

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

MINUTES – NOVEMBER 5, 2009

MEMBERS PRESENT: R. Foust (Chair), R. Gordon, C. Groom, J. Lee, K. Matsumoto,
R. O’Mahony, J. Vreeland

MEMBERS ABSENT: None

STAFF PRESENT: J. Cassman, M. Choy, G. Harrington, C. Harvey, J. Hurley,
R. Haskin, R. Lake, M. Martinez, N. McKenna, D. Miller,
S. Murphy, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:07 p.m. Director Rosalie O’Mahony led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of October 1, 2009
- b. Acceptance of Statement of Revenues and Expenses for September 2009

The allocation to the San Francisco County Transportation Authority was removed from the Consent Calendar.

A motion (O’Mahony/Matsumoto) to approve the Consent Calendar was passed.

**ALLOCATION TO THE SAN FRANCISCO COUNTY TRANSPORTATION
AUTHORITY FOR THE BAYSHORE INTERMODAL STATION ACCESS STUDY IN
THE AMOUNT OF \$15,000**

Public Comment

Pat Dixon, Transportation Authority (TA) CAC Chair, said she has been trying to get a stop at the Bayshore Caltrain Station for several years so riders could connect to a shuttle for 49er games.

A motion (Lee/Vreeland) to allocate \$15,000 for the access study was approved.

PUBLIC COMMENT

Pat Dixon, Redwood Shores, distributed an email from Jim Bigelow explaining that the Menlo Park City Council has an item on its November 5, 2009 agenda that seeks approval of the city of Menlo Park’s Statement of Principles for High Speed Rail (HSR) with no mention of a joint project by Caltrain and California High Speed Rail (CHSR).

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon said, at its November 3, 2009 meeting, the CAC received a presentation on the Smart Corridor Project and the new Measure A Program. A nominating committee was selected for election of 2010 officers.

CHAIRPERSON'S REPORT – ROSANNE FOUST

The TA Strategic Plan Subcommittee met today with internal staff on the New Measure A Program Implementation Project and reviewed information from the TA CAC; City/County Association of Governments of San Mateo County's (C/CAG) Congestion Management Program and Environmental Quality Committee (CMEQ); City Managers Strategic Plan Ad Hoc Committee; and C/CAG Technical Advisory Committee (TAC). Staff will meet with C/CAG on November 12 and again with the TA CAC on December 1 and present the implementation plan as an informational item at the December 3 TA Board meeting.

Director Jim Vreeland asked if this plan addressed highway projects or just bikes and other things and asked if the plan provides a schedule for the call for projects. Chair Foust said the plan addresses the entire new Measure A funding plan and implementation for all categories; provides details on the call for projects for each category; and outlines the public comment process.

Director Vreeland said the San Pedro Bridge project is a time-sensitive project because it needs to be replaced before the Devil's Slide Tunnel is completed. Executive Director Michael Scanlon said there has been an action taken due to time sensitive issues associated with American Recovery and Reinvestment Act (ARRA) funding and staff will pay attention to details of the project.

Chair Foust recognized Mr. Scanlon's 10 years of service to the Transportation Authority.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The October 14, 2009 report was in the agenda packet.

JOINT POWERS BOARD REPORT (JPB)

Mr. Scanlon reported on the meeting of November 5, 2009.

- Reviewed the monthly performance statistics - September 2009 compared to September 2008
 - a. Total ridership was 1,037,076, a decrease of 9.1 percent.
 - b. Average weekday ridership was 39,795 a decrease of 9.2 percent.

Director Rich Gordon arrived at 5:16 p.m.

