

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. 272

- DATE:** Thursday, November 13, 2014
- TIME:** 6:30 P.M.
- 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
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
- 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. 271 dated October 9, 2014. ACTION p. 1
- 5.2 Review and approve the appointment of Brad Underwood from the City of San Mateo to the Congestion Management Program Technical Advisory Committee (CMP TAC) and Stormwater Committee. ACTION p. 7
- 5.3 Review and approval of 2015 C/CAG Board Calendar. ACTION p. 13
- 5.4 Review and approval of Resolution 14-45 authorizing the C/CAG chair to execute Amendment 1 to the El Camino Real Incentive Program agreement between C/CAG and San Bruno for a time extension only. ACTION p. 15
- 5.5 Review and approval of Resolution 14-55 authorizing the C/CAG Chair to execute Amendment No. 4 to the agreement between C/CAG and Iteris Corporation for Smart Corridor south segment design and construction support extending the completion date to November 30, 2014, with no change in cost. ACTION p. 21
- 5.6 Receive a copy of Amendment No. 1 to the agreement between C/CAG and Apis Media adding \$5,000 for a total contract amount not to exceed \$20,000, executed by the C/CAG Executive Director consistent with C/CAG procurement policy. INFORMATION p. 27
- 5.7 Receive a copy of the Five-Year Review Report of Countywide Integrated Waste Management Plan for San Mateo County (an information item). INFORMATION p. 35
- 6.0 REGULAR AGENDA
- 6.1 Review and approval C/CAG investment recommendations from the Finance Committee and accept the Quarterly Investment Report as of September 30, 2014. ACTION p. 55
- 6.2 Review and approval of Resolution 14-54 adopting the 2015 C/CAG Investment Policy ACTION p. 61
- 6.3 Presentation on San Mateo County Energy Watch (SMCEW) program progress. ACTION p. 93
- 6.4 Review and approval of Resolution 14-52 authorizing the C/CAG Chair to execute Contract Change Orders to the Master Service Agreement and Contract Work Authorization between C/CAG and Pacific Gas and Electric Company, adding \$603,713 and extending the San Mateo County Energy Watch program cycle for one year through December 31, 2015. ACTION p. 99
- 6.5 Review and approval of Resolution 14-53 authorizing the C/CAG Chair to execute an agreement between C/CAG and the County of San Mateo for staff services for the San Mateo County Energy Watch 2015 calendar year for an amount not to exceed \$450,000. ACTION p. 103

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@smcgov.org or download a copy from C/CAG's website – www.ccag.ca.gov.

9.1 Letter from Sandy Wong, C/CAG Executive Director, to Ms. April Chan, Executive Officer, Planning and Development, San Mateo County Transit District (SamTrans), dated 10/30/14. RE: Caltrans Sustainable Communities Grant – “Grand Boulevard Initiative – Addressing Multi-modal Mobility” Letter of Support. p. 113

9.2 Letter from Sandy Wong, C/CAG Executive Director, to Ms. Therese W. McMillan, Acting Administrator, Federal Transit Administration, dated 10/30/14. RE: Caltrans application to FTA Pilot Program for Transit Oriented Development Planning. p. 115

9.3 Letter from Sandy Wong, C/CAG Executive Director, to Caltrans Sustainable Transportation Planning, Grant Program, District 4, dated 10/29/14. RE: San Mateo County Santa Cruz Avenue Bicycle Improvements Proposal. p. 117

9.4 Letter sent via email from Sandy Wong, C/CAG Executive Director, to Mr. Mike McCoy, Executive Director, Strategic Growth Council, dated 10/31/14. RE: Affordable Housing and Sustainable Communities Program Guidelines. p. 119

10.0 ADJOURN

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: Sandy Wong 650 599-1409

Administrative Assistant: Nancy Blair 650 599-1406

MEETINGS

Nov. 13, 2014 C/CAG Board - SamTrans 2nd Floor Auditorium - 6:30 p.m.

Nov. 20, 2014 CMP Technical Advisory Committee - SamTrans, 2nd Floor Auditorium - 1:15 p.m.

Nov. 20, 2014 Stormwater Committee - SamTrans, 2nd Floor Auditorium - 2:30 p.m.

Nov. 24, 2014 Administrators' Advisory Committee - 555 County Center, 5th Fl, Redwood City - Noon

Nov. 24, 2014 CMEQ Committee - San Mateo City Hall - Conference Room C - 3:00 p.m.

C/CAG

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BOARD MEETING MINUTES

ITEM 5.1

Meeting No. 271
October 9, 2014

1.0 CALL TO ORDER/ROLL CALL

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

Elizabeth Lewis – Atherton
David Braunstein - Belmont
Terry O’Connell - Brisbane
Terry Nagel - Burlingame
Joseph Silva - Colma
David Canepa - Daly City
Laura Martinez - East Palo Alto
Art Kiesel - Foster City
Marina Fraser - Half Moon Bay
Jay Benton - Hillsborough
Mary Ann Nihart - Pacifica
Ann Wengert - Portola Valley
Diane Howard - Redwood City
Irene O’Connell - San Bruno
Mark Olbert - San Carlos
Jack Matthews - San Mateo
Don Horsley - San Mateo County
Karyl Matsumoto - South San Francisco

Absent:

Menlo Park
Millbrae
Woodside

Others:

Sandy Wong, Executive Director C/CAG
Nancy Blair, C/CAG Staff
Nirit Eriksson, C/CAG Legal Counsel
Tom Madalena, C/CAG Staff
John Hoang, C/CAG Staff
Jean Higaki, C/CAG Staff
Matt Fabry, C/CAG Staff

Wally Abrazaldo, C/CAG Staff
Ellen Barton, C/CAG Staff
Kim Springer, County of San Mateo
Joe La Mariana, County of San Mateo
Summer Burlison, San Mateo County
Bill Chiang, PG&E, Local Government Relations Representative
Scott Hart, PG&E, Local Government Relations Representative
Papia Gambelin, Central Coast Region Director of Corporate Affairs
Andrew Bianchi, Senior Government Relations Representative, Gas Operations
Jessy Borges, Government Relations Representative, Electric Operations.

4.0 PRESENTATIONS/ ANNOUNCEMENTS

4.1 PG&E Update on Major Projects in San Mateo County was presented by PG&E Local Government Representatives. Board members asked for additional specific information which PG&E representatives will get back to the individual members.

5.0 CONSENT AGENDA

Board Member Olbert MOVED approval of 5.1, 5.3, 5.4, 5.6, 5.6.1, 5.6.2, 5.7, and 5.8. Board Member Braunstein SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0.**

5.1 Approval of the minutes of regular business meeting No. 271 dated October 9, 2014.

APPROVED

5.3 SFO Comprehensive Airport Land Use Compatibility Plan (ALUCP) Consistency Review - Town of Hillsborough. Re: General Plan Amendment: Housing Element 2014-2022 Draft Final.

APPROVED

5.4 SFO Comprehensive Airport Land Use Compatibility Plan (ALUCP) Consistency Review – Daly City. Re: General Plan Amendment: Housing Element 2014-2022 Administrative Draft.

APPROVED

5.6 Receive copy of agreements executed by the C/CAG Chair or Executive Director consistent with C/CAG Procurement Policy.

5.6.1 Receive copies of executed MOUs between C/CAG and Strategic Energy Innovations for two ClimateCorps Bay Area fellows: (1) for Eddie Ashley, in an amount not to exceed \$25,000 and (2) for Jacqueline Falconio, in an amount not to exceed \$24,500.

INFORMATION

5.6.2 Receive a copy of executed Contract Change Order No. 1 to San Mateo County Energy Watch, Contract Work Authorization between C/CAG and Pacific Gas and Electric Company adding \$55,826 for a total contract amount not to exceed \$895,828.

INFORMATION

5.7 Review and approval of the 4th Cycle Lifeline Transportation Program Call for Projects conditioned on the Metropolitan Transportation Commission's adoption of their Program Guidelines. APPROVED

5.8 Review and accept the Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects Financial Audit for Project Period Ended June 30, 2013. APPROVED

Items 5.2 and 5.5 were removed from the Consent Calendar agenda

5.2 Review and approval of Resolution 14-44 authorizing the C/CAG Chair to execute Amendment No. 2 to the agreement with San Mateo County's Division of Environmental Health, extending the contract through June 30, 2015 at a cost not to exceed \$162,020 to continue implementing public education and outreach activities in accordance with the Municipal Regional Permit. APPROVED

The Board requests C/CAG staff to work with the Public Information and Participation Committee subcommittee to consider metrics for measuring effectiveness of future outreach effort.

Board Member O'Connell (San Bruno) MOVED approval of Item 5.2. Board Member Lewis SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0.**

5.5 Review and approval of Resolution 14-49 authorizing the C/CAG Chair to send a letter requesting C/CAG's designation as a Beacon Award: Local Leadership toward Solving Climate Change, Program Champion from the Institute for Local Government. APPROVED

The Beacon Award Champion is a mentor, of the cities that it supports, in climate action efforts. Each individual city that wants to participate will have to pass a resolution. This is an opportunity for the cities and C/CAG to be recognized for all that they have done toward solving climate change.

Board Member Matsumoto MOVED approval of Item 5.5. Board Member Lewis SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0**

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

Staff provided the following update:

There was no Legislative Committee meeting in October. The next meeting will be in December 2014. The State Legislative session is over.

Assembly Bill 2170, which clarifies a JPA's authority to levy taxes and fees, was signed by the

Governor and chaptered.

The Governor signed into law SB 985 which is related to Stormwater resource plans. This bill indicates that any agency that wants to receive funding for integrated stormwater projects, under voter approved bond measures, which includes the November water bond, has to adopt a stormwater resource plan.

Senate Bill 628, Enhanced Infrastructure Financing District (EIFD) passed.
Staff will email the Board a summary of the bill language for Bills SB 628 and Bill SB 985.

No action was taken.

- 6.2 Review and approval of establishing a C/CAG Priority Development Area (PDA) Parking Policy Technical Assistance Program in an amount not to exceed \$342,000 for Fiscal Years 2014-15 to 2015-16 as part of the Local PDA Planning Program
- 6.2.1 Review and approval of the guidelines and call for projects for the C/CAG Priority Development Area Parking Policy Technical Assistance Program. APPROVED
- Board Member O'Connell (San Bruno) MOVED approval of Item 6.2.1. Board Member Horsley SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0.**
- 6.2.2 Review and approval of Resolution 14-46 authorizing the filing of an application for funding assigned to MTC and committing any necessary matching funds not to exceed \$40,000 and stating the assurance to complete the project APPROVED
- Board Member O'Connell (San Bruno) MOVED approval of Item 6.2.2. Board Member Braunstein SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0.**
- 6.3 Adoption of the Airport Land Use Compatibility Plan for the Environs of Half Moon Bay Airport and certification of the Initial Study and Negative Declaration.
- 6.3.1 Approval of Resolution 14-47 adopting the Negative Declaration for the Airport Land Use compatibility Plan for the Environs of Half Moon Bay Airport APPROVED
- Board Member Horsley MOVED approval of Item 6.3.1. Board Member Canepa SECONDED. **MOTION CARRIED UNANIMOUSLY 18-0.**
- 6.3.2 Approval of Resolution 14-48 adopting the Airport Land Use Compatibility Plan for the Environs of Half Moon Bay Airport (Special Voting Procedures Apply) APPROVED
- Board Member Horsley MOVED approval of Item 6.3.2. Board Member Canepa SECONDED.
- A Super Majority Vote was taken by roll call. **MOTION CARRIED UNANIMOUSLY 18-0.** Results: 18 agencies approving. This represents 86% of the agencies representing 78% of the population

- 6.4 Update of the San Mateo County US 101 Ramp Metering Implementation between State Route (SR) 92 and the San Francisco/San Mateo County Line. ACTION

Staff provided an update on the latest implementation of ramp metering that is to begin in November 2014.

No action taken.

7.0 COMMITTEE REPORTS

7.1 Committee Reports (oral reports).

7.2 Chairperson's Report

Chair Nihart reminded the Board to complete the performance evaluation forms for the C/CAG Executive Director and return them in a timely manner.

The Compensation Committee will be the same members as the year before. The Committee will come back to the December Board meeting with a summary and compensation recommendation for the Executive Director.

With the election in November, it is the time of year when there is a turnover for C/CAG Board Members. Suggestions for new board members orientation can be directed to the Executive Director.

7.3 Boardmembers Report

Board Member O'Connell (San Bruno) reminded that October is Breast Cancer awareness month.

Half Moon Bay Member Fraser announced that Monday, October 13, is the great pumpkin weigh off. This event kick starts the Half Moon Bay Pumpkin Festival which is on October 18 and 19.

8.0 EXECUTIVE DIRECTOR'S REPORT

Sandy Wong, Executive Director provided the following information:

The new C/CAG website is up and running. A project led by Tom Madalena and supported by all C/CAG staff.

The "21-Elements" Project, funded by C/CAG and partnership with San Mateo County Department of Housing, helps all cities and the county on housing element update, was honored by the Board of Supervisors on October 7, 2014.

Senate Bill 743 changes the CEQA definition on traffic impact. The State Office of Planning

and Research is working on draft implementation guidelines. Staff has been participating at regional discussions, and updating the CMP Technical Advisory Committee, and encouraging city staff to submit their comments, due by November 21, 2014.

Cap and Trade revenues: For Fiscal Year 2014-2015, \$130 million statewide is slated for sustainable community and affordable housing. The cities and county are eligible to apply. The Strategic Growth Council administers this program, and has issued draft guidelines. The draft guidelines are complicated. Comments are due by October 31, 2014. Staff has been participating in statewide conference calls with MTC and the region. The comments will be shared with the Board when they have been completed.

There will be two vacant elected seats on the BPAC committee. A recruitment letter will be sent after the November elections.

Matt Fabry provided a brief video clip of the “Be The Street”, a liter reduction campaign project partly funded by C/CAG, which won the Outstanding Regional Public Education Campaign award, at the California Stormwater Quality Association Conference.

9.0 COMMUNICATIONS - Information Only

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9.1 Letter from Mary Ann Nihart, C/CAG Chair, to Honorable Kevin Mullin, dated 9/30/14. RE: Assembly Bill 2170 – Joint Powers Authorities.

9.2 Letter from Mary Ann Nihart, C/CAG Chair, to Lauri, James & Scott Vreeland, dated 9/25/14. RE: Letter of condolence on the passing of James (Jim) Vreeland.

9.3 Letter, via email, from Wally Abrazaldo, C/CAG Transportation Programs Specialist, to Ms. Marlene Subhashini, Senior Planner, City of Foster City, dated 9/22/14. RE: Notice of Preparation of a Draft Environmental Impact Report for the Lincoln Centre Biomedical Research Project.

9.4 Letter from Mary Ann Nihart, C/CAG Chair, to Mr. Matthew Rodriguez, Secretary, California Environmental Protection Agency, and Ms. Mary Nicols, Chairman, California Air Resources Board, dated 9/12/14. RE: CalEPA Identification of Disadvantaged Communities.

10.0 ADJOURN

Jim Vreeland, former Pacifica Council Member, Former Mayor, and two-term C/CAG Chair passed away in September 2014. In Jim’s honor, Pacifica held a paddle-out and a celebration of life.

The meeting adjourned in Jim’s memory. The Board had a moment of silence. The meeting adjourned at 8:19 p.m.

C/CAG AGENDA REPORT

Date: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approve the appointment of Brad Underwood from the City of San Mateo to the Congestion Management Program Technical Advisory Committee (CMP TAC) and Stormwater Committee

ITEM 5.2

(For further information or response to questions, contact John Hoang at 650-363-4105 or Matt Fabry at 650-599-1419)

RECOMMENDATION

That the Board review and approve the appointment of Brad Underwood from the City of San Mateo to the Congestion Management Program Technical Advisory Committee (CMP TAC) and Stormwater Committee.

