

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

**MINUTES
DECEMBER 4, 2008**

MEMBERS PRESENT: M. Church, R. Foust (Chair), J. Lee, K. Matsumoto,
R. O'Mahony, J. Vreeland

MEMBERS ABSENT: R. Gordon

STAFF PRESENT: G. Cameron, J. Cassman, V. Harrington, C. Harvey, R. Haskin, J. Hurley,
R. Lake, M. Lee-Skowronek, M. Martinez, I. McAvoy, N. McKenna,
D. Miller, M. Scanlon, M. Simon

Chair Rosanne Foust called the meeting to order at 5:04 p.m. Director Jim Vreeland led the Pledge of Allegiance.

CONSENT CALENDAR

- a. Approval of Minutes of November 6, 2008
- b. Accepted the Statement of Revenues and Expenses for October 2008

PUBLIC COMMENT

Jim Bigelow, Redwood City-San Mateo County Chamber of Commerce said the California High Speed Rail (HSR) Authority's \$33 billion phase one project to go from San Francisco to Los Angeles is moving forward. The HSR Board is on track to do preliminary engineering and an environmental review process of the project level on the Caltrain corridor with the goal for completion of those phases by the end of 2011.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Chair Pat Dixon reported on the December 2, 2008 meeting:

- Director John Lee thanked the CAC for its due diligence and for all the work the Committee does for the Board.
- Treasury Manager Brian Lee discussed details of the TA investment plan with Tamalpais Wealth Advisors.
- Recommended approval of TA Board items to authorize entering into a Measure A funding agreement with South San Francisco to accelerate the start of the South San Francisco Ferry Terminal Project; to authorize the redirection of funds from the Crestview Project to Caltrain, the priority one program under the 1988 Measure A Expenditure Plan and to adopt the Measure A Strategic Plan 2009-2013. Several CAC members would like to be considered for the Strategic Plan project review committee.
- Received an update on HSR from Mr. Bigelow.
- Chair Dixon and Vice Chair Paul Young were re-elected for 2009 officers.
- A holiday appreciation celebration followed the meeting.

Chair Foust congratulated Chair Dixon and Vice Chair Young on their re-election.

CHAIRPERSON'S REPORT – ROSANNE FOUST

The TA Subcommittee met prior to this meeting and discussed the redirection of Measure A funds from the Crestview Project; details of the South San Francisco Ferry Terminal Project and the new "stop light"

format for the Quarterly Project Status Report. The Subcommittee plans to stay together to review items as needed on an ad hoc basis.

SAMTRANS LIAISON REPORT – KARYL MATSUMOTO

The November 12 report is in the agenda packet.

JOINT POWERS BOARD REPORT (JPB)

Executive Director Michael Scanlon reported on the December 4 meeting:

- a. The Board:
 - Approved the minutes of November 6, 2008 and accepted the Statement of Revenues and Expenses for October 2008.
 - Authorized receipt of an allocation of Proposition 1B Public Transportation Modernization, Improvement, and Service Enhance Account Funds in the amount of \$6,849,847.
 - Authorized annual adoption of investment policy and authorization to invest with the Local Agency Investment Fund (LAIF) and the San Mateo County Investment Fund.
 - Authorized award of contract to Paper Solutions, Inc. for typesetting, printing, and delivery of monthly passes and ticket media for a total cost of \$493,820.
 - Authorized acceptance of the Minority and Woman-Owned Construction and Professional Service Firm Availability and Utilization Study and authorization to revise the FY 2009 DBE Program for FTA-assisted contracts.
 - Authorized amendment of FY 2009 Operating Budget by \$2,544,542 to \$97,901,669.
 - Authorized award of contract to Safetran Systems Corporation for the purchase and delivery of signal equipment for a total cost of \$2,475,000.
 - Authorized award of contract to Granite Construction, Inc. for the South Terminal Site Preparation Project for a total cost of \$2,096,298.
 - Authorized award of contract to Granite Construction Inc. for the San Mateo County Grade Crossing Improvements Project for a total cost of \$7,884,000.
 - Authorized additional contract authority for existing on-call General Engineering Consultant Services for a total not-to-exceed cost of \$25,000,000.
 - Accepted the Quarterly Capital Project Report.
- b. Chair Hartnett appointed a Nominating Committee of Directors Ken Yeager from Santa Clara County, Jose Cisneros from the City and County of San Francisco and Art Lloyd from San Mateo County to nominate the officers for the coming calendar year.
- c. Resolutions of appreciation were presented to outgoing Board members Jerry Hill and Forrest Williams.
- d. MTC Liaison Sue Lempert reported on the HSR November election results; the BART tax for Santa Clara County; other regional transit measures that were passed and the deep cuts to transportation as a result of state budget cuts.
- e. There was no CAC report due to the cancellation of the November 19 meeting.
- f. Both the Caltrain signal system server and a parallel system crashed this morning. Crews were dispatched to manually operate specific activities. Full system operations were in effect by the afternoon.
- g. Performance statistics for October 2008 compared to October 2007:
 - Total Ridership was 1,160,542, an increase of 16.5 percent.
 - Average Weekday Ridership was 41,893, an increase of 15.7 percent.
 - Total Revenue was \$3,776,041, an increase of 17.3 percent.
 - On-time Performance was 92.9 percent, a decrease of 0.5 percent.
 - Caltrain Shuttle Ridership was 6,316, an increase of 15.8 percent.