- c. Total revenue was \$3,721,990, a decrease of 3.3 percent.
 - d. On-time performance was 92.1 percent, a decrease of 2.6 percent.
 - e. Caltrain shuttle ridership was 5,768, a decrease of 4.2 percent.
- Year-to-date performance statistics – September 2009
- a. Total ridership was 3,196,652, a decrease of 10.6 percent.
 - b. Average weekday ridership was 40,265, a decrease of 10.4 percent.
 - c. Total revenue was \$11,431,189, a decrease of 5.3 percent.
 - d. On-time performance was 94 percent, an increase of 0.2 percent.
 - e. Caltrain shuttle ridership was 5,538, a decrease of 11.3 percent.
- Performance statistics are consistent with data from across the country. The three JPB partner agencies are experiencing very significant deficits. Sales tax numbers fell significantly in the last quarter of FY2009. Revenues have been affected by the

- complete elimination of State Transit Assistance (STA). There is concern about how to maintain quality service in sufficient quantity in the short term without help from the state.
- Caltrain has an extraordinary opportunity to vastly improve the corridor through the partnership with HSR, which will create a highly upgraded and more sustainable system for Caltrain, HSR and commuters with the opportunity to secure a new fleet, electrify the system and modernize signals.
 - Executive Officer Public Affairs Mark Simon presented an update on continuing efforts to address suicide prevention and outreach with particular focus on a cluster of suicides among Palo Alto Gunn High School students.
 - To date, 27 older gallery cab cars and seven Bombardier cars have been retrofitted with eight additional bike spaces on each of the 34 bike cars. The first of three additional Bombardier cars was retrofitted, which will provide two bike cars on each consist or 48 bike spaces by the end of November
 - In October, two bike cars on each consist were provided 92.38 percent of the time.
 - Staff will determine the best time to complete a full count of bike passengers, including data on dwell times.
 - Forty-five of 57 lead position cab cars have been retrofitted with horns underneath the cars and calibrated to a Federal Railroad Administration (FRA) decibel rating. Bike cab cars in the middle positions of consists will be retrofitted during their regular preventative maintenance cycle.
 - The Mission Bay Drive rail crossing in San Francisco opened on time and the legal team, staff from real estate and public affairs and operations/safety groups were thanked for finalizing this project.
 - Giants baseball ridership for 2009 was more than 400,000, an increase of 12 percent from 380,000 riders in 2008.
 - San Jose Sharks service averaged 244 riders per game for the first five games.
 - Stanford football averaged 529 riders per game for the first four games, and service will be provided for the Big Game on November 21.
 - Included in the reading file is the monthly safety and security report and information about the December 5 and 6 Holiday Train, supported by the Salvation Army and U. S. Marine Corps reserves who collect hundreds of toys for the Toys for Tots program.
 - Approved the minutes of October 1, 2009, accepted the Statement of Revenues and Expenses for September 2009 and approved the 2010 Board of Directors meeting calendar.
 - Authorized award of contracts to Bender Rosenthal, Inc., Dana Properties, and Diaz, Diaz and Boyd to provide real estate appraisal services for an aggregate not-to-exceed amount of \$337,000.
 - Authorized award of contracts to Thomas Ryland and Henry Spoto, Jr. to provide real estate appraisal reviewer services for an aggregate not-to-exceed amount of \$134,000.
 - Authorized the Executive Director to execute an amendment to the April 7, 2009 Memorandum of Understanding (MOU) between the JPB and the California High Speed Rail Authority (CHSRA) and the associated funding agreement.
 - Authorized extending the contract term and obtaining additional contract authority for existing on-call general engineering consultant services for a total not-to-exceed cost of \$50,000,000.
 - Accepted the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter that ended September 30, 2009.
 - Manager, Planning and Research Marisa Espinosa presented the draft Fiscal Year 2009-2018 Caltrain Short Range Transit Plan.

- Government Affairs Manager Seamus Murphy reported on State and Federal legislative activities.
- Peninsula Rail Program Director Bob Doty presented an update on the Peninsula Rail Program including details of a meeting on the Context Sensitive Solutions approach for the project.
- Legal counsel briefed the Board on pending litigation and discussed an approved settlement of a potential claim on potential litigation with Amtrak for a claim of \$5.7 million that was settled for \$500,000.