FISCAL IMPACT

None

SOURCE OF FUNDS

N/a

BACKGROUND

The Congestion Management Program Technical Advisory Committee (CMP TAC), provide technical expertise for the Congestion Management and Environmental Quality (CMEQ) Committee and the C/CAG Board. The TAC is made up of engineers and planners from local jurisdictions in addition to one representative each from Caltrans, SMCTA/Peninsula Corridor JPB/Caltrain, MTC, and C/CAG.

As approved by the C/CAG Board, the maximum number of TAC members is 25 and the total vary depending on vacancies and/or interest from the city staff. Currently there are 24 members with one vacancy. To fill vacant positions, staff typically solicits C/CAG member agencies that are not currently represented on the Committee. Cities/Towns interested in being represented on the TAC are asked to submit a letter of interest for appointment consideration by the C/CAG Board.

The Stormwater Committee provides policy and technical advice and recommendations to the C/CAG Board and direction to technical subcommittees on all matters relating to stormwater management and compliance with associated regulatory mandates from the State Water Resources Control Board and San Francisco Bay Regional Water Quality Control Board.

The Stormwater Committee is comprised of one director-level representative from each of the 21 member agencies, recommended by City/Town/County Managers and one non-voting executive

management representative from the Regional Water Quality Control Board staff, all appointed by the C/CAG Board.

C/CAG received a letter from the City of San Mateo requesting the appointment of Brad Underwood, Public Works Director, to the CMP TAC and Stormwater Committee. With the appointment to the CMP TAC, there will be a total of 25 members. The appointment will also fill a vacancy on the Stormwater Committee reserved for City of San Mateo.

ATTACHMENTS

1. Current CMP TAC Roster – 2014
2. Current Stormwater Committee Roster - 2014
3. Letter from City of San Mateo

Current CMP TAC Roster – 2014

No.	Member	Agency
1	Jim Porter (Co-Chair)	San Mateo County Engineering
2	Joseph Hurley (Co-Chair)	SMCTA / PCJPB / Caltrain
3	Afshin Oskoui	Belmont Engineering
4	Randy Breault	Brisbane Engineering
5	Syed Murtuza	Burlingame Engineering
6	Bill Meeker	Burlingame Planning
7	VACANT	Caltrans
8	Sandy Wong	C/CAG
9	Brad Donohue	Colma Engineering
10	John Fuller	Daly City Engineering
11	Tatum Mothershead	Daly City Planning
12	Mo Sharma	Half Moon Bay Engineering
13	Paul Willis	Hillsborough Engineering
14	Jesse Quirion	Menlo Park Engineering
15	Chip Taylor	Millbrae Engineering
16	Van Ocampo	Pacifica Engineering
17	Jessica Manzi	Redwood City Engineering
18	Jimmy Tan	San Bruno Engineering
19	Jay Walter	San Carlos Engineering
20	James Hinkamp	San Mateo County Planning
21	Brian McMinn	South San Francisco Engineering
22	Billy Gross	South San Francisco Planning
23	Paul Nagengast	Woodside Engineering
24	Kenneth Folan	MTC

- Note:
- 16 out of 21 jurisdictions are currently represented (16 Engineers, 4 Planners)
 - One representative each for Caltrans, MTC, SMCTA/JBP/Caltrain, and C/CAG
 - Not currently represented (Atherton, East Palo Alto, Foster City, Portola Valley, San Mateo)

Current Stormwater Committee – 2014

No.	Representative	Agency
1	Gordon Siebert	Atherton
2	Afshin Oskoui	Belmont
3	Randy Breault	Brisbane
4	Syed Murtuza	Burlingame
5	Brad Donohue	Colma
6	Patrick Sweetland	Daly City
7	Kamal Fallaha	East Palo Alto
8	VACANT	Foster City
9	Mo Sharma	Half Moon Bay
10	Paul Willis	Hillsborough
11	Jesse Quirion	Menlo Park
12	Charles Taylor	Millbrae
13	Van Ocampo	Pacifica
14	Howard Young	Portola Valley
15	Saber Sarwary	Redwood City
16	Jimmy Tan	San Bruno
17	Jay Walter	San Carlos
18	VACANT	San Mateo
19	Brian McMinn	South San Francisco
20	Paul Nagengast	Woodside
21	Jim Porter	San Mateo County
22	Tom Mumley	Regional Water Quality Control Board



OFFICE OF THE CITY MANAGER

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October 13, 2014

Ms. Sandy Wong
Executive Director
City/County Association of Governments
555 County Center, Fifth Floor
Redwood City, CA 94063

Subject: New Representative Assignment for City of San Mateo

Dear Ms. Wong:

With this letter I am requesting that Brad Underwood, Public Works Director, be the permanent representative on the C/CAG Technical Advisory Committee (TAC) for the City of San Mateo and associated Storm Water Committee.

Sincerely

Larry A. Patterson
City Manager

c: City Council
Brad B. Underwood, Public Works Director

C/CAG AGENDA REPORT

Date: November 12, 2014
TO: C/CAG Board of Directors
From: Sandy Wong, Executive Director, and C/CAG
Subject: Review and approval of the 2015 C/CAG Board calendar.

ITEM 5.3

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

Recommendation:

Review and approve the 2015 schedule for the monthly C/CAG Board meetings.

Fiscal Impact:

None.

Background/Discussion:

The following schedule for the 2015 Board meetings is proposed. All meetings start at 6:30 p.m. unless otherwise noted.

January 8
February 12
March 12
April 9
May 14
June 11
July - No meeting scheduled
August 13
September 10
October 8
November 12
December 10

C/CAG AGENDA REPORT

Date: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 14-45 authorizing the C/CAG chair to execute Amendment 1 to the El Camino Real Incentive Program agreement between C/CAG and City of San Bruno for a time extension only.

ITEM 5.4

(For further information or response to questions, contact Tom Madalena at 650-599-1460)

RECOMMENDATION

That the C/CAG Board of Directors review and approve Resolution 14-45 authorizing the C/CAG Chair to execute amendment 1 to the El Camino Real Incentive Program agreement between C/CAG and City of San Bruno for a time extension only.

FISCAL IMPACT

There will be up to \$50,000 in incentive funds available for the completed plan.

SOURCE OF FUNDS

The source of funds is the Congestion Relief Program.

BACKGROUND

C/CAG created and administered the El Camino Real (ECR) Incentive Program to provide funds to cities/County in order to encourage planning work along the El Camino Real Corridor. San Bruno was one of four jurisdictions that received a grant award for up to \$50,000 for planning work that included the El Camino Real corridor. San Bruno received the grant for the San Bruno Transit Corridors Specific Plan. The San Bruno City Council adopted the Transit Corridors Specific Plan in February 2013 and a final version of the document was released in July 2014. Completion of the Transit Corridors Specific Plan was delayed largely due to recovery and rebuilding efforts following the PG&E explosion and fire in the Crestmoor neighborhood of San Bruno.

The City of San Bruno has requested to have a time extension on the agreement so that the city can receive the \$50,000 for reimbursement for work for the plan. Staff recommends that the Board approve amendment 1 to the agreement with the City of San Bruno for a time extension only.

ATTACHMENTS

1. Resolution 14-45
2. Request Letter from City of San Bruno
3. Amendment 1 to the ECR Incentive Program agreement with the City of San Bruno (available at <http://ccag.ca.gov/committees/board-of-directors/>)

RESOLUTION 14-45

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 AMENDMENT 1 TO THE EL CMAINO REAL INCENTIVE PROGRAM AGREEMENT WITH THE CITY OF SAN BRUNO FOR A TIME EXTENSION ONLY.

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

WHEREAS, Board of Directors of the City/County Association of Governments at its November 10, 2005 meeting approved the El Camino Real Incentive Program; and

WHEREAS, Board of Directors of the City/County Association of Governments at its June 12, 2008 meeting approved the revised El Camino Real Incentive Program; and

WHEREAS, one component of the El Camino Real Incentive Program is to provide financial incentives for jurisdictions to study the El Camino Real; and

WHEREAS, the Board of Directors of the City/County Association of Governments at its June 12, 2008 meeting approved an agreement with the City of San Bruno for the El Camino Real Incentive Program for an amount not to exceed \$50,000; and

WHEREAS, C/CAG has determined that an amendment for a time extension to the funding agreement is necessary in order for San Bruno to obtain the planning funds for the completed plan.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County authorizing the C/CAG Chair to execute amendment 1 to the El Camino Real Incentive Program agreement with the City of San Bruno for a time extension only.

PASSED, APPROVED, AND ADOPTED, THIS 13TH DAY OF NOVEMBER 2014.

Mary Ann Nihart, Chair



August 27, 2014

Tom Madalena
C/CAG of San Mateo County
County Office Building
555 County Center, Fifth Floor
Redwood City, California 94063

Subject: City of San Bruno Request for C/CAG \$50,000 Planning Grant

Dear Mr. Madalena,

In March 2008, C/CAG awarded the City of San Bruno a \$50,000 planning grant to assist with public participation efforts related to preparation of the San Bruno Transit Corridors Specific Plan (TCP). I am respectfully requesting that C/CAG reimburse the City for completion of this effort since the TCP was adopted on February 12, 2013 (Resolution No. 2013-16) and the final document was released in July 2014. The public outreach effort was critical to the success of the planning process and community support for the TCP.

The C/CAG planning grant was meant to assist cities in San Mateo County to plan for higher density housing along El Camino Real and around public transit hubs that will increase transit ridership. The TCP met this goal by providing a framework for mixed-use transit oriented development in proximity to the new Caltrain Station in San Bruno's PDA. It provides a blueprint for future growth to allow 1,610 new housing units, retail and office uses along El Camino Real, San Bruno Avenue and the City's central business district. The plan is also designed to promote transit use, improve pedestrian connections and safety, and support economic development.

Completion of the TCP was delayed by the PG&E gas line explosion and fire in the Crestmoor neighborhood of San Bruno on September 9, 2010, which required a huge commitment of staff time and resources for the recovery and rebuilding efforts. City staff was also called on to assume a greater role in the final phase of the TCP than originally anticipated, including extensive editing of the final document, which was completed in July 2014.

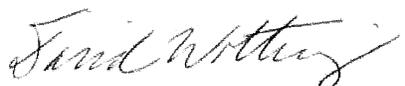
The \$50,000 C/CAG grant allowed the City to expand the consultant scope of work to include public participation beyond what was originally budgeted, including the formation of a 17-member steering committee, the creation of a project website, and Spanish language translation. The City's overall consultant cost for MIG, Inc. to prepare the TCP and related EIR was \$575,000. The steering committee met seven times to help guide the planning process, attended public hearings, and reviewed plan alternatives. Members have continued to support City efforts related to the TCP.

The City is now in the implementation phase of the TCP, which includes a citywide election to increase building height limits as recommended in the adopted TCP, zone code updates to

integrate TCP standards and guidelines, and fee studies to address TCP implementation funding needs. The City Council has placed Measure N, titled the Economic Enhancement Initiative, on the ballot in the November 4, 2014 general election.

The City is hopeful that C/CAG will provide the requested planning grant funds, which could be used for continued TCP implementation. The City hopes to continue our collaborative efforts to fund projects that provide a better relationship between land use and transportation. Thank you for considering this request. If you have any questions, please contact me at (650) 616-7053.

Sincerely,



David Woltering
Community Development Director
City of San Bruno

Cc. Constance Jackson, City Manager
Mark Sullivan, Long-Range Planning Manager

C/CAG AGENDA REPORT

Date: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 14-55 authorizing the C/CAG Chair to execute Amendment No. 4 to the agreement between C/CAG and Iteris Corporation for Smart Corridor south segment design and construction support extending the completion date to November 30, 2014, with no change in cost

ITEM 5.5

(For further information or questions contact Parviz Mokhtari at (408) 425- 2433)

RECOMENDATION

That the C/CAG Board of Directors review and approve Resolution 14-55 authorizing the C/CAG Chair to execute Amendment No. 4 to the agreement between C/CAG and Iteris Corporation for Smart Corridor south segment design and construction support, extending the completion date to November 30, 2014, with no change in cost.

FISCAL IMPACT

None. This is for time extension only.

Source of Funds

State Transportation Improvement Program (STIP).

BACKGROUND

On December 10, 2009, the Board adopted Resolution 09-68 approving an agreement with Iteris Corporation in an amount of \$310,000 to provide design and construction support services for the San Mateo County Smart Corridor project's southern segment (between Whipple Avenue in City of Redwood City and the Santa Clara County line). The original contract specified an end date of April 1, 2012, which was established to align with the need for construction support services through the anticipated end of construction date. The design was completed in June 2010 and documents were delivered on time.

C/CAG executed Amendment No. 1 in May 2010, adding \$8,000 for additional design services. Due to significant delays to the start of Smart Corridor construction, Amendment No. 2, executed on September 19, 2012, extended the agreement to end on April 1, 2014. Amendment No. 3 was executed on July 14, 2014 to provide for another time extension to October 1, 2014. Amendments Nos. 2 and 3 were for time extensions only. The initial estimated fees for construction support

services specified in the contract were \$83,802.00. As of this date \$17,781.00 remains and it is anticipated that no additional funds will be needed to complete the project.

ATTACHMENTS

- 1- Resolution 14-55.
- 2- Amendment No. 4 to the Agreement between C/CAG and Iteris Corporation

RESOLUTION 14-55

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE CHAIR TO EXECUTE
AMENDMENT NUMBER 4 TO THE AGREEMENT BETWEEN C/CAG AND ITERIS
CORPORATION FOR SMART CORRIDOR SOUTH SEGMENT DESIGN AND
CONSTRUCTION SUPPORT EXTENDING THE COMPLETION DATE TO
NOVEMBER 30, 2015 WITH NO CHANGE IN COST**

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

WHEREAS, on December 10, 2009, the C/CAG Board approved an Agreement between C/CAG and Iteris Corporation for design and construction support for the San Mateo County Smart Corridor project's southern segment; and

WHEREAS, the original contract specified an end date of April 1, 2012; and

WHEREAS, subsequent amendments to the agreement extended the completion date to October 1, 2014; and

WHEREAS, due to unforeseen conditions and delays in the construction phase, C/CAG desires to retain Iteris to provide design support, as needed, and extend the agreement to November 30, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG) that the C/CAG Chair is authorized to execute Amendment No. 4 to the agreement between C/CAG and Iteris Corporation for Smart Corridor south segment design and construction support to extend the completion date to November 30, 2014, with no cost change, and further authorize the Executive Director to negotiate the final amendment prior to execution, subject to approval by legal counsel.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF NOVEMBER 2014.

Mary Ann Nihart, Chair

**Draft AMENDMENT NO.4 TO THE AGREEMENT BETWEEN
THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO
COUNTY (C/CAG) AND
ITERIS CORPORATION FOR SMART CORRIDOR SOUTH SEGMENT DESIGN AND
CONSTRUCTION SUPPORT**

WHEREAS, the Board of Directors of the City/County Association of Governments for San Mateo County (C/CAG) at its December 10, 2009 meeting approved an agreement with Iteris Corporation the San Mateo County Smart Corridor project's south segment design.

WHEREAS, Section 1 of said agreement specifies all construction support services (i.e. all task described in Exhibit A under sections 3.0, 4.0 and 5.0) are to be completed when the construction is completed or April 1, 2012 whichever occurs first.

WHEREAS, Amendment No. 1 to said agreement was executed in May 2010 to add \$8,000 for additional design services; and

WHEREAS, Amendment No. 2 to said agreement was executed on September 19, 2012 to extend the termination date to April 1, 2014; and

WHEREAS, Amendment No. 3 to said agreement was executed on July 14, 2014 to extend the termination date to October 1, 2014; and

WHEREAS, the completion of construction of the south segment, under a separate contract, has been delay; and

WHEREAS, C/CAG and Iteris Corporation desire to execute Amendment No. 4 to said agreement to extend the completion date to November 30, 2014 or the completion of construction, whichever occurs first.

