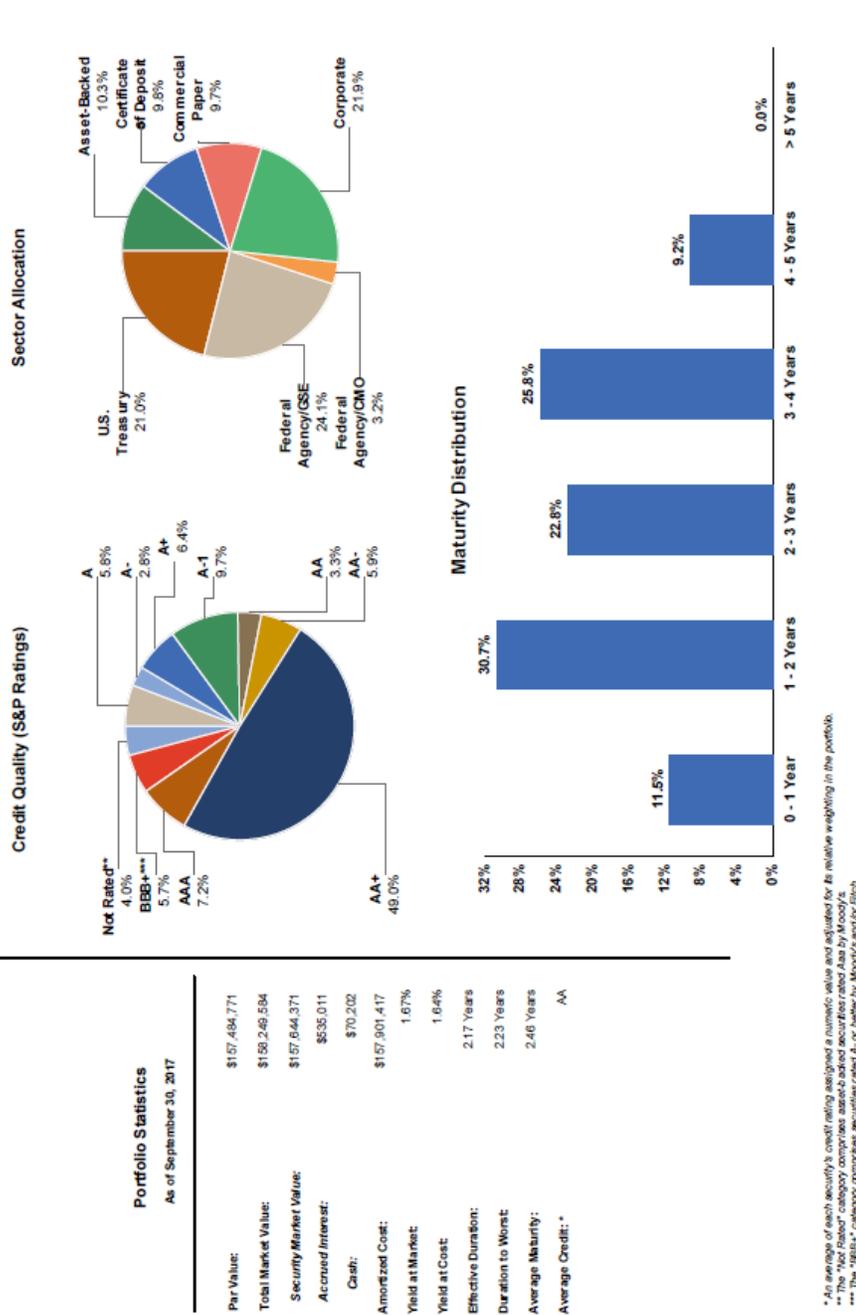


EXHIBIT 4

For the Quarter Ended September 30, 2017

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Portfolio Review

Sector Allocation and Compliance

- The portfolio is in compliance with the Authority's Investment Policy and the California Government Code.

<u>Security Type</u>	<u>Market Value as of September 30, 2017</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>	<u>In Compliance</u>
U.S. Treasury	\$33,116,392	21.0%	100%	✓
Federal Agency/GSE	\$37,785,058	24.1%	100%	✓
Federal Agency/CMO	\$5,044,745	3.2%	20%	✓
Corporate Notes	\$34,559,608	21.9%	30%	✓
Negotiable CDs	\$15,507,459	9.8%	10%	✓
Asset-Backed Securities	\$16,294,372	10.3%	30%	✓
Commercial Paper	\$15,336,737	9.7%	15%	✓
Securities Sub-Total	\$157,644,371	100.0%		
Accrued Interest	\$535,011			
Securities Total	\$158,179,382			
Money Market Fund	\$70,202	<1%	10%	✓
Total Investments	\$158,249,584	100.0%		

As of 9/30/2017. Detail may not add to total due to rounding.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PROGRAMMING AND ALLOCATION OF \$3.87 MILLION OF ADDITIONAL
MEASURE A FUNDING FOR THE US 101/HOLLY INTERCHANGE
RECONSTRUCTION PROJECT IN SAN CARLOS**

ACTION

Staff recommends the Board:

1. Program and allocate \$2.38 million of additional Measure A funding for the US 101/Holly Interchange Reconstruction Project (Project); and
2. Program an additional \$1.49 million of additional Measure A funding for the Project as supplemental contingency funds with allocation of any or all such funds conditioned on if the lowest responsive responsible construction bid is higher than the engineer's estimate.
3. Authorize the Executive Director or his designee to execute any necessary documents or agreements to allocate the subject funding.

SIGNIFICANCE

There are significant changes projected for the uses of land adjacent to the US 101/Holly Street Interchange area in the City of San Carlos (City). The growth associated with the changes will draw a considerable amount of additional traffic to an already congested area, resulting in increased back-ups within the interchange, freeway and local streets.

