



AGENDA

BOARD OF DIRECTORS MEETING

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

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

February 7, 2019 – Thursday

5:00 pm

1) Call to Order/Roll Call/ Pledge of Allegiance

2) Swearing In:

- a) Maureen Freschet for a term ending 12-31-2020 (Representing City Selection Committee – Central)
- b) Carole Groom for a term ending 12-31-2020 (Representing San Mateo County Board of Supervisors)
- c) Karyl Matsumoto for a term ending 12-31-2020 (Representing San Mateo County Transit District)

3) Public Comment For Items Not on the Agenda

Public comment by each individual speaker shall be limited two (2) minutes. Items raised that require a response will be deferred for staff reply.

4) Report of the Citizens Advisory Committee

5) Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately

- a) Approval of Minutes of the Board of Directors Meeting of January 3, 2019
- b) Acceptance of Statement of Revenues and Expenditures for December 2018

MOTION

MOTION

6) Report of the Chair

7) San Mateo County Transit District Liaison Report

8) Joint Powers Board Liaison Report

9) Report of the Executive Director

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

San Mateo County Transportation Authority Meeting
Agenda for February 7, 2019

10) Finance

- a) Acceptance of Quarterly Investment Report for the Period
Ending December 31, 2018

MOTION

11) Program

- a) Approval of Owner and Operator for the San Mateo
US101 Express Lanes Project
- b) Transit – Peninsula Corridor Electrification Program
- c) State and Federal Legislative Update

RESOLUTION

INFORMATIONAL

INFORMATIONAL

12) Requests from the Authority

13) Written Communications to the Authority

- 14) Date/Time of Next Regular Meeting: Thursday, March 7, 2019, 5:00 pm at San Mateo
County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor,
San Carlos Avenue, San Carlos, CA 94070

15) Report of Legal Counsel

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

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 650-508-6279, 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.

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

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
MINUTES OF JANUARY 3, 2019**

MEMBERS PRESENT: D. Horsley (Chair), E. Beach, K. Matsumoto, R. Medina, C. Romero

MEMBERS ABSENT: M. Freschet, C. Groom

STAFF PRESENT: J. Hartnett, C. Mau, A. Chan, C. Fromson, J. Slavitt, S. van Hoften, J. Cassman, S. Murphy, D. Hansel, G. Martinez, J. Brook, C. Gumpal

CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

SWEARING IN

Chair Horsley announced that Directors Matsumoto and Freschet would be sworn in at the next meeting.

Acting Authority Secretary, Cindy Gumpal, administered the Oath of Office to Carlos Romero, City of East Palo Alto, representing the Southern Judicial District of San Mateo County for a term ending December 31, 2020.

ROLL CALL

Ms. Gumpal called the roll. A quorum was confirmed.

ELECTION OF 2019 OFFICERS

Chair Horsley opened nominations for Chair for 2019.

Motion: Director Matsumoto nominated Don Horsley as Chair for 2019.

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

Motion: Don Horsley nominated Emily Beach as Vice Chair for 2019.

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

REPORT OF THE CITIZENS ADVISORY COMMITTEE

Chair Horsley noted that the Advisory Committee did not meet in December.

CONSENT CALENDAR

Motion/Second: Matsumoto/Medina

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

- Approval of Minutes of the Board of Directors Meeting of December 6, 2018
- Acceptance of Statement of Revenues and Expenditures for November 2018

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None.

REPORT OF THE CHAIR

No report.

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT

Director Matsumoto stated that the SamTrans Board has not met yet in the month of January and therefore, there was no liaison report.

PENINSULA CORRIDOR JOINT POWERS BOARD REPORT

Executive Director Jim Hartnett reported the Caltrain Board of Directors would meet the following week.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Hartnett referred to written materials contained in the Directors' reading folders.

FINANCE

Amendment of the Fiscal Year 2019 Budget to Increase Total Expenditures from \$127,749,681 to \$129,754,964 and Ratification of Programming and Allocation to State Route 1 Calera Parkway Project

Derek Hansel, Chief Financial Officer, stated the action before the Board was a "true-up" from the current budget. He answered questions of Board members.

Approved by TA Resolution No. 2019-01

Motion/Second: Matsumoto/Medina

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

Program and Allocate an Additional \$200,000 from the Measure A Grade Separation Program Category to the Broadway Grade Separation Project in Burlingame

Joel Slavit, Manager of Programming and Monitoring, explained that an additional \$200,000 was necessary for relocating the paralleling station for the Caltrain electrification project from the west side of the railroad tracks to the east side in Burlingame. The new location will be at the City of Burlingame's corporation yard. He discussed the timing of construction.

Approved by TA Resolution No. 2019-02

Motion/Second: Medina/Beach

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

PROGRAM

Update on Owner and Operator for the US 101 Managed Lanes Project and Next Steps

Chair Horsley reported on a recent meeting of the joint Managed Lanes Ad Hoc Advisory Committee comprised of members of the Boards of Directors of the Transportation Authority (TA) and the City/County Association of Governments of San Mateo County (C/CAG). The ad hoc committee met to facilitate a decision on what agency or agencies will be the owner(s) and operator of the 101 Managed Lanes Project. He relayed the concerns of both agencies' representatives on the committee relative to ownership, equity, local control and having an equal voice on policy issues. Two options presented at the joint ad hoc committee meeting were:

- the San Mateo County agencies (TA and C/CAG) own the facility, with a contract with Santa Clara Valley Transportation Authority (VTA) to operate, or
- transfer ownership to the Bay Area Infrastructure Financing Authority (BAIFA), which also would operate the facility.

Directors Beach, Matsumoto and Medina contributed to the discussion regarding the details of the project and possible ownership.

Jim Hartnett, Executive Director and April Chan, Chief Officer, Planning, Grants and Transportation Authority, discussed what it would mean to be an owner, including budgetary considerations. Mr. Hartnett also stated that he understood a third option may now be available, under which the San Mateo County agencies would own the facility and then enter into an agreement with BAIFA to operate it.

Mr. Hartnett added that time was of the essence since the project was heading into construction and delay in selecting the owner and operator could negatively impact the construction budget and/or schedule. Further, either VTA or BAIFA's system manager needs time to define the system and negotiate the contract with their system integrator.

Ms. Chan stated another joint ad hoc committee meeting was scheduled for January 25 at 10 a.m. for the committee to make a final recommendation on the owner/operator decision for consideration by the full TA and C/CAG Boards in February.

Chair Horsley expressed appreciation to the ad hoc committee members for their hard work and expertise in working with C/CAG.

Local Shuttle Program Status Update

Joel Slavit, Manager of Programming and Monitoring, provided an update on various Measure A-funded shuttles in San Mateo County. He reviewed shuttle performance, ridership and operating cost per passenger and per hour. Mr. Slavit outlined several issues with the program, including the shortage of drivers, suspension of routes/reduced service, and costs increasing faster than available program funding. He stated SamTrans is preparing a Shuttle Study to explore options and propose solutions.

State and Federal Legislative Update

Casey Fromson, Director, Government and Community Affairs, reported on the new legislative year and discussed effects of the government shutdown.

Adoption of 2019 Legislative Program

Ms. Fromson recommended adopting the 2019 Legislative Program, noting the Board had reviewed it previously. Ms. Fromson responded to Board member questions regarding references to the California Environmental Quality Act.

Motion/Second: Beach/Romero

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Noes: None

Absent: Freschet, Groom

REQUESTS FROM THE AUTHORITY

None.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

Chair Horsley noted that correspondence was contained in the Board members' reading folders.

DATE/TIME OF NEXT REGULAR MEETING

Chair Horsley announced that the next meeting would be on Thursday, February 7, 2019, 5 pm, at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, San Carlos Avenue, San Carlos, CA.

REPORT OF LEGAL COUNSEL

Legal Counsel Cassman announced that the Closed Session was not necessary at that time.

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

ADJOURN

The meeting adjourned at 6:31p.m.

An audio/video recording of this meeting is available online at www.smcta.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@smcta.com.

**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
DECEMBER 31, 2018**

ACTION

Staff proposes that the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2018 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 December year-to-date, the Total Revenues (page 1, line 7) is \$6.5 million higher than prior year actuals. This is primarily due to higher Sales Tax (page 1, line 1) and Interest Income (page 1, line 2).

Year to Date Expenses: As of December year-to-date, the Total Expenditures (page 1, line 26) are \$9.4 million lower than prior year actuals. This is primarily due to a fluctuation in expenditures associated with various capital projects.

Budget Amendment:

There are no budget amendments for the month of December 2018.

Prepared By: Tiffany Chuang, Accountant
Jennifer Ye, Manager, General Ledger

650-622-7848
650-622-7890

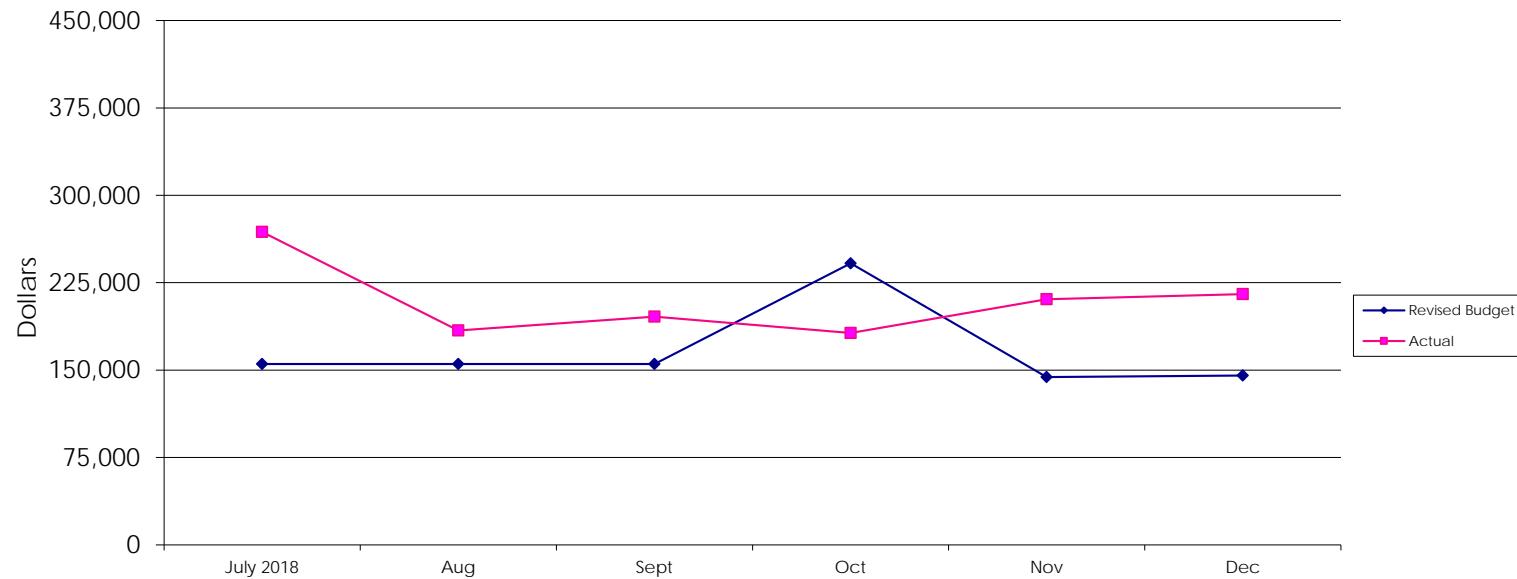
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2019
December 2018

% OF YEAR ELAPSED: **50.0%**

	YEAR TO DATE				ANNUAL
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET*
REVENUES:					
1 Sales Tax	44,851,827	50,555,131	5,703,304	12.7%	86,353,200
2 Interest Income	3,260,108	4,216,198	956,090	29.3%	5,927,618
3 Miscellaneous Income	1,500	0	(1,500)	(100.0%)	50,000,000
4 Rental Income	565,472	367,468	(198,004)	(35.0%)	836,684
5 Grant Proceeds	0	0	0	0.0%	1,550,000
6					
7 TOTAL REVENUE	48,678,907	55,138,796	6,459,890	13.3%	144,667,502
8					
9 EXPENDITURES:					
10					
11 Annual Allocations	16,370,917	18,452,623	2,081,706	12.7%	31,518,918
12					
13 Dumbarton Maintenance of Way	58,519	-	(58,519)	(100.0%)	-
14					
15 Measure A Categories	49,970,904	38,220,750	(11,750,154)	(23.5%)	92,567,770
16					
17 Oversight	845,021	852,850	7,828	0.9%	1,800,000
18					
19 Administrative					
20 Staff Support	611,797	964,999	353,202	57.7%	1,121,306
21 Measure A Info-Others	49	-	(49)	(100.0%)	15,000
22 Other Admin Expenses	344,950	291,408	(53,541)	(15.5%)	726,687
23					
24 Total Administrative	956,796	1,256,407	299,612	31.3%	1,862,993
25					
26 TOTAL EXPENDITURES	68,202,157	58,782,630	(9,419,527)	(13.8%)	127,749,681
27					
28 EXCESS (DEFICIT)	(19,523,250)	(3,643,833)	15,879,416	(81.3%)	16,917,821
29					(12,952,980)
30					3,964,841
31					
32 BEGINNING FUND BALANCE	489,178,290	421,403,376			489,705,061
33					
34 ENDING FUND BALANCE	469,655,040	417,759,543			493,669,902

* Previously allocated \$12,952,980 of future years' budget to the 25th Avenue Grade Separation Project.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

	Jul '18	Aug '18	Sep '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19
MONTHLY EXPENSES												
Revised Budget	155,249	155,249	155,250	241,651	144,033	145,366						
Actual	268,531	183,949	195,928	181,867	210,842	215,290						
CUMULATIVE EXPENSES												
Staff Projections	155,249	310,498	465,748	707,399	851,432	996,798						
Actual	268,531	452,480	648,408	830,275	1,041,117	1,256,407						
Variance-F(U)	(113,282)	(141,982)	(182,660)	(122,876)	(189,685)	(259,609)						
Variance %	-72.97%	-45.73%	-39.22%	-17.37%	-22.28%	-26.04%						

Note: Budget in October reflects one-time expenses of pension and medical costs.



SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF DECEMBER 31, 2018

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	2.220%	\$ 236,851,846	\$ 236,851,846
Local Agency Investment Fund	**	Liquid Cash	2.291%	\$ 1,003,847	\$ 1,003,847
Investment Portfolio	***	Liquid Cash	1.977%	\$ 160,532,428	\$ 159,264,591
Other		Liquid Cash	0.000%	\$ 1,251,576	\$ 1,251,576
	****			<u>\$ 399,639,697</u>	<u>\$ 398,371,860</u>

Accrued Earnings for December 2018 \$ 699,891
Cumulative Earnings FY2019 \$ 4,161,058

* County Pool average yield for the month ending December 31, 2018 was 2.220%. As of December 2018, the total cost of the Total Pool was \$5,749,785,923 and the fair market value per San Mateo County Treasurer's Office was \$5,752,571,036.

** 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.

**** May not foot due to rounding.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
December 31, 2018

DESCRIPTION	TOTAL INVESTMENT 12-31-18	INTEREST RECEIVABLE 11-30-18	PREPAID INT RECEIVABLE 12-31-18	INTEREST EARNED 12-31-18	INTEREST RECEIVED 12-31-18	ADJ.	INTEREST RECEIVABLE 12-31-18
LAIF	1,003,847.17	3,645.26	0.00	1,882.50			5,527.76
COUNTY POOL	236,851,845.65	842,106.11	0.00	431,508.46			1,273,614.57
BANK OF AMERICA	632,507.99	0.00	0.00				0.00
WELLS FARGO	0.00	0.00	0.00				0.00
US BANK (Cash on deposit)	619,068.37	0.00	0.00				0.00
INVESTMENT PORTFOLIO	159,264,591.31	674,169.95	0.00	266,500.47	229,125.52		711,544.90
	<u>398,371,860.49</u>	<u>1,519,921.32</u>	<u>0.00</u>	<u>699,891.43</u>	<u>229,125.52</u>	<u>0.00</u>	<u>1,990,687.23</u>

NOVEMBER 2018 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	12/31/18	699,891.43
Add:		
Less:		
Management Fees		9,415.40
Amortized Premium/Discount		(27,721.41)
Capital Gain(Loss)		<u>8,125.23</u>
Total Interest & Capital Gain(Loss)		<u><u>689,710.65</u></u>

YEAR TO DATE -- SUMMARY

Interest Earned	4,161,058.38
Add:	
Less:	
Management Fees	(58,124.46)
Amortized Premium/Discount	215,832.48
Capital Gain(Loss)	<u>(160,693.35)</u>
Total Interest	<u><u>4,158,073.05</u></u>

Balance Per Ledger as of	12/31/18	
Amortization of Premium/Discount		215,832.48
Management/Bank Fees		(58,124.46)
Interest- County Pool		2,466,812.06
Interest - LAIF		10,952.54
Interest - Portfolio Funds		1,683,293.78
Gain(Loss)		<u>(160,693.35)</u>
		<u><u>4,158,073.05</u></u>