IT IS NOW HEREBY AGREED by C/CAG and Iteris Corporation as follows:

All construction support services (i.e. all task described in Exhibit A under section 3.0, 4.0 and 5.0) are to be completed when the construction is completed or by November 30, 2014, whichever occurs first. All other parts of the agreement will remain in full force and effect.

C/CAG

Iteris Corporation:

Mary Ann Nihart, Chair

By

Title: _____

Date: _____

Date: _____

Approved as to form:

Legal Counsel for C/CAG

C/CAG AGENDA REPORT

Date: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Receive a copy of Amendment No. 1 to the agreement between C/CAG and Apis Media adding \$5,000 for a total contract amount not to exceed \$20,000, executed by the C/CAG Executive Director consistent with C/CAG procurement policy

ITEM 5.6

(For further information or response to questions, contact Kim Springer at 599-1412)

RECOMMENDATION

That the C/CAG Board of Directors receive a copy of Amendment No. 1 to the agreement between C/CAG and Apis Media adding \$5,000 for a total contract amount not to exceed \$20,000, executed by the C/CAG Executive Director consistent with C/CAG procurement policy.

FISCAL IMPACT

Funding for Apis Media services is included in the San Mateo County Energy Watch program budget, to be reimbursed by the PG&E local government partnership agreement.

BACKGROUND

C/CAG contracted with Apis Media (formerly iKorb) for \$15,000 of website services on September 17, 2012. Apis Media supported the development of the San Mateo County Energy Watch website since that time, including converting the site to Drupal, to allow staff to more cost-effectively control content.

Staff has executed an amendment to the original agreement, adding \$5,000 through December 31, 2014 in order to enhance a few features of the website and to collect website server and access passwords in preparation for going out with an RFP in for new services in 2015.

ATTACHMENT

1. Executed Amendment No. 1 to Apis Media Agreement

**AMENDMENT NO.1 TO THE AGREEMENT
BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
AND
APIS MEDIA (formerly known as iKORB)**

WHEREAS, the City/County Association of Governments for San Mateo County (hereinafter referred to as "C/CAG") and iKorb (hereinafter referred to as "Contractor") are parties to an agreement originally dated September 1, 2012, for support services for the SMC Energy Watch (the "Web Services Contract"); and

WHEREAS, the Web Services Contract was effective September 1, 2012; and

WHEREAS, the contractor changed his business name to Apis Media; and

WHEREAS, C/CAG exercises the option to extend the Web Services Contract to include additional web development and maintenance services; and

WHEREAS, the Web Services Contract was for the amount of \$15,000 and the parties desire to add \$5,000 for additional services, for a new total amount not to exceed \$20,000; and

WHEREAS, the parties desire to amend the Web Services Contract as set forth herein.

IT IS HEREBY AGREED by C/CAG and Contractor as follows:

1. Section 1 of the Web Services Contract is hereby replaced in its entirety by the following:

Services to be provided by Contractor. In consideration of the payments hereinafter set forth, Contractor agrees to perform the services described in Revised Exhibit A, attached hereto (the "Services"). Contractor shall perform the services in accordance with the schedule to be provided by C/CAG over the life of this agreement. All Services are to be performed and completed by December 31, 2014.

2. Section 2 of the Web Services Contract is hereby replaced in its entirety by the following:

Payments. In consideration of Contractor providing the Services, C/CAG shall reimburse contractor according to the rates described in Revised Exhibit A up to a maximum amount of Twenty Thousand dollars (\$20,000) for Services provided during the Contract Term as set forth below. Payments shall be made to contractor based on an invoice submitted by contractor that identifies expenditures and describes services performed in accordance with the agreement. C/CAG shall have

the right to receive, upon request, documentation substantiating charges billed to C/CAG.

3. The following is added to the Web Services Contract as Paragraph 8:

8. Compliance with PG&E Contracts. The Contractor has been provided a copy of the C/CAG Local Government Partnership Agreement between C/CAG and PG&E, and agrees to comply with all contract requirements contained therein with regard to requirements for contractors and subcontractors, specifically including Data Security, Background Checks, Confidentiality and Data Security, Customer Satisfaction, and Escalation of Complaints and Safety.

4. Exhibit A Proposed Services and Fees: is revised as per attached.

5. Except as expressly amended herein, all other provisions of the Web Services Contract shall remain in full force and effect.

6. This amendment shall take effect upon the date of execution by both parties.

City/County Association of Governments
(C/CAG)

Apis Media (Contractor):

Sandy Wong, Executive Director



By

Title: Owner

Date: _____

Date: 10/29/14

Approved as to form:

Legal Counsel for C/CAG

Revised “Exhibit A” Proposed Services and Fees

I. Services

Apis Media will provide the following web services and skills for C/CAG, as needed and at the sole discretion of C/CAG.

- a. Web Page Production/Maintenance
 - i. Drupal
 - ii. XHTML (hand-coding)
 - iii. CSS (including device/print specific output)
 - iv. Javascript/DHTML
 - v. Template Production
 - vi. PDF Generation
 - vii. Archiving and File Organization
 - viii. Optimization for mobile devices
- b. Web Design
 - i. Image Optimization
 - ii. Original Graphic Design
 - iii. User Interface Design/ Accessibility
 - iv. Flash / Action Scripting
 - v. GIF Animation
- c. Programming
 - i. PERL/CGI
 - ii. MySQL
 - iii. PHP
 - iv. C
 - v. Functional Specification Generation
- d. Standards Compliance
 - i. ADA / Accessibility Compliance
 - ii. Familiarity with San Mateo County Information Technology Requirements
- e. Content Management Systems & Weblog software (blogging software)
 - i. Joomla
 - ii. Drupal
 - iii. WordPress
- f. Search Engine Optimization
- g. Email List Maintenance
 - i. Savicom
 - ii. YahooGroups
 - iii. MailMan
- h. New Media
 - i. YouTube Integration
 - ii. Web Conferencing Support
 - iii. Content Syndication
 - 1. RSS
 - 2. Podcast

- i. System Administration
 - i. Local mirror of RecycleWorks site in place
 - ii. Facilitation of launch and/or move of site to new servers.
 - iii. Troubleshooting server performance issues with ISP.
 - iv. Execute security updates

- j. Training
 - i. In-house workshops on content development and other maintenance related topics.
 - ii. User guide, training manual, and site documentation development.

- k. Non-Technical Skills
 - i. Dedicated project manager for each client.
 - ii. Attention to detail and ability to work independently
 - iii. Consulting - Ability to advise San Mateo staff on a variety of technical topics, from ADA accessibility guidelines to digital video.
 - iv. Web branding, marketing, and promotion.

II. Web Administration Information

In accordance with C/CAG's procurement policy, C/CAG will need to issue an RFP for web services performed after the end date of this contract (December 31, 2014). As part of this contract extension, Apis Media will provide the following administrative access information to enable any potential future contractor to perform web development and maintenance work on the San Mateo County Energy Watch website, including:

- a. Location and passwords for all servers where content is hosted
- b. Location and password for administrative access to the SMC Energy Watch website

Apis Media shall provide the requested Web Administration Information requested by November 1, 2014, and shall not change locations or passwords after this date,

III. Hourly Rate, Billing & Other Costs

Apis Media will not bill C/CAG above a maximum monthly amount of \$2,500 without prior approval of work by C/CAG or C/CAG contracted staff, for the term of this contract.

Apis Media will bill San Mateo County Energy Watch Website projects at the flat rate of \$85/hour for all services. Any services that require "Rush", defined as work required to be done with 4 hours will be charged double the rate. Apis Media will make every effort to handle rush requests immediately, and will confirm whether such a request can be handled.

Apis Media prorates all maintenance work to the second, with no minimum charges or deposits required. Apis Media provides detailed monthly invoices identifying individual tasks, times, purchase order dates, and rates for maintenance performed.

Any jobs outside the scope of routine maintenance may be specified and quoted at C/CAG's request. Apis Media will prepare guaranteed NTE (not to exceed) quotes for work when requested by client.

If Apis Media is asked to purchase stock photography or stock art for use on the SMC Energy Watch website, these materials will be billed to C/CAG at the same cost charged to Apis Media.

Apis Media will offer some more strictly defined web services (ex: static comp design) at set fees. Apis Media will also license web-based applications (shopping cart, job board, etc.) for annual fees and a one-time set-up fee. The Apis Media price sheet outlines these set fees and is available upon request.

IV. Guaranteed Response Time

Apis Media guarantees a 48-hour maximum turn-around time on routine maintenance requests. The 48-hour period includes normal Monday through Friday work days and excludes federal holidays.

When C/CAG identifies maintenance requests as urgent during Apis Media's office hours (9am-6pm M-F), then Apis Media will give priority to that request and respond immediately.

V. Anticipated Response Time (8+ hours)

Maintenance requests requiring eight hours to complete will be completed within a maximum of 72 hours (3 work days) and in most cases can be accomplished within 48 hours. If C/CAG identifies an item as urgent, then Apis Media will make every effort to devote multiple resources to the maintenance request and turn it around same day.

C/CAG AGENDA REPORT

Date: November 13, 2014 **ITEM 5.7**
To: City/County Association of Governments Board of Directors
From: Sandy Wong, Executive Director
Subject: Receive a copy of the Five-Year Review Report of the Countywide Integrated Waste Management Plan for San Mateo County (an information item).
(For further information contact Kim Springer at 650-599-1412 or Sandy Wong at 650-599-1409)

RECOMMENDATION

That the C/CAG Board of Director receive a copy of the Five-Year Review Report of the Countywide Integrated Waste Management Plan for San Mateo County.

FISCAL IMPACT

None.

SOURCE OF FUNDS

NA.

BACKGROUND/DISCUSSION

The C/CAG Board serves as the solid waste Local Task Force (LTF) for San Mateo County. Every five years, state statute requires that every county or regional agency review its solid waste planning document elements to ensure that they are still relevant and accurate. As the LTF, C/CAG appointed an Ad Hoc Committee to review the Countywide Integrated Waste Management Plan (CIWMP) elements. Upon recommendation of the Ad Hoc Committee, C/CAG submitted a letter of findings on the CIWMP Five-Year review to the County of San Mateo on July 14, 2014.

The County of San Mateo is in concurrence with the findings of the C/CAG Board, serving as the Local Task Force (LTF). On October 7, 2014, the County Board of Supervisors approved the "2014 Five-Year Countywide Integrated Waste Management Plan Review Report" (Report) and submitted the Report to CalRecycle for their review. A copy of said Report is provided here to C/CAG for information only. No action is required. CalRecycle has 90 days to comment on the Report.

ATTACHMENT

- Five-Year Review Report of the Countywide Integrated Waste Management Plan for San Mateo County.

COUNTY OF SAN MATEO
DEPARTMENT OF PUBLIC WORKS

James C. Porter
Director

County Government Center
555 County Center, 5th Floor
Redwood City, CA 94063
650-363-4100 T
650-361-8220 F
www.smcgov.org

October 7, 2014

Ms. Mary Ann Nihart
Board Chair
City and County Association of Governments
555 County Center – 4th Floor
Redwood City, CA 94063

Re: Five-Year Review Report of the Countywide Integrated Waste Management Plan for San Mateo County

Dear Ms. Nihart:

Please find enclosed the Five-Year Review Report of the Countywide Integrated Waste Management Plan (Report) for San Mateo County.

In response to your letter dated July 14, 2014, this document was prepared by the staff of the County's Department of Public Works, with assistance from the County's Environmental Health Division.

In concurrence with the findings of the C/CAG Board, serving as the Local Task Force (LTF), the Report finds that the original planning documents of the Countywide Integrated Waste Management Plan, as updated in the annual reports of each jurisdiction, are still applicable and useful planning tools with the exception of the Non-Disposal Facility Element (NDFE). The LTF and the County found that one non-disposal facility in San Mateo County ceased operation. However, the site remains a permitted facility that could re-open under new or existing management at any time. The County looks to CalRecycle to decide if this circumstance requires an update to the existing NDFE.

On October 7, 2014, the County's Board of Supervisors approved the Report and authorized the Director of Public Works to send the Report to CalRecycle for their review. As such, we have forwarded the Report and we await their response, and any review comments, which should be received within 90 days. We will update C/CAG on their findings and report to the C/CAG Board on any required revisions to elements of the Countywide Integrate Waste Management Plan, based on comments from CalRecycle.

Very truly yours,



James C. Porter
Director of Public Works



TO: Ms. Mary Ann Nihart

RE: Five-Year Review Report of the Countywide Integrated Waste Management Plan for San Mateo County

DATE: October 7, 2014

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Enclosure: Five-Year Review Report of the Countywide Integrated Waste Management Plan
for San Mateo County
Resolution 073432

cc: Ann M. Stillman, P.E., Deputy Director, Engineering & Resource Protection Division
Joe La Mariana, Waste Management and Environmental Service Manager
Kim Springer, RecycleWorks Programs Manager

County of San Mateo

2014 Five-Year Countywide Integrated Waste Management Plan Review Report

Prepared for CalRecycle – October 2014

Kim Springer - Resource Conservation Programs Manager
County of San Mateo, Department of Public Works
Solid Waste and Environmental Services - RecycleWorks

Five-Year CIWMP/RAIWMP Review Report Template

Public Resources Code (PRC) Sections 41770 and 41822, and Title 14, California Code of Regulations (CCR) Section 18788 require that each countywide or regional agency integrated waste management plan (CIWMP or RAIWMP), and the elements thereof, be reviewed, revised if necessary, and submitted to the Department of Resources Recycling and Recovery (CalRecycle) every five years. CalRecycle developed this Five-Year CIWMP/RAIWMP Review Report template to streamline the Five-Year CIWMP/RAIWMP review, reporting, and approval process.

A county or regional agency may use this template to document its compliance with these regulatory review and reporting requirements and as a tool in its review, including obtaining Local Task Force (LTF) comments on areas of the CIWMP or RAIWMP that need revision, if any. This template also can be finalized based on these comments and submitted to CalRecycle as the county or regional agency's Five-Year CIWMP or RAIWMP Review Report.

The Five-Year CIWMP/RAIWMP Review Report Template Instructions describe each section and provide general guidelines with respect to preparing the report. Completed and signed reports should be submitted to the CalRecycle's Local Assistance & Market Development (LAMD) Branch at the address below. Upon report receipt, LAMD staff may request clarification and/or additional information if the details provided in the report are not clear or are not complete. Within 90 days of receiving a *complete* Five-Year CIWMP/RAIWMP Review Report, LAMD staff will review the report and prepare their findings for CalRecycle consideration for approval.

If you have any questions about the Five-Year CIWMP/RAIWMP Review Report process or how to complete this template, please contact your LAMD representative at (916) 341-6199. Mail the completed and signed Five-Year CIWMP/RAIWMP Review Report to:

Dept. of Resources Recycling & Recovery
Local Assistance & Market Development, MS-25
P. O. Box 4025
Sacramento, CA 95812-4025

To edit & customize this template, the editing restrictions (filling in forms) must be disengaged. Select the Review tab, Protect Document, and then Restrict Formatting and Editing (uncheck editing restrictions). There is no password (options). Please contact your LAMD representative at (916) 341-6199 with related questions.

General Instructions: Please complete Sections 1 through 7, and all other applicable subsections. Double click on shaded text/areas () to select or add text.