The Project will convert the existing interchange to a partial cloverleaf design, realign the on- and off-ramps to eliminate weaving problems, and reduce the number of pedestrian/bicyclist crossings which conflict with the free right-turn vehicular traffic movements. Additionally, the Project will add new signalized intersections and improved bicycle and pedestrian facilities to promote overall safety within the interchange area.

As part of the 2015 Highway Program Call-For-Projects, the City was allocated \$10.57 million of Measure A Highway Program funding for right-of-way and construction phases of the Project. This was based on the City's 2015 right-of-way and construction cost estimate of \$15.1 million, and a balance of \$4.53 to be funded by the City.

During the course of design, projected costs to complete the Project have outpaced associated cost estimates developed in 2015. Thus, the City is requesting an additional \$3.87 million of Measure A funds pursuant to a Special Circumstance request. The request meets the following criteria for urgency and impact to the Measure A Program as outlined in the San Mateo County Transportation Authority's (TA) Strategic Plan 2014-2019: 1) the Project may realize cost savings if the construction is not further delayed due to the current environment in which construction costs are outpacing the growth of Measure A revenue and 2) there is a risk of losing other funding sources that have been secured for the Project if it does not proceed according to the current schedule. Details with respect to the cost increase, which includes \$2.38 million of additional construction funds and \$1.49 million of supplemental contingency funds, and how the Project meets the Special Circumstance urgency criteria are summarized below:

1. Additional design modifications and escalation of project constructions costs

The projected cost of the interchange construction has increased substantially from its initial estimate of \$15.10 million (2015) to the current estimate of \$17.48 million (2017). Additional costs can be attributed to unanticipated design modifications required by Caltrans to avoid environmental impact, Smart corridor utility relocation, and substantial increase in construction labor and material costs due to the Bay Area's robust economy and shortage of available contractors.

2. Competitive environment may result in higher bids than engineer's estimates

Given the competitive bidding environment, the City requested that an additional \$1.49 million from the Measure A program be made available as supplemental contingency funds in the event that the City receives bids that are higher than the engineer's estimates. The \$1.49 million would only be available to the City if the lowest responsive responsible construction bid was higher than the engineer's estimate. Any unused Measure A funds will return to the Highway Program after the award of construction.

3. Significant cost saving and potential loss of funding source if the Project cannot be constructed within scheduled timeframe

The City determined that if the Project is to be constructed in conjunction with the Holly Street Pedestrian/Bicycle Overcrossing (POC), there will be cost savings of approximately \$1.5 million. The right-of-way engineering and design of both the interchange and POC are nearly complete and the POC and Project is expected to go out to bid as one project in January 2018.

The POC is funded with a combination of funds from the TA's Measure A Bicycle/Pedestrian program (\$1.0 million), a Metropolitan Transportation Commission One Bay Area Grant (\$1.0 million), a Bay Area Air Quality Management District Bicycle and Facilities Grant (\$120,000), an Active Transportation Program Grant (\$4.2 million), and City General Funds/Traffic Impact Fees (\$1.2 million). Measure A Pedestrian and Bicycle Program funding for the POC component of the Project is conditioned on the City securing remaining funding needed to fully fund that project by March 2018.

The proposed allocation will avoid the loss of currently programmed and committed

funding sources for the POC and allow the Project to move forward to construction. The City's staff has explored other funding options to address the \$3.87 million funding shortfall for the interchange Project, including local, State, and Federal sources, but no other funding source is available at this time.

The City and its consultant have thoroughly reviewed the final cost estimate against the results of latest bids for similar highway projects in the area to ensure the engineer's estimate has captured the latest market pricing. TA staff will continue to closely monitor and manage Measure A allocations to the Project. Any Measure A funds that are programmed but not expended will be returned to the Highway Program category and made available to other highway projects.

The Special Circumstance request also will not have an adverse impact to the Measure A Highway Program. TA staff reviewed the potential savings from other TA projects that are currently in closeout phases. There is sufficient cost saving from other projects within the Measure A Highway Program category to fund the subject programming and allocation.

BUDGET IMPACT

There is no impact to the budget. Funding for this Project will come from the Fiscal Year 2018 Streets and Highway category budget and prior years' savings from projects.

BACKGROUND

The Project, sponsored and implemented by the City of San Carlos, is funded by a combination of Measure A and the City's General Funds/Traffic Impact Fees.

On October 4, 2012, by Resolution No. 2012-17, the TA's Board of Directors authorized the programming of \$3 million in Measure A funds with an allocation of \$1.5 million for the environmental phase conditioned on the approval of the Project Study Report (PSR), and an additional \$1.5 million for the design phase conditioned on the City securing environmental clearance.

Pursuant to Resolution 2013-19, the TA Board authorized the allocation of the first \$1.5 million in May 2013 for the environmental phase of the Project after the City obtained Caltrans approval of the required PSR, thereby fulfilling the condition of the allocation. On June 4, 2015, the TA Board approved Resolution 2015-13 which allocated the second \$1.5 million Measure A funds for the design phase of the Project after the City secured environmental clearance.

In October 2015 through Resolution 2015-19, the TA Board programmed and allocated \$10.7 million of Measure A funds for the right-of-way and construction phases of the Project. The allocation of right-of-way funds was conditioned upon the completion of environmental clearance and construction allocation was conditioned on the completion of right-of-way certification and design. Both environmental clearance and right-of-way certification have been secured for the Project. The design phase of the Project began in 2015 and is currently undergoing 95 percent review with Caltrans.