0.00

INVESTMENT PORTFOLIO
December 31, 2018

Page 5 of 10

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12/31/2018	MATURITY DATE	INT RATE	RATE/ DAY	APPL DAYS	INTEREST REC'VBLE 11/30/2018	PREPAID INT REC'VBLE 11/30/2018	INTEREST EARNED 12/31/2018	INTEREST RECEIVED	INTEREST REC'VBLE 12/31/2018	PAR VALUE
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>														
<u>U.S. TREASURY NOTES AND BONDS</u>														
US TREASURY NOTE	912828Q78	01-05-17	2,519,001.56	2,506,551.84	04-30-21	1.375%	98.1597	31	3,026.14		3,026.14		6,052.28	2,570,000
US TREASURY NOTE	912828F62	09-09-15	376,508.79	371,499.00	10-31-19	1.500%	15.6250	31	791.21		620.54	438.19	973.56	375,000
US TREASURY NOTE	912828V4	12-07-15	498,470.51	496,852.84	05-31-20	1.375%	19.2882	31	19.08		591.36		610.44	505,000
US TREASURY NOTE	912828VP2	08-01-17	1,638,431.83	1,571,936.43	07-31-20	2.000%	88.0556	31	10,595.38		2,670.38		13,265.76	1,585,000
US TREASURY NOTE	912828x47	05-01-17	12,596,751.95	12,653,081.10	04-30-22	1.875%	671.8750	31	20,713.05		20,713.05		41,426.10	12,900,000
US TREASURY NOTE	912828L32	06-29-16	341,124.22	328,679.56	08-31-20	1.375%	12.7951	31	1,183.03		390.14		1,573.17	335,000
US TREASURY NOTE	912828R77	03-17-17	3,409,082.03	3,410,039.50	05-31-21	1.375%	133.6806	31	132.21		4,098.56		4,230.77	3,500,000
US TREASURY NOTE	912828D72	04-05-17	8,472,773.45	8,295,655.20	08-31-21	2.000%	466.6667	31	43,369.57		14,152.17		57,521.74	8,400,000
US TREASURY NOTE	912828T67	08-03-17	9,862,746.09	9,714,742.05	10-31-21	1.250%	348.9583	31	11,043.96		10,698.83		21,742.79	10,050,000
US TREASURY NOTE	912828n30	08-03-18	2,812,773.44	2,859,104.20	12-31-22	2.125%	171.1806	31	49,354.28		15,211.16	63,957.88	607.56	2,900,000
US TREASURY NOTE	912828n30	11-06-18	2,559,630.86	2,612,629.70	12-31-22	2.125%	156.4236	31	0.00		0.00		0.00	2,650,000
US TREASURY NOTE	912828n30	12-13-18	4,681,125.00	4,732,310.40	12-31-22	2.125%	283.3333	31	0.00					4,800,000
US TREASURY NOTE	912828TJ9	09-07-18	4,263,308.59	4,317,367.75	08-15-22	1.625%	200.8681	31	21,222.15		6,091.54		27,313.69	4,450,000
														34.18%
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>														
FNA 2018-M5-A2	313681XP4	4-30-18	882,704.16	875,209.81	09-25-21	3.560%	85.59	31	2,623.42		2,594.38	2,650.18	2,567.62	865,489
FHLMC	31378M6P6	4-9-18	806,812.50	803,916.24	08-25-22	3.090%	68.67	31	2,060.00		2,060.00		2,060.00	800,000
FNA 2014-M6-A2	3136AJ7G5	12-15-16	3,012,229.85	2,940,255.34	05-25-21	2.679%	219.71	31	6,601.23		6,590.23	6,600.03	6,591.43	2,952,488.09
FANNIE MAE	3136AQDQ0	10-30-15	96,024.81	94,496.72	09-01-19	1.646%	4.35	31	142.74		130.41	142.74	130.41	95,072.76
FHMS KPOS A	3137FKK39	12-17-18	774,997.68	779,601.64	07-01-23	1.646%	35.43	31			(137.91)	(1,103.26)	965.35	775,000.00
														3.41%
<u>FEDERAL AGENCY NOTES AND BONDS</u>														
FHLB	3130ABC55	07-15-16	3,180,540.80	3,090,444.80	07-14-21	1.125%	100.00	31	13,700.00		3,000.00		16,700.00	3,200,000
FNMA	3135GON82	08-19-16	822,177.68	798,910.20	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	2,590,405.80	08-17-21	1.250%	92.88	31	12,638.88		3,645.83		16,284.71	2,675,000
FNMA	3135GON49	09-02-16	698,908.00	692,540.80	08-28-19	1.000%	19.44	31	1,808.32		583.33		2,391.65	700,000
FHLB	3130A9EP2	09-09-16	-	-	09-26-19	1.000%	0.00	31	0.00				0.00	
FHLMC	3137FAEJ4	09-29-17	988,208.10	974,501.55	09-29-20	1.625%	44.69	31	2,770.63		1,340.63	-	4,111.26	990,000
FNMA	3135G0I29	02-28-17	1,953,748.80	1,932,748.19	02-28-20	1.500%	81.46	31	7,575.62		2,443.75		10,019.37	1,955,000
FNMS	3135G0I60	08-01-2017	897,273.00	885,118.50	07-30-20	1.250%	31.25	31	4,537.50		1,125.00		5,662.50	900,000
FHLB	3130ACE26	09-08-17	363,828.35	357,619.70	09-28-20	1.375%	13.94	31	878.28		418.23		1,296.51	365,000
FHLMC	3137FAEF2	04-20-17	-	-	04-20-20	1.375%	0.00	31	4,228.13		1,031.24	5,259.37	0.00	
														7.21%
<u>CORPORATE NOTES</u>														
TOYOTA MOTOR	89236TDH5	10-18-16	1,149,425.00	1,136,558.80	10-18-19	1.550%	49.51	31	2,129.10		1,485.41		3,614.51	1,150,000
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-17	799,720.00	799,830.40	01-09-19	1.700%	37.78	31	5,364.44		1,133.34		6,497.78	800,000
TOYOTA MOTOR CREDIT CORP	89236TEU5	4-13-18	1,199,520.00	1,200,180.00	04-13-21	2.950%	98.33	31	4,720.00		2,950.00		7,670.00	1,200,000
UNILEVER CAPITAL	904764A20	03-22-18	1,193,868.00	1,194,223.20	03-22-21	2.750%	91.67	31	6,325.00		2,750.00		9,075.00	1,200,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,247,259.40	07-24-20	5.500%	481.25	31	61,118.75		14,437.50		75,556.25	3,150,000
PRIZER INC	717081EB5	11-21-16	2,078,502.40	2,059,928.00	12-15-19	1.700%	98.22	31	16,304.89		2,946.67	17,680.00	1,571.56	2,080,000
JOHN DEERE CAPITAL CORP.	24422ETM1	01-06-17	-	-	10-15-18	1.650%	0.00	31	-		-		0.00	-
JOHN DEERE CAPITAL CORP.	24422ETL3	03-15-17	681,979.15	671,900.06	01-06-22	2.650%	50.42	31	7,311.42		1,512.71		8,824.13	685,000
CATERPILLAR FINL	14913Q2A6	09-07-17	1,099,076.00	1,078,577.50	09-04-20	1.850%	56.53	31	4,917.92		1,695.84		6,613.76	1,100,000
GOLDMAN SACHS	38141GQI1	11-28-16	3,035,092.50	2,854,755.75	07-27-21	5.250%	401.04	31	49,729.17		12,031.25		61,760.42	2,750,000
AMERICAN HONDA MTN	02665WCP4	12/10/21	1,549,256.00	1,557,615.15	12-10-21	3.375%	145.31	31	7,410.94		4,359.37	8,718.75	3,051.56	1,550,000

INVESTMENT PORTFOLIO
December 31, 2018

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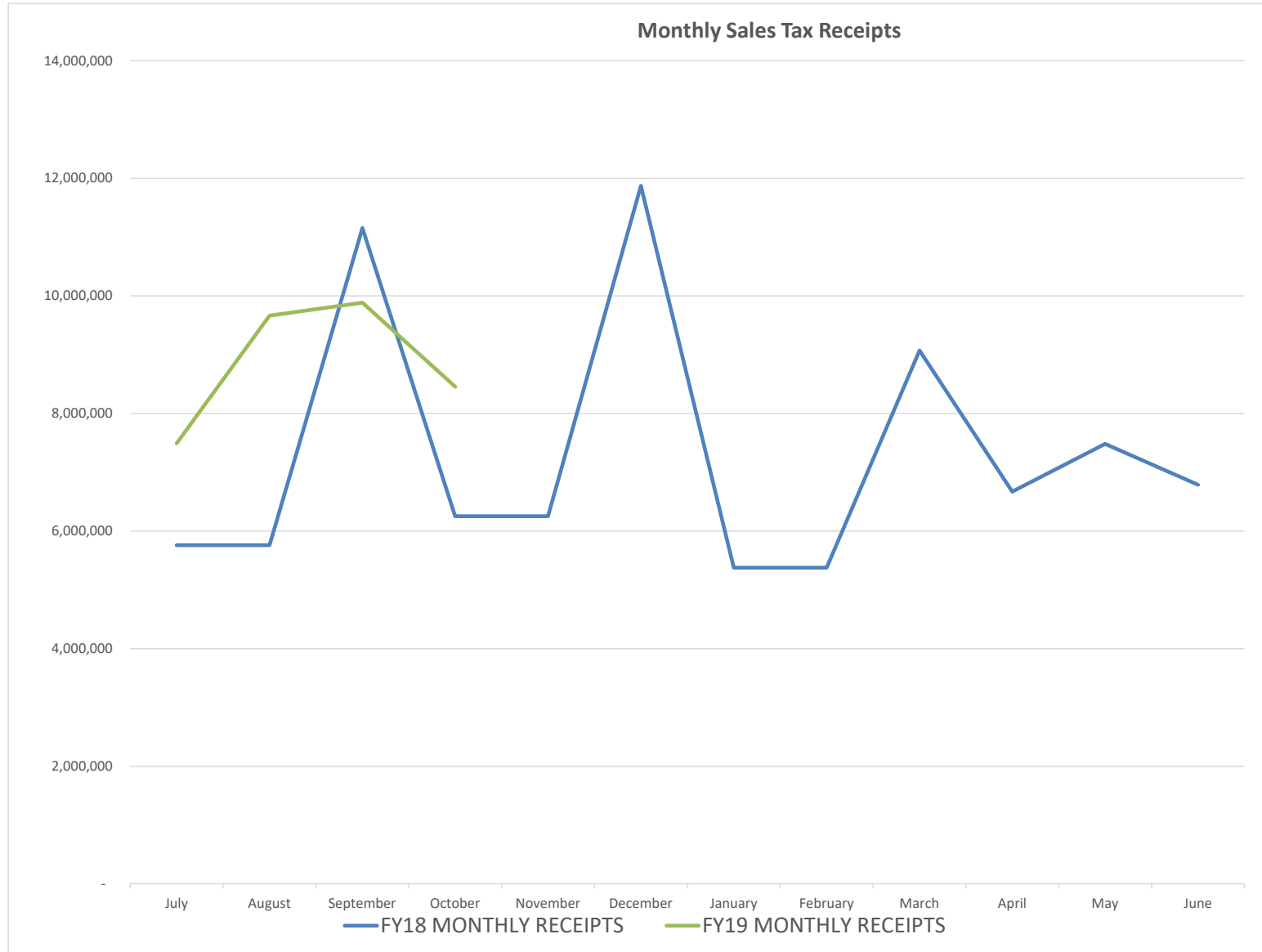
TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12/31/2018	MATURITY DATE	INT RATE	RATE/ DAY	APPL DAYS	INTEREST REC/VBLE 11/30/2018	PREPAID INT REC/VBLE 11/30/2018	INTEREST EARNED 12/31/2018	INTEREST RECEIVED	INTEREST REC/VBLE 12/31/2018	PAR VALUE
SECURITIES MANAGED BY INVESTMENT ADVISOR:														
BANK OF AMERICA	06051GGS2	09-18-17	965,000.00	946,164.17	10-01-21	2.328%	62.40	31	3,744.20		1,872.10		5,616.30	965,000
BANK OF AMERICA	06051GFW4	04-19-16	176,358.00	172,619.83	04-19-21	2.625%	12.76	31	535.94		382.81		918.75	175,000
BANK OF AMERICA	06051GHH5	5-17-18	400,000.00	400,060.00	05-17-22	3.499%	38.88	31	544.29		1,166.33		1,710.62	400,000
CITIGROUP INC	172967LF6	01-10-17	1,574,370.00	1,562,352.75	01-10-20	2.450%	107.19	31	15,113.44		3,215.62		18,329.06	1,575,000
MICROSOFT CORP	594918BV5	02-06-17	1,518,981.60	1,508,969.36	02-06-20	1.850%	78.11	31	8,982.79		2,343.33		11,326.12	1,520,000
BERKSHIRE HATHAWAY	084670BL1	12-23-16	3,167,829.00	3,134,791.80	08-14-19	2.100%	183.75	31	19,661.25		5,512.50		25,173.75	3,150,000
WALT DISNEY	25468PDP8	03-06-17	659,828.40	653,609.88	03-04-20	1.950%	35.75	31	3,110.25		1,072.50		4,182.75	660,000
APPLE INC BONDS	037833CS7	05-11-17	1,323,648.50	1,308,308.98	05-11-20	1.800%	66.25	31	1,325.00		1,987.50		3,312.50	1,325,000
JP MORGAN CHASE & CO	46625HJD3	05-26-17	1,622,730.00	1,545,579.00	01-24-22	4.500%	187.50	31	23,812.50		5,625.00		29,437.50	1,500,000
HOME DEPOT INC	437076BQ4	06-05-17	749,565.00	739,268.25	06-05-20	1.800%	37.50	31	6,600.00		1,125.00	6,750.00	975.00	750,000
IBM CORP CORP NOTES	44932HAG8	02-06-18	1,499,265.00	1,483,129.50	02-05-21	2.650%	110.42	31	12,808.33		3,312.50		16,120.83	1,500,000
NATIONAL RURAL UTIL COOP	63743HER9	02-26-18	1,495,605.00	1,493,170.51	03-15-21	2.900%	120.83	31	9,183.33		3,625.00		12,808.33	1,500,000
PEPSICO INC	713448DX3	10-10-17	1,014,797.00	994,782.22	04-15-21	2.000%	56.39	31	2,593.89		1,691.67		4,285.56	1,015,000
WALMART STORES INC	931142EA7	10-20-17	1,547,752.50	1,525,683.60	12-15-20	1.900%	81.81	31	13,579.72		2,454.17	14,725.00	1,308.89	1,550,000
BRANCH BANKING & TRUST COR	05531FA26	10-26-17	749,655.00	734,217.00	02-01-21	2.150%	44.79	31	5,375.00		1,343.75		6,718.75	750,000
HERSHEY COMPANY	42786ABAS	5-10-18	629,565.30	635,577.39	05-15-21	3.100%	54.25	31	868.00		1,627.50		2,495.50	630,000
AMERICAN EXPRESS	025816BU2	5-17-18	1,549,736.50	1,552,464.50	05-17-21	3.375%	145.31	31	2,034.38		4,359.38		6,393.76	1,550,000
CHARLES SCHWAB	808513AW5	5-22-18	964,971.05	969,709.20	05-21-21	3.250%	87.12	31	871.18		2,613.54		3,484.72	965,000
														23.07%
COMMERCIAL PAPERS														
MUFG BANK LTD/NY	62479MQB2	6-15-18	1,471,082.50	1,492,134.00	03-11-19	0.000%	0.00	31	0.00				0.00	1,500,000
MUFG BANK LTD/NY	62479MRGO	7/20/2018	3,138,320.00	3,173,459.20	04-16-19	0.000%	0.00	31	0.00				0.00	3,200,000
DEXIA CREDIT	25214PJBO	6-26-18	3,141,111.11	3,181,929.60	03-18-19	0.000%	0.00	31	0.00				0.00	3,200,000
BNP PARIBAS NY BRANCH	09659CRH3	01-22-18	1,578,400.00	1,587,032.00	10-19-18	0.000%	0.00	31	0.00				0.00	1,600,000
ING (US) FUNDING LLC	4497W1OB2	7/2/2018	3,635,764.92	3,681,037.50	03-18-19	0.000%	0.00	31	0.00				0.00	3,700,000
DEXIA CREDIT	25214PM26	10/12/18	1,470,083.75	1,478,787.00	07-02-19	0.000%	0.00	31	0.00				0.00	1,500,000
														9.13%
CERTIFICATE OF DEPOSIT														
CANADIAN IMPERIAL BANK NY	13606ASZ7	12-05-16	-	-	11-30-18	1.760%	0.00	31	0.00				0.00	-
SVENSKA HANDELSBANKEN NY	86958JHB8	01-12-17	3,100,000.00	3,099,535.00	01-10-19	1.890%	162.75	31	23,436.00		5,045.25		28,481.25	3,100,000
BANK OF NOVA SCOTIA HOUST	06417GUE6	04-06-17	1,500,000.00	1,496,223.00	04-05-19	1.910%	79.58	31	4,536.25		2,467.08		7,003.33	1,500,000
BANK OF NOVA SCOTIA	06417GU22	6-7-18	1,599,392.00	1,604,678.40	06-05-20	3.080%	136.89	31	23,818.67		4,106.67	24,366.22	3,559.12	1,600,000
ROYAL BANK OF CAN	78012UEE1	6-8-18	2,750,000.00	2,750,280.50	06-07-21	3.240%	247.50	31	42,817.50		7,425.00	44,302.50	5,940.00	2,750,000
SWEDBANK	87019U6D6	11-17-17	3,100,000.00	3,041,217.80	11-16-20	2.270%	195.47	31	2,932.08		6,059.64		8,991.72	3,100,000
SUMITOMO MITSUI BANK NY	865658PC9	10/16/20	1,547,892.00	1,560,690.35	10-16-20	3.390%	145.96	31	6,422.17		4,524.71		10,946.88	1,550,000
														8.45%
ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS														
CCCIT 2017-A2 A2	17305EGA7	01-26-17	2,649,492.53	2,648,294.73	01-17-21	1.740%	128.08	31	17,163.17		3,842.50		21,005.67	2,650,000
CARMAX AUTO OWNER TRUST	14313FAD1	7/25/2018	749,897.78	752,867.10	06-15-23	3.350%	69.79	31	1,116.67		1,956.25	1,956.25	1,116.67	750,000
ALLYA 2017-1 A3	02007PAC7	01-31-17	542,301.75	538,598.60	06-15-21	1.700%	25.61	31	441.16		795.78	827.16	409.78	542,349
ALLYA 2018-2 A3	02004VAC7	4-30-18	1,099,800.24	1,098,086.11	11-15-22	2.920%	89.22	31	1,427.56		2,676.67	2,676.67	1,427.56	1,100,000
FORDO 2017-A A3	34531EAD8	01-25-17	2,021,501.06	2,005,675.68	06-25-21	1.670%	93.78	31	1,609.98		2,909.14	3,018.71	1,500.41	2,021,509
GMCAIR	36255JAD6	7/18/2018	699,836.76	702,491.51	05-16-23	3.020%	58.72	31	880.83		1,761.67	1,761.67	880.83	700,000
TAOT 2017-A A3	89238MAD0	03-07-17	701,152.79	696,238.68	02-15-21	1.730%	33.70	31	582.00		1,048.42	1,091.25	539.17	701,235
ALLYA 2017-2 A3	02007HAC5	03-29-17	2,172,613.80	2,156,396.58	08-15-21	1.780%	107.44	31	1,843.24		3,331.82	3,456.09	1,718.97	2,172,870
TAOT 2017-B A3	89190BAD0	05-17-17	3,099,762.23	3,071,401.88	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	572,897.44	09-18-21	1.790%	28.84	31	374.91		865.17	865.17	374.91	580,000
CCCIT 2017-A3 A3	17305EG85	05-22-17	1,604,272.00	1,579,592.64	04-07-22	1.920%	85.33	31	4,608.00		2,560.00		7,168.00	1,600,000
TAOT 2018-A1 A1	89238BAD4	01-31-18	699,991.95	693,269.50	05-16-22	2.350%	45.69	31	731.11		1,370.83	1,370.83	731.11	700,000
CCCIT 2018-A1 A1	17305EGK5	01-31-18	1,499,792.40	1,487,904.15	01-20-23	2.490%	103.75	31	13,591.25		3,112.50		16,703.75	1,500,000
JDOT 2018-A A3	47788CAC6	02-28-18	484,965.13	483,429.28	04-15-22	2.660%	35.84	31	573.38		1,075.08	1,075.08	573.38	485,000
JOHN DEERE ABS	47788BAD6	07-18-17	999,926.80	988,701.80	10-15-21	1.820%	50.56	31	808.89		1,516.67	1,516.67	808.89	1,000,000
AMXCA 2018-1 A	02582JHQ6	3-21-18	2,609,696.98	2,599,840.58	10-17-22	2.670%	193.58	31	3,097.20		5,807.25	5,807.25	3,097.20	2,610,000
AMXCA 2017-4 A	02582JHG8	05-30-17	1,199,807.76	1,194,395.64	12-15-21	1.640%	54.67	31	874.67		1,640.00	1,640.00	874.67	1,200,000
														14.54%
SALE/PAYDOWN/MATURITY:														
CASH AND CASH EQUIVALE	31846V534								968.45		2,334.42	968.45	2,334.42	
	46640QFJ5								0.00				0.00	
	09659CKK3								0.00				0.00	
TOTAL			160,532,428.13	159,264,591.31					674,169.96	0.00	264,500.47	229,125.52	711,544.91	160,976,012.59
30 Jan 19				Weighted Average Interest Rate		1.977%								