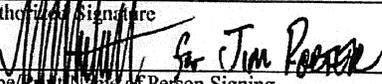
SECTION 1.0 COUNTY OR REGIONAL AGENCY INFORMATION			
I certify that the information in this document is true and correct to the best of my knowledge, and that I am authorized to complete this report and request approval of the CIWMP or RAIWMP Five-Year Review Report on behalf of:			
County or Regional Agency Name		County(s) [if a RAIWMP Review Report]	
San Mateo County			
Authorized Signature 		Title	
		Director Public Works	
Type/Print Name of Person Signing	Date	Phone	
James C. Porter	10/7/14	(650) 599-1421	
Person Completing This Form (please print or type)	Title	Phone	
Kim Springer	Resource Conservation Programs Manager	(650) 599-1412	
Mailing Address	City	State	Zip
555 County Center – 5 th Floor, DPW 155	Redwood City	CA	94063
E-mail Address			
kspringer@smcgov.org			

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SECTION 2.0 BACKGROUND

This is the County's third Five-Year Review Report since the approval of the CIWMP.

The following changes have occurred since the approval of the countyCounty's planning documents or the last Five-Year CIWMPReview Report (whichever is most recent):

- | | |
|---|---|
| <input type="checkbox"/> Diversion goal reduction | <input type="checkbox"/> New city (name(s) _____) |
| <input type="checkbox"/> New regional agency | <input checked="" type="checkbox"/> Other <u>None</u> |
| <input type="checkbox"/> Changes to regional agency | |

Additional Information (optional)

No changes

SECTION 3.0 LOCAL TASK FORCE REVIEW

- a. In accordance with Title 14 CCR, Section 18788, the Local Task Force (LTF) reviewed each element and plan included in the CIWMP and finalized its comments

at the _____ LTF meeting. electronically (fax, e-mail) other (Explain):

The City and County Association of Governments of San Mateo County (C/CAG), as the LTF, appointed an Ad Hoc Committee to review the city and county planning documents and drafted a letter of findings for approval by the C/CAG Board acting as the LTF.

- b. The County of San Mateo, Director of Public Works, received the written comments from the LTF on July 14, 2014. That letter is attached to this report. A separate letter was sent to CalRecycle, to the attention of San Mateo County's representative, Rhonda Andrade with the LTF comments.

- c. A copy of the LTF comments

is included as Appendix A
 was submitted to CalRecycle on July 14, 2014.

SECTION 4.0 TITLE 14, CALIFORNIA CODE of REGULATIONS SECTION 18788 (3) (A) THROUGH (H)

The subsections below address not only the areas of change specified in the regulations, but also provide specific analyses regarding the continued adequacy of the planning documents in light of those changes, including a determination on any need for revision to one or more of the planning documents.

Section 4.1 Changes in Demographics in the County or Regional Agency

When preparing the CIWMP Review Report, the county or regional agency must address at least the changes in demographics. The following tables and analysis address changes in demographics in San Mateo County. Some of the demographics and economic factors reviewed in Section 4.1 are

factors that were historically used in the adjustment method for estimating city diversion up through 2006. These factors were added to complex formula designed to take these adjustments into account when establishing a diversion percentage achieved, as a measure of progress by a city towards the 50% diversion goal. The demographic and economic factors are reviewed here for purposes of determining the adequacy of existing planning documents, not for the affect they would have on a city's diversion achieved. An additional factor reviewed was changes in ethnicity, which the County considers a factor of interest for current and future program development and outreach.

Population

Table 1 below shows the changes in population by city in San Mateo County from 1990 through 2010. The following four cities are highlighted because they have had larger than 20% increases in population since 1990: Brisbane, Colma, East Palo Alto, and Half Moon Bay. The combined population of these (mostly smaller) cities is only 6.3% of the total county population in 2010. In addition, these four cities with the largest population growth are also provided solid waste collection services by three different haulers, so the additional collection "load" is spread out across different collection contracts.

Given the previous two points and the (low) 10.6% population growth countywide from 1990 to 2010, the county does not consider changes in population in San Mateo County to have a significant effect on existing planning documents.

Table 1: Changes in San Mateo County Population by City/Town from 1990 to 2010

City/Town/Uninc	April 1, 1990	April 1, 2000	April 1, 2010	% Change
Total SMC Population	649,623	707,163	718,451	10.6%
Atherton	7,163	7,194	6,914	-3.5%
Belmont	24,127	25,123	25,835	7.1%
Brisbane	2,952	3,597	4,282	45.1%
Burlingame	26,801	28,158	28,806	7.5%
Colma	1,103	1,187	1,792	62.5%
Daly City	92,311	103,625	101,123	9.5%
East Palo Alto	23,451	29,506	28,155	20.1%
Foster City	28,176	28,803	30,567	8.5%
Half Moon Bay	8,886	11,842	11,324	27.4%
Hillsborough	10,667	10,825	10,825	1.5%
Menlo Park	28,040	30,785	32,026	14.2%
Millbrae	20,412	20,718	21,532	5.5%
Pacifica	37,670	38,390	37,234	-1.2%
Portola Valley	4,194	4,462	4,353	3.8%
Redwood City	66,072	75,402	76,815	16.3%
San Bruno	38,961	40,165	41,114	5.5%
San Carlos	26,167	27,718	28,406	8.6%
San Mateo	85,486	92,482	97,207	13.7%
South San Francisco	54,312	60,552	63,632	17.2%
Woodside	5,035	5,352	5,287	5.0%
Unincorporated	57,637	61,277	61,222	6.2%

Source: CA, Department of Finance: Historical Census Populations of Counties and Incorporated Cities in California, 1850–2010

Ethnicity

Table 2 below shows the changes in ethnic origin since 1990. Census data on ethnic origin is an approximate indicator of both spoken language and cultural background. There have been significant changes in San Mateo County demographic ratios with regard to ethnicity since 1990.

Looking at the larger populations (columns highlighted), there has been a drop in population of both White and African-Americans, and there has been a large increase in Hispanic and Asian populations in San Mateo County. These factors should be considered when cities and the County develop outreach materials and programs to drive solid waste and hazardous waste diversion in San Mateo County.

The existing joint SRRE planning element includes a discussion on providing outreach materials in multiple languages, and County of San Mateo’s, Environmental Health, Household Hazardous Waste (HHW) program is providing outreach in Spanish and is working on Chinese outreach materials at this time. San Mateo County cities will be advised of the new outreach tools in later 2014. Curbside Inc., a HHW collection program contracted by some cities in the South Bayside Waste Management Authority, provides web-based outreach in both Spanish and Chinese.

The County believes that existing planning documents address the need for multi-lingual outreach.

Table 2: Changes in San Mateo County Demographics - Ethnic Origin from 1990 to 2010

Year	White	Non-Hispanic/Latino					Hispanic (Any Race)	Total
		Black/African American	American Indian/Alaskan Native	Asian/Hawaiian/Pacific Islander	Other	Two or More Races		
1990	392,131	34,000	2,349	105,559	957	NA	114,627	649,623
2000	352,355	23,778	1,546	149,425	2,217	23,132	154,708	707,161
2010	303,609	18,763	1,125	185,818	2,709	23,925	182,502	718,451
% Change	-22.6%	-44.8%	-52.1%	76.0%	183.1%	3.4%	59.2%	10.6%

Source: ABAG MTC Bay Area Census: <http://www.bayareacensus.ca.gov/historical/corace.htm>

Housing

Table 3 below shows the percentage change in number of housing units in San Mateo County from 1990 to 2010, which was a 7.4% increase.

Because the growth in this demographic (as would be expected) is in pace with population growth, and has had minimal effect on the ratio of multi-unit housing as compared to single-family dwelling units, the County believes that the trend does not create a need for amendment to existing planning documents.

Table 3: Change in Number of San Mateo County Housing Units from 1990 to 2010

1990*	252,446
2000	260,576
2010	271,031
% Change	7.4%

Source: ABAG MTC Bay Area Consensus: <http://www.bayareacensus.ca.gov/counties/SanMateoCounty70.htm>

* estimated as a ratio of households to housing units

Taxable Sales

Table 4 below shows the change in taxable sales from 1990 to 2010 by city in San Mateo County. Increases in taxable sales might indicate a challenge to established materials processing capacity from 1990 to present. However, most all city collection contracts in San Mateo County have increased access to additional processing capacity since 1990. For this reason, the County does not believe that the increase in taxable sales affects the adequacy of the existing planning documents. The large increase in taxable sales in East Palo Alto is due to the establishment of a new large retail complex, which includes an IKEA and Home Depot.

Table 4: Changes in Taxable Sales by City (x \$1000) from 1990 to 2010

	1990	2000	2010	% Change ('90-'00)
Total San Mateo County	7,843,359	14,044,016	11,966,338	52.6%
Atherton	12,476	31,241	12,829	2.8%
Belmont	141,370	379,189	227,585	61.0%
Brisbane	225,661	227,337	382,578	69.5%
Burlingame	556,501	987,129	716,307	28.7%
Colma	436,546	825,875	616,231	41.2%
Daly City	548,006	698,541	786,034	43.4%
East Palo Alto	25,940	109,567	250,931	867.4%
Foster City	225,592	452,036	373,617	65.6%
Half Moon Bay	72,307	139,451	173,779	140.3%
Hillsborough	7,621	7,355	6,050	-20.6%
Menlo Park	470,227	1,086,850	546,344	16.2%
Millbrae	163,180	205,343	191,993	17.7%
Pacifica	100,900	117,776	147,574	46.3%
Portola Valley	8,718	15,373	12,756	46.3%
Redwood City	921,090	1,931,727	1,451,454	57.6%
San Bruno	424,389	621,000	560,249	32.0%
San Carlos	321,616	663,805	595,583	85.2%
San Mateo	1,130,623	1,652,754	1,324,503	17.1%
South San Francisco	964,268	1,213,445	995,433	3.2%
Woodside	20,314	42,132	41,752	105.5%
Unincorporated*	1,066,014	2,636,090	2,552,757	139.5%
			Average % Change	88.9%

Source: CalRecycle:

<http://www.calrecycle.ca.gov/LGCentral/Tools/DivMeasure/JuAdjFac.asp>

* calculated based on countywide total minus total of incorporated cities

Labor Force and Industry

Table 5 below shows the changes in labor force by Industry from 1990 to 2013. The total of all industries of employment show an increase of 16.8%. As might be expected over the past 23 years, the largest growth (176.9%) has been in the information services industry. The greatest reduction in labor has been in the farm industry (-36.6%).

Given the relatively low growth overall and the fact that the largest growth is in the information industry, which generates mostly paper, the County does not believe that changes in labor force or industry causes any deficiencies in the existing planning documents.

Table 5: Changes in San Mateo County Labor Force and Industry

Industry	Employment		% Change
	1990	2013	
Total, All Industries	303,075	354,067	16.8%
Total Farm	2,550	1,617	-36.6%
Total Nonfarm	300,525	352,450	17.3%
Goods Producing	46,767	42,367	-9.4%
Mining, Logging and Construction	14,342	16,692	16.4%
Manufacturing	32,425	25,675	-20.8%
Service Providing	253,758	310,083	22.2%
Trade, Transportation & Utilities	82,800	72,442	-12.5%
Information	8,508	23,558	176.9%
Financial Activities	24,658	20,208	-18.0%
Professional & Business Services	40,817	70,950	73.8%
Educational & Health Services	25,592	39,683	55.1%
Leisure & Hospitality	27,600	39,492	43.1%
Other Services	10,425	13,333	27.9%
Government	33,358	30,417	-8.8%

Source: CA EDD: <http://www.labormarketinfo.edd.ca.gov/county/smateo.html#IND>

Consumer Price Index (CPI)

Table 6 below shows the changes in CPI from 1990 to 2013. CPI is a system used by economists to compare the buying power of the US dollar, between years and geographic regions. Depending on the economy, it's generally accepted that inflation (increase CPI) has a negative effect on consumer's ability to purchase goods. Consumers will hold on to durable goods longer (rather than replacing them) and purchase fewer non-critical products. In general, this will have the effect of reducing waste, as consumers will be less wasteful of everything from food to gasoline.

The increase in CPI does not affect the adequacy of the existing planning documents, especially because processing facilities have been able to continue to afford upgrades to equipment to ensure higher and better use of diverted materials.

Table 6: Changes in San Mateo County Urban Consumer Price Index (CPI-U-SF) from 1990 to 2010

Year	CPI	%Change
1990	132.1	
2000	180.2	36.4%
2010	227.469	72.2%
2013	245.023	85.5%

Source: Department of Industrial Relations: <http://www.dir.ca.gov/OPRL/capriceindex.htm>

Analysis

Upon review of demographic changes since 1990:¹

- The demographic changes since the development of the CIWMP do not warrant a revision to any of the countywide planning documents.
- These demographic changes since the development of the CIWMP warrant a revision to one or more of the countywide planning documents. Specifically, _____. See the revision schedule in Section 7.

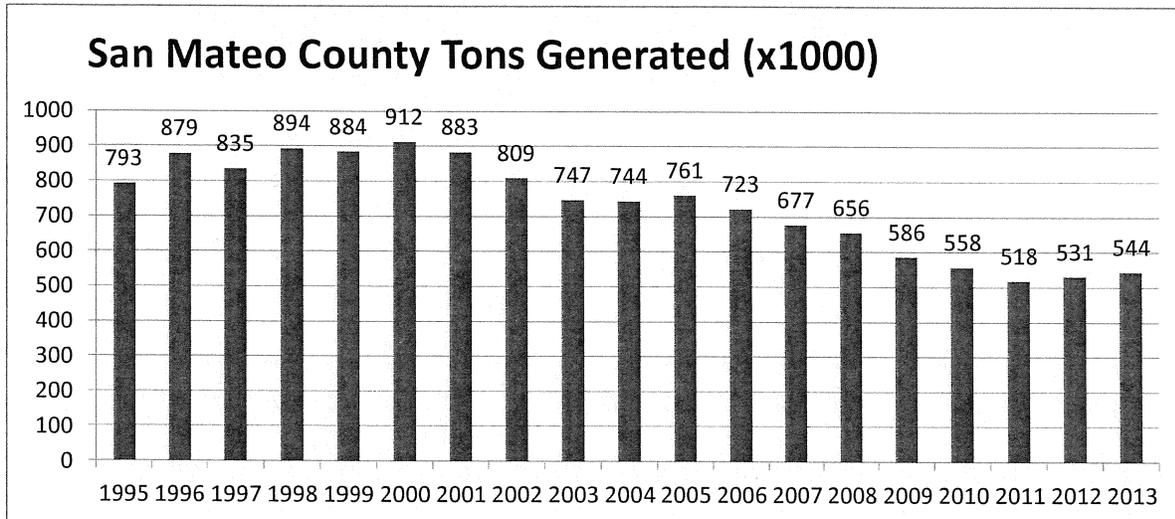
¹ The year of the data included in the planning documents, which is generally 1990 or 1991.

Section 4.2 Changes in Quantities of Waste within the County, Waste Disposed in the County or Regional Agency and Changes in Permitted Disposal Capacity

Waste Generation – San Mateo County

The following, Chart 1, shows the trend of waste disposed in San Mateo County from 1995 to 2103. All but three of the cities in San Mateo County currently dispose their municipal waste at Ox Mountain Landfill (by Half Moon Bay). The chart shows that disposal peaked in 2000 and has been on a general downward trend through 2013. From 2000 to 2013, disposal has dropped over 368,000 tons.

Chart 1: Total Tons Generated in San Mateo County - 1995 to 2013



Source: California Department of Resources Recycling and Recovery (CalRecycle) Disposal Reporting System (DRS), Multi-Year Countywide Origin Summary Report.

Jurisdiction Progress Towards Per Capita Diversion Goals

Table 7 below shows jurisdiction progress towards mandated residential and employee diversion goals (lbs/per capita/day), as well as the number of ongoing diversion programs, by jurisdiction. Three cells in the table are highlighted as having not met the goals mentioned above. Though those two jurisdictions have not met the goals, it’s notable that they are all very close, within .3 lbs per capita of the goal.