Prepared by: Joseph Hurley, Director, TA Program

650-508-7942

RESOLUTION NO. 2017 –

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

PROGRAMMING AND ALLOCATING \$3.87 MILLION OF ADDITIONAL MEASURE A FUNDING FOR THE US 101/HOLLY INTERCHANGE RECONSTRUCTION PROJECT TO PROVIDE THE BALANCE OF CONSTRUCTION FUNDING FOR THE PROJECT

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the New Measure A half-cent transactions and use tax for 25 years to implement the 2004 Transportation Expenditure Plan (TEP) beginning January 1, 2009; and

WHEREAS, the US101/ Holly Interchange Reconstruction Project (Project) is a Highway Program category project sponsored and implemented by the City of San Carlos (City); and

WHEREAS, on October 15, 2015, the TA's Board of Directors programmed and allocated up to \$10.72 million of Measure A funds for the right-of-way and construction phases of the Project through Resolution 2015-19, which included funding for TA Program support; and

WHEREAS, the allocation of right-of-way funds was conditioned upon the completion of environmental clearance, and the construction allocation was conditioned on right-of-way certification and the completion of design; and

WHEREAS, the environmental phase has received clearance, the right-of-way certification has been secured, and the design phase of the Project is at 95 percent completion; and

WHEREAS, the projected construction cost to complete the Project has outpaced the estimate that was developed in 2015, and City staff pursued other funding including local, State, and Federal sources to address this funding shortfall, but no other funding source is available; and

WHEREAS, the City has submitted a Special Circumstance request for an additional \$2.38 million from Measure A program to address unforeseen design modifications required by Caltrans, Smart corridor utility relocation, and a substantial increase in construction labor and material costs due to the Bay Area's robust economy and shortage of available contractors; and

WHEREAS, the Project is scheduled to advertise for bidding in January 2018, and due to the current bidding environment, the City has submitted an additional request that the TA make available up to an additional \$1.49 million as supplemental contingency funds in case the lowest responsible responsive construction bid is higher than the engineer's estimate; and

WHEREAS, funding for this project will come from the Fiscal Year 2018 Streets and Highway category budget and from savings from prior years' projects; and

WHEREAS, the programming and allocation of \$3.87 million of Measure A Highway Program funds to the Project will supplement the TA's previous \$10.72 million Measure A allocation for right-of-way and construction totaling \$14.59 million for the Project and will provide the balance of construction funds necessary to construct the Project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby programs and allocates \$2.38 million of additional Measure A funding to the US 101/Holly Interchange Reconstruction Project; and

BE IT FURTHER RESOLVED that the TA Board hereby programs \$1.49 million as supplemental contingency funds, with allocation conditioned on the lowest responsible responsive construction bid being higher than the engineer's estimate; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute any necessary documents or agreements, and to take any additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 7th day of December, 2017 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: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PROGRAM REPORT: TRANSIT – SHUTTLES**

ACTION

No action is required. This item is being presented to the Board for information only.

SIGNIFICANCE

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's (TA) six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This item features a presentation highlighting the status of the Transit – Local Shuttle Program, which will be presented via PowerPoint.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Four percent of the New Measure A sales tax revenue is available to support the Local Shuttle Program. The TA's Local Shuttle Program provides operating funds for commuter shuttles connecting with transit stations, and for community-serving shuttles. Project sponsors are required to submit quarterly and annual progress reports, which the TA uses to track the performance of individual projects as well as the overall program.

Prepared By: Joel Slavit, Manager of Programming and Monitoring 650-508-6476

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **JOINT SAN MATEO COUNTY TRANSPORTATION AUTHORITY (TA) AND
CITY/COUNTY ASSOCIATION OF GOVERNMENTS (C/CAG) SAN MATEO
COUNTY SHUTTLE PROGRAM CALL FOR PROJECTS (CFP)**

ACTION

No action is required. This item is being presented to the Board for information only.

SIGNIFICANCE

Similar to past funding cycles, the San Mateo County Transportation Authority (TA) and the City/County Association of Governments (C/CAG) have jointly developed a combined San Mateo County Shuttle Program Call for Projects (CFP) that enables project sponsors to utilize one funding application for both the TA New Measure A Local Shuttle Program and the C/CAG Local Transportation Services Shuttle Program.

The current CFP, planned for release after the C/CAG December 14th Board meeting, provides funding for Fiscal Year (FY) 2019 and FY2020 and uses a single set of evaluation criteria that are consistent with the TA 2014-2019 Strategic Plan.

The projected available funding for the CFP is as follows:

<u>Funding Source</u>	<u>Total Amount</u>
New Measure A Local Shuttle Program	\$9.0 million
<u>C/CAG Local Transportation Services</u>	<u>\$1.0 million</u>
Total	\$10.0 million

The program guidelines are similar to the prior CFP with the following two exceptions:

- 1) The established operating cost per passenger benchmark by shuttle type has been updated to account for an incremental increase in the Consumer Price Index (CPI) as noted in the following table:

<u>Shuttle Type</u>	<u>Op. Cost/Passenger Benchmark from prior CFP (FY2017 and FY2018)</u>	<u>Op. Cost/Passenger Benchmark for current CFP (FY2019 and FY2020)</u>
Commuter	\$7/passenger	\$8/passenger
Community	\$9/passenger	\$10/passenger
Door to Door	\$18/passenger	\$20/passenger

- 2) A minimum 25 percent funding match has historically been required for prior joint TA-C/CAG Shuttle Program CFPs. Staff is proposing to increase the minimum matching funds requirement for poor performing shuttles, implementing a recommendation from the SamTrans Mobility Management Plan Community Services Strategy, to encourage sponsors to take a more proactive approach with the productivity and cost effectiveness of their shuttles. Sponsors with existing shuttles that fail to meet the applicable cost per passenger benchmark by 50 percent or more after two full years of operation will now be required to provide a minimum 50 percent funding match. A determination as to whether this requirement applies to an existing sponsor will be made based on the most recent full year of data available prior to the release of the joint CFP.

Staff previously informed both the TA and C/CAG boards, and our existing shuttle sponsors, of a potential increase in the minimum matching funds requirement that could go into effect with this CFP during meetings and presentations as part of efforts in preparation for the prior CFP in 2015. The following table shows the thresholds for when the minimum, 50 percent match would be required:

Shuttle Type	<i>Op. Cost/ Passenger Benchmark for current CFP (FY2019 and FY2020)</i>	50 percent min. match requirement applies when benchmark is missed by 50 percent or more
Commuter	\$8/passenger	≥ \$12 passenger
Community	\$10/passenger	≥ \$15 passenger
Door to Door	\$20/passenger	≥ \$30 passenger

A PowerPoint presentation will be made at the December 7, 2017 meeting that provides further information regarding the process and program criteria for the CFP.

