

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*

BOARD MEETING NOTICE

Meeting No. 208

- DATE:** Thursday, December 11, 2008
- TIME:** 7:00 P.M. Board Meeting
- PLACE:** San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA
- PARKING:** Available adjacent to and behind building.
Please note the underground parking garage is no longer open.
- PUBLIC TRANSIT:** SamTrans Bus: Lines 261, 295, 297, 390, 391, 397, PX, KX.
CalTrain: San Carlos Station.
Trip Planner: <http://transit.511.org>

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 3.0 RESOLUTIONS OF APPRECIATION / PRESENTATIONS/ ANNOUNCEMENTS
- 3.1 Resolutions.
- 3.1.1 Review and approval Resolution 08-69 expressing appreciation to Judith Christianson, Councilmember of the city of Daly City, for her years of dedicated service and contributions to C/CAG. ACTION p. 1
- 3.2 Presentations.
- 3.2.1 Presentation from the Association of Bay Area Governments (ABAG) on Projections 2009.
INFORMATION
- 4.0 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

- 4.1 Review and approval of the Minutes of Regular Business Meeting No. 207 dated November 13, 2008. ACTION p. 3
- 4.2 Review and approval of Resolution 08-63 authorizing the C/CAG Chair to execute the Memorandum of Agreement for the Bi-County Area Planning and Design Study between the San Francisco County Transportation Authority, Peninsula Corridor Joint Powers Board, San Mateo County Transportation Authority, and C/CAG for planning and conceptual design work at the Bayshore Intermodal Caltrain Station and Geneva Avenue Extension for a total amount of \$100,000 which includes an amount not to exceed \$25,000 from C/CAG. ACTION p. 9
- 4.3 Review and approval of Resolution 08-64 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/ County Association of Governments of San Mateo County and the City of San Bruno for a six-month no-cost extension for the construction of a Sustainable Green Streets and Parking Lot Project. ACTION p. 21
- 4.4 Review and approval of Resolution 08-62 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/ County Association of Governments of San Mateo County and Advocacy for State Legislative Advocacy professional services for a maximum amount of \$76,000 per year. ACTION p. 27
- 4.5 Review and approval of Resolution 08-65 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/ County Association of Governments (C/CAG) and Kimley-Horn for the Smart Corridor Project for development of the system requirements and existing infrastructure inventory for a maximum amount of \$165,886. ACTION p. 31
- 4.6 Review and appointment of Councilmember Gina Papan from the City of Millbrae to the Congestion Management and Environmental Quality (CMEQ) Committee. ACTION p. 41
- 4.7 Review and approval of Resolution 08-66 authorizing the C/CAG Chair to execute an amendment to the Cooperative Agreement with Caltrans for the Project Approval/Environmental Document (PA/ED) phase of the San Mateo County Smart Corridors project in order to receive \$367,000 programmed in CMAQ funds. ACTION p. 43

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

5.0 ADJOURN TO CLOSED SESSION (Pursuant to Government Code Sec. 54957):

5.1 Public Employee Performance Evaluation
Title: Executive Director

5.2 Conference with Labor Negotiators
C/CAG Representatives: Deborah Gordon, C/CAG Chair
Unrepresented Employee: Richard Napier, C/CAG Executive Director

- 5.3 Adjourn Closed Session.
- 6.0 RECONVENE OPEN SESSION
- 7.0 REGULAR AGENDA
- 7.1 Review and approval of C/CAG Legislative priorities, positions and Legislative update.
(A position may be taken on any legislation, including legislation not previously identified.)
- 7.1.1 Review and approval of C/CAG Legislative Priorities for 2009. ACTION p. 47
- 7.1.2 Legislative Update. INFORMATION
- 7.2 Status update on the implementation of the San Mateo County Smart Corridors Project.
INFORMATION p. 51
- 7.3 Review and approval of appointments to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC)
for two-year terms. ACTION p. 53
- 7.4 Review and approval of Resolution 08-68 adopting the Final San Mateo County Energy Strategy
(Energy Strategy) and request cities in San Mateo County to adopt the Energy Strategy and support
implementation of the Energy Strategy. ACTION p. 71
- 7.5 Review and approval of the C/CAG Quarterly Investment Report, Policy, and County of San Mateo
Pooled Investment Report. ACTION p. 79
- 7.5.1 Review and approval of the C/CAG Quarterly Investment Report as of September 30, 2008.
ACTION p. 81
- 7.5.2 Review and approval of Resolution 08-67 adopting the C/CAG Investment Policy for 2008-09.
(Special voting required) ACTION p. 85
- 7.5.3 Review of County Investment Pool and the Lehman Brothers Investment and Bankruptcy.
INFORMATION p. 113
- 8.0 COMMITTEE REPORTS
- 8.1 Committee Reports (oral reports).
- 8.2 Chairperson's Report.
- 9.0 EXECUTIVE DIRECTOR'S REPORT
- 10.0 COMMUNICATIONS - Information Only
- 10.1 Letter from Deborah C. Gordon, C/CAG Chair, to all Councilpersons of San Mateo County Cities and
Members of the Board of Supervisors, dated 11/13/08. Re: Vacancy on the Congestion Management and

11.0 MEMBER COMMUNICATIONS

12.0 ADJOURN TO CLOSED SESSION (Pursuant to Government Code Sec. 54957):

12.1 Public Employee Compensation

Title: Executive Director

12.2 Conference with Labor Negotiators

C/CAG Representatives: Deborah Gordon, C/CAG Chair

Unrepresented Employee: Richard Napier, C/CAG Executive Director

12.3 Adjourn Closed Session.

13.0 RECONVENE OPEN SESSION

14.0 Review and approval of Executive Director Compensation and Performance Objectives for FY 08-09.

14.1 Approval of Amendment to the Agreement between the City/County Association of Governments (C/CAG) and Richard Napier regarding compensation for services as Executive Director. ACTION

14.2 Review and approval of the Performance Objectives for FY 08-09 for the City/County Association of Governments (C/CAG) Executive Director. ACTION

15.0 ADJOURN

Next scheduled meeting: February 12, 2009 Regular Board Meeting.

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

Public records 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:

FUTURE MEETINGS

December 11, 2008	Legislative Committee - SamTrans 2 nd Floor Auditorium - 5:30 p.m.
December 11, 2008	C/CAG Board - SamTrans 2 nd Floor Auditorium - 7:00 p.m.
December 16, 2008	NPDES Technical Advisory Committee - to be determined - 10:00 a.m.
December 18, 2008	CMP Technical Advisory Committee - SamTrans 2 nd Floor Auditorium - 1:15 p.m.
December 22, 2008	CMEQ Committee - San Mateo City Hall - Conference Room C - 3:00 p.m.
January 13, 2009	NPDES Technical Advisory Committee - to be determined - 10:00 a.m.
January 15, 2009	CMP Technical Advisory Committee - SamTrans 2 nd Floor Auditorium - 1:15 p.m.
January 22, 2009	Bicycle and Pedestrian Advisory Committee - San Mateo City Hall - Conference Room C - 7:00 p.m.
January 26, 2009	CMEQ Committee - San Mateo City Hall - Conference Room C - 3:00 p.m.
February 2, 2009	Administrators' Advisory Committee - 555 County Center, 5 th Fl, Redwood City - Noon

C/CAG AGENDA REPORT

Date: December 11, 2008
To: C/CAG Board of Directors
From: Richard Napier, Executive Director
Subject: Review and approval of Resolution 08-69 expressing appreciation to Judith Christensen, Council Member of the City of Daly City, for her years of dedicated service and contributions to C/CAG.

(For further information contact Richard Napier at 599-1420)

RECOMMENDATION

That the C/CAG Board adopt Resolution 08-69 honoring Judith Christensen for her years of dedicated service and contributions to C/CAG.

FISCAL IMPACT

Not applicable.

SOURCE OF FUNDS

Not applicable.

BACKGROUND/DISCUSSION

Judith Christensen has contributed years of dedicated public service in San Mateo County. She has served as a Council Member for the City of Daly City. She has also provided leadership to C/CAG as a Board of Directors member, Congestion Management and Environmental Quality (CMEQ) Committee member, Legislative Committee member and Sub-Regional Housing Needs Allocation Policy Advisory Committee member. Judith Christensen has been a real asset to C/CAG and her contributions have been appreciated.

ATTACHMENTS

Resolution 08-69

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

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RESOLUTION 08-69

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF
SAN MATEO COUNTY (C/CAG) EXPRESSING APPRECIATION TO
JUDITH CHRISTENSEN, COUNCIL MEMBER FOR CITY OF DALY CITY,
FOR HER DEDICATED SERVICE TO C/CAG**

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

Whereas, Judith Christensen has served on the C/CAG Board of Directors, representing the City of Daly City, from 2005 through 2008; and,

Whereas, Judith Christensen has served on the C/CAG Congestion Management and Environmental Quality (CMEQ) Committee from February of 2005 through December of 2008; and,

Whereas, Judith Christensen has served on the C/CAG Legislative Committee, from February of 2006 through December of 2008; and,

Whereas, Judith Christensen has also served on the Sub-Regional Housing Needs Allocation Policy Advisory Committee; and,

Whereas, during that time, Judith Christensen, dedicated her services to the people of San Mateo County through her active participation on the C/CAG Board of Directors, CMEQ, Legislative Committee and Sub-Regional Housing Needs Allocation Policy Advisory Committee.

Now, therefore, the Board of Directors of C/CAG hereby resolves that C/CAG expresses its appreciation to Judith Christensen for her years of dedicated public service, and wishes her happiness and success in the future.

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF DECEMBER, 2008.

Deborah C. Gordon, Chair

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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Meeting No. 207
November 13, 2008

1.0 CALL TO ORDER/ROLL CALL

Chair Gordon called the meeting to order at 7:00 p.m. Roll Call was taken.

Jerry Carlson - Atherton
Sepi Richardson - Brisbane
Joseph Silva - Colma
Judith Christensen - Daly City
Rosalie O'Mahony - Burlingame, San Mateo County Transportation Authority
Linda Koelling - Foster City
Bonnie McClung - Half Moon Bay
Tom Kasten - Hillsborough
Kelly Ferguson - Menlo Park (7:08)
Paul Seto - Millbrae
Julie Lancelle - Pacifica (7:05)
Diane Howard - Redwood City
Irene O'Connell - San Bruno
Bob Grassilli - San Carlos
Carole Groom - San Mateo
Karyl Matsumoto - South San Francisco, San Mateo County Transit District
Rose Jacobs-Gibson - County of San Mateo
Deborah Gordon - Woodside

Absent:

Belmont
East Palo Alto
Portola Valley

Others:

Richard Napier, Executive Director - C/CAG
Nancy Blair, C/CAG Staff
Sandy Wong, Deputy Director - C/CAG
Lee Thompson, C/CAG - Legal Counsel
Tom Madalena, C/CAG Staff
John Hoang, C/CAG Staff
Jean Higaki, C/CAG Staff
Dave Carbone, C/CAG Staff
Joe Kott, C/CAG Staff
Jim Bigelow, Redwood City/San Mateo County Chamber, CMEQ Member

ITEM 4.1

Onnalee Trapp, CMEQ Committee, League of Women Voters of San Mateo County
Jerry Grace, Union City
Pat Giorni, Burlingame

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Pat Giorni
Jerry Grace

C/CAG's Executive Director introduced C/CAG's new staff member, Joseph Kott. Mr. Kott's position is C/CAG's Transportation Systems Coordinator.

C/CAG Executive Director invited the Board to a Green Business luncheon sponsored by the County of San Mateo.

3.0 RESOLUTIONS OF APPRECIATION / PRESENTATIONS/ ANNOUNCEMENTS

3.1 Review and approval of Resolutions of appreciation.

- 3.1.1 Review and approval of Resolution 08-54 expressing appreciation to David Alfano for his dedicated service to the C/CAG Bicycle and Pedestrian Advisory Committee. APPROVED

Board Member Richardson MOVED approval of Item 3.1.1. Board Member O'Connell SECONDED. **MOTION CARRIED** 18-0.

- 3.1.2 Review and approval of Resolution 08-58 expressing appreciation to Ralph Jack, City Manager of the City of Millbrae, for his years of dedicated services. APPROVED

Board Member Richardson MOVED approval of Item 3.1.2. Board Member Christensen SECONDED. **MOTION CARRIED** 18-0.

3.2 Presentations.

- 3.2.1 Update on activities/operations at San Francisco International Airport - presentation by Michael McCarron, Director, Bureau of Community Affairs, San Francisco International Airport. INFORMATION

Jerry Grace

- 3.2.2 Presentation on the Strategic Plan for the San Mateo County Transit District (SamTrans). (Materials will be provided under a separate cover for Board Members and Alternates only.) INFORMATION

Todd McIntire, SamTrans, provided a presentation and answered questions.

4.0 CONSENT AGENDA

Board Member Howard MOVED approval of Consent Items 4.2, 4.3, 4.6, and 4.7. Board Member O'Mahony SECONDED. **MOTION CARRIED** 18-0.

- 4.2 Review and approval of Resolution 08-53 authorizing the C/CAG Chair to execute Amendment No. 1 to Agreement between Metropolitan Transportation Commission (MTC) and the City/County Association of Governments of San Mateo County for planning assistance for the Daly City Community-Based Transportation Plan. APPROVED
- 4.3 Review and approval of the program policy and issue of a call for projects for the Transportation Development Act (TDA) Article 3 Bicycle and Pedestrian FY 2009/10 Program. APPROVED
- 4.6 Review and approval of Resolution 08-57 authorizing the C/CAG Chair to execute a funding agreement between the City/County Association of Governments and the Town of Colma regarding the payment of \$135,000 in local funds from the "D" Street pedestrian enhancement project, and further authorizing the Executive Director to make minor changes to the agreement. APPROVED
- 4.7 Review and approval of Resolution 08-60 approving the list projects to be funded by the Metropolitan Transportation Commission (MTC) under the Lifeline Transportation Program for a total amount of \$1,925,121. APPROVED

Items 4.1, 4.4, 4.5 and 4.8 were removed from the Consent Calendar.

- 4.1 Review and approval of the Minutes of Regular Business Meeting No. 206 dated October 9, 2008. APPROVED

Minutes were corrected to show C/CAG Board Alternate Mullooly represented the Town of Hillsborough, and not Board Member Kasten.

Board Member Kasten MOVED approval of Item 4.1. Board Member O'Connell SECONDED. **MOTION CARRIED** 18-0.

- 4.4 Review and appointment of four members to the Congestion Management Program (CMP) Technical Advisory Committee (TAC). APPROVED

Board Member Richardson MOVED approval of Item 4.4 including the addition of a member for the Peninsula Congestion Relief Alliance. Board Member Lancelle SECONDED. **MOTION CARRIED** 18-0.

- 4.5 Review and accept the Quarterly Investment Report as of March 31, 2008, the Quarterly Investment Report as of June 30, 2008, and the Quarterly Investment Report as of September 30, 2008. APPROVED

Board Member Kasten requested that the Quarterly Reports be provided on a more timely basis.

Board Member Kasten MOVED approval of Item 4.1. Board Member Richardson SECONDED. **MOTION CARRIED** 18-0.

- 4.8 Review and approval of 2009 C/CAG Board Calendar. APPROVED

The meeting scheduled for April falls on a religious holiday.

Board Member Grassilli MOVED to amend the 2009 C/CAG calendar by moving the April Board meeting either one week before or one week after. Board Member Kasten SECONDED. **MOTION CARRIED** 14-4.

5.0 REGULAR AGENDA

- 5.1 Status Report on the State Legislative Session. APPROVED
(A position may be taken on any legislation, including legislation not previously identified.)

Advocation's team (Gus Khouri and Andrew Antwi) provided a presentation about the activity in Sacramento, and answered questions.

- 5.2 Status update on the implementation of the San Mateo County Smart Corridors Project. INFORMATION

Sandy Wong, C/CAG Deputy Director, provided an update on the Smart Corridor Project.

- 5.3 Public Hearing to consider the approval of Resolution 08-55 adopting a program, budget, performance measures, and a \$4 (four dollars) fee on motor vehicle registered in San Mateo County as authorized by the amended California Government Code Section 65089.11 et. seq. (Special voting procedures apply.) APPROVED

Jim Bigelow
Jerry Grace

Board Member Jacobs-Gibson MOVED to close the public hearing. Board Member O'Connell SECONDED. **MOTION CARRIED** 18-0.

Board Member Christensen MOVED approval of Item 5.3. Board Member Groom SECONDED. **MOTION CARRIED** 18-0.

6.0 COMMITTEE REPORTS

- 6.1 Committee Reports (oral reports).

- 6.2 Chairperson's Report.

None.

7.0 EXECUTIVE DIRECTOR'S REPORT

None.

8.0 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 5991406 or nblair@co.sanmateo.ca.us or download a copy from C/CAG's website – www.ccag.ca.gov.

8.1 Letter from Richard Napier, C/CAG Executive Director, to Honorable Joseph C. Scott, Judge of the Superior Court, dated 10/16/08. Re: Response to Grand Jury Report on the Future of Trash Management in San Mateo County.

8.2 Letter from Richard Napier, C/CAG Executive Director, to Honorable Joseph C. Scott, Judge of the Superior Court, dated 10/16/08. Re: Response to Grand Jury Report on Energy Conservation Activities in San Mateo County.

9.0 MEMBER COMMUNICATIONS

Board Member O'Mahony invited the C/CAG Board to attend the Pedestrian/ Bicycle overpass etc etc.

This was Board Member Christensen's last C/CAG Board meeting. The Board thanked Judith for her years of dedicated service, and wished her success.

10.0 ADJOURN TO CLOSED SESSION (Closed Session Cancelled)

10.1 Public Employee Performance Evaluation (Pursuant to Government Code Sec. 54957)

Title: Executive Director

11.0 RECONVENE OPEN SESSION

12.0 ADJOURN

The meeting adjourned at 9:30 p.m.

