

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park
Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

BOARD MEETING NOTICE

Meeting No. 252

- DATE:** Thursday, December 13, 2012
- TIME:** **6:30 P.M. Board Meeting**
- PLACE:** San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA
- PARKING:** Available adjacent to and behind building.
Please note the underground parking garage is no longer open.
- PUBLIC TRANSIT:** SamTrans Bus: Lines 261, 295, 297, 390, 391, 397, PX, KX.
CalTrain: San Carlos Station.
Trip Planner: <http://transit.511.org>

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 **PLEDGE OF ALLEGIANCE**
- 3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 4.0 PRESENTATIONS/ ANNOUNCEMENTS
- 4.1 Presentation on the San Mateo County Safe Routes to School Program - Daina Lujan, County Office of Education

5.0 CONSENT AGENDA

Consent Agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

- 5.1 Approval of the Minutes of Regular Business Meeting No. 251 dated November 8, 2012. ACTION p. 1
- 5.2 Review and approval of Resolution 12-70 authorizing the C/CAG Chair to executive an agreement between C/CAG and the County of San Mateo, Department of Public Works and Parks to provide staff services for Countywide Climate Action Planning for an amount not to exceed \$50,000 for calendar year 2013. ACTION p. 5
- 5.3 Review and approve Resolution 12-72 authorizing the C/CAG Chair to execute an agreement with SCI Consulting Group in an amount not to exceed \$980,381 for technical services in support of a countywide funding initiative for stormwater compliance activities, and further authorizing the Executive Director to negotiate the final scope of work prior to execution. ACTION p. 15
- 5.4 Review and approval of AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012. ACTION p. 33
- 5.5 Review and approval of Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the Year Ended June 30, 2012. ACTION p. 39
- 5.6 Review and approval of the C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012 ACTION p. 45
- 5.7 Review and approval of Resolution 12-74 adopting the FY 12-13 C/CAG Investment Policy. ACTION p. 51

NOTE: All items on the Consent Agenda are approved/accepted by a majority vote. A request must be made at the beginning of the meeting to move any item from the Consent Agenda to the Regular Agenda.

6.0 REGULAR AGENDA

- 6.1 Review and approval of appointments to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms. ACTION p. 69
- 6.2 Receive a presentation from BAWSCA and consider approval of Resolution 12-75 in support of BAWSCA's pursuit of legislation or an administrative agreement with San Francisco to protect water users. ACTION p. 83

- 6.3 Review and approval of C/CAG Legislative policies, priorities, positions, and legislative update.
(A position may be taken on any legislation, including legislation not previously identified.)
ACTION p. 91
- 6.4 Review and approval of Resolution 12-68 authorizing the C/CAG Chair to executive a Local Government Partnership grant funding agreement with Pacific Gas & Electric (PG&E) for the San Mateo County Energy Watch in 2013-14 for an amount of \$840,000. ACTION p. 93
- 6.5 Review and approval of Resolution 12-69 authorizing the C/CAG Chair to execute an agreement between C/CAG and the County of San Mateo for management and staffing of the San Mateo County Energy Watch for an amount not to exceed \$600,000 for 2013 and 2014
ACTION p. 99
- 6.6 Review and approval of Resolution 12-73 authorizing the Chair of the C/CAG Board to approve payment of up to \$40,000 to the California Public Employee Retirement System (CALPERS) to pay in full the CALPERS Unfunded Liability.
ACTION p. 109
- 6.7 Review and approval of Resolution 12-71 Authorizing the AB 1546 (\$4 Vehicle Registration Fee) Countywide Traffic Congestion Management Fund Expenditure Plan (Special voting procedures apply)
ACTION p. 115

7.0 COMMITTEE REPORTS

7.1 Committee Reports (oral reports).

7.2 Chairperson's Report

7.3 Boardmembers Report

8.0 EXECUTIVE DIRECTOR'S REPORT

9.0 COMMUNICATIONS - Information Only

Copies of communications are included for C/CAG Board Members and Alternates only. To request a copy of the communications, contact Nancy Blair at 650 599-1406 or nblair@co.sanmateo.ca.us or download a copy from C/CAG's website – www.ccag.ca.gov.

10.0 CLOSED SESSION

Public Employee Appointment

Title: Executive Director

11.0 Announcement of the successor to the position of C/CAG Executive Director

12.0 ADJOURN

Next scheduled meeting: January 10, 2013 Regular Board Meeting.

PUBLIC NOTICING: All notices of C/CAG Board and Committee meetings will be posted at San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the City/ County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making those public records available for inspection. The documents are also available on the C/CAG Internet Website, at the link for agendas for upcoming meetings. The website is located at: <http://www.ccag.ca.gov>.

NOTE: Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Nancy Blair at 650 599-1406, five working days prior to the meeting date.

If you have any questions about the C/CAG Board Agenda, please contact C/CAG Staff:

*Executive Director: Richard Napier 650 599-1420 Administrative Assistant:
Nancy Blair 650 599-1406*

FUTURE MEETINGS

| | |
|-------------------|-------------------------------------------------------------------------------------------------|
| December 13, 2012 | Legislative Committee - SamTrans 2 nd Floor Auditorium - 5:30 p.m. |
| December 13, 2012 | C/CAG Board - SamTrans 2 nd Floor Auditorium - 6:30 p.m. |
| December 18, 2012 | NPDES Technical Advisory Committee - to be determined - 10:00 a.m. |
| December 14, 2012 | Resource Management and Climate Protection Committee (RMCP) |
| December 20, 2012 | CMP Technical Advisory Committee - SamTrans 2 nd Floor Auditorium – 1:15 p.m. |
| January 24, 2013 | BPAC - San Mateo City Hall - Conference Room C - 7:00 p.m. |
| December 24, 2012 | Administrators' Advisory Committee - 555 County Center, 5 th Fl, Redwood City – Noon |
| January 28, 2013 | CMEQ Committee - San Mateo City Hall - Conference Room C - 3:00 p.m. |

C/CAG

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Meeting No. 251
November 8, 2012

1.0 CALL TO ORDER/ROLL CALL

Chair Grassilli called the meeting to order at 6:30 p.m. Roll Call was taken.

Jerry Carlson - Atherton
Clarke Conway - Brisbane
Joseph Silva - Colma
Carlos Romero - East Palo Alto
Art Kiesel - Foster City
Naomi Patridge - Half Moon Bay
Tom Kasten - Hillsborough
Peter Ohtaki - Menlo Park
Marge Colapietro - Millbrae
Maryann Moise Derwin - Portola Valley
Jeffrey Gee - Redwood City (left 7:25)
Bob Grassilli - San Carlos (left 7:25)
Brandt Grotte - San Mateo
Don Horsley - San Mateo County
Karyl Matsumoto - South San Francisco, San Mateo County Transit District

Absent,
Belmont
Burlingame
Daly City
Pacifica
San Bruno
Woodside

Others:
Richard Napier, Executive Director, C/CAG
Sandy Wong, Deputy Director, C/CAG
Nancy Blair, C/CAG
Inga Lintvedt, C/CAG Legal Counsel
John Hoang, C/CAG Staff
Jean Higaki, C/CAG Staff
Matt Fabry, C/CAG Staff
Dave Carbone, C/CAG Staff
Diane Howard, Redwood City
Kim Springer, San Mateo County
Joe LaMariana, San Mateo County

ITEM 5.1

Scott Hart, PG&E
John Bergener, San Francisco International Airport
Barbara Napier
Stephen Napier

3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Scott Hart, PG&E Representative, provided an update on what PG&E is currently working on in San Mateo County.

4.0 PRESENTATIONS/ ANNOUNCEMENTS

- 4.1 Certificate of Appreciation to Richard Napier, C/CAG Executive Director, for his years of dedicated service and contributions to C/CAG.

Closed Session was moved after Presentation/ Announcements

10.0 CLOSED SESSION

Public Employee Appointment

Title: Executive Director

5.0 CONSENT AGENDA

Board Member Colapietro MOVED approval of Items 5.1, 5.2, 5.3, and 5.4. Board Member Patridge SECONDED. **MOTION CARRIED** 15-0.

- 5.1 Approval of the Minutes of Regular Business Meeting No. 250 dated October 11, 2012. APPROVED
- 5.2 Update on Regionally Integrated Climate Action Planning Suite (RICAPS) Project. APPROVED
- 5.3 Review and approval 2013 C/CAG Board Calendar. APPROVED
- 5.4 Review and Approval of Resolution No. 12-63 authorizing the C/CAG Chair to Execute Amendment No. 1 to an existing Agreement between C/CAG and DNV KEMA, adding \$30,000 for Consulting Services for Climate Action Planning Technical Support for a total Not to Exceed Amount of \$90,000. APPROVED

NOTE: All items on the Consent Agenda are approved/accepted by a majority vote. A request must be made at the beginning of the meeting to move any item from the Consent Agenda to the Regular Agenda.

6.0 REGULAR AGENDA

- 6.1 Review and approval of C/CAG Legislative policies, priorities, positions, and legislative update. (A position may be taken on any legislation, including legislation not previously identified.)

ACTION

No action was taken.

- 6.2 Adoption of the update of the Airport Land Use Compatibility Plan (ALUCP) for the environs of San Francisco International Airport and Certification of the Initial Study and Negative Declaration.

- 6.2.1 Approval of Resolution 12-66 adopting the Negative Declaration for the San Francisco International Airport - Airport Land Use Compatibility Plan. APPROVED

Board Member Horsley MOVED approval of Item 6.2.1. Board Member Carlson SECONDED. MOTIONED CARRIED 12-1. Board Member Conway opposed.

A Super Majority Vote was taken on Item 6.2.1. **MOTION CARRIED** 12-1. Results: 12 Agencies approving. This represents 57% of the Agencies representing 74% of the population.

- 6.2.2 Approval of Resolution 12-67 Adopting the Airport Land Use Compatibility Plan for San Francisco International Airport. (Special voting procedures apply.) APPROVED

Board Member Horsley MOVED approval of Resolution 12-67 with the conditions that the language be consistent relative to South San Francisco Unified School District and that it is verified that the noise monitoring map is in the final version. Board Member Patridge SECONDED. MOTIONED CARRIED 12-1. Board Member Conway opposed.

A Super Majority Vote was taken on Item 6.2.2. **MOTION CARRIED** 12-1. Results: 12 Agencies approving. This represents 57% of the Agencies representing 74% of the population.

- 6.3 Review and Approval of Resolution 12-64 authorizing the distribution of the Abandoned Vehicle Abatement Fund Balance. APPROVED

Board Member Carlson MOVED approval of Item 6.3. Board Member Kasten SECONDED. **MOTION CARRIED** 13-0.

- 6.4 Review and approval of Resolution 12-65, convening the Stormwater Committee as part of C/CAG's Water Pollution Prevention Program committee structure APPROVED

Board Member Kasten MOVED approval of Item 6.4 in accordance with the staff recommendation. Board Member Colapietro SECONDED. **MOTION CARRIED** 13-0.

7.0 COMMITTEE REPORTS

7.1 Committee Reports (oral reports).

None.

7.2 Chairperson's Report

None.

7.3 Boardmembers Report

Board Member Carlson introduced the Town of Atherton's City Manager, George Rodericks.

8.0 EXECUTIVE DIRECTOR'S REPORT

C/CAG's Executive Director thanked staff for their hard work and dedication throughout the Executive Director's career at C/CAG.

The Executive Director thanked the Board for allowing him to serve as the C/CAG Executive Director.

9.0 COMMUNICATIONS - Information Only

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10.0 Was moved to the beginning of the meeting.

11.0 ADJOURN

Meeting adjourned at 8:58 p.m.

C/CAG AGENDA REPORT

Date: December 13, 2012
To: City/County Association of Governments Board of Directors
From: Kim Springer, Contracted County Staff
Subject: Review and Approval of Resolution 12-70 Authorizing the C/CAG Chair to Execute an Agreement between C/CAG and the County of San Mateo, Department of Public Works and Parks to Provide Staff Services for Countywide Climate Action Planning for an Amount not to Exceed \$50,000 for Calendar Year 2013.

(For further information contact Kim Springer at 650-599-1412.)

RECOMMENDATION

Review and approval of Resolution 12-70 authorizing the C/CAG Chair to execute an Agreement between C/CAG and the County of San Mateo, Department of Public Works and Parks to provide staff services for countywide climate action planning for an amount not to exceed \$50,000 for Calendar Year 2013.

FISCAL IMPACT

Up to \$50,000.

SOURCE OF FUNDS

Congestion Relief funds in the amount of \$50,000 has been budgeted in C/CAG budget.

BACKGROUND/DISCUSSION

On September 16, 2010 the C/CAG Board adopted Resolution 10-53 authorizing the C/CAG chair to execute an agreement with the BAAQMD to receive a \$50,000 grant for a climate action plan template and tool project. On March 10, 2011, the C/CAG Board adopted Resolution No. 11-11 for a PG&E Contract Work Authorization No. 2500458103 between C/CAG and PG&E for \$125,000. The total grant funding for RICAPS is \$175,000, and with C/CAG's commitment to match funds, the total project budget is \$350,000.

There are additional costs, currently \$100,000 (about \$25,000 of which will not be used up in the current contract) for county staff support for the project. The two resolutions associated with the staff services agreements with the County of San Mateo, Department of Public Works (and now Parks as well) are Resolution No.11-35 for \$25,000 with the agreement dated June 9, 2012 and Resolution No.12-08 for \$75,000 with the agreement dated February 21, 2012.

The effort that began as the Climate Action Plan Template project has been renamed the Regionally Integrated Climate Action Planning Suite or RICAPS. The goal is for every city in San Mateo County and the County to have a plan to reduce greenhouse gas emissions. The

ITEM 5.2

project provides a plan document template, a menu of measures to reduce emissions (complete with the calculation methodologies and cost-benefit analysis), a C/CAG licensed emission tracking tool that each city can use at no cost, and technical support to help cities through the process of developing climate action plans.

C/CAG staff are in the process of developing a climate action plan for countywide transportation, as are 5-6 cities for their community and government operation emissions, to meet the deliverables set out in the \$125,000 PG&E.

Feedback from city staff who are using the RICAPS tools and getting technical support are both happy and grateful, acknowledging that, without the tools and support, they would not be able to move forward with the climate action planning initiative.

Resolution 12-70 establishes a new staffing agreement between C/CAG and the County of San Mateo, Department of Public Works and (now) Parks in an amount of \$50,000 for calendar year 2013.

Resolution 12-70 and the Staff Services Agreement are attached for your review.

ATTACHMENTS

Resolution 12-70

Staff Services Agreement between C/CAG and the County of San Mateo, Department of Public Works and Parks

RESOLUTION NO. 12-70

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE C/CAG CHAIR TO EXECUTE AN AGREEMENT BETWEEN C/CAG AND THE COUNTY OF SAN MATEO, DEPARTMENT OF PUBLIC WORKS AND PARKS TO PROVIDE STAFF SERVICES FOR COUNTYWIDE CLIMATE ACTION PLANNING FOR AN AMOUNT NOT TO EXCEED \$50,000 FOR CALENDAR YEAR 2013

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, C/CAG has entered into two grant agreements by action of the C/CAG Board: on September 16, 2010, by adopting Resolution No. 10-53, giving the Chair authority to sign Grant Agreement 2010-083 between C/CAG and the BAAQMD for \$50,000, and on March 10, 2011, adopting Resolution No. 11-11 for a PG&E Contract Work Authorization (Grant) No. 2500458103 between C/CAG and PG&E for \$125,000, to complete a CAP template project for the cities in San Mateo County and Cupertino; and

WHEREAS, the deliverables for those grant agreements have been nearly completed by C/CAG staff and County of San Mateo, Department of Public Works and Parks staff through an existing staffing agreement that expires on December 31, 2012 ; and

WHEREAS, C/CAG desires to both continue the RICAPS project and for County of San Mateo, Department of Public Works and Parks staff to continue work on the Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the Chair is authorized to execute an Agreement between C/CAG and the County of San Mateo, Department of Public Works and Parks to provide staff services for Countywide Climate Action Planning for an Amount not to Exceed \$50,000 for Calendar Year 2013, and further authorize the C/CAG Executive Director to negotiate the final terms, subject to legal counsel approval as to form, prior to execution by the Chair.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER, 2012.

Bob Grassilli, Chair

**AGREEMENT BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO
COUNTY (C/CAG) AND THE COUNTY OF SAN MATEO DEPARTMENT
OF PUBLIC WORKS AND PARKS TO PROVIDE STAFF SERVICES FOR
COUNTYWIDE CLIMATE ACTION PLANNING FOR AN AMOUNT NOT
TO EXCEED \$50,000 FOR CALENDAR YEAR 2013**

This Agreement entered this _____ Day of _____ 2012, by and between the CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY, a joint powers agency formed for the purpose of preparation, adoption and monitoring of a variety of county-wide state-mandated plans, hereinafter called "C/CAG" and the COUNTY OF SAN MATEO, DEPARTMENT OF PUBLIC WORKS AND PARKS, hereinafter called "COUNTY DPWP."