BUDGET IMPACT

This informational item has no impact on the budget.

BACKGROUND

The combined San Mateo County Shuttle CFP streamlines the application funding process for shuttle applicants in the county, and is consistent with recommendations from the 2012 Shuttle Business Practices Study, which was an effort undertaken by the TA, C/CAG, the Peninsula Congestion Relief Alliance and SamTrans, to improve shuttle business practices in the county. The San Mateo County Shuttle Program funds for the operation of shuttle services that meet local mobility needs and provide access to regional transit. Four percent of the New Measure A sales tax revenue is available to support the Local Shuttle Program.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

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

SIGNIFICANCE

The 2017 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Casey Fromson, Government and
Community Affairs Director

650-508-6493

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San Mateo County Transportation Authority Federal Update November 2017

CONGRESS

FY 2018 Appropriations Update: On November 21, the Senate Appropriations Committee released its final four spending bills: Interior-Environment, Financial Services, Department of Defense, and Department of Homeland Security. The release of the bills was delayed due to a number of reasons, including Senate Appropriations Committee Chairman Thad Cochran's (R-MS) health issues, and ongoing debate regarding the inclusion of a provision to fund a border wall in the Homeland Security bill. Several policy provisions are included in the bills that are likely to become contentious, notably the exceeding of a statutory spending cap in the defense bill, which would trigger across the board cuts to military programs to adhere to a 2011 deficit law, unless Congress agrees to a deal raising spending caps.

The transportation funding in the Department of Homeland Security Appropriations bill includes:

- \$7.141 billion for the Transportation Security Administration (TSA), a 2.4% decrease from current funding
- \$50 million for Port Security Grants, a 50% decrease from current funding
- \$60 million for Transit and Rail Security Grants, a 40% decrease from current funding

The Senate Appropriations Committee has indicated that these bills will not undergo committee markups but will be used as a starting point for year-end FY 2018 negotiations with the House.

Congressional leadership is trying to negotiate a two-year budget deal by the end of this month to adjust the caps on annual discretionary appropriations. This is necessary before a FY 2018 omnibus appropriations bill can be written and considered. For non-defense appropriations (which includes all transportation appropriations), Congress needs to increase the cap by almost \$3 billion for the Senate Appropriations Committee's bills year. The House bills total \$5 billion less than the cap amount, but the House defense appropriations bills are \$72.4 billion above the FY 2018 cap on defense spending.

The House and Senate will unlikely finalize negotiations before government funding expires on December 8, as the Senate also has ongoing work on tax reform. Another continuing resolution (CR) will be needed to allow the Senate and House additional time to work on an omnibus spending package for all 12 appropriations bills.

House and Senate Move on Tax Reform Legislation: On November 16, the House passed [H.R. 1, the Tax Cuts and Jobs Act](#), by a [227-205](#) party line vote. The House Rules Committee did not allow any amendments to be considered to the bill. No Democrats voted for the bill, and the 13 Republicans who opposed the bill were from high-tax states (except for Rep. Walter Jones (R-NC): Reps. Donovan (NY), Faso (NY), Frelinghuysen (NJ), Issa (CA), Jones (NC), King (NY), Lance (NJ), LoBiondo (NJ), McClintock (CA), Rohrabacher (CA), Smith (NJ), Stefanik (NY), and Zeldin (NY). The legislation would enact \$1.5 trillion in tax cuts for businesses and individuals, despite concerns from Democrats and several Republican members.

On November 16, the Senate Finance Committee advanced the [its tax reform bill](#), by a 14-12 party line vote. The Senate Budget Committee will consider the legislation on November 28; if passed out of committee, the Senate will begin floor debate on November 29 and hope to pass the bill by the end of the week of November 27. Lawmakers will need to reconcile differences between the two bills prior to passing a final legislative package, which House Speaker Paul Ryan (R-WI) has said will occur before Christmas.

Though both bills would roughly double the standard deduction, House and Senate bills have numerous differences. The House bill would reduce the corporate tax rate, from 35 percent to 20 percent, and decrease the number of brackets from seven to four, while the Senate retains the original number; but the Senate reduces the top bracket from 39 percent to 38.5 percent, and the top bracket remains the same in the House plan. Moreover, the House bill increases the Child Tax Credit to \$1,600 per child, from the previous \$1,000, while the Senate bill increases the Child Tax Credit to \$2,000 per child. The House plan also seeks to fully repeal the estate tax, while the Senate plan does not.

More controversial, the House and Senate bills eliminate or reduce several deductions. For example, the House bill limits the state and local tax (SALT) deduction to property taxes and caps it at \$10,000, while the Senate bill eliminates the SALT deduction entirely. These proposals have received intense criticism from Democrats and Republican members from high-tax states, and SALT is likely to be an obstacle during conference committee, presuming the Senate can pass its tax reform bill. Republican members from states such as New York, New Jersey, and California have made their opposition to the bill known. However, House Ways and Means Chairman Kevin Brady (R-TX) has said that there are still areas of improvement within the bill. Notably, the Senate bill preserves private activity bonds (PABs), though the House bill does not. The repeal of PABs in the House bill has been criticized by local governments and transportation authorities, who have sent letters to committees of jurisdiction, urging that PABs be included in final legislation.

Another obstacle to final passage is the repeal of the Affordable Care Act's (ACA) individual mandate in the Senate bill. This provision has raised concern among Democrats and moderate Republicans that this proposal—which was not included in the House bill—would simply disrupt the already vulnerable insurance market. Senator Ron Johnson (R-WI) stated his opposition on November 15, and support from members such as Senator Bob Corker (R-TN) and John McCain (R-AZ) are unknown at this point, mirroring the bill's passage in uncertainty.