Year-to-date Statistics:

- Total Ridership was 4,735,575, an increase of 16.4 percent.
 - Average Weekday Ridership was 44,145, an increase of 15.1 percent.
 - Total Revenue was \$15,842,249, an increase of 15.7 percent.
 - On-time Performance was 93.6 percent, a decrease of 0.1 percent.
 - Caltrain Shuttle Ridership was 6,260, an increase of 17.7 percent.
- h. Staff is preparing for the January 1, 2009 fare change and a new 8-ride ticket that will be available in March.
- i. Special event service included Stanford football and the Holiday Train on December 6 and 7.
- j. All Bombardier cars have been delivered and half are in service.
- k. Caltrain loaned a consist to Capitol Corridor for ridership demands on the Wednesday before Thanksgiving.
- l. Caltrain provided a 38-train schedule for the Friday after Thanksgiving and two trains to Gilroy in each direction. Ridership was particularly good on the Friday hybrid express morning and mid-day service to San Francisco.
- m. A report is expected in January on expansion of bicycle capacity, improving the consistency of the location of bicycle cars and improvements in loading bicycles and passengers needing assistance.
- n. The Caltrain team at the request of Director Sean Elsbernd from San Francisco is involved in a project to be better neighbors and to reduce emissions, noise and fuel costs with the community in the immediate vicinity of the 4th and King Caltrain station. Improvements were made to the ground power system and compressed natural gas supply system in order to pursue changes in engine idling and shut-down procedures. The actions resulted in an October reduction of idling by 2,622 hours and eliminated the use of about 10,500 gallons of fuel. Similar activities will be carried out at the Centralized Equipment Maintenance and Operations Facility (CEMOF) in San Jose.
- o. Staff is exploring the possibility of a joint project with HSR and is working on an amended Memorandum of Understanding that would create a joint partnership.
- p. The reading file included:
- October Safety and Security Report.
 - Public comments on Caltrain bicycle issues.
 - JPB correspondence.
- q. The European counterpart to the American Public Transportation Association (APTA) visited Bay Area transit agencies, including Caltrain, and was impressed with details of security issues.
- r. Chief Development Officer Ian McAvoy presented an update on electrification.
- s. Financial advisor Bill Osher of Tamalpais Wealth Advisors presented information on the JPB investment portfolio invested through Tamalpais Wealth Advisors.
- t. Legal counsel convened to a closed session to update the Board on potential litigation.

Director John Lee said fuel costs have decreased considerably and asked if it was possible to purchase fuel futures. Mr. Scanlon said staff is considering the possibilities.

Mr. Scanlon said that for the first 22 weeks of the fiscal year, fuel fluctuated \$2.54 per gallon from a high of \$4.25 to a low of \$1.71 per gallon, which could be an annual budgetary fluctuation of \$11 to \$12 million based on Caltrain's annual use of 4.5 million gallons of fuel.

Director Rosalie O'Mahony asked if fuel costs could be locked in for a one-year period. Chief Operating Officer Chuck Harvey said fuel purchase contracts are typically six months in duration and negotiating a yearly contract is challenging given the risk involved.