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
FY 2019
DECEMBER 2018

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Approved Budget		Receipts		Over/(Under)	Current
Date	Amount	Date	Amount	Budget/Projection	Projection
FY 2018:					
1st Quarter	21,495,463	1st Quarter	22,675,138	1,179,675	22,675,138
2nd Quarter	22,409,567	2nd Quarter	24,376,877	1,967,310	24,376,877
3rd Quarter	18,912,692	3rd Quarter	19,826,509	913,817	19,826,509
4th Quarter	21,842,278	4th Quarter	20,939,402	(902,876)	20,939,402
FY 2018 Total	84,660,000	FY 2018 Total	87,817,926	3,157,926	87,817,926
FY 2019:					
Jul. 18	6,017,139	Sep. 18	7,491,211	1,474,072	6,017,139
Aug. 18	7,017,139	Oct. 18	9,665,752	2,648,613	7,017,139
Sep. 18	8,022,799	Nov. 18	9,885,150	1,862,351	8,022,799
1st Qtr. Adjustment		Dec. 18		-	
3 Months Total	21,057,077		27,042,113	5,985,036	21,057,077
Oct. 18	6,408,256	Dec. 18	8,456,110	2,047,854	6,408,256
Nov. 18	6,408,256	Jan. 19			6,408,256
Dec. 18	8,648,652	Feb. 19			8,648,652
2nd Qtr. Adjustment		Mar. 19			
6 Months Total	42,522,241		35,498,223	8,032,890	42,522,241
Jan. 19	6,805,453	Mar. 19			6,805,453
Feb. 19	6,805,453	Apr. 19			6,805,453
Mar. 19	7,044,605	May 19			7,044,605
3rd Qtr. Adjustment		Jun. 19			
9 Months Total	63,177,752		35,498,223	8,032,890	63,177,752
Apr. 19	6,793,353	Jun. 19			6,793,353
May 19	6,793,353	Jul. 19			6,793,353
Jun. 19	9,588,742	Aug. 19			9,588,742
4th Qtr. Adjustment		Sep. 19			
FY 2019 Total	86,353,200	FY 2019 Total	35,498,223	8,032,890	86,353,200
	22,531,149	1st Quarter			
	28,023,981	2nd Quarter			
		3rd Quarter			
		4th Quarter			
	50,555,130	YTD Actual Per Statement of Revenue & Expenses			

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2019
DECEMBER 2018**



FY18 MONTHLY RECEIPTS	
July	5,760,900
August	5,760,900
September	11,153,338
October	6,251,900
November	6,251,900
December	11,873,077
January	5,376,600
February	5,376,600
March	9,073,309
April	6,671,548
May	7,480,942
June	6,786,911

FY19 MONTHLY RECEIPTS	
July	7,491,211
August	9,665,751
September	9,885,150
October	8,456,110
November	
December	
January	
February	
March	
April	
May	
June	

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF DECEMBER 31, 2018

	<u>12/31/2018</u>
Cash -- Bank of America Checking Account	632,507.99
Cash -- Wells Fargo Lockbox Account	0.00
Cash - US Bank (on deposit)	619,068.37
LAIF	1,003,847.17
County Pool	236,851,845.65
Investment Portfolio	159,264,591.31
	<hr/>
Total	<u><u>398,371,860.49</u></u>

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
DECEMBER 2018

Unit	Ref	Name	Amount	Method	Description
SMCTA	000222	URS CORPORATION	32,858.85	ACH	Capital Programs (1)
SMCTA	000223	GROOM, CAROLE	100.00	ACH	Board Member Compensation
SMCTA	000224	FRESCHET, MAUREEN ANN	100.00	ACH	Board Member Compensation
SMCTA	000225	BEACH, EMILY RANDOLPH	100.00	ACH	Board Member Compensation
SMCTA	000226	MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA	000227	URS CORPORATION	12,860.46	ACH	Capital Programs (2)
SMCTA	000228	HORSLEY, DONALD	100.00	ACH	Board Member Compensation
SMCTA	000229	JOHNSON, CAMERON	100.00	ACH	Board Member Compensation
SMCTA	000230	MEDINA, RICO E.	100.00	ACH	Board Member Compensation
SMCTA	004803	GOVERNMENT FINANCE OFFICERS ASSN	505.00	CHK	Dues & Subscription
SMCTA	004804	HNTB CORPORATION	87,227.27	CHK	Capital Programs (3)
SMCTA	004805	HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA	004806	MARK THOMAS & COMPANY AND AECOM JV	16,455.73	CHK	Capital Programs (4)
SMCTA	004807	BIANCHINI'S CATERING	325.16	CHK	Miscellaneous - TA CAC Holiday Dinner
SMCTA	004808	HANSON BRIDGETT LLP	21,585.00	CHK	Legal Services
SMCTA	004809	HNTB CORPORATION	3,308.17	CHK	Capital Programs (5)
SMCTA	004810	HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA	004811	JACOBS ENGINEERING GROUP INC.	1,142.23	CHK	Capital Programs (6)
SMCTA	004812	MARK THOMAS & COMPANY AND AECOM JV	652,463.31	CHK	Capital Programs (7)
SMCTA	004813	HALF MOON BAY, CITY OF	144,709.06	CHK	Capital Programs (8)
SMCTA	004814	HNTB CORPORATION	94,998.13	CHK	Capital Programs (9)
SMCTA	004815	HURLEY, JOSEPH	262.11	CHK	Business Meeting
SMCTA	004816	KHOURI CONSULTING	4,050.00	CHK	Legislative Advocate
SMCTA	004817	SAN MATEO, COUNTY OF	5,150.00	CHK	Administration Fee
SMCTA	900138	PENINSULA CORRIDOR JOINT POWERS BOARD	6,188,146.63	WIR	Capital Programs (10)
SMCTA	900139	DEPARTMENT OF TRANSPORTATION	3,205,746.32	WIR	Capital Programs (11)
SMCTA	900140	PENINSULA CORRIDOR JOINT POWERS BOARD	5,102,564.55	WIR	Capital Programs (12)
SMCTA	900141	SAN MATEO COUNTY TRANSIT DISTRICT	123,655.59	WIR	Capital Programs (13)
			<u>15,705,713.57</u>		

- (1) 101 Interchange to Broadway \$8,937.98; 101 Peninsula Ave/Poplar I/C \$23,920.87
- (2) 101 Interchange to Broadway
- (3) 101 HOV Ln Whipple - San Bruno
- (4) Hwy 1 Grey Whale Cove - Miramar
- (5) Highway Oversight
- (6) Highway Oversight
- (7) 101 HOV Ln Whipple - San Bruno \$621,337.77; US 101/SR 92 Direct Connector \$5,815.12
US101/SR92 Interchange Area Improvement \$10,498.39
- (8) Hwy 1 Poplar - Wavecrest HMB
- (9) 101 HOV Ln Whipple - San Bruno
- (10) Caltrain Electrification
- (11) 101 Interchange to Willow
- (12) Broadway Grade Separation \$517,981.70; 25th Ave Grade Separation \$3,301,506.69
Caltrain Electrification \$341,513.20; SSF Caltrain Station \$822,624.56;
S. Linden Ave - Scott St Grade Sep \$118,938.40
- (13) 101 HOV Ln Whipple - San Bruno



BOARD OF DIRECTORS 2019

DON HORSLEY, CHAIR
EMILY BEACH, VICE CHAIR
CAROLE GROOM
MAUREEN FRESCHET
KARYL MATSUMOTO
RICO E. MEDINA
CARLOS ROMERO

JIM HARTNETT
EXECUTIVE DIRECTOR

**AGENDA ITEM #9
FEBRUARY 7, 2019**

Memorandum

Date: January 28, 2019
To: TA Board of Directors
From: Jim Hartnett, Executive Director
Subject: Executive Director's Report – February 7, 2019

92/101 Interchange Caltrans Kick-off Meeting

The 101/92 interchange improvements identified during the Preliminary Planning Study have been scoped into two projects: 1) Short-term Area Improvements Project, and 2) Long-term Direct Connectors Project. Both projects require Caltrans approval of the Project Initiation Document (PID) prior to the start of the environmental study phase.

The formal kick-off meeting with Caltrans for both projects was held on January 31, 2019. A kick-off meeting with the TA, the City of San Mateo, and the City of Foster City was conducted on Wednesday, November 7, 2018 to review the PID process and discuss the roles and responsibilities amongst the various project stakeholders. .

Baseline schedules have been established for the short- and long-term projects, and it is estimated that the two projects will be delivered in a 10-month and a 12-month period, respectively.

101/Willow Interchange Project

Demolition of the existing bridge structure was completed. Bridge abutments and columns at the freeway median were installed. Motorists have been using the new separated bridge structures of the Willow Road overcrossing. Installation of 135-foot concrete girders for the new overcrossing structure took place over four nights: Caltrans closed from 11:59 pm to 4:40 am on southbound US 101 on January 15 and 23, and on northbound US 101 on January 17 and 22. Each night, a quadrant of the girders was lifted and placed on the supporting abutments and columns. The closures was successful; the construction crew was able to complete the installation of the girders and demobilized within the scheduled closure time.

Bridge diaphragm and deck installation is underway. Once the bridge work is completed, pavement and the median island on the bridge will be constructed and motorists will be able to use the new bridge structure. Barriers, the sidewalk on the east side of bridge structure, and

bike paths on Willow Road will be constructed. The overall project is scheduled to be completed late Spring/early summer of this year.

101 Managed Lanes Project

To accommodate the 101 Managed Lanes Project in San Mateo, a 4060-foot stretch of sound wall on the east side of 101 in proximity to the Mount Diablo Pedestrian Overcrossing will need to be replaced. Community meetings were held last November and December to solicit input on the sound wall aesthetic options. On January 7, 2019, the project team presented a project update which included options and community input to San Mateo City Council. On January 22, the City Council provided input on aesthetics and wall height. The project team is awaiting formal response from the City.

Highway Performance Assessment Update

The TA, in conjunction with C/CAG, will be undertaking a joint effort to provide an update of the State Highway System Congestion and Safety Performance Assessment in San Mateo County. The prior effort was done in 2016. This update will provide the latest information pertaining to key performance measures that include:

- Total Vehicle Hours of Delay
- Percent of Free Flow Travel Speed
- Travel Time Reliability
- Traffic Collisions

This information previously was used to help determine the location of key “hot spots” on the State Highway System, and was considered as part of the evaluation of projects that came before the TA for funding consideration during the 2017 Measure A Highway Call for Projects. It is also incorporated in C/CAG’s Congestion Management Program. The TA will be entering into a Memorandum of Understanding (MOU) with C/CAG, which will be contracting for consultant services, to share equally in the cost of this study at up to \$46,000 for each agency. Completion of this study is projected to occur later this calendar year.

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 December 31, 2018.

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

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 8,9,10 and 11. The schedule 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.

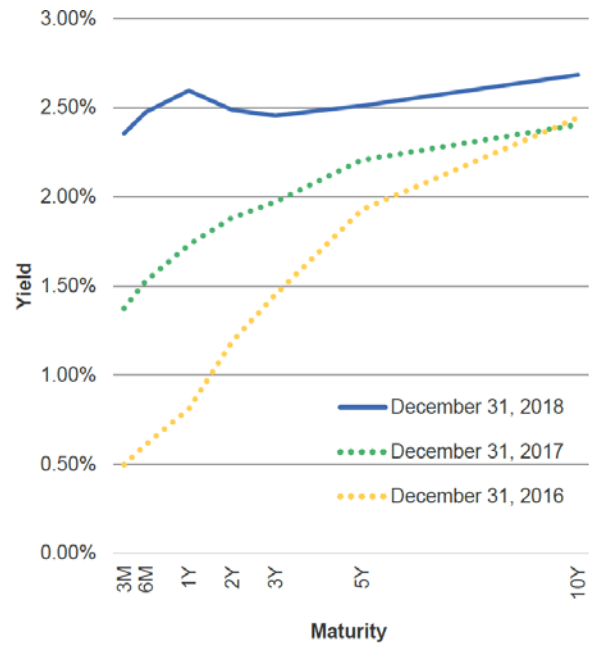
DISCUSSION

TREASURY YIELD

- The sell-off in equity markets in the fourth quarter sparked a flight to quality as investors sought the relative safety of U.S. Treasury obligations, pushing yields lower.
- As was widely expected, the Federal Reserve raised the federal funds target rate by 25 basis points for the fourth time in 2018 at its December meeting, but the consequential bump in yields was overcome by continued equity market uncertainty.
- The 2-year Treasury decreased by 33 basis points to end the quarter at 2.49%.

U.S. Treasury Curve

	4Q2018 12/31/18	4Q2017 12/31/17	4Q2016 12/31/16
3-month	2.35%	1.38%	0.50%
6-month	2.48%	1.53%	0.61%
1-year	2.60%	1.73%	0.81%
2-year	2.49%	1.88%	1.19%
3-year	2.46%	1.97%	1.45%
5-year	2.51%	2.21%	1.93%
10-year	2.68%	2.41%	2.44%



PORTFOLIO RECAP

Investors gravitated toward lower-risk assets through the final months of 2018 as volatility surged, stocks lost their footing, credit spreads widened, and the belly of the curve (maturities between one and five years) began trading at rates lower than shorter and longer-term securities (maturities one year or less and maturities greater than five years). U.S. Treasury yields reversed course during the quarter as maturities beyond one year declined 30-40 basis points (0.30% to 0.40%).

For the past several quarters we have positioned the portfolio with a duration less than that of the benchmark. This benefited the portfolio for most of 2018 as the Fed raised rates and yields across the curve increased. However, in the fourth quarter, sudden shifts in market sentiment that caused interest rates to fall eroded those benefits, negatively impacting portfolio performance versus the benchmark; however, the declines in longer-term yields positively impacted the portfolio's absolute performance.

- Our strategy over the past several months was to actively reduce exposure to credit sectors (and increase allocations to safer U.S. Treasuries), which helped to reduce relative underperformance versus the benchmark, as U.S. Treasuries outperformed credit sectors for the quarter.
- The federal agency sector was one of the few to generate positive excess returns relative to U.S. Treasuries for the quarter. The modest incremental yield spread versus Treasuries accounted for the slight relative outperformance.
- Corporates felt the pressure of wider spreads across all industries. As a result, the sector underperformed most fixed income alternatives in the quarter. While portfolio allocations to the sector detracted from performance relative to the benchmark, our shift to a more defensive bias at the beginning of the quarter – favoring higher quality issuers, active selling of lower-yielding issues, and shorter durations – helped mitigate the underperformance.
- After actively adding asset-backed securities (ABS) in prior quarters, the portfolio's allocation was maintained in Q4. We continue to view ABS as a favorable sector that offers incremental income and enhanced credit quality. Although the sector generated returns that were less than those of similar duration Treasuries in Q4, the AAA-rated ABS sector generated attractive relative performance compared to corporates.
- After narrowing to 12-month tight spreads in the third quarter, spreads on negotiable bank certificates of deposit and commercial paper issuers rebounded in Q4. As a result, in Q4 the portfolio benefitted from additional allocations to these high-quality, short-term credit instruments at attractive yields.
- Mortgage-backed securities (MBS) – regardless of structure, coupon, and collateral type – generated returns less than Treasuries in Q4. Although allocations to the sector detracted from performance relative to Treasury-only benchmarks, our cautious view of the sector helped limit overall risk to the portfolio.

INVESTMENT STRATEGY OUTLOOK

While the path of future Fed rate hikes is less clear than in recent years, we expect future tightening (additional Fed rate hikes) to be modest. Further, political gridlock adds additional uncertainty. As a result, we will seek to increase portfolio duration to be more in line with (neutral to) the benchmark.

Our outlooks for the major investment-grade fixed income sectors are as follows:

Despite the outperformance from the federal agency sector in Q4, federal agency spreads (incremental yield) remain very narrow as most maturities offer less than five basis points (0.05%) of incremental yield relative to U.S. Treasuries. We will continue to moderate use of agencies where spreads are tight, seeking better relative value in either Treasuries or other sectors. Callable agencies will continue to be evaluated and, where analyses indicate strong value, we will seek to utilize these securities as portfolio diversifiers.

- Although it appears that volatility may not dissipate quickly, the significant sell-off in the corporate sector (resulting in wider spreads) presents an opportunity to selectively add to the sector. Our preference is for high-quality, defensive issuers with a focus on one to three-year maturities. We continue to prefer financials (specifically domestic issuers) and to remain selective in industrial issuers.
- Allocations to AAA-rated Asset-Backed Securities (ABS) will be maintained. The sector continues to offer attractive incremental income compared to government securities while also serving as a lower volatility credit alternative. Further, as issuance is expected to increase through the beginning of the year, opportunities may arise to add exposure.
- The MBS sector has underperformed as spreads have widened. While certain structures (namely Collateralized Mortgage-Backed Securities) have been identified as an opportunity to add to the portfolio, our view of the overall sector remains cautious. Elevated volatility and the pace of global economic growth remain headwinds as well as the Fed's continued wind-down of its MBS holdings.
- Short-term money market investors continue to reap the rewards of current monetary policy as the fed funds effective rate now nears two and a half percent. Short-term negotiable bank certificates of deposit and commercial paper have since normalized following very narrow yield differences at year-end, and once again provide an attractive, high-quality source of incremental income.