C/CAG AGENDA REPORT

Date: December 11, 2008

To: City/County Association of Governments Board of Directors

From: Richard Napier, Executive Director

Subject: Review and approval of Resolution 08-63 authorizing the C/CAG Chair to execute the Memorandum of Agreement for the Bi-County Area Planning and Design Study between the San Francisco County Transportation Authority, Peninsula Corridor Joint Powers Board, San Mateo County Transportation Authority, and C/CAG for planning and conceptual design work at the Bayshore Intermodal Caltrain Station and Geneva Avenue Extension for a total amount of \$100,000 which includes an amount not to exceed \$25,000 from C/CAG

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

RECOMMENDATION

That the Board Review and approval of Resolution 08-63 authorizing the C/CAG Chair to execute the Memorandum of Agreement for the Bi-County Area Planning and Design Study between the San Francisco County Transportation Authority, Peninsula Corridor Joint Powers Board, San Mateo County Transportation Authority, and C/CAG for planning and conceptual design work at the Bayshore Intermodal Caltrain Station and Geneva Avenue Extension for a total amount of \$100,000 which includes an amount not to exceed \$25,000 from C/CAG.

FISCAL IMPACT

Not to exceed \$25,000.

SOURCE OF FUNDS

Funding for this project was budgeted in the FY 2008/09 Congestion Management Fund.

BACKGROUND/DISCUSSION

The Bi-County area, defined as the northeastern portion of San Mateo County including land under the City of Brisbane's jurisdiction and the southeastern portion of the City/County of San Francisco, is expected to undergo transformative development in the coming years. The San Francisco County Transportation Authority (SFCTA) applied for and received a grant from the Metropolitan

Transportation Commission's Station Area Planning grant program to lead the Bi-County Area Planning and Design Study. The study's aim is to build consensus on the design of two particular transportation facilities that will connect the surrounding community with local and regional transit services: Bayshore Intermodal Station and Geneva Avenue extension to a rebuilt US 101/Candlestick interchange and Harney Way.

These projects have already been identified as critical transportation needs in the area. The next step is to develop conceptual designs that achieve consensus among the multiple stakeholders, including agencies from San Francisco and San Mateo County. The expected outcome of the study is a set of agreed-upon conceptual designs for the Bayshore Intermodal Station, its station area, and Geneva Avenue extension, US 101 interchange, and rebuilt Harney Way.

The total cost of the Study is expected to be approximately \$300,000, of which MTC has awarded SFCTA \$200,000. By agreement with MTC, the amount of local match for the study is \$100,000. The SFCTA, C/CAG, Peninsula Joint Powers Board (Caltrain), and San Mateo County Transportation Authority (SMCTA) has agreed to providing a portion of the local match. The distribution of the \$100,000 local match is as follows:

Agency	Amount
SFCTA	\$45,000
C/CAG	\$25,000
Caltrain	\$15,000
SMCTA	\$15,000
Total	\$100,000

It is requested that authorization be given to the Executive Director to negotiate the Memorandum of Agreement terms, as needed, subject to approval by the C/CAG Legal Counsel, and provide the C/CAG Chair final recommendations prior to execution of this agreement.

ATTACHMENT

- Bi-County Area Planning and Design Study Scope of Work
- Resolution 08-63

Bi-County Area Planning and Design Study
Scope of Work
November 21, 2008

Introduction

The Bi-County area, defined as the southeastern portion of the city around Executive Park, Candlestick Point, and Visitacion Valley, and including land under the City of Brisbane's jurisdiction, is expected to undergo transformative development in the coming years. Several land use proposals in various stages of planning envision placing over 18,000 new housing units and 15 million square feet of employment in this area.

Enhancing the transportation infrastructure will be of critical importance to transforming it from an industrial expanse into a cluster of new smart growth neighborhoods. From a transportation standpoint, the area currently suffers from poor pedestrian design, lack of attractive transit service, and low connectivity between neighborhoods and to key transit facilities.

The San Francisco County Transportation Authority (Authority) will lead the Bi-County Area Planning and Design Study to build consensus on how to enhance two key transportation facilities that will connect the surrounding community with local and regional transit services and will therefore be important places to focus attention to pedestrian and transit accessibility: Bayshore Intermodal Station and Geneva Avenue / Harney Way.

Bayshore Intermodal Station

Slated to become a transfer center for Caltrain, Muni Third Street Light Rail, and a new Geneva/Harney Bus Rapid Transit service, the Bayshore Intermodal Station will not only need to serve seamless transit transfers but also become a key pedestrian focal point of the new neighborhoods. The study will answer several key questions, including:

- The optimal location of the Bayshore station
- How the Muni Third Street Light Rail line and Bus Rapid Transit line will connect at Bayshore station (including Geneva Avenue itself, and issues relating to the Geneva-Candlestick US 101 interchange re-configuration)
- How the area immediately surrounding Bayshore station will be designed for optimal pedestrian and bicycle connectivity, both to the north and south of the station, and identification of key pedestrian and bicycle connectivity options to the station from these existing and planned communities
- What Caltrain service plans and bus feeder service would best serve the area's future land uses in the Brisbane Baylands and Visitacion Valley
- What types of Transportation Demand Management efforts and policies would best support alternative-mode travel in the area

Geneva Avenue and Harney Way

This new local street is composed of an extension of Geneva Avenue eastward over the Caltrain tracks and US 101, where it becomes Harney Way and extends into the Candlestick Point area. The street will be a crucial connection from the planned communities to each other and the Bayshore Intermodal Station described above. It will feature exclusive bus rapid transit lanes to support regional transit connectivity, in addition to moving vehicle traffic to and from a re-configured interchange of US 101 at Candlestick Point. There are also demands on the street to accommodate all modes: pedestrians, bicyclists, vehicles, and bus rapid transit.

The three projects – the Geneva Avenue Extension, the interchange re-configuration, and the Harney Way re-build – are moving forward separately but because there is a close relationship among them, there is a need for continued joint planning and overarching coordination on design. The study will aim to build consensus around an overall vision for the street’s functions, layouts, alignments and grades that strikes an optimal balance among the needs and goals of each agency and mode.

The study will retain a consultant to provide the expertise and services required to carry out the study tasks. The study will target a contractor with the following skill set: urban design; transportation infrastructure design; pedestrian, bicycle, and transit planning; transportation engineering; and professional meeting facilitation. The last skill is supremely important as the success of this study will hinge on its ability to build consensus around the key questions and issues identified above.

Inter-Organizational Coordination and Outreach

An inter-agency Steering Committee will convene to direct the study’s work. This Steering Committee will consist of funding agencies, including the San Francisco County Transportation Authority, the City and County Association of Governments of San Mateo County, the Peninsula Joint Powers Board, the San Mateo County Transit District and the San Mateo Transportation Authority.

The Study will also utilize the input and guidance of a technical working group composed of key stakeholders and lead agencies for the related projects. Multiple agencies have a stake here: Harney Way is in San Francisco, while the Geneva Avenue Extension is in Brisbane, and the California Department of Transportation has jurisdiction over the interchange; bus service in the area is provided by SamTrans and Muni; Caltrain operates the commuter rail line which stops at Bayshore Intermodal Station, and Muni operates the T-Third light rail line that will potentially connect to Bayshore Station. All agencies will be invited to inter-agency discussions about designing these new connections.

To incorporate public input, the Study will conduct workshops to facilitate discussion of key design issues and concepts with the community. More detail is provided under Task 2 below.

Related Activities

There are several relevant recent and ongoing activities that are already being conducted outside this Study and that address the planning elements stipulated by the MTC Station Area Planning Grant program. These activities are described below.

Brisbane Baylands Planning Process

The large Brisbane Baylands site, which surrounds the Bayshore Intermodal Station, is undergoing a multi-year planning process that will result in approvals for development on this currently vacant brownfield site. In 2006, the City of Brisbane accepted for processing a *Brisbane Baylands Phase I Specific Plan* from the potential developer, Universal Paragon Corporation (UPC). This plan defined a land use program with commercial uses, a circulation plan, a site plan, and an open space plan. Since then, the city and UPC have been conducting additional activities to solicit public input, revise the land use plan and undertake environmental review of the land use changes. One of the alternatives under consideration for further environmental analysis includes housing.

Visitation Valley / Schlage Lock Planning Process

This planning area, directly to the northwest of the Bayshore Intermodal Station, is the focus of a planning process that aims to convert a brownfields site into a mixed-use residential and commercial neighborhood. This process, led by the San Francisco Redevelopment Agency and the San Francisco Planning Department, included a series of community workshops, resulting in a *Design for Development* document in 2008. This document outlines the vision and goals for the area and provides the urban design framework, including a land use program and regulations stipulating urban form, building design, and public realm design. Development controls include parking supply and demand management strategies, such as maximum allowable parking rates. The environmental review process for these changes is underway, with a draft Environmental Impact Report released in summer 2008.

Executive Park Planning Process

The Executive Park area, directly to the northeast of the Baylands site and encompassing the Harney Way corridor, is also undergoing a planning process. The San Francisco Planning Department released a draft *Executive Park Subarea Plan* in 2006. The plan developed policies for urban design and circulation that support mixed use and high-density housing. It includes design guidelines for streets and buildings, a circulation plan, a pedestrian network and public open space plan, street sections, and parking design guidelines. The Planning Department is conducting public outreach and environmental review of that plan.

Bayview (Candlestick Point and Hunters Point Shipyard) Planning Process

The Bayview development proposal, including the Candlestick Point and Hunters Point Shipyard planning areas, represents a large portion of the proposed development in this area. This work is a collaboration among the San Francisco Planning Department, the San Francisco Redevelopment Agency, the San Francisco Mayor's Office, and Lennar, the potential developer. The comprehensive planning process for Bayview includes a *Transportation Plan* to address the multi-modal needs of the proposed development. This process will include environmental review and clearance of several transportation projects, including the re-build of Harney Way. In addition, the plan describes transit service changes and parking supply and demand management strategies.

Bi-County Transportation Study

In partnership with agencies in San Francisco and San Mateo counties, the San Francisco County Transportation Authority is leading an effort to prioritize and fund regional-scale transportation investments in the area. This study aims to achieve consensus on the highest-priority regional transportation facilities needed to support proposed land use growth. Individual transportation projects will move forward through design under their own processes; this study is intended to develop multi-jurisdictional consensus on regional priorities so that the partners can pursue local, regional, state, federal, and private funding sources. To that end, the study will develop cost estimates and a funding and implementation plan for the selected priority projects. The study also provides a mechanism for regular inter-agency coordination across the land use and transportation projects occurring in the area.

Given all the planning activities in this area, the Bi-County Area Planning and Design Study seeks to bring focus to the key multimodal transportation facilities that traverse and overlap with the above-mentioned discreet land use planning areas. While each separate plan gives attention to transportation and circulation for its area, there remains a need for an overarching planning effort that coordinates multimodal access and circulation around the key transit facilities described above – namely, Bayshore Intermodal Station and Geneva Avenue/Harney Way. These facilities will be the focus of this Study’s planning and design efforts.

Study Tasks

1. Project Initiation, Workplan, and Ongoing Management

The consultant will review and finalize the project scope of work, including clarifying and detailing individual tasks, further defining work products, and establishing a project schedule with work product delivery dates. This task also provides for ongoing project management throughout the course of the project.

Deliverables:

- 1.1 Refined Scope, Schedule, and Budget
- 1.2 Project management, including reports and meetings as needed

2. Communication and Outreach Plan and Activities

The consultant will prepare a communication and outreach plan that describes key stakeholders within the community and stakeholder agencies that the Study will aim to reach, and the strategies that will be employed to reach them as the Study develops its work products. For incorporating community input, the consultant will prepare materials for and conduct a Community Workshop to discuss design issues and concepts for the Bayshore Intermodal Station and Geneva/Harney. For staff from the stakeholder agencies, the consultant will conduct multiple design coordination meetings. The plan will also include methods for noticing of meetings and other communications needed to inform and incorporate input from stakeholders.

This task provides for the community involvement that will be necessary to build consensus on the visioning and coordination processes described in Tasks 4 and 5. The outreach efforts will educate the community and seek input on the issues and projects being conceptualized. The consultant will conduct community workshops to solicit input on both transportation facilities, as well as support the Authority in making presentations at other community venues. This scope provides for two community workshops.

Deliverables:

- 2.1 Communication and Outreach Plan
- 2.2 Two Community Workshops, including materials preparation and summary notes
- 2.3 Interagency design coordination meetings, materials and summaries

3. *Document Existing Conditions, Needs, and Plans*

The study will compile the significant existing information about the condition of the area's transportation system and potential effects of proposed development. Areas of focus will include: pedestrian right-of-way and crossing conditions, highest-demand pedestrian connections, key bicycle network connections, local bus service, express bus service, rail service, and existing and proposed local street networks.

Known documents and projects that the study will draw upon include:

- Bayview (Candlestick Point / Hunters Point Shipyard) Transportation Plan - SF Planning
- Visitation Valley / Schlage Lock Design for Development and Draft Environmental Impact Report - SF Redevelopment Agency
- Brisbane Baylands Phase 1 Specific Plan and Community Input on Alternatives - City of Brisbane
- Geneva Avenue / Candlestick Point Interchange Project Study Report – Traffic Operational Analysis Report - City of Brisbane
- Muni T-Third Light Rail Segment 'S' Conceptual Engineering Report - SF Municipal Transportation Agency (SFMTA)
- Bayview Community-Based Transportation Plan - SamTrans
- Bayview Transportation Improvement Project - SF Department of Public Works
- Transit Effectiveness Project - SFMTA
- Geneva Transit Preferential Streets Project - SFMTA
- San Francisco Bicycle Plan - SFMTA

The study will augment with new information through selected field visits as needed.

Deliverable: 3.1 Access and Circulation Needs and Conditions Assessment

4. *Conduct Bayshore Station Planning and Design*

Three related components will proceed concurrently as below.

4.1 Station Area Access and Intermodal Transit Transfer Visioning and Design

This subtask focuses on two topics: how the various connecting transit services will interact with each other at Bayshore Caltrain Station; and how transit users will be able to access the station by foot and bike. Attention will also be given to how parking will be handled.

The study will conduct a conceptual design process guided by a technical working group consisting of representatives for SFCTA, Caltrain, Muni, SamTrans, Brisbane, and San Francisco. The process will seek agreement on an overall vision for how the different transit modes will access the station and how the station will relate to surrounding land uses, including conceptual plans, profile drawings, and other methods for illustrating the vision. For adjacent land uses still under development, this subtask will define guidelines for how those land uses should be designed to support the station area vision. While the study does not call for engineering design, this task includes a conceptual engineering review to ensure that the designs under consideration are feasible. The consultant will conduct multiple rounds of conceptual design work to explore alternatives with successive refinements and targeted analysis to answer design questions that arise. The study will also seek a consultant with demonstrable facilitation skills to ensure effective discussions.

4.2 Conceptual Service Analysis and Planning

This task will explore service options for local feeder service and regional transit service from the perspective of future user demand. To the fullest extent possible, this task will rely on work and concepts already developed, including the Transit Effectiveness Project and the Harney BRT project.

This task will include Community Workshops to gather community input on design issues and concepts (see Task 2).

Deliverables:

4.1 Vision document for Bayshore Intermodal Station, including conceptual designs (plan and profile drawings) and other visual illustrations of the agreed-upon vision

4.2 Conceptual service recommendations for key identified transit services

5. *Support and Coordinate Geneva, Harney Processes For Overall Vision*

In this task, the study will convene a technical working group that may include the same representatives as those in Task 4, but with modifications necessary to ensure proper representation of all issues pertaining to the Geneva Avenue Extension and Harney Way Re-Build. For example, the California Department of Transportation will need to be involved in the design discussion. The study will conduct a visioning process that seeks agreement on conceptual designs for the alignments, grades, cross sections, and intersections of the new street. The process will seek to accommodate pedestrian, bicycle, vehicle, and bus transit travel modes. The study will provide for any analysis required by design questions that arise, including questions of alternative routing or key

connections that should be improved. While the study does not call for engineering design, this task includes a conceptual engineering review to ensure that the designs under consideration are feasible. The budget again provides for multiple rounds of design work to explore options.

One key point of coordination will be with the Geneva-Candlestick Interchange re-configuration project. That project is currently in its Project Study Report (PSR) phase and expects to enter a detailed design phase after the PSR is completed. The re-configuration will place design constraints on both sides of US 101 that will need to be considered.

This task will include Community Workshops to gather community input on design issues and concepts (see Task 2).

Deliverable: 5.1 Geneva/Harney Vision document including illustrations of the agreed-upon vision and descriptions of key connections to be improved.

6. *Create Funding and Implementation Strategy*

The Authority's currently ongoing Bi-County Transportation Study will develop a funding plan for the projects in this study. This study will define an implementation strategy for the Bayshore Intermodal Station and Geneva/Harney visions, including steps, agency roles, and coordination needed to move the projects into environmental analysis, engineering design, and construction.

Deliverable: 6.1 Funding and Implementation Strategy

7. *Create Draft and Final Reports*

The study will incorporate all prior work into reports for Bayshore and Geneva/Harney. The reports will include summaries of the key needs, the process for developing the visions, the visions themselves, and the funding and implementation strategies.