Director O'Mahony said it would be helpful if the TA had a lobbyist in Washington to go to bat for funds. Mr. Scanlon said that Mr. McAvoy and newly appointed Government Affairs Manager Seamus Murphy will be visiting Washington next week to meet regional and local representatives from the District's delegations.

Director O'Mahony said she is very concerned about the multitude of environmental impact report loops and hoops that the agency must go through and hopes there are people in Washington to fight for the TA in overcoming the traditional requirements that must be met.

Mr. McAvoy said the governor, as part of the economic stimulus package, is proposing a series of California Environmental Quality Act exemptions to streamline the state environmental process. There may also be some exemptions in the federal economic stimulus package to try and move projects forward.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon:

1. Congratulated CAC Chair Dixon on re-election to a second term.
2. Expressed appreciation to the Board and staff for all the work completed in 2008, particularly with the closing of the 1988 Measure A and moving into the 2004 Measure A. He said it is an excellent time to make some progress in the area of infrastructure and position the TA to take full advantage of going forward with HSR and the rest of the Strategic Plan.

FINANCE

Investment Plan for the San Mateo County Transportation Authority Investment Portfolio Invested Through Tamalpais Wealth Advisors

Chief Financial Officer Gigi Harrington said the Board authorized staff to, on a quarterly basis, move \$100 million from the San Mateo County Investment Pool to an investment portfolio based on guidance from Bill Osher, Chief Economist with Tamalpais Wealth Advisors. The process was begun in October and the first \$25 million was moved from the County Pool to the Local Agency Investment Fund (LAIF), which is a very liquid, safe place for the funds. Mr. Osher was asked to speak to the Board today on what steps are involved to invest the funds.

Mr. Osher said he has been managing high quality portfolios of fixed income for almost 25 years and managing money for SamTrans since 1992. He discussed the current economic situation, and what has been done with current investments and future updates.

- He has worked with staff to plan a portfolio of investments with 25 percent very liquid short-term investments maturing in less than a year; 35 percent to be in two-to-four-year very high quality, very liquid securities that can be sold in a day for cash needs and the remaining 40 percent portfolio in one-to-five-year securities that may not be as liquid but offer great opportunity without taking credit risks.
- The primary concerns of the portfolio are safety, liquidity and return.
- Of the first \$25 million in TA funds moved, \$18 million are invested. Funds will be taken out of LAIF quarterly for future investment.

Mr. Scanlon said Mr. Osher came to the Board early in 2008 and reported that he and his colleagues felt that the country had entered a recession in December 2007. He said, as reported, that this had come to pass and Mr. Osher knows his business very well.

Authorization to Enter into a Measure A Funding Agreement with South San Francisco to Accelerate the Start of the South San Francisco Ferry Terminal Project

Staff proposes the Board authorize the Executive Director to negotiate and enter into a funding agreement with the City of South San Francisco to allow for the expedited allocation of \$15 million in Measure A funding for the purpose of commencing construction of the South San Francisco Ferry Terminal and the provision of ferry service to and from that terminal. The schedule for the expedited allocation of the \$15 million will be dependent upon the flow of Measure A sales tax revenue and the terms and conditions negotiated between the city of South San Francisco and the TA. The agreement will include conditions stating that in exchange for the expedited allocation, South San Francisco will establish and meet construction milestones and that operation of ferry service at the terminal will continue for no less than five years. Should these conditions not be met the Authority will reserve the right to pursue attachment of assets related to the ferry facility.

Director of TA Programs Joe Hurley said the project has an estimated cost of \$51 million. Service is scheduled to begin at the end of 2010. Since the project was presented to the Board in May, staffs of South San Francisco, the Water Emergency Transportation Authority (WETA) and the TA have worked to determine how to expedite allocation of Measure A funds programmed for ferry service to the South San Francisco project. The project schedule is heavily influenced by the environmental constraints that restrict the period of time during which critical work can be done on the project. In order to capture the upcoming window of opportunity, the project needs to be advertised in January 2009. WETA needs a funding commitment before they are able to advertise for this project. If this advertising date is not met, the start of construction could be delayed to 2010.

Public Comment

South San Francisco Councilman Pedro Gonzalez, said the 1989 Loma Prieta earthquake affected commuting and delivery to businesses in South San Francisco for days and weeks, proving the necessity of having water-borne transit for emergencies. Ferry service will reduce automobile use and pollution. For these reasons he supports ferry service in South San Francisco and Redwood City.