WITNESSETH

WHEREAS, the City/County Association of Governments (C/CAG) is committed to working with the cities in San Mateo County on issues related solid waste, resource conservation and climate protection; and

WHEREAS, C/CAG desires to obtain services from COUNTY DPWP to provide staff services for the RICAPS project; and

WHEREAS, the COUNTY is committed to providing staff services;

NOW, THEREFORE, IT IS HEREBY AGREED by the parties as follows:

1. **Services to be provided by COUNTY DPWP.** COUNTY DPWP shall provide services as described in Exhibit A, attached hereto and incorporated by reference herein.
2. **Payments.** In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit A, C/CAG shall reimburse COUNTY DPWP for eligible costs as set forth in Exhibit A, up to \$50,000. Payments shall be made within 30 days after receipt and approval of monthly invoices from COUNTY DPWP.
3. **Relationship of the Parties.** It is understood that COUNTY DPWP enters into this Agreement as an Independent Contractor and the Agreement is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of Independent Contractor.
4. **Non-Assignability.** COUNTY DPWP shall not assign this Agreement or any portion thereof to a third party without the prior written consent of C/CAG, and any attempted assignment without such prior written consent is in violation of this Section and shall be grounds for termination of this Agreement.
5. **Contract Term.** This Agreement shall be in effect and cover costs as set out in Exhibit

A from January 1, 2013 and shall terminate on December 31, 2013; provided, however, C/CAG may terminate this Agreement at any time for any reason by providing 30 days' written notice to COUNTY DPWP. COUNTY DPWP may terminate this Agreement at any time for any reason by providing 30 days' written notice to C/CAG. Termination will be effective on the date specified in the notice. In the event of termination under this paragraph, COUNTY DPWP shall be paid for all services provided to the date of termination.

6. **Hold Harmless/Indemnity.** COUNTY DPWP shall defend, indemnify and save harmless C/CAG and its member agencies and their employees, agents and officers from all claims, suits, damages or actions arising from COUNTY DPWP's performance under this Agreement.

C/CAG shall defend, indemnify and save harmless COUNTY DPWP and its member agencies and their employees, agents and officers from all claims, suits, damages or actions arising from C/CAG's performance under this Agreement.

The duty of the parties to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

7. **Workers' Compensation Coverage.** Statutory Workers' Compensation Insurance and Employer's Liability Insurance will be provided by the COUNTY DPWP with limits of not less than one million dollars (\$1,000,000) for any and all persons employed directly or indirectly by COUNTY DPWP. In the alternative, COUNTY DPWP may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code. In such case, excess Workers' Compensation Insurance with statutory limits shall be maintained. The insurer, if insurance is provided, and the COUNTY DPWP, if a program of self-insurance is provided, shall waive all rights of subrogation against C/CAG for loss arising from worker injuries sustained under this Agreement.

8. **Liability Insurance.** COUNTY DPWP shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect COUNTY DPWP, its employees, officers and agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all operations under this Agreement, whether such operations be by COUNTY DPWP or by any sub-contractor or by anyone directly or indirectly employed by either of them. In the alternative, COUNTY DPWP may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, C/CAG, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

9. **Non-discrimination.** COUNTY DPWP and its subcontractors performing the services on behalf of the COUNTY DPWP shall not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.
10. **Accessibility of Services to Disabled Persons.** COUNTY DPWP, not C/CAG, shall be responsible for compliance with all applicable requirements regarding services to disabled persons, including any requirements of Section 504 of the Rehabilitation Act of 1973.
11. **Substitutions.** If particular people are identified in Exhibit A as working under this Agreement, COUNTY DPWP will not assign others to work in their place without written permission from C/CAG. Any substitution shall be with a person of commensurate experience and knowledge.
12. **Joint Property.** As between C/CAG and COUNTY DPWP any system or documents developed, produced or provided under this Agreement shall become the joint property of C/CAG and the COUNTY DPWP.
13. **Access to Records.** COUNTY DPWP shall retain, for a period of no less than five years, all books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions, and shall provide C/CAG, its member agencies, and or their auditors with access to said books and records.

COUNTY DPWP shall maintain all required records for five years after C/CAG makes final payments.

14. **Merger Clause.** This Agreement constitutes the sole agreement of the parties hereto with regard to the matters covered in this Agreement. Any prior agreement, promises, negotiations or representations between the parties not expressly stated in this document are not binding.
15. **Amendments.** Any changes in the services to be performed under this Agreement shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by the C/CAG Executive Director or a designated representative, and the Director of Public Works. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.
16. **Governing Law.** This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California.

IN WITNESS WHEREOF, the parties hereto have affixed their hands on the day and year

indicated.

County of San Mateo

By _____
James C. Porter
County Department of Public Works and Parks - Director

Date

Approved as to Form By

County Counsel

Date

City/County Association of Governments (C/CAG)

By _____
Bob Gassilli
C/CAG Chair

Date

Approved as to Form By
C/CAG Legal Counsel

Date

Exhibit A

STAFF SERVICES FOR RICAPS FOR 2013 AND 2014

SCOPE OF WORK

- 1.0 Introduction - The City/ County Association of Governments of San Mateo County (C/CAG) is committed to working with the cities in San Mateo County on issues related to solid waste, resource conservation and climate protection. C/CAG desires to contract with the County of San Mateo, Department of Public Works and Parks (County DPWP) to provide staff services for the administration and project management of C/CAG's RICAPS Project (Project) pursuant to this Scope of Work. The Project will be funded through C/CAG and the Grant Agreement.
- 2.0 Management and Staffing Oversight - the County shall provide staff support to C/CAG to accomplish deliverables as provided in the current PG&E Specific Conditions (Contract Work Authorization) for Climate Action Planning Support to the cities in San Mateo County and the County for 2013 and 2014. The County shall provide project administration and project management to include: coordination of a working group of city staff, managing the consultants, reviewing and commenting on consultant submittals, preparing and submitting required grant reports, and managing the Project in accordance with the stipulated timelines to ensure the progress of the Project.
- 3.0 Scope of Work – the County shall:
 - 3.1 Support the completion of the Project scope, for which PG&E is providing funding for technical support in 2013 and 2014, up to a maximum amount of \$50,000 for this agreement.
- 4.0 Reporting - The County of San Mateo shall report to the C/CAG Board and other C/CAG committees and staff on activities and Project progress related to this scope of work upon request during the term of this agreement.
- 5.0 Payments - The County shall submit invoices for services provided along with supporting documentation including labor hours and rates for management and staffing. C/CAG shall pay invoices within 30 days of receipt.

C/CAG AGENDA REPORT

Date: December 13, 2012

To: City/County Association of Governments Board of Directors

From: Sandy Wong, C/CAG Deputy Director

Subject: Review and approve Resolution 12-72 authorizing the C/CAG Chair to execute an agreement with SCI Consulting Group in an amount not to exceed \$980,381 for technical services in support of a countywide funding initiative for stormwater compliance activities, and further authorizing the C/CAG Executive Director to negotiate the final scope of work prior to execution.

(For further information contact Matthew Fabry at 650-599-1419)

RECOMMENDATION

Review and approve Resolution 12-72 authorizing the C/CAG Chair to execute an agreement with SCI Consulting Group (SCI) in an amount not to exceed \$980,381 for technical services in support of a countywide funding initiative for stormwater compliance activities, and further authorizing the C/CAG Executive Director to negotiate the final scope of work prior to execution.

FISCAL IMPACT

The final contract terms are recommended to be negotiated by the Executive Director. The total contract is estimated to be \$980K; of that, expenditures during FY 2012-13 are expected to be approximately \$250K, with the remainder in FY 2013-14. As described in more detail below, the first phase of work culminates with public opinion research, after which C/CAG will need to decide if there is sufficient support to proceed with the second phase. As such, the proposed agreement only authorizes and commits funding for the first phase of work and requires written Notice to Proceed from C/CAG's Executive Director in order for the consultant team to proceed with and be paid for work under subsequent phases.

SOURCE OF FUNDS

C/CAG's approved 2012-13 budget for the Water Pollution Prevention Program includes \$315K for a countywide funding initiative. Staff has been preliminarily budgeting an additional \$630K in FY 2013-14 and \$105K in FY 2014-15 for this effort, which exceeds the proposed costs from SCI. Should insufficient funds be approved in future C/CAG budgets, however, the agreement includes standard termination language allowing the Chair to terminate with 30-days' notice for any reason.

BACKGROUND/DISCUSSION

Upon authorization by the C/CAG Board at its August 2012 meeting, staff issued a Request for Proposals for consulting services to support a countywide funding initiative for stormwater compliance activities. A pre-proposal meeting was held on August 30. Four proposals were submitted and reviewed by a selection panel including C/CAG's Deputy Director and Water Pollution Prevention Program Coordinator and two members of the Congestion Management Technical Advisory Committee. The four proposals were submitted by:

- SCI Consulting Group (teamed with EOA Inc., McGovern Consulting, S. Groner Associates, Inc., True North Research, and Barkiewicz, Kronick & Shanahan)
- MIG, Inc. (teamed with Harris & Associates, HF&H Consultants, Conservation Strategies Group, Fairbank, Maslin, Maulin, Metz & Associates, and Michael Colantuono)
- Public Financial Management, Inc. (teamed with Daniller Consulting, Inc., Sherwood Design Engineers, Tulchin Research, Fenton, and Jones Hall)
- Godbe Research (teamed with NBS, Colantuono & Levin, TBWB Strategies, and Schaaf & Wheeler)

Proposals were reviewed for responsiveness to the RFP, proposed team members, understanding of the requested services, demonstrated competence and relevant experience, proposed approach and scope of work, understanding of Municipal Regional Permit and local regulatory issues, background and related skills, and references. Costs were not included in the initial proposal review process. The top two ranked proposal teams (SCI Consulting Group and MIG, Inc.) participated in oral interviews with the selection panel on October 31 and November 1, respectively.

Costs for the four proposals ranged from approximately \$450K to \$1.1 million, exclusive of expected printing and postage costs for anticipated Proposition 218 notices and ballots, which were estimated by some proposers to be between \$200-300K.

Based on review of proposals and the oral interviews, the panel recommended SCI Consulting Group as the most qualified proposer. SCI's proposed cost is in the middle of the range of the four proposal teams. Consistent with the scope of work outlined in the RFP, SCI's proposal includes three main phases of work: 1) Evaluating existing and future compliance costs for both C/CAG and its member agencies as well as potential funding sources and performing public opinion research, 2) Developing an appropriate revenue report, and 3) Supporting implementation of a funding initiative and performing public education and outreach. The phases and tasks are further detailed in the following table:

| Phase/Task | | Description | General Scope |
|-------------------------------------|--------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phase 1 | Task 1 | Current and Future Program Cost Analysis | Evaluate current and projected stormwater compliance costs for both C/CAG's Countywide Water Pollution Prevention Program and its member agencies. |
| | Task 2 | Evaluate Potential Funding Sources | Evaluate existing and potential funding sources for various aspects of stormwater compliance activities, provide recommendations to C/CAG and member agencies on options |
| | Task 3 | Opinion Research and Survey | Gauge public knowledge of stormwater issues, support for a funding initiative, including messaging, type of initiative, and support thresholds, provide findings and strategic recommendations |
| Phase 2 (if authorized by C/CAG) | Task 4 | Revenue Report and Action Plan | Develop appropriate revenue report, including descriptions of services and improvements to be funded by fees, rationale for fee apportionment, methodology, and calculation of individual fees |
| Phase 3 (if authorized by C/CAG) | Task 5 | Implementation of Funding Initiative | Assist with implementing selected funding initiative method, including preparation and mailing of public notices, ballot measures, resolutions, and ballot tabulation. |
| | Task 6 | Public Education and Outreach | Deliver educational messages to raise awareness and engage appropriate stakeholders |

The proposed timeline for the entire effort is 18 months, with Phase 1 lasting approximately nine months, Phase 2 three months, and Phase 3 eight months, with the public outreach effort overlapping Phase 2. Assuming a start date in January 2013, the entire process is expected to be completed by the end of Fiscal Year 2013-14. SCI Consulting Group's proposed cost for the entire effort, including printing and postage costs for assumed Proposition 218-mandated notices and mail-out ballots is \$980,381. These costs would be spread out over two fiscal years and are less what C/CAG included in its adopted budget for 2012-13 and staff's preliminary budget for 2013-14. It is important to note, however, that there are numerous unknowns associated with this type of effort which may impact the overall scope of work and associated cost.

C/CAG's Congestion Management and NPDES Technical Advisory Committees considered this item at their regularly scheduled meetings on November 15 and 20, respectively, and supported the staff recommendation, as did the CMEQ Committee at its meeting on November 26. Staff therefore recommends the C/CAG Board approve Resolution 12-72 authorizing the Chair to execute an agreement with SCI Consulting Group, with the final scope of work to be negotiated by the Executive Director prior to execution.

ATTACHMENTS

- Resolution 12-72.
- Funding Agreement with SCI Consulting Group

RESOLUTION NO. 12-72

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE C/CAG CHAIR TO EXECUTE A FUNDING AGREEMENT WITH SCI CONSULTING GROUP IN AN AMOUNT NOT TO EXCEED \$980,381 FOR TECHNICAL SERVICES IN SUPPORT OF A COUNTYWIDE FUNDING INITIATIVE FOR STORMWATER COMPLIANCE ACTIVITIES, AND FURTHER AUTHORIZING THE C/CAG EXECUTIVE DIRECTOR TO NEGOTIATE THE FINAL SCOPE OF WORK PRIOR TO EXECUTION

WHEREAS, C/CAG's member agencies are mandated to meet stormwater regulatory requirements contained in the Municipal Regional Permit (MRP) issued by the San Francisco Bay Regional Water Quality Control Board; and

WHEREAS, C/CAG, through its Countywide Water Pollution Prevention Program, performs some of the mandated compliance activities on behalf of its member agencies; and

WHEREAS, the cost for C/CAG and its member agencies to comply with MRP requirements continues to escalate; and

WHEREAS, C/CAG and its member agencies require additional ongoing revenue to meet existing and anticipated future MRP requirements; and

WHEREAS, C/CAG wants to evaluate a potential countywide funding initiative for stormwater compliance activities and determined outside consulting services were needed to assist with such an evaluation; and

WHEREAS, C/CAG issued a Request for Proposals and SCI Consulting Group was selected as the most qualified proposer and provided a Scope of Work and budget to provide such services;

NOW, THEREFORE, BE IT RESOLVED that C/CAG hereby authorizes the Chair to execute a funding agreement with SCI Consulting Group for an amount not to exceed \$980,381 for technical services in support of a countywide funding initiative for stormwater compliance activities, and further authorizes the C/CAG Executive Director to negotiate the final scope of work prior to execution, subject to approval as to form by C/CAG's legal counsel.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER, 2012.

Bob Grassilli, Chair

**AGREEMENT BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
AND THE CONSULTANT**

This Agreement entered this ___ Day of ___ 2012, by and between the CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY, a joint powers agency formed for the purpose of preparation, adoption and monitoring of a variety of county-wide state-mandated plans, hereinafter called "C/CAG" and SCI Consulting Group, hereinafter called "CONSULTANT."

W I T N E S S E T H

WHEREAS, C/CAG is prepared to provide funding for consulting services in support of a potential countywide funding initiative for stormwater compliance activities; and,

WHEREAS, the general purpose of the project is to 1) determine existing and anticipated costs for both C/CAG and its member agencies to meet current and future regulatory requirements in municipal stormwater permits, 2) evaluate and make recommendations regarding existing and potential funding sources for stormwater compliance activities, 3) gauge public support for a new funding initiative for local and countywide compliance activities, 4) develop an appropriate revenue, and 5) assist with implementation of a funding initiative and provide associated public education; and,

WHEREAS, The C/CAG Board has reviewed the CONSULTANT's proposed scope of work and request for funding and has determined they are consistent with the adopted C/CAG Budget for Fiscal Year 2012-13 and preliminary budget allocations for future fiscal years and the CONSULTANT has the requisite qualifications to perform this work;

NOW, THEREFORE, IT IS HEREBY AGREED by the parties as follows:

1. **Services to be provided by CONSULTANT.** In consideration of the payments hereinafter set forth, the CONSULTANT shall provide services in accordance with the terms, conditions and specifications set forth herein and in Exhibit A attached hereto and by this reference made a part hereof. CONSULTANT shall initially provide services as detailed under Phase 1 of the scope of work as shown in Exhibit A. CONSULTANT shall not proceed with providing services under Phases 2 or 3 unless written Notice to Proceed is provided by C/CAG's Executive Director.
2. **Payments.** In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit A, C/CAG shall make payment to CONSULTANT in the manner specified herein and in Exhibit A in an amount not to exceed \$980,381, contingent upon approval of sufficient funds in C/CAG's annual budget. CONSULTANT shall not be paid for any services provided under Phases 2 and 3 as shown in Exhibit A unless and until

CONSULTANT has been provided written Notice to Proceed by C/CAG's Executive Director. In the event that C/CAG makes any advance payments, CONSULTANT agrees to refund any amounts in excess of the amount owed by C/CAG at the time of termination of this Agreement.