Deliverable: 7.1 Draft and Final Reports for Bayshore Station and Geneva/Harney

Deliverables Budget and Schedule

Task	Deliverables	MTC Contribution	Recipient Contribution	Total Cost	Completion Date
1	Project initiation, workplan, and ongoing management				
	1.1 Refined scope, schedule, and budget	\$ 4,117	\$ 2,055	\$ 6,173	Jan-09
	1.2 Ongoing project management	\$ 3,219	\$ 1,607	\$ 4,827	Mar-10
2	Communication and outreach				
	2.1 Communication and outreach plan	\$ 2,322	\$ 1,159	\$ 3,481	Feb-09
	2.2 Two community workshops	\$ 11,722	\$ 5,852	\$ 17,574	Sep-09
	2.3 Interagency design coordination meetings	\$ 17,522	\$ 8,748	\$ 26,269	Sep-09
3	Document existing conditions, needs, plans				
	3.1 Needs and conditions assessment	\$ 13,249	\$ 6,615	\$ 19,864	Apr-09
4	Conduct Bayshore Station conceptual planning and design				
	4.1 Station and access vision and conceptual design	\$ 46,752	\$ 23,341	\$ 70,092	Sep-09
	4.2 Service analysis and plan	\$ 11,609	\$ 5,796	\$ 17,405	Sep-09
5	Support Geneva Avenue / Harney Way process				
	5.1 Geneva/Harney vision and conceptual design	\$ 43,584	\$ 21,759	\$ 65,344	Nov-09
6	Create funding and implementation strategy				
	6.1 Funding and implementation strategy	\$ 8,834	\$ 4,411	\$ 13,245	Dec-09
7	Create draft and final reports				
	7.1 Draft and final reports	\$ 16,097	\$ 8,037	\$ 24,134	Mar-10
	11% Contingency	\$ 19,693	\$ 9,832	\$ 29,525	
Totals		\$ 198,720	\$ 99,211	\$ 297,932	

RESOLUTION 08-63

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 A MEMORANDUM OF AGREEMENT FOR THE BI-COUNTY AREA PLANNING AND DESIGN STUDY BETWEEN THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY, PENINSULA CORRIDOR JOINT POWERS BOARD, SAN MATEO COUNTY TRANSPORTATION AUTHORITY, AND C/CAG FOR PLANNING AND CONCEPTUAL DESIGN WORK AT THE BAYSHORE INTERMODAL CALTRAIN STATION AND GENEVA AVENUE EXTENSION FOR A TOTAL AMOUNT OF \$100,000 WHICH INCLUDES AN AMOUNT NOT TO EXCEED \$25,000 FROM C/CAG

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

WHEREAS, C/CAG is the designated Congestion Management Agency (CMA) for San Mateo County; and

WHEREAS, C/CAG is cooperating with the San Francisco County Transportation Authority, Peninsula Corridor Joint Powers Board, and the San Mateo County Transportation Authority and participating in the study team responsible for managing the Project; and

WHEREAS, C/CAG is part of an Interagency Coordination and Outreach Steering Committee consisting of representatives from the agencies stated above; and

WHEREAS, the Project's aim is to build consensus on the design of the transportation facilities at the Bayshore Intermodal Station and Geneva Avenue Extension that will connect the surrounding community with local and regional transit services; and

WHEREAS, the San Francisco County Transportation Authority is acting as the contracting entity for consultant services; and

NOW THEREFORE BE IT RESOLVED, that the C/CAG Board Chair is hereby authorized to sign the Memorandum of Agreement for and on behalf of the C/CAG Board, with the above referenced agencies, for the above-stated purpose, and that the Executive Director is authorized to negotiate the final Memorandum of Agreement prior to execution by the Chair, subject to final approval by C/CAG Legal Counsel.

PASSED, APPROVED AND ADOPTED THIS 11TH DAY OF DECEMBER 2008.

Deborah C. Gordon, Chair

C/CAG AGENDA REPORT

Date: December 11, 2008

To: City/County Association of Governments Board of Directors

From: Richard Napier, C/CAG Executive Director

Subject: Review and Approval of Resolution 08-64 Authorizing the C/CAG Chair to Execute an amendment to the Agreement with the City of San Bruno for a Six-Month No-Cost Extension for the Construction of a Sustainable Green Street and Parking Lot Demonstration Project

(For further information or questions, contact Matt Fabry at 415-508-2134)

RECOMMENDATION

Review and approval of Resolution 08-64, authorizing the C/CAG Chair to execute an amendment to the agreement with the City of San Bruno for a six-month no-cost extension for the construction of a sustainable green street and parking lot demonstration project.

FISCAL IMPACT

None

SOURCE OF FUNDS

This project is funded through vehicle license fee revenue collected under the AB1546 program. The proposed amendment is a no-cost extension and will not require any additional funding.

BACKGROUND/DISCUSSION

C/CAG previously awarded the City of San Bruno \$71,300 to design and construct a demonstration project under the San Mateo Countywide Water Pollution Prevention Program (Countywide Program)'s Sustainable, Green Streets and Parking Lots Program. The City of San Bruno originally anticipated project completion by December 31, 2008, which was included as the termination date in C/CAG's adopted funding agreement. The demonstration project consists of a vegetated curb extension adjacent to an elementary school. In order to minimize construction impacts to the school, City staff scheduled construction activities during the school's winter break. As such, the City expects construction will be complete by December 31, 2008, but closeout of project documentation will extend into early 2009. Therefore, the City requested in an August 28, 2008 letter an extension of their funding agreement to accommodate this schedule. The proposed no-cost extension would extend the existing funding agreement for six months, until June 30, 2009.

ATTACHMENTS

- Resolution 08-64
- Amendment (No. 1) to Agreement Between C/CAG and City of San Bruno
- August 28, 2008 letter from City of San Bruno

ALTERNATIVES

- 1- Review and approval of Resolution 08-64, authorizing the C/CAG Chair to execute a six-month no-cost extension to the agreement with the City of San Bruno to construct a Sustainable Green Street and Parking Lot Demonstration Project in accordance with the staff recommendation.
- 2- Review and approval of Resolution 08-64, authorizing the C/CAG Chair to execute a six-month no-cost extension to the agreement with the City of San Bruno to construct a Sustainable Green Street and Parking Lot Demonstration Project in accordance with the staff recommendation with modifications.
- 3- No action.

RESOLUTION 08-64

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AUTHORIZING THE C/CAG CHAIR TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH THE CITY OF SAN BRUNO FOR A SIX-MONTH NO-COST EXTENSION FOR THE CONSTRUCTION OF A SUSTAINABLE GREEN STREETS AND PARKING LOT DEMONSTRATION PROJECT

WHEREAS, the City/County Association of Governments (C/CAG) manages the Countywide Water Pollution Prevention Program (SMCWPPP), which implemented a Sustainable Green Streets and Parking Lots Program to address vehicle-related pollution impacts from street and parking lot runoff; and,

WHEREAS, the City/County Association of Governments for San Mateo County (hereinafter referred to as C/CAG) has entered into an agreement with the City of San Bruno (hereinafter referred to as City) on May 8, 2008 for design and construction of a Sustainable Green Street and Parking Lot demonstration project; and,

WHEREAS, the agreement between C/CAG and the City terminates December 31, 2008; and

WHEREAS, the City requires additional time to complete the grant-funded project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the C/CAG Chair be authorized to execute a no-cost amendment to the funding agreement with the City of San Bruno to extend the agreement termination date to June 30, 2009.

APPROVED AND ADOPTED THIS 11TH DAY OF DECEMBER, 2008.

Deborah C. Gordon., Chair

**AMENDMENT (No. 1) TO THE AGREEMENT BETWEEN THE CITY/COUNTY
ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY AND THE CITY OF
SAN BRUNO**

WHEREAS, the City/County Association of Governments (C/CAG) manages the Countywide Water Pollution Prevention Program (SMCWPPP), which implemented a Sustainable Green Streets and Parking Lots Program to address vehicle-related pollution impacts from street and parking lot runoff; and,

WHEREAS, the City/County Association of Governments for San Mateo County (hereinafter referred to as C/CAG) has entered into an agreement with the City of San Bruno (hereinafter referred to as City) on May 8, 2008 for design and construction of a Sustainable Green Street and Parking Lot demonstration project; and,

WHEREAS, the agreement between C/CAG and the City terminates December 31, 2008; and

WHEREAS, the City requires additional time to complete the grant-funded project;

IT IS HEREBY AGREED by the C/CAG Chair and City that:

1. The City's existing agreement with C/CAG is modified to include a Contract Termination date of June 30, 2009.
2. All other provisions of the original agreement between C/CAG and the City dated May 8, 2008 and subsequent amendments shall remain in full force and effect; and
3. This amendment to the agreement shall take effect upon signature by both parties.

For C/CAG Chair:

For City of San Bruno:

Deborah Gordon, Chair

Signature

By: _____

Date: _____

Date: _____

Approved as to form:

Lee A. Thompson, C/CAG Legal Counse



August 28, 2008

Richard Napier, Executive Director
City/County Association of Governments of San Mateo County
555 County Center, Fifth Floor
Redwood City, CA 94063

Subject: Agreement with City of San Bruno for Green Streets Demonstration Project—Request for Extension

Dear Mr. Napier,

This letter seeks to extend the term of the City of San Bruno's funding agreement with C/CAG for the Sustainable Green Streets and Parking Lots Project. As you know, the City plans to build a vegetated curb extension near a local elementary school. In our original grant application, the City indicated that construction would complete by December 31, 2008. Indeed, we are well into the design phase, having already conducted surveying and soil sampling at the project site, and could construct in November.

However, in order to cause as little disruption as possible at busy student drop-off and pickup times during the construction phase, our project team is seriously considering conducting the majority of the work during the school's winter break. Unfortunately, this schedule would conflict with the deadline imposed by the funding agreement.

In order to give the project more flexibility and minimize public impact, the City of San Bruno requests the termination date of the funding agreement be moved or otherwise extended to February 28, 2009. Though the project will certainly be built in December, providing an additional two months allows for complete project closeout and funding reimbursement.

Thank you for your time and consideration. Feel free to call me at (650) 616-7046 to discuss any questions or concerns you might have.

Sincerely,

/s/ Jim Shannon
Green Streets Project Manager

C/CAG AGENDA REPORT

Date: December 11, 2008

To: City/ County Association of Governments of San Mateo County of San Mateo

From: Richard Napier, C/CAG Executive Director

Subject: Review and approval of Resolution 08-62 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/ County Association of Governments of San Mateo County and Advocation for State Legislative Advocacy professional services for a maximum amount of \$76,000 per year for two years.

(For further information contact Joseph Kott at 599-1453)

RECOMMENDATION

That the C/CAG Board approve Resolution 08-62 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/ County Association of Governments of San Mateo County and Advocation for State Legislative Advocacy professional services for a maximum amount of \$76,000 per year for the Legislative Session ending on November 30, 2010 in accordance with the staff and Legislative Committee recommendation.

FISCAL IMPACT

The cost of the outside lobbyist will not exceed \$76,000 (including monthly retainer and expenses) per year. The \$76,000 is programmed in the FY 2008-09 C/CAG budget and will also be programmed in the FY 2009-2010 C/CAG budget.

SOURCE OF FUNDS

The source of the funds for the lobbyist will be from Congestion Management and the \$4 vehicle license fee.

BACKGROUND/DISCUSSION

Since 2002, C/CAG has used the services of a legislative advocate to move issues of local concern to the state legislature. Staff was instructed by the board to review the need for a legislative advocate. Staff found that the cost to benefit ratio of having a legislative advocate to be on the order one to thirty eight in favor of having an advocate.

Advocation has been with C/CAG since 2002. Their contract was renewed for the 2008 Legislative Session after they submitted the only proposal in response to a Request for Proposals

ITEM 4.4

sent out on November 2, 2007. While board policy requires another call for proposals to be implemented to ensure that the services received for fees are still in line with other advocates, staff would expect a similar response to last year's Request for Proposals should another one be issued for next year.

Staff proposes extension of the Avocation contract for another year for the following reasons:

1. Avocation's work during 2008 has been outstanding, most notably in securing the Governor's signature on renewal of SB 348, legislation that provides C/CAG with \$11.2 million in funding over four years
2. Avocation has been very responsive to staff and Board
3. The team which includes Avocation and Shaw Yoder has worked exceptionally well

In recognition of the difficult economic times, Advocation has agreed to continue its work in Sacramento on behalf of C/CAG for the same budget maximum annual compensation (\$76,000) as during 2008.

ALTERNATIVES

1. Approve in accordance with staff recommendation.
2. Approve in accordance with staff recommendation with modification.
3. No action.

ATTACHMENTS

Resolution 08-62
Amendment to Agreement

RESOLUTION 08-62

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO
COUNTY (C/CAG) RESOLUTION 08-62 - AUTHORIZING THE C/CAG CHAIR TO
EXECUTE AN AMENDMENT TO THE AGREEMENT WITH ADVOCATION FOR
STATE LEGISLATIVE ADVOCACY PROFESSIONAL SERVICES FOR A MAXIMUM
AMOUNT OF \$76,000 PER YEAR FOR TWO YEARS**

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

WHEREAS, C/CAG is a joint powers agency representing all twenty-one local jurisdictions in San Mateo County; and

WHEREAS, the C/CAG Board has determined that it is vital and necessary that its interests be actively promoted with the California Legislature and Administration; and

WHEREAS, C/CAG has determined that outside lobbying services would be the most appropriate method to ensure that C/CAG is adequately represented in the legislative and administrative processes in the Capitol of the State of California; and

WHEREAS, Advocation competed through a request for proposals and qualifications for the 2008 Legislative Session, then performed in an outstanding fashion during the 2008-2009 Legislative Session; and

WHEREAS, Advocation 's legislative advocacy led to approval by the Legislature and signing by the Governor of SB348, an \$11.2 million revenue source for San Mateo County's transportation-related efforts; and

WHEREAS, Advocation has verified that it is qualified and properly licensed to provide these services; and

WHEREAS, the C/CAG Board has determined that it desires these services through the State Legislative Session ending on November 30, 2010.

NOW, THEREFORE, BE IT RESOLVED that the Chair of the Board of Directors of C/CAG is hereby authorized and directed to execute said agreement with Advocation for an amount not to exceed \$76,000 per year for two years and on behalf of C/CAG, subject to approval as to form by C/CAG Legal Counsel.

PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF DECEMBER 2008.

Deborah C. Gordon, Chair

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF
SAN MATEO COUNTY
AMENDMENT TO AGREEMENT BETWEEN
CITY/COUNTY/ASSOCIATION OF GOVERNMENTS AND
ADVOCATION, INC.**

WHEREAS, the Board of Directors of the City/County Association of Governments (hereinafter referred to as C/CAG), and Advocation, Inc. (hereinafter referred to as Contractor) are parties to an Agreement dated December, 13 2007 regarding provision of Professional Services in legislative research and advocacy; and

WHEREAS, the C/CAG, at its December 11, 2008 meeting, approved this amendment to the agreement with Contractor; and

WHEREAS, Contractor has reviewed and accepted this amendment;

IT IS HEREBY AGREED by C/CAG and Contractor that:

1. This amendment shall be to extend the term of the Original Agreement between C/CAG and Advocacy to provide Professional Services in legislative research and advocacy for a period of one year at a maximum compensation of \$76,000 and the Original Agreement is hereby amended as set forth herein.
2. This amendment shall be in effect as of January 1, 2009.
4. The Contract Term, as specified in section 5 (Contract Term) of the Original Agreement, shall terminate on November 30, 2010.
5. All other provisions of the Original Agreement as Amended shall remain in full force and effect.

For C/CAG:

For City:

Deborah C. Gordon, Chair

Date: _____

Approved as to form:

Lee Thompson, C/CAG Legal Counsel

Date: _____

City Legal Counsel

C/CAG AGENDA REPORT

Date: December 11, 2008
To: City/County Association of Governments Board of Directors
From: Richard Napier, C/CAG Executive Director
Subject: Review and approval of Resolution 08-65 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/County Association of Governments (C/CAG) and Kimley-Horn for the Smart Corridor project for development of the System Requirements and existing infrastructure inventory for a maximum amount of \$165,886

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

RECOMMENDATION

That the C/CAG Board review and approve Resolution 08-65 authorizing the C/CAG Chair to execute an amendment to the agreement between the City/County Association of Governments (C/CAG) and Kimley-Horn for the Smart Corridor project for development of the System Requirements and existing infrastructure inventory for a maximum amount of \$165,886 in accordance with staff recommendation.

FISCAL IMPACT

Not to exceed \$165,886 (direct cost to C/CAG is \$82,943)

SOURCE OF FUNDS

Funding for this project was budgeted in the FY 2008/09 Congestion Relief Fund Program. The San Mateo County Transportation Authority (TA) will fund fifty percent (50%) of the total project cost.

BACKGROUND/DISCUSSION

C/CAG entered into an agreement with Kimley-Horn and Associates on March 8, 2007 for \$217,000 to provide technical assistance for the development of the Incident Management – Alternate Route Plan, addressing effects of non-recurring traffic congestion on local streets caused by major freeway incidents along US-101 and portions of I-280 and SR 92. The Plan includes establishing pre-planned alternate detour routes, facilitating interagency coordination and communication, an development to traffic control strategies to minimize congestion and improve safety on local streets.

The contract was subsequently amended to add additional work scopes for the development of the San Mateo County Smart Corridors Project and is summarized as follows:

<u>Amend No.</u>	<u>Amount</u>	<u>Date</u>	<u>Purpose</u>
1	\$155,300	11/8/07	Additional tasks: Prepare Project Study Report (PSR), Concept of Operations, and other documents for the Smart Corridors Project
2	\$321,000	2/14/08	Additional tasks: Prepare Project Report and Environmental Document (PR/ED)
3	\$195,000	10/9/08	Additional efforts for completion of PSR, PR/ED and additional task to perform traffic analysis

Amendment No. 4, for the amount of \$165,886, includes additional tasks to enable the Smart Corridors project development to progress towards the next steps in the Systems Engineering process. In addition to participating project meetings, consultant will prepare the system and performance requirements, document existing infrastructure inventory, and assist in the completion of PR/ED documents, as necessary. The work scope identified under Amendment No. 4 will be on a task order basis. Detailed task descriptions can be found in “Exhibit A” of Amendment No. 4 to the contract (attached). This amendment also extends the contract to June 30, 2009 (current contract expires January 30, 2009).

ATTACHMENT

- Resolution 08-65
- Amendment No. 4 to the Agreement between C/CAG and Kimley-Horn and Associates

RESOLUTION 08-65

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY AUTHORIZING THE C/CAG CHAIR TO EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS (C/CAG) AND KIMLEY-HORN FOR THE SMART CORRIDORS PROJECT FOR DEVELOPMENT OF THE SYSTEM REQUIREMENTS AND EXISTING INFRASTRUCTURE INVENTORY FOR A MAXIMUM AMOUNT OF \$165,886

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

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

WHEREAS, C/CAG has adopted a Countywide Congestion Relief Plan that includes specific programs and studies to improve congestion management in San Mateo County including the Countywide Intelligent Transportation System (ITS) Strategic Plan; and

WHEREAS, C/CAG has initiated development of the Alternate Route Plan and San Mateo Smart Corridors Project; and

WHEREAS, C/CAG determined that outside consulting services are needed to assist in the development of the technical documentation for the project; and

WHEREAS, C/CAG has selected Kimley-Horn and Associates, Inc. to provide these services; and

WHEREAS, C/CAG has determined that additional services are needed to complete the Project Report, Environmental Documents and associated tasks; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the Chair is authorized to execute an amendment to the agreement with Kimley-Horn and Associates, Inc. for an additional amount not to exceed \$165,886, to a maximum contract amount of \$1,054,186. In accordance with C/CAG established policy, the Chair may administratively authorize up to an additional 5% of the total contract amount in the event that there are unforeseen costs associated with the project. This amendment to the agreement is attached hereto and is in a form that has been approved by C/CAG Legal Counsel.

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF DECEMBER 2008.