Based on the reduction of tons disposed, the large number of diversion programs operating in the cities, and the high countywide achievement of per capita goals, the County believes that the county as a whole is successfully implementing the existing joint and individual Source Reduction and Recycling Elements.

Table 7: San Mateo County City Solid Waste Program Implementation and Per Capita Disposal 2012

City	Programs	Population		Employment	
		Target	Annual	Target	Annual
Atherton	41	11.4	4.5	48.9	15.1
Belmont	40	5.3	2.5	20.2	10.4
Brisbane	45	16.9	8.3	7.9	5.8
Burlingame	43	8.3	6.4	6.6	5.5
Colma	32	37.1	11.7	12.5	5.1
Daly City	41	2.6	2.9	16.8	17
East Palo Alto	41	8.5	2.4	119.4	18.3
Foster City	43	3.7	2.5	7.1	4.1
Half Moon Bay	38	9.4	8	24.7	20.9
Hillsborough	42	6.5	3.1	29.2	17.2
Menlo Park	41	7.5	4.5	9.2	5.3
Millbrae	43	5.3	3.5	22.8	16.9
Pacifica	43	3.5	2.5	33.2	22.1
Portola Valley	33	6	3.1	25.8	13.6
Redwood City	40	9.1	5.7	14.4	8.5
San Bruno	31	4.5	4.2	15.9	14.5
San Carlos	42	7.5	5.9	14.4	12.2
San Mateo	43	5.8	3.4	13.3	7.5
San Mateo-Unincorporated	45	5.1	2.7	15.7	6.1
South San Francisco	45	6.9	6.3	9	9.2
Woodside	33	13.7	4.8	37	13.2

Source: CalRecycle: <http://www.calrecycle.ca.gov/LGCentral/Reports/DiversionProgram/jurhist.aspx>

Remaining Disposal Capacity

San Mateo County currently has one operating landfill, which is used by most county jurisdictions for municipal disposal, Ox Mountain Sanitary Landfill. The owner/ operators of the landfill, Browning Ferris Industries of California (BFI) (a wholly-owned subsidiary of Republic Services, Inc.), provided data to the County for remaining landfill capacity. This data was “tested” by using the CalRecycle-published data for remaining capacity, dated May 31, 2011². The capacity data provided by BFI very closely matches the estimations made by the County.

All calculation for remaining landfill life (in years) are affected by conversion from tons to cubic yards. BFI states that the landfill operation is achieving a compaction of 1850 lbs per cubic yard (lbs/CY), which is based on actual survey data of the active landfill area and actual volume of waste received during a given time frame. BFI further indicates that this number is calculated quarterly and “trued up” annually from annual fly-over reports. Though the County cannot verify this figure, it represents the best coefficient for the calculation.

² <http://www.calrecycle.ca.gov/SWFacilities/Directory/41-AA-0002/Detail/>

A ten-year average of disposal (from 2004 through 2013) was used as a basis for establishing the remaining landfill life. Using this methodology, the following, Table 8, calculates the remaining capacity as 36.1 years.

Table 8: Remaining Landfill Capacity Based on 10-Year Average Disposal

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	10 Year Average
Landfilled Tons*	789,785	804,823	761,927	715,337	665,925	596,576	575,165	543,776	522,493	534,453	651,026
Landfilled Yards*	853,822	870,079	823,705	773,337	719,919	644,947	621,800	587,866	564,858	577,787	703,812
Remaining Cubic Yards of Capacity								26,555,167	25,990,310	25,412,523	
								Remaining Years of Capacity		36.1	

Remaining Ox Mountain Landfill Capacity as of May 31, 2011: 26,898,089 Cubic Yards

Source: CalRecycle: <http://www.calrecycle.ca.gov/SWFacilities/Directory/41-AA-0002/Detail/>

* includes Disposed and Alternative Daily Cover tons - Conversion: 1 CY = 1850lbs

Table 8A : Remaining Landfill Capacity Based on Maximum Permitted Daily Disposal

Estimated Remaining Capacity 2013	25,412,523	Cubic Yards
Maximum Permitted Daily Disposal	3598	Tons/Day
Remaining Years at 1850 lbs/CY	20.9	Years*

*assumes landfill operating 6 days/ week

The ten-year average method of calculating remaining landfill capacity, has the shortcoming of using historical disposal trends as opposed to a “worst case” scenario of maximum permitted disposal per day, which would greatly shorten the useful life of the landfill.

The calculations shown in Table 9A, show the remaining landfill life at maximum daily permitted disposal. The worst case of remaining landfill life, again based on 1850 lbs/CY, is 20.9 years.

The last calculation raises some questions about how to best calculate remaining landfill life. The County suggests that an annual calculation be made, based on a three-year average to help the County identify large increases in disposal and the associated decrease in landfill life. At such time that the estimated landfill life falls below 15 years using a three-year average disposal, the LTF and the County should notify CalRecycle and consider a process to begin revising the Siting Element of the CIWMP. At this time, the County estimates the likely remaining landfill life of Ox Mountain Landfill (in agreement with BFI) as approximately 21 years.

- The county or regional agency (if it includes the entire county) continues to have adequate disposal capacity (i.e., equal to or greater than 15 years).
- The county does not have 15 years remaining disposal capacity within its physical boundaries, but the Siting Element does provide a strategy³ for obtaining 15 years remaining disposal capacity.
- The county does not have 15 years remaining disposal capacity and the Siting Element does not provide a strategy³ for obtaining 15 years remaining disposal capacity. Attached is a revision schedule for the Siting Element (Section 7).

³ Such a strategy includes a description of the diversion or export programs to be implemented to address the solid waste capacity needs. The description shall identify the existing solid waste disposal facilities, including those outside of the county or regional agency, which will be used to implement these programs. The description should address how the proposed programs shall provide the county or regional agency with sufficient disposal capacity to meet the required minimum of 15 years of combined permitted disposal capacity.

Analysis

- These changes in quantities of waste and changes in permitted disposal capacity since the development of the CIWMP do not warrant a revision to any of the countywide planning documents.
- These changes in quantities of waste and changes in permitted disposal capacity since the development of the CIWMP warrant a revision to one or more of the planning documents. Specifically, _____. The revision schedule(s) is included in Section 7.

Section 4.3 Changes in Funding Source for Administration of the Siting Element (SE) and Summary Plan (SP)

Since the approval of the CIWMP or the last Five-Year CIWMP Review Report (whichever is most recent), the county experienced the following significant changes in funding for the SE or SP:

- None

Analysis

- There have been no significant changes in funding for administration of the SE and SP or the changes that have occurred do not warrant a revision to any of the countywide planning documents.
- These changes in funding for the administration of the SE and SP warrant a revision to one or more of the countywide planning documents. Specifically, _____. See Section 7 for the revision schedule(s).

Section 4.4 Changes in Administrative Responsibilities

The county experienced significant changes in the following administrative responsibilities since the approval of the CIWMP or the last Five-Year CIWMP Review Report (whichever is most recent):

- None

Analysis

- There have been no significant changes in administrative responsibilities or the changes in administrative responsibilities do not warrant a revision to any of the planning documents.
- These changes in administrative responsibilities warrant a revision to one or more of the planning documents. Specifically, _____. See Section 7 for the revision schedule(s).

Section 4.5 Programs that Were Scheduled to Be Implemented, But Were Not

This section addresses programs that were scheduled to be implemented, but were not; why they were not implemented; the progress of programs that were implemented; a statement as to whether programs are meeting their goals; and if not, what contingency measures are being enacted to ensure compliance with Public Resources Code Section 41751.

Program Implementation

The County of San Mateo, Solid Waste and Environmental Services section of the Department of Public Works (RecycleWorks), County Environmental Health, and Rethink Waste (South Bayside Waste Management Authority), provide data to the cities in San Mateo County on both program implementation and household hazardous waste collected. This data appears in the Electronic Annual Reports of individual jurisdictions. The County has reviewed the SRRE's and HHWE's of all the cities in San Mateo County and finds that the SRRE's and HHWE's are accurate reflections of program implementation, countywide.

The County has also reviewed the annual reports of all the jurisdictions in San Mateo County, noting any changes in NDFE's and the extent to which "jurisdiction updates" are provided in the annual reports. No NDFE updates have been made, consistent with the response provided by the County's Local Enforcement Agency (LEA), when asked about any new facilities in the county since 2009.

1. Progress of Program Implementation

a. SRRE and Household Hazardous Waste Element (HHWE)

- All program implementation information has been updated in the CalRecycle Electronic Annual Report (EAR), including the reason for not implementing specific programs, if applicable.
- All program implementation information has not been updated in the EAR. Attachment _____ lists the SRRE and/or HHWE programs selected for implementation, but which have not yet been implemented, including a statement as to why they were not implemented.

b. Nondisposal Facility Element (NDFE)

- There have been no changes in the use of non-disposal facilities (based on the current NDFEs and any amendments). One facility, FERMA SRDC wood chipping and C&D sorting facility has closed. However, according to the LEA, it remains a permitted facility. The County looks to CalRecycle for guidance if this change triggers the need for an NDFE update.
- Attachment _____ lists changes in the use of non-disposal facilities (based on the current NDFEs).

c. Countywide Siting Element (SE)

- There have been no changes to the information provided in the current SE.
- Attachment _____ lists changes to the information provided in the current SE.

d. Summary Plan

- There have been no changes to the information provided in the current SP.
- Attachment _____ lists changes to the information provided in the current SP.

2. Statement regarding whether Programs are Meeting their Goals

- The programs are meeting their goals.
- The programs are not meeting their goals. The discussion that follows in the analysis section below addresses the contingency measures that are being enacted to ensure

compliance with PRC Section 41751 (i.e., specific steps are being taken by local agencies, acting independently and in concert, to achieve the purposes of the California Integrated Waste Management Act of 1989) and whether the listed changes in program implementation necessitate a revision to one or more of the planning documents. _____

Analysis

- The aforementioned changes in program implementation do not warrant a revision to any of the planning documents. Specifically,
- Changes in program implementation warrant a revision to one or more of the planning documents. Specifically, _____. The revision schedule(s) is included in Section 7.

Section 4.6 Changes in Available Markets for Recyclable Materials

The county experienced changes in the following available markets for recyclable materials since the approval of the CIWMP or the last Five-Year CIWMP Review Report (whichever is most recent):

- None

Analysis

- There are no significant changes in available markets for recycled materials to warrant a revision to any of the planning documents.
- Changes in available markets for recycled materials warrant a revision to one or more of the planning documents. Specifically, _____. The revision schedule(s) is included in Section 7.

Section 4.7 Changes in the Implementation Schedule

The following addresses changes to the County's implementation schedule that are not already addressed in Section 4.5 above:

Analysis

- There are no significant changes in the implementation schedule to warrant a revision to any of the planning documents.
- Changes in the implementation schedule warrant a revision to one or more of the planning documents. Specifically, _____.

Note: Consider for each jurisdiction within the county or regional agency the changes noted in sections 4.1 through 4.7 and explain whether the changes necessitate revisions to any of the jurisdictions' planning documents.

SECTION 5.0 OTHER ISSUES OR SUPPLEMENTARY INFORMATION (optional)

The following addresses any other significant issues/changes in the county and whether these changes affect the adequacy of the CIWMP to the extent that a revision to one or more of the planning documents is needed:

None

SECTION 6.0 ANNUAL REPORT REVIEW

- The Annual Reports for each jurisdiction in the county have been reviewed, specifically those sections that address the adequacy of the CIWMP elements. No jurisdictions reported the need to revise one or more of these planning documents.
- The Annual Reports for each jurisdiction in the county have been reviewed, specifically those sections that address the adequacy of the CIWMP or RAIWMP elements. The following jurisdictions reported the need to revise one or more of these planning documents, as listed.

Analysis

The discussion below addresses the county's **evaluation of the Annual Report** data relating to planning document adequacy and includes determination regarding the need to revise one or more of the documents:

SECTION 7.0 REVISION SCHEDULE (if required)

The County proposes that no revisions are required at this time.

F:\Users\ewms\10 CIWMB ARB Reports\CW Integrated Waste Management Plan 5-Year 2014\County Five Year Review\Five-Year Review Report 2014\Five-Year Review Report 2014 V6 Attachment.doc

C/CAG AGENDA REPORT

Date: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of C/CAG investment recommendations from the Finance Committee and accept the Quarterly Investment Report as of September 30, 2014.

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

ITEM 6.1

RECOMMENDATION

That the C/CAG Board review and approve of C/CAG investment recommendations (to be presented at the November 13th meeting) from the Finance Committee and accept the Quarterly Investment Report as of September 30, 2014.

FISCAL IMPACT

Potential for higher or lower yields and risk associate with C/CAG investments.

SOURCE OF FUNDS

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

BACKGROUND

According to the C/CAG Investment Policy adopted on Oct 10, 2013:

“The portfolio should be analyzed not less than quarterly by the C/CAG Finance Committee, and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.”

The Finance Committee will seek to provide a balance between the various investments and maturities in order to give C/CAG the optimum combination of Safety of Principal, necessary liquidity, and optimal yield based on cash flow projections.

C/CAG’s financial agent (City of San Carlos) provides quarterly investment reports. Attached is the Quarterly Investment Report as of September 30, 2014.

A summary of the July, August, and September 2014 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
July	0.244%	0.58%
August	0.260%	0.65%
September	0.246%	0.70%

On November 14, 2013 the C/CAG Board approved the C/CAG investment portfolio as follows:

Local Agency Investment Fund (LAIF) 50% to 70%
 San Mateo County Investment Pool (COPOOL) 30% to 50%

On August 8, 2014 the Finance Committee reviewed the investment earnings and recommended no change to the investment portfolio. On August 14, 2014 the C/CAG Board approved the recommendation of the Finance Committee. As a result, current investment portfolio as of September 30, 2014 is as follows:

	6/30/2014		9/30/2014	
	Amount	Percent	Amount	Percent
LAIF	\$12,230,010	65%	\$12,086,243	65%
COPOOL	\$6,549,782	35%	\$6,559,603	35%
Total	\$18,779,792	100%	\$18,645,846	100%

The C/CAG Finance Committee met on November 7, 2014. Since this meeting occurred after packet printing, staff will verbally present Finance Committee recommendations at the C/CAG Board meeting.

ATTACHMENTS

1. Quarterly Investment Report as of September 30, 2014 from San Carlos

C/CAG
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
of San Mateo County

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Tracy Kwok, Financial Services Manager
Date: October 31, 2014

SUBJECT: Quarterly Investment Report as of September 30, 2014

RECOMMENDATION:

It is recommended that the C/CAG Board review and accept the Quarterly Investment Report.

ANALYSIS:

The attached investment report indicates that on September 30, 2014, funds in the amount of \$18,645,846 were invested producing a weighted average yield of 0.38%. Of the total investment portfolio, 65% were invested in the Local Agency Investment Fund (LAIF) and 35% in the San Mateo County Investment Pool (COPOOL). These percentages are within the range specified by the CCAG Board. Accrued interest earnings for this quarter totaled \$17,677.

Below is a summary of the changes from the prior quarter:

	Qtr Ended 9/30/14	Qtr Ended 6/30/14	Increase (Decrease)
Total Portfolio	\$ 18,645,846	\$ 18,779,792	\$ (133,946)
Weighted Average Yield	0.38%	0.35%	0.03%
Accrued Interest Earnings	\$ 17,677	\$ 16,054	\$ 1,623

The total portfolio decreased by \$133,946, primarily due to payments for Measure M, Congestion Management, Smart Corridor, NPDES, and energy watch that is more than revenues received in this quarter. Although the portfolio balance is lower as of September 30, the average daily balance during this quarter is higher than the last quarter. With the higher average daily balance and a level weighted average yield, the interest earned this quarter is slightly more than the last quarter.