3. **Relationship of the Parties.** It is understood that this is an Agreement by and between Independent Contractor(s) and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of Independent Contractor.
4. **Non-Assignability.** CONSULTANT shall not assign this Agreement or any portion thereof to a third party without the prior written consent of C/CAG, and any attempted assignment without such prior written consent in violation of this Section automatically shall terminate this Agreement.
5. **Contract Term.** This Agreement shall be in effect as of January 1, 2013 and shall terminate on June 30, 2014; provided, however, the C/CAG Chairperson may terminate this Agreement at any time for any reason by providing 30 days' notice to CONSULTANT and termination effective on the date specified in the notice. In the event of termination under this paragraph, CONSULTANT shall be paid for all services provided to the date of termination. In addition, as detailed in Items 1 and 2, above, Consultant shall initially only provide services under Phase 1 of the scope of work as detailed in Exhibit A and shall not provide services under Phases 2 and 3 until written Notice to Proceed has been provided by C/CAG's Executive Director.
6. **Hold Harmless/ Indemnity:** CONSULTANT shall indemnify and save harmless C/CAG from all claims, suits or actions resulting from any negligent or wrongful act, error, or omission by CONSULTANT in the performance of its duties under this Agreement. C/CAG shall indemnify and save harmless CONSULTANT from all claims, suits or actions resulting from the performance by C/CAG of its duties under this Agreement. The duty of the parties to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
7. **Insurance:** CONSULTANT or its subcontractors performing the services on behalf of CONSULTANT shall not commence work under this Agreement until all Insurance required under this section has been obtained and such insurance has been approved by the C/CAG Staff. CONSULTANT shall furnish the C/CAG Staff with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending the CONSULTANT's coverage to include the contractual liability assumed by CONSULTANT pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to

C/CAG of any pending change in the limits of liability or of non-renewal, cancellation, or modification of the policy.

Workers' Compensation and Employer Liability Insurance: the CONSULTANT shall have in effect, during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage.

Liability Insurance: CONSULTANT shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect CONSULTANT, its employees, officers and agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all operations under this Agreement, whether such operations be by CONSULTANT or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than \$1,000,000 unless another amount is specified below and shows approval by C/CAG Staff.

Professional Liability/Errors and Omissions Insurance: CONSULTANT shall take out and maintain during the life of this Agreement such Professional Liability/Errors and Omissions Insurance as shall protect CONSULTANT, its employees, officers, and agents while performing work covered by this agreement from any and all claims from any party, including C/CAG or any of its member agencies, for damages resulting from any negligent or wrongful act, error or omission by CONSULTANT. Such policy shall be in an amount and in a form reasonably satisfactory to C/CAG

Required insurance shall include:

| | | Required Amount | Approval by C/CAG Staff if Under \$1,000,000 |
|----|-------------------------------------------|-----------------|----------------------------------------------|
| a. | Comprehensive General Liability | \$ 1,000,000 | |
| b. | Workers' Compensation | \$ Statutory | |
| c. | Errors & Omissions/Professional Liability | \$1,000,000 | |

C/CAG and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to C/CAG, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if C/CAG, or its officers and employees have other insurance

against a loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the C/CAG Chairperson, at his/her option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

8. Non-discrimination. CONSULTANT and its subcontractors performing the services on behalf of the CONSULTANT shall not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.
9. Accessibility of Services to Disabled Persons. CONSULTANT, not C/CAG, shall be responsible for compliance with all applicable requirements regarding services to disabled persons, including any requirements of Section 504 of the Rehabilitation Act of 1973.
10. Substitutions: If particular people are identified in Exhibit A as working on this Agreement, CONSULTANT will not assign others to work in their place without written permission from C/CAG. Any substitution shall be with a person of commensurate experience and knowledge.
11. Sole Property of C/CAG: Any system or documents developed, produced or provided under this Agreement shall become the sole property of C/CAG.
12. Agreement Renewal. This Agreement may be renewed only as specified in Exhibit A.
13. Access to Records. C/CAG, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of CONSULTANT which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions. CONSULTANT shall maintain all required records for three years after C/CAG makes final payments and all other pending matters are closed.
14. Merger Clause. This Agreement, including Exhibit A attached hereto and incorporated herein by reference, constitutes the sole agreement of the parties hereto with regard to the matters covered in this Agreement, and correctly states the rights, duties and obligations of each party as of the document's date. Any prior agreement, promises, negotiations or representations between the parties not

expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the C/CAG Chairperson. In the event of a conflict between the terms, conditions or specifications set forth herein and those in Exhibit A attached hereto, the terms, conditions or specifications set forth herein shall prevail.

15. Governing Law. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California.
16. Notices. All notices hereby required under this agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid and addressed as follows:

City/County Association of Governments of San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063
Attention: Matthew Fabry

Notices required to be given to contractor shall be addressed as follows:

SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534
Attention: John Bliss

IN WITNESS WHEREOF, the parties hereto have affixed their hands on the day and year first above written.

CONSULTANT

By _____ Date _____

By _____
CONSULTANT Legal Counsel

City/County Association of Governments (C/CAG)

By _____ Date _____
Bob Grassilli
C/CAG Chair

By _____
John Nibbelin, C/CAG Legal Counsel

EXHIBIT A
SCOPE OF WORK
AND
BUDGET

SCOPE OF WORK

The Scope of Work for this project is broken into three distinct phases. Phase 1 includes CONSULTANT tasks one through three (evaluation of existing and future costs, evaluation of existing and potential funding sources, and opinion research gauging public support for a proposed funding initiative), Phase 2 includes CONSULTANT task four (developing a revenue report), and Phase 3 includes CONSULTANT tasks five and six (assisting with implementation of a funding initiative and providing public education and community engagement efforts). Upon execution of this agreement, CONSULTANT is authorized to provide services under Phase 1 only and is not authorized to proceed with providing services under Phases 2 or 3 without receiving written Notice(s) to Proceed from C/CAG's Executive Director. C/CAG will not pay for services provided under Phases 2 and 3 unless and until said Notice(s) to Proceed has been issued. In addition, given that the Scope of Work will be spread over multiple fiscal years, payment for services rendered in future fiscal years is contingent upon approval of sufficient funds in the annual C/CAG Budget. Should insufficient funds be authorized, C/CAG reserves the right to terminate the agreement consistent with Provision 5.

WORK PLAN and BUDGET

See Attachment 1 – Work Plan by Task

PHASE I

Task 1 - Background Analysis and Research

- a. At the outset of the project, CONSULTANT shall conduct a kick-off meeting with the project team. The meeting will be used to clarify the project objectives, review potential revenue alternatives, discuss the proposed timeline, and establish a detailed work plan for the project.
- b. CONSULTANT shall collect and analyze background and reference information for the Program and C/CAG member agencies (permittees), including expenditures, sources of funding and past and current MRP and NPDES requirements. This analysis shall include a review of the program and permittee expenditures for the existing permit term and identify the existing expenditures by fiscal year, program element and funding source(s).
- c. CONSULTANT will conduct preliminary outreach to stakeholders and key media contacts to develop understanding for the need for the proposed clean water services and investments and to solicit input that may help modify the proposals to more closely align with key stakeholder desires.

Task 1 Deliverables:

- Deliverable 1.a: Initial kickoff meeting with project team
- Deliverable 1.b: Meetings and outreach with stakeholders
- Deliverable 1.c: Memorandum summarizing background analysis work performed and presenting a project timeline

Task 1.1 - Analysis of Future Program Cost and Funding

- a. CONSULTANT shall conduct a review and analysis of projected future stormwater program annual costs, including future stormwater permit compliance costs, for both the Program and permittees. This shall include review of Program and member agency budget spreadsheets and other pertinent information and meetings with Program staff and each member agency for interviews and discussion of staffing and methods of implementing compliance activities.
- b. CONSULTANT shall include an estimate of the total costs required to implement the MRP by the Program and permittees over the remaining permit term. To the extent requested by the C/CAG, the analysis may include a quantitative estimate of existing resources vs. projected needs and a detailed breakdown of expected funding gaps.

Task 1.1 deliverables:

- Deliverable 1.1.a: Meetings with Program staff and each C/CAG member agency who is a permittee under the Municipal Regional Permit.
- Deliverable 1.1.b: Summary report of estimated future program costs for both the Program and permittees.

Task 2 - Potential Funding Sources Analysis and Recommendations

- a. CONSULTANT shall evaluate a variety of potential additional funding mechanisms including special taxes, user taxes, transient occupancy taxes, sales taxes, balloted property-related-fees, benefit assessments, regulatory fees including SB 310-compliant

regulatory fees, new development fees and taxes and other non-balloted fees and revenues. CONSULTANT shall evaluate each potential source for important attributes such as political viability, legal rigor, reliability, legislative factors, costs of implementation and maintenance, future reliability, timeline and compatibility with other funding mechanisms. CONSULTANT shall also evaluate potential incentive mechanisms for encouraging on-site stormwater management efforts.

- b. CONSULTANT shall also estimate the revenue potential and the estimated implementation cost of the most viable options determined by CONSULTANT.
- c. CONSULTANT shall review and discuss findings and recommendations with C/CAG and Program.
- d. CONSULTANT shall prepare a report on potential funding sources and recommendations.

Task 2 deliverables:

- Deliverable 2.a: Draft memorandum on the funding sources and recommendations
- Deliverable 2.b: Final memorandum on the funding sources and recommendations

Task 3 - Opinion Research and Survey

- a. CONSULTANT shall design and implement a 15 minute baseline phone survey among 800 likely voters and property owners for both property-related fee and special tax scenarios to determine if it is feasible to move forward, and if so, provide guidance as to how best to package a measure for success. Program staff shall review and approve the survey language prior to commencement of the survey interviews.
- b. CONSULTANT shall, at the direction of Program staff, conduct a total of 22,000 surveys developed especially for this project and mailed to residential property owners, business owners, apartment owners and owners of other types of property.
- c. CONSULTANT shall analyze returned survey results in conjunction with the findings from the baseline phone survey.
- d. At the conclusion of the survey results analysis, CONSULTANT shall prepare a report that summarizes the findings from the opinion research and surveys and incorporates findings from Tasks 1 and 2 to make strategic recommendations.
- e. In parallel and in conjunction with the opinion research work, CONSULTANT will conduct preliminary outreach to stakeholders and key media contacts to develop understanding of the proposed clean water services and investments and to solicit input that may help modify the proposals to more closely align with key stakeholder desires.

Task 3 Deliverables:

- Deliverable 3.a: 800 completed phone survey interviews.
- Deliverable 3.b: Topline report of phone survey findings.
- Deliverable 3.c: Mailed survey instruments mailed to at least 22,000 property owners and/or voters
- Deliverable 3.d: Report of phone and mail survey findings with recommendations
- Deliverable 3.e: Outreach and meetings with stakeholders

PHASE II

Task 4 - Report and Action Plan

- a. CONSULTANT shall, at the direction of C/CAG, work with C/CAG and Program staff to develop the specific plan for the proposed revenue measure. The work scope may include meetings with municipalities and stakeholders to develop consensus or understanding for the plan.
- b. After the proposed plan is finalized, CONSULTANT shall prepare a draft engineer's report for the proposed clean water and pollution reduction services and improvements to be funded. The report will include a detailed description of the services and improvements to be funded by the proposed fees, plans for the services and programs, future capital and facility improvement needs, the rationale used for the fee apportionment, the method of fee apportionment (likely to include impervious area and pollutant loads), calculation of the specific proposed fee amount for each parcel in the Program, a diagram, and other elements. The report will also include provisions to incentivize on-site water pollution abatement that will likely incorporate multiple components that cover public infrastructure impacts (off-site) and private parcel impacts (on-site). The report will also cover assistance methods to all property types with special attention to schools, hospitals, nonprofits and government properties to help implement clean water management practices. Additionally the report will include legal considerations and issues for the fee methodology and alternative revenue enhancement options.
- a. After review and comments by and from C/CAG and Program, CONSULTANT shall prepare a final engineer's report.

Task 4 deliverables:

- Deliverable 4.a: Meetings with stakeholders.
- Deliverable 4.b: Draft engineer's report
- Deliverable 4.c: Final engineer's report

PHASE III

Task 5 - Implementation of Funding Initiative

- a. CONSULTANT shall, at the direction of C/CAG, and consistent with the recommended funding option from Task 4, prepare the notices for the public hearing and protests. Drafts shall be reviewed with C/CAG and Program staff and legal counsel. Comments and suggestions shall be incorporated, as appropriate into the final documents.
- b. CONSULTANT shall print and mail the protest hearing notices to property owners in San Mateo County.
- c. CONSULTANT shall assist with the protest hearing.
- d. After the protest hearing, CONSULTANT shall, at the direction of C/CAG, prepare draft ballot documents and supporting materials. Drafts shall be reviewed with C/CAG and Program staff and legal counsel. Comments and suggestions shall be incorporated, as appropriate into the final ballot documents.
- e. CONSULTANT shall assist C/CAG with resolutions and other support documents

- and training
- f. CONSULTANT shall print and mail the ballot proceeding documents to property owners in San Mateo County.
 - g. CONSULTANT shall assist with the balloting.
 - h. CONSULTANT’S subcontractor, C.G. Uhlenberg, an independent, professional accounting and auditing firm located in San Mateo County, shall receive the ballots and shall tabulate the ballots at the conclusion of the balloting period.

Task 5 Deliverables:

- Deliverable 5.a: Protest hearing notice mailed to all affected property owners
- Deliverable 5.b: Notice and ballot mailed to all affected property owners
- Deliverable 5.c: Tabulation of all returned ballots including a report of the tabulation results

Task 6 - Public Education and Outreach

- a. CONSULTANT shall develop a plan to efficiently and effectively deliver essential key messages to appropriate San Mateo stakeholder audiences which will raise awareness among Program voters and/or owners of the need to increase funding for stormwater programs and the plan to address those needs. CONSULTANT shall also implement a strategy to engage key stakeholders early and identify any potential conflicts or hurdles that can be addressed in the early phases of the funding initiative process.

Task 6 Deliverables:

- Deliverable 6.a: Informational brochure, fact sheet, question and answer document
- Deliverable 6.b: Meetings and other forms of communication with stakeholders
- Deliverable 6.c: Public education and outreach plan.

Budget

Stormwater Quality Funding Initiative
Project Budget by Task

| | | |
|----------|----|---------|
| Task 1 | \$ | 46,690 |
| Task 1.1 | \$ | 70,724 |
| Task 2 | \$ | 32,600 |
| Task 3.1 | \$ | 40,642 |
| Task 3.2 | \$ | 71,134 |
| Task 4 | \$ | 86,543 |
| Task 5 | \$ | 391,466 |
| Task 6 | \$ | 240,582 |
| | \$ | 980,381 |

C/CAG AGENDA REPORT

Date: December 13, 2012
TO: C/CAG Board of Directors
From: Sandy Wong - Deputy Director - C/CAG
Subject: Review and approval of AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012

(For further information or response to questions, contact Sandy Wong at 650 599-1420)

Recommendation:

Review and approval of AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

Fiscal Impact:

None.

Revenue Source:

Dedicated Motor Vehicle Fee.

Background/ Discussion:

A separate independent audit was performed on the AB 1546 Fund for the year ended June 30, 2012. No issues were identified that required correction. The complete audit is provided in the packet separately.

Attachments:

AB 1546 Statement of Net Assets and Governmental Fund Balance Sheet

AB 1546 Fund Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012 - Provided to board members and alternate members separately

Alternatives:

- 1- Review and approval of AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

ITEM 5.4

- 2- Review and approval of AB 1546 Fund Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation with modifications.
- 3- No Action.