Deborah C. Gordon, Chair

**AMENDMENT (NO. 4) TO THE AGREEMENT
BETWEEN
THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO
COUNTY AND
KIMLEY-HORN AND ASSOCIATES, INC.**

WHEREAS, the Board of Directors of the City/County Association of Governments for San Mateo County (hereinafter referred to as C/CAG), at its March 8, 2007 meeting, approved an agreement with Kimley-Horn and Associates, Inc. (hereinafter referred to as Consultant) to develop the Incident Management – Alternative Route Plan for San Mateo County and approved amendments to said agreement at its November 8, 2007, February 14, 2008, and October 9, 2008 meetings; and

WHEREAS, C/CAG and Consultant entered into an original agreement, dated March 8, 2007, and into amendments to the original agreement dated November 8, 2007, February 14, 2008, and October 9, 2008 (hereinafter the original agreement and the three amendments thereto shall be referred to as the “Agreement As- Amended”); and

WHEREAS, C/CAG has determined that additional consulting services and work are needed as described in Exhibit A attached hereto (the “additional work”); and

WHEREAS, up to an additional one hundred sixty five thousand eight hundred eighty six dollars (\$165,886.00) will be required to complete the additional work; and

WHEREAS, the parties desire to further amend the Agreement As Amended as set forth herein.

IT IS HEREBY AGREED by C/CAG and Consultant that the Agreement As Amended is further amended as follows:

1. The additional work is hereby added to the services and work to be performed by Consultant under the Agreement As Amended and Consultant agrees to complete all work and services under the Agreement As Amended.
2. C/CAG staff will issue task orders authorizing Consultant to perform each task identified in Exhibit A. Consultant will not be paid for any task performed without prior authorization.
3. For the completion of the additional work, the maximum reimbursement to Consultant is increased by one hundred sixty five thousand eight hundred eighty six dollars (\$165,886.00). The new total maximum contract amount is one million fifty four thousand one hundred eighty six dollars (\$1,054,186.00).
4. The January 30, 2009 termination date is extended to June 30, 2009.
5. Payment for services in connection with the additional work shall be on a time and materials basis, based upon the receipt of invoices for the actual costs, and with services to be performed only upon the request of C/CAG staff after review of specific work plans for individual tasks

6. All other provisions of the Agreement As Amended shall remain in full force and effect.

7. This amendment shall take effect upon execution by both parties.

City/County Association of Governments
C/CAG

Kimley-Horn and Associates, Inc.
Consultant:

Deborah C. Gordon, Chair

By

Title: _____

Date: _____

Date: _____

Approved as to form:

Lee A. Thompson, C/CAG Legal Counsel

Suite 1230
555 12th Street
Oakland, California
94607

December 1, 2008

Mr. John Hoang
San Mateo City/County Association of Governments
555 County Center, 5th Floor
Redwood City, CA 94063

RE: ***Proposal for Contract Amendment #4***

Dear Mr. Hoang,

Kimley-Horn and Associates, Inc. (KHA) is pleased to submit a letter proposal to continue providing valuable services to the City/County Association of Governments of San Mateo County (C/CAG) and the stakeholders. This proposal includes several tasks that are appropriate and important to continue the development of the San Mateo County Smart Corridors and keep the project rolling on schedule. The primary tasks in this proposal are Meetings, Systems Engineering Support, and Documentation of Existing Inventory. Additional tasks could be added as needed by C/CAG.

The primary tasks are described below:

Task 1 – Project Meetings:

KHA will attend meetings regarding the San Mateo County Smart Corridors. These meetings will include:

- Weekly meetings with C/CAG staff and others to discuss project issues and further project development.
- Additional meetings as directed by C/CAG with FHWA, Caltrans, or other agencies as it specifically relates to the development of the Smart Corridors Program or approval of previous documents.

Randy Durrenberger will be the primary attendee, with additional attendees as approved by C/CAG. These meetings will be located at the C/CAG offices, or as otherwise directed.

*Deliverables: Attendance at meetings (assume 10 meetings)
Meeting notes*

Task 2 – Prepare System Requirements:

KHA will develop a draft of the detailed system and performance requirements consistent with the

Systems Engineering process. The draft system requirements will be developed such that the system can be produced to meet the project's goals and objectives. The system requirements will be defined under the following four requirements areas:

- Functional – Does the system do what it is supposed to do?
- Performance – How well does the system do its functions?
- Environmental (and non-functional) – Under what conditions does the system have to work and meet its performance goals?
- User – Does the system do what the end users expect it to?

KHA will develop an initial set of system requirements based on the Concept of Operations and expanded/confirmed through input from project stakeholders. The system requirements will be prioritized by stakeholders, de-conflicted and validated. Each system requirement will follow the typical guidelines to be a 'good' requirement (i.e., necessary, testable, clear, concise, technology-independent, feasible, standalone, and traceable to a need).

The system requirements will be defined to the subsystem level as appropriate, and each requirement will be validated such that it meets an expressed need, or set of needs, as defined in the Concept of Operations or other document. Examples of subsystems include:

- CCTV cameras;
- Trailblazer signs;
- Signal system components;
- Communications medium;
- Central functionality;
- Interface between TMCs;
- Data and video sharing; and
- Operational parameters.

The system requirements will also be prepared in a matrix form in order to easily trace the requirements to the needs (in the Concept of Operations) as part of a future task. The requirements will be assigned a unique identifier and will be categorized into the four different requirement areas.

Deliverables: Initial Draft Requirements
Workshops to define functional requirements (assume 4 workshops)
Draft System Requirements Document
Draft System Requirements Matrix

Task 3 – Documentation of Existing Inventory:

KHA will gather project inventory information for existing Smart Corridor devices. The focus of this task is to define the existing conduit and pull box infrastructure, existing communications cabling, and location of existing traffic signal cabinets along the limits of the Smart Corridor and at locations that may be influenced or impacted by the Smart Corridor project. KHA staff will visit each agency along the initial phases of the Smart Corridor including South San Francisco, San Bruno, Millbrae, Burlingame, San Mateo, Belmont, San Carlos, Redwood City, East Palo Alto, and Caltrans.

KHA will meet with each agency individually (10 meetings) to obtain as-built documentation for the



existing infrastructure, discuss the condition of the infrastructure, and discuss any concerns over using existing cabling or conduit for the Smart Corridors program. Through these meetings, KHA will also document utilization of existing infrastructure to capture how much of the existing communications network may be available for sharing with the Smart Corridor project.

KHA will conduct spot field investigation in existing pull boxes to determine the feasibility of using existing conduit. We will assess the likelihood of using the existing infrastructure at the locations that we observe. This information will be submitted to C/CAG for future consideration. We will provide up to 40 hours of field investigation.

The information gathered in this task will include, as available, as-builts from previous projects; input from agencies on future projects; future direction of communications network; and field notes from infrastructure investigation. This information will be submitted to C/CAG for future consideration.

Deliverables: Meetings and as-built collection from agencies (10 agencies)
Notes from field investigation

Task 4 – Finalize Project Report:

KHA will assist in addressing or responding to additional comments received from Caltrans on the Project Report (PR) and Environmental Documentation (ED). This work will entail preparation of one set of PR/ED documentation to address Caltrans comments and a response matrix to the comments provided. This effort will only be completed based on written authorization by C/CAG.

Deliverables: Final PR and ED

The fee estimate presented below is for budgetary purposes only based on the assumptions presented in each task above. Level of effort and budget may change as directed and approved by C/CAG. We will bill C/CAG according to actual effort.

Task Budgets						
Task	PM	Mid	Any/ CAD	Admin	Total	Cost per Task
Task 1 – Project Meetings (10 meetings)	60	8	8	6	82	\$17,630
Task 2.1 – Compile Initial Functional Requirements	20	20	20	4	64	\$11,720
Task 2.2 – Stakeholder Workshops	20	20	4		44	\$9,060
Task 2.3 – Populate Draft System Requirements Matrix (prioritize)	20	30	30		80	\$14,550
Task 2.4 – Decompose Requirements (further detail and avoid conflicts)	30	40	40	12	122	\$21,460
Task 2.5 – Prepare Draft System Requirements Report	30	40	60	16	146	\$24,680
Task 3 – Existing Inventory	60	60	120	10	250	\$43,350
Task 4 – Finalize Project Report	20	30	30		80	\$14,550
Total Hours	260	248	312	48	868	
Billing Rate	\$240	\$185	\$140	\$105		
Labor	\$62,400	\$45,880	\$43,680	\$5,040	\$157,000	
Indirect Expenses (computer, copy, fax, mileage, etc.)					\$3,124	
Direct Expenses (assume 1%)					\$1,562	
LSA (Finalize Project Report/Environmental Documentation)					\$5,000	
Total					\$165,886	

Kimley-Horn and Associates, Inc. appreciates the opportunity to continue providing support to C/CAG to continue implementing the San Mateo County Smart Corridor Project. Please let me know if this proposal is acceptable to you, we are prepared to begin immediately on this support.

Sincerely yours,
KIMLEY-HORN AND ASSOCIATES, INC.



Randy Durrenberger, P.E.
Project Manager

C/CAG AGENDA REPORT

Date: December 11, 2008
To: City/County Association of Governments Board of Directors
From: Richard Napier, Executive Director
Subject: Review and appointment of Councilmember Gina Papan from the City of Millbrae to the Congestion Management & Environmental Quality (CMEQ) Committee
(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION

That the Board consider the appointment of Millbrae Councilmember Gina Papan to the Congestion Management and Environmental Quality (CMEQ) committee to fill the vacant seat for elected officials.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

There is one vacant elected seat on the CMEQ committee since the beginning of this year. A recruitment letter was distributed to all of the elected officials in San Mateo County early 2008 and again in November. Councilmember Papan requested for consideration of appointment to the CMEQ Committee.

The Congestion Management and Environmental Quality Committee (CMEQ) provides advice and recommendations to the full C/CAG Board on all matters relating to transportation planning, congestion management, and selection of projects for state and federal funding. The Committee also has the specific responsibility for the development and updating of the Congestion Management Program and the Countywide Transportation Plan.

ATTACHMENTS

- Current roster for the CMEQ Committee

ITEM 4.6

CURRENT CMEQ 2008 ROSTER

Chair - Irene O'Connell
 Vice Chair - Sepi Richardson
 Staff Support: Sandy Wong

Name	Representing
Jim Bigelow	Business Community
Zoe Kersteen-Tucker	San Mateo County Transit District (SamTrans)
Judith Christensen	City of Daly City
William Dickenson	City of Belmont
Linda Koelling	City of Foster City
Sue Lempert	Metropolitan Transportation Commission (MTC)
Arthur Lloyd	Peninsula Corridor Joint Powers Board (CalTrain)
Karyl Matsumoto	<u>City of South San Francisco</u>
Irene O'Connell	City of San Bruno
Naomi Patridge	City of Half Moon Bay
Barbara Pierce	City of Redwood City
Sepi Richardson	City of Brisbane
Lennie Roberts	Environmental Community
Onnolee Trapp	Agencies with Transportation Interests
Daniel Quigg	City of Millbrae
Steve Dworetzky	Public Member

C/CAG AGENDA REPORT

Date: December 11, 2008

To: City/County Association of Governments Board of Directors

From: Richard Napier, Executive Director

Subject: Review and approval of Resolution 08-66 authorizing the C/CAG Chair to execute an amendment to the Cooperative Agreement with Caltrans for the Project Approval/Environmental Document (PA/ED) phase of the San Mateo County Smart Corridors project in order to receive \$367,000 programmed in CMAQ funds.

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

RECOMMENDATION

Review and approval of Resolution 08-66 authorizing the C/CAG Chair to execute an amendment to the Cooperative Agreement with Caltrans for the Project Approval/Environmental Document (PA/ED) phase of the San Mateo County Smart Corridors project in order to receive \$367,000 programmed CMAQ funds.

FISCAL IMPACT

\$415,000 (includes \$48,000 local match)

SOURCE OF FUNDS

- \$367,000: Congestion Mitigation and Air Quality (CMAQ) program funds from the Metropolitan Transportation Commission (MTC)
- \$48,000: FY 2008/09 Congestion Relief Fund Program

BACKGROUND/DISCUSSION

The San Mateo County Smart Corridors project will implement inter-jurisdictional traffic management strategies by deploying integrated Intelligent Transportation Systems (ITS) elements and providing local jurisdictions the tools to manage recurring/non-recurring traffic congestion by improving traffic operations and mobility, optimizing existing roadway facilities, and addressing system efficiency and safety. The project will implement communication infrastructure, traffic signal improvements, signal system interconnect, trailblazer and changeable message signs, closed circuit television cameras, and vehicle detection system. The project is located along portions of the US 101 corridor from I-380 to the Santa Clara County line and SR 82 (El Camino Real) and local arterial streets.

ITEM 4.7

The Cooperative Agreement between C/CAG and Caltrans for the Project Approval/Environmental Document (PA/ED) phase of the Smart Corridors project was executed on July 25, 2008. The Coop Agreement for PA/ED enables Caltrans to oversee the preparation of the environmental documentation and provide quality assurance oversight work on the project. Under the current executed agreement, approximately \$300,000 in local funds was committed for the development of the PA/ED documents. The amendment to the PA/ED Coop Agreement will include an additional \$415,000 (\$367,000 of CMAQ funding and \$48,000 local match) for preliminary engineering.

The CMAQ funds of \$367,000, which was provided by MTC, is programmed under FY 2008/09. To obligate this federal fund, C/CAG staff has submitted a request for the authorization of the PE (preliminary engineering) phase to Caltrans. The processing of the request and subsequent approval by FHWA (Federal Highway Administration) requires that the fund be reflected in the project Coop Agreement between C/CAG and Caltrans. Execution of the amended PA/ED Coop Agreement will enable the Caltrans Local Assistance division to process the request for authorization of the PE phase.

It is requested that authorization be given to the Executive Director to negotiate the final amended PA/ED Cooperative Agreement terms, as needed, subject to approval by the C/CAG Legal Counsel, and provide the C/CAG Chair final recommendations prior to execution of this amend.

ATTACHMENTS

- Resolution 08-66

RESOLUTION 08-66

* * * * *

**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 AN AMENDMENT TO THE COOPERATIVE AGREEMENT
WITH CALTRANS FOR THE PROJECT APPROVAL/ENVIRONMENTAL
DOCUMENT (PA/ED) PHASE OF THE SAN MATEO COUNTY SMART
CORRIDORS PROJECT IN ORDER TO RECEIVE \$367,000
PROGRAMMED IN CMAQ FUNDS**

* * * * *

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

WHEREAS, C/CAG is the designated Congestion Management Agency for San Mateo County; and

WHEREAS, C/CAG has developed the San Mateo County Smart Corridors Project to implement traffic management strategies with the deployment of Intelligent Transportation Systems (ITS); and

WHEREAS, C/CAG and the California Department of Transportation (Caltrans) are partners in the development of the Project Approval/Environmental Document (PA/ED) phase of the San Mateo County Smart Corridors Project; and

WHEREAS, C/CAG will be the project implementation agency and Caltrans will act as the California Environmental Quality Act (CEQA) lead agency and project oversight; and

WHEREAS, the Cooperative Agreement is amended to include \$367,000 in CMAQ funds and \$48,000 of local match; and

WHEREAS, the Cooperative Agreement term is set to expire at the completion of the PA/ED Phase of the Smart Corridors Project; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the Chair is authorized to execute an amendment to the Cooperative Agreement between C/CAG and Caltrans for the PA/ED Phase of the Smart Corridors, and that the Executive Director is authorized to negotiate the final amendment to the Cooperative Agreement prior to execution by the Chair, subject to approval by the C/CAG Legal Counsel.

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF DECEMBER 2008.

Deborah C. Gordon, Chair

C/CAG AGENDA REPORT

Date: December 11, 2008
To: City/ County Association of Governments of San Mateo County of San Mateo
From: Richard Napier, Executive Director
Subject: Review and approval of C/CAG Legislative priorities, positions and Legislative update

(For further information or questions contact Joseph Kott at 599-1453)

RECOMMENDATION

That the committee review and approve the proposed 2009 State Legislative Policies and Priorities in accordance with the Legislative Committee recommendations.

FISCAL IMPACT

The priorities listed in the attached document have the potential to maximize the fiscal resources available to C/CAG member agencies.

SOURCE OF FUNDS

New legislation.

BACKGROUND/DISCUSSION

Each year, the C/CAG Board adopts a set of legislative priorities to provide direction to its Legislative Committee, staff, and its Lobbyist. In the past, the C/CAG Board established the policies and priorities that:

- Clearly defined a policy at the beginning of the Legislative Session.
- Identified specific priorities to be accomplished during this session by the Lobbyist
- Limited the activities of C/CAG to areas where we can have the greatest impact.

The adoption of a list of priorities will hopefully maximize the impact of having a Lobbyist represent C/CAG in Sacramento and will also significantly reduce the amount of C/CAG staff time needed to support the program.

ATTACHMENT

C/CAG Proposed Legislative Policies and Priorities For 2009

ALTERNATIVES

Approve the proposed C/CAG Legislative Policies and Priorities for 2009 with modification.

ITEM 7.1

ATTACHMENT

C/CAG LEGISLATIVE PRIORITIES FOR 2009

Priority #1 -

Protect against the diversion of local revenues including the protection of redevelopment funds and programs.

- 1.1 Support League and CSAC Initiative to protect local revenues.
- 1.2 Protect and preserve the 20% redevelopment housing set aside.
- 1.3 Support follow-up legislation to the 2006 Bond Funds to create opportunities for San Mateo County.

Priority #2 -

Protect against increased local costs resulting from State action without 100% State reimbursement for the added costs.

- 2.1 Ensure that there is real local representation on State Boards and Commissions that are establishing policies and requirements for local programs.
- 2.2 Advocate for the appointment of Administration Officials who are sensitive to the fiscal predicament faced by local jurisdictions.
- 2.3 Oppose State action to dictate wage and benefits for local employees.
- 2.4 Oppose State action to restrict the ability of local jurisdictions to contract for services.
- 2.5 Advocate for State actions that are required to take into consideration the fiscal impact to local jurisdictions.

Priority #3 -

Secure stable funding to pay for increased NPDES mandates.

- 3.1 Primary focus on maximizing funds from the adopted infrastructure bonds.
- 3.2 Support efforts to exempt NPDES from the super majority voting requirements.
- 3.3 Include NPDES as a priority for funding in new sources of revenues (i.e. water bonds).