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis to ensure that C/CAG's investment portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements. As of September 30, 2014, the portfolio contains sufficient liquidity to meet the next six months of expected expenditures by C/CAG. All investments are in compliance with the Investment Policy. Attachment 2 shows a historical comparison of the portfolio for the past nine quarters.

The primary objective of the investment policy of the CCAG remains to be the SAFETY OF PRINCIPAL. The permitted investments section of the investment policy also states:

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.

The Investment Advisory Committee has reviewed and approved the attached Investment Report.

Attachments

1 – Investment Portfolio Summary for the Quarter Ended September 30, 2014

2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

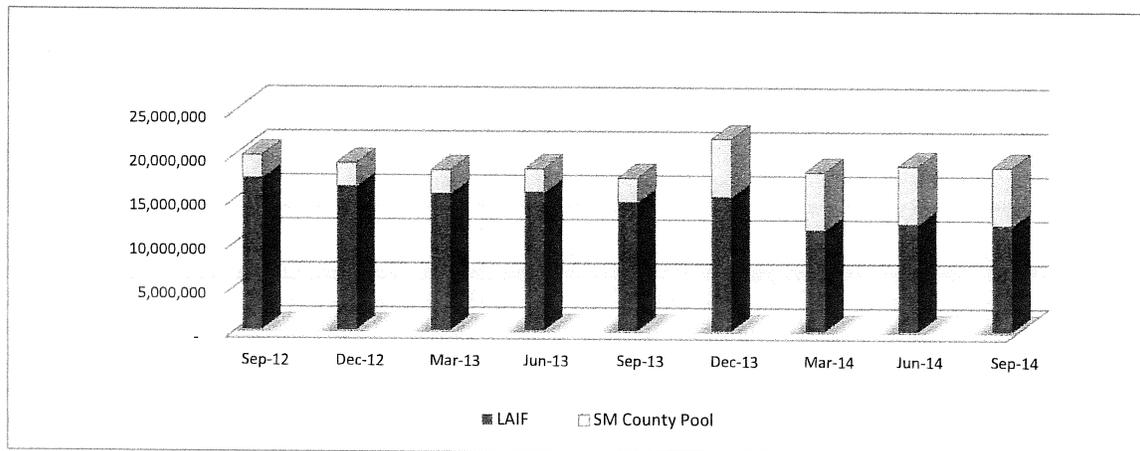
SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2014

Category	Weighted Average Interest Rate	HISTORICAL Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	0.24%	12,086,243	65%	12,088,434
San Mateo County Investment Pool (COPOOL)	0.64%	6,559,603	35%	6,559,603
Agency Securities				
<i>none</i>				
Total - Investments	0.38%	18,645,846	100%	18,648,037
GRAND TOTAL OF PORTFOLIO	0.38%	\$ 18,645,846	100%	\$ 18,648,037
Total Interest Earned This Quarter				17,677
Total Interest Earned (Loss) Fiscal Year-to-Date				17,677

Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

LAIF - 50% to 70%
COPOOL - 30% to 50%

**City and County Association of Governments
Historical Summary of Investment Portfolio
September 30, 2014**



City/County Association of Governments Investment Portfolio

	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
LAIF	17,207,806	16,319,895	15,532,855	15,693,902	14,603,467	15,263,408	11,523,029	12,230,010	12,086,243
SM County Pool	2,627,815	2,641,320	2,646,873	2,662,308	2,721,814	6,526,385	6,539,496	6,549,782	6,559,603
Total	19,835,621	18,961,215	18,179,727	18,356,210	17,325,281	21,789,793	18,062,525	18,779,792	18,645,846

C/CAG AGENDA REPORT

Date: November 13, 2014
To: City/County Association of Governments Board of Directors
From: Sandy Wong, Executive Director
Subject: Review and approval of Resolution 14-54 adopting the 2015 C/CAG Investment Policy
(For further information or questions contact Sandy Wong at 599-1409)

ITEM 6.2

RECOMMENDATION:

That the C/CAG Board of Directors review and approve Resolution 14-54 adopting the 2015 C/CAG Investment Policy.

FISCAL IMPACT:

Adoption of the Investment Policy 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 Fiscal Agent (City of San Carlos).

BACKGROUND/DISCUSSION:

The C/CAG Investment Policy states that the policy shall be reviewed at least annually, and that it shall be adopted by resolution of the C/CAG Board on an annual basis. The C/CAG Investment Policy was first adopted in June 2010, and subsequently updated in September 2011, December 2012, and October 2013.

At present, C/CAG investment portfolio includes investments in the California Local Agency Investment Fund (LAIF) and San Mateo County Pool (POOL) funds only. Those two funds have strict compliance and oversight requirements.

C/CAG staff and C/CAG Fiscal Agent staff have made recommendation on the proposed “2015 C/CAG Investment Policy” update, attached. Proposed edits are shown with underline and ~~strikethrough~~. Major changes include:

1. Updated language to be consistent with current State and local laws.
2. Removed the mitigating of “interest rate risk” from the safety of principal objective.
3. Cleaned up language to clarify current review and reporting process.
4. Deleted the requirement of sending a copy of the Investment Policy to all brokers/dealers approved to do business with C/CAG (not applicable).
5. The authorized investment limits have been updated to be consistent with state law.
6. Added the prohibition of use of derivatives.

The C/CAG Finance Committee is scheduled to review the proposed “2015 C/CAG Investment Policy” at the November 7, 2014 meeting. Any changes recommended by the Finance Committee will be presented to the C/CAG Board at the November 13, 2014 meeting.

ATTACHMENTS:

Attachment 1 - Resolution 14-54

Attachment 2 - 2015 C/CAG Investment Policy (with track changes)

Attachment 3 - 2015 C/CAG Investment Policy (clean copy)

RESOLUTION 14-54

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) ADOPTING THE 2015 C/CAG INVESTMENT POLICY

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

WHEREAS, the City of San Carlos is the Fiscal 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 2015 C/CAG Investment Policy is approved and adopted.

PASSED, APPROVED, AND ADOPTED, THIS 13TH DAY OF NOVEMBER 2014.

Mary Ann Nihart, Chair

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
(C/CAG)**

INVESTMENT POLICY

| **Adopted on ~~October 10, 2013~~ November 13, 2014**

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 PRINCIPAL - 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 Finance Committee and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.
- 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 Principal should not be reduced in order to achieve higher yield.

| C/CAG's investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with State and local laws. 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 Principal, 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 as accounted for in the Annual Financial Statements. 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.

The Administrative Services Director of the City of San Carlos (City) and other 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.

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~~two types of risk: credit risk, and 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 principal, 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.

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 Financial Services Manager. Investment performance is monitored and evaluated by the Fiscal Agent's Investment Committee and provided to the C/CAG Finance Committee and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for review by the Fiscal Agent's Investment Committee and presentation to the C/CAG Finance 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 Finance 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/CAG Board, assign the responsibility of investing unexpended cash to the City's Administrative Services Director. Daily management responsibility of the investment program may be delegated to the City's Financial Services Manager, 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 C/CAG Board.

FISCAL AGENT INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, 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 Financial Services Manager 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 Financial Services Manager 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.

ETHICS AND CONFLICTS OF INTEREST

The **C/CAG Finance 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 City's Fiscal Agent's Administrative Services Director and the Financial Services Manager, 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 Fiscal Agent's Administrative Services Director to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the Fiscal Agent's Administrative Services Director in written form and included in the quarterly reporting to the C/CAG Board.

INTERNAL CONTROL

Separation of functions between the ~~City's~~ Fiscal Agent's Administrative Services Director or Financial Services Manager 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 are made by the Fiscal Agent's Administrative Services Director, executed by the Fiscal Agent's Administrative Services Director or Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Fiscal Agent's Administrative Services Director or Financial Services Manager 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 Fiscal Agent's 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 Fiscal Agent's Administrative Services Director and/or C/CAG Executive Director shall review and assure compliance with investment process and procedures.

REPORTING

The ~~Administrative Services Director~~ Fiscal Agent's Investment Committee shall review and render quarterly reports to the C/CAG Executive Director 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 Fiscal Agent's Investment Committee ~~C/CAG Executive Director~~ 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 Executive Director~~ Fiscal Agent's Investment Committee, the quarterly reports is submitted to the C/CAG Executive Director and the C/CAG Finance Committee for review. 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 City's~~ ~~Administrative Services Director~~ will maintain a list of approved dealers. Investment 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 Executive Director for approval.

~~The Administrative Services Director or Financial Services Manager 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 Executive Director. 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). There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.

Investments detailed in items 3 through 910 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 unless 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~~5% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed ~~15~~25% 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.~~
 6. 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.
 7. 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.~~
 8. 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~~ also be included when calculating the 15% limitation.
 9. 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 Executive Director and approved by the C/CAG Board prior to purchase.

10. 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	\$ 40,000,000 per account
San Mateo County Investment Pool	\$ 40,000,000 per account
US Treasury Bonds/Notes/Bills	0 to 100%
US Government Agency Obligations	0 to 100%
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%

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment in One Issuer</u>
<u>Local Agency Investment Fund (LAIF)</u>	<u>Upon Demand</u>	<u>N/A</u>	<u>\$40 million per account</u>	<u>N/A</u>
<u>San Mateo County Investment Pool</u>	<u>Upon Demand</u>	<u>N/A</u>	<u>\$40 million per account</u>	<u>N/A</u>
<u>Treasury Bills</u>	<u>5 Years</u>	<u>N/A</u>	<u>100%</u>	<u>N/A</u>
<u>US Government Agency and Federal Agency Securities</u>	<u>5 Years</u>	<u>N/A</u>	<u>100%</u>	<u>N/A</u>
<u>Bankers Acceptances</u>	<u>180 Days</u>	<u>N/A</u>	<u>30%</u>	<u>(A), (B)</u>
<u>Commercial Paper</u>	<u>270 Days</u>	<u>AA</u>	<u>25%</u>	<u>(A), (B)</u>
<u>Negotiable Certificates of Deposit</u>	<u>5 Years</u>	<u>N/A</u>	<u>30%</u>	<u>(A), (B)</u>
<u>Time Certificates of Deposit – Banks or Savings and Loans</u>	<u>5 Years</u>	<u>N/A</u>	<u>25%</u>	<u>(A), (B)</u>
<u>Medium Term Corporate Notes</u>	<u>5 Years</u>	<u>AA</u>	<u>30%</u>	<u>(A), (B)</u>

(A) 5% of outstanding paper of issuing corporation

(B) 5% of the portfolio in one corporation

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 Board 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.~~ The use of derivatives is prohibited under 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 the cash balance in each fund at quarter end as percentage of the entire pooled portfolio.

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 Executive Director 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/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 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 principle.

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.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
(C/CAG)**

INVESTMENT POLICY

Adopted on November 13, 2014

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 PRINCIPAL - 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 Finance Committee and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.
- 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 Principal should not be reduced in order to achieve higher yield.

C/CAG's investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with State and local laws. 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 Principal, 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 as accounted for in the Annual Financial Statements. 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.

The Administrative Services Director of the City of San Carlos (City) and other 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.

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 two types of risk: credit risk and market 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.

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.

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 Financial Services Manager. Investment performance is monitored and evaluated by the Fiscal Agent's Investment Committee and provided to the C/CAG Finance Committee and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for review by the Fiscal Agent's Investment Committee and presentation to the C/CAG Finance 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 Finance 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/CAG Board, assign the responsibility of investing unexpended cash to the City's Administrative Services Director. Daily management responsibility of the investment program may be delegated to the City's Financial Services Manager, 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 C/CAG Board.

FISCAL AGENT INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, 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 Financial Services Manager 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 Financial Services Manager 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.

ETHICS AND CONFLICTS OF INTEREST

The **C/CAG Finance 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 Fiscal Agent's Administrative Services Director and the Financial Services Manager, 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 Fiscal Agent's Administrative Services Director to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the Fiscal Agent's Administrative Services Director in written form and included in the quarterly reporting to the C/CAG Board.

INTERNAL CONTROL

Separation of functions between the Fiscal Agent's Administrative Services Director or Financial Services Manager 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 are made by the Fiscal Agent's Administrative Services Director, executed by the Fiscal Agent's Administrative Services Director or Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Fiscal Agent's Administrative Services Director or Financial Services Manager 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 Fiscal Agent's 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 Fiscal Agent's Administrative Services Director and/or C/CAG Executive Director shall review and assure compliance with investment process and procedures.

REPORTING

The Fiscal Agent's Investment Committee shall review and render quarterly reports to the C/CAG Executive Director 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 Fiscal Agent's 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 Fiscal Agent's Investment Committee, the quarterly report is submitted to the C/CAG Executive Director and the C/CAG Finance Committee for review. 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. Investment 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 Executive Director for approval.

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.

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 Executive Director. 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). There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.

Investments detailed in items 3 through 10 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 unless 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.
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 5% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio.
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. A maturity limitation of five years is applicable.

6. 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.
7. 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 may be invested in this investment type.
8. 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 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 also be included when calculating the 15% limitation.
9. 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 Executive Director and approved by the C/CAG Board prior to purchase.
10. 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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$40 million per account	N/A
San Mateo County Investment Pool	Upon Demand	N/A	\$40 million per account	N/A
Treasury Bills	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	5 Years	N/A	100%	N/A
Bankers Acceptances	180 Days	N/A	30%	(A), (B)
Commercial Paper	270 Days	AA	25%	(A), (B)
Negotiable Certificates of Deposit	5 Years	N/A	30%	(A), (B)
Time Certificates of Deposit – Banks or Savings and Loans	5 Years	N/A	25%	(A), (B)
Medium Term Corporate Notes	5 Years	AA	30%	(A), (B)

- (A) 5% of outstanding paper of issuing corporation**
- (B) 5% of the portfolio in one corporation**

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 use of derivatives is prohibited under 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 the cash balance in each fund at quarter end as percentage of the entire pooled portfolio.

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 Executive Director 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/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 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 principle.

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.

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

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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.

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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: November 13, 2014

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Presentation on San Mateo County Energy Watch (SMCEW) program progress

ITEM 6.3

(For further information or response to questions, contact Kim Springer at 599-1412)

RECOMMENDATION

That the C/CAG Board of Directors receive a presentation on San Mateo County Energy Watch (SMCEW) program progress.

FISCAL IMPACT

SMCEW program is funded by the PG&E Local Government Partnership (LGP) agreement. Additional matching funds, specifically for transportation-related Climate Action Planning efforts, come from C/CAG Congestion Relief Funds.

BACKGROUND

San Mateo County Energy Watch is a local government partnership between C/CAG and Pacific Gas and Electric Company (PG&E). This program is managed and staffed by RecycleWorks, a program of the County of San Mateo. Other program partners include Ecology Action for “turnkey” lighting and refrigeration projects, and El Concilio of San Mateo County for installation of energy and comfort improvements for moderate-income residential customers. The two-year program cycle is running from January 1, 2013 through December 31, 2014. The program is in the process of being extended through December 31, 2015 under a separate agenda item. Planning and discussion have already begun for 2016 and beyond.

San Mateo County Energy Watch was originally contracted to achieve energy savings in the municipal, non-profit, and residential program sectors. In 2013-2014, the program contract added schools, farms, and small business sectors. In past years, SMCEW’s municipal program has completed energy efficiency benchmarking, audits, energy-efficiency projects, and climate action planning in all the cities and a number of other special districts in San Mateo County. Additionally, SMCEW has completed projects for a variety of non-profit organizations, including food closets, home owners associations, and numerous congregations.

At this time, the program is on track to meet its energy saving goals for the 2013-2014 program cycle, dependent on a number of large municipal projects being completed by the end of the 2014 calendar year.

As of the end of September, the program is at approximately 94% of its kilowatt hours (kWh) goal and 77% of its kilowatt (kW) goal. These percentages are so different because of the large number of municipal streetlight projects completed, since night time outdoor lighting saves no peak kW. If all projects in the pipeline are completed, we will surpass our goals. Energy savings charts, updated through September 2014 are provided as attachments to this staff report.