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

AB 1546 FUND
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2012

| | AB 1546 Fund | Adjustments | Statement of Net Assets |
|-------------------------------------------|---------------------|--------------------|----------------------------|
| Assets: | | | |
| Cash and investments | \$ 6,231,623 | \$ - | \$ 6,231,623 |
| Accounts receivable | 256,048 | - | 256,048 |
| Total Assets | \$ 6,487,671 | - | 6,487,671 |
| Liabilities and Fund Balance: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 120,938 | - | 120,938 |
| Total Liabilities | 120,938 | - | 120,938 |
| Fund Balance: | | | |
| Restricted for AB 1546 | 6,366,733 | (6,366,733) | - |
| Total Fund Balance | 6,366,733 | (6,366,733) | - |
| Total Liabilities and Fund Balance | \$ 6,487,671 | | |
| Net Assets: | | | |
| Restricted for AB 1546 | | 6,366,733 | 6,366,733 |
| Total Net Assets | | \$ - | \$ 6,366,733 |

See Independent Auditors' Report and Notes to Financial Statements

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

AB 1546 FUND
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2012

| | AB 1546 Fund | Adjustments | Statement of Activities |
|--------------------------------------------------------------|---------------------|-------------|----------------------------|
| Revenues: | | | |
| From other agencies | \$ 2,732,080 | \$ - | \$ 2,732,080 |
| Investment income | 27,812 | - | 27,812 |
| Total Revenues | 2,759,892 | - | 2,759,892 |
| Expenditures: | | | |
| Professional services | 338,618 | - | 338,618 |
| Administrative services | 30,725 | - | 30,725 |
| Distributions | 1,399,342 | - | 1,399,342 |
| Employee retirement benefit | 21,996 | - | 21,996 |
| Total Expenditures | 1,790,681 | - | 1,790,681 |
| Excess (Deficiency) of Revenues Over (under) Expenditures | 969,211 | - | 969,211 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 550,000 | - | 550,000 |
| Transfers out | (510,453) | - | (510,453) |
| Total Other Financing Sources (Uses) | 39,547 | - | 39,547 |
| Net Change in Fund Balance/Net Assets | 1,008,758 | - | 1,008,758 |
| Fund Balance/Net Assets at Beginning of Year | 5,357,975 | - | 5,357,975 |
| Fund Balance/Net Assets at End of Year | \$ 6,366,733 | \$ - | \$ 6,366,733 |

See Independent Auditors' Report and Notes to Financial Statements

AB 1546 Fund Financial Statements (Audit) for the
Year Ended June 30, 2012 - Provided separately

C/CAG AGENDA REPORT

Date: December 13, 2012
TO: C/CAG Board of Directors
From: Sandy Wong - Deputy Director - C/CAG
Subject: Review and approval of Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the Year Ended June 30, 2012

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

Recommendation:

Review and approval of Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

Fiscal Impact:

None.

Revenue Source:

\$1 Motor Vehicle Fee (Statewide) for the Abandoned Vehicle Abatement Program.

Background/ Discussion:

A separate independent audit was performed on the Abandoned Vehicle Abatement Fund for the year ended June 30, 2012. No issues were identified that required correction. The complete audit is provided in the packet separately.

Attachments:

Abandoned Vehicle Abatement Fund Statement of Net Assets and Governmental Fund Balance Sheet

Abandoned Vehicle Abatement Fund Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the Year Ended June 30, 2012 - Provided to board members and alternate members separately

Alternatives:

- 1- Review and approval of Abandoned Vehicle Abatement Fund Financial Statements

ITEM 5.5

(Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

- 2- Review and approval of Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation with modifications.
- 3- No Action.

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

ABANDONED VEHICLE ABATEMENT FUND
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2012

| | Abandoned Vehicle Abatement Fund | Adjustments | Statement of Net Assets |
|--------------------------------------------|----------------------------------------|------------------|----------------------------|
| Assets: | | | |
| Cash and investments | \$ 615,228 | \$ - | \$ 615,228 |
| Accounts receivable | 180,000 | - | 180,000 |
| Total Assets | \$ 795,228 | - | 795,228 |
| Liabilities: | | | |
| Accounts payable | \$ 175,694 | - | 175,694 |
| Total Liabilities | 175,694 | - | 175,694 |
| Fund Balance: | | | |
| Restricted for abandoned vehicle abatement | 619,534 | (619,534) | - |
| Total Fund Balance | 619,534 | (619,534) | - |
| Total Liabilities and Fund Balance | \$ 795,228 | (619,534) | - |
| Net Assets: | | | |
| Restricted for abandoned vehicle abatement | | 619,534 | 619,534 |
| Total Net Assets | | \$ - | \$ 619,534 |

See Independent Auditors' Report and Notes to Financial Statements

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

ABANDONED VEHICLE ABATEMENT FUND
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2012

| | Abandoned Vehicle Abatement Fund | Adjustments | Statement of Activities |
|-----------------------------------------------|----------------------------------------|-------------|----------------------------|
| Revenues: | | | |
| Abandoned vehicle program | \$ 679,764 | \$ - | \$ 679,764 |
| Investment income | 2,759 | - | 2,759 |
| Total Revenues | 682,523 | - | 682,523 |
| Expenditures: | | | |
| Distributions | 682,119 | - | 682,119 |
| Total Expenditures | 682,119 | - | 682,119 |
| Net Change in Fund Balance | 404 | - | 404 |
| Fund Balance/Net Assets at Beginning of Year | 619,130 | - | 619,130 |
| Fund Balance/Net Assets at End of Year | \$ 619,534 | \$ - | \$ 619,534 |

See Independent Auditors' Report and Notes to Financial Statements

Abandoned Vehicle Abatement Fund Financial Statements (Audit) for the
Year Ended June 30, 2012 - Provided separately

C/CAG AGENDA REPORT

Date: December 13, 2012
TO: C/CAG Board of Directors
From: Sandy Wong - Deputy Director - C/CAG
Subject: Review and approval of the C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

Recommendation:

Review and accept the C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

Fiscal Impact:

None.

Revenue Source:

Member assessments, parcel fee, motor vehicle fee (AVA/ TFCA/ AB1546) and State/ Federal Transportation Funds.

Background/ Discussion:

An independent audit was performed on C/CAG for the year ended June 30, 2012. No issues were identified that required correction. Management's Discussion and Analysis is attached and included in the audit. The complete audit is provided in the packet separately.

Attachments:

Management's Discussion and Analysis for the Basic Financial Statements (Audit) for the Year Ended June 30, 2012

C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012 - Provided to Board members and alternate members separately

Alternatives:

- 1- Review and approval of the C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation.

- 2- Review and approval of the C/CAG Basic Financial Statements (Audit) for the Year Ended June 30, 2012 in accordance with the staff recommendation with modifications.
- 3- No Action.

Management's Discussion and Analysis for the Basic Financial Statements (Audit) for the
Year Ended June 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The information presented in the "Management's Discussion and Analysis" is intended to be a narrative overview of the City/County Association of Governments of San Mateo County (C/CAG) financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the accompanying financial statements, notes, supplementary and statistical information located herein.

In June 1999, the Governmental Accounting Standards Board (GASB), which sets the financial reporting rules, "Generally Accepted Accounting Principles" (GAAP) for all State and Local Governments, established a new framework for financial reporting. This new framework represents the biggest single change in the history of governmental accounting. These changes, which are collectively known as *GASB Statement #34: Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, were required to be implemented by June 30, 2003.

The changes to the financial statements in the Government-wide section now provide reporting that is similar to private sector companies by showing financial statements with a "Net Assets" bottom line approach. However, government agencies are mandated to account for certain resources and activities separately, thereby necessitating a fund-by-fund financial format as shown in the Fund Financial Statements section. The presentation of these two different types of statements together in one report requires the inclusion of two reconciliations to better assist the reader.

FINANCIAL STATEMENT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the C/CAG Annual Financial Report. The C/CAG basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements.

Government-wide Financial Statements: The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the C/CAG finances. These statements include *all* assets and liabilities, using the full *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All revenues and expenses related to the current fiscal year are included regardless of when the funds are received or paid.

- The *Statement of Net Assets* presents all of the C/CAG assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator to determine whether the financial position of the Agency is improving or deteriorating.
- The *Statement of Activities* presents information showing how the C/CAG net assets changed during the fiscal year. All changes in net assets (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g., uncollected tax revenues, and accrued but unpaid interest expenses).

C/CAG Basic Financial Statements (Audit) for the
Year Ended June 30, 2009 - Provided separately

C/CAG AGENDA REPORT

Date: December 13, 2012
To: City/County Association of Governments Board of Directors
From: Sandy Wong, Deputy Director - C/CAG
Subject: Review and approval of Resolution 12-74 adopting the FY 12-13 C/CAG Investment Policy

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION:

Review and approval of Resolution 12-74 adopting the FY 12-13 C/CAG Investment Policy in accordance with the Staff recommendation.

FISCAL IMPACT:

Minimal. Will potentially reduce the return on investments while reducing or eliminating the potential for loss of principal.

SOURCE OF FUNDS:

The Investment Policy applies to all C/CAG funds held by the C/CAG Financial Agent (City of San Carlos).

BACKGROUND/DISCUSSION:

The C/CAG Board adopted a revised Investment Policy in September 2011 for fiscal year 2011-12. The Investment Policy must annually be adopted by resolution. There are no proposed changes to the C/CAG Investment Policy.

ATTACHMENTS:

1. Resolution 12-74
2. C/CAG Investment Policy for FY 2012-13

RESOLUTION NO. 12-74

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/ COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
ADOPTING THE FY 12-13 C/CAG INVESTMENT POLICY**

WHEREAS, the City of San Carlos is the Financial Agent for C/CAG; and

WHEREAS, the City of San Carlos invests the C/CAG funds under its control; and

WHEREAS, it is important for the C/CAG Board to provide clear Investment Policy direction

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the attached FY 12-13 C/CAG Investment Policy is approved and adopted.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER, 2012.

Bob Grassilli, Chair

CITY AND COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY INVESTMENT POLICY

December 2012

POLICY

The investment of the funds of the City and County Association of Governments (C/CAG) is directed to the goals of safety, liquidity and yield. This Investment Policy incorporates the policies defined by the certified investment policy standards recommended by the Association of Public Treasurers. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659. C/CAG's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The three objectives, in priority order, of the investment policy of the City and County Association of Governments are:

- 1- SAFETY OF PRINCIPLE - The primary objective of the investment policy of the City and County Association of Governments is SAFETY OF PRINCIPAL. Investments shall be placed in those securities as outlined by type and maturity sector in this document to achieve this objective. The portfolio should be analyzed not less than quarterly by the C/CAG Investment Committee and modified as appropriate periodically to respond to changing circumstances in order to achieve the Safety of Principle.
- 2- LIQUIDITY TO MEET NEEDS - Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The portfolio should have adequate liquidity to meet the immediate and short term needs.
- 3- RETURN ON INVESTMENT - A reasonable return on investment should be pursued. Safety of Principle should not be reduced in order to achieve higher yield.

Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give C/CAG the optimum combination of Safety of Principle, necessary liquidity, and optimal yield based on cash flow projections.

SCOPE

The investment policy applies to all financial assets of the City and County Association of Governments. Policy statements outlined in this document focus on C/CAG's pooled funds.

PRUDENCE

The standard to be used by investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

It is C/CAG's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

Individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations to C/CAG's Fiscal Agent as necessary for changes to the portfolio. It is intended that the committee membership include financial expertise. Until the C/CAG Investment Advisory Committee is formed and operating the C/CAG Fiscal Agent Investment Committee will make the C/CAG investment decisions. For the purposes of reference this document will refer to the appropriate Committee as the C/CAG Investment Committee.

OBJECTIVES

Safety of Principal

Safety of principal is the foremost objective of the City and County Association of Governments. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. C/CAG shall seek to preserve principal by mitigating the three types of risk: credit risk, market risk and interest rate risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm C/CAG's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of C/CAG's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

Interest rate risk, defined as pursuing higher yields at the cost of increasing the risk of loss of principal, shall be mitigated by accepting a lower return with increased safety of principle, by investing in investment grade securities, and by diversifying the investment.

Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that C/CAG's investment portfolio will remain sufficiently liquid to enable C/CAG to meet all reasonably anticipated operating requirements. The C/CAG Executive Director will provide a projected cash flow schedule in consultation with the C/CAG Chair and the C/CAG Investment Committee Chair.

MATURITY MATRIX

Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. The weighted average maturity of the pooled portfolio should not exceed two years and the following percentages of the portfolio should be invested in the following maturity sectors:

| Maturity Range | Suggested Percentage |
|----------------------|----------------------|
| 1 day to 7 days | 10 to 50% |
| 7 days to 180 | 10 to 30% |
| 180 days to 360 days | 10 to 30% |
| 1 year to 2 years | 10 to 20% |
| 2 years to 3 years | 0 to 20% |
| 3 years to 4 years | 0 to 20% |
| 4 years to 5 years | 0 to 20% |

No more than 30% of the portfolio shall have a maturity of 2-5 years.

PERFORMANCE EVALUATION

Day to day management of C/CAG's portfolio is conducted by the C/CAG Fiscal Agent Finance Officer. Investment performance is monitored and provided to the C/CAG Investment Committee and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the C/CAG Investment Committee, and to the C/CAG Board. Annually, a statement of investment policy, and any proposed changes to the policy, will be rendered to the C/CAG Investment Committee and to the C/CAG Board for consideration at a public meeting.

C/CAG's investment portfolio is designed to at least attain a market average rate of return through economic cycles. The market average rate of return is defined as average return on the Local Agency Investment Fund (assuming the State does not adversely affect LAIF's returns due to budget constraints).

DELEGATION OF AUTHORITY

The Joint Powers Authority Agreement of the City and County Association of Governments of San Mateo County and the authority granted by the C 5 7 .G Board, assign the responsibility of investing

unexpended cash to the Administrative Services Director. Daily management responsibility of the investment program may be delegated to the Finance Officer, who shall establish procedures for the operation consistent with this investment policy. For the longer term investments the C/CAG Fiscal Agent shall invest in accordance with the directions provided by the C/CAG Investment Committee.

C/CAG INVESTMENT ADVISORY COMMITTEE

C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations as necessary for changes to the portfolio. The committee should include the C/CAG Chair or designee, and four public members with a financial background. Recommendations from the Committee should be unanimous. Quarterly Reports on the portfolio performance and the make-up of the County Pool and the Local Agency Investment Fund (LAIF) will be provided to the Committee. The Committee will consider input from the C/CAG Fiscal Agent and C/CAG staff in making their recommendations to the C/CAG Board. When formed and operating this Committee is referenced in this document as the C/CAG Investment Committee.

FISCAL AGENT INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, City Manager, Assistant City Manager, and Administrative Services Director shall be established to provide general oversight and direction concerning the policy related to management of C/CAG's investment pool. The Finance Officer shall not be a member of the committee but shall serve in a staff and advisory capacity. The committee shall review and approve quarterly investment reports prepared by the Finance Department and reviewed by the Finance Officer or meet as necessary to discuss changes to the report or the investment strategy. The Investment Committee serving as the legislative body of the Investment Policy will have the quarterly reports for their review within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code.

Only in the absence of the C/CAG Investment Advisory Committee will the Fiscal Agent (City of San Carlos) Investment Committee make the C/CAG investment decisions. When operating in accordance with this document this Committee is referenced in this document as the C/CAG Investment Committee.

ETHICS AND CONFLICTS OF INTEREST

The C/CAG Investment Advisory Committee, Officers, and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the Administrative Services Director, the Finance Officer, and members of the C/CAG Investment Advisory Committee are required to annually file applicable financial disclosures (Form 700 etc.) as required by the Fair Political Practices Commission (FPPC).

SAFEKEEPING OF SECURITIES

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by C/CAG shall be held in safekeeping by a third party bank trust department, acting as agent for C/CAG under the terms of a custody agreement. All trades executed by a dealer will settle delivery versus payment (DVP) through C/CAG's safekeeping agent.

A receipt shall be provided for securities held in custody for C/CAG and shall be monitored by the Administrative Services Director to verify investment holdings.

INTERNAL CONTROL

Separation of functions between the Administrative Services Director or Finance Officer and/or the Senior Accountant is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions made by the C/CAG Investment Committee are executed by the Administrative Services Director or Finance Officer and confirmed by the Senior Accountant. All wire transfers initiated by the Administrative Services Director or Finance Officer must be reconfirmed by the appropriate financial institution by the Senior Accountant. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Senior Accountant on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the Agency's cash and investments that have a material impact on the financial statements. The Administrative Services Director and/or C/CAG Investment Committee shall review and assure compliance with investment process and procedures.

REPORTING

The Administrative Services Director shall review and render quarterly reports to the C/CAG Investment Committee and to the C/CAG Board which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the C/CAG Investment Committee within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code. Once approved by the C/CAG Investment Committee, the quarterly reports shall be placed on C/CAG's meeting agenda for its review and approval no later than 75 days after the quarter ends.

QUALIFIED BROKER/DEALERS

C/CAG shall transact business only with banks, savings[§] and loans, and with broker/dealers registered with the State of California or the Securities and Exchange Committee. The broker/dealers should be primary or regional dealers. The Administrative Services Director will maintain a list of approved dealers. Investm 5 9 staff shall investigate dealers wishing to do

business with C/CAG's staff to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to C/CAG's needs. The Investment staff shall recommend additions to the approved dealer list to the C/CAG Investment Committee for approval.

The Administrative Services Director or Finance Officer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with C/CAG. Confirmation of receipt of this policy shall be considered evidence that the dealer understands C/CAG's investment policies and intends to sell C/CAG only appropriate investments authorized by this investment policy.