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 December 31, the total return of the portfolio was **1.21 percent**. This compares to the benchmark return of **1.48 percent**. The Performance graph on page 12 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 **2.25 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 December 31, the portfolio's market yield to maturity was **2.69 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 DECEMBER 31, 2018

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL PURCHASE PRICE	MARKET VALUE	INTEREST REC'VBLE	MARKET VALUE + ACCR INT.
SECURITIES MANAGED BY INVESTMENT ADVISOR:							
U.S. TREASURY NOTES AND BONDS							
US TREASURY NOTE	912828Q78	04-30-21	2,570,000	2,519,001.56	2,506,551.84	6,052.28	2,512,604.12
US TREASURY NOTE	912828F62	10-31-19	375,000	376,508.79	371,499.00	973.56	372,472.56
US TREASURY NOTE	912828VF4	05-31-20	505,000	498,470.51	496,852.84	610.44	497,463.28
US TREASURY NOTE	912828VP2	07-31-20	1,585,000	1,638,431.83	1,571,936.43	13,265.76	1,585,202.19
US TREASURY NOTE	912828x47	04-30-22	12,900,000	12,596,751.95	12,653,081.10	41,426.10	12,694,507.20
US TREASURY NOTE	912828L32	08-31-20	335,000	341,124.22	328,679.56	1,573.17	330,252.73
US TREASURY NOTE	912828R77	05-31-21	3,500,000	3,409,082.03	3,410,039.50	4,230.77	3,414,270.27
US TREASURY NOTE	912828D72	08-31-21	8,400,000	8,472,773.45	8,295,655.20	57,521.74	8,353,176.94
US TREASURY NOTE	912828I67	10-31-21	10,050,000	9,862,746.09	9,714,742.05	21,742.79	9,736,484.84
US TREASURY NOTE	912828n30	12-31-22	2,900,000	2,812,773.44	2,859,104.20	607.56	2,859,711.76
US TREASURY NOTE	912828n30	12-31-22	2,650,000	2,559,630.86	2,612,629.70		2,612,629.70
US TREASURY NOTE	912828n30	12-31-22	4,800,000	4,681,125.00	4,732,310.40		4,732,310.40
US TREASURY NOTE	912828TJ9	08-15-22	4,450,000	4,263,308.59	4,317,367.75	27,313.69	4,344,681.44
			34.18%				
FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS							
FNA 2018-M5-A2	313681XP4	09-25-21	865,489	882,704.16	875,209.81	2,567.62	877,777.43
FHLMC	3137BM6P6	08-25-22	800,000	806,812.50	803,916.24	2,060.00	805,976.24
FNA 2014-M6-A2	3136AJ7G5	05-25-21	2,952,488	3,012,229.85	2,940,255.34	6,591.43	2,946,846.77
FANNIE MAE	3136AQDQ0	09-01-19	95,073	96,024.81	94,496.72	130.41	94,627.13
FHMS KPOS A	3137FKK39	07-01-23	775,000	774,997.68	779,601.64	965.35	780,566.99
			3.41%				
FEDERAL AGENCY NOTES AND BONDS							
FHLB	3130A8Q55	07-14-21	3,200,000	3,180,540.80	3,090,444.80	16,700.00	3,107,144.80
FNMA	3135GON82	08-17-21	825,000	822,177.68	798,910.20		798,910.20
FNMA	3135GON82	08-17-21	2,675,000	2,664,166.25	2,590,405.80	16,284.71	2,606,690.51
FNMA	3135GOP49	08-28-19	700,000	698,908.00	692,540.80	2,391.65	694,932.45
FHLB	3130A9EP2	09-26-19		0.00			0.00
FHLMC	3137EAEJ4	09-29-20	990,000	988,208.10	974,501.55	4,111.25	978,612.80
FNMA	3135GOT29	02-28-20	1,955,000	1,953,748.80	1,932,748.19	10,019.37	1,942,767.56
FNMS	3135GOT60	07-30-20	900,000	897,273.00	885,118.50	5,662.50	890,781.00
FHLB	3130ACE26	09-28-20	365,000	363,828.35	357,619.70	1,296.51	358,916.21
FHLMC	3137EAEF2	04-20-20	-	-	-	-	-
			7.21%				
CORPORATE NOTES							
TOYOTA MOTOR	89236TDH5	10-18-19	1,150,000	1,149,425.00	1,136,558.80	3,614.51	1,140,173.31
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-19	800,000	799,720.00	799,830.40	6,497.78	806,328.18

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2018**

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET VALUE	INTEREST REC'YBL	MARKET VALUE + ACCR INT.
				PURCHASE PRICE			
TOYOTA MOTOR CREDIT CORP	892361EU5	04-13-21	1,200,000	1,199,520.00	1,200,180.00	7,670.00	1,207,850.00
UNILEVER CAPITAL	904764AZ0	03-22-21	1,200,000	1,193,868.00	1,194,223.20	9,075.00	1,203,298.20
MORGAN STANLEY	6174467P8	07-24-20	3,150,000	3,516,187.50	3,247,259.40	75,556.25	3,322,815.65
PRIZER INC	717081EB5	12-15-19	2,080,000	2,078,502.40	2,059,928.00	1,571.56	2,061,499.56
JOHN DEERE CAPITAL CORP.	24422ETM1	10-15-18	-	-	-	-	-
JOHN DEERE CAPITAL CORP.	24422ETL3	01-06-22	685,000	681,979.15	671,900.06	8,824.13	680,724.19
CATERPILLAR FINL	14913Q2A6	09-04-20	1,100,000	1,099,076.00	1,078,577.50	6,613.75	1,085,191.25
GOLDMAN SACHS	38141GGQ1	07-27-21	2,750,000	3,035,092.50	2,854,755.75	61,760.42	2,916,516.17
AMERICAN HONDA MTN	02665WCP4	12-10-21	1,550,000	1,549,256.00	1,557,615.15	3,051.56	1,560,666.71
BANK OF AMERICA	06051GGS2	10-01-21	965,000	965,000.00	946,164.17	5,616.30	951,780.47
BANK OF AMERICA	06051GFW4	04-19-21	175,000	176,358.00	172,619.83	918.75	173,538.58
BANK OF AMERICA	06051GHH5	05-17-22	400,000	400,000.00	400,060.00	1,710.62	401,770.62
CITIGROUP INC	172967LF6	01-10-20	1,575,000	1,574,370.00	1,562,352.75	18,329.06	1,580,681.81
MICROSOFT CORP	594918BV5	02-06-20	1,520,000	1,518,981.60	1,508,969.36	11,326.11	1,520,295.47
BERKSHIRE HATHAWAY	084670BL1	08-14-19	3,150,000	3,167,829.00	3,134,791.80	25,173.75	3,159,965.55
WALT DISNEY	25468PDP8	03-04-20	660,000	659,828.40	653,609.88	4,182.75	657,792.63
APPLE INC BONDS	037833CS7	05-11-20	1,325,000	1,323,648.50	1,308,308.98	3,312.50	1,311,621.48
JP MORGAN CHASE & CO	46625HJD3	01-24-22	1,500,000	1,622,730.00	1,545,579.00	29,437.50	1,575,016.50
HOME DEPOT INC	437076BQ4	06-05-20	750,000	749,565.00	739,268.25	975.00	740,243.25
IBM CORP CORP NOTES	44932HAG8	02-05-21	1,500,000	1,499,265.00	1,483,129.50	16,120.83	1,499,250.33
NATIONAL RURAL UTIL COOP	63743HER9	03-15-21	1,500,000	1,495,605.00	1,493,170.51	12,808.33	1,505,978.84
PEPSICO INC	713448DX3	04-15-21	1,015,000	1,014,797.00	994,782.22	4,285.56	999,067.78
WALMART STORES INC	931142EA7	12-15-20	1,550,000	1,547,752.50	1,525,683.60	1,308.89	1,526,992.49
BRANCH BANKING & TRUST CORP	05531FAZ6	02-01-21	750,000	749,655.00	734,217.00	6,718.75	740,935.75
HERSHEY COMPANY	427866BA5	05-15-21	630,000	629,565.30	635,577.39	2,495.50	638,072.89
AMERICAN EXPRESS	025816BU2	05-17-21	1,550,000	1,549,736.50	1,552,464.50	6,393.75	1,558,858.25
CHARLES SCHWAB	808513AW5	05-21-21	965,000	964,971.05	969,709.20	3,484.72	973,193.92
				23.07%			
COMMERCIAL PAPERS							
MUFG BANK LTD/NY	62479MQB2	03-11-19	1,500,000	1,471,082.50	1,492,134.00	-	1,492,134.00
MUFG BANK LTD/NY	62479MRGO	04-16-19	3,200,000	3,138,320.00	3,173,459.20	-	3,173,459.20
DEXIA CREDIT	25214PJB0	03-18-19	3,200,000	3,141,111.11	3,181,929.60	-	3,181,929.60
BNP PARIBAS NY BRANCH	09659CRH3	10-19-18	1,600,000	1,578,400.00	1,587,032.00	-	1,587,032.00
ING (US) FUNDING LLC	4497W1O82	03-18-19	3,700,000	3,635,764.92	3,681,037.50	-	3,681,037.50
DEXIA CREDIT	25214PM26	07-02-19	1,500,000	1,470,083.75	1,478,787.00	-	1,478,787.00
				9.81%			
CERTIFICATE OF DEPOSIT							
CANADIAN IMPERIAL BANK NY	13606A5Z7	11-30-18	-	-	-	-	-
SVENSKA HANDELSBANKEN NY	86958JHB8	01-10-19	3,100,000	3,100,000.00	3,099,535.00	28,481.25	3,128,016.25

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2018**

TYPE OF SECURITY	CUSIP #	MATURITY DATE	PAR VALUE	ORIGINAL	MARKET	INTEREST	MARKET VALUE +
				PURCHASE PRICE	VALUE	RECVBLE	ACCR INT.
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-05-19	1,500,000	1,500,000.00	1,496,223.00	7,003.33	1,503,226.33
BANK OF NOVA SCOTIA	06417GU22	06-05-20	1,600,000	1,599,392.00	1,604,678.40	3,559.11	1,608,237.51
ROYAL BANK OF CAN	78012UEE1	06-07-21	2,750,000	2,750,000.00	2,750,280.50	5,940.00	2,756,220.50
SWEDBANK	87019UD6	11-16-20	3,100,000	3,100,000.00	3,041,217.80	8,991.72	3,050,209.52
SUMITOMO MITSUI BANK NY	86565BPC9	10-16-20	1,550,000	1,547,892.00	1,560,690.35	10,946.88	1,571,637.23
			9.81%				
ASSET-BACKED SECURITY/COLLATERIZED MORTGAGE OBLIGATIONS							
CCCIT 2017-A2 A2	17305GA7	01-17-21	2,650,000	2,649,492.53	2,648,294.73	21,005.67	2,669,300.40
CARMAX AUTO OWNER TRUST	14313FAD1	06-15-23	750,000	749,897.78	752,867.10	1,116.67	753,983.77
ALLYA 2017-1 A3	02007PAC7	06-15-21	542,349	542,301.75	538,598.60	409.78	539,008.38
ALLYA 2018-2 A3	02004VAC7	11-15-22	1,100,000	1,099,800.24	1,098,086.11	1,427.56	1,099,513.67
FORDO 2017-A A3	34531EAD8	06-25-21	2,021,509	2,021,501.06	2,005,675.68	1,500.41	2,007,176.09
GMCA	36255JAD6	05-16-23	700,000	699,836.76	702,491.51	880.83	703,372.34
TAOT 2017-A A3	89238MAD0	02-15-21	701,235	701,152.79	696,238.68	539.17	696,777.85
ALLYA 2017-2 A3	02007HAC5	08-15-21	2,172,870	2,172,613.80	2,156,396.58	1,718.97	2,158,115.55
TAOT 2017-B A3	89190BAD0	07-15-21	3,100,000	3,099,762.23	3,071,401.88	2,424.89	3,073,826.77
HAROT 2017-3 A3	43814PAC4	09-18-21	580,000	579,937.19	572,897.44	374.91	573,272.35
CCCIT 2017-A3 A3	17305EG85	04-07-22	1,600,000	1,604,272.00	1,579,592.64	7,168.00	1,586,760.64
TAOT 2018-A1 A1	89238BAD4	05-16-22	700,000	699,991.95	693,269.50	731.11	694,000.61
CCCIT 2018-A1 A1	17305EGK5	01-20-23	1,500,000	1,499,792.40	1,487,904.15	16,703.75	1,504,607.90
JDOT 2018-A A3	47788CAC6	04-15-22	485,000	484,965.13	483,429.28	573.38	484,002.66
JOHN DEERE ABS	47788BAD6	10-15-21	1,000,000	999,926.80	988,701.80	808.89	989,510.69
AMXCA 2018-1 A	02582JHQ6	10-17-22	2,610,000	2,609,696.98	2,599,840.58	3,097.20	2,602,937.78
AMXCA 2017-4 A	02582JHG8	12-15-21	1,200,000	1,199,807.76	1,194,395.64	874.67	1,195,270.31
			13.67%				
CASH AND CASH EQUIVALENT							
	31846V534					2,334.42	2,334.42
TOTAL				160,976,013.60	160,532,428.13	159,264,591.31	711,544.86
							159,976,136.17

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
REPORT OF INVESTMENTS (continued)
FOR QUARTER ENDED , DECEMBER 31, 2018**

	MATURITY DATE	PAR VALUE	ORIGINAL PURCHASE PRICE	MARKET VALUE	INTEREST RECEIVABLE	MARKET VALUE + ACCRUED INTEREST
<u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u>						
SAN MATEO COUNTY POOL			236,851,846	236,851,846	1,273,615	238,125,461
LOCAL AGENCY INVESTMENT FUND			1,003,847	1,003,847	5,528	1,009,375
U.S. BANK (CASH ON DEPOSIT)			619,068	619,068	-	619,068
BANK OF AMERICA CHECKING			632,508	632,508	-	632,508
TOTAL FUNDS MANAGED BY DISTRICT STAFF			239,107,269	239,107,269	1,279,143	240,386,412
TOTAL AS OF DECEMBER 31, 2018			398,371,860	398,371,860	1,990,688	400,362,548

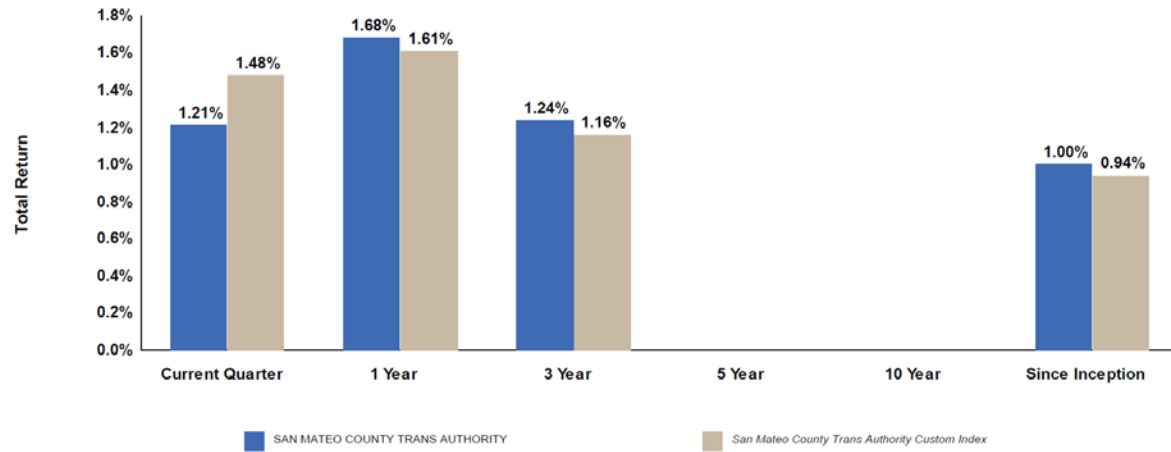
EXHIBIT 2

For the Quarter Ended December 31, 2018

SAN MATEO COUNTY TRANS AUTHORITY

Portfolio Performance

Portfolio Performance (Total Return)							
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			
				3 Year	5 Year	10 Year	Since Inception (03/31/15)
SAN MATEO COUNTY TRANS AUTHORITY	1.92	1.21%	1.68%	1.24%	-	-	1.00%
San Mateo County Trans Authority Custom Index	2.09	1.48%	1.61%	1.16%	-	-	0.94%
Difference		-0.27%	0.07%	0.08%	-	-	0.06%



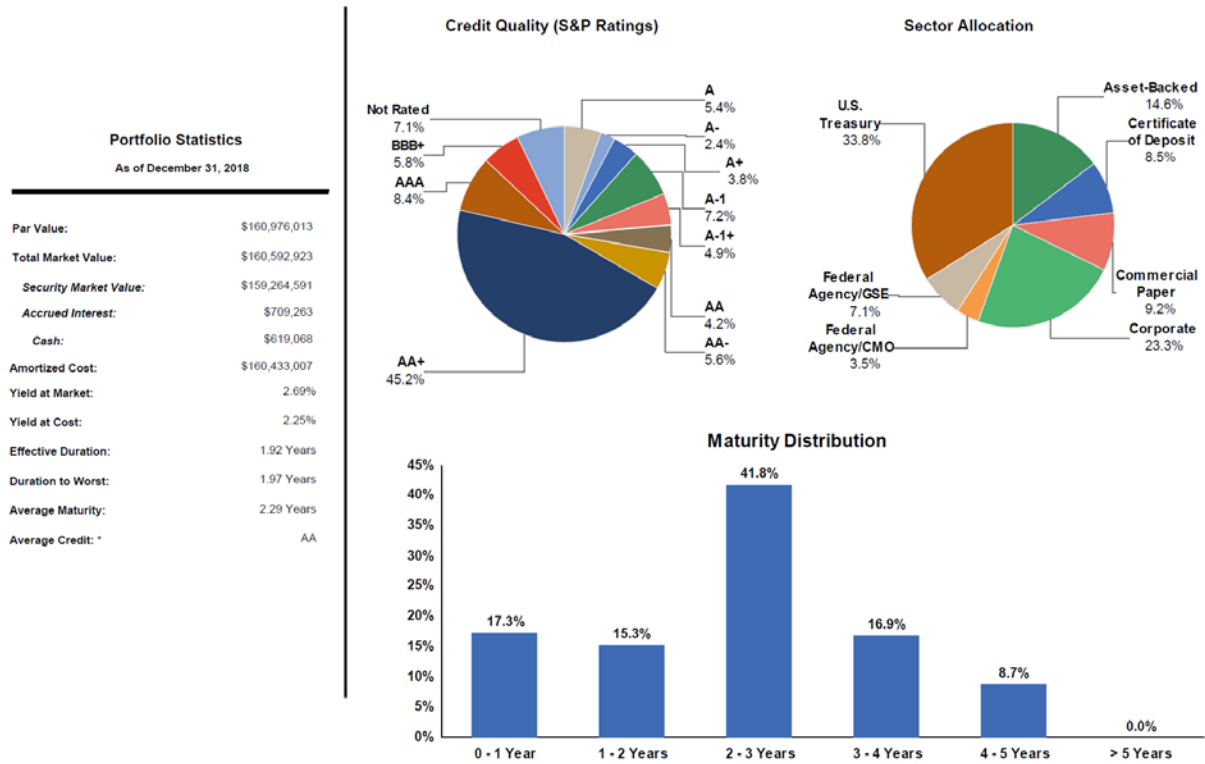
Portfolio performance is gross of fees unless otherwise indicated.

EXHIBIT 3

For the Quarter Ended December 31, 2018

SAN MATEO COUNTY TRANS AUTHORITY

Portfolio Snapshot



*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.
Securities held in the Authority's portfolio are in compliance with California State Code and the Authority's investment policy dated September 2017.

EXHIBIT 4

Sector Allocation and Compliance

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

Security Type	Market Value as of December 31, 2018	% of Portfolio	Permitted by Policy	In Compliance	Average Credit Rating
U.S. Treasury	\$53,870,450	33.5%	100%	✓	AA+
Federal Agency/GSE	\$11,322,290	7.0%	100%	✓	AA+
Federal Agency/CMO	\$5,493,480	3.4%	20%	✓	AA+
Corporate Notes	\$37,161,286	23.1%	30%	✓	A+
Negotiable CDs	\$13,552,625	10.0%	10%	✓	A+
Asset-Backed Securities	\$23,270,082	14.5%	20%	✓	AAA
Commercial Paper	\$14,594,379	9.1%	15%	✓	A-1
Securities Sub-Total	\$159,264,591	99.0%			
Accrued Interest	\$709,263				
Securities Total	\$159,973,855				
Money Market Fund	\$619,068	<1%	10%	✓	AAAm
LAIF	\$1,003,847	<1%	100%	✓	NR
Total Investments	\$161,596,770	100.0%			

As of 12/31/2018. Detail may not add to total due to rounding. Current investment policy as of September 2017.