Redwood City Vice Mayor Diane Howard, said she serves as chair of the Citizens Advisory Committee of WETA and is the Co-Chair of the Water Transit Advocates of San Mateo County. She thanked the Board for listening to the concerns of building the ferry terminal in a timely manner and hopes the Board will support the resolution to enter into the funding agreement with South San Francisco.

Greg Greenway, Redwood City, representing the Seaport Industrial Association and Redwood City-San Mateo County Chamber of Commerce said he supports the funding agreement for ferry service. He sees this project as a milestone in a longer process to bring comprehensive water transit service to the county.

Dan Crucey, executive director of the San Mateo County Economic Development Association (Samceda) and member of the Water Transit Advocates said he is excited about the possibility of moving this project forward by approval of the funding agreement resolution.

John Stanley, WETA executive director, said he appreciates the opportunity to work with the TA to move the ferry project forward. He has worked with various agencies to get the ferry service project put into Measure A. His agency has provided the TA with detailed planning and environmental information, including ridership projections, operating statistics and information related to South San Francisco and Bay Area ferry service cost effectiveness measures and construction level design package information.

Mr. Stanley said WETA will make periodic reports to the TA regarding construction progress. WETA took delivery this week of the first ferry boat, Gemini.

Geraldine O'Connor, manager of Genentech's Local Government Affairs office, said she represents 8,300 Genentech colleagues on the South San Francisco campus. She said Genentech has met its transportation demand goals for 2010, which include use of BART, Caltrain, SamTrans and a variety of other transit options. She is appreciative of TA efforts and consideration of the ferry project.

Mike Giari, executive director of the Port of Redwood City, said his agency and the city have been working with South San Francisco and the San Mateo County Harbor District to promote ferry service. The Port supports the proposed authorization. Environmental impact reports and studies and advanced design studies are underway for the ferry terminal in Redwood City, which means the city may be coming to the TA for accelerated funding from Measure A in about 18-24 months.

Peter Grenell, general manager of San Mateo County Harbor District, said his organization operates the Oyster Point Marina on behalf of South San Francisco via a joint powers agreement. The Harbor Commissioners approved the lease with WETA at last night's board meeting, which will enable them to construct the ferry terminal at Oyster Point and operate it for 55 years. He thanked the TA and staff from South San Francisco for the efforts in support of the water transit project and urged approval of the funding agreement for ferry service. If the funding agreement is adopted, he proposed the TA staff make necessary arrangements for dispersal of funds based on the fact that construction has already begun. He said the Oyster Point breakwater entrance has been reconfigured to enable and facilitate safer and more convenient ferry service. The Harbor District has an agreement with the U. S. Army Corp of Engineers which is paying 80 percent of the construction funding for the breakwater project. Dredging has been completed in a portion of the Marina where existing vessels will be relocated to enable WETA to remove berths and docks to build the terminal. Mr. Grenell said these actions open the door to expedited funding based on TA staff recommendations.

Jim Bigelow, San Mateo County Ferry Advocates and Redwood City-San Mateo County Chamber of Commerce, said the TA's policy is to leverage funds and this project has a lot of leverage; construction needs to happen this season because of wildlife concerns and WETA can bid for the project with adoption of this funding agreement for ferry service.

Director Matsumoto said, as a member of the South San Francisco City Council, she has not seen any business plans or ridership projections mentioned by a previous speaker. She asked that a condition be added to either the proposed funding agreement or the Board resolution stating that acceptable service and business plans must be provided to the TA for review and comment before the flow of money begins. She said Mr. Hurley had mentioned the flow of money would begin approximately in June 2009. She said Mr. Grenell wants the money now and Director Matsumoto would like to see the funding agreement signed before voting on release of any such funds.

Mr. Scanlon said staff could certainly add a clause that the TA would be provided business plans and other requested items before disbursement of TA funds. He said Mr. Grenell's request is somewhat of a curve ball because he does not know if the TA would be able to make a disbursement for the Harbor District Project under any circumstance and would have to probably put this item off if the TA were going to try to accommodate that. Mr. Scanlon said the TA is taking on a very sound risk, which will help all in the event of an emergency and many in everyday life. He said that adding the clause suggested by Director Matsumoto would be prudent and acceptable to all parties.