COLLATERAL REQUIREMENTS

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest. Collaterals should be held by an independent third party. Collaterals should be required for investments in CDs in excess of FDIC insured amounts.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

AUTHORIZED INVESTMENTS

Investment of C/CAG's funds is governed by the California Government Code Sections 53600 et seq. The level of investment in all areas will be reviewed by the C/CAG Investment Committee. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). Investments in these agencies shall be no more than 20% of the portfolio. It should be reviewed quarterly by the C/CAG Investment Committee, although a five-year maturity limitation is applicable.

Investments detailed in items 3 through 9 are further restricted to a percentage of the cost value of the portfolio in any single issuer name to a maximum of 5%. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. Again, a five-year maximum maturity limitation is applicable **60** less further restricted by this policy.

3. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 30% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
4. Commercial paper ranked P1 by Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its' long term debentures as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
5. Negotiable Certificates of Deposit issued by nationally or state chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio with a one year maturity and 20 % with a one to five year maturity.. A maturity limitation of five years is applicable and no more than 5% of the portfolio to any one corporate borrower.

Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments.

6. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio with a one year maturity and 20 % with a one to five year maturity may be invested in this investment type and no more than 5% of the portfolio to any one corporate borrower.
7. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated AA or better by Moody's or Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the market value of the portfolio with a one year maturity and 20 % with a one to five year maturity and no more than 5% of the market value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the limitation. The C/CAG portfolio should not have more than 5% of its investment portfolio (cumulative for all categories of investment) in any one corporate borrower.
8. Ineligible investments are those that are not described herein, including but not limited to, common stocks and long term (over five years in maturity) notes and bonds are prohibited from use in this portfolio. It is noted that special circumstances may arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be reviewed by the C/CAG Investment Advisory Committee and approved by the C/CAG Board prior to purchase.

9. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the City and County Association of Governments may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be utilized.

The following summary of maximum percentage limits, by instrument, is established for C/CAG's total pooled funds portfolio:

| <u>Investment Type</u> | <u>Percentage/Amount</u> |
|------------------------------------|--------------------------|
| Repurchase Agreements | Not Allowed |
| Local Agency Investment Fund | \$10,000,000 per account |
| San Mateo County Investment Pool | \$10,000,000 per account |
| US Treasury Bonds/Notes/Bills | 0 to 100% |
| US Government Agency Obligations | 0 to 20% |
| Bankers' Acceptances | 0 to 30% |
| Commercial Paper | 0 to 5% |
| Negotiable Certificates of Deposit | 0 to 30% |
| Time Certificates of Deposit | 0 to 25% |
| Medium Term Corporate Notes | 0 to 5% |
| Reverse Repurchase Agreements | 0% |

DERIVATIVE INVESTMENTS

Derivatives are investments whose value is "derived" from a benchmark or index. That benchmark can be almost any financial measure from interest rates to commodity and stock prices. The Joint Powers Authority will not invest directly in derivative investments. However, derivative investments could be made by the San Mateo County Pool or the Local Agency Investment Fund (LAIF) in which C/CAG invests. Therefore, the C/CAG Investment Advisory Committee may limit or prohibit how much is invested in the pools. Securities or investments classified as derivatives must be issued by an agency or entity authorized by this policy.

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into the City and County Association of Governments' Investment Policy and supersede any and all previous applicable language.

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly based on statements received from LAIF, the San Mateo County Pool, and the Safekeeper.

LIMITING MARKET VALUE EROSION

The longer the maturity of securities, the greater their market price volatility. Therefore, it is the general policy of C/CAG to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in C/CAG's best interest to sell or trade a security prior to maturity.

PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by use of the following strategies:

Active Portfolio Management. Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

Portfolio Maturity Management. When structuring the maturity composition of the portfolio, C/CAG shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

Security Swaps. C/CAG may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in C/CAG's permanent investment file documents. No swap may be entered into without the approval of the C/CAG Investment Advisory Committee and the C/CAG Board.

Competitive Bidding. It is the policy of C/CAG to require competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non-"new issue" securities and the sale of all securities at least three bidders must be contacted. Competitive bidding for security swaps is also suggested, however, it is understood that certain time constraints and broker portfolio limitations exist which would not accommodate the competitive bidding process. If a time or portfolio constraining condition exists, the pricing of the swap should be verified to current market conditions and documented for auditing purposes.

POLICY REVIEW

The City and County Association of Governments' investment policy shall be adopted by resolution of the C/CAG Board on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. The Investment Policy, including any amendments to the policy shall be forwarded to the C/CAG Board for approval.

Glossary of Terms

Accrued Interest- Interest earned but not yet received.

Active Deposits- Funds which are immediately required for disbursement.

Amortization- An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asked Price- The price a broker dealer offers to sell securities.

Basis Point- One basis point is one hundredth of one percent (.01).

Bid Price- The price a broker dealer offers to purchase securities.

Bond- A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap - Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Book Entry Securities - Securities, such as stocks held in "street name," that are recorded in a customer's account, but are not accompanied by a certificate. The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. All the large New York City banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the use of automated telecommunications and the "book-entry" custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Bearer and Registered Bonds - In the past, bearer and registered bonds were issued in paper form. Those still outstanding may be exchanged at any Federal Reserve Bank or branch for an equal amount of any authorized denomination of the same issue. Outstanding bearer bonds are interchangeable with registered bonds and bonds in "book-entry" form. That is, the latter exist as computer entries only and no paper securities are issued. New bearer and registered bonds are no longer being issued. Since August 1986, the Treasury's new issues of marketable notes and bonds are available in book-entry form only. All Treasury bills and more than 90% of all other marketable securities are now in book-entry form. Book-entry obligations are transferable only pursuant to regulations prescribed by the Secretary of the Treasury.

Book Value- The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit- A deposit insured up to \$100,000 by the FDIC at a set rate for a specified period of time.

Collateral- Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Constant Maturity Treasury (CMT)- An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon- The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

County Pool- County of San Mateo managed investment pool.

Credit Analysis- A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield- The interest paid on an investment expressed as a percentage of the current price of the security.

Custody- A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP)- Delivery of securities with a simultaneous exchange of money for the securities.

Discount- The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification- Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration- The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae- Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System- The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC)- Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$100,000) per account.

Fed Wire- A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Fiscal Agent - The organization that is essentially the checkbook for C/CAG funds.

Freddie Mac- Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae- Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits- Funds not immediately needed for disbursement.

Interest Rate- The annual yield earned on an investment, expressed as a percentage.

Investment Agreements- An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Local Agency Investment Fund (LAIF) - State of California managed investment pool.

Liquidity- Refers to the ability to rapidly convert an investment into cash.

Market Value- The price at which a security is trading and could presumably be purchased or sold.

Maturity- The date upon which the principal or stated value of an investment becomes due and payable.

New Issue- Term used when a security is originally "brought" to market.

Perfected Delivery- Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio- Collection of securities held by an investor.

Primary Dealer- A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date- The date in which a security is purchased for settlement on that or a later date.

Rate of Return- The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO)- A transaction where the seller (bank) agrees to buy back from the buyer (C/CAG) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO)- A transaction where the seller (C/CAG) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk- Degree of uncertainty of return on an asset.

Safekeeping- see custody.

Sallie Mae- Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market- A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date- The date on which a trade is cleared by delivery of securities against funds.

Time Deposit - A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Bills- U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

U.S. Government Agencies- Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield- The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity- The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve- The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

C/CAG AGENDA REPORT

Date: December 13, 2012
To: C/CAG Board of Directors
From: Tom Madalena
Subject: Review and approval of appointments to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms.

(For further information please contact Tom Madalena at 650-599-1460)

RECOMMENDATION

That the C/CAG Board review and approve appointments to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms.

FISCAL IMPACT

There will be no fiscal impact.

SOURCE OF FUNDS

Not applicable

BACKGROUND/DISCUSSION

Staff issued a Call for Applicants for four vacant public seats on the BPAC and broadcasted the announcement via the BPAC email distribution list as well as the C/CAG website. The Silicon Valley Bicycle Coalition also posted the announcement on their website. Staff received six applications for the four vacant seats. One of the applicants decided to withdraw her application so there are five applicants for four vacant seats. The appointments to the four vacant seats will be for two-year terms.

At the November 9, 2006 C/CAG Board meeting, the Board concluded that it was necessary to bring forward all of the applicants for vacant seats on the BPAC. The process for the BPAC appointments is to have each applicant fill out an application and then invite the applicants to the Board meeting. Each of the applicants has been invited to come before the Board and will have two minutes to speak as to why they would make a good appointment and then answer any questions that the Board may have. The BPAC has a membership policy that states that no more than two members, either elected or public, should reside in the same jurisdiction.

The four vacant seats are available due to the end of the two year term for David Alfano, Cathleen Baker, Cory Roay and Judi Mosqueda. None of the members that recently had their terms end reapplied.

Attached please find the membership application and the five applications that were received.

| <u>Applicant</u> | <u>City of Residence</u> |
|------------------|--------------------------|
| • Norm Picker | East Palo Alto |
| • Jeffrey Tong | San Bruno |
| • Aaron Faupell | Belmont |
| • Andrew Boone | East Palo Alto |
| • Erik Salander | Belmont |

ATTACHMENTS

- Bicycle and Pedestrian Advisory Committee Membership Roster 2012
- Bicycle and Pedestrian Advisory Committee Membership Application
- Five BPAC membership applications

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Bicycle and Pedestrian Advisory Committee Membership Roster 2012

| Member | City |
|------------------|---------------------|
| Matt Grocott | San Carlos |
| Naomi Patridge | Half Moon Bay |
| Karyl Matsumoto | South San Francisco |
| Ken Ibarra | San Bruno |
| Marge Colapietro | Millbrae |
| Cathy Baylock | Burlingame |
| Ian Bain | Redwood City |
| Len Stone | City of Pacifica |
| Joel Slavitt | San Carlos |
| Steve Schmidt | Menlo Park |
| Frank Markowitz | San Mateo |

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Bicycle and Pedestrian Advisory Committee Public Membership Application

Please give brief answers to the following questions to be considered for appointment to the City/County Association of Governments (C/CAG) of San Mateo County Bicycle and Pedestrian Advisory Committee (BPAC).

FOR INCUMBENTS:

1. Why do you want to be reappointed to the BPAC?
2. Do you have any suggestions for making the BPAC more effective?
3. How long have you served on the BPAC?

FOR NEW MEMBERS:

1. What expertise/experience do you have pertaining to serving on this committee?
2. Why do you want to serve on this committee?
3. What special strengths would you bring to the committee?
4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?
5. Have you ever attended a meeting of this committee? If so, when?

FOR ALL APPLICANTS:

- A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings?
- B. Are you a member of any other committees/organizations?
- C. Please mention the city in which you reside.

Applications will be reviewed and presented to the C/CAG Board for appointment to the BPAC. Please email, fax, or mail your application to Tom Madalena.

tmadalena@co.sanmateo.ca.us

650-361-8227 fax

555 County Center
5th Floor
Redwood City, CA 94063

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**Bicycle and Pedestrian Advisory Committee
Public Membership Application**

Please give brief answers to the following questions to be considered for appointment to the City/County Association of Governments (C/CAG) of San Mateo County Bicycle and Pedestrian Advisory Committee (BPAC).

FOR INCUMBENTS:

1. Why do you want to be reappointed to the BPAC?
2. Do you have any suggestions for making the BPAC more effective?
3. How long have you served on the BPAC?

FOR NEW MEMBERS:

1. What expertise/experience do you have pertaining to serving on this committee?

I have been an advocate for bike/ped issues in East Palo Alto for about 10 years. Spent many hours studying public documents related to peninsula and bay area transportation issues. Been attending meetings for several years at the Planning Dept, Public Works and Transp Commission, and City Council. Helped organize the East Palo Alto Bike Club about a year and half ago. Helped out with Bike to Work Day Energizer Station for past 2 years. Been writing to EPA council about bike/ped needs for about 10 years; provided input to Bike Plan, Bay Access Plan. I have also been providing comments on various Bay Area-wide and Peninsula plans via MTC website/questionnaires/contacts. Was a very active member of the Dumbarton Dialogue several years ago that met for many months developing a list of design guidelines/objectives that was provided to CCAG for the Gateway 2020 project design. I have recently commented on the Facebook EIR (city of Menlo Park) related to transportation issues including bicycle commuting.

2. Why do you want to serve on this committee?

I am passionate about the subject of bike/pedestrian mobility on the Peninsula. I have a special

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interest in the needs of East Palo Alto, particularly the barrier that 101 currently presents to bike and ped travel across the freeway. I would like there to be an East Palo Alto and lower county voice on the committee.

3. What special strengths would you bring to the committee?

Well educated (BS in Mechanical Engineering, Santa Clara Univ 1984); been working as an environmental, health and safety professional since 1992; been an EPA resident since 1984; raising 2 kids in EPA; spend a lot of time moving between EPA, PA, Menlo, and Redwood City on a daily basis. Very aware of the transportation challenges are region is facing. Very reasonable person. Good listener and communicator. Willing to consider all the issues and understand that consensus and compromise are vital to moving forward with transportation projects. I have a good understanding of the planning, design and construction processes involved in projects.

EPA city planner Brent Butler, EPA outgoing council member Carlos Romero and current council member Laura Martinez would all be very supportive of my involvement on the committee.

4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?

Review requests for funding and provide report to CCAG on what projects are worthy and why. Discuss other county wide bike/ped issues. Help develop/revise county-wide bike and ped master plans.

5. Have you ever attended a meeting of this committee? If so, when?

No. I have wanted to but have not.

FOR ALL APPLICANTS:

A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings?

Not typically. Occasional conflicts could come up due to family needs – wife, kids (8th and 12th grade)

B. Are you a member of any other committees/organizations?

Norm Picker

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East Palo Alto Bicycle Club

C. Please mention the city in which you reside.

East Palo Alto

Applications will be reviewed and presented to the C/CAG Board for appointment to the BPAC.
Please email, fax, or mail your application to Tom Madalena.

tmadalena@co.sanmateo.ca.us

650-361-8227 fax

555 County Center
5th Floor
Redwood City, CA 94063

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**Bicycle and Pedestrian Advisory Committee
Public Membership Application**

Please give brief answers to the following questions to be considered for appointment to the City/County Association of Governments (C/CAG) of San Mateo County Bicycle and Pedestrian Advisory Committee (BPAC).

FOR INCUMBENTS:

1. Why do you want to be reappointed to the BPAC?
2. Do you have any suggestions for making the BPAC more effective?
3. How long have you served on the BPAC?

FOR NEW MEMBERS:

1. What expertise/experience do you have pertaining to serving on this committee?
B.S. environmental planning & policy, Member of San Bruno BPAC.
2. Why do you want to serve on this committee? **Encourage environmental sustainability.**
3. What special strengths would you bring to the committee? **(1) Experience - San Bruno BPAC. (2) Credibility - <http://www.examiner.com/article/the-grand-boulevard-ideas-to-promote-bicycles-and-buses>**
4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee? **To make recommendations to C/CAG on bicycle and pedestrian projects to be funded with Transportation Development Act (TDA) funds, and to serve as a County- wide forum for information on bicycling issues for local bikeways committees.**
5. Have you ever attended a meeting of this committee? **Not yet.**

FOR ALL APPLICANTS:

- A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings? **No**
- B. Are you a member of any other committees/organizations? **San Bruno BPAC**
- C. Please mention the city in which you reside. **San Bruno**

Applications will be reviewed and presented to the C/CAG Board for appointment to the BPAC. Please email, fax, or mail your application to Tom Madalena.

Aaron Faupell

1. What expertise/experience do you have pertaining to serving on this committee?

I was previously a member of the City of Milpitas BPAC for 5 years and served as the city representative to the County of Santa Clara (VTA) BPAC for the last 3 years. I recently moved to Belmont and thus am no longer eligible to serve in Santa Clara County.

2. Why do you want to serve on this committee?

Since moving I have been looking for a way to continue my bicycle and alternative transportation advocacy efforts.

3. What special strengths would you bring to the committee?

A strong understanding of the needs of cyclists and pedestrians as well as experience with transportation agency planning and operations.

4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?

Based on my experience in Santa Clara, the role of a county BPAC is to make recommendations to the county board of supervisors regarding road, bicycle, and public transportation projects as well as funding and project ranking criteria. The BPAC can also bring up specific safety or access issues which they feel should be addressed.

5. Have you ever attended a meeting of this committee? If so, when?

I have not attended a meeting yet as I have not lived in the county very long but I plan to in the future

A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00– 9:00 p.m., do you have other commitments that will keep you from attending meetings?

No.