San Mateo County Transportation Authority

Investment Performance Review
For the Quarter Ended December 31, 2018

January 2019



Compliance and Allocation

Security Type	Market Value* as of December 31, 2018	% of Portfolio -	Permitted by Policy	In Compliance	Average Credit Rating
U.S. Treasury	\$53,870,450	33.5%	100%	✓	AA+
Federal Agency/GSE	\$11,322,290	7.0%	100%	✓	AA+
Federal Agency/CMO	\$5,493,480	3.4%	20%	✓	AA+
Corporate Notes	\$37,161,286	23.1%	30%	✓	A+
Negotiable CDs	\$13,552,625	10.0%	10%	✓	A+
Asset-Backed Securities	\$23,270,082	14.5%	20%	✓	AAA
Commercial Paper	\$14,594,379	9.1%	15%	✓	A-1
Securities Sub-Total	\$159,264,591	99.0%			
Accrued Interest	\$709,263				
Securities Total	\$159,973,855				
Money Market Fund	\$619,068	<1%	10%	✓	AAAm
LAIF	\$1,003,847	<1%	100%	✓	NR
Total Investments	\$161,596,770	100.0%			

As of December 31, 2018.

*Total market values exclude accrued interest.

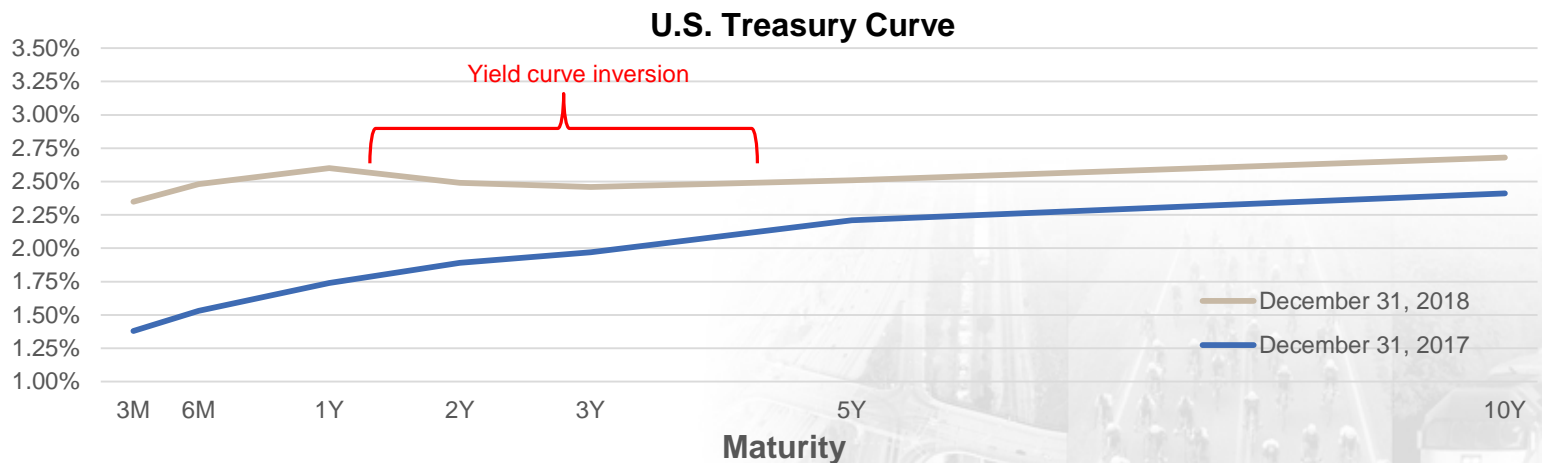
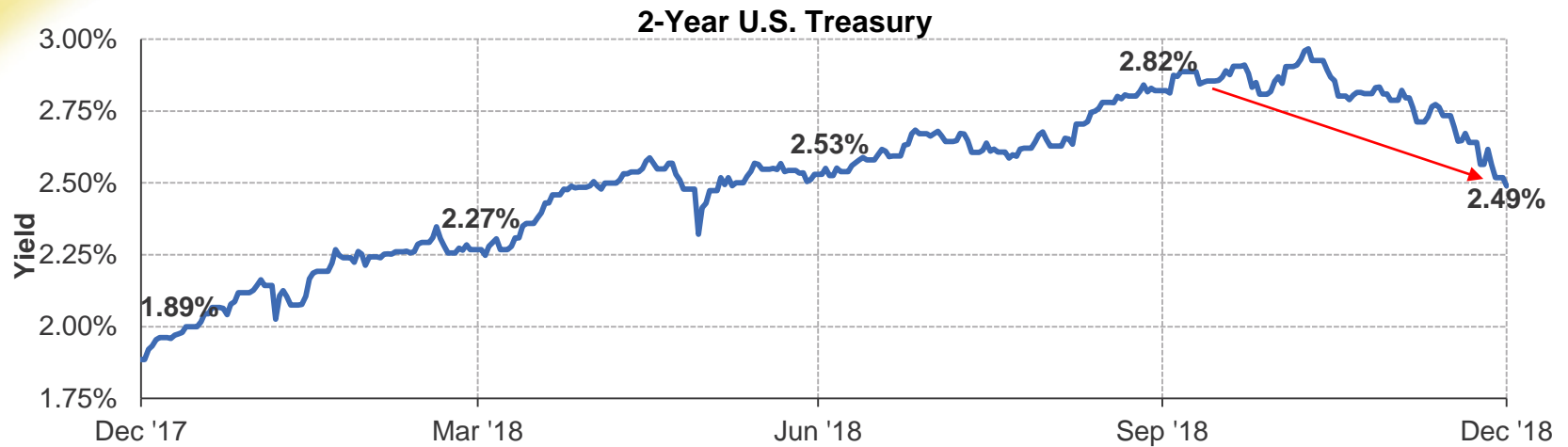


Market Themes

- In general, economic fundamentals in the U.S. remained positive.
- Return of volatility to equity markets
- A flight to quality. Yields reversed course and declined in Q4.
- Yield curve inverted in some areas along the curve.



A Changing Yield Curve



Accrual-based earnings for the period. Third quarter accrual-based earnings totaled \$775,900.



Portfolio Recap

- **Continued downside risk management.**
 - Invested in high-quality assets, with a bias to US Treasuries
 - Selectively added short-term credit exposure
 - Maintained portfolio duration shorter relative to its benchmark
 - Maintained a diversified portfolio in compliance with the investment policy and with CA Government Code



Portfolio Earnings & Performance

- The diversified portfolio had total earnings of **\$798,957*** for Q4 2018, a **\$23,057** increase from the prior quarter
 - The portfolio yields increased by **~10 bps** over the quarter to **2.25%**

	<u>Duration</u>	<u>Total Return As of December 31, 2018</u>		
	(Years)	4Q18	1 Yr	Since Inception ¹
SMCTA	1.92	1.21%	1.68%	1.00%
Performance Benchmark ²	2.09	1.48%	1.61%	0.94%

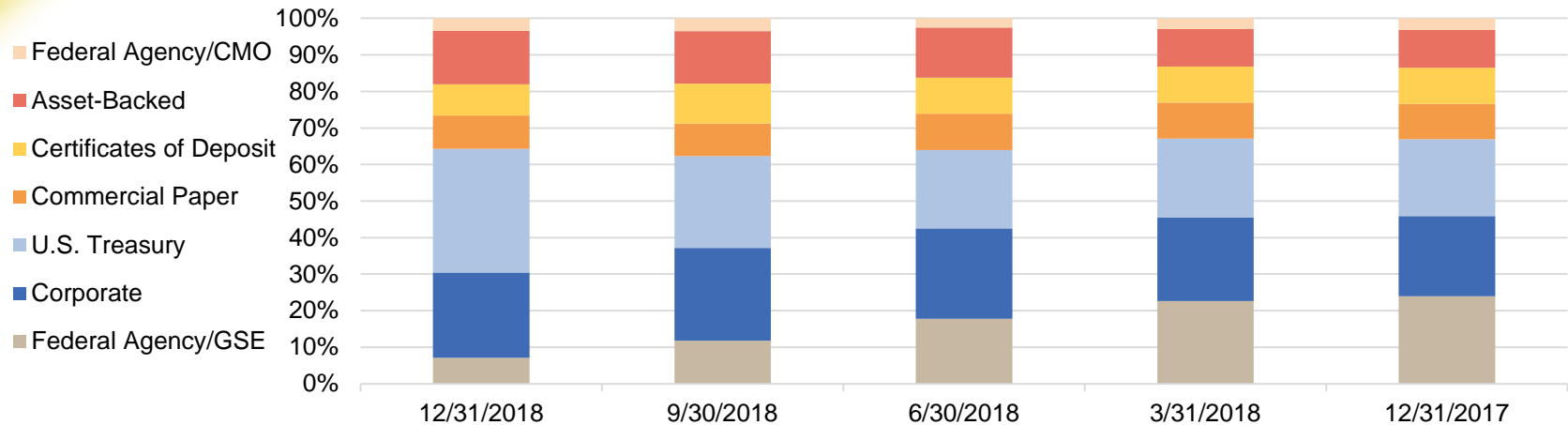
1. Inception date is March 31, 2015.

2. Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 15% 0-1 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.

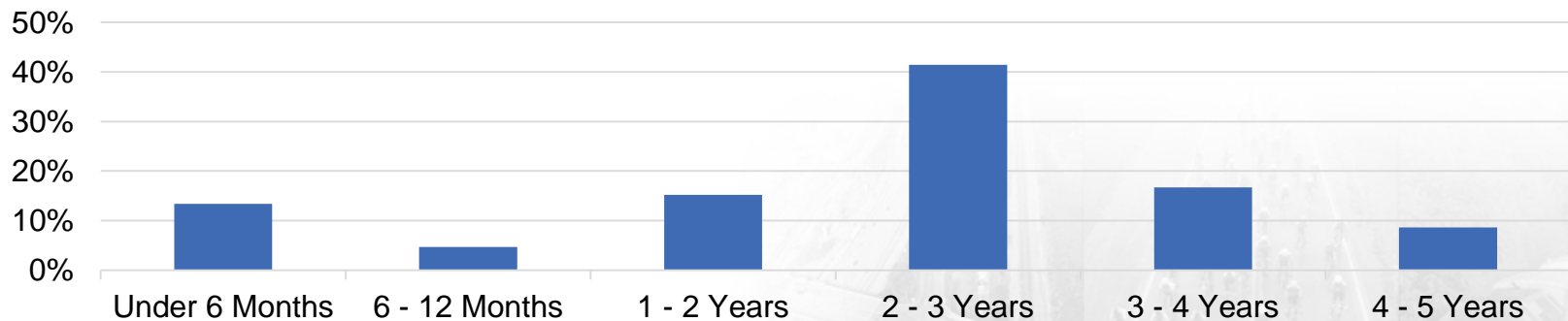


Portfolio Positioning

Sector Allocation



Maturity Distribution



*Totals may not add due to rounding. As of December 31, 2018



Outlook and Strategy

- Fed's path to raising rates has softened moving forward
- Neutral duration positioning
- Preserve broad diversification and maintain high credit quality
- Selectively add to corporate issuers with strong fundamentals

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: **APPROVAL OF OWNER AND OPERATOR FOR THE SAN MATEO US101
EXPRESS LANES PROJECT**

ACTION

The Joint TA-C/CAG Managed Lanes Ad Hoc Advisory Committee recommends, and staff concurs, that the Board approve the following direction for the ownership and operation of the San Mateo US 101 Express Lanes Project (Project):

- The San Mateo County Transportation Authority (TA) and City/County Association of Governments of San Mateo County (C/CAG) will retain ownership of the Project and contract with Bay Area Infrastructure Financing Authority (BAIFA) to operate the express lanes on their behalf, subject (a) to the California Transportation Commission's approval, (b) the terms of a TA and C/CAG agreement with BAIFA, and (c) delineation of roles such as set forth in Attachment 1; and
- The TA and C/CAG will form a Joint Powers Authority (JPA) to exercise their shared rights and responsibilities as joint owners of the Project, including but not limited to setting policies governing the express lanes' operation, developing and implementing an expenditure plan for express lane toll revenues, and overseeing management of the BAIFA contract.

SIGNIFICANCE

The TA and C/CAG are joint sponsors of the Project. The two agencies' Boards of Directors previously met on December 6, 2018 and December 13, 2018, respectively, to select the owner and operator for the Project, but reached different decisions. The chairpersons of the two Boards then appointed a TA and C/CAG Joint Ad Hoc Committee, consisting of three members from each Board, to make a joint recommendation on the owner and operator decision, and to resolve governance issues arising from joint sponsorship of the Project.

The Joint Ad Hoc Committee has since met on several occasions and now recommends that the TA and C/CAG Boards of Directors endorse the owner and operator arrangements set forth above at the Boards' respective meetings in February 2019.

The Joint Ad Hoc Committee will continue to meet, discuss and make recommendations to the TA and C/CAG Boards on how the JPA should be formed and managed, starting with the following:

a. Membership of the JPA Board

The Joint Ad Hoc Committee recommends that the TA and C/CAG Boards each appoint three of their members to serve as the JPA's Board of Directors, thereby providing equal representation from both agencies.

b. Decision-making powers that TA and C/CAG will delegate to the JPA regarding the express lanes

The Joint Ad Hoc Committee recommends that the TA and C/CAG authorize the JPA to exercise their shared powers to oversee the BAIFA contract, and to determine express lanes policies, such as toll rates and toll discounts; to develop and implement equity programs, and to determine how to invest the net toll revenues generated in the express lane corridor. The JPA's decisions on these policies will be final and will not be subject to further TA and C/CAG Board review. No action of this JPA will bind in any way the TA or C/CAG Boards.

c. Staffing for the JPA to ensure it provides sufficient support and oversight over the BAIFA contract

The JPA will require staffing to support its work and to assist in the oversight of the BAIFA contract. The Joint Ad Hoc Committee has not yet made a recommendation on what agency will provide staff support for the JPA. To assist the Joint Ad Hoc Committee in reaching consensus on this issue, TA staff will be providing some additional information at the Committee's next meeting on how JPA staff can be structured, including how the Peninsula Corridor Joint Powers Board (JPB) and the TA are currently staffed. [Attachment 2](#) provides an overview of the relationship amongst the San Mateo County Transit District, JPB and TA. TA and/or C/CAG staff will also, in subsequent meetings, provide further information on how other express lanes joint powers agencies in the Bay Area are staffed.

BUDGET IMPACT

There is no immediate budget impact associated with the recommendations above. Staff is evaluating the funding needed to staff the JPA, with the expectation that funding to support in the near term will come from TA funds, but subject to reimbursement from future express lanes toll revenues. Staff will be assessing the Project's other financial requirements as the Joint Ad Hoc Committee continues to work on resolving specific governance issues.

BACKGROUND

On November 16, 2018, the TA Board of Directors held a joint workshop with the C/CAG Board of Directors to receive information regarding options on ownership and operation of the US101 Managed Lanes facility, once construction of the Project is complete. The

Project will consist of one express lane in each direction on US101 between roughly the southern border of San Mateo County and the 101-380 interchange.

Prepared by: April Chan 650-508-6228
Chief Officer, Planning, Grants & Transportation Authority

Attachment 1

Proposed TA & C/CAG (Owner) and BAIFA (Operator) Roles & Responsibilities

C/CAG and TA will:

- Set toll policy and work with other Bay Area toll system owners and operators toward regionally-consistent policies that allow seamless travel.
- Develop and implement plan for expenditure plan toll revenues.
- Assume liability for the express lanes, and ensure sufficient funding for the routine maintenance, operation, rehabilitation and replacement of express lanes infrastructure (to be funded by toll revenues when possible).
- Be responsible for securing funding, loans or financing for any future improvements or extensions of the express lanes.
- Develop and implement an equity program, should the TA and C/CAG wish to pursue one.
- Negotiate and oversee BAIFA contract for managed lane operations.

BAIFA will:

- Oversee the contracting, design, installation and testing of the toll system.
- Provide gross toll revenues to C/CAG and TA.
- Manage, through staff and contracts, all aspects of the day-to-day operation of the toll facility including real-time monitoring of the lanes and routine maintenance.
- Provide regular reports to C/CAG and TA on express lane performance.

Terms:

- C/CAG and TA will cover the costs of application to the California Transportation Commission to secure express lane authority.
- The contract for operations would be for a set term, likely six years. No later than a year prior to the end of the term, the parties will evaluate whether San Mateo County should join BAIFA or whether to extend or terminate the contract.
- Consistent with the SB1 application, MTC's financial contribution to construction of the project is \$95 million. As part of the SB1 application, cost overruns are to be covered by C/CAG and TA, in partnership with MTC and Caltrans, both of which will provide assistance in seeking additional funds and other grants.
- C/CAG and TA will compensate BAIFA for the work described above, including BAIFA's staff time. C/CAG and TA will pay BAIFA a deposit to cover the expected initial costs.