- 3.4 Advocate for C/CAG and San Mateo County jurisdictions to be identified as a pilot project to receive earmarked funding.
- 3.5 Support efforts to reduce NPDES requirements as a way to stimulate business development while still working to improve the quality of the Ocean, Bay, streams, creeks, and other waterways.
- 3.6 Support efforts to reform the NPDES program while still working to improve the quality of the Ocean, Bay, streams, creeks, and other waterways.
- 3.7 Support efforts to place the burden/ accountability of reporting, managing and meeting the NPDES requirements on the responsible source not the City or County.
- 3.8 Oppose efforts to require quantitative limits and Total Maximum Daily Load (TMDL) measures since there are insufficient scientific methods to evaluate the benefits. For this reason C/CAG instead supports the implementation of Best Management Practices (BMP's) to the maximum extent practicable.

Priority #4 -

Support lowering the 2/3rd super majority vote for local special purpose taxes.

- 4.1 Oppose bills that lower the 2/3rd super majority threshold, but dictate beyond the special tax category, how locally generated funds can be spent.
- 4.2 Support bills that reduce the vote requirement for special taxes but increase the vote requirement for general taxes.

Priority #5-

Encourage the State to protect transportation funding and develop an equitable cost-sharing arrangement to pay for any cost overruns on the construction of the Bay Bridge.

- 5.1 Urge the State to restrict or eliminate transfer of State transportation funds to the State General Fund.
- 5.2 Urge the State to continue to pursue a solution to the Federal Ethanol tax problem.
- 5.3 Oppose efforts to divert any of the Regional Measure 2 funds to pay for any Bay Bridge cost overruns.

Priority #6 -

Advocate for revenue solutions to address State budget issues that are also beneficial to Cities/Counties

- 6.1 Support measures to realign the property tax with property related services
- 6.2 Support measures to ensure that local governments receive appropriate revenues to service local businesses.
- 6.3 Support measures to collect sales tax on Internet transactions.
- 6.4 Support expansion of the sales tax to personal and professional services.

Priority #7 -

Support reasonable climate action/Greenhouse Gas legislation

- 7.1 Support incentive approaches toward implementing AB32.
- 7.2 Support county-based planning for sustainable communities in SB 375.
- 7.3 Oppose climate legislation that would conflict with or override projects approved by the voters.
- 7.4 Support expansion of the sales tax to personal and professional services.

Priority #8 -

Support energy conservation

- 8.1 Support local government partnerships with PG&E.
- 8.2 Support county-based planning for sustainable communities in SB 375.

Priority #9 -

Other

- 9.1 Support/sponsor legislation to allow transportation planning funds to be used to fund comprehensive land use plans for airports.
- 9.2 Support efforts that will engage the business community in transportation demand management.

C/CAG AGENDA REPORT

Date: December 11, 2008
To: City/County Association of Governments Board of Directors
From: Richard Napier, Executive Director
Subject: Status update on the implementation of the San Mateo County Smart Corridors project

(For further information or questions contact Richard Napier at 599-1420, or Sandy Wong at 599-1409, or John Hoang at 363-4105, or Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Board receives a verbal status update from staff on the implementation of the San Mateo County Smart Corridors project.

FISCAL IMPACT

Approximately \$23 million has been programmed for the funded segments of the Smart Corridors.

SOURCE OF FUNDS

Funding sources come from: State Transportation Bond Traffic Light Synchronization Program (TLSP); State Transportation Improvement Program (STIP); Federal CMAQ funds; and C/CAG Congestion Relief Program and Vehicle License Fee Program.

BACKGROUND/DISCUSSION

The San Mateo County Smart Corridors project will implement inter-jurisdictional traffic management strategies by deploying integrated Intelligent Transportation Systems (ITS) elements. It includes traffic signal modifications, traffic monitoring and control devices, traffic guidance devices, and communication systems that will connect between field devices with traffic management centers within all involved agencies. The project is generally located along the US 101 and SR 82 (El Camino Real) corridor, including local arterials.

ATTACHMENT

None.

C/CAG AGENDA REPORT

Date: December 11, 2008
To: C/CAG Board of Directors
From: Richard Napier, Executive Director
Subject: Review and approval of appointments to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms.

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

RECOMMENDATION

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

1. Review and approval of the reappointment of Cory Roay and Judi Mosqueda to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms.
2. Review and approval of the appointment of two candidates to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year terms.

FISCAL IMPACT

There will be no fiscal impact.

SOURCE OF FUNDS

Not applicable

BACKGROUND/DISCUSSION

Currently two members of the BPAC are being recommended by staff to be reappointed for two-year terms. Cory Roay's second two-year term and Judi Mosqueda's first two-year term ended in September 2008 and December 2008, respectively. Both members have had excellent attendance records throughout their prior terms.

Should the Board decide to reappoint member Roay and member Mosqueda there would still be two vacant seats on the BPAC that were vacated by David Alfano and Robert Cronin. Member Alfano and member Cronin had been on the BPAC for three two-year terms, which is the limit

ITEM 7.3

for the number of terms that is established in the Bylaws for the BPAC. The appointments to the two vacant seats will also be for two-year terms.

At the November 9, 2006 C/CAG Board meeting, the Board concluded that it was necessary to bring forward all of the applicants for vacant seats on the BPAC. Each of the seven applicants have been invited to come before the Board and will have two minutes to speak as to why they would make a good appointment and then answer any questions that the Board may have.

<u>Applicant</u>	<u>City of Residence</u>
• Cory Roay	Belmont
• Judi Mosqueda	Millbrae
• Steve Schmidt	Menlo Park
• Joel Slavit	San Carlos
• Justin Kromelow	Burlingame
• Lucy Wicks	Unincorporated San Mateo County
• John Fox	Menlo Park

ATTACHMENTS

- Bicycle and Pedestrian Advisory Committee Membership Application
- 7 BPAC membership applications received
- Bicycle and Pedestrian Advisory Committee Membership Roster 2008

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*

Bicycle and Pedestrian Advisory Committee Membership Application

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

1. What expertise/experience do you have pertaining to serving on this committee?
2. Why do you want to serve on this committee?
3. What special strengths would you bring to the committee?
4. What is the role of the countywide Bicycle and Pedestrian Advisory Committee?
5. Have you ever attended a meeting of this committee? If so, when?
6. The C/CAG BPAC meets on the fourth Thursday of the month from 7:00 – 9:00 p.m., do you have other commitments that will keep you from attending meetings?
7. Are you a member of any other committees/organizations?
8. Please mention the city in which you reside.

Applications will be reviewed and presented to the C/CAG Board for consideration. Applicants may be asked to present before the C/CAG Board or its selection subcommittee.

Please email, fax, or mail your application attention Tom Madalena.

tmadalena@co.sanmateo.ca.us

650-361-8227 fax

555 County Center
5th Floor
Redwood City, CA 94063

San Mateo County Bicycle/Pedestrian Advisory Committee
Membership Application

The expertise and experience that I have pertaining to serving on the committee includes:

- BPAC Committee member since April 14, 2005
- Daly City BPAC Committee member for over 5 ½ years
- Regular bicycle commuter from Belmont to Daly City
- 29 years of law enforcement experience with the Daly City Police Department, including traffic issues, accident investigation and community involvement
- USCF licensed category 4 bicycle racer

I would like to continue to serve on the BPAC Committee because I remain committed to bicycle and pedestrian advocacy, my service on the board has been a learning experience, and because I am impressed with the level of commitment and the knowledge of the other committee members.

The special strengths that I bring to the committee include my bike commuting experience, law enforcement background and experience in forming partnerships between local government and communities.

The role of the BPAC Committee is to advise the C/CAG Board of Directors on matters related to bicycle and pedestrian facilities planning and the selection of projects for state and federal funding. The interaction between the engineers who plan the projects and the people who understand how they will actually be used is critical to the success of the process.

Since becoming a BPAC Committee member, I have missed very few meetings and I have taken part in every project field trip with the committee members and county staff.

I am a member of the Peninsula Velo Cycling Club Board of Directors, Daly City Host Lions Club and Daly City Bicycle/Pedestrian Advisory Committee.

I reside in the city of Belmont and work in Daly City.

Cory Roay

November 25, 2008

Mr. Tom Madalena
CCAG
555 County Center, 5th Floor
Redwood City, CA 94063

Mr. Madalena,

I would like to be considered for re-appointment to the City and County Association of Governments of San Mateo County Bicycle and Pedestrian Advisory Committee (BPAC). I have enjoyed serving on the BPAC over the past two years and feel that I bring a unique and valuable perspective to this committee.

I am a registered Landscape Architect and have devoted my career to public sector projects involving urban planning and design, transportation systems, pedestrian and bicycle access, disabled access, and quality of life issues. Professionally, I continue to be exposed to the latest trends in urban and environmental design, public transportation innovations, and bicycle and trail system planning. With this background, I compliment other backgrounds represented on the committee, including commute cyclists, recreational cyclists, and city council members.

I have a strong personal interest in the projects that the BPAC evaluates. I am a mother of school aged children and often look to get around town on foot or by bicycle. I am very familiar with the issues families face trying to stay healthy and fit, connected to the community, and environmentally responsible. It is important that voices representing the needs of young families be present on this committee.

I bring the added experience of being well versed in the Americans with Disabilities Act as it applies to roadways, bikeways, sidewalks and trails. While the cities are ultimately responsible for satisfying ADA through their projects, I am able to respond to informal questions or concerns from the committee.

I am resident of Millbrae and have served as a member of Millbrae's Park and Recreation Commission for the past four years. The Park and Recreation Commission meets on Tuesday evenings and does not provide any conflict with my attendance at the BPAC meetings.

The BPAC is a very exciting committee. The BPAC is able to support smart growth for the Peninsula, encouraging provisions for commute bicyclists, transit users, recreational cyclists and hikers, people with disabilities, and pedestrians. I am happy to see Peninsula towns working to enhance the quality of life for all citizens and visitors to the county. I respectfully request your consideration for re-appointment to the BPAC.

Sincerely,

Judi Mosqueda
341 Palm Avenue
Millbrae, CA 94030
mosquedaonpalm@comcast.net

From: "steve schmidt" <gabriellejohnck@gmail.com>
To: <tmadalena@co.sanmateo.ca.us>
Date: 11/14/2008 1:18 PM
Subject: Bicycle and Pedestrian Advisory Committee Application

Bicycle and Pedestrian Advisory Committee Membership Application
Steve Schmidt, Menlo Park. 650 323-5546

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

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

I've commuted and done errands by bicycle in the Mid-peninsula for over thirty five years. I served on the BPAC and its predecessor committee between 1991 and 2002 both as a public member and as an elected official.

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

I believe that it is important to have BPAC members who have a strong commitment to building cost-effective infrastructure for the practical use of pedestrians and bicyclists.

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

In my eight years on the Menlo Park City Council, I had the responsibility of balancing the needs and desires of constituents and at the same time doing so within the financial limitations of local government. In the end I had to make a decision.

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

The BPAC has two major responsibilities: It makes recommendations to C/CAG on providing TDA funding to projects that serve pedestrians and bicyclists in San Mateo County; It serves as a source of information and advice for bicycle/pedestrian design and safety issues raised by San Mateo County cities.

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

I was a regular attendee before 2003 for about 11 years.

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

No.

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

Silicon Valley Bicycle Coalition, Loma Prieta Chapter of the Sierra Club, Audubon Society, Mono Lake Committee, Menlo Park Green Ribbon Citizen's Committee,

8. Please mention the city in which you reside.

I've lived in Menlo Park since 1976, the mid-Peninsula since 1959..

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Bicycle and Pedestrian Advisory Committee Membership Application

Applicant: Joel Slavit

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

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

I have a professional planning credential from the American Institute of Certified Planners (AICP) and a B.S. degree in City and Regional Planning. I also have over 13 years of professional planning experience with the City of San Jose and over eight years of professional experience managing the San Mateo County Transit District's grant programs.

My professional planning experience has included the development of policies to promote and improve walking and bicycling as a mode of alternative transportation and the planning for the implementation of specific projects, with a focus on multi-use bicycle/pedestrian trails. Currently, as a grant manager, I have an extensive working knowledge of grant funding programs and a successful track record of effectively applying for and managing grants from inception through project close-out. I have also served on grant scoring committees both developing program criteria and evaluating proposals for the initial call for projects for the Transportation and Land Use Coalition's (TALC's) Safe Routes to Transit (SR2T) program and to disperse federally earmarked funds programmed to SamTrans for the Grand Boulevard in San Mateo County. In addition, I served on two grant review committees for the Metropolitan Transportation Commission's (MTC's) Transportation for Livable Communities (TLC) program.

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

As a resident of San Mateo County, I desire to "give back" and further improve the county's pedestrian and bicycle network. I believe that well planned and implemented bicycle and pedestrian facilities are key factors in smart growth and that I can make a positive contribution in decisions to further strengthen the connection between transportation and land use. In addition to my interest from a work perspective, I also have a personal interest as I frequently bicycle as my mode of transportation between home and work.

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

As a planner, I understand the need to consider and weigh all potential impacts that could occur from a proposal and to develop positive working relationships from my interaction with stakeholders, especially when there are competing interests or potential conflicts. In addition to the strengths that I have noted from my work experience, I can bring additional insight to the committee as a user of bicycle facilities.

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

The role of the countywide Bicycle and Pedestrian Advisory Committee (BPAC) is to provide recommendations on all matters pertaining to bicycle and pedestrian facilities in the County, which may include the development of plans and policies and input on proposals that are presented to the committee. The BPAC also provides recommendations on the award of various bicycle and pedestrian grant funding programs and serves in an advisory role to the C/CAG Board.

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

I have not previously attended a meeting of this committee but I do have an extensive amount of experience as an agency staff person making presentations to various boards and commissions, including the City of San Jose's bicycle advisory committee.

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

No.

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

No.

8. Please mention the city in which you reside.

San Carlos.

Applications will be reviewed and presented to the C/CAG Board for consideration. Applicants may be asked to present before the C/CAG Board or its selection subcommittee.

Please email, fax, or mail your application attention Tom Madalena.

tmadalena@co.sanmateo.ca.us

2621 Adeline Drive
Burlingame, CA 94010
November 28, 2008

Mr. Tom Madalena and Committee
Bicycle and Pedestrian Advisory Committee
555 County Center, 5th Floor
Redwood City, CA 94063

Re: Bicycle and Pedestrian Advisory Committee Membership Application

Mr. Tom Madalena and Committee Members,

I am writing to ask for your consideration in appointment to the City/County Association of Governments (C/CAG) of San Mateo County Bicycle and Pedestrian Advisory Committee (BPAC). My formal training is as a Landscape Architect. While I am no longer a currently practicing Landscape Architect, I spent over a decade working in Illinois and California on public and private projects, many of which were specifically focused on design issues of integrating, separating and managing pedestrian, bicycle and vehicular traffic for safety and volume optimization, and educating the public at large. Public projects have included municipal master planning, the expansion of bike paths and connector trails in Champaign Illinois, reclamation of railroad corridors across Illinois and bike parking across university campuses. Private projects have included road, sidewalk and bike path design for subdivisions. My work in all of these projects has included aspects of design, public policy, fundraising, advocacy and grass roots activism. In Illinois, I developed extensive experience working with state and local government on public policy issues.

I have lived in Burlingame for 10 years. I currently commute to work, from Burlingame to San Mateo, daily on a bicycle. I ride an addition 120 to 150 miles per week around the Peninsula for fitness training. I volunteer 1 afternoon a week at a local middle school, taking 10 students on local bike rides. I have 3 children who are also avid bike enthusiasts. I have no commitments that would conflict with my ability to attend meetings.

I understand that the Bicycle and Pedestrian Advisory Committee makes recommendations to C/CAG on bicycle and pedestrian projects and serves as a countywide forum for information on bicycling issues for local bikeways committees. I believe that my background and experience as a Landscape Architect combined with my practical experience of biking throughout the county provides a unique perspective on the relationship and challenges of developing and improving bicycling and pedestrian opportunities across the county. My desire is to become involved and assist the committee in any area that the committee believes I may add value and are a priority.

My motivation and desire to become involved is to give back to the community in a way that leverages my experience and can improve the transportation and recreation resources within the County for the enjoyment of residents, our children and future

generations. In this day of TV and video games, our children are spending less time outdoors and consequently we see a rise in diabetes and childhood obesity. The more work we can do to improve the access to outdoor activities and improve the safety for the participants, the better chance we will have to reverse this trend. Gasoline prices are constantly rising and carbon emissions have reached unsustainable levels. By developing safe and convenient pedestrian and bicycle corridors, we can augment public transportation solutions and provide additional options in transportation costs saving and environmental improvement. My commitment to the sport of cycling is based on the fact that bicycling is one of the few sports that span the ages of four to eighty. The bicycles and pedestrian transportation and recreation assets of the county represent some of the most widely applicable and accessible resources to all county residents. As population growth continues, it is imperative that these resources are developed and managed in conjunction with growth, not as an afterthought.

I believe that with my background and my commitment to improve bicycle and pedestrian access and safety, I can be a valuable contributing member to the Bicycle and Pedestrian Advisory Committee. Please let me know if you would like additional information. I look forward to your reply.

Sincerely,

Justin Kromelow

Lucy Wicks
736 Lakemead Way
Emerald Hills, CA 94062
510-290-7338
Lucy.Wicks@stanford.edu

Bicycle and Pedestrian Advisory Committee Membership Application
City/County Association of Governments (C/CAG) of San Mateo County
Bicycle and Pedestrian Advisory Committee (BPAC)

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

During my years of working for a non-profit organization, in local government and as a private consultant, I have supported communities in creating successful traffic calming projects, helped design pedestrian and bike-friendly routes, launched safe routes to school campaigns, started over a dozen senior walk clubs and advocacy groups, and sat on working committees for city and county-wide Pedestrian Master Plan development efforts.

Having been trained by renowned walkability expert Charles Gandy, president of Livable Communities, Inc., I am recognized by the California Center for Physical Activity and California Department of Transportation as a walkability expert. Through my efforts to encourage more pedestrian and bike-friendly livable communities, I have worked closely with elected officials, transportation engineers, land use planners, public health professionals, law enforcement and citizens to analyze their community's design and identify needed improvements.

I have facilitated cross-disciplinary working groups aimed at resolving issues and making changes within the built-environment. I have also drafted policy considerations and program approaches that encourage healthy living by design, and have worked to motivate people in communities throughout California to walk, bike and ride public transit.