B. Are you a member of any other committees/organizations?

I am an SVBC member

C. Please mention the city in which you reside.

Belmont

My contact info is

Aaron Faupell

thanks for your consideration

Andrew Boone

Dear Tom Madalena and C/CAG Board Members,

I'm excited about the opportunity to apply for a position on the City/County Association of Governments of San Mateo County (C/CAG) Bicycle and Pedestrian Advisory Committee (BPAC).

1. What expertise/experience do you have pertaining to serving on this committee?

I've attended the C/CAG BPAC since February 2011 and have often made public comments to give feedback to the committee members on issues on their agenda. I first got involved because the initial draft of the *2011 San Mateo County Comprehensive Bicycle and Pedestrian Plan* excluded Middlefield Rd through North Fair Oaks as a Priority North-South route. As a cyclist who frequently uses this route, I believed it should be included since it's safer and more convenient than other routes in that area, and is already heavily used by cyclists. With the help of other bicycle advocates, I was able to convince the Department of Public Works to recommend that it be included. They had legitimate concerns with installing bicycle paths or lanes there, due to space constraints, but we were able to reach a compromise that everyone was satisfied with.

Since then, I've given input on other bicycle and pedestrian plans, including the *2011 East Palo Alto Bicycle and Pedestrian Plan*, the *2011 Palo Alto Bicycle + Pedestrian Transportation Plan*, and the *Menlo Park Downtown/El Camino Real Downtown Specific Plan*. I've used my personal experience with bicycling in these cities and knowledge of the *California Highway Design Manual (HDM)* and *California Manual on Uniform Traffic Control Devices (MUTCD)* to make recommendations that are both effective and practical.

I've also taken courses at Stanford University and San Mateo County to learn better how local governments make decisions. These courses included *Managing Local Government*, taught by San Mateo County Manager David Boesch, *Sustainable Transportation*, taught by C/CAG Transportation Planner Joseph Kott, and *San Mateo County Civics 101*, moderated by San Mateo County Communications Director Marshall Wilson.

Because I don't own a vehicle, I rely on bicycling, walking, and transit for all of my daily transportation needs. I've bicycled all over San Mateo County from Daly City and Brisbane to Menlo Park and East Palo Alto, and from Pacifica to Half Moon Bay. I regularly bicycle between San Francisco and East Palo Alto, crossing much of the urbanized area of San Mateo County. I participate in group bicycle rides that include riders of various skill levels – including beginner cyclists, college students, racers, and parents with children. This familiarity with the county's bicycle routes and practical experience with cyclists of varying skill levels has given me a unique perspective on what specific bicycle improvements would be the most beneficial to the most people.

For some trips, bicycling isn't practical so I use public transit (usually Caltrain) and then walk to my destination. I often walk one or two miles from my apartment in East Palo Alto to the Ravenswood 101 Shopping Center in East Palo Alto, or to downtown Palo Alto or Menlo Park. These routes range from very pedestrian friendly to very pedestrian un-friendly, so I'm familiar with improvements that can be made to make walking safer.

2. Why do you want to serve on this committee?

I'd like to serve on the C/CAG BPAC to share my knowledge and experience with walking and bicycling in San Mateo County so that our leaders can make more informed decisions on how to spend the limited funds available. I believe that bicycle and pedestrian improvements are wise investments that greatly improve our residents' health and safety, and our environment.

3. What special strengths would you bring to the committee?

I've worked as a professional engineer (in the wind energy industry) for six years and have developed practical organizational and teamwork skills and high level of attention to detail as a result. I'm familiar with technical writing and able to understand complex technical documents. Due to my experience assisting with the development of the East Palo Alto, Palo Alto, and Menlo Park bicycle and pedestrian plans, I'm familiar with a

Andrew Boone

wide variety of modern bicycle and pedestrian improvements and their associated costs and benefits. I've also served on the East Palo Alto Public Works and Transportation Committee, so I have experience with formal committee rules and procedures, and am familiar with reviewing transportation-related government documents.

4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?

The Bicycle and Pedestrian Advisory Committee (BPAC) makes recommendations to the C/CAG Board on bicycle and pedestrian projects that are funded by the Transportation Development Act (TDA). BPAC members should be experts on bicycle and pedestrian issues and attend local bicycle/pedestrian committees to report on decisions made by the C/CAG Board and work conducted by C/CAG staff.

5. Have you ever attended a meeting of this committee? If so, when?

Yes, I've attended several of the C/CAG BPAC meetings since February 2011.

A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings?

No, I don't have any commitments on fourth Thursdays from 7:00 – 9:00 pm.

B. Are you a member of any other committees/organizations?

Yes, I'm a member of the Silicon Valley Bicycle Coalition (SVBC) San Mateo County Committee, which advises that bicycle advocacy organization on San Maeto County bicycle issues, the San Francisco Bicycle Coalition (SFBC), and the Loma Prieta Chapter of the Sierra Club. I often attend Palo Alto Bicycle Advisory Committee (PABAC) and the Menlo Park Bicycle Commission, and served on the East Palo Alto Public Works and Transportation Commission for one year (2011 - 2012).

C. Please mention the city in which you reside.

East Palo Alto.

Thank you very much for considering my application.

Sincerely,



Andrew Boone
November 15, 2011

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**Bicycle and Pedestrian Advisory Committee Public
Membership Application**

My answers are provided in *bold italics*.

Erik

1. What expertise/experience do you have pertaining to serving on this committee?

My experience is primarily as a user, being an active bicyclist and pedestrian. I feel I have the general expertise to work in groups and utilize a group's procedures. I look forward to learning about the funding and transportation fundamentals in order to be a contributing member of the committee.

2. Why do you want to serve on this committee?

As an active bicyclist throughout the county, I've heard the complaints about bike riding safety on the area roads. I'd like to be part of the solution by providing bicycling and pedestrian input for County transportation projects.

3. What special strengths would you bring to the committee?

As an IBM retiree, I'm good at working in groups and I have time to commit to the committee.

4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?

BPAC provides advice and recommendations to the C/CAG on the bicycling and pedestrian aspects of County transportation projects.

5. Have you ever attended a meeting of this committee? *No.*

A. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings?

No other commitments at that time.

B. Are you a member of any other committees/organizations?

*President of Peninsula Velo Cycling Club (penvelo.org) for the past 3 years.
Member of the Silicon Valley Bicycle Coalition.*

C. Please mention the city in which you reside. *Belmont*

C/CAG AGENDA REPORT

Date: December 13, 2012
To: C/CAG Board of Directors
From: Sandy Wong, C/CAG Deputy Director
Subject: Receive a presentation from BAWSCA and consider approval of Resolution 12-75 in support of BAWSCA's pursuit of legislation or an administrative agreement with San Francisco to protect water users

(For further information contact Sandy Wong at 650-599-1409)

RECOMMENDATION

That the C/CAG Board of Directors receive a presentation from BAWSCA and consider approval of Resolution 12-68 in support of BAWSCA's pursuit of legislation or an administrative agreement with San Francisco to protect water users.

FISCAL IMPACT

None.

SOURCE OF FUNDS

NA.

BACKGROUND/DISCUSSION

At the October 11, 2012 C/CAG Board meeting, the Board received a presentation from Art Jensen, Chief Executive Officer of the Bay Area Water Supply and Conservation Agency (BAWSCA), regarding an initiative (San Francisco Proposition F) put forward by Restore Hetch Hetchy to drain Hetch Hetchy Reservoir. That Proposition was defeated by voters in San Francisco on November 6, 2012.

The Hetch Hetchy Reservoir provides significant water supply to San Mateo County water users. BAWSCA represents water interests of users in San Mateo County as well as Alameda and Santa Clara counties. BAWSCA is pursuing legislation to provide these water users with a vote to support or reject draining the Reservoir and if it were drained, whether the resulting water-supply reliability and water quality are acceptable and whether they are willing to pay their share of initial and on-going operating costs needed to provide alternative water storage, or alternatively, an administrative agreement with San Francisco protecting water users.

ATTACHMENTS

- Resolution 12-75
- BAWSCA' Statement About Proposal to Drain Hetch Hetchy Reservoir, September 20, 2012
- Email from Mike Marshall of Restore Hetch Hetchy to Art Jensen of BAWSCA

ITEM 6.2

RESOLUTION 12-75

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) IN SUPPORT OF BAWSCA'S PURSUIT OF LEGISLATION OR AN ADMINISTRATIVE AGREEMENT WITH SAN FRANCISCO TO PROTECT WATER USERS

WHEREAS, the City/County Association of Governments of San Mateo County (C/CAG), a Joint Powers Agency for San Mateo County, composed of the County of San Mateo and all 20 cities within the County, at a regular meeting on December 13, 2012 discussed unacceptable risks to water users in its area that could result from an initiative put before San Francisco voters this year by a group named Restore Hetch Hetchy asking San Francisco to develop plans to drain the Reservoir and restore Hetch Hetchy Valley; and

WHEREAS, the Restore Hetch Hetchy group announced on election day, November 6, 2012, following the defeat of its initiative, that "today was a beginning not an end" to its "exciting campaign" and that it will continue to pursue "restoration of Hetch Hetchy Valley," which clearly necessitates draining Hetch Hetchy Reservoir; and

WHEREAS, water users in C/CAG's area of interest must be protected from significant decisions like draining the Reservoir that could seriously affect a reliable supply of water for them; and

WHEREAS, these water users together with other customers in Alameda and Santa Clara counties use two-thirds of the water from the Reservoir and pay two-thirds of the cost of building, operating and maintaining the system by San Francisco; and

WHEREAS, the Hetch Hetchy Reservoir stores 117 billion gallons of water, which provides significant seasonal water supply and drought reliability for the region; and

WHEREAS, the health, safety and economic well-being of San Mateo County residents, businesses, and community organizations would be at serious risk, if the Hetch Hetchy Reservoir were drained without alternate storage and supply in place and supported by legally enforceable agreements addressing water rights, ownership, operating responsibilities to store the water needed by San Mateo residents and organizations, as well as others inside and outside San Francisco; and

WHEREAS, the Bay Area Water Supply and Conservation Agency (BAWSCA) is a state-authorized agency which represents water interests of users in San Mateo County, and the other two counties; and

WHEREAS, BAWSCA is pursuing legislation to provide these water users, or their representatives, with a vote to support or reject draining the Reservoir and if it were drained, whether the resulting water-supply reliability and water quality are acceptable and whether they are willing to pay their share of initial and on-going operating costs needed to provide alternative water storage, or alternatively, an administrative agreement with San Francisco protecting water users.

THEREFORE BE IT RESOLVED, that C/CAG supports BAWSCA's pursuit of legislation or an administrative agreement with San Francisco to protect water users, as identified above.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER 2012.



Bay Area Water Supply & Conservation Agency

**Statement by Arthur Jensen, Chief Executive Officer
Bay Area Water Supply and Conservation Agency (BAWSCA),
About Proposal to Drain Hetch Hetchy Reservoir**

September 20, 2012

A group named Restore Hetch Hetchy has placed an initiative before San Francisco voters this November that would require San Francisco to develop plans to drain Hetch Hetchy Reservoir and restore Hetch Hetchy Valley. Draining the Reservoir is a public-policy issue that has been debated for over 100 years.

Decisions of this significance to water users must be put before voters outside of San Francisco or their representatives, as well as voters inside San Francisco who use less than a third of the water.

The Bay Area Water Supply and Conservation Agency (BAWSCA) represents the water interests of 1.7 million residents, businesses, and community organizations in Alameda, San Mateo, and Santa Clara counties, which depend on San Francisco's Regional Water System. BAWSCA's Board of Directors comprises elected and other public officials from the 26 member agencies that serve these communities.

BAWSCA's member agencies and their customers use two-thirds of the System's water and pay two-thirds of the cost of building, operating and maintaining the System, which is operated by San Francisco.

The Tuolumne River supplies 85 percent of the water delivered by the System. Hetch Hetchy Reservoir is a vital part of the System and stores 117 billion gallons of water, providing significant seasonal water supply and drought reliability for the region. Draining the Reservoir could be a serious threat to the users who depend on it and to the California economy.

If San Francisco or any other governmental body should decide to drain Hetch Hetchy Reservoir, they must first determine how to protect the health, safety and economic well-being of the water users.

The plan to protect the customers must provide for reliable alternative water storage and a supply of high-quality water that is acceptable to those who depend on the System.

The alternate storage and supply must be supported by legally enforceable agreements addressing water rights, ownership, operating responsibilities and other critical issues. Without such issues being resolved, no alternative supply can be as reliable as the existing supply.

If a decision is made to provide alternative water storage, it must be in operation, and all agreements be fully executed, before draining the Reservoir. Otherwise, it is likely that the alternative facilities would never be completed.

BAWSCA is therefore opposed to draining the Hetch Hetchy Reservoir unless and until the voters outside San Francisco whose communities depend on the Reservoir, or their representatives, vote on whether the resulting water supply reliability and water quality are acceptable and whether they are willing to pay their share of initial and on-going operating costs needed to implement such a plan.

BAWSCA will pursue administrative or legislative action to protect the water users by securing a vote.

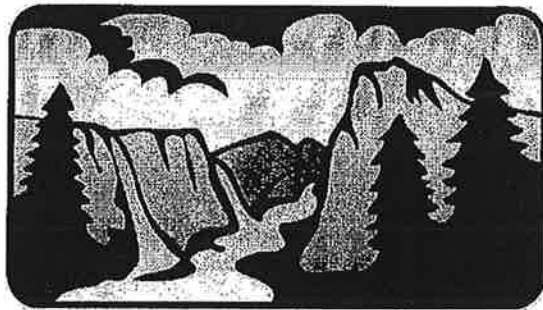
Meanwhile, any such efforts must not delay rebuilding the Bay Area's existing vulnerable water system before the next major earthquake.

###

Art Jensen

From: Mike Marshall, Restore Hetch Hetchy <mike@hetchhetchy.org>
Sent: Tuesday, November 06, 2012 11:01 PM
To: Art Jensen
Subject: Did we win or lose? You decide.

Having trouble viewing this email? [Click here](#)



RESTORE HETCH HETCHY
YOSEMITE NATIONAL PARK

Dear Art,

The good people of San Francisco have voted and the Water Conservation & Yosemite Restoration Initiative did not pass.

And yet we accomplished much of what we set out to do. For the first time ever, San Franciscans were asked to imagine a different future that would increase their water security and reverse the damage the City has done to Yosemite National Park. In response, more than 50,000 San Franciscans were inspired to vote to reform their 19th century water system so that the Hetch Hetchy Valley and the Tuolumne River can be restored.

Today's ballot initiative was just one of three strategies we are pursuing in our fight for the restoration of Hetch Hetchy Valley. Recognizing the long odds of actual electoral success, we used the initiative campaign to garner national media attention, educate San Francisco voters about the negative impact their water system has on Yosemite and to build our grassroots organization. We succeeded on all three fronts and are stronger as an organization for it.

Bottom line: today was a beginning not an end. We have no doubt that the values of sustainability and restoration will prevail. RHH will spend the next two years leveraging this new support (in tandem with our

multiple legal strategies) to advance the cause of water reform in SF and environmental restoration in Yosemite. We need you to continue to be a part of this exciting campaign.

We are deeply appreciative of the hundreds of donors and volunteers who donated their time and money to the Yosemite Restoration Campaign. In a few weeks we will share a "de-brief" memo with you that reviews the lessons learned during the Prop F campaign and the next steps we have planned.

Onwards!

Mike Marshall
Executive Director

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Try it FREE today.

This email was sent to ajensen@bawsca.org by mike@hetchhetchy.org |
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Restore Hetch Hetchy | P.O. Box 565 | San Francisco | CA | 94104

C/CAG AGENDA REPORT

Date: December 13, 2012
To: C/CAG Board of Directors
From: Sandy Wong, C/CAG Deputy Director
Subject: Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION

This is a “place holder” item.

There is no recommendation at the time of printing of this report. Any recommendations from the C/CAG Legislative Committee will be presented to the C/CAG Board verbally at the December 13, 2013 meeting.

FISCAL IMPACT

None.

SOURCE OF FUNDS

NA.

C/CAG AGENDA REPORT

Date: December 13, 2012
To: C/CAG Board of Directors
From: Kim Springer, County Staff to C/CAG
Subject: Review and approval of Resolution 12-68 authorizing the C/CAG Chair to execute a Local Government Partnership grant funding agreement with PG&E for the San Mateo County Energy Watch in 2013-2014 for an amount of \$840,000.

(For further information contact Kim Springer at 599-1412)

RECOMMENDATION

Review and approve Resolution 12-68 authorizing the C/CAG Chair to execute a Local Government Partnership grant funding agreement with PG&E for the San Mateo County Energy Watch in 2013-2014 for an amount of \$840,000.

FISCAL IMPACT

Approval of this funding agreement will allow C/CAG to receive \$840,000 from PG&E.

BACKGROUND/DISCUSSION

Current Program Cycle:

The San Mateo County Energy Watch (SMCEW) Local Government Partnership (LGP) with PG&E began on January 1, 2009 under a bridge period contract per the California Public Utilities Commission (CPUC). Eventually, the CPUC adopted a decision establishing a new (the current three-year) program cycle from January 1, 2010 through December 31, 2012.