Director John Lee asked what revenue was for the first quarter of 2010. Mr. Scanlon said revenue for the first quarter was down 5.3 percent from \$12.1 million to \$11.4 million, which was affected by a decrease on average of about 4,000 daily riders.

REPORT OF THE EXECUTIVE DIRECTOR

Michael Scanlon reported:

- Director Matsumoto, Mr. Simon, Deputy CEO Chuck Harvey and Government Relations Officer Kim Rothschild attended the October 19 groundbreaking ceremony to commemorate the start of construction of the South San Francisco Ferry Terminal.
- Staff reached an agreement with the city of San Bruno on how to proceed with the San Bruno grade separation, which is in final design. Project documents must be finalized by June 30, 2010 in order to receive \$30 million of Proposition 1B money.
- The San Francisco Public Utilities Commission (PUC) will be awarding a construction contract to upgrade its regional water supply. The San Mateo County Transit District (District) is being asked to grant two subsurface tunnel easements, which will involve small portions of easements of the Dumbarton Rail Corridor where the water facilities will be crossing underneath the Dumbarton Bridge. The TA financed 50 percent of the acquisition costs of the Dumbarton Rail Corridor under the old Measure A. Staff and legal counsel are engaged in negotiations with the PUC on future options for use of the Dumbarton Rail Corridor to accommodate the important regional water facilities and at the same time to preserve the options needed for possible transportation needs. Negotiations are necessary in order to secure funding to award a construction contract in December 2009. The PUC is requesting the San Francisco Board of Supervisors adopt a resolution of necessity and permits for the initiation of eminent domain proceedings to acquire the underwater easements from the District. Passage of the resolution will allow the PUC to certify it has possession of the property it needs to award the contract. Staff is reasonably optimistic that the District will be able to reach an amicable agreement that will protect everyone's rights.

Director O'Mahony said the PUC already has a water pipe under the Bay and asked if the needed an easement. Legal Counsel David Miller said the existing alignment is too small.

Mr. Miller said legal counsel will be appearing before the San Francisco Board of Supervisors in reserving all appropriate rights and there may be questions given the fact that the Dumbarton Bridge is subject to Federal and interstate commerce regulations.

Director Vreeland asked about pipe dimensions. Mr. Harvey said the pipe is 10 feet in diameter.

Chair Foust said the PUC did model public outreach over the last four years with all cities affected by the pipe project.

FINANCE

Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the San Mateo County Transportation Authority

Bill Osher, Chief Economist and Head of Fixed Income for Tamalpais Wealth Advisors (TWA) reported:

- The portfolio increased approximately 1 percent this quarter. If annualized that would equal a 4 percent return.
- There is no credit risk with the portfolio because it contains all government securities, treasuries and agencies.
- The portfolio under-performed its benchmark by about ½ percent this quarter. The portfolio benchmark is 20 percent in corporate bonds, and TWA stayed away from corporate bonds because they currently carry a lot of risk and were not part of the portfolio objectives.
- The portfolio had corporate bonds in the portfolio, which carry the full faith and credit of the U.S. government.
- The maturity of the portfolio is being kept quite short at 1 ½ to 2 years because money would be lost if interest rates increased rapidly.
- The portfolio is expected to grow until the second half of 2010 due in part to inventory correction from stimulus funding growth in the economy. There is a question whether the economy will continue growth and sustain itself in the second half of 2010 because the stimulus will have run its course.
- Interest rates will probably not increase much in second quarter 2010 but TWA will monitor any changes to avoid any losses.
- Unemployment is affecting economic growth, consumption, revenues and sales tax. Productivity increased 9 percent in the last quarter, which is good for company profits but means fewer people are doing more and providing more goods and services.