Comprehensive Energy Recommendations for Cities

Since the end of CY 2012, SMCEW has been offering Comprehensive Energy Recommendations (CER) to local governments in collaboration with our nonprofit partner, Ecology Action. The CER approach combines multiple energy saving retrofit measures into a bundle of projects designed to, collectively, reduce the simple payback time of deeper energy saving projects, such as boiler replacements, that generally have long simple payback periods. The CER approach also includes promoting a PG&E-offered 0% On-Bill Financing opportunity, and a strategy of presenting energy efficiency as an investment.

Prop 39 Guidance for Public Schools

Proposition 39 was passed in 2012, earmarking approximately \$500 million a year for five years to the public schools in California for energy efficiency projects. In follow-up legislation (Senate Bill 73), the California Energy Commission (CEC) was designated to lead a process with its counterpart state agencies to develop guidelines for distributing the funds in accordance with the Prop 39 statute. In 2013, SMCEW began collaborating with the San Mateo County Office of Education (SMCOE) to assist school districts with Prop 39 efforts.

In 2013, SMCEW benchmarked the energy use of all K-12 public schools in San Mateo County in collaboration with PG&E and SMCOE. SMC Energy Watch used the EPA's Portfolio Manager online tool, using a process similar to the one used when benchmarking city and county facilities in 2010-2012. In October 2013, SMCEW, SMCOE, and PG&E hosted a Prop 39 Funding Workshop to help school districts understand how they can save money on their utility bills by making their facilities more energy efficient. Superintendents, chief business officers, and facilities managers from 20 out of 23 districts sent representatives to the workshop.

Since the workshop, SMCEW and SMCOE have met individually with 21 of the 23 school districts to help them develop a Prop 39 strategy. This has included helping the district take advantage of no-cost energy audits, and providing a template RFP/RFQ to find an outside consultant to provide assistance with developing the CEC-required expenditure plan and provide support for project implementation and reporting. Following the first round of meetings with school districts, SMCEW requested and received additional funding from PG&E. With this funding, SMCEW will continue to provide general guidance for all districts requesting our help, plus provide additional engineering and administrative support to eight small/in-need districts. A new Climate Corps Bay Area fellow is assisting with this effort. SMCEW also plans to provide engineering audits for four specific schools because of unique circumstances.

Climate Action Planning

In 2008 and 2009, C/CAG provided funding to the cities and County to complete 2005 greenhouse gas (GHG) emission inventories for their government operations and provided funding to County staff to complete community-scale emissions inventories with technical support from ICLEI. A logical next step was for cities to complete climate action plans. C/CAG recognized, however, that financial and resource constraints were preventing most small- and medium-size cities from developing climate action plans and that the difficult economic climate would likely continue into at least 2013. As a

result, in 2010 C/CAG solicited support from the Bay Area Air Quality Management District (BAAQMD) and Pacific Gas and Electric Company (PG&E) to develop what has come to be known as the Regional Integrated Climate Action Planning Suite (RICAPS). (C/CAG matches those funds.)

The RICAPS tools consist of: Climate Action Plan Template, Proposed Measures Including Calculations and Selection Guide, Online Forecasting, Targeting, Calculating, and Tracking Tool, and Users Guide. In addition, the RICAPS program provides technical support via consultant DNV GL (Kema). Cities can get one-on-one assistance as well as attend monthly multi-city working group meetings. As of October 2014, all 20 cities and the County either have an adopted climate action plan drafter climate action plan, or are working on a plan. SMCEW is now assisting cities with a series of new initiatives to support the implementation of climate action plans.

New Initiatives

Beacon Award. To make the climate action efforts cities are making more visible to the public, the RICAPS program now includes supporting cities in participating in the Beacon Award. The Beacon Award is a newly established program of the Institute for Local Government (ILG) recognizing and celebrating cities and counties that reduce greenhouse gas emissions and energy use; adopt policies and programs to address climate change; and promote sustainability. Participating cities and counties will be recognized with Silver, Gold and Platinum Beacon Award for achieving specified measureable reductions. The program will also recognize participants for interim accomplishments. C/CAG has registered as a Beacon Award Champion to assist interested cities in participating.

Annual Report to Council. The data collected for the Beacon Award can be used to create a climate action report to city councils. SMCEW has created a template for cities to use. The recommended timeframe is Earth Day 2015.

Countywide energy efficiency campaigns. SMCEW has enlisted the assistance of a Climate Corps Bay Area fellow to spearhead campaigns to small businesses. The fellow is coordinating with city sustainability staff to leverage existing relationships with business groups in their communities. The goal is to drive leads into SMCEW's turnkey lighting program. Targeted business sectors are: restaurants, small retail, convenience stores, warehouses, and gas stations.

Zero Net Energy (ZNE) toolkit. Although much information is available about the value of building to zero net energy standards, there are few readily available resources and/or technical assistance to enable people to take action. SMCEW is putting together a toolkit of ZNE information for local governments, schools, businesses, and homeowners to remedy this. One of our Climate Corps Bay Area fellows is working on this project.

Solar Roadmap and Energy Sage. SMCEW is encouraging cities to take part in the Solar Roadmap, program to assist cities in streamlining their solar permitting. SMCEW is also beginning to coordinate with C/CAG and the County Manager's Office to establish an online solar platform for residents in San Mateo County, called Energy Sage. Both programs are funded by the Department of Energy and administered by Optony.

Real estate collaboration. In summer 2014, SMCEW hosted a full-day class about green home performance for real estate professionals in partnership with the San Mateo County Association of REALTORS (SAMCAR). SAMCAR is interested in hosting the class again for coast side realtors, and in having presentations about energy efficiency and energy programs at future SAMCAR meetings.

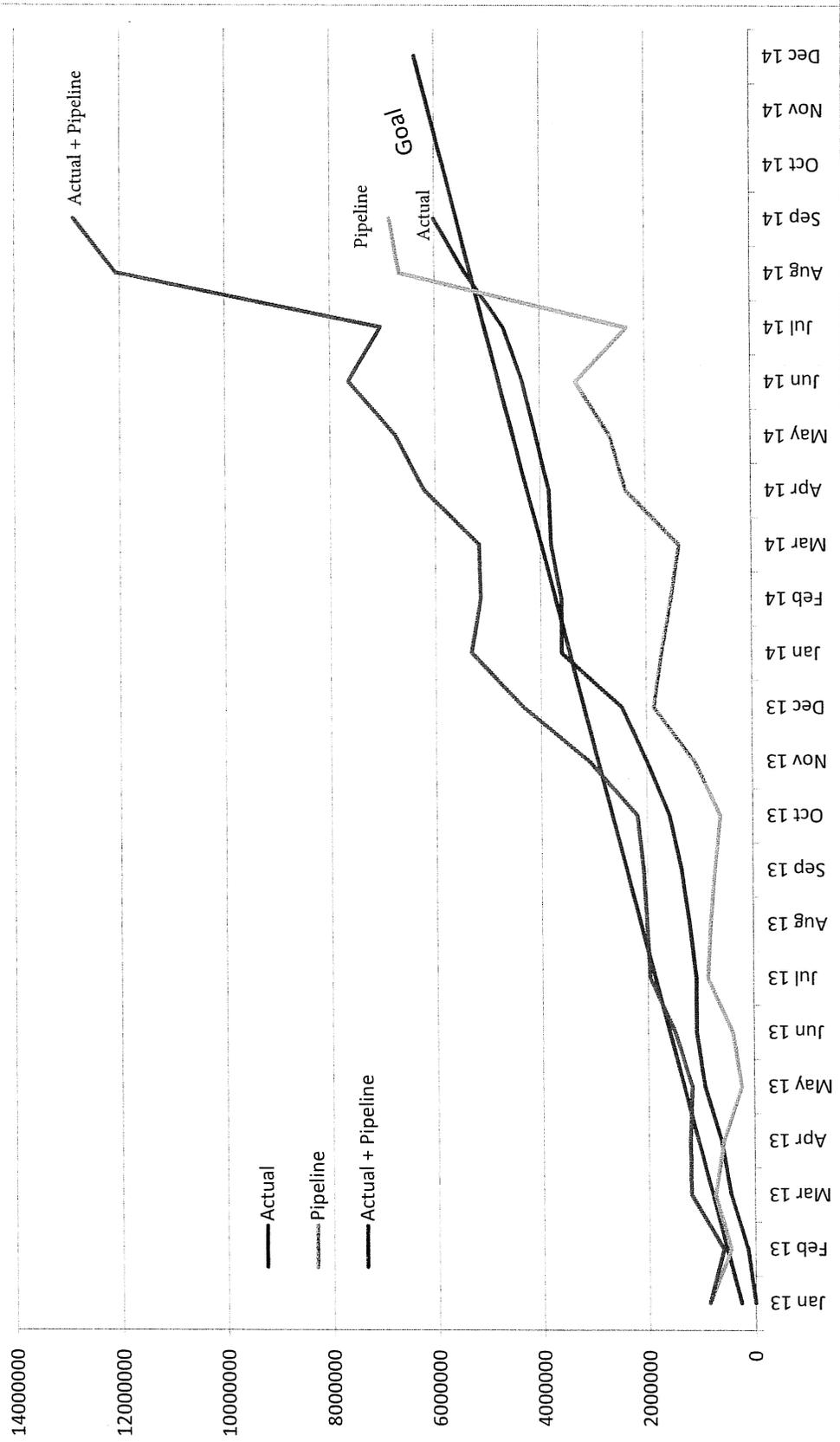
Contracting for 2015

C/CAG and PG&E have agreed on the budget and scope of work for calendar year 2015, with the goal of increasing technical staff capacity in 2015 and beyond.

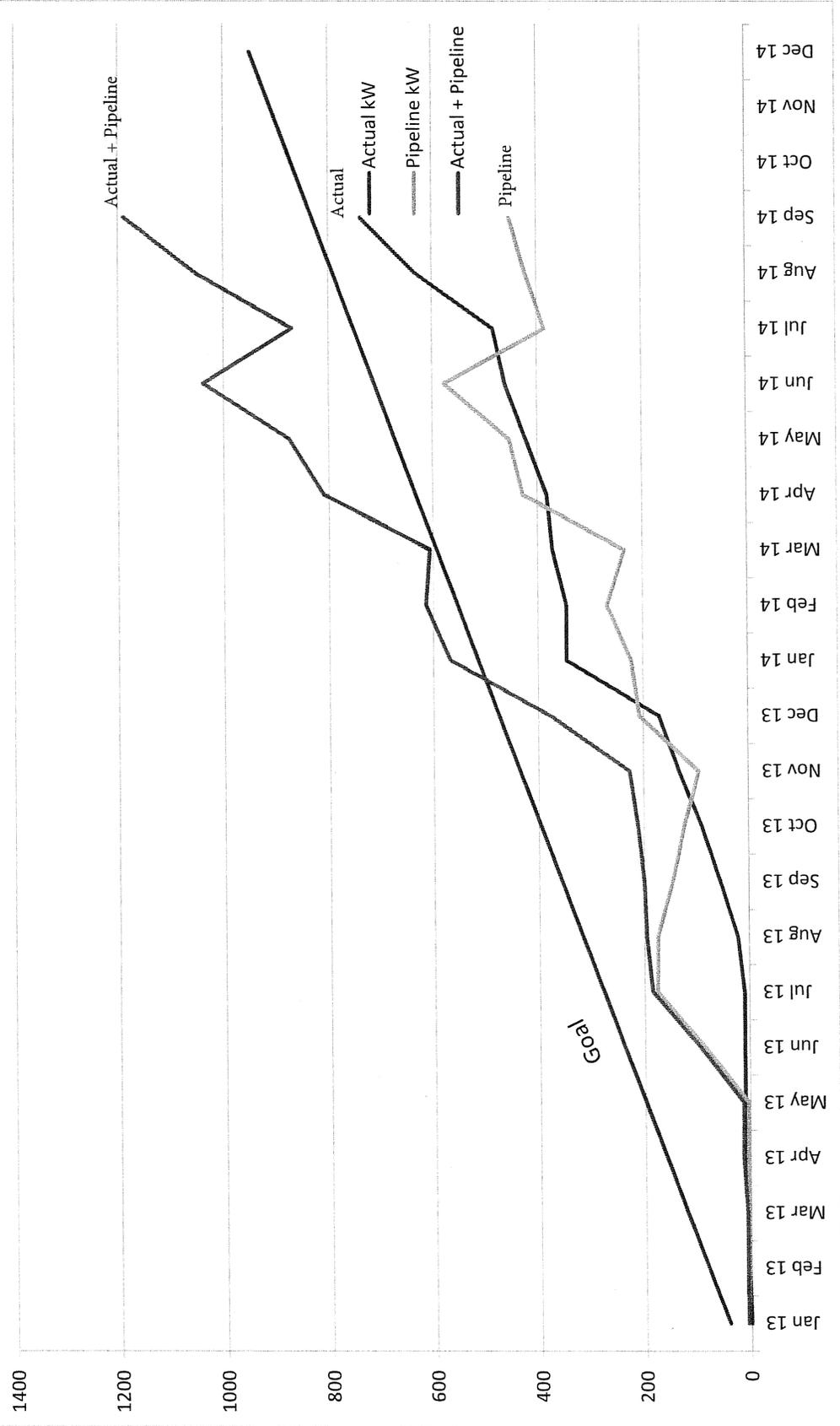
ATTACHMENT

1. SMCEW Energy Saving Charts – September 2014

San Mateo County Energy Watch 2013-2014 Energy Savings - kWh Goal vs. Achieved



San Mateo County Energy Watch 2013-2014 Energy Savings - kW Goal vs. Achieved



C/CAG AGENDA REPORT

Date: December 13, 2012

ITEM 6.4

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 14-52 authorizing the C/CAG Chair to execute Contract Change Orders to the Master Service Agreement and Contract Work Authorization between C/CAG and Pacific Gas and Electric Company, adding \$603,713 and extending the San Mateo County Energy Watch program cycle for one year through December 31, 2015.

(For further information or response to questions, contact Sandy Wong at 650-599-1409 or Kim Springer at 650-599-1412)

RECOMMENDATION

That the C/CAG Board of Directors review and approve Resolution 14-52 authorizing the C/CAG Chair to execute contract change orders to the Master Service Agreement and Contract Work Authorization between C/CAG and Pacific Gas and Electric Company (PG&E), adding \$603,713 and extending the San Mateo County Energy Watch program cycle for one year through December 31, 2015.

FISCAL IMPACT

Executing the contract change orders will enable C/CAG to receive up to \$603,713 for calendar year 2015.

SOURCE OF FUNDS

Funding for staff services and contracts for the San Mateo County Energy Watch is provided by the PG&E Local Government Partnership funding agreement.

BACKGROUND

The San Mateo County Energy Watch (SMCEW) Local Government Partnership (LGP) with PG&E began on January 1, 2009, under the auspices of the California Public Utilities Commission (CPUC). Since the original program cycle, which ended on December 31, 2009, PG&E has contracted with C/CAG for the SMCEW for two additional program cycles, 2010-2012 and the current program cycle, 2013-2014, which ends on December 31, 2014.

The CPUC is developing a new ten-year “rolling” program cycle process, which is intended to begin in 2016. In order to bridge the 2015 calendar year for LGP programs, the CPUC has requested that PG&E extend existing LGP contracts through December 31, 2015. The funding approved for calendar year 2015 is the same as approved for 2013-2014, annualized.

The following chart shows the funding approved for the SMCEW 2015 program cycle:

	Year	2015
SMCEW Contract Budget	Admin	\$36,224
	Marketing	\$60,373
	Implementation	\$337,181
	Strategic Energy Resources	\$169,935
	Total Contract Budget	\$603,713

Management and staffing for the SMCEW is provided by the County of San Mateo, under a staff services agreement between C/CAG and the County of San Mateo.