An analysis from the congressional Joint Committee on Taxation (JCT) found that the Senate bill would, by 2021, increase taxes for those earning \$10,000 to \$30,000, and in 2027, after individual tax cuts have expired, those earning \$75,000 or less would see higher taxes. After this analysis was released on November 16, Democratic Senators reiterated their stance that the tax cut would only provide relief to high-earners.

The transportation provisions in the Senate tax bill include:

- Section 11048: Prevents bicyclists from excluding any bike commute money provided by employers from their income as a fringe benefit from 2018 through 2025 (the House bill does not include this provision)
- Section 13304(c): Repeals the deductibility for employers of all transportation fringe benefits (the House bill includes this provision)
- Section 13532: Prohibits new “advance refunding” tax exempt municipal bonds (the House bill includes this provision)
- Section 13822: Clarifies that provision of aircraft management services is not considered to be provision of air transportation for purposes of the 7.5 percent ticket tax and the passenger segment fee (the House bill does not include this provision)

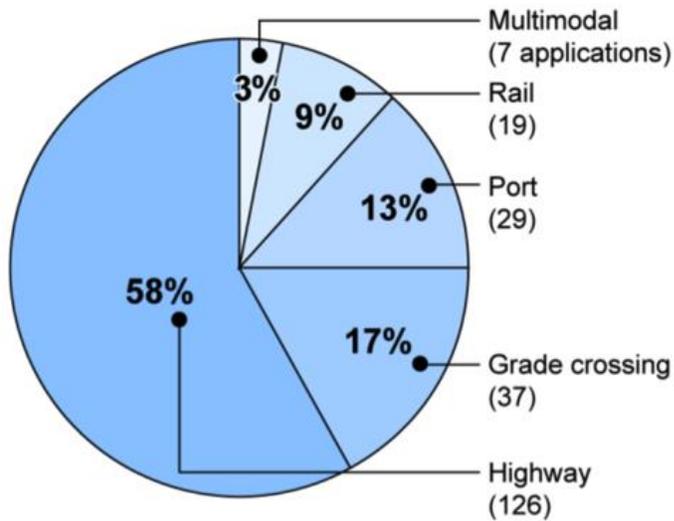
Unlike the House bill, the Senate bill does not repeal tax-exempt private activity bonds after 2017 or ends the tax credit for purchase of plug-in electric vehicles.

GOP Members Discuss Infrastructure Plan: On November 16, several Republican members on the House Transportation and Infrastructure Committee gathered to discuss a plan for the Administration’s infrastructure proposal. Members discussed concerns about leveraging the \$200 billion in public funds outlined in the Administration’s infrastructure principles. They also discussed other ideas for financing an infrastructure package, including truck-only toll roads and Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. Rep. Daniel Webster (R-FL) said that proposals to raise the gas tax as a source of revenue were not addressed during the meeting. Rep. Todd Rokita (R-IN) said that while the members still do not have clear definition on specific elements, they are eager to work with the President on a package after Congress passes tax reform. Rep. Sam Graves (R-MO) said that while conversations between the Administration and himself and Chairman Bill Shuster (R-PA) are ongoing, it is not yet clear whether the package will be \$1 trillion.

ADMINISTRATION

GAO Monitoring DOT Grant Recipients: In a letter sent on November 3, Republicans and Democrats from the House Transportation Committee have asked the Government Accountability Office (GAO) to monitor the Department of Transportation’s (DOT) selection of highway and freight INFRA (formerly known as FASTLANE) grant recipients, following a [GAO report](#) that found DOT was not giving “clear rationale” for selecting certain projects, nor was it adequately documenting the selection process. GAO said it was not able to find how the department selected projects that were awarded grants in 2016, and said the Administration must provide insight into the process. Additionally, GAO recommends that DOT inform applicants

how their projects ranked and rated once DOT awards the funding, and that DOT documents the processes selection processes. Modal requests for INFRA includes:



White House Seeks Third Disaster Relief Package: On November 17, the Office of Management and Budget (OMB) [requested](#) a \$44 billion disaster aid package from Congress on November 17, to assist with recovery efforts in states affected by hurricanes. Senator John Cornyn (R-TX) has said the package will be considered in December after the Senate returns from recess and finishes work on the tax bill. The request may be added to either a CR or in a FY 2018 omnibus appropriations package.

For transportation, the request includes \$71.887 million for the Federal Aviation Administration (FAA), \$415.5 million for the Federal Highway Administration (FHWA) Emergency Relief program, \$198,541,500 for the Federal Transit Administration (FTA) Emergency Relief program, and \$10 million for the Maritime Administration (MARAD). Notably, the package is significantly less than California, Texas, Florida and Puerto Rico have requested in assistance.

The Administration’s proposal asks Congress to consider offsets for the spending request. Included in the list of offsets is the elimination of \$729.8 million from the Army Corps of Engineers’ FY 2018 budget and a \$1 billion rescission of highway contract authority balances held by for states DOTs. The rescission of highway contract authority is concerning to many because of a mandatory \$7.6 billion rescission at the end of FY 2020 that was enacted in the FAST Act.

According to the FHWA, as of September 30, 2017 (the end of the fiscal year), states held \$8.222 billion in unobligated balances of highway contract authority that will be subject to the FAST Act rescission scheduled for July 2020. Over 40 percent of the unobligated balance was focused in transportation enhancements and alternatives, metropolitan planning, and the CMAQ programs. This is despite the fact that those programs are less than nine percent of total new formula funding.

This offset could have the effect of cutting into real dollars at the end of FY 2020. The state of California has \$611,479,947.13 in unobligated contract authority. The \$1 billion rescission would be a rescission of \$82,106,637.99.