Attachment 2

Staffing Considerations for the JPA – Understanding the relationship between SamTrans, the JPB (Caltrain) and the TA

San Mateo County Transit District (SamTrans)

- Formed by County voters in 1974
- Nine-member board of directors, including 2 members from the San Mateo County Board of Supervisors; 3 members representing the cities in the northern, central and southern parts of the County; 3 public members, and 1 transit expert appointed by the Board of Supervisors
- Purpose is to create and operate a transit system, including bus and paratransit services, county-wide, including reach into other counties
- Supported by half-cent San Mateo County sales tax in perpetuity
- Recently received voter authority to impose additional half-cent sales tax to support County transportation (Measure W) for 30 years
- Has over 750 employees, who also administer the San Mateo County Transportation Authority (TA) and Peninsula Corridor Joint Powers Board (JPB or Caltrain)
- Responsible for annual operating budgets of close to \$400 million and for managing active capital projects of over \$2.5 billion across the three agencies it administers
- Manages and administers numerous, diverse contracts, including private sector contract operators of train, some bus and paratransit services.
- The General Manager/CEO is supported by a Deputy CEO and a team of Chief Officers overseeing the following divisions:
 - Deputy CEO: safety and security, human resources, Title VI and Disadvantaged Business Enterprises administration
 - Chief Financial Officer/Treasurer: accounting, budgets, finance, treasury, Information Technology, Contracts & Procurement
 - Chief Communications Officer: Marketing, Government & Community Affairs, Public Information and Social Media, and Customer Service
 - Chief Officer, Grants, Planning and TA: Strategic and Long Range Planning, Sustainability, Real Estate and Development, and the Transportation Authority
 - Chief Officer, Rail: Caltrain operations, rail planning, rail contracts administration, and engineering and capital project delivery
 - Chief Officer, Bus: bus, paratransit and shuttle operations, bus operations planning
 - Chief Officer, Electrification Project: Peninsula Corridor Electrification Project
 - Executive Officer, District Secretary: Board secretary and support for SamTrans, JPB and TA Boards of Directors

San Mateo County Transportation Authority (TA)

- Formed in 1988 with voter approval of 30-years half-cent sales tax (Measure A). Measure A tax reauthorized for 25 years in 2004 (through 2034).
- Purpose is to fund transportation infrastructure investments and programs
- Also will be responsible for administering one half of Measure W SamTrans sales tax revenues

- Seven-member board of directors, including 2 members from the San Mateo County Board of Supervisors, 3 members representing cities in the northern, central and southern parts of the County, 1 member representing the San Mateo County cities at large, and a SamTrans representative
- TA has no employees; San Mateo County Transit District appointed to support TA board, and to manage all functions of TA
- San Mateo County Transit District GM/CEO is Executive Director of TA
- San Mateo County Transit District adds expertise to support the TA and engages consultants for specialized expertise

Peninsula Corridor Joint Powers Board (Caltrain)

- Formed in 1991 by a Joint Powers Agreement between the City and County of San Francisco and the public transportation agencies of San Mateo and Santa Clara Counties
- Purpose is to own and operate 3-county commuter rail system, and to manage related construction and engineering projects along the rail corridor between San Francisco and Gilroy
- Nine-member board of directors, including three members from each county appointed by various agencies within those counties
- Caltrain has no employees; San Mateo County Transit District is designated in the Joint Powers Agreement to support Caltrain Board and to manage all functions of the JPB.
- San Mateo County Transit District adds expertise to support Caltrain, including rail division and engineering and construction, and engages consultants for specialized expertise.
- Caltrain services are provided by a contractor (currently Transit America Services, Inc.) pursuant to a contract awarded by the JPB Board of Directors and solicited, negotiated and managed by San Mateo County Transit District staff.
- A Staff Coordinating Council, made up of staff from the three counties, makes policy, program, contract, financial and other recommendations to the Caltrain Board for action.

RESOLUTION NO. 2019 –
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA
* * *

**APPROVING JOINT OWNERSHIP OF THE 101 CORRIDOR MANAGED LANES PROJECT BY THE
SAN MATEO COUNTY TRANSPORTATION AUTHORITY AND CITY/COUNTY ASSOCIATION OF
GOVERNMENTS OF SAN MATEO COUNTY, AND OPERATION OF THE MANAGED
LANES FACILITY BY THE BAY AREA INFRASTRUCTURE FINANCING AUTHORITY**

WHEREAS, on November 2, 2004, the voters of San Mateo County (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 an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009; and

WHEREAS, by Resolution 2016-13, the TA became a joint sponsor of the 101 Corridor Managed Lanes Project (Project) with the City/County Association of Governments of San Mateo County (C/CAG); and

WHEREAS, the Project will address congestion and improve mobility on Highway 101 by creating an express lane in each direction between the Santa Clara County Line and Interstate 380 in San Bruno, and will incentivize the use of public transit, carpools, and other shared-ride options, while also creating a new revenue stream from individuals willing to pay a fee to drive in the express lanes, which will be available to fund additional transportation enhancements in the corridor; and

WHEREAS, the TA programmed and allocated funds for the Project in October 2012, October 2015 and February 2018 to plan, environmentally-clear and design the Project, and took action to accept and expend private funds for the Project's design and construction in June, 2016 and August 2018, respectively; and

WHEREAS, following the TA and C/CAG Boards of Directors making inconsistent decisions in December 2018 regarding what entity or entities should be owner(s) and operator(s) of the Project, a Joint TA-C/CAG Managed Lanes Ad Hoc Advisory Committee, consisting of three members from each agency's Board of Directors, was formed by the chairpersons of each Board to make joint recommendations on Project ownership and operations, and on governance issues arising from the TA and C/CAG's joint sponsorship of the Project; and

WHEREAS, at its meetings on January 25 and February 1, 2019, the Joint Ad Hoc Committee took actions to recommend, with the concurrence of staff, that the TA and C/CAG Boards approve the following direction for the ownership and operation of the Project:

1. The TA and C/CAG will retain ownership of the Project and contract with the Bay Area Infrastructure Financing Authority (BAIFA) to operate the express lanes on their behalf, subject to the California Transportation Commission's approval; and
2. The TA and C/CAG will form a Joint Powers Authority to exercise their shared rights and responsibilities as joint owners of the Project, including but not limited to setting policies governing the express lanes' operation, developing and implementing an expenditure plan for express lane toll revenues, and overseeing management of the BAIFA contract.

NOW, THEREFORE, BE IT RESOLVED that it is the direction of the Board of Directors of the San Mateo County Transportation Authority that:

1. The San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County will retain ownership of the 101 Corridor Managed Lanes Project and contract with the Bay Area Infrastructure Financing

Authority to operate the express lanes on their behalf, subject to the California Transportation Commission's approval;

2. The TA and C/CAG will form a Joint Powers Authority to exercise their shared rights and responsibilities as joint owners of the Project, including but not limited to setting policies governing the express lanes' operation, developing and implementing an expenditure plan for express lane toll revenues, and overseeing management of the BAIFA contract; and

BE IT FURTHER RESOLVED that the Executive Director, his designees, and Legal Counsel are directed to work with the Joint TA-C/CAG Managed Lanes Ad Hoc Advisory Committee, as well as C/CAG and BAIFA staff, to negotiate agreements and take such other actions as may be necessary to give effect to the direction set forth above, with the understanding that this Resolution does not authorize the execution of any agreements, including with BAIFA, the CTC and C/CAG, negotiated pursuant to this Resolution.

Regularly passed and adopted this 7th day of February, 2019 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

John Funghi
Chief Officer,
Caltrain Modernization Program

SUBJECT: **PROGRAM REPORT: TRANSIT – PENINSULA CORRIDOR ELECTRIFICATION
PROGRAM**

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 on the Transit Program, with specific emphasis on the Caltrain Peninsula Corridor Electrification Project (PCEP) and the progress of design and construction since the last update at the TA's April 2018 meeting.

Further information will be provided via PowerPoint.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

PCEP includes the electrification of the existing Caltrain corridor between San Francisco and San Jose and the replacement of 75 percent of Caltrain's diesel train service with high-performance electric trains, called Electric Multiple Units.



PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)

TA CAC

February 5, 2019

Agenda Item #11b

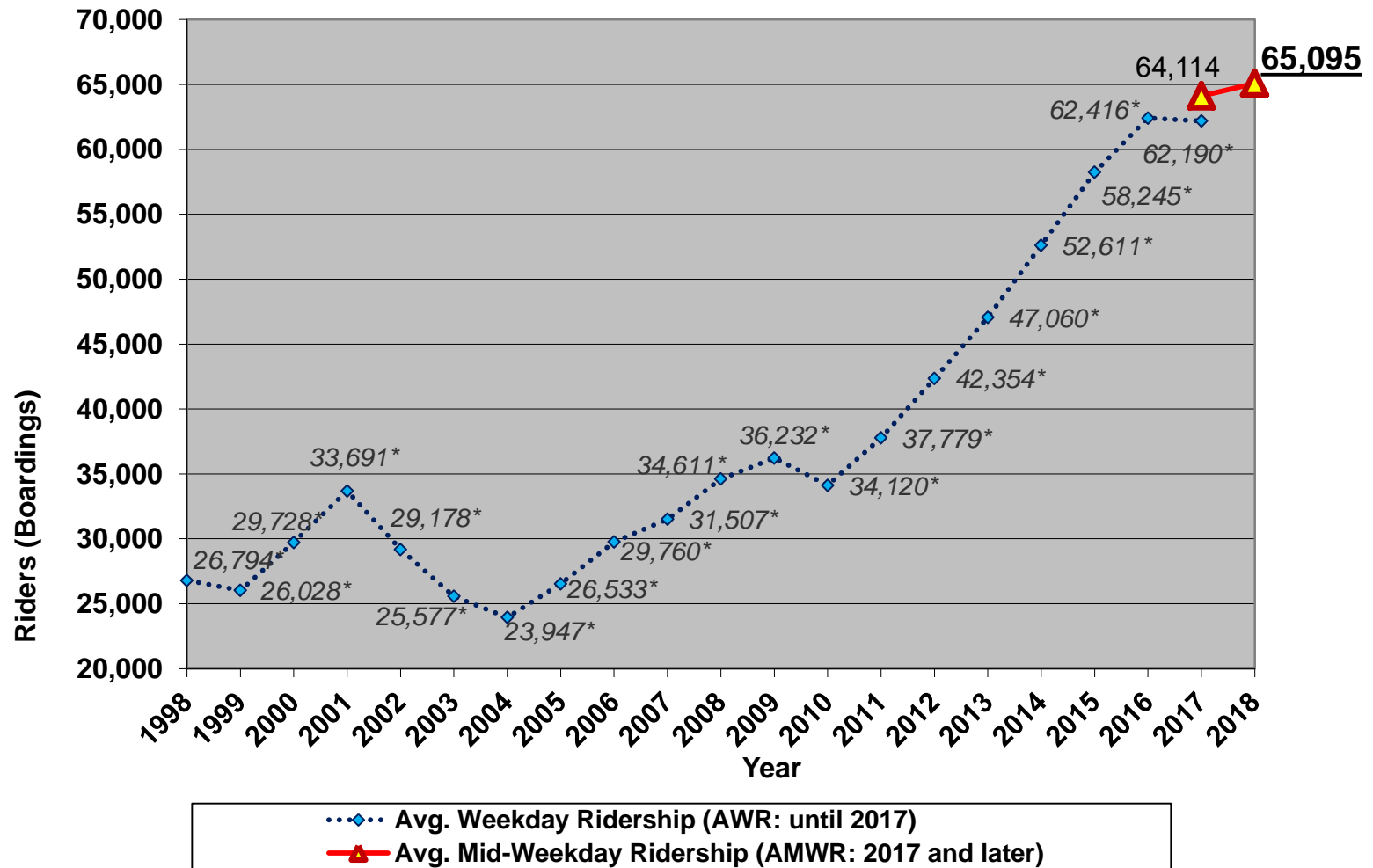


Caltrain owns
(SF to SJ)



- 77 Miles, 32 Stations
- 92 Weekday Trains
- Tenants (Altamont Corridor Express, Capitol Corridor, Amtrak, Freight)

Union Pacific owns
(SJ to Gilroy)





Bi-directional commute with riders standing on trains going southbound and northbound

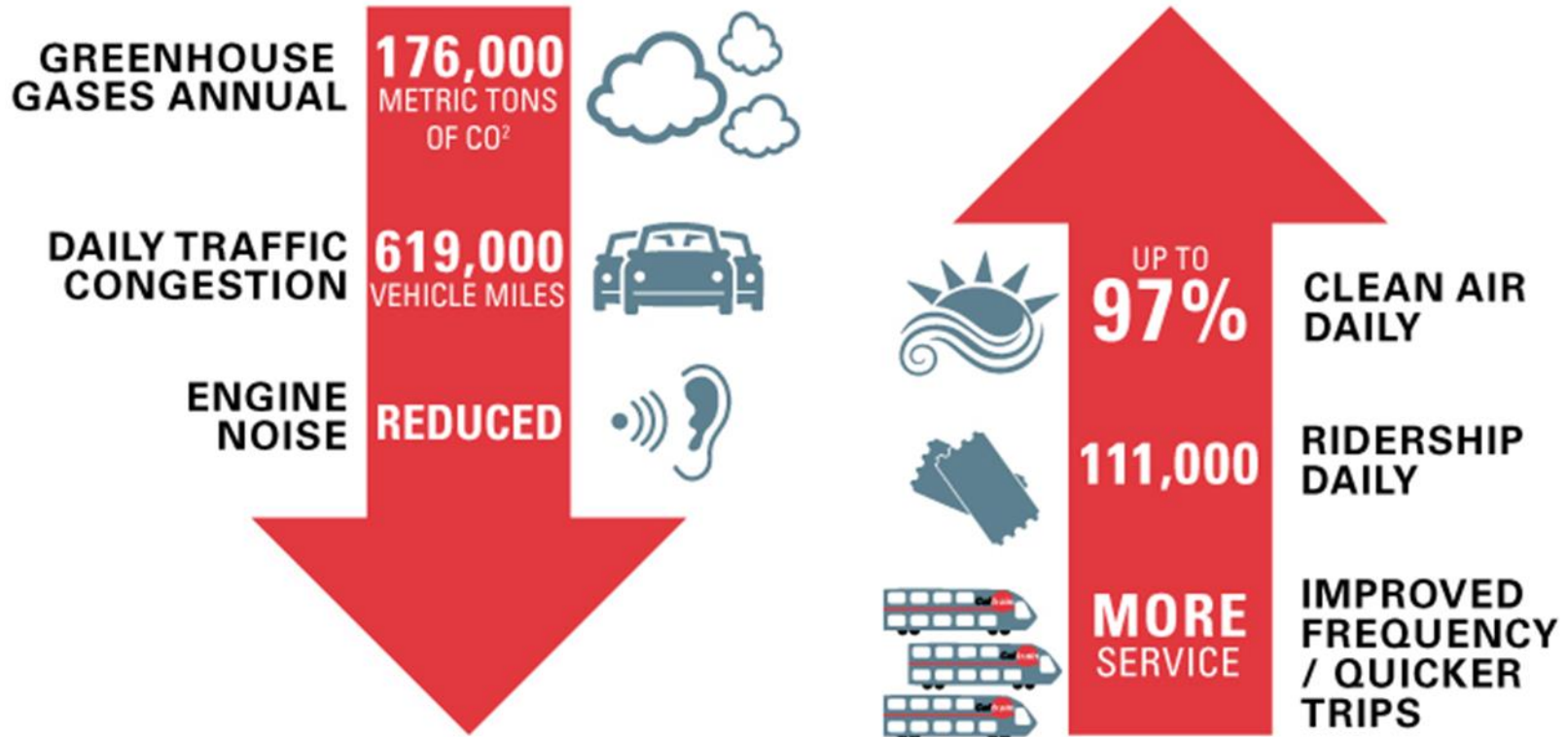
Table 1.2: Caltrain Fleet Inventory

SERIES	QUANTITY	NUMBER OF SEATS	YEAR OF MANUFACTURE	MAKE	RETIRE DATE
Locomotives					
F40 PH-2	5	na	1985	GM - EMD	2015
F40PH-2-CAT	15	na	1985-1987	GM - EMD	2015-2017
F40 PH-2C	3	na	1998	Boise Locomotive	2028
MP36PH-3C	6	na	2003	Motive Power	2033
Passenger Cars					
Gallery Trailer	26	142	1985-1987	Nippon Sharyo	2015-2017
Gallery Trailer	16	148	1985-1987	Nippon Sharyo	2015-2017
Gallery Trailer	14	120	1999-2000	Nippon Sharyo	2030
Gallery Cab (Bike)	10	108	1985-1987	Nippon Sharyo	2015-2017
Gallery Cab (Bike)	6	78	1999-2000	Nippon Sharyo	2030
Gallery Cab (Bike)	21	97	1985	Nippon Sharyo	2015
Bi-Level Trailer*	16	149	1997	Bombardier	2027
Bi-Level Trailer	9	144	2002	Bombardier	2032
Bi-level Trailer (Bike)	2	114	2002	Bombardier	2032
Bi-level Trailer (Bike)	5	114	2001-2002	Bombardier	2031-2032
Bi-level Trailer (Bike)	2	114	2008	Bombardier	2038
Bi-level Trailer (Bike)	1	127	2002	Bombardier	2032
Bi-Level Trailer	6	140	2008	Bombardier	2038

*Trailers recently acquired from Metrolink with refurbishment ongoing.

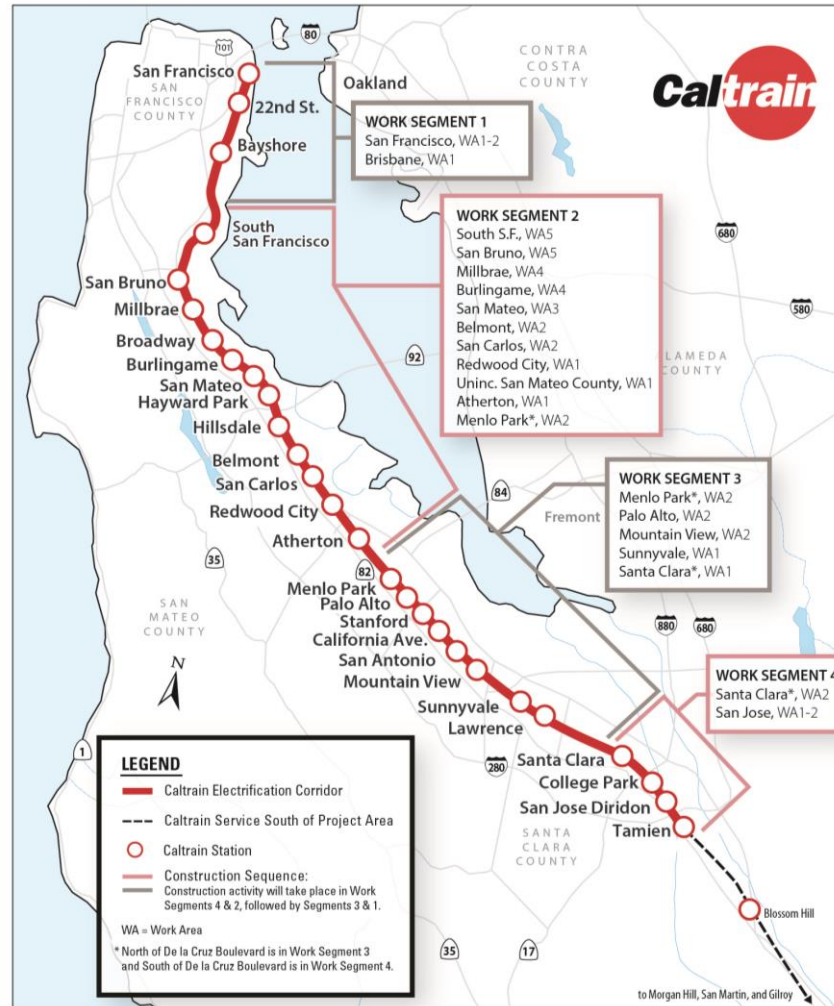
At Retirement Age: 20/29 loco; 73/134 cars

Area	Project	Service
51 miles San Francisco to San Jose (Tamien Station)	Electrification: <ul style="list-style-type: none">• Overhead Wiring• Traction Power Facilities Electric Trains (EMUs) <ul style="list-style-type: none">• 19 seven-car trainsets (133 cars)	Up to 79 mph Service Increase <ul style="list-style-type: none">• 6 trains / hour / direction• More station stops / reduced travel time• Restore weekday Atherton & Broadway service Mixed-fleet service (interim period) Continue tenant service <ul style="list-style-type: none">• Altamont Corridor Express, Capitol Corridor, Amtrak, Freight