Director O'Mahony said she was concerned with the wording of the resolution. She said the TA is being asked to allocate \$15 million to South San Francisco, and yet the resolution says this is a request for an advance of \$15 million. She said most people think of an advance as a check written for \$15 million. She asked if there is another meaning for fund allocation.

David Miller, Legal Counsel, said this agreement is not meant to be a loan. Instead of funds flowing on an annual basis over the life of the measure, the corpus, the \$15 million, is being accelerated and advanced from a schedule point of view – not in the form of a loan. He said that is the intent of that word.

Director O'Mahony asked who would write the checks to build the system. Mr. Miller said the TA will write the check to the party that signs the agreement or to whom it is assigned on a reimbursement basis only.

Director O'Mahony said this is a large advance coming all at once when one considers that the new Measure A Expenditure Plan designates just 2 percent of TA monies to ferry service this year. She said it is unlikely that Ms. Harrington will be able to collect the same amount of sales tax this coming year. Director O'Mahony said she hopes this would mean that the tap would be turned off when the party has withdrawn the allotment that is allowed to them. Mr. Miller said this is a maximum amount that will be spent over the life of the measure. No additional funding will be made available to the South San Francisco Ferry Project once the \$15 million is allocated.

Director O'Mahony asked if half of it was for Redwood City. Mr. Scanlon said the Redwood City allocation for ferry service is a separate \$15 million. The ferry service funding allocation represents advancing the money now, taking advantage of leveraging and getting the benefit sooner, which is something the Strategic Plan allows.

Director O'Mahony said she supports the ferry service resolution but is bothered that it may be adopted before the reauthorized Measure A begins on January 1, 2009.

Director Lee asked if payment of the \$15 million will be progress payments around 18 months. Mr. Miller said as the new Measure A funds come in, the funds will be allocated out on a reimbursement basis to assure accountability.

Director Lee said he sees a three-party agreement between South San Francisco, WETA and the TA. He said the TA definitely needs a commitment like that and asked if this is the understanding. Mr. Gonzalez said yes, a three-party agreement.

Director Lee asked Mr. Miller if this is the direction the TA is moving. Mr. Miller said the TA will be looking to a party to sign this agreement who will abide by the conditions of this resolution. That can be in the form of an agreement with South San Francisco, who can, in turn, pass it along to WETA or the TA could sign an agreement with WETA, or all three parties would sign. He said the principal point is that the conditions in the resolution are going to be part of an agreement that the signatory agrees to abide by.

Director Lee said most of the cities in San Mateo County have a large number of first responders in the event of a disaster that live in the East Bay or farther out. He would like someone, probably WETA, to tell him, absolutely, that first responders will have priority in the event of a major disaster.

John Sindzinski, manager of Planning Development for WETA, said first responders, absolutely, get first priority on the services. Director Lee asked that this be put in writing. Mr. Sindzinski agreed. He said WETA has to do an emergency plan under the new enabling legislation and this will be a primary part of the plan.

Director Lee summarized the discussion that there will be a three-party agreement with everybody signed on to it; first responders get priority, and the TA is going to pay progress payments over approximately 18 months.

Director Matsumoto, who also serves as mayor pro tem of the South San Francisco City Council, asked South San Francisco City Manager, Barry Nagel whether, as this agreement is drawn up, South San Francisco is committing itself as a third party. Mr. Nagel said the TA Board needs a project sponsor and South San Francisco has agreed to stay the project sponsor. He said South San Francisco would like to put that obligation directly to WETA but wants to stay as a project sponsor. He said how that agreement finally gets ironed out, with the exact language, needs to be clarified and brought back to the South San Francisco City Council and TA.

Mr. Scanlon said the resolution authorizes him, as the Executive Director, to negotiate the agreement with South San Francisco. He said Director Lee has requested a stipulation that he would like a three-party agreement, first responder priority and TA progress payments over approximately 18 months. Director Matsumoto also stipulated business plans be provided

Director Mark Church supports the proposed resolution and additional recommendations of Directors Lee and Matsumoto and said it is important that the parties responsible for the conditions be signatories to the contract.