Director O'Mahony asked about future risk of corporate bonds. Mr. Osher said the concern is whether or not the additional return that is required in taking the risk of owning a corporation that could go out of business is going to increase or decrease. If the economy slows again in the second half of 2010 there may be more companies in trouble and TWA doesn't want to play in that space of the market. If at some point TWA feels comfortable with corporate bonds it would look at the safest, highest quality companies that fit into a kind of global growth theme.

A motion (O'Mahony/Matsumoto) to accept the quarterly investment report was approved.

Verbal Update on State and Federal Legislative Program

Government Affairs Manager Seamus Murphy reported:

State

- A ballot measure called the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 was filed by a coalition of local government, transportation and public safety groups, which would prevent the State from borrowing or diverting revenues that fund local services including transportation. Despite voter-approved protections like Proposition 1A in 2004, the State has managed to borrow \$2 billion in property tax revenues, shift over \$2 billion in redevelopment funds and divert \$910 million in STA. This initiative would close existing loopholes and protect these revenues and other sources of funding from raids by the State.
- Revenues for transit services that would be protected include:
 1. Excise tax on gas and diesel fuel.

2. All revenues historically dedicated to the Public Transportation Account (PTA) including:
 - o Proposition 42 taxes on the sale of gasoline including spillover.
 - o Taxes on the sale of diesel fuel.
 - o Proposition 111 sales tax on the State's 9-cent excise tax on gasoline.
 3. The historic flow of PTA funds to the STA program.
 4. The ¼-cent Transportation Development Act (TDA) sales tax.
 5. Local sales taxes approved by self help counties.
- Once the measure receives a title and summary from the attorney general's office, the coalition will be free to collect signatures to qualify the measure for the November 2010 ballot.

Federal

- Last week Congress was forced to approve another stopgap funding measure for both FY2009 appropriations and SAFETEA-LU. The new extensions will last through December 18 while Congress works to approve the FY2010 appropriations package in conference committee and continue efforts to reach some agreement about the timing of a long-term Surface Transportation Reauthorization bill. Now it appears that key members of the Senate may be willing to compromise on a six-month extension instead of the 18-month version that has been approved in committee. House leaders have been unwilling to consider any extension longer than three months and instead are promoting a reauthorization that is front-loaded so that early year transportation investment can act as a second stimulus and help reduce growing unemployment.
- This morning the Senate Environment and Public Works Committee (EPW) approved climate legislation proposed by Senators Barbara Boxer and John Kerry. Some members favored delaying the vote until the bill received a full cost analysis from the Environmental Protection Agency (EPA) but the EPA stated a new cost analysis is not necessary since the bill's cost implications do not differ from the analysis already conducted for the House bill. The House and Senate differ in the amount of cap and trade emissions allowances dedicated to transportation. The House bill provides no guaranteed funding for transportation, while the Senate version provides an average of 2.5 percent. This translates to somewhere between \$1.4 and \$3 billion in annual revenue depending on the market value of the credits. Fifty percent of these funds would be distributed by established formula and 50 percent would be awarded as part of a multimodal competitive grant program.
- The legislative staff report included a summary of the Close the LILO-SILO Loophole Act of 2009, which would protect transit agencies, including Caltrain, from investors seeking to collect penalties from lease-back transactions in technical default due to the failure of financial guarantors like AIG. Staff has been working with a coalition of transit agencies to seek co-sponsors for the bill and among the Caltrain delegation. Senator Diane Feinstein and Representatives Anna Eshoo, Zoe Lofgren, and Mike Honda have all joined as co-sponsors.

Director Vreeland asked if the TA supports climate change legislation. Mr. Murphy replied, yes, as long as there is a significant amount of interest in public transportation as a result of the cap and trade allocations.