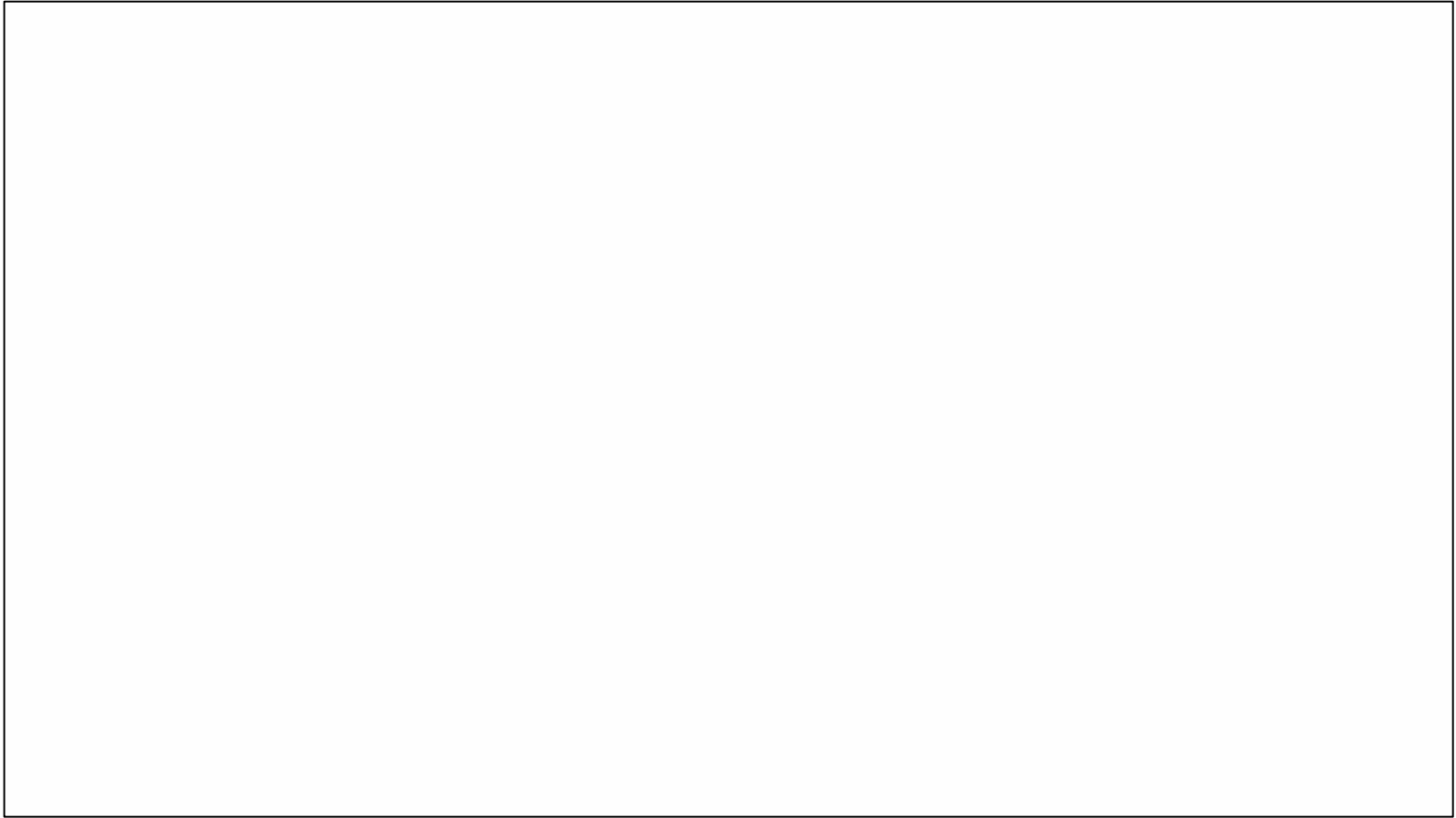


Note: 2013 BAC Report, generates \$2.5B economic activity and 9,600 jobs

- 51 Miles Corridor
- 4 Work Segments
- 3,000 Poles
- 10 Traction Power Facilities

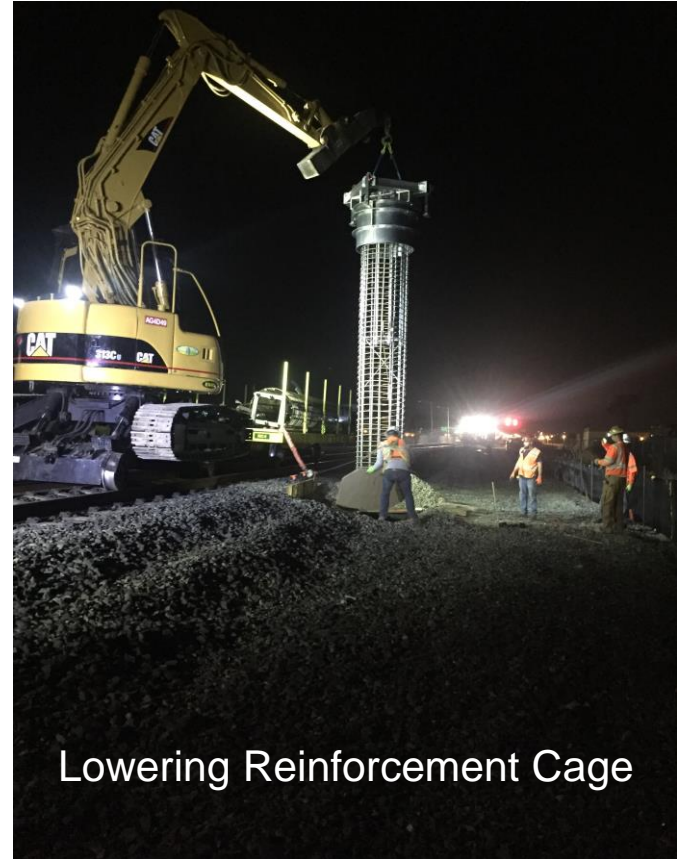


2018 Review Video





Drilling of Foundations



Lowering Reinforcement Cage





OCS pole on flatbed truck



OCS pole lifted off flatbed truck



Crew placing OCS pole on foundation

OCS Progress

Segment	Work Area	Foundations			Poles		
		Required	Completed this Period (10/01-12/31)	Total Completed	Required	Completed this Period (10/01-12/31)	Total Completed
1	Tunnels	32	12	12	32	0	0
2	5	242	12	184	186	10	160
	4	315	21	220	259	162	163
	3	182	20	57	147	0	0
	2	248	55	59	218	0	0
	1	206	67	67	155	0	0
Total:		1,225	187	599	997	172	323

Note:

Foundations Required do not match Poles Required as guy foundations are needed in some locations for extra support.

Note: **Data as of December 31, 2018**

Other Progress

- Began impedance bond installation in Segments 4 and 1
- Signal house installed at Auzerais Avenue in San Jose
- Two wayside power cubicles, part of the traction power system, installed at Control Point (CP) Center in Millbrae and CP Scott in San Bruno
- Foundations and main transformers installed at Traction Power Substations TPS-1 and TPS-2
- Preparations underway for installation of Paralleling Station 7
- PG&E completed construction work required for the supply of temporary power. Construction of the interconnections between the PG&E substations and the Traction Power Substations and completion of the Traction Power Substations are required before temporary power is available

TPS-2 Transformer Installation



ProVen Management, Inc.

- Contract Scope:
 - Increase tunnel clearances
 - Install OCS
 - Drainage improvements and track rehabilitation (CNPA)
- 13 weekend tunnel closures (with bus bridges) occurred through December 31, 2018 with successful Monday return to Caltrain revenue service
- Construction Update:
 - Tunnel 1: Grouting and notching complete; shotcrete complete, OCS anchor bolts cored and installed, drainage work began
 - Tunnel 2: Hand-notching (saw-cutting/chipping) complete; rebar installation and shotcrete complete, 12 of 15 OCS anchorages installed
 - Tunnel 3: Grouting complete; notching nearly complete, anchor coring nearly complete
 - Tunnel 4: Grouting complete; rock bolt installation ongoing; notching nearly complete; significant progress made on installation of dry-fix pins, welded-wire mesh, and shotcrete
 - All Tunnels: 12 of 32 OCS termination structure foundation installations complete

Update through December 31, 2018



Dry Fix Pin Installation



Grouting Operation



On-Track Drill
(for Rock Bolts and Grout Holes)



Rock Bolt Installation (foreground)
Grout Hole Drilling (background)

Tunnel 1 Template Truck

Helps
determine
envelope
for tunnel
notching



Tunnel 4: Grouting Train



Tunnel 4



South Portal MT1 Potholing
for OCS Termination Structure Piles



Grouting

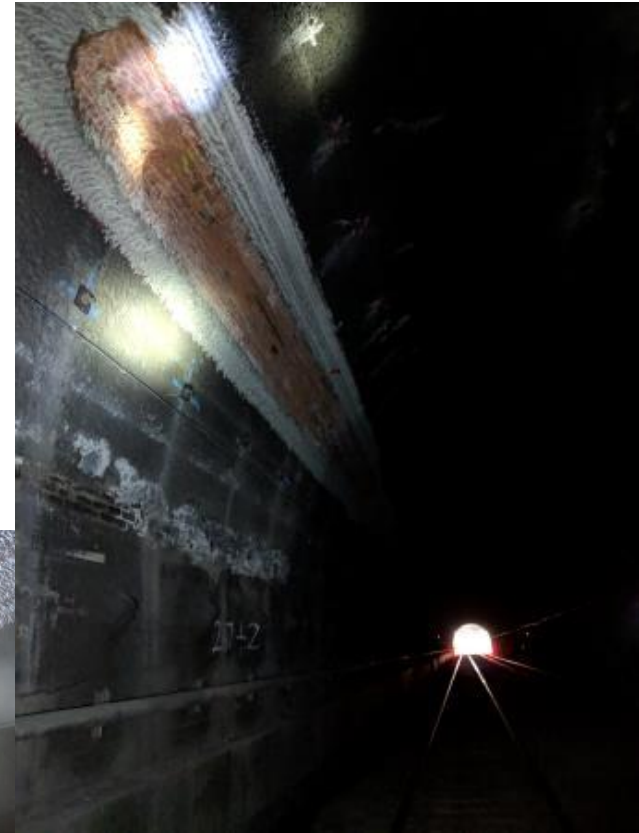
Tunnel 4 Grouting



Notching



Fan used to maintain airflow during notching



Exposed Brick in Notch

Roadheader Notching Operation



EMUs – Design & Manufacturing

- Final design complete except software intensive equipment such as passenger information signs and train monitoring and diagnostics system, scheduled to be complete Q4 2019

Stadler Electric Multiple Unit Manufacturing Progress: 133 Carshells (19 Trainsets of 7 Carshells)

	Switzerland Construction Facility in Various Stages of Completion	En Route from Switzerland to Salt Lake City	Salt Lake City Assembly Facility	Total Manufactured Cars per Trainset
Trainset 1		1	6	7
Trainset 2	3	4		7
Trainset 3	4			4
Total	7	5	6	18

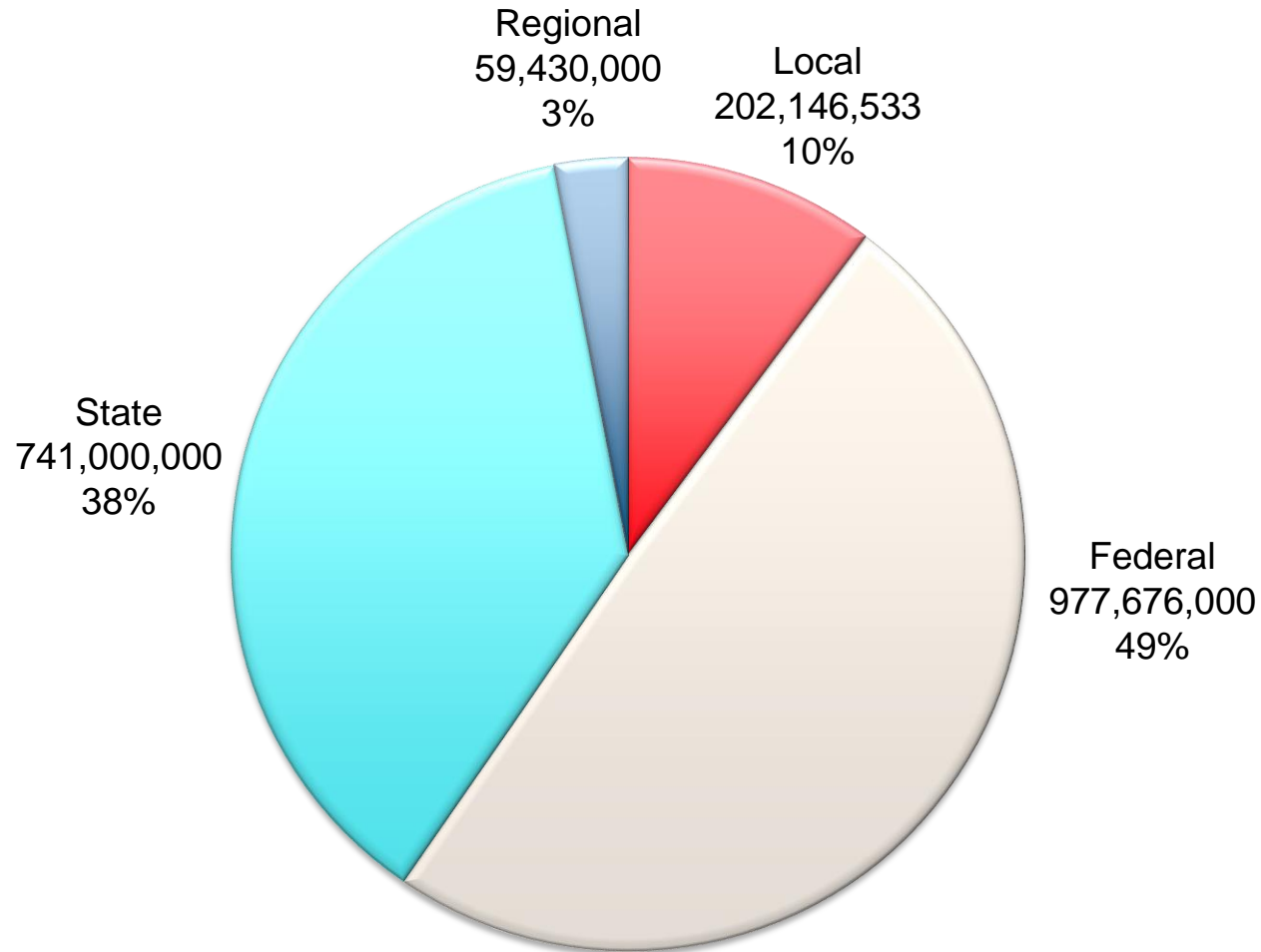
- Truck frame first article inspection complete and production manufacturing underway. Frames for static and fatigue testing fabricated and prepared for shipment to independent testing facility. Fatigue testing of the truck to be complete in May 2019
- Second of 3 floor/ceiling fire tests completed successfully
- Stadler new Salt Lake City manufacturing facility construction on schedule, with incremental completion in advance of car manufacturing needs

First Painted Shell – A-Cab Car



Stadler's Utah Manufacturing Facility



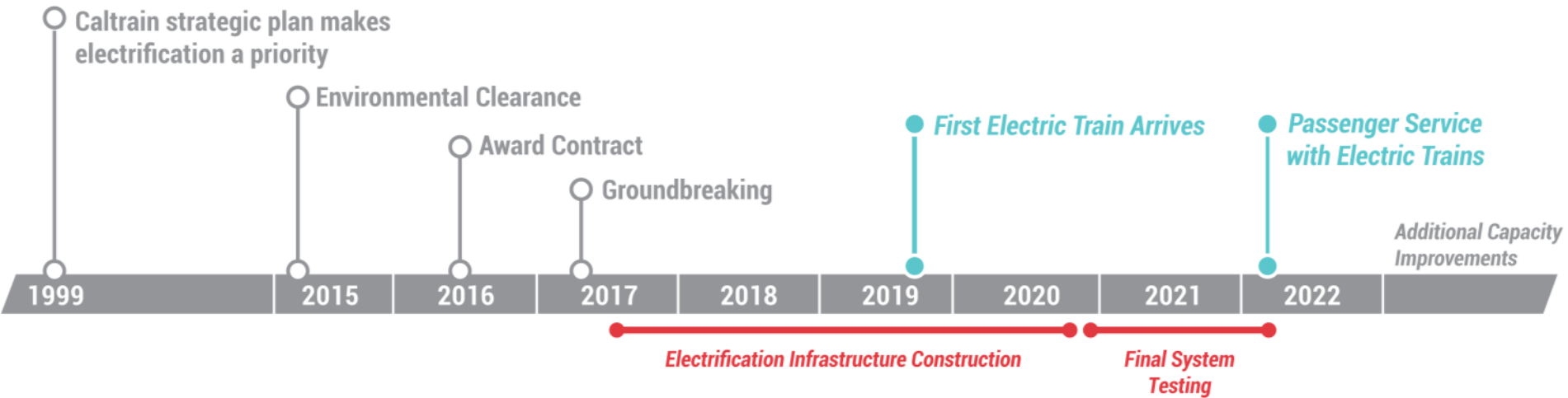


	Budget	Current Budget	FY19 Q2 Costs	Costs to Date	Estimate at Completion
Electrification	\$696.61	\$712.29	\$24.74	\$276.05	\$712.29
SCADA	\$0.00	\$3.45	\$0.04	\$1.93	\$3.45
EMU	\$550.90	\$550.79	\$4.98	\$97.38	\$550.79
PG&E	\$57.22	\$88.49	\$5.84	\$33.80	\$88.49
Tunnel Notching	\$11.03	\$42.42	\$13.10	\$16.00	\$42.42
Separate Contract & Support Costs	\$348.96	\$341.17	\$14.04	\$178.91	\$341.17
Contingency ¹	\$315.53	\$241.65	\$0.00	\$0.00	\$238.68
Anticipated Changes	\$0.00	\$0.00	\$0.00	\$0.00	\$2.97
PCEP Total	\$1,980.25	\$1,980.25	\$62.74	\$604.08	\$1,980.25

Note 1: Contingency is not for out of scope changes.

Budget / Expenditures as of **December 31, 2018**

MILESTONES



*Please keep in mind that testing and construction will overlap as each Segment will be tested individually, prior to final system testing.

Note: **Schedule Subject to Change**

- 52 Outreach Events (2018)
- 170,000 Direct mailers / door hangers (2018)
- 1,813 Subscribers to the monthly e-updates (up 130% from Jan '18)
- 1,204 Subscribers to the weekly e-update (up 117% from Jan '18)
- Launched New Website: CalMod.org
- Year in Review Video: CalMod.org/gallery

CALMOD E-NEWSLETTER

In this issue: A heartfelt thank you to Caltrain Riders, what's the latest with construction, and a shout out to Salt Lake City!

THANK YOU, CALTRAIN RIDERS!