November 27, 2017

TO: Board Members, San Mateo County Transportation Authority
FROM: Gus Khouri, Principal
Khoury Consulting

RE: STATE LEGISLATIVE UPDATE – NOVEMBER

SB 1 Implementation

With the enactment of SB 1 (Beall), Chapter 5, Statutes of 2017, also known as the Road Maintenance and Accountability Act, SMCTA will have an opportunity to access much needed funding to address our multi-modal priorities. The California Transportation Commission (CTC) is in the process of conducting workshops prior to adopting guidelines for various programs in SB 1. We have been participating in the workshops in order to help influence and maximize SMCTA's ability to acquire funding from the various pots.

State and Local Partnership Program (SLPP)

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

In 2008, the legislature through AB 268, defined the purpose and intent of the program, the eligibility of applicants, projects, and matching funds, and provided that 95% of program funds would be distributed by formula to match voter-approved transportation taxes and fees, with the remaining 5% available for competitive grants to match uniform developer fees.

Without any legislative direction this time around, the CTC has adopted a 50/50 split between competitive grants and formula-based shares. SMCTA will receive a total of \$1,775,000 for the two-year cycle (\$893,000 for FY 17-18; \$882,000 for FY 18-19). For the formulaic portion of the program.

We were successful in advocating for the use of State Transportation Improvement Program (STIP) funds to be eligible in fulfilling the one to one match requirement for the program. The CTC had previously considered prohibiting any funds allocated by the Commission, leaving only local funds as an eligible match source. The use of STIP frees up local funds for other purposes. Through our advocacy, the program will also fund pre-construction costs for projects.

The CTC adopted the guidelines at its' October 18-19, 2017 meeting. Applications will be due in March 2018, with program allocations being made available in June 2018.

Solutions for Congested Corridors

SB 1 creates this new \$250 million per year program beginning in FY 2017-18. CTC responsibilities include developing guidelines, holding public hearings, reviewing corridor plans, scoring project nominations, programming projects, allocating funds to projects, monitoring program delivery, and reporting to the Legislature. The initial tranch of program allocations may be adopted over a four-year period (\$1 billion).

While Highway 101 and Caltrain are cited in the legislative declarations and findings of SB 1 as an example fo where resources from the program should be dedicated, the CTC is sympathetic to medium to smaller-sized metropolitan planning organziations and their assessment of how they construe traffic (tourism, goods movement) in those areas. Furthermore, despite the emphasis on multi-modal solutions, applicants may be allowed to submit projects that focus only on one-mode as long as they have a multi-modal "corridor plan" (undefined at this point) or a local expenditure plan that contains multi-modal elements. As a result, we may encounter additional competition from this program, but we do have a compelling case to make, particuarly with our partnership with Caltrans and MTC, to help improve the Corridor. Caltrans is eligible to propose projects up to half the amount of the program (\$125 million annually), and SB 1 encourages that coordination, which further helps our cause.

We were succssful in advocating for the CTC to allow for the use of STIP funds to qualify for funding a project, as well as the removal of the 30% local match requirement, which would otherwise make it difficult for SMCTA to submit a qualifying application. We are also pursuing the allowance of Regional Measure 3 funds to be considered should they materialize.

We have also been arranging meetings with CTC Commissioners and staff to educate them on the 101 Managed Lanes project and our continued efforts to provide multi-modal options (bus, rail, and ferry service) throughout the corridor. MTC, Santa Clara VTA, and Caltrans District 4 have also been active participants in our meetings to help tell the story that the infratsructure and mobility needs in San Mateo serve a statewide and regional benefit.

The CTC will adopt guidelines at its' December 6-7 meeting. Applications will be due in February 2018, with allcoations being made in May 2018.

SB 1 Repeal Efforts

In California, the number of signatures needed to qualify a measure for the ballot is based on the total number of votes cast for the office of governor. For an initiated state statute, petitioners must collect signatures equal to 5 percent of the most recent gubernatorial vote. To get a measure on the 2018 ballot, the number of signatures required is 365,880. In California, initiatives can be circulated for 180 days. Signatures need to be certified at least 131 days before the 2018 general election, which is around June 28, 2018.

On May 4, 2017, Assembly Member Travis Allen (R- Huntington Beach) filed an initiative to repeal most sections of Senate Bill 1 (SB 1) of 2017, which increased the gas tax and diesel tax and created two new fees. Allen, who has announced his candidacy for Governor in 2018, is using the repeal effort as part of his campaign platform.

The repeal was filed as an initiated state statute, rather than a veto referendum, as a referendum cannot be filed against tax levies. Getting a veto referendum certified for the ballot would have allowed supporters to put SB 1 on hold until the election, whereas getting an initiative certified would not have that effect.

A title and summary were issued by the California Attorney General's office (Xavier Baccera) on July 10, 2017. Proponents of the initiative were given permission to begin collecting signatures. Signatures are due on January 8, 2018.

Allen objected to the ballot language, which read "*Eliminates Recently Enacted Road Repair and Transportation Funding by Repealing Revenues Dedicated for those Purposes*" because it did not include the words tax or fee, saying that almost everything in the text would mislead voters. He then sued the Attorney General (*Allen v. Baccera*) and realized a temporary victory as the court ruled on September 25 that the title and summary needed to be revised to read that the initiative "*Repeals recently enacted gas and diesel taxes and vehicle registration fees. Eliminates road repair and transportation programs funded by these taxes and fees.*"

In mid-October 2017, Attorney General Xavier Becerra appealed the ruling to the California Third District Court of Appeal. On November 17, 2017, the court ruled in a 3-0 decision that Becerra's ballot language was a neutral presentation of the initiative's effects on taxes and revenue. The ruling said that state law provided the attorney general with considerable latitude in writing the ballot language.

Allen is expected to appeal the ruling to the California Supreme Court. Most do not believe that he will have the resources to acquire the 365,000 signatures needed for the measure to qualify.

There is a second repeal effort underway is being driven by 11 of the 14 California Congressional Republican members. House Majority Leader Kevin McCarthy (R-Bakersfield) is leading the effort. The proposed state constitutional amendment would also require future gas taxes to be approved by the voters, was given a title and

summary on November 20 by the state attorney general's office, allowing opponents of the fuel levies to begin a drive that needs to collect 587,407 signatures of registered voters.