Director Vreeland said if the allocation were not an expedited one, would South San Francisco be receiving these funds on an annual basis over 15 years, 20 years or 30 years? Mr. Scanlon said the Expenditure Plan did not contemplate exactly how money would flow. There are things in the Expenditure Plan that do accrue on an annual basis such as local share for cities.

Mr. Scanlon said WETA, through South San Francisco, presented its cash flow needs. The TA staff has calculated what the TA cash flows would be from the new Measure A and there is enough money under the new Measure A to fund the things that need to be funded. Building the ferry terminal and paying for it over approximately the next 18 months will, in no way, jeopardize anything else.

Director O'Mahony said she would like to see in the tri-party document that the commitment from Regional Measure 2 (RM2), Prop 1B and federal earmarks are assured.

Director Vreeland said he is only supportive of the funding resolution if the conditions that Directors Lee and Matsumoto requested are included concerning accountability, transparency and a three-party agreement.

Mr. Scanlon said South San Francisco and WETA need a commitment tonight so they can advertise in January. He said that if the Board can give a conceptual approval to what has been agreed upon at the meeting, it would probably be enough for South San Francisco and WETA to proceed with their advertisement. TA staff can work out the details discussed and report back at the January meeting.

Mr. Nagel said it's a tight timeframe but an update in January would work.

Chair Foust suggested, because of the general consensus on the Board, to include Director Matsumoto's request for a business and operational plans. She did not see any support for Mr. Grenell's request. She said the three-party agreement is critical. The Board can direct staff to rework the agreement, approve the resolution and bring it back to the Board from an informational perspective. Chair Foust supports the funding allocation in large part due to Ms. O'Connor's comments that Genentech is one of the largest employers in the county and wants to see this happen. It is important to get behind this type of project, which moves people in an emergency situation and in daily life. Chair Foust said economic development is the backbone of whether we are going to come out of these economic times effectively or not.

Director Church said he thought the Executive Director received the direction as to what terms and conditions are acceptable to the TA and has no problem proceeding with the resolution now as opposed to doing it conceptually.

Mr. Miller said if the Board wants this issue back for final action, the other parties would be looking for a conceptual approval so they can bring it to their respective bodies reliably. It would be an approval of an allocation of funds as outlined with the conditions that are already in the report. In addition, the resolution also would include the elements proposed by the Board members that it will be a three-party agreement, that it will include representations in the contract that there are other sources of funds that have been allocated and are available, first responders will have priority usage of the service in an emergency and that before there will be an actual allocation of funds, a business plan will be submitted to the TA.

Director Lee made a motion that the Board authorize the Executive Director to negotiate and enter in a funding agreement with the City of South San Francisco to allow for the expedited allocation of \$15 million in Measure A funding for the purpose of commencing construction of the South San Francisco ferry terminal and the provision of ferry service to and from the terminal with the additional changes that have been discussed here.

Mr. Miller said staff will amend the resolution to incorporate those changes.

Director Church said when the Board of Supervisors typically adopts resolutions; it has the actual language so they know specifically what they voted on. Mr. Miller said the Board legally has two choices in that regard: either adopt the language that was put into the record or act by motion. You could change this to be a motion to approve it in concept. Staff will bring back the resolution for your ratification at the next meeting.

Mr. Scanlon said the motion would give even more than the conceptual approval. The actual resolution would be adopted at the January 8, 2009 Board meeting when the Board has the agreement in front of them. He said the other way is to bring back the resolution for ratification.

Chair Foust said the Board could approve the agreement by an amended resolution without having the exact language, which is on the table; do it by motion, which conceptually ratifies that language, which is on the table with modifications; and then it comes back as a resolution in January. Lastly the Board can approve it by ratification. Mr. Miller said he thought Director Lee was proposing that the resolution actually empower the Executive Director to sign the agreement and request staff to report back based on the assurances that any agreement signed would contain the conditions that the Directors stipulated.

Director Church asked if this would be without the resolution now. Mr. Miller said yes.

A motion (Lee/Vreeland) to authorize the Executive Director to negotiate and enter into a Measure A funding agreement with South San Francisco and WETA to facilitate the start of the South San Francisco Ferry Terminal Project, based upon the various conditions enumerated above was passed unanimously by roll call.