Thank You to YOU, our riders, for your continued support while we work to make the future of Caltrain better and brighter. Weekend construction closures can be frustrating, but it means that change is coming, and we hope you'll agree that the future is worth it. We look forward to bringing our riders more trains more often, with better on-time performance and onboard comfort. No matter which improvements you're looking forward to, we thank you for supporting the CalMod program.

Check out what Caltrain riders have to say about the CalMod program at CalMod.org/Riders-Benefits.

CONSTRUCTION UPDATE



Crews continue notching and grouting work in the San Francisco Tunnels for Caltrain Electrification, and from South San Francisco to Burlingame foundations and poles are being installed. Pre-construction activities are now underway along the entire corridor.

To sign up for weekly construction updates or for more construction information, visit CalMod.org/Construction.

ELECTRIC TRAINS UPDATE



Thank you to the Stadler US manufacturing team in Salt Lake City, Utah for making Caltrain's high-performance electric trains. Their hard work will bring riders a more efficient and sustainable ride! View the first car shell getting ready for interior equipment and furnishing installation.

View more pictures at CalMod.org/Gallery.

UPCOMING EVENTS

Redwood City and North Fair Oaks Community Meeting
November 28, 2018, 6:30 p.m. to 7:30 p.m.
Downtown Redwood City Library, Community Room
1044 Middlefield Road, Redwood City, CA 94063

Caltrain **CalMod**



QUESTIONS

**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 2019 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

Holland & Knight

800 17th Street, N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564
Holland & Knight LLP | www.hklaw.com

SMCTA Federal Update December 2018 – January 2019

Federal Government Shutdown Continues: There are few signs of progress on a spending deal that President Trump would be willing to sign to end the partial federal government shutdown. House Democrats, as expected, proposed a two-part plan to reopen the federal government on their first day in the majority on Thursday, January 3. The legislation would have funded the Department of Homeland Security (DHS) until February 8, and all other closed agencies – including Transportation, Commerce, and Agriculture – for the rest of the fiscal year through September 30. The vote to fund six uncontroversial spending bills that would go through the end of the fiscal year, September 30, [passed](#) by a margin of 241-190. The Senate retains its position that they will not take up any bill that the President will not sign.

During the week of January 7th, the House passed four appropriations bills including the Senate-passed [Transportation-HUD](#) Appropriations bill which passed by a vote of 244 to 180. 12 Republicans joined 232 Democrats in supported the bill. The other appropriations bills the House passed were [Agriculture-FDA](#), [Financial Services](#), [Interior-Environment](#).

DOT Impact with Federal Government Shutdown: The impact of a federal government shutdown at the Department of Transportation (DOT) depends on the how the program is funded. Programs funded by the Highway Trust Fund will continue but those funded by appropriations will be affected.

The Federal Highway Administration (FHWA) is funded by the Highway Trust Fund by the FAST Act and will continue to operate as normal. FHWA will continue to be able to provide funding for about six months. On January 10, the FHWA provide the state DOTs an extra \$30 billion to start new federal-aid highway projects, but warned that if a short term continuing resolution (CR) is passed, the agency will take back most the money. The state of California will receive \$2,832,296,283.

The Federal Motor Carrier Safety Administration (FMCSA) will also operate normally for at least two to three weeks of a shutdown. The highway safety programs of the National Highway Traffic Safety Administration (NHTSA) would be able to function as normal for a few weeks.

Since most of the Federal Transit Administration (FTA) is funded by discretionary appropriations, most of its employees are furloughed. According to the [DOT shutdown plan](#), “FTA would not continue any of its unfunded core agency functions. No grants, cooperative agreements, contracts, purchase orders, travel authorizations, or other documents obligating funds would be executed.” “FTA would discontinue reimbursements to transit agencies for

ongoing operations and construction projects to enable them to provide transit services and pay employees and contractors.”

Of the 54,179 DOT employees:

- 25,200 (46.5 percent) are deemed essential to DOT activities that protect life and safety and will have to work without pay. Most of these employees are air traffic controllers and others include aviation, pipeline, and trucking safety inspectors.
- 714 employees (1.3 percent) will also have to work out pay because they support the essential employees.
- Nine Senate-confirmed Presidential appointees are required to work.
- 7,814 employees (14.4 percent) will work and be paid because the work for FHWA and FMCSA, which is funded by the Highway Trust Fund.
- 20,442 employees (37.7 percent) would be furloughed.

Congressional Committees Update: On January 8, the Senate elected the Senators to all of the Senate committees for the 116th Congress. Senator Roger Wicker (R-MS) will be the chairman of the Senate Commerce Committee (oversees rail, freight, AVs). On January 11, the committee announced a reorganization of the subcommittees and the chairmen. Chairman Wicker created a new subcommittee for security and the Transportation Security Administration (TSA) which will be chaired by Senator Dan Sullivan (R-AK). The aviation and space subcommittees will be combined to one subcommittee which will be chaired by Senator Ted Cruz (R-TX). Senator Deb Fischer (R-NE) will chair the transportation and safety subcommittee, Senator John Thune (R-SD), the previous full committee chairman, will chair the communications, technology, innovation, and the Internet subcommittee, Senator Jerry Moran (R-KS) will chair the manufacturing, trade and consumer protection subcommittee, and Senator Cory Gardner (R-CO) will chair the science, oceans, fisheries, and water subcommittee.

Senator John Barrasso (R-WY) will continue to chair the Environment and Public Works Committee, which oversees the highway and safety programs, and Senator Chuck Grassley (R-IA) will chair the Finance Committee. Senator Richard Shelby (R-AL) will chair the Appropriations Committee. He also recently announce the committees’ subcommittees and chairmen and ranking members. Senator Susan Collins (R-ME) will continue to be the chair of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Subcommittee, and Senator Jack Reed (D-R.I.) will continue to be the ranking member. Senator Dianne Feinstein (D-CA) will continue to be the ranking member of the Energy and Water Development Appropriations Subcommittee.

On January 10, Speaker Nancy Pelosi (D-CA) [announced](#) the new Democratic members for the Appropriations, Energy and Commerce, and Ways and Means Committees. The new members on House Appropriations Committee include: Reps. Cherie Bustos (D-IL), Ed Case (D-HI), Charlie Crist (D-FL), Lois Frankel (D-FL), Ann Kirkpatrick (D-AZ), Brenda Lawrence (D-MI), Norma Torres (D-CA), and Bonnie Watson Coleman (D-NJ).

The new members on Ways and Means are: Reps. Gwen Moore (D-WI), Dan Kildee (D-MI), Brendan Boyle (D-PA), Don Beyer (D-VA), Dwight Evans (D-PA), Brad Schneider (D-IL), Tom

Suoizzi (D-NY), Jimmy Panetta (D-CA), Stephanie Murphy (D-FL), and Steven Horsford (D-NV).

The new House Energy and Commerce Committee members are: Reps. Nanette Barragán (CA-44), Lisa Blunt Rochester (DE-AL), Robin Kelly (IL-02), Ann Kuster (NH-02), Donald McEachin (VA-04), Tom O'Halleran (AZ-01), Darren Soto (FL-09), and Marc Veasey (TX-33).

DOT Nominees Update: On January 2, the Senate confirmed a large package of nominations, which included eight transportation related nominees. Eleven transportation nominees are still pending and the President will have to renominate them. The transportation nominees that were confirmed include:

- Joel Szabat to be Assistant Secretary of Transportation for Aviation and International Affairs
- Patrick Fuchs and Democrat Martin Oberman to be Surface Transportation Board (STB) members
- Erhard Chorlé as chairman of the Railroad Retirement Board
- Jonathan Bragg as employee representative to the Railroad Retirement Board
- Thomas Jayne as carrier representative to the Railroad Retirement Board.
- Dan Maffei and L.E. Sola as Federal Maritime Commission members

The President will have to renominate Thelma Drake to be Administrator of the FTA, after a controversial hearing before the Senate Banking, Housing and Urban Affairs Committee and opposition by Senator Bob Menendez (D-NJ), who has blocked her nomination on the floor over the Gateway project.

On January 3, President Trump nominated Nicole Nason to be Administrator of the FHWA. This position has been open throughout the Trump Administration. Ms. Nason served Rep. Porter Goss (R-FL), the Intelligence Committee chairman, from 2000 to 2002 and then worked in the Congressional Affairs office of the Customs Service. She also worked for the DOT, under Secretary Norm Mineta as Assistant Secretary for Governmental Affairs. President Bush then nominated her to be the Administrator of the NHTSA in January 2006, and she served until August 2008. Starting in June 2017, she served as a senior advisor to Secretary of State Rex Tillerson, and was then appointed as Assistant Secretary of State for Administration by President Trump in December 2017.

DOT Announces Second Round of INFRA Program: DOT announced the second round of its INFRA grant funding program through a [Notice of Funding Opportunity \(NOFO\)](#) on December 21. The program is expected to make approximately \$855 to \$902.5 million, subject to funding provided by FY 2019 appropriations, available for projects. The new program promotes incorporating innovative technology. DOT will make awards under the INFRA program to both large and small projects. For a large project, the INFRA grant must be at least \$25 million. For a small project, the grant must be at least \$5 million. For each fiscal year of INFRA funds, 10 percent of available funds are reserved for small projects. Under a statutory requirement in the FAST Act, the INFRA grant program must award at least 25 percent of funding for rural projects. The NOFO will remain open through March 4, 2019.



January 10, 2019

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

RE: STATE LEGISLATIVE UPDATE – Governor’s FY 2019-20 State Budget

On January 10, Governor Newsom released his proposed 2019-20 State Budget. The Budget, which contains \$144 billion in General Fund spending (up \$6 billion from last year) is projected to have a healthy one-time surplus of \$21.4 billion.

Given uncertainty at the federal level, the risks to the current economic forecast, and the need for a solid fiscal foundation, the Budget allocates \$13.6 billion of the windfall (including debt payments and reserve deposits required by Proposition 2) to building budgetary resiliency and paying down the state's unfunded pension liabilities. This includes \$4 billion to eliminate debts and reverse deferrals, \$4.8 billion to build reserves, and an additional \$4.8 billion to pay down unfunded retirement liabilities, which will save over \$14 billion in obligations for the future.

The Budget assumes an additional \$1.8 billion transfer in the budget year and an additional \$4.1 billion over the remainder of the forecast period, leaving a reserve of \$15.3 billion and bringing the Rainy Day Fund to \$19.4 billion by 2022-23. The state however will continue to face uncertain times, given that we are overdue for a recession, the volatility of our reliance on personal income tax and capital gains, and the ramifications of the recently enacted federal tax bill, which have not yet been factored into the Budget's economic or revenue forecasts. A one-year recession in 2019-20 that is larger than the 2001 recession, but milder than the 2007 recession, could result in a nearly \$70 billion revenue loss and a \$40 billion budget deficit over three years

Tightening the Nexus Between Housing and Transportation

Governor Newsom states that going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding

and other potential local government economic development tools to make progress toward required production goals.

The Administration will also develop a statewide policy for use of Caltrans airspace for emergency shelters. Airspace is land located within the state's highway right-of-way limits used for non-transportation purposes. This expands on 2018 legislation allowing for up to 30 parcels to be used for emergency shelters in Oakland, San Jose, and Los Angeles, and additional parcels in San Diego and Stockton.

SB 1 Allocations for FY 19-20

The Budget provides \$4.8 billion in new SB 1 funding. Of this amount, \$1.2 billion is available to all 479 cities and 58 counties for local road repairs, with another \$1.2 billion for the repair and maintenance of the state highway system. On top of this, \$400 million is available to repair and maintain the state's bridges and culverts, \$307 million to improve trade corridors, and \$250 million to increase throughput on congested commute corridors. The Budget also reflects \$458 million for local transit operations and \$386 million for capital improvements for transit, commuter, and intercity rail. SB 1 also provides annual funding for other local transportation priorities, including \$200 million for Local Partnership projects, \$100 million for projects in the Active Transportation Program, \$25 million for expansion of freeway service patrols, and \$25 million in local planning grants.

The Administration will release a Five-Year Infrastructure Plan that will identify priorities for investments in the state's infrastructure later this year.

Transit Funding

The Budget estimates the State Transit Assistance (STA) Program would receive approximately \$876 million in 2019-20, an increase of almost \$100 million over the current year. Intercity and Commuter Rail would receive an estimated \$297 million in the coming fiscal year. Cap and Trade funding will provide an additional \$121 million to the Low-Carbon Transit Operations Program, which is distributed using the STA formula. Lastly, the Transit and Intercity Rail Capital Program (TIRCP) will receive SB 1 funds and Cap and Trade revenues totaling \$486 million in 2019-20. These funds however are already accounted for through CalSTA's [multi-year program](#) that was approved last April.

Infrastructure Financing Districts

In addition to these revenue projections, the Budget shows support for a key change to Enhanced Infrastructure Financing Districts (EIFD). An EIFD is a governmental entity established by a city or a county that carries out a plan within a defined area (boundaries of which do not need to be contiguous) to construct, improve and rehabilitate infrastructure, including transportation and housing. EIFDs can be created by cities or counties without voter approval and expend tax increment revenues without voter approval. An EIFD must receive 55-percent voter approval to issue debt. The Budget proposes removing the voter-threshold for issuing debt.

SMCTA Bill Matrix – February 2019

Measure	Status	Bill Summary	Recommended Position
AB 11 Chiu (D) Community Re-development Law of 2019	12/3/18 Introduced	<p>This bill would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements.</p> <p>The bill would require:</p> <ul style="list-style-type: none"> • A public hearing process, and the adoption of a resolution that city or county to submit the resolution of intention to the Strategic Growth Council (SGC) for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. • The SGC to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the State Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. • Not less than 30% of all taxes allocated to the agency from an affected taxing entity be deposited into a separate fund, established by the agency, and used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at an affordable housing cost, as provided. The bill would allow an agency to conduct bond financing. 	Watch
AB 40 Ting (D) Zero-Emission Vehicles	12/3/18 Introduced	<p>This bill, no later than January 1, 2021, would require the California Air Resources Board (CARB) to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040.</p>	Watch
SB 5 Beall (D) Local-State Sustainable Investment Incentive Program	12/3/18 Introduced	<p>This bill would establish the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee (SIIC). The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the SIIC to participate in the program.</p> <p>The bill would require:</p> <ul style="list-style-type: none"> • The SIIC to adopt guidelines for applications and approve no more than \$200,000,000 per year from July 1, 2020, to June 30, 2025, and \$250,000,000 per year from July 1, 2025, to June 30, 2029, in reductions in annual ERAF contributions for applicants for projects approved pursuant to this program. This bill would provide that eligible projects include, among other things, construction of workforce and affordable housing, certain transit-oriented development, and projects promoting strong neighborhoods. • A county auditor, if the applicant is an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization investment authority, to transfer to the district or authority an amount of property tax revenue equal to the reduction amount approved by the SIIC. 	Watch

SMCTA Bill Matrix – February 2019

Measure	Status	Bill Summary	Recommended Position
SB 25 Caballero (D) CEQA: Qualified Opportunity Zones	12/3/18 Introduced	This bill would establish specified procedures under CEQA for the administrative and judicial review of the environmental review and approvals granted for projects located in qualified opportunity zones that are funded, in whole or in part, by qualified opportunity funds, or by moneys from the Greenhouse Gas Reduction Fund and allocated by the Strategic Growth Council. The bill would apply certain rules of court establishing procedures requiring actions or proceedings seeking judicial review pursuant to CEQA or the granting of project approvals, including any appeals to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects located in a qualified opportunity zone.	Watch
SB 43 Allen (D) Carbon Taxes	12/3/18 Introduced	This bill would require the California Air resources Board (CARB), in consultation with the California Department of Tax and Fee Administration, to submit a report to the Legislature on the results of a study to propose, and to determine the feasibility and practicality of, a system to replace the tax imposed pursuant to the Sales and Use Tax Law with an assessment on retail products sold or used in the state based on the carbon intensity of the product to encourage the use of less carbon-intensive products. The bill would require CARB to revise, as necessary, the 2017 scoping plan to reflect the carbon emission reduction benefits that may be realized through the imposition of the assessment based on carbon intensities of products and to consider the results of the study in future updates to the scoping plan.	Watch
SB 50 Wiener (D) Planning and Zoning: Housing Development: Equitable Communities Incentive	12/3/18 Introduced	This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development that is either a job-rich housing project or a transit-rich housing project. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a 1/2-mile or 1/4-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions. The bill would also declare the intent of the Legislature to delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided.	Watch
ACA 1 Aguiar-Curry (D) Affordable Housing & Public Infrastructure: Voter Approval	12/3/18 Introduced	This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public infrastructure or affordable housing, if the proposition proposing that tax is approved by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements.	Watch

TA

CORRESPONDENCE

FEBRUARY 7, 2019

(as of 1-31-2019)

2019 BOARD OF DIRECTORS



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KARYL MATSUMOTO, VICE CHAIR
RON COLLINS
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DAVE PINE
JOSH POWELL
PETER RATTO
CHARLES STONE



GILLIAN GILLET, CHAIR
DAVE PINE, VICE CHAIR
CHERYL BRINKMAN
JEANNIE BRUINS
CINDY CHAVEZ
DEVORA "DEV" DAVIS
CHARLES STONE
MONIQUE ZMUDA



DON HORSLEY, CHAIR
EMILY BEACH, VICE CHAIR
MAUREEN FRESCHET
CAROLE GROOM
KARYL MATSUMOTO
RICO E. MEDINA
CARLOS ROMERO

1250 SAN CARLOS AVE
SAN CARLOS, CA 94070
(650) 508-6200

January 24, 2019

Ben Metcalf, Director
California Department of Housing and Community Development
2020 West El Camino Ave.
Sacramento, CA 95833

Re: Support for the City of South San Francisco's Affordable Housing and Sustainable Communities (AHSC) Round 4: Integrated Connectivity Project

Dear Mr. Metcalf:

I am writing to express my strong support of the City of South San Francisco's application for funding through the California Department of Housing and Community Development's (HCD) Affordable Housing and Sustainable Communities Grant Program Round 4. I hope you join me in appreciation of the City's dedication to promoting affordable housing in the Bay Area, where housing shortages are particularly acute.

Currently, the cost of housing in California is sky rocketing, while wages and household incomes struggle to keep up. This situation is exacerbated in the Bay Area where jobs easily outnumber available units, which has caused affordable housing to become practically unobtainable. South San Francisco's proposed project would directly address this problem by increasing the number of affordable units in close proximity to job centers.

The City of South San Francisco's Project will also help reduce greenhouse gas emissions by increasing active modes of transportation, such as commuting by public transit, biking and walking, thus reducing the number of vehicles on regional streets and reduce carbon emissions. The project will accomplish this by building new housing units in dense urban areas and next to transit stations, along with bike and pedestrian infrastructure.

For these reasons I am proud to support the City of South San Francisco's application through HCD's Affordable Housing and Sustainable Communities Grant Program. For any further information please do not hesitate to contact Casey Fromson, Director of Government and Community Affairs, at (650) 508-6493 or via email at fromsonc@samtrans.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Hartnett".

Jim Hartnett
General Manager/Chief Executive Officer/Executive Director

cc: Peninsula Corridor Joint Powers Board of Directors
San Mateo County Transit District Board of Directors
San Mateo County Transportation Authority Board of Directors