The contract change order documents for the Master Service Agreement and Contract Work Authorization is under final negotiation at the time this staff report is written. However, timing for approval of these contract change orders affects completion of the aforementioned staff services agreement between C/CAG and the County of San Mateo. The staff services agreement must be completed in time for the January 1, 2015 start date of the program.

Resolution 14-52 will authorize the C/CAG Executive Director to negotiate the final terms of the contract change orders and authorize the C/CAG chair to execute the contract change orders upon completion of final negotiation between parties, subject to legal counsel approval. Staff will bring back the fully executed contract changes orders at the December C/CAG Board meeting.

ATTACHMENT

1. Resolution 14-52

RESOLUTION NO. 14-52

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 CONTRACT CHANGE ORDERS TO THE MASTER SERVICE AGREEMENT AND CONTRACT WORK AUTHORIZATION BETWEEN C/CAG AND PACIFIC GAS AND ELECTRIC COMPANY, ADDING \$603,713 AND EXTENDING THE SAN MATEO COUNTY ENERGY WATCH PROGRAM CYCLE BY ONE YEAR THROUGH 12/31/2015

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 program cycle of the San Mateo County Energy Watch; and

WHEREAS, the C/CAG Board adopted Resolution 09-55 at its November 12, 2009 meeting authorizing the C/CAG Chair to execute an Agreement between C/CAG and Pacific Gas & Electric (PG&E) for a 2010-2012 program cycle of the San Mateo County Energy Watch; and

WHEREAS, the C/CAG Board adopted Resolution 12-68 at its December 13, 2012 meeting authorizing the C/CAG Chair to execute an Agreement between C/CAG and Pacific Gas & Electric (PG&E) for a 2013-2014 program cycle of the San Mateo County Energy Watch; and

WHEREAS, the San Mateo County Energy Watch has nearly completed the 2013-2014 program cycle and PG&E and the CPUC wish to extend the current program cycle through December 31, 2015; and

WHEREAS, C/CAG wish to continue to provide energy efficiency programs for municipalities, nonprofits, small and medium businesses, schools, farms, and lower-income residents in San Mateo County under the San Mateo County Energy Watch program, with staff support from the County of San Mateo.

NOW, THEREFORE, BE IT RESOLVED by the C/CAG Board of Directors that the C/CAG Chair is authorized to execute contract change orders to the master service agreement and contract work authorization between C/CAG and Pacific Gas and Electric Company, adding \$603,713 and extending the San Mateo County Energy Watch program cycle for one year through December 31, 2015, and that the C/CAG Executive Director is authorized to negotiate final terms for the contract change orders prior to execution by the Chair, subject to Legal Counsel approval.

PASSED, APPROVED, AND ADOPTED THIS 13TH DAY OF NOVEMBER 2014.

Mary Ann Nihart, Chair

C/CAG AGENDA REPORT

Date: November 13, 2014

ITEM 6.5

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 14-53 authorizing the C/CAG Chair to execute an agreement between C/CAG and the County of San Mateo for staff services for the San Mateo County Energy Watch 2015 calendar year for an amount not to exceed \$450,000.

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

RECOMMENDATION

That the C/CAG Board of Directors review and approve Resolution 14-53 authorizing the C/CAG Chair to execute an agreement between C/CAG and the County of San Mateo for staff services for the San Mateo County Energy Watch 2015 calendar year for an amount not to exceed \$450,000.

FISCAL IMPACT

Funding for staff services for the San Mateo County Energy Watch (SMCEW) program is reimbursed by the SMCEW LGP, under a separate agreement between C/CAG and PG&E.

BACKGROUND

The San Mateo County Energy Watch (SMCEW) Local Government Partnership (LGP) with PG&E began on January 1, 2009, under the auspices of the California Public Utilities Commission (CPUC). Since the original program cycle, which ended on December 31, 2009, PG&E has contracted with C/CAG for the SMCEW for two additional program cycles, 2010-2012 and the current program cycle, 2013-2014, which ends on December 31, 2014.

Since the SMCEW LGP began, C/CAG has contracted with the County of San Mateo, Department of Public Works, for management and staffing of the program. The County has successfully support the SMCEW, meeting goals and developing the program, which initially provided energy efficiency services to municipal buildings, nonprofits and lower-income residents, and has expanded into schools, farms, and small and medium businesses. In the current 2013-2014 calendar year cycle, the program has just about met its kilowatt hours goal of approximately 6.4M kWh, and has a robust pipeline of projects approved by customers or being installed, moving into 2015.

The current staff services agreement ends on December 31, 2014. Resolution No. 14-53 will authorize the new agreement with County of San Mateo to continue to provide staff services for the 2015 calendar year.

ATTACHMENTS

1. Resolution 14-53
2. Agreement between C/CAG and the County of San Mateo to provide staff services for the San Mateo County Energy Watch

RESOLUTION 14-53

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 STAFF SERVICES FOR THE SAN MATEO COUNTY ENERGY WATCH 2015 CALENDAR YEAR PROGRAM CYCLE FOR AN AMOUNT NOT TO EXCEED \$450,000.

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 agreements for management and staffing of the San Mateo County Energy Watch program from calendar years 2009 through 2014; and

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

WHEREAS, the San Mateo County Energy Watch program is meeting kilowatt hour energy savings goals for the 2013-2014 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 C/CAG Board of Directors that the C/CAG Chair is authorized to execute an agreement between C/CAG and the County of San Mateo for staff services for the San Mateo County Energy Watch 2015 calendar year program cycle for an amount not to exceed \$450,000.

PASSED, APPROVED, AND ADOPTED, THIS 13TH DAY OF NOVEMBER 2014.

Mary Ann Nihart, Chair

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

This Agreement entered this ____ Day of ____ 2014, 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 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 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 County Energy Watch; and

WHEREAS, C/CAG has executed a Local Government Partnership contract with PG&E to implement the San Mateo County 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. The total cost reimbursement under this agreement for work completed from January 1, 2015 through December 31, 2015 will not exceed \$450,000.
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, 2015 and shall terminate on December 31, 2015; 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 CCAG, 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 the Department of Public Works or his 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 _____
President, Board of Supervisors, San Mateo County

Date _____

APPROVED AS TO FORM:

ATTEST:

By: _____
County Counsel

By: _____
Clerk of Said Board

City/County Association of Governments (C/CAG)

By _____
Mary Ann Nihart
C/CAG - Chair

_____ Date

C/CAG Legal Counsel

By _____
Nirit Eriksson
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 its Master Service Agreement and Contract Work Authorization with PG&E, with Scope of Work for PG&E for the San Mateo County Energy Watch 2015 program cycle, attached hereto as Attachment A to this Scope of Work. 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 (LGP) 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 – Under general guidance of the C/CAG Executive Director, County of San Mateo Program Manager shall provide adequate reporting, information, and attend meetings 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.
- 7.0 The parties understand and agree that the County of San Mateo Program Manager assigned to perform services under this Agreement shall be, Kim Springer and Susan Wright. Staff may be reassigned by the County of San Mateo, subject to the provisions of Section 11 of this Agreement.

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*

October 30, 2014

ITEM 9.1

April Chan
Executive Officer, Planning and Development
San Mateo County Transit District (SamTrans)
1250 San Carlos Avenue, San Carlos, CA 94070

RE: Caltrans Sustainable Communities Grant – “Grand Boulevard Initiative - Addressing Multi-modal Mobility” Letter of Support

Dear Ms. Chan:

On behalf of the City/County Association of Governments of San Mateo County (C/CAG), I am writing to strongly support the San Mateo County Transit District’s Caltrans Sustainable Communities Grant application for the “Grand Boulevard Initiative: Addressing Multi-modal Mobility” project. The proposed project will effectively address barriers to achieving multimodal and economically viable, sustainable communities along the 43-mile El Camino Real corridor in San Mateo and Santa Clara counties.

The Grand Boulevard Initiative (GBI) is a unique inter-jurisdictional collaboration consisting of 19 cities, San Mateo and Santa Clara counties, and local and regional agencies, united to transform an auto-oriented state highway into a multimodal corridor of sustainable communities that support walking, biking, transit and an improved quality of life. The GBI has captured the imagination of communities along the corridor and is recognized as a model of collaboration for other urban areas across the region and state to emulate.

The “Addressing Multi-modal Mobility” project will address key concerns raised by local community members around the potential congestion related to new development planned along the corridor. It will examine the regional factors that contribute to congestion and the Transportation System Management, Transportation Demand Management, and Transit Oriented Development strategies to mitigate impacts. The implementation strategies facilitated by this project will offer guidance for enhanced multimodal connectivity in the El Camino Real corridor in line with the GBI objectives.

C/CAG believes that the GBI is well-positioned to effectively facilitate the proposed activities based on their success to date and the broad range of support in the collaboration by the cities, regional agencies, public, and private partners along the corridor. C/CAG is an active participant in the GBI, and we wholeheartedly support the funding of this worthy project, which meets the goals of the Caltrans Sustainable Transportation Planning Grant Program.

Sincerely,



Sandy Wong
C/CAG Executive Director

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

October 30, 2014

Therese W. McMillan,
Acting Administrator
Federal Transit Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

ITEM 9.2

RE: Caltrain application to FTA Pilot Program for Transit Oriented Development Planning

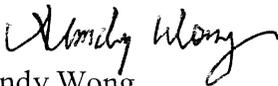
Dear Ms. McMillan:

I am writing to express the City/ County Association of Governments of San Mateo County's (C/CAG's) support for the Peninsula Corridor Joint Powers Board's (Caltrain's) application to the Federal Transit Administration's Pilot Program for Transit Oriented Development Planning.

We understand that Caltrain is seeking to develop a system wide "Station Management Toolbox" that will help the agency partner with cities and stakeholder organizations such as our own to engage in comprehensive planning of transit oriented development and improved multimodal connectivity at its stations. As the Congestion Management Agency for San Mateo County, C/CAG supports Caltrain's efforts to plan for improved multimodal connectivity at its stations and to support transit oriented development as a strategy for decreasing congestion and improving mobility throughout the county.

C/CAG is excited to partner with Caltrain in this effort and will designate a staff member to represent our agency and collaborate with Caltrain during the course of the study. Thank you for your consideration. If you have any questions, please contact me at (650) 599-1409 or slwong@smcgov.org.

Sincerely,



Sandy Wong
C/CAG Executive Director

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

October 29, 2014

ITEM 9.3

Caltrans Sustainable Transportation Planning
Grant Program
District 4
111 Grand Avenue
Oakland, California 94623

Re: San Mateo County Santa Cruz Avenue Bicycle Improvements Proposal

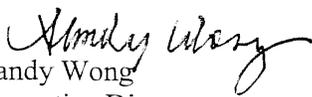
To Whom It May Concern:

As the Executive Director of the City/County Association of Governments of San Mateo County (C/CAG), I would like to express my support for the proposal to improve bicycling conditions on the Santa Cruz Avenue intersections at Sand Hill Road, Junipero Serra Boulevard, and Alameda de las Pulgas. This area has been identified in the cross-jurisdictional collaboration team, Roadway Safety Solutions Team, of which C/CAG staff has been an active part since its inception.

The planning project will address a gap in the regional bicycle network. Funding from this grant program will enable the County to analyze the feasibility of utilizing innovative design standards for this complex series of intersections. Both Sand Hill Road and Alameda de las Pulgas are identified as part of the county-wide bikeway network in the *San Mateo County Comprehensive Bicycle and Pedestrian Plan*. By addressing this network gap, the route will serve people of a wider cycling ability range including children and older adults. Constructing bicycle facilities that make it more comfortable for these population groups to use bicycles for daily short transportation trips is an important goal in the plan and for our community as a whole.

We look forward to working with the County and other partners on this important project.

Sincerely,


Sandy Wong
Executive Director

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*

October 31, 2014

SENT VIA E-MAIL

ITEM 9.4

Mr. Mike McCoy
Executive Director
Strategic Growth Council
1400 10th Street
Sacramento, CA 95814

RE: Affordable Housing and Sustainable Communities Program Guidelines

Dear Mr. McCoy:

Thank you for providing an opportunity for the City/County Association of Governments of San Mateo County (C/CAG) to comment on the Strategic Growth Council's draft guidelines for the Affordable Housing and Sustainable Communities (AHSC) Program. The program will provide much needed funding to land use, housing, and transportation projects and programs that support infill and compact development and reduce greenhouse gas (GHG) emissions. In San Mateo County, these funds can support the development of affordable housing, advance transit and active transportation projects, and further local implementation of the region's Sustainable Communities Strategy.

C/CAG is a joint powers agency with all 21 jurisdictions in San Mateo County including every city, town, and the county. C/CAG is also the designated congestion management agency for San Mateo County. We collaborate with our 21 member agencies on transportation improvements and encourage the planning and production of housing and affordable housing. We encourage the Strategic Growth Council to simplify the AHSC program guidelines and to provide more flexibility in the program requirements so as to not potentially exclude strong projects that meet the program's goals of promoting infill and compact development and reducing GHGs. Additionally, we offer the following detailed comments for your consideration in refining the program guidelines.

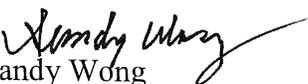
- *Do not limit program eligibility to projects that include both affordable housing and transportation components.* The requirement that Transit Oriented Development (TOD) Project Areas include at least one or more affordable housing developments in conjunction with at least one other transportation or transit-related infrastructure uses may exclude strong projects that are consistent with the region's Sustainable Communities Strategy but not tied to a new affordable housing development. We encourage more flexibility in the eligibility guidelines to allow for transportation projects that can demonstrate reductions in GHG emissions but lack immediate ties to a new affordable housing development. Accordingly, we also recommend that the minimum project award for TOD Project Areas be lowered to \$500,000.
- *Reduce the 50 percent match requirement for transportation or transit-related and/or green infrastructure grants.* The requirement that the total transportation or transit-related and/or green infrastructure grant amount not exceed 50 percent of the total Capital Use Project budget suggests that project applicants will need to provide at least 50 percent in local matching funds to be

eligible. Given the limited amount of local discretionary funds to provide as matching funds, this requirement may potentially disqualify communities with otherwise strong projects that meet the goals of the program in reducing GHGs. We recommend that the minimum required match be lowered to increase the pool of competitive applicants.

- *Clarify the eligibility of transit agencies to be project applicants.* The requirement that a Public Agency that has jurisdiction over the project area be a required applicant may restrict transit agencies from submitting projects that meet the goals and intent of the program. Clarify this definition to indicate the eligibility of transit agencies to submit applications.
- *Expand eligible Program Uses to allow ongoing operating expenses to be funded.* Allowing active transportation, transit ridership, and climate pollutant reduction programs to be funded beyond the initial startup phase is critical to sustaining GHG emission reductions. Funding to support the ongoing operations of these kinds of programs is often limited and challenging to find.
- *Clarify the criteria used to demonstrate how a project provides benefit to a disadvantaged community.* The guidelines refer to Interim Guidance approved and revised by the Air Resources Board (ARB) in setting threshold requirements for disadvantaged community benefits. However, Table 6 of the AHSC program guidelines does not reference the criteria that ARB developed to evaluate the extent to which a *transit project* benefits a disadvantaged community. Expand the threshold requirements to include these criteria.

We appreciate the opportunity to participate in the process to refine the AHSC program guidelines. This program will support local agencies in implementing the region's Sustainable Communities Strategy and fund land use, housing, and transportation projects and programs that can achieve significant GHG emission reductions. Above all, we hope that the final guidelines are simplified and made more flexible to allow for a wider pool of projects and programs consistent with the program's goals to be submitted for consideration.

Sincerely,


Sandy Wong
C/CAG Executive Director