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

Since moving to the peninsula, I have been eager to find an opportunity to contribute my energy and experience to my new community. Having worked with communities throughout the state, I know how important it is for local citizens to be actively involved in the process of needs assessment, funding allocation and program implementation, and I am committed to helping San Mateo County find thoughtful solutions to its bicycle and pedestrian issues.

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

I pride myself on being able to encourage people with competing viewpoints to work together toward a common purpose. I think it helps that I can appreciate firsthand the particular challenges and concerns of advocacy organizations, elected officials, local businesses and academic institutions. Having started my career as a community organizer before working for a County Supervisor and now as Assistant Director of Community Relations at Stanford University, I have had the benefit of seeing bicycle and pedestrian issues from a variety of perspectives—perspectives which have often been at odds with one another, even when all sides have been operating in the interest of the community.

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

The presence of a committee such as this BPAC is essential to the development and support of well-designed communities throughout San Mateo County. As a forum for information on bicycle and pedestrian issues, its members have a responsibility to create an active and productive dialogue, to solicit input from the community and to provide reasonable and thoroughly-considered recommendations to the larger C/CAG Board.

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

No, I have not yet attended a meeting of this committee.

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

No.

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

In my current position as Assistant Director of Community Relations at Stanford University, I represent the university as a member of Redwood City/San Mateo County Chamber of Commerce and at variety of other San Mateo County and Santa Clara County based organizations.

8. Please mention the city in which you reside.

I live in the community of Emerald Hills, which is located between the cities of Redwood City, Woodside and San Carlos, in the unincorporated lands of San Mateo County.

References

Lisa Cirill, MS
Acting Chief,
California Center for Physical Activity,
California Department of Public Health
Lisa.Cirill@cdph.ca.gov
(916) 552-9943

Seth Kaplan
Chief of Staff
Office of Supervisor Nate Miley,
Alameda County Board of Supervisors
510-891-5588
seth.kaplan@acgov.org

Tess Lengyel
Programs and Public Affairs Manager,
Alameda County Transportation Authority
510-893-3347, ext. 111
tlengyel@actia2022.com

Supervisor Liz Kniss
Santa Clara County Board of Supervisors
c/o Marsha Nye Adler
Policy Analyst
408-299-5050
marsha.adler@bos.sccgov.org

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Bicycle and Pedestrian Advisory Committee Call for Applicants

Interested parties should complete the attached BPAC Membership Application and return it to Tom Madalena by November 28, 2008.

tmadalena@co.sanmateo.ca.us

650-361-8227 fax

Tom Madalena
555 County Center
5th Floor
Redwood City, CA 94063

Bicycle and Pedestrian Advisory Committee Membership Application Applicant – John Fox

1310 Elder Ave
Menlo Park CA 94025
650 328 5809
jd_fox@att.net

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

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

I am a longtime recreational cyclist and regular bike commuter to work. Since 2000 I have served on the City of Menlo Park's Bicycle Commission. In these years the commission developed the city bike plan, worked on various programs related to Safe Routes to Schools projects, school safety education programs, and general citizen outreach from commissioner's rides through Menlo Park. As a commission we have tried over the years to address road

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hazards, plan with the city on signage and improvements for cyclists (such as our wayfaring signs now in a pilot program in the Willows neighborhood), and coordinate with the public on bike to work week efforts, coordinate with our neighbor cities on cross-town routes. We have had interests in working with the Police Department on important safety enforcement issues, though funding and staffing limits are real, we think the communications with the Police are important.

Over the years I learned that to best promote cycling and transit alternatives, one has to listen to a very diverse community, and to recognize that education of both cyclists and motorists is key to improving cyclist safety.

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

I am now nearing the end of my second 4 year appointment as a city commissioner, and will be termed out in April 2009. I have enjoyed working on these cyclist and transit issues, and think expanding to a larger forum, and one which has a county-wide authority to recommend projects and suggest how development funds are spent would be an interesting way to use the skills from my bike commission terms.

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

I think I've learned a bit how the funding proposal system works, and have experience with public meetings and the importance of hearing from the public.

One aspect of my professional experience – among the courses I teach at Stanford is an undergraduate seminar in the Applied Physics department “Energy Choices for the 21st Century”. I've really enjoyed developing this course – and it has offered all sorts of insight into transportation options, energy use, etc. I served on the Menlo Park Green Ribbon committee which advised the city council on ways the city could reduce its' environmental impact – and I made sure that cycling and pedestrian issues were featured as ways the city could contribute in a positive way to reducing the impact from transportation in Menlo Park.

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

As I understand the C/CAG advisory purpose, and the role of the Bicycle and Pedestrian Advisory Committee, the county wants an advisory body to review and recommend projects submitted by various jurisdictions. Projects related directly to pedestrian and bicycle improvements, or city proposals to develop bicycle and pedestrian projects are reviewed and ranked for funding by this committee. In their review the committee has to balance competing demands from various jurisdictions in the county, and serving various constituents.

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

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I've never attended a meeting, though I have prepared and reviewed city materials on grants which were presented to the committee.

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

I can attend Thursdays once a month. I may have some conflicts from work travel but I would expect these to be infrequent.

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

As to cycling organizations, I am a member of Western Wheelers (I try to keep my membership in SVBC current, too).

I also serve on the county Transit Authority Citizen's Advisory Committee. I enjoy this, and certainly the larger role of the Transit Authority for all modes of transit is interesting for me. However, I would particularly be interested in a more direct role for alternative transit (such as bike and pedestrian planning). I will be serving on the Menlo park bike commission through April 2009.

8. Please mention the city in which you reside.

I live in Menlo Park

Applications will be reviewed and presented to the C/CAG Board for consideration. Applicants may be asked to present before the C/CAG Board or its selection subcommittee.

Please email, fax, or mail your application attention Tom Madalena.

tmadalena@co.sanmateo.ca.us

650-361-8227 fax

555 County Center
5th Floor
Redwood City, CA 94063

BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE

MEMBERSHIP ROSTER – 2008

ELECTED OFFICIALS

Naomi Patridge
City of Half Moon Bay

Cathy Baylock
City of Burlingame

Karyl Matsumoto
City of South San Francisco

Julie Lancelle
City of Pacifica

Matt Grocott (Vice-Chair)
City of San Carlos

Ken Ibarra
City of San Bruno

Michael Barnes
City of Brisbane

Ian Bain
City of Redwood City

PUBLIC MEMBERS

David Alfano - Chair (Menlo Park)
(Term ended Sept. 2008)

Cory Roay (Daly City)
(Term ended Sept. 2008)

Juda Tolmasoff (Redwood City)

Mark Meadows (Pacifica)

Robert Cronin (Menlo Park)
(Term ended Sept. 2008)

Mike Harding (Menlo Park)

Judi Mosqueda (Millbrae)
(Term ended Dec. 2008)

BPAC SUPPORT STAFF

Sandy Wong
C/CAG
555 County Center, 5th Floor
Redwood City, CA 94063
650-599-1409
650-361-8227 - fax
slwong@co.sanmateo.ca.us

Tom Madalena
C/CAG
555 County Center 5th Floor
Redwood City, CA 94063
650-599-1460
650-361-8227 - fax
tmadalena@co.sanmateo.ca.us

C/CAG AGENDA REPORT

Date: December 11, 2008
To: C/CAG Board of Directors
From: Richard Napier, Executive Director
Subject: Review and approval of Resolution 08-68 adopting the Final San Mateo County Energy Strategy (Energy Strategy) and request cities in San Mateo County to adopt the Energy Strategy and support implementation of the Energy Strategy
(For further information, contact Richard Napier 650-599-1420)

RECOMMENDATION

That the C/CAG Board review and approve Resolution 08-68 adopting the Final San Mateo County Energy Strategy (Energy Strategy) and request cities in San Mateo County to adopt the Energy Strategy and support implementation of the Energy Strategy.

FISCAL IMPACT

None.

SOURCE OF FUNDS

N/A.

SAN MATEO COUNTY ENERGY STRATEGY OVERVIEW

The main objective of the San Mateo County Energy Strategy is to bring together local jurisdictions in the county to work collaboratively on energy and water-related issues and to define goals, strategies, and possible actions. The Strategy includes five main goals with associated strategies, actions, resources, and best practices to support them. These goals address renewable energy and energy efficiency, water conservation and new sources of water, collaboration between cities and the utilities, economic development opportunities, and the promotion of leadership on these issues in the county. The San Mateo County Energy Strategy is intended to be a working document and will be updated over time with resources and current data.

Staff will be asking the San Mateo County cities to:

- Adopt the goals of the Energy Strategy
- Commit to working collaboratively towards these goals with other cities and the County
- Release utility data to the County and C/CAG for the purposes of tracking the countywide energy- and water-use reduction goals
- Complete energy, water and CO2 baseline inventories.

ITEM 7.4

BACKGROUND/DISCUSSION

In February 2006, the Congestion Management and Environmental Committee (CMEQ) authorized the creation of an ad hoc energy working group to develop an energy strategy for San Mateo County. The group was chartered to consider the county's future energy and infrastructure needs and to recommend how to address these needs in an economically, socially and environmentally responsible manner.

This working group became the Utility and Sustainability Task Force (USTF), an ad hoc committee of the Congestion Management and Environmental Quality Committee (CMEQ) of the City/County Association of Governments (C/CAG). Comprised of six elected officials and six stakeholder representatives, the USTF first met in June 2006 and began work on the energy strategy with a project consultant and County staff.

The draft County Energy Strategy was completed in July 2008. The Executive Summary was presented to the C/CAG Technical Advisory Committee (TAC), the C/CAG Congestion Management and Environmental Quality (CMEQ) Committee, and the C/CAG Board of Directors in July and August 2008. The complete draft Energy Strategy was reviewed and approved by the County Board of Supervisors in September 2008. Both C/CAG and the Board of Supervisors authorized the distribution of the Energy Strategy to the cities in the county for comment.

A complete draft copy of the Energy Strategy was sent to all City Managers and Mayors via mail and e-mail on September 18, 2008; cities were invited to submit comments to the County for consideration until October 15, 2008. Many of the comments received from cities were incorporated in the final document. Other comments requested or suggested additional information about specific actions to implement the Energy Strategy, such as case studies, program models, and sample policies, as well as more information about how to implement certain programs and certain technologies. C/CAG and the County plan to incorporate these requests for additional information in future versions of the Energy Strategy, and there is also the potential for C/CAG and the County to coordinate workshops that will provide this information.

The "actions" in the Strategy was also changed to "potential actions" per the City of San Carlos' suggestion, to clarify that these are suggested actions that may help a city reach the Energy Strategy's goals. Some actions listed in the Strategy may not work for a particular city and are not required to be implemented, especially if they are in conflict with a city's existing climate action plan.

ATTACHMENTS

- Resolution 08-68
- Sample staff recommendation and resolution for cities
- Final San Mateo County Energy Strategy (Enclosed for Board Members and Alternates only. Please contact Nancy Blair for additional information).

RESOLUTION 08-68

* * * * *

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) FOR ADOPTION OF THE SAN MATEO COUNTY ENERGY STRATEGY (ENERGY STRATEGY)

* * * * *

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

WHEREAS, the Utility and Sustainability Task Force (USTF), an ad hoc committee of the Congestion Management and Environmental Quality Committee (CMEQ) of the City/County Association of Governments (C/CAG), completed the San Mateo County Energy Strategy (Energy Strategy), in order to effect greater collaboration between the utilities and the cities, to increase energy efficiency and the utilization of renewable energy sources, to increase the conservation of water, and to reduce greenhouse gas emissions; and

WHEREAS, all cities and the county had the opportunity to review and comment on the draft Energy Strategy, and many of comments received were incorporated in the final Energy Strategy; and

WHEREAS, C/CAG seeks to effectively communicate, collaborate, and develop strategic approaches on issues affecting San Mateo County; and

WHEREAS, C/CAG wishes to distribute the Energy Strategy to all the cities in the county and ask that they adopt the goals in the Energy Strategy, commit to working collaboratively towards these goals with other cities and the County, and release utility information to the County for purposes of tracking energy and water use and greenhouse gas emissions; and

NOW, THEREFORE, BE IT RESOLVED that the C/CAG Board adopts the final San Mateo County Energy Strategy (Energy Strategy) and request cities in San Mateo County to adopt the Energy Strategy and support implementation of the Energy Strategy.

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF DECEMBER 2008.

Deborah C. Gordon, Chair

SAMPLE STAFF REPORT

Your City/County Memo form/letterhead

November ____, 2008

To: Honorable *Mayor/President/Chair* and Members of the *Council/Board*

From: *Name of Chief Executive/Staff Responsible*

- Subject: Review and approval of Resolution (*Number*) to adopt the San Mateo County Energy Strategy

RECOMMENDATION:

Adopt Resolution *Number* to adopt the San Mateo County Energy Strategy

BACKGROUND:

In late 2005, President of the Board of Supervisors, Jerry Hill proposed the need for a countywide task force to investigate and recommend how best to meet the county's current and future energy needs.

A November 2005 Board report recommended that San Mateo County's Department of Public Works, Environmental and Waste Management Section (RecycleWorks), as staff for City and County Association of Governments (C/CAG), bring forward the idea of an energy strategy development process to C/CAG's committee for discussion.

In February 2006, the Congestion Management and Air Quality Committee (CMAQ) authorized the creation of an ad hoc energy working group to develop an energy strategy for San Mateo County. The group was chartered to consider the county's future energy and infrastructure needs and to recommend how to address these needs in an economically, socially and environmentally responsible manner.

This working group became the Utility and Sustainability Task Force (USTF), an ad hoc committee of the Congestion Management and Environmental Quality Committee (CMEQ) of the City/County Association of Governments (C/CAG). Comprised of six elected officials and six stakeholder representatives, the USTF first met in June 2006 and began work on the energy strategy with a project consultant and County staff.

The draft County Energy Strategy was completed in July 2008. The Executive Summary was presented to the C/CAG Technical Advisory Committee (TAC), the C/CAG Congestion Management and Environmental Quality (CMEQ) Committee, and the C/CAG Board of Directors in July and August 2008. The complete draft Energy Strategy was reviewed and approved by the County Board of Supervisors in September 2008. Both C/CAG and the Board of

Supervisors authorized the distribution of the Energy Strategy to the cities in the county for comment.

A complete draft copy of the Energy Strategy was sent to all City Managers and Mayors via mail and e-mail on September 18, 2008; Cities were invited to submit comments to the County for consideration until October 15, 2008. The County received comments from several cities and was able to incorporate many of the comments. Overall, the feedback was positive: cities said that the Energy Strategy would support their own climate action goals and efforts. [Information about the comments City submitted, if applicable]

The final County Energy Strategy was reviewed and approved by the C/CAG Board of Directors, Board of Supervisors, USTF, C/CAG Technical Advisory Committee (TAC), the C/CAG Congestion Management and Environmental Quality (CMEQ) Committee in November and December 2008 and is ready for adoption by the all the cities in the County.

The San Mateo County Energy Strategy is one piece of a concerted effort countywide called "CO2 San Mateo County" to reduce greenhouse gas emissions and take action on climate change. Other efforts include a new (partially grant funded) County staff person to provide support to the Cities, volunteer staff support for Cities, financial support for greenhouse gas emission inventories that has already been offered by C/CAG, a new partnership with PG&E to fund energy efficiency projects for the cities in the county ("San Mateo County Energy Watch"), and other resources available to Cities from several nonprofit organizations.

DISCUSSION/ANALYSIS

The main objective of the San Mateo County Energy Strategy is to bring together the cities in the county to work collaboratively on energy and water-related issues; to define goals, to propose strategies and actions; and to provide resources. The Strategy includes five main goals with associated strategies, actions, and best practices to support them. These goals address renewable energy and energy efficiency, water conservation and new sources of water, collaboration between cities and the utilities, economic development opportunities, and the promotion of leadership on these issues in the county.

The Strategy's goals for energy and water usage are consistent with the current institutional thinking in our region and State: the energy goal is related to current State legislation (AB32), and the water goal is based on current projections by the Bay Area Water Supply and Conservation Agency and contracts with the San Francisco Public Utilities Commission. Although these topics are very important, the Energy Strategy does not specifically include transportation or solid waste because these topics were not included in the scope of work of the USTF committee. The San Mateo County Energy Strategy is intended to be a working document and will be updated over time with resources and current data and could include these other important topics in a future update.

[Explanation about the City's climate action program and how the County Energy Strategy complements the City's program and supports it work . . .] Collaborating with other cities facing similar challenges in the county will save the City time and resources and reduce the risk of

implementation pitfalls: cities will learn about and share best practices and will be able to take advantage of staff support, training and even bulk purchasing opportunities for items such as solar by having a greater connection with other cities in San Mateo and Santa Clara counties.

By adopting this resolution, the City will be adopting the goals of the San Mateo County Energy Strategy and committing to pursuing the next steps recommended by the Strategy:

- Commit to working collaboratively with other cities and the County
- Release energy and water utility data to the County and C/CAG for the purposes of tracking countywide energy-use and emission-reduction goals

The City will assign one staff person and one elected official to be the main contact for the City's climate action program for the County and C/CAG. C/CAG and the County need City contacts for purposes of routing information about the Energy Strategy, not for purposes of establishing a new C/CAG committee. If the City does not assign these contacts, the City's existing C/CAG Board member and TAC member will become the contacts for this program.

By adopting the Energy Strategy, the City is not required to adopt and implement every action suggested in the Energy Strategy; some actions listed in the Strategy may not work for the City or may conflict with the City's current climate action plan. The intention of the energy strategy is to support city efforts, to provide resources and to promote collaboration.

FINANCIAL IMPLICATIONS:

There is no membership fee to adopt the San Mateo County Energy Strategy, so there is no financial impact at this time. Some actions recommended by the Strategy may require City funding and will be evaluated by the city on a case-by-case basis. Other actions may be funded through rebates, grants, or partnerships. One of the objectives of the Strategy is to save Cities money by sharing resources, expertise and purchasing power.

LEGAL IMPLICATIONS:

If the City adopts the San Mateo County Energy Strategy, there is no requirement to implement all the actions suggested in the Strategy and there are no penalties for not meeting targets by specific deadlines.

SAMPLE RESOLUTION

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____ TO ADOPT THE SAN MATEO COUNTY ENERGY STRATEGY.