Authorize the Redirection of Funds from the Crestview Project to Caltrain, the Priority One Program Under the 1988 Measure A Expenditure Plan

Mr. Hurley said this is a follow up to a carryover item from the November TA Board meeting, which is the reprogramming of 1988 measures. Staff had made the case for the Crestview Drive Project being an infeasible project and there were no issues associated with that being deemed an infeasible project. The question concerned the interpretation of whether the unallocated funds could be reprogrammed to expenditure categories other than Caltrain. A contributing factor to the uncertainty was the omission of the word “only” from the staff report. Director Rich Gordon had expressed concern with this. Mr. Hurley has met with Director Gordon and he is now comfortable that the \$3 million assigned for the Crestview Drive Project be reprogrammed to the number one priority program of the 1988 Expenditure Plan, Caltrain.

Chair Foust said she also spoke about this issue with Director Gordon.

Director Matsumoto said, that in going through verbiage, she was concerned with the text that read, “only to one or more projects.” She wasn’t sure if that opened the door for wiggle room for the Authority to move the funds to projects other than rail projects. Mr. Miller provided Director Matsumoto with an interpretation of the Expenditure Plan confirming that reallocation of funds that are reallocated must be moved to the transit category which includes Caltrain and grade separations.

Director Vreeland asked when the \$3 million would be spent. Mr. McAvoy said it would be spent over the next couple of budget cycles. The money will be allocated towards the rest of the Caltrain allocation. The biggest component of that right now is the electrification program and an ongoing local match towards federal funds to leverage for the state to reprogram track signals, bridges, tunnels and those types of projects.

The motion to redirect the \$3 million allocation to Caltrain was unanimously passed by roll call.

PROGRAM – ADOPTION OF MEASURE A STRATEGIC PLAN 2009-2013

Marian Lee-Skowronek, director, Planning and Development, asked the Board to approve the TA Strategic Plan.

Ms. Lee-Skowronek reported:

- Staff has finalized the draft plan following Board comments, staff review and public comments at the November Board meeting. There were no significant changes since the plan was presented to the Board in November.
- As staff moves on with the implementation of the plan, public comments that had to do with post-strategic plan adoption will be revisited.
- Distribution of the adopted plan includes posting to the Web site, mail out to those that were involved in the process, and a news release.
- Post-adoption activities will be associated with development of a Capital Improvement Plan and implementing the call for projects.

Chair Foust asked when the final plan will be ready. Ms. Lee-Skowronek said probably a day or so after adoption.

Director Church thanked Mr. Hurley, Ms. Lee-Skowronek and other staff who played a role in putting this plan together.

Director Vreeland thanked Mr. Hurley for responding to comments from Pacifica residents. He asked if the projects listed in the draft Plan on page 10 are the specific projects that were in the measure because in a letter Mr. Hurley wrote, it notes that the Calera Parkway Project is eligible for funding in the previous Measure A and also the new Measure A. He asked if that needs to be reflected in the draft plan.

Mr. Miller said the Expenditure Plans themselves provide for that certainty. Since each Expenditure Plan includes the Calera Parkway Project as an eligible project for funding, it is not necessary to specify eligibility in the Strategic Plan.

Director O'Mahony thanked Directors Church, Lee and Chair Foust for the 18 months of work devoted to this project. Mr. Hurley was also thanked.

A motion to adopt the Measure A Strategic Plan 2009-2013 was passed unanimously by roll call.

REQUESTS FROM THE AUTHORITY

Director Matsumoto expressed holiday greetings to all.

WRITTEN COMMUNICATIONS TO AUTHORITY

Included in the correspondence file.

REPORT OF LEGAL COUNSEL

Mr. Miller made reference to the prior discussion concerning the ferry project. He provided assurance to the Board that the advancement of the sales tax revenues early in the life of the new Measure is consistent with the statute that governs the Authority. Specifically, the Authority enabling Legislation empowers the Authority to borrow funds through the issuance of bonds to facilitate expeditious construction of projects. In this particular case, in lieu of issuing bonds, staff has determined that there will be a cash flow availability that will not jeopardize other projects. The purpose of this clarification is to indicate that the proposed action is not at all inconsistent with what the Legislature intended when it enacted the statutes governing this Authority.

DATE AND PLACE OF NEXT MEETING

The next meeting will be Thursday, January 8, 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 7:03 p.m.