The current SMCEW program coordinates and implements energy saving actions in San Mateo County, mainly for government facilities, nonprofits and middle-income residents.

In the current 2010 through 2012 program cycle, the program has accomplished its goals of:

- 9.942 million kilowatt-hours of energy savings, and
- 1,150 of peak kilowatts of energy used.

As of the time of the writing of this report, the -33,000 Therms of natural gas savings goal is anticipated to be achieved, since the actual retrofits for the savings have been completed, with final review and distribution of rebates remaining before they are credited to the SMCEW.

The total funding allocated to energy efficiency in San Mateo County as a result of the 2010-2012 program cycle is shown in the table below.

2010 – 2012 SMCEW LGP Funding

| Program Area | Funding |
|--------------------------------------|------------------|
| Direct Install – Ecology Action | 2,790,000 |
| Administration – C/CAG | 72,000 |
| Marketing – C/CAG | 86,000 |
| Implementation – C/CAG | 453,000 |
| Long Term Strategic Planning – C/CAG | 108,000 |
| MIDI – El Consilio of SMC | 150,000 |
| Climate Action – C/CAG | 125,000 |
| Total | 3,784,000 |
| Total/Year | 1,261,300 |

New Program Cycle:

Due to the success of the SMCEW program, funding for a new program cycle is being offered for what is being called a “Transition Period” since there are some pilots and major program changes being undertaken by the CPUC. The Transition Period will run from January 1, 2013 through December 31, 2014.

The Transition Period funding is being contracted to C/CAG via amendments to the existing PG&E – C/CAG LGP contract General Conditions, and with new Specific Condition contract language. The following are attached to this staff report for your review:

- existing General Conditions
- proposed amendments to the General Conditions
- new draft Specific Conditions
- Resolution 12-68

The proposed amendment to the General Conditions involve enhanced language in new exhibits relating to: data security, background checks, safety incident handling and customer satisfaction. All of these items are under negotiation with PG&E in coordination with C/CAG Counsel, to ensure that C/CAG and the County are prepared to comply with them.

The proposed draft contract Specific Conditions for the Transition Period are substantially the same as the current program cycle.

Small additions to the Transition Period contract scope of work will include work in a few new sectors: agricultural customers and efforts in public schools in San Mateo County. Energy efficiency work will continue in the municipal and special districts, nonprofit and middle income sectors.

Independent of the LGP agreement with C/CAG, PG&E is exploring two additional contracts that will support efforts in San Mateo County. The first is a contract with an existing partner to both of our organizations for energy efficiency in San Mateo County, Ecology Action, for audit and engineering support for the SMCEW and Silicon Valley Energy Watch programs, jointly (shared). The second is a funding agreement with ABAG to support the regional Green Business

program. If the latter is completed, San Mateo County will derive some benefit to support the Green Business Program.

The new program goals for energy savings are:

- 6,372,600 kWh (kilowatt-hours)
- 949 Peak kW (kilowatts)

The following table shows the draft proposed budget for the Transition Period. The items included in the Transition Period contract are those highlighted with an “*” and add up to \$840,000, the amount of the proposed funding agreement.

2013-2014 SMCEW LGP Funding

| Program Area | Funding |
|------------------------------------------------------|------------------|
| Direct Install – Ecology Action (estimated) | 1,370,000 |
| Administration – C/CAG | 48,000* |
| Marketing – C/CAG | 86,400* |
| Implementation – C/CAG | 345,600* |
| Engineering Services – Ecology Action (Estimated) | 150,000 |
| MIDI – El Consilio of SMC (estimated) | 250,000 |
| Climate Action – C/CAG | 360,000* |
| Total (estimated) | 2,610,000 |
| Total/Year (estimated) | 1,305,000 |

ATTACHMENT

Resolution 12-68

C/CAG – PG&E Local Government Partnership Contract, General Condition Amendments and Specific Conditions (Available on C/CAG Website)

RESOLUTION NO. 12-68

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE C/CAG CHAIR TO EXECUTE A LOCAL GOVERNMENT PARTNERSHIP GRANT FUNDING AGREEMENT FROM WITH PG&E FOR THE SAN MATEO COUNTY ENERGY WATCH IN 2013-2014 FOR AN AMOUNT OF \$840,000

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, The C/CAG Board adopted resolution 08-46 at its October 2008 meeting authorizing the C/CAG Chair to execute an Agreement between C/CAG and Pacific Gas & Electric (PG&E) for a 2009-2010 program cycle of the San Mateo County Energy Watch; and

WHEREAS, the CPUC has adopted a proposed decision to establish a new 2010-2012 program cycle of funding for the San Mateo County Energy Watch, leaving the 2009 program year as a stand alone, bridge funded year; and

WHEREAS, the San Mateo County Energy Watch has nearly completed the current 2010-2012 program cycle, successfully completing major energy savings goals of 9.942 million kilowatt-hours of energy savings, and 1,150 of peak kilowatts of energy; and

WHEREAS, due to the success of the San Mateo County Energy Watch program, PG&E wished to contract for future energy efficiency work in San Mateo County with C/CAG; and

WHEREAS, both the County and C/CAG wish to continue to provide energy efficiency programs for municipalities, businesses and residents in San Mateo County under the San Mateo County Energy Watch program;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the Chair is authorized to execute a Local Government Partnership grant funding Agreement with PG&E for the San Mateo County Energy Watch in 2013-2014 for an amount of \$840,000, and that the Executive Director, Staff and Counsel are authorized to make minor changes to said Agreement during completion of negotiations.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER 2012.

Bob Grassilli, Chair

C/CAG AGENDA REPORT

Date: December 13, 2012
To: C/CAG Board of Directors
From: Kim Springer, Contracted County Staff
Subject: Review and approval of Resolution 12-69 authorizing the C/CAG Chair to execute an Agreement between C/CAG and the County of San Mateo for Management and Staffing of the San Mateo County Energy Watch for an amount not to exceed \$600,000 for 2013 and 2014.

(For further information please contact Kim Springer at 650-599-1412)

Recommendation:

Review and approve Resolution 12-69 authorizing the C/CAG Chair to execute an Agreement between C/CAG and the County of San Mateo for Management and Staffing of the San Mateo County Energy Watch for an amount not to exceed \$600,000 for 2013 and 2014.

Fiscal Impact: None. Staffing services are reimbursed by the SMCEW LGP Agreement between C/CAG and PG&E.

Background/ Discussion:

The C/CAG Board adopted Resolution 08-46 at its October 2008 meeting authorizing the C/CAG Chair to execute an Agreement between C/CAG and Pacific Gas & Electric (PG&E), establishing a new Local Government Partnership (LGP), San Mateo County Energy Watch (SMCEW).

On December 9, 2008, C/CAG and the County of San Mateo entered in to an Agreement for the County of San Mateo to manage and staff the San Mateo County Energy Watch.

C/CAG Resolution 09-56 on November 12, 2009 amended the agreement to extend dates to accommodate a CPUC decision to establish a new program cycle from January 1, 2010 through December 31, 2012. Since that time, the County of San Mateo, Department of Public Works staff have worked to meet the goals and conditions set out in the General and Specific conditions of the C/CAG – PG&E Local Government Partnership agreements

The major goals of 9.9 million kilowatt-hours and 1510 peak kilowatts of energy saving have been met in the current program cycle. The natural gas (Therms) savings goal will likely be met by the end of the calendar year (program cycle). County staff will deliver the final results of the 2012-2012 program cycle to C/CAG committees early in 2013.

Resolution No. 12-69 and the staffing agreement are attached to this staff report for your review.

Attachments:

Resolution 12-69
Staff Service Agreement between C/CAG and the County of San Mateo

ITEM 6.5

RESOLUTION NO. 12-69

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE C/CAG CHAIR TO EXECUTE AN AGREEMENT BETWEEN C/CAG AND THE COUNTY OF SAN MATEO FOR MANAGEMENT AND STAFFING OF THE SAN MATEO COUNTY ENERGY WATCH FOR AN AMOUNT NOT TO EXCEED \$600,000 FOR 2013 AND 2014

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, C/CAG and the County of San Mateo entered into an Agreement for Management and Staffing of the San Mateo County Energy Watch for 2010 through 2012; and

WHEREAS, County staff successfully managed and staffed the San Mateo County Energy Watch to the satisfaction of C/CAG; and

WHEREAS, the San Mateo County Energy Watch program has met major energy savings goals for the 2010-2012 program cycle; and

WHEREAS, both parties and PG&E wish to continue work on energy efficiency in San Mateo County under the existing program;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the Chair is authorized to execute an agreement between C/CAG and the County of San Mateo for management and staffing of the San Mateo County Energy Watch for an amount not to exceed \$600,000 for 2013 and 2014, and that the Executive Director, Staff and Counsel are authorized to make minor changes to said Agreement during completion of negotiations..

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER 2012.

Bob Grassilli, Chair

**AGREEMENT BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS (C/CAG) AND THE
COUNTY OF SAN MATEO TO PROVIDE MANAGEMENT AND STAFF
SERVICES FOR THE SAN MATEO COUNTY ENERGY WATCH**

This Agreement entered this ____ Day of ____ 2013, by and between the CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY, a joint powers agency formed for the purpose of preparation, adoption and monitoring of a variety of county-wide state-mandated plans, hereinafter called "C/CAG" and the COUNTY OF SAN MATEO, hereinafter called "COUNTY."

W I T N E S S E T H

WHEREAS, The City/ County Association of Governments (C/CAG) is committed to working with Pacific Gas and Electric (PG&E) and the County of San Mateo to continue the San Mateo County Energy Watch; and

WHEREAS, C/CAG, desires to obtain services from the County of San Mateo to serve as the primary staff support function for the San Mateo County Energy Watch; and

WHEREAS, the COUNTY is committed to providing staff services for resource conservation activities including the San Mateo Energy Watch; and

WHEREAS, C/CAG will execute a Local Government Partnership contract with PG&E to implement the San Mateo Energy Watch;

NOW, THEREFORE, IT IS HEREBY AGREED by the parties as follows:

1. **Services to be provided by COUNTY.** The COUNTY shall provide services as described in Exhibit A, attached hereto and incorporated by reference herein.
2. **Payments.** In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit A, C/CAG shall reimburse COUNTY for eligible costs as set forth in Exhibit A. Payments shall be made within 60 days after receipt and approval of monthly invoices from the COUNTY. Alternatively cost reimbursement for some COUNTY costs may come directly from PG&E. It is estimated that the total cost reimbursement thru February 28, 2015 will be approximately \$600,000.
3. **Relationship of the Parties.** It is understood that this is an Agreement by and between Independent Contractor(s) and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of Independent Contractor.
4. **Non-Assignability.** COUNTY shall not assign this Agreement or any portion thereof to a third party without the prior written consent of C/CAG, and any attempted assignment without such prior written consent in violation of this Section automatically shall

terminate this Agreement.

5. **Contract Term.** This Agreement shall be in effect as of January 1, 2013 and shall terminate on December 31, 2014; provided, however, C/CAG may terminate this Agreement at any time for any reason by providing 30 days' notice to COUNTY. Termination to be effective on the date specified in the notice. In the event of termination under this paragraph, COUNTY shall be paid for all services provided to the date of termination.
6. **Hold Harmless/ Indemnity.** COUNTY shall defend, indemnify and save harmless C/CAG and its member agencies and their employees, agents and officers from all claims, suits, damages or actions arising from COUNTY's performance under this Agreement.

C/CAG shall defend, indemnify and save harmless COUNTY, and their employees, agents and officers from all claims, suits, damages or actions arising from C/CAG's performance under this Agreement.

The duty of the parties to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

7. **Workers' Compensation Coverage.** Statutory Workers' Compensation Insurance and Employer's Liability Insurance will be provided by the COUNTY with limits of not less than one million dollars (\$1,000,000) for any and all persons employed directly or indirectly by COUNTY. In the alternative, COUNTY may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code. In such case, excess Workers' Compensation Insurance with limits of not less than five million dollars (\$5,000,000) shall be maintained. The insurer, if insurance is provided, and the COUNTY, if a program of self-insurance is provided, shall waive all rights of subrogation against C/CAG for loss arising from worker injuries sustained under this Agreement.
8. **Liability Insurance.** COUNTY shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect COUNTY, its employees, officers and agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all operations under this Agreement, whether such operations be by COUNTY or by any sub-contractor or by anyone directly or indirectly employed by either of them. In the alternative, COUNTY may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, C/CAG, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

9. **Non-discrimination.** COUNTY and its subcontractors performing the services on behalf of the COUNTY shall not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.
10. **Accessibility of Services to Disabled Persons.** COUNTY, not C/CAG, shall be responsible for compliance with all applicable requirements regarding services to disabled persons, including any requirements of Section 504 of the Rehabilitation Act of 1973.
11. **Substitutions.** If particular people are identified in Exhibit A as working on this Agreement, COUNTY will not assign others to work in their place without written permission from C/CAG. Any substitution shall be with a person of commensurate experience and knowledge.
12. **Joint Property.** As between C/CAG and COUNTY any system or documents developed, produced or provided under this Agreement shall become the joint property of C/CAG and the COUNTY.
13. **Access to Records.** COUNTY shall retain, for a period of no less than five years, all books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions, and shall provide C/CAG, its member agencies, and or their auditors with access to said books and records.

COUNTY shall maintain all required records for five years after C/CAG makes final payments.
14. **Merger Clause.** This Agreement constitutes the sole agreement of the parties hereto with regard to the matters covered in this Agreement. Any prior agreement, promises, negotiations or representations between the parties not expressly stated in this document are not binding.
15. **Amendments.** Any changes in the services to be performed under this Agreement shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by the C/CAG Executive Director or a designated representative, and the County of San Mateo's Director of DPW or a designated representative. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.
16. **Governing Law.** This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California.

IN WITNESS WHEREOF, the parties hereto have affixed their hands on the day and year indicated.

County of San Mateo

By _____
Don Horsley
President, Board of Supervisors

Date

By _____
Brian Wong
County Counsel

Date

City/County Association of Governments (C/CAG)

By _____
Bob Grassilli
C/CAG - Chair

Date

C/CAG Legal Counsel

By _____
John Nibbellin
C/CAG - Counsel

Date

Exhibit A

SAN MATEO COUNTY ENERGY WATCH LOCAL GOVERNMENT PARTNERSHIP SCOPE OF WORK

- 1.0 Introduction - The City/ County Association of Governments (C/CAG) is committed to working with Pacific Gas and Electric (PG&E) and the County of San Mateo to continue the San Mateo County Energy Watch. The County of San Mateo will serve as the primary management and staff support function for C/CAG.
- 2.0 C/CAG - PG&E Contract - C/CAG has executed amendments to General Conditions and Specific Conditions with Scope of Work with PG&E for the San Mateo County Energy Watch 2013 through 2014 program cycle. This specifies the work that needs to be done and in many cases how it is to be done. The requirements of this contract constitute the Scope of Work for the County of San Mateo.
- 3.0 Partnership - This effort is a partnership between the C/CAG and the County of San Mateo as the Local Government Partner and PG&E. It is recognized that a good faith effort has been made to address the terms, conditions and scope of work. Since this is a partnership it is likely there will be further changes on the terms, conditions and scope of work. C/CAG and the County of San Mateo as the LGP and PG&E agree to work in good faith to address these issues as they develop.
- 4.0 Management Oversight – County of San Mateo shall provide adequate reporting, information, and attend meetings with C/CAG staff as necessary to make certain that the San Mateo County Energy Watch is properly and effectively implemented.
- 5.0 Power of C/CAG Representation - The County of San Mateo Program Manager is granted the authority to represent C/CAG and the Local Government Partnership relative to the implementation of the San Mateo Energy Watch. However, changes to the Scope of Work must be approved and executed by C/CAG.
- 6.0 Payments - The referenced PG&E contract identifies the tasks and associated cost reimbursement. C/CAG will submit the cost reimbursement request to PG&E for consideration. C/CAG will reimburse the County for the full amount that is approved by PG&E, including all direct and indirect costs incurred by County of San Mateo during the performance of its contract duties to support the San Mateo County Energy Watch program.

C/CAG AGENDA REPORT

Date: December 13, 2012

TO: City/ County Association of Governments Board of Directors

From: Sandy Wong, Deputy Director - C/CAG

Subject: Review and adoption of Resolution 12-73 authorizing the Chair of the C/CAG Board to approve the payment of up to \$40,000 to the California Public Employee Retirement System (CALPERS) to pay in full the CALPERS Unfunded Liability

(For further information or response to question's, contact Sandy Wong at 650 599-1409)

Recommendation:

Review and adoption of Resolution 12-73 authorizing the Chair of the C/CAG Board to approve the payment of up to \$40,000 to the California Public Employee Retirement System (CALPERS) to pay in full the CALPERS Unfunded Liability in accordance with the staff recommendation.