WHEREAS, the City of _____ is committed to reducing greenhouse gas emissions and taking action on climate change; and

WHEREAS, the San Mateo County Energy Strategy identifies five main goals with associated actions related to renewable energy and energy efficiency, water conservation and new sources of water, collaboration between cities and with utilities, economic development opportunities, and promoting leadership; and

WHEREAS, the San Mateo County Energy Strategy complements and supports the City's current climate action program by ... [Cities can provide information about their programs];

WHEREAS, the Utility and Sustainability Task Force, an ad hoc committee of the Congestion Management and Environmental Quality Committee of the City/County Association of Governments (C/CAG), was chartered in 2006 to develop a countywide energy strategy that would consider the county's future energy and infrastructure needs and recommend how to address these needs in an economically, socially, and environmentally responsible manner; and

WHEREAS, the City received a draft County Energy Strategy in September 2008 for comment [and provided comments/feedback to the County]; and

WHEREAS, the final County Energy Strategy was completed in November 2008 and approved by the County Board of Supervisors and C/CAG Board of Directors; and

WHEREAS, the County Energy Strategy is one piece of a concerted effort countywide called "CO2 San Mateo County" to take action on climate change, including a new County staff person to provide support to the Cities, a new partnership with PG&E called San Mateo County Energy Watch to fund energy efficiency projects in the county, and other resources available to Cities from several nonprofit organizations.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of _____ adopts the San Mateo County Energy Strategy.

BE IT FURTHER RESOLVED that the City commits to pursuing the next steps recommended by the Strategy: committing to working collaboratively with other Cities and the County towards the goals of the Energy Strategy and releasing energy and water utility data to the County and C/CAG for tracking purposes

Regularly passed and adopted this _____ day of _____ 2008 by the following vote:

AYES:

NOES:

ABSENT:

Chair/Mayor

ATTEST:

City Clerk

C/CAG AGENDA REPORT

Date: December 11, 2008
To: City/County Association of Governments Board of Directors
From: Richard Napier, C/CAG Executive Director
Subject: Review and approval of the C/CAG Quarterly Investment Report, Policy, and County of San Mateo Pooled Investment Report.

(For further information or questions, contact Richard Napier at 650-599-1420)

RECOMMENDATION:

C/CAG staff has reviewed the reports and recommendations from C/CAG's Financial Agent (City of San Carlos) and agree with its findings and recommendations. Therefore, C/CAG staff recommends approval of:

- 7.5.1 Review and approval of the C/CAG Quarterly Investment Report as of September 30, 2008.
- 7.5.2 Review and approval of Resolution 08-67 adopting the C/CAG Investment Policy for 2008-09 (Special voting required).

This is in accordance with the C/CAG staff and Financial Agent recommendations.

FISCAL IMPACT:

Return on investment of C/CAG Funds. Approximately \$250K per year in earnings.

SOURCE OF FUNDS:

Earnings on investments of C/CAG funds in accordance with the adopted C/CAG Investment Policy.

BACKGROUND/DISCUSSION:

The City of San Carlos is the Financial Agent for C/CAG. The Financial Agent invests C/CAG funds in accordance with the adopted C/CAG Investment Policy. A quarterly C/CAG Investment Report is provided. Annually C/CAG reviews and makes changes to the C/CAG Investment Policy.

C/CAG INVESTMENT REPORT AS OF SEPTEMBER 30, 2008:

This is the Quarterly Investment report provided by the Financial Agent. The two liquid investments used are the Local Agency Investment Fund (LAIF) managed by the State and the San Mateo County Investment Pool (COPOOL). The C/CAG portfolio for the Quarter Ending

ITEM 7.5

September 30, 2008 achieved a combined return of 3.10 per cent. However, after adjusting for the 100% write-off of the Lehman Brothers investments the combined return was -1.5% for the quarter. The Lehman Brothers write-off (100%) occurred in the San Mateo County Investment Pool. It is likely that a minimum or 50% of the write-off will be returned in the bankruptcy proceedings. Given that this is only reporting the actual return achieved it is recommended that the C/CAG Board approve the report as presented.

REVIEW AND APPROVAL OF THE C/CAG INVESTMENT POLICY FOR 2008-09:

This is the annual review of the C/CAG Investment Policy. It is recognized that these are unusual financial times with the serious collapse of financial markets. Therefore, the Board should update as necessary its Investment Policy. First one should look at how well the policy performed in this financial downturn. C/CAG's funds were invested with the focus on preservation of capital. Although a -1.5% quarterly return is not desirable, it reasonably preserved the capital under extreme financial times. Having said that the performance does merit that questions be posed and changes recommended to the San Mateo County Investment Pool. C/CAG staff recommends that the Board adopt the C/CAG Investment Policy for 2008-09.

COUNTY OF SAN MATEO POOLED INVESTMENT POLICY:

The main questions raised relate to the County of San Mateo Pooled Investment Policy. The following changes are currently under consideration:

- 1- Reduce the Commercial Paper/ Floating Rate notes maximum from 10 per cent to 2 per cent.
- 2- Reduce the Corporate bonds and medium term notes including asset backed bonds (two agencies) maximum from 10 per cent to 2 per cent.
- 3- The County will contract with a third-party financial adviser to advise and assist the Treasury Oversight Committee. The Adviser will review and recommend changes to the investment policy.
- 4- Add Internal Controls designed to prevent losses of pooled funds due to fraud, employee error, misrepresentations by third parties, unanticipated changes in financial markets or imprudent actions by employees of the County.
- 5- Changes to the Method of Accounting.

C/CAG staff recommends that the Board support and encourage these changes to the County of San Mateo Pooled Investment Policy.

ATTACHMENTS:

- 7.5.1 Quarterly Investment Report as of September 30, 2008.
- 7.5.2 Resolution 08-67.
- 7.5.2 Adoption of C/CAG Investment Policy.
- 7.5.3 County Investment Pool.
- 7.5.3 Information regarding the Investment Pool and the Lehman Brothers Investment and Bankruptcy.

CITY AND COUNTY ASSOCIATION OF GOVERNMENTS
Board of Directors Agenda Report

To: Richard Napier, Executive Director
From: Jeff Maltbie, Administrative Services Director
Date: December 11, 2008

SUBJECT: Quarterly Investment Report as of September 30, 2008

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, 2008, funds in the amount of \$ 9,945,126 were invested producing a weighted average yield of 3.10%. Accrued interest this quarter totaled \$68,161. However, this interest income was offset by a loss reported from the San Mateo County Investment Pool in the amount of \$222,171.

Below is a summary of the changes in the portfolio:

	Qtr Ended 9/30/08	Qtr Ended 6/30/08	Increase (Decrease)
Total Portfolio	\$ 9,945,126	\$ 8,378,570	\$ 1,566,556
Wgtd Avg Yield	3.10%	3.18%	-0.08%
Interest Earnings	\$ (154,010)	\$ 66,556	\$ (220,566)

The increase in the portfolio totaling \$1,566,556 is attributable to the receipt of the interest accrued in June 2008 and excess receipts over disbursements that were transferred to the investment accounts. The decrease in interest income is due to the continued decline in market rates and the posting of the loss by the San Mateo County Pool.

As further described in the attached memo from Lee Buffington, County Treasurer, the loss was incurred from holdings the investment pool had in Lehman Brothers. On September 15, 2008, Lehman Brothers filed a petition for bankruptcy. At the time, the San Mateo County Investment Pool had approximately 5% of the total holdings invested in Lehman Brothers. The County Pool has hired an attorney to represent the interests of all of the investors in the Pool (including C/CAG) in the bankruptcy proceedings. Attached is a copy of the lawsuit filed on November 13, 2008 in the Superior Court of California. In addition, the County is reaching out to Federal Elected Officials for any assistance that might be available through the bailout or other legislation. Many local school districts have been especially hard hit because state law requires that all their funds be put in their county pool exclusively. Our portfolio is more

ITEM 7.5.1

diversified which may have reduced our exposure and loss due to the Lehman bankruptcy. In addition, over the past month, staff has transferred the maximum amount of funds from the County Pool into LAIF.

As per the San Mateo County Pool Investment Pool Policy, gains or losses are attributed to the balance of each depositor on a quarterly basis. As such, the entire loss was recorded in the quarter ended September 30, 2008.

The Governmental Accounting Standards Board (GASB), through GASB 31, requires governmental entities to report their investments at fair market value as part of the annual reporting. Because of changing market conditions, C/CAG investments may, at times, appear to be losing value. However, because it is our intent to hold investments to maturity, apparent reporting losses in principal are "paper" losses only and in most cases are reported on an annual basis for the San Mateo County Pool. This quarter was unusual as the entire portion of the loss was accrued and deducted from the book balance in October 2008. GASB 31 fair market value of the current investments is \$9,722,955 compared to a total book value on September 30, 2008 of \$9,945,126.

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 June 30, 2008, the portfolio contains enough 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 seven quarters.

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

Attachments

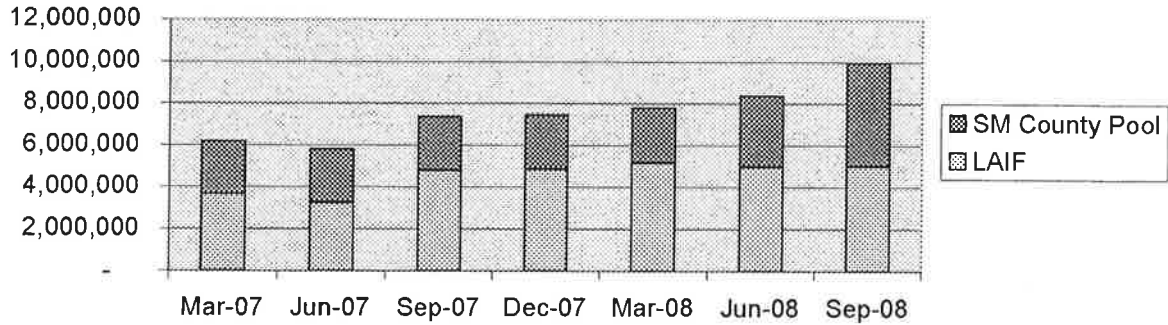
- 1 – Investment Portfolio Summary for the Quarter Ended September 30, 2008
- 2 – Historical Summary of Investment Portfolio
- 3 – Letter from County Treasurer dated October 14, 2008

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2008

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
Local Agency Investment Fund (LAIF)	1		2.77%	5,018,363	5,018,363
S. M. County Investment Pool (COPOOL)	2		3.44%	4,926,763	4,704,592
Agency Securities					
Total - Investments			3.10%	9,945,126	9,722,955
GRAND TOTAL OF PORTFOLIO			3.10%	9,945,126	9,722,955
Total Accrued Interest this Quarter					68,161
Total Lehman Loss					(222,171)
Total Interest Earned (Loss) Fiscal-Year-to-Date					(154,010)

**City/County Association of Governments
Historical Summary of Investment Portfolio**



City/County Association of Governments Investment Portfolio

	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08
LAIF	3,663,142	3,259,805	4,807,185	4,859,593	5,169,947	4,972,951	5,018,363
SM County Pool	2,510,034	2,538,088	2,567,481	2,597,368	2,626,922	3,405,619	4,926,763
Total	\$6,173,176	\$5,797,893	\$7,374,666	\$7,456,961	\$7,796,869	\$8,378,570	\$9,945,126

RESOLUTION 08-67

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) ADOPTING THE C/CAG INVESTMENT POLICY FOR FY 2008-09

WHEREAS, the City/County Association of Governments (C/CAG) of San Mateo County is a Joint Powers Authority created by the Cities and the County; and,

WHEREAS, C/CAG utilizes the services of its member agencies in order to minimize staff and cost; and,

WHEREAS, the City of San Carlos has been designated as the Financial Agent for C/CAG; and,

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

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

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

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF DECEMBER 2008.

Deborah C. Gordon - Chair

ITEM 7.5.2

CITY AND COUNTY ASSOCIATION OF GOVERNMENTS
Board of Directors Agenda Report

To: Richard Napier, Executive Director
From: Jeff Maltbie, Administrative Services Director
Date: September, 2008

SUBJECT: Adoption of C/CAG Investment Policy

RECOMMENDATION:

It is recommended that the C/CAG Board review and approve the adoption of the attached C/CAG Investment Policy.

ANALYSIS

The City of San Carlos is the Financial Agent for C/CAG. The C/CAG Investment Policy is fully compliant with California Code and is modeled after the City of San Carlos. The primary objective of the Investment Policy is safety of principal, while meeting the cash flow needs of the JPA, through prudent investment of unexpended cash.

The policy review section indicates that the Investment Policy shall be adopted by resolution on an annual basis. On July 31, 2008, the updated Annual Investment Policy was sent to the Investment Committee consisting of City Manager, Assistant City Manager, Administrative Services Director and City Treasurer of the City of San Carlos for their approval. The only change to the policy that has been recommended is the removal of the position of Financial Services Manager since that position was eliminated in June 2008.

Attachments

- 1 – Resolution
- 2 - C/CAG Investment Policy

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

August 20087

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.

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. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. C/CAG's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. 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 necessary liquidity and optimal yield based on cash flow projections.

SCOPE

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

PRUDENCE

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

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

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

The Administrative Services Director 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.

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%
Over 5 years	Board Authorization Required *

* One exception does exist regarding the investment of bond reserve funds. If in the opinion of the Administrative Services Director, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five year maturity limitation as outlined in this document.

PERFORMANCE EVALUATION

Day to day management of C/CAG's portfolio is conducted by the Finance Officer. Investment performance is monitored and evaluated by the Investment Advisory Committee. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the Investment Advisory 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 Investment Advisory 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 and the authority granted by the C/CAG Board, assign the responsibility of investing unexpended cash to the Administrative Services Director. Daily management responsibility of the investment program may be delegated to the Finance Officer, who shall establish procedures for the operation consistent with this investment policy.

INVESTMENT COMMITTEE

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

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the Administrative Services Director and the Finance Officer are required to annually file applicable financial disclosures 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.

Securities held custody for C/CAG shall be monitored by the Administrative Services Director to verify investment holdings.

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

INTERNAL CONTROL

Separation of functions between the Administrative Services Director or Finance Officer and the ~~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 Administrative Services Director, executed by the Administrative Services Director or Finance Officer and confirmed by the ~~Financial Services Manager~~ or Senior Accountant. All wire transfers initiated by the Administrative Services Director or Finance Officer must be reconfirmed by the appropriate financial institution by the ~~Financial Services Manager~~ or the Senior Accountant. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

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

REPORTING

The Administrative Services Director shall review and render quarterly reports to the Investment Advisory Committee and to the C/CAG Board which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the 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 Investment Committee, the quarterly reports shall be placed on C/CAG's meeting agenda for its review and approval no later than 75 days after the quarter ends.

QUALIFIED BROKER/DEALERS

C/CAG shall transact business only with banks, savings and loans, and with broker/dealers registered with the State of California or the Securities and Exchange Committee. The broker/dealers should be primary or regional dealers. The Administrative Services Director will make exceptions only upon written authorization. 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 Administrative Services Director or Finance Officer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with C/CAG. Confirmation of receipt of this policy shall be considered evidence that the dealer understands C/CAG's investment policies and intends to sell C/CAG only appropriate investments authorized by this investment policy.

COLLATERAL REQUIREMENTS

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

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. 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 issuers 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 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% 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.

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 thorough 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 15% 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 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 arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be 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, are established for C/CAG's total pooled funds portfolio:

<u>Investment Type</u>	<u>Percentage/Amount</u>
Repurchase Agreements	0%
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 15%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Medium Term Corporate Notes	0 to 30%
Reverse Repurchase Agreements	0%

DERIVATIVE INVESTMENTS

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

LEGISLATIVE CHANGES

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

INTEREST EARNINGS

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

LIMITING MARKET VALUE EROSION

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

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

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

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

PORTFOLIO MANAGEMENT ACTIVITY

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

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

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

Security Swaps. C/CAG may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in C/CAG's permanent investment file documents.

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

POLICY REVIEW

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

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

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

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

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

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

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

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

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

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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.

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.

RESOLUTION NO. _____
RESOLUTION OF THE BOARD
CITY AND COUNTY ASSOCIATION OF GOVERNMENTS
Adoption of the Investment Policy

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

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

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

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

PASSED AND ADOPTED by the Board of Directors of the City/County Association of Governments of San Mateo County, State of California on the ____ day of September 2008, by the following vote:

AYES, BOARD MEMBERS

NOES, BOARD MEMBERS

ABSENT, BOARD MEMBERS

ATTEST:

Chairperson of C/CAG

Richard Napier, Executive Director

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

August 2008

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.

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. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. C/CAG's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. 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 necessary liquidity and optimal yield based on cash flow projections.

SCOPE

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

PRUDENCE

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

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

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

The Administrative Services Director 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.

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%
Over 5 years	Board Authorization Required *

* One exception does exist regarding the investment of bond reserve funds. If in the opinion of the Administrative Services Director, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five year maturity limitation as outlined in this document.

PERFORMANCE EVALUATION

Day to day management of C/CAG's portfolio is conducted by the Finance Officer. Investment performance is monitored and evaluated by the Investment Advisory Committee. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the Investment Advisory 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 Investment Advisory 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 and the authority granted by the C/CAG Board, assign the responsibility of investing unexpended cash to the Administrative Services Director. Daily management responsibility of the investment program may be delegated to the Finance Officer, who shall establish procedures for the operation consistent with this investment policy.

INVESTMENT COMMITTEE

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

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the Administrative Services Director and the Finance Officer are required to annually file applicable financial disclosures 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.

Securities held custody for C/CAG shall be monitored by the Administrative Services Director to verify investment holdings.

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

INTERNAL CONTROL

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

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

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

REPORTING

The Administrative Services Director shall review and render quarterly reports to the Investment Advisory Committee and to the C/CAG Board which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the 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 Investment Committee, the quarterly reports shall be placed on C/CAG's meeting agenda for its review and approval no later than 75 days after the quarter ends.

QUALIFIED BROKER/DEALERS

C/CAG shall transact business only with banks, savings and loans, and with broker/dealers registered with the State of California or the Securities and Exchange Committee. The broker/dealers should be primary or regional dealers. The Administrative Services Director will make exceptions only upon written authorization. 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 Administrative Services Director or Finance Officer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with C/CAG. Confirmation of receipt of this policy shall be considered evidence that the dealer understands C/CAG's investment policies and intends to sell C/CAG only appropriate investments authorized by this investment policy.