The title of the ballot measure also states that it *“eliminates recently enacted road repair and transportation funding by repealing revenues dedicated for those purposes.”*

Two committees have been set up to qualify a repeal measure have already raised \$675,000, including \$250,000 from another Republican gubernatorial candidate, John Cox, \$100,000 from House Majority Leader Kevin McCarthy (R-Bakersfield) and \$50,000 from other Republican members of Congress.

The funding will pay for a \$500,000 public awareness campaign on television, radio and print to persuade people during the next few weeks to sign petitions, as well as an email blast of petitions to nearly 300,000 voters who have already said they want to sign.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **2018 LEGISLATIVE PROGRAM**

ACTION

This report is for information only. No Board action is required. At the January 4, 2018, meeting, staff will present the final 2018 Legislative Program for Board adoption.

SIGNIFICANCE

The 2018 Legislative Program (Program) establishes the principles that will guide the San Mateo County Transportation Authority's (TA) legislative and regulatory advocacy efforts through the 2018 calendar year, including the second half of the State legislative session and the second session of the 115th 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. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of the TA's priorities.

The 2018 Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the TA's programs, projects, 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 Program is structured to apply these core objectives to a series of issues detailed in the 2018 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's Board of Directors for consideration.

The TA and its legislative consultants will employ a variety of engagement tools to support the 2016 Legislative Program, including:

1. Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the TA's legislative priorities and positions.

2. Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2016 Program.

3. Media Engagement

Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and through the use of social media and other electronic media.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff actively monitors legislative and regulatory 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.

Prepared By: Casey Fromson, Director, Government and Community Affairs 650-508-9435

San Mateo County Transportation Authority

2018 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority programs and services. They also have potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2018 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2018 calendar year, including the second half of the 2017-18 State legislative session and 115th 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 Agency to respond swiftly and effectively to unanticipated developments.

Objectives

The 2018 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support the Agency's programs and services.
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands.
- Reinforce and expand programs that build and incentivize public transportation ridership and improve quality transportation choices.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Projects - Funding Requests and Needs
- Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Board'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 Board for consideration.

Advocacy Process

Staff will indicate on each monthly legislative update recommended positions for pending bills. Once the board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a board meeting, staff will confer with the Board Chair. If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the agency taking a position.

Public Engagement Strategies

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2018 Legislative Program, including:

- Direct Engagement
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.
- Coalition-based Engagement
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2018 Legislative Program.
- Media Engagement
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

State and Regional

Funding Opportunities and Challenges

<i>Issue / Background</i>	<i>Strategy</i>
<p>General Funding The State recently enacted SB 1, which provides \$5.2 billion to maintain local streets and roads and highways, ease traffic congestion, and provide mobility options through investments in public transportation and bicycle and pedestrian programs.</p> <p>Complimentary to SB 1 is ACA 5 which, if passed by voters in June 2018, will protect new and existing sources of transit funding from future diversions by the Legislature.</p> <p>In 2014, the Legislature called for, via SB 1077, a pilot program to study a road charge model as an alternative to the gas tax. The nine-month pilot began in July 2016, with over 5,000 participating vehicles statewide. The California State Transportation Agency (CalSTA) will report findings from the Legislature to the CTC and the Legislature by June 30, 2018.</p>	<ul style="list-style-type: none"> ● Protect against the elimination or diversion of any State or regional funds that support the agency’s transportation needs. ● Support State funding allocation requests for investments that benefit the agency’s transportation programs and services. ● Work with statewide transit coalitions to identify and advance opportunities for funding that would support the agency’s transportation priorities. ● Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA). ● Monitor efforts to implement a mileage-based user fee as a potential revenue source.
<p>Formula Funding After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in</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. ● Advocate for the regularly scheduled issuance of State infrastructure bonds that support the Agency’s services and programs. ● Support full and timely allocation of the Agency’s STIP share. ● Support legislation clarifying elements of the STA program recently changed in AB 1113 (Bloom).

<p>order to meet the demand of increased ridership, reduce highway congestion – especially on Highway 101 – and adhere to the State’s mandate of reducing greenhouse gas emissions, and creating livable communities.</p>	
<p>Cap-and-Trade Revenues In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). Since the program began selling allowances, the program has generated billions of dollars. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030.</p> <p>The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p>	<ul style="list-style-type: none"> ● Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support the Agency’s transportation needs. ● Support legislation and regional action that makes a broad array of the Agency’s emissions-reducing transportation projects, programs and services eligible for investment. ● Protect existing cap-and-trade appropriations for transit operations, capital projects and sustainable communities strategy implementation. ● Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project. ● Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula.
<p>Voter Threshold Legislation has been considered in recent years that provide a framework for lowering the thresholds for the State or a city, county, special JPB or regional public agency to impose a special tax.</p>	<ul style="list-style-type: none"> ● Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.

<p>Other State or Local Funding Options Local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods such as managed lanes and local ballot measures.</p>	<ul style="list-style-type: none"> • Advocate for legislation that would create new local funding tools to support transportation infrastructure and services. • Support innovative local and regional funding options that will provide financial support for the agency. • Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin. • Advocate for funding sources that would assist transit agencies in obtaining funds for sustainability initiatives including water conservation, waste reduction, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions. • Support funding for workforce housing to attract and retain quality personnel. • Support efforts that allow for public private partnerships that benefit the implementation of capital projects, efficient operation of transit services, or enhanced access to a broad range of mobility options that reduce traffic congestion.
<p>Transportation Projects</p>	
<p>General As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.</p>	<ul style="list-style-type: none"> • Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area.
<p>Caltrain Modernization (CalMod) Program In 2012, the State Legislature appropriated \$705m in Prop 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement (that includes TA funds), this investment will be used to match a variety of local, regional, state and federal</p>	<ul style="list-style-type: none"> • Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor. • Support the allocation of cap-and-trade funding to advance implementation of the CalMod Program. • Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the CalMod Program. • Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits. • Support the allocation of cap-and-trade or other state / regional funding to advance

<p>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>Other Projects Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations and station upgrades.</p> <p>In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.</p>	<p>implementation of Caltrain projects.</p> <ul style="list-style-type: none"> • Work to address regulatory actions or policies that negatively impact future capacity or service improvements. • Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.
<p>101 Managed Lanes The project may include removing or replacing existing auxiliary lanes between interchanges; reconstructing ramp connections to US 101; and installing electronic toll collection infrastructure on US 101 between Whipple Road to the I-380 interchange in San Mateo County</p>	<ul style="list-style-type: none"> • Support funding opportunities that will help the project move through the different stages of planning, environmental, and construction phases. • Support policies that will allow for effective public private partnerships.