Director Vreeland asked if the emission allowance allocations are 10 percent. Mr. Murphy said it would be great to see 10 percent. Transportation nationwide is responsible for about 30 percent of greenhouse gas emissions so if it was going to reflect the true impact that clean transit and transportation alternatives could have it would be around 30 percent. Legislators have been struggling to find a political solution to spread those allocations out and be able to get enough votes to pass the bill so we are down to 2.5 percent. It is a lot better than the House version, but it would be good to see that number come up a lot more.

Director Vreeland asked if a support letter could be sent to Bay Area delegations to get involved. Mr. Murphy said a letter has been sent from the TA, JPB and SamTrans supporting the 10 percent level to the Senate EPW committee asking them to increase this amount.

PROGRAM – Highways and Transportation System Management/Alternative Congestion Relief Program

C/CAG Executive Director Rich Napier provided details on the Smart Corridor Project.

- The need for a smart corridor project was evident with an incident in January 2008, which closed Highway 101 for 40 hours including eight hours in both directions.
- The Smart Corridor project area would include El Camino Real from Highway 380 to Whipple Avenue in Redwood City and major arterials between El Camino Real and Highway 101.
- Traffic would flow from Highway 101 to Highway 280, to El Camino Real and to major arterials and parallel frontage roads during an incident.
- During a major incident on Highway 101, Caltrans would control and optimize phasing on predetermined routes to improve traffic flow around an incident. The system would also allow the corridors to be coordinated and monitored to optimize traffic flow during normal operations.
- The goal of the project is remote control of signals, traffic information and monitoring in the project area; establishing a communication system to route all monitoring and control information to Traffic Management Centers (TMC) in Oakland and the city of San Mateo police station near the San Mateo County Event Center; providing real time access to traffic video and monitoring by Caltrans and cities/county; and providing user information.
- The project uses Intelligent Transportation System (ITS) technology. Caltrans has control of both local and select local and State roads. C/CAG is pre-negotiating signal timing on some local and State roads. C/CAG is also pre-negotiating agreements with cities for timing alternatives during normal operation so Caltrans can change timing on El Camino Real.
- The project would install ITS equipment including cameras, dynamic signs and signal controller communications along pre-identified State and local routes.
- The project is fully funded for \$25 million including a \$3 million loan from the TA to be repaid to the TA in State Transportation Improvement Plan (STIP) funds.
- Caltrans is the design lead with consultant support.
- The Federal ITS process is completed to detailed design; the San Mateo demonstration project is cleared and the complete project will be cleared by November 15, 2009. Project completion is scheduled for April 2012.
- The project benefits include alternate route management with timing optimized for incident management; local event management timing options for El Camino Real (non-incident); access to all video, signals and monitors to optimize normal operations; and upgrades to local signals and equipment.

Director O'Mahony thanked Mr. Napier for the excellent working partnership between the TA and C/CAG.

REQUESTS FROM THE AUTHORITY

None

WRITTEN COMMUNICATIONS TO THE AUTHORITY

The Board received an email from Jim Bigelow.

LEGAL COUNSEL

Mr. Miller said Mr. Scanlon authorized legal counsel to file an amicus brief in a case that is germane to this authority if someone ever sees fit to amend the Expenditure Plan the voters approved.

Recently the Santa Barbara County Council of Governments (COG) requested the TA weigh in on a case whether the Council of Governments had to comply with California Environmental Quality Act (CEQA) as a prerequisite to putting the measure on the ballot. The TA faced this very question, when the authority decided to extend and renew Measure A. The Court of Appeal issued a decision that an environmental review under CEQA is not required as a prerequisite to approval of transportation expenditure plan and placement of a plan on the ballot.

When counsel was requested to weigh in on an amicus capacity, it was really to ask the Court of Appeal to publish its opinion because if the opinion were published it then can be cited as precedent in future cases. Counsel has made that filing and will see what happens.

DATE AND PLACE OF NEXT MEETING

The next meeting is scheduled for Thursday, December 3, 2009, at 5 p.m. at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos CA 94070.

The meeting adjourned at 6:12 p.m.