COLLATERAL REQUIREMENTS

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

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. 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 issuers 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 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% 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.

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 15% 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 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 arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be 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, are established for C/CAG's total pooled funds portfolio:

<u>Investment Type</u>	<u>Percentage/Amount</u>
Repurchase Agreements	0%
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 15%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Medium Term Corporate Notes	0 to 30%
Reverse Repurchase Agreements	0%

DERIVATIVE INVESTMENTS

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

LEGISLATIVE CHANGES

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

INTEREST EARNINGS

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

LIMITING MARKET VALUE EROSION

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

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

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

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

PORTFOLIO MANAGEMENT ACTIVITY

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

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

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

Security Swaps. C/CAG may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in C/CAG's permanent investment file documents.

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

POLICY REVIEW

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

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.

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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.

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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 OF SAN CARLOS

MEMORANDUM

To: Mark Weiss, City Manager
Brian Moura, Assistant City Manager
Mike Galvin, City Treasurer
City Council

Cc: Rich Napier, CCAG Executive Director
Kevin McCarthy, SBWMA Executive Director

From: Jeff Maltbie, Administrative Services Director

Subject: County Investment Pool

Date: October 2, 2008

Last week my office received correspondence from the San Mateo County Treasurer's Office concerning the Lehman Bros. bankruptcy and its effect on the County Investment Pool. Today I received an additional letter from the County on this matter. Both letters are attached.

On Friday, September 26, I attended the Pool Investment Oversight Committee meeting, along with representatives from many of the other cities, school districts and special districts that have investments with the Pool, held at the County Government Center to further discuss this issue. Please take a moment to read the letter.

This issue is still very fluid but as of today the Investment Pool Committee has notified the Pool participants that it intends to implement option #2 described in the first attached letter. This option will require the Pool to write off the entire loss in the first quarter and then carry the Lehman investments as "non-performing assets" until the bankruptcy proceedings are resolved. This is important because writing off the loss will protect the credit rating of the Pool and also the ratings of the individual members such as San Carlos. The Pool has hired a New York based financial attorney to represent them in the bankruptcy process. The County is also working closely with our local congressional leaders to ensure that the San Mateo County Investment Pool is included in any Federal bailout legislation. The write off will mean an approximate loss of 4 – 6% for the

ITEM 7.5.3

quarter. The County Pool is now projecting an annual return on investments for this fiscal year in the range of -1% to 0%.

As of last week the Lehman investments were worth only 15 cents on the dollar. I share the County Investment Committee opinion that holding onto to the Lehman investments as “non-performing assets” will likely yield a return of 50 to 60 cents on the dollar once the Lehman assets are liquidated through the bankruptcy proceedings and any Federal assistance.

Attachment: Lee Buffington’s 9/25/08 Letter—The Result of the Lehman Bros.
Bankruptcy
Lee Buffington’s 10/1/08 Letter—Accounting for the Lehman Loss

COUNTY OF SAN MATEO

To: All participants in the county pool

From: Lee Buffington

Date: October 1, 2008

Subject: Accounting for the Lehman Loss

After considering a number of alternatives regarding how to handle the loss generated by the Lehman Bros. Bankruptcy, we narrowed the alternatives down to three different approaches all of which we discussed in the Special Meeting of the Investment Advisory Committee on September 26, 2008.

After consideration of all of the testimony from September 26, and a review of the County Investment Policy, we have decided to follow the course outlined in the second approach. The Lehman Bros. Securities will be written off the County books and held as nonperforming assets until the bankruptcy hearings are completed. All of the pool participants will be charged approximately 5% negative interest. The charge for each participant will be based on their average daily balance for the quarter ended October 1, 2008. A record of these charges will be retained to facilitate the recalculation of the distributions when recovery is made from bankruptcy. When the bankruptcy hearings are completed all funds will be distributed in proportion to the participant's participation in the loss.

We will work with any participant to facilitate any special needs or requests so long as they can be accommodated within the framework outlined above. We anticipate final numbers will be available around October 6, 2008. This has not been an easy decision, but we do believe this is the fairest way for us to handle this very unpleasant job.

COUNTY OF SAN MATEO

To: Pool Participants
From: Lee Buffington
Date: September 25, 2008

Subject: The Result of the Lehman Bros. Bankruptcy

On September 15, 2008, Lehman Bros. declared bankruptcy sending shockwaves throughout the financial market. This action had a direct, negative impact on the County Pool. To say this was unexpected would be an understatement. One of the things that have made this process difficult has been the lack of information regarding the bankruptcy and the dispersal of their assets. In addition, the market price of the Lehman Notes has been changing and seems to be based upon some perceived value of Lehman's underlying assets.

What has happened since then:

1. We have searched and found a number of other public entities (cities, county, state, retirement systems, and other agencies) that own Lehman Securities.
2. Our County Counsel is now coordinating our legal efforts with Monterey County.
3. In conjunction with Monterey County, we have hired a bankruptcy counsel in New York to represent our collective interests in the proceedings.
4. We have also made contact with Nancy Pelosi regarding the possibility of being included in the fiscal bail out package on which they are currently working.
5. We have identified and discussed the most logical alternative procedures we can follow in dealing with this situation with our outside auditor and legal counsel.
6. We have contacted the state Treasurer to see if they could put pressure on the collective parties to speed up the bankruptcy proceedings.

At the present time, after extensive consultation with our advisors, auditors and legal counsel, there are three approaches to this problem that we are considering:

1. Sell the Lehman Securities at current market prices and take a loss on the difference between the market value and our book value. This would result in a net loss for the quarter.
2. Retain the Lehman Securities but mark their value down to zero and carry them as a non-performing asset until the bankruptcy proceedings are completed. At that point, any proceeds would be credited back to the participant's account. The loss in value of the Lehman Securities, when we marked them down to zero, would result in a net negative earnings charge for the quarter.
3. Keep the Lehman Securities, adjust their value to the current market price and take the balance as a negative earnings charge for the quarter. Upon completion of the bankruptcy preceding the proceeds would be credited to the participant's account.

Even though alternative #1 is the simplest and the easiest, we have, as have most of the other note holders at the present time, rejected the idea of selling the securities at the current market price because we feel we will get more out of the bankruptcy than we would by selling the securities on the open market. There is a question of net present value that will have to be determined at the time we take action.

The difference between alternatives #2 & #3 has to do with how we handle the value of the securities. Alternative #2 would be more expensive than alternative #3 because the entire holding would be treated as if it had no value until we receive the proceeds of the bankruptcy proceedings. On the other hand, it should clear up any problems with the rating agencies since the Lehman Securities would no longer be part of the active portfolio.

Alternative #3, carrying the Lehman Securities at their market value reduces the dollar amount that would be necessary to show as negative earnings for the quarter. This approach is not without its own problems. The fact that we would be continuing to carry the Lehman Securities in the portfolio as an active account would be a red

flag to anyone rating the pool. The other problem has to do with the market value of the securities, in the unlikely event that the securities value dropped significantly; we would have to recognize another loss.

Obviously, there is no easy answer to this problem. What ever we decide to do, our primary focus will be finding the best and fairest way to handle the problem for all pool participants.



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Treasurer Tax Collector

DATE: November 3, 2008

BOARD MEETING DATE: November 4, 2008

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: None

TO: Honorable Board of Supervisors

FROM: Lee Buffington, Treasurer Tax Collector

SUBJECT: Information regarding the Investment Pool and the Lehman Brothers Investment and Bankruptcy.

At its October 21, 2008 meeting, the Board requested me to attend today's meeting and present information and answer questions regarding the Investment Pool and the recent loss suffered by the Investment Pool as the result of the Lehman Brothers bankruptcy. The Board directed the County Counsel's office to develop questions and submit them to me in advance.

The following are my responses to County Counsel's questions. I submitted this document on November 3, to members of your Board, the Treasury Oversight Committee, and agencies participating in the Investment Pool. I have worked with staff to respond to the questions in as thorough a manner as possible. I will give a short presentation and welcome the opportunity to respond to follow up questions.

I. Investment Pool and the Pooled Fund Investment Policy.

A. Background Information on the Investment Pool and Its Participants.

- 1. Describe the Investment Pool, the three parts of the pool, and the differences between each of the three parts of the pool.*

As set forth in the Investment Policy, the pool is divided into three parts based on the nature of the use of a participant's funds and the

resulting amount of banking activity generated by such funds. Funds deposited for payroll purposes, for example, are placed in "Pool 1" and subject to certain fixed and variable banking costs in addition to the Pool's standard administration fees. Funds which do not generate excessive banking activity are only charged fixed banking costs and administrative fees and are placed in "Pool 2." Finally, funds that only require incidental use of the County banking system are placed in "Pool 3" and are only charged administrative fees.

All funds in the Investment Pool hold the same investments and are therefore subject to the same gains and losses with the exception of the banking and administrative fees and costs that are charged. At present, approximately 9% of total funds reside in "Pool 1," 20% in "Pool 2," and 71% in "Pool 3."

2. *In addition to the County, how many and what type of local agencies participate in the Investment Pool?*

In addition to the County, numerous local agencies participate in the Investment Pool, including 25 school districts and 15 cities, as well as special districts.

3. *Do all of these agencies participate in all three parts of the Investment Pool? If not, why not.*

Not all of the local agencies have funds in each of the three parts of the Investment Pool. The Treasurer determines which "part" of the Pool a fund is placed into and this determination depends on the purpose of such fund and the local agency's banking needs. Some local agencies, such as school districts, have funds from which regular payment obligations such as payroll are made, and, therefore, those funds are placed in "Pool 1." Other local agencies have funds which do not require regular banking services and such funds are therefore placed in "Pool 3."

4. *Does the Treasurer maintain any separate accounts for outside local agencies in addition to the Investment Pool? If so, please explain.*

The Treasurer does not generally maintain accounts for local agencies outside of the Investment Pool. Currently, the Treasurer only has one such account which has been maintained at the request of the Brisbane School District. The Brisbane account has been maintained for approximately 10 years and contains instruments with longer maturity terms than would have otherwise been allowed in the Investment Pool pursuant to state law and the Investment Policy.

B. State Law Authority and Requirements.

1. *What is the statutory authority to establish an investment pool?*

Each California county maintains a pooled treasury, comprised of funds belonging to the county as well as to school districts, special districts, and other local agencies within the county. Cal. Gov't Code § 27000. Government Code § 27130 further recognizes that "by pooling deposits from local agencies and other participants, county treasuries operate in the public interest when they consolidate banking and investment activities, reduce duplication, achieve economies of scale, and carry out coherent and consolidated investment strategies."

2. *What are the primary objectives of investments of the pool as set forth in state law?*

Pursuant to state law, the primary objectives in managing public funds, in order of priority, are to: 1) safeguard the principal of the funds; 2) satisfy the liquidity needs of depositors; and 3) achieve a return on the funds. Cal Gov't Code § 27000.5.

3. *Does state law limit the types of investments that can be made with funds maintained in the pool? If so, describe the types of allowable investments.*

Yes, there are limits. Please see my response to the following question for a description of the allowable instruments.

4. *Does state law allow the pool to invest in equities? Are there any other common types of investments that state law does not allow the pool to invest in?*

State law places strict limitations on the instruments in which local agencies may invest as well as the concentration of such investments. Cal. Gov't Code §§ 53601, 53601.6, 53601.7, 53601.8, 53635, 53635.2, 53638, and 53684. By way of general description, treasury pool investments are limited, by statute, to conservative instruments such as U.S. Treasury obligations, highly-rated commercial paper, certificates of deposit, and the like. Treasury investment pools are prohibited, by statute, from investing in equities and are not allowed to purchase other instruments, such as "inverse floaters," "range notes," "interest only strips," and any other securities which could result in zero interest accrual if held to maturity.

5. *Does state law limit the percentage of pool funds that can be invested in each type of investment? If so, what are those limits?*

Yes, there are limits. Please see my response to the following question for a description of the limits.

6. *Does state law limit the percentage of pool funds that can be invested with one issuer? If so, what are those limits?*

State law also places restrictions upon a treasury pool's concentration of investments. Such restrictions depend upon the instruments at issue as well as the type of local entity making the purchase. For example, Cal. Gov't Code § 53635, which applies specifically to County pooled funds (as opposed to non-pooled funds held by other local agencies), authorizes county treasury pools to invest up to 10% of fund proceeds into the commercial paper of a single issuer so long as such issuer has a rating of A-1/P-1/F-1. Section 53635 also allows up to 30% of a pool's funds to be invested in "medium term notes," but only 20% of the pool's funds to be invested in mutual funds and money market mutual funds.

C. *The Treasury Oversight Committee and the Pooled Fund Investment Policy.*

1. *Explain the Pooled Fund Investment Policy currently in effect and its components.*

The Pooled Fund Investment Policy sets forth the philosophy of the investing for the fund, the objectives of the fund, the allowable investment instruments, the maturity and average life of pool investments, and specific qualifications of the investments. The Policy sets forth controls relating to investment authority, reporting, auditing, accounting methods, withdrawal requests and other related control matters. Finally, the Policy sets forth the procedures to be followed in executing investment transactions.

2. *What is the membership of the Treasury Oversight Committee? What are the statutory duties and responsibilities of the Treasury Oversight Committee?*

Government Code § 27131(a) provides that the Board of Supervisors, in consultation with the Treasurer, determines the size of the committee, which shall consist of 3 to 11 members selected from the list of categories set forth in the statute. Within these parameters, our Treasury Oversight Committee has eight members, with such members selected from the following allowable categories: the

Treasurer, a representative appointed by the Board of Supervisors, the County Superintendent of schools or her designee, four members nominated by the Treasurer and confirmed by the Board of Supervisors, and one member selected by the Presidents of the various school boards.

Government Code §§ 27130 and 27131 provide for the formation of a Treasury Oversight Committee in order to: 1) insure participation by local agencies in the review of investment policies; 2) involve participating local agencies in the management of their funds; and 3) enhance the security and investment return on their funds by establishing criteria for the withdrawal of funds. The Treasury Oversight Committee reviews and monitors the investment policy. The Committee also causes an annual audit to be conducted to determine the Treasury's compliance with certain statutes. This audit may include issues relating to the structure of the investment portfolio and risk. Pursuant to statute, the Treasury Oversight Committee does not direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the treasury.

3. *Explain the role of the Treasury Oversight Committee with regard to the management and oversight of the Investment Pool and monitoring of investment decisions.*

Pursuant to the Investment Policy, the responsibility for making investments resides with the Treasurer who supervises the investment program within the guidelines of the Policy and state law. The Treasury Oversight Committee meets quarterly to evaluate general strategies and to monitor results and discuss the economic outlook, portfolio diversification, maturity structure and potential risks to the funds.

The Treasury Oversight Committee causes an annual audit to be conducted of the portfolios, procedures, reports and operations related to the Investment Pool.

4. *Under what statutory authority is the Investment Policy developed and adopted? Describe the process used, including the roles of the Treasurer, Treasury Oversight Committee and Board of Supervisors, in developing the Investment Policy.*

The Investment Policy is developed and adopted pursuant to Government Code Section 27133. In accordance with Section 27133, the Treasurer annually prepares the policy which is reviewed by the Treasury Oversight Committee. The annual Investment Policy is then

approved by Board of Supervisors. All amendments to the Policy must be approved by the Board of Supervisors.

5. *List the investment objectives set forth in the policy. Are these investment objectives consistent with state law?*

The investment objectives in the Policy are consistent with state law and can be summarized as follows:

Safety

Preservation of principal is of primary importance. The objective is to minimize credit risk while recognizing and controlling market risk.

Liquidity

The pool attempts to match maturities with capital expenditures and other planned outlays.

Yield

The County pool is designed as an income fund to maximize the return on investible funds over various market cycles, consistent with limiting risk and prudent investment principles. Yield will be considered only after the basic requirements of safety and credit quality have been met.

In addition to these investment objectives, the policy set forth the following two general objectives:

Leverage

The Treasurer shall not leverage the County pool through any borrowing collateralized or otherwise secured by cash or securities held unless authorized by this investment policy.

Public Trust

In managing the investment portfolio, the Treasurer shall exercise a degree of professionalism that will sustain public confidence in the County and pool participants, remembering that both investment instruments and the method of transacting investment business are subject to public scrutiny. The perception of safety and professionalism is as important as the reality of these concepts. To further public trust, the investment officer is prohibited from doing personal business with brokers that do business with the County.

6. *What types of investment instruments are allowed under the policy? Are these consistent with state law? Are they consistent with the investment objectives of the pool?*

Subject to the limitations set forth in Government Code §§ 53600 *et seq.*, the Treasurer may invest in the instruments listed in the chart below, subject to the limits of flexibility described in the Policy.

INSTRUMENT	RATING	LIMITATIONS		
		% of Fund	% of Fund per Issuer	Maturity
U.S. Treasury Obligations		100	100	15 years
Obligations of U.S. Agencies or government sponsored enterprises		100	100	15 years
Bankers Acceptances *Domestic: (\$500 million minimum assets) *Foreign: (\$500 million minimum assets)	A1 / P1/ F1	15 15	10 10	180 days 180 days
Collateralized time deposits within the state of CALIFORNIA		30	10	1 year
Negotiable certificates of deposit		30	10	5 years
*Commercial paper/Floating rate notes	A1 / P1/ F1	40	10	270 days or less
Repurchase agreements secured by U.S. Treasury or agency obligation (102% collateral)		100	50	1 year
Reverse Repurchase agreements		20	20	92 days
Corporate bonds and medium term notes including asset-backed bonds (two agencies)	A	30	10	5 years
Local Agency Investment Fund (LAIF)			Up to the current state limit	
Shares of beneficial interest issued by diversified management companies as defined in Government Code section 53601		10	5	
Mortgage Backed Securities/CMO's: No Inverse Floaters No Range Notes No Interest only strips derived from a pool of Mortgages	A	20	5	5 years

7. *Does the policy limit the pool's purchase of any particular types of investments? If so, are these limits consistent with state law?*

As reflected in the chart above, the Policy limits the percentage of the fund that can be invested in all of the above listed investment instruments except for U.S. Treasury Obligations, obligations of U.S. Agencies or government sponsored enterprises, and the repurchase agreements secured by the United States for which there is no stated limit. The percentage allocations set forth in the Investment Policy are consistent with state law.

8. *Does the policy limit investments with a single issuer, and are these limits consistent with state law?*

As reflected in the chart above, the Policy limits