<p>Transit Oriented Development / First and Last Mile First and last mile projects, as well as transit oriented development projects are an important part of the broad transit ecosystem that will help support robust ridership in the corridor.</p>	<ul style="list-style-type: none"> • Support efforts to provide commuters with easy and convenient options to travel to and from major transit centers to their final destination. • Support the development of new and innovative first and last mile options. • Support increased funding opportunities for first and last mile projects. • Advocate for policies that promote transit-oriented developments in ways that with compliment transit services. • Support the State’s GHG reduction goals by supporting transit oriented developments. • Support state funding incentives and streamlining processes for transit oriented development.
<p>Regulatory and Administrative Issues</p>	
<p>General Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p>	<ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency. • Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Agency’s ability to conduct efficient transportation operations, administration, planning and project delivery efforts.
<p>California Environmental Quality Act (CEQA) Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p>	<ul style="list-style-type: none"> • Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA’s effectiveness as an environmental protection policy. • Support efforts to streamline project delivery including expedited reviews and approvals for large transportation projects such as HWY 101 HOV/HOT lane conversion and projects within the Dumbarton Rail Corridor.
<p>Sustainable Communities Strategies Implementation In conjunction with AB 32 and SB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use</p>	<ul style="list-style-type: none"> • Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on JPB’s transportation services associated with the implementation of SB 375 and Plan Bay Area.

<p>and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region's SCS.</p>	
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Federal

Funding Opportunities and Challenges

Issue / Background

Strategy

Federal Appropriations Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.

In September 2017, Congress passed a continuing resolution (CR) to keep federal agencies funded at the same level as the previous fiscal year, through December 8, 2017. Congress will have to pass a CR or omnibus appropriations bill to fund the government for the fiscal year 2018.

- Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit the agency's transportation services and needs.
- Work with local and regional coalitions to support requests for funding from discretionary programs.
- Communicate frequently with the agency's federal delegation and key appropriators on the needs or concerns of pending appropriation bills.

Tax and Finance Congress also considers legislation that governs tax and finance issues that impact transit agencies. In 2018, Congress is expected to take action on a significant tax overhaul measure.

- Support efforts to ensure tax provisions that benefit the agency's priorities are included in any tax or finance proposal.
- Protect against the elimination or diversion of any tax policies that support the agency's transportation needs.

Transportation Projects

General Support the efforts of partnering agencies to obtain federal funding for transit projects in San Mateo County.

- Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies on projects that provide complimentary services for the agency.

<p>Caltrain Modernization Program The current Peninsula Corridor Electrification Project (PCEP) funding plan includes funding from several federal funding sources including the Federal Transit Administration (FTA) Core Capacity Program.</p> <p>Other Projects Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations, station upgrades, and supporting regional projects that will increase Caltrain ridership.</p>	<ul style="list-style-type: none"> • Advocate for the PCEP Core Capacity funding to be included in the Fiscal Year (FY)18 THUD Appropriations Conference Report. Advocate for the PCEP to be included in the FY19 President’s budget request and in the FY19 THUD Appropriations bills. • Work with federal delegation members, as well as local, regional, and state coalitions to support the PCEP requests for funding. • Support the allocation of federal funding to advance implementation of Caltrain projects.
<p>101 Managed Lanes The project may include removing or replacing existing auxiliary lanes between interchanges; reconstructing ramp connections to US 101; and installing electronic toll collection infrastructure on US 101 between Whipple Road to the I-380 interchange in San Mateo County</p>	<ul style="list-style-type: none"> • Support funding opportunities that will help the project move through the different stages of planning, environmental, and construction phases. • Support policies that will allow for effective public private partnerships.
<p>Regulatory and Administrative Issues</p>	
<p>FAST Act and other Regulations Under FAST Act, the United States Department of Transportation (USDOT) will issue guidance and conduct rulemaking to implement various regulatory changes.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to Executive Orders</p>	<ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues. • Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximize benefits for transportation programs, services and users.

<p>on a variety of issues outside the scope of the FAST Act.</p>	
<p>Infrastructure Proposal President Trump and USDOT have been working to draft an infrastructure proposal to fund transportation projects.</p>	<ul style="list-style-type: none"> • Monitor closely and take action as needed on new Administration policies that may have a significant impact on transit / transportation projects and programs. • Advocate for funding for the agency's projects and needs in the President's and congressional infrastructure proposals.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **CAPITAL PROJECTS QUARTERLY STATUS REPORT
1ST QUARTER FISCAL YEAR 2018**

ACTION

No action required. The attached [Capital Projects Quarterly Status Report](#) is submitted to the Board for information only.

SIGNIFICANCE

The Capital Projects Quarterly Status Report is submitted to keep the Board informed as to the scope, budget and progress of current ongoing capital projects.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff prepares the Capital Projects Quarterly Status Report for the Board on a quarterly basis. The report is a summary of the scope, budget and progress of capital projects. It is being presented to the Board for informational purposes and is intended to better inform the Board of the status capital projects.

Prepared by: Gordon Hail, Senior Project Controls Engineer
Joseph M. Hurley, Director, TA Program

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