Fiscal Impact:

Not to Exceed \$40,000.

Source of Revenue:

All funds except AVA and Measure M. Specified in Resolution 12-73.

Background/ Discussion:

The Executive Director and Administrative Assistant are employees of the City of Redwood City. At the request of CALPERS C/CAG entered into a CALPERS Retirement Contract as of 3/12/12. Since the two employees service predated the C/CAG - CALPERS contract execution date, CALPERS calculated the Unfunded Liability taking into consideration the years of service and the retirement funds transferred from the City of Redwood City CALPERS account for these employees. The CALPERS Actuarial Valuation for the C/CAG contract identified an Unfunded Liability of \$284,655. The Board authorized the payoff of the Unfunded Liability at the January 12, 2012 Board Meeting. C/CAG paid (\$287,323) the CALPERS Unfunded Liability on May 1, 2012. Please note the payoff date was later than assumed in the Actuarial Valuation; therefore, the payoff was slightly higher. The CALPERS Unfunded Liability estimate assumed a 7.5% return for FY 2011-12 but only 0% was achieved for FY 2011-12. CALPERS has recalculated the Unfunded Liability assuming a 0% return for 2011-12 which requires up to an additional \$40,000. Paying it in full will save up to \$7,000 in additional cost. The likely revised Unfunded

Liability amount may be closer to \$30,000.

Therefore, staff is recommending adoption of Resolution 12-73 authorizing the Chair of the C/CAG Board to approve the payment of up to \$40,000 to the California Public Employee Retirement System (CALPERS) to pay in full the CALPERS Unfunded Liability.

Attachment:

Resolution 12-73

Alternatives:

- 1- Review and adoption of Resolution 12-73 authorizing the Chair of the C/CAG Board to approve the payment of up to \$40,000 to the California Public Employee Retirement System (CALPERS) to pay in full the CALPERS Unfunded Liability in accordance with the staff recommendation.

RESOLUTION NO. 12-73

* * * * *

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE CHAIR OF THE C/CAG BOARD TO APPROVE THE PAYMENT OF UP TO \$40,000 TO THE CALIFORNIA PUBLIC EMPLOYEE RETIREMENT SYSTEM (CALPERS) TO PAY IN FULL THE CALPERS UNFUNDED LIABILITY

* * * * *

WHEREAS, The C/CAG Executive Director and the Administrative Assistant are employees of the City of Redwood City; and

WHEREAS, The Executive Director and the Administrative Assistant are covered by a C/CAG California Public Employee Retirement System (CALPERS) contract that was executed on 3/12/12; and

WHEREAS, The CALPERS Actuarial Valuation for the C/CAG contract identified an Unfunded Liability of \$284,655; and

WHEREAS, C/CAG paid off (\$287,323) the CALPERS Unfunded Liability on May 1, 2012; and

WHEREAS, The CALPERS Unfunded Liability estimate assumed a 7.5% return for FY 2011-12 but only 0% was achieved for FY 2011-12; and

WHEREAS, CALPERS has recalculated the Unfunded Liability assuming a 0% return for 2011-12 which requires up to an additional \$40,000; and

WHEREAS, The cost of an Employer Side Fund with CALPERS for four years would be approximately \$7,000;

NOW THEREFORE BE IT RESOLVED, that the *Chair of the C/CAG* Board of Directors is hereby authorized to approve the payment of up to \$40,000 to the California Public Employee Retirement System to pay in full the CALPERS Unfunded Liability. Exhibit A shows the Unfunded CALPERS Liability Fund Distribution. Since this is an estimate the Chair is also granted the authority to pay up to 10 percent additional amount as determined by CALPERS.

PASSED, APPROVED, ADOPTED THIS 13TH DAY OF DECEMBER 2012.

Bob Grassilli
Chairperson - C/CAG Board of Directors

Exhibit A

Unfunded CALPERS Liability Fund Distribution

| UNFUNDED PERS LIABILITY FUND DISTRIBUTION | | | | | | |
|--------------------------------------------------|-------------------------|--------------|------------|-------------|---------|-------------|
| | | | | | | |
| | Unfunded PERS Liability | | | \$40,000.00 | | |
| | | | | | | |
| Fund Description | Fund Number | Admin | % of Total | Amount | Reserve | From Fund |
| General | C001 | \$111,963.00 | 0.252026 | \$10,081.04 | \$0.00 | \$10,081.04 |
| Transportation | C002 | \$122,366.00 | 0.275443 | \$11,017.71 | \$0.00 | \$11,017.71 |
| SMCRP | C004 | \$50,891.00 | 0.114554 | \$4,582.17 | \$0.00 | \$4,582.17 |
| Smart Corridor | C005 | \$77,377.00 | 0.174174 | \$6,966.95 | \$0.00 | \$6,966.95 |
| Energy Watch | C006 | \$3,794.00 | 0.00854 | \$341.61 | \$0.00 | \$341.61 |
| TFCA | C032 | \$7,001.00 | 0.015759 | \$630.36 | \$0.00 | \$630.36 |
| NPDES | C007 | \$36,850.00 | 0.082948 | \$3,317.94 | \$0.00 | \$3,317.94 |
| AVA | C009 | \$0.00 | 0 | \$0.00 | \$0.00 | \$0.00 |
| AB 1546 | C008 | \$34,010.00 | 0.076556 | \$3,062.23 | \$0.00 | \$3,062.23 |
| Measure M | C010 | \$0.00 | 0 | \$0.00 | \$0.00 | \$0.00 |
| | | | | | | |
| TOTAL | | \$444,252.00 | \$1.00 | \$40,000.00 | \$0.00 | \$40,000.00 |
| | | | | | | |
| | | | | | | |

C/CAG AGENDA REPORT

Date: December 13, 2012
To: City/County Association of Governments Board of Directors
From: Sandy Wong, C/CAG Deputy Director
Subject: Review and Approval of Resolution 12-71 Authorizing the AB 1546 (\$4 Vehicle Registration Fee) Countywide Traffic Congestion Management Fund Expenditure Plan (*Special voting procedures apply*)

(For further information contact John Hoang at 363-4105)

RECOMMENDATION

That the C/CAG Board review and approve Resolution 12-71 authorizing the AB 1546 (\$4 Vehicle Registration Fee) Countywide Traffic Congestion Management Fund Expenditure Plan.

FISCAL IMPACT

Approximately \$2,300,000 (includes fees collected through December 2012)

SOURCE OF FUNDS

AB 1546 - \$4 Vehicle Registration Fee

BACKGROUND/DISCUSSION

Assembly Bill 1546 (AB 1546) imposes an annual motor vehicle registration fee (VRF) of four dollars (\$4) in San Mateo County to fund traffic congestion management and stormwater pollution prevention programs. After deduction 5% for administration, the net total of the funds collected are distributed evenly to the following programs:

- 25% - Local Cities/County Stormwater Pollution Prevention
- 25% - Local Cities/County Traffic Congestion Management
- 25% - Countywide Stormwater Pollution Prevention
- 25% - Countywide Traffic Congestion Management

Collection of the \$4 VRF began July 1, 2005, and will continue through December 2012. This Fund Expenditure Plan addresses the Countywide Traffic Congestion Management Program portion.

Countywide Traffic Congestion Management Program

The total amount of \$4 VRF collected through August 2012 is \$19,174,510. The net total available for the Countywide Traffic Congestion Management Program is \$4,553,946 (25% of net revenue after subtracting for program administration.) These funds are reserved for projects with countywide benefits. To date, two countywide programs/projects have been implemented: 1) the Hydrogen Shuttle Demonstration Project, and 2) the Intelligent Transportation System (ITS) Call for Projects to fund Signal Controller/Video Detection System Upgrade. The remaining funds have been in reserve for the San Mateo County Smart Corridor project.

The Hydrogen Shuttle Demonstration project was implemented in 2007 and continued through the end of 2010. The shuttle project, which utilized the Ford Hydrogen Internal Combustion Engine (ICE) vehicle, cost approximately \$500,000. The Countywide ITS program, implemented in August 2007, distributed \$1.2 million to 11 jurisdictions funding 66 signal controllers and 16 video detection system upgrade projects. The Smart Corridor project has used \$700,000 towards the design phase. Therefore, the total amount of \$4 VRF expended to date is \$2.4 million resulting in a current fund balance of \$2.1 million. An additional \$200,000 in revenue is anticipated through December 2012, for a total available amount of \$2.3 million.

Over the past few years, C/CAG has been successful in obtaining additional funds from other sources for the Smart Corridors construction phase, therefore, anticipate only needing a portion of the \$4 VRF in reserve which results in making funds available for other countywide traffic congestion management related projects.

At the July 19, 2012 TAC meeting, staff initially proposed an Expenditure Plan that included \$600,000 for the Smart Corridor in addition to the following: \$900,000 allocation to jurisdictions, \$900,000 to install plug-in electric vehicle (PEV) charging stations in the County, and \$700,000 as local match for regionally significant projects. (The initial proposal considered a total available amount of \$3.1 million.) The available amount was adjusted down to \$2.3 million.

The TAC recommended approval for all projects with the exception of the plug-in electric vehicle charging station citing concerns over unknowns associated with installing PEV charging stations, potential benefits and utilization issues, and the general cost effectiveness of PEV compared to hybrid vehicles. The TAC requested staff to bring back the item with more definition and alternate recommendation.

Based on the TAC's input and revised available fund estimate of \$2.3 million, staff updated the proposed fund expenditure plan. The TAC recommended approval of the Expenditure Plan as shown below.

Proposed Fund Expenditure Plan

With an estimated \$2.3 million available, the proposed \$4 VRF Countywide Traffic Congestion Management Fund Expenditure Plan consists of the following categories:

1. San Mateo County Smart Corridor
The Smart Corridor project is a C/CAG sponsored Intelligent Transportation System (ITS) project for countywide traffic management. Funding for the \$35 million project

comprises primarily of State and local funds. The construction contract for the Smart Corridor project located on local streets was recently awarded and construction is expected to begin in fall 2012. Based on the current Smart Corridor project budget, the local fund amount required for the project is estimated to be \$700,000. Therefore, it is recommended that \$700,000 be allocated for construction of the Smart Corridor project.

2. Allocation to Jurisdictions

Jurisdictions currently receive 25% of the net revenue collected for traffic congestion management related projects through an allocation that is issued every six months. The allocation amount for traffic congestion management is about \$300,000 every six months. The amount is three times the regular allocation. This proposed allocation will be supplemental to the regular allocations. Projects eligible to receive reimbursement of funds would be the same as the current \$4 VRF qualified projects.

It is recommended that \$900,000 be allocated to local jurisdictions. Allocations can be issued immediately upon Plan adoption. The regular \$4 VRF allocation is based on population. The proposed supplemental allocation, which will be based on the Measure M formula (calculated by using 50% population and 50% road miles for each jurisdiction modified for a minimum 2.36%), is as follows:

| Jurisdiction | % Share | Allocation |
|---------------------|----------------|-------------------|
| San Mateo County | 12.15% | \$ 109,388 |
| San Mateo | 11.02% | \$ 99,138 |
| Daly City | 9.62% | \$ 86,535 |
| Redwood City | 8.82% | \$ 79,394 |
| South San Francisco | 7.17% | \$ 64,524 |
| Pacifica | 4.84% | \$ 43,520 |
| San Bruno | 4.76% | \$ 42,848 |
| Menlo Park | 4.50% | \$ 40,467 |
| San Carlos | 4.03% | \$ 36,294 |
| Burlingame | 3.95% | \$ 35,538 |
| Belmont | 3.29% | \$ 29,573 |
| Foster City | 3.12% | \$ 28,061 |
| East Palo Alto | 3.06% | \$ 27,557 |
| Hillsborough | 2.81% | \$ 25,289 |
| Millbrae | 2.74% | \$ 24,616 |
| Atherton | 2.36% | \$ 21,210 |
| Woodside | 2.36% | \$ 21,210 |
| Half Moon Bay | 2.36% | \$ 21,210 |
| Portola Valley | 2.36% | \$ 21,210 |
| Brisbane | 2.36% | \$ 21,210 |
| Colma | 2.36% | \$ 21,210 |
| Total | 100% | \$ 900,000 |

3. Local Match for Regionally Significant Projects

Local match would be provided to jurisdiction on a per request basis to help fund small capital projects located in key corridors and areas of the county that are identified as regionally significant including near-term projects identified from the 2020 Gateway Corridor and similar studies. The 2020 Gateway Corridor Study and subsequent Willow Road/University Avenue Traffic Study looked at potential improvement alternatives for roadway connections between US 101 and Bayfront Expressway. Funds are limited therefore will only help fund a small number of projects. Jurisdictions receiving funds will enter into a funding agreement with C/CAG.

It is recommended that approximately \$700,000, or the remaining balance of the \$4 VRF for Countywide Traffic Congestion, be reserved to help fund small capital construction projects that reduce traffic congestion and improve safety.

At the CMEQ Committee meeting held on November 19, 2012, staff presented the CMP TAC's recommendation. The Committee concurred with the recommendation but also requested staff to bring back more information on the PEV charging stations in the future and to explore the possibility of funding the stations using Measure M funds, if allowed under the implementation plan.

The following is the final recommendation for the C/CAG Board's consideration:

| | |
|------------------------------------------------------|-----------|
| 1. San Mateo County Smart Corridor - | \$700,000 |
| 2. Allocation to Jurisdictions - | \$900,000 |
| 3. Local Match for Regionally Significant Projects - | \$700,000 |

ATTACHMENTS

Resolution 12-71

RESOLUTION 12-71

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO
COUNTY AUTHORIZING THE AB1546 (\$4 VEHICLE REGISTRATION
FEE) COUNTYWIDE TRAFFIC CONGESTION MANAGEMENT FUND
EXPENDITURE PLAN**

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, C/CAG is the designated Congestion Management Agency responsible for the development and implementation of the Congestion Management Program for San Mateo County; and

WHEREAS, Assembly Bill 1546 (AB 1546) and amended California Government Code Section 65089.11 et. seq. authorizes C/CAG to impose an annual fee of \$4 on motor vehicles registered within San Mateo County from the period of July 1, 2005 to January 1, 2009 and Senate Bill 348 (SB 348) reauthorized the \$4 vehicle registration fee (VRF) through December 31, 2012 to fund traffic congestion management and stormwater pollution prevention programs and projects; and

WHEREAS, 25% of the \$4 VRF funds collected are reserved for countywide traffic congestion management projects and programs; and

WHEREAS, \$2,300,000 of accumulated funds will be available for distribution for countywide traffic congestion management projects identified in the AB1546 Countywide Traffic Congestion Management Fund Expenditure Plan (Attachment A); and

WHEREAS, C/CAG has determined that the expenditure plan is consistent with the intent of the \$4 VRF Program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County to authorize funding of the AB1546 (\$4 Vehicle Registration Fee) Countywide Traffic Congestion Management Fund Expenditure Plan described in Attachment A.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF DECEMBER 2012.

Bob Grassilli, Chair

ATTACHMENT A

AB 1546 (\$4 Vehicle Registration Fee) Countywide Traffic Congestion Management Fund Expenditure Plan

The \$4 VRF Countywide Traffic Congestion Management Fund Expenditure Plan will distribute \$2.3 million to the following three program categories:

1. San Mateo County Smart Corridor - \$700,000

The Smart Corridor project is a C/CAG sponsored Intelligent Transportation System (ITS) project for countywide traffic management. Funds will be made available for the construction phase of the Smart Corridor project.

2. Allocation to Jurisdictions - \$900,000

Funds will be allocated to jurisdictions for traffic congestion management related projects. Projects eligible to receive reimbursement of funds includes road resurfacing, deployment of local Intelligent Transportation Systems (ITS), restriping, signal timing/coordination, signage, and replacement and/or upgrading of traffic signal hardware and/or software. The allocation will be based on the Measure M formula (50% population and 50% road miles for each jurisdiction modified for a minimum 2.36%).

| Jurisdiction | % Share | Allocation |
|---------------------|-------------|-------------------|
| San Mateo County | 12.15% | \$ 109,388 |
| San Mateo | 11.02% | \$ 99,138 |
| Daly City | 9.62% | \$ 86,535 |
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| Portola Valley | 2.36% | \$ 21,210 |
| Brisbane | 2.36% | \$ 21,210 |
| Colma | 2.36% | \$ 21,210 |
| Total | 100% | \$ 900,000 |

3. Local Match for Regionally Significant Projects - \$700,000

Funds are considered local match and will be provided to jurisdiction on a per request basis to help fund small capital projects that addresses traffic congestion and improve safety. Projects will be located in key corridors and areas of the county that are identified as regionally significant including near-term projects identified from the 2020 Gateway Corridor and similar studies. Jurisdictions receiving funds will enter into a funding agreement with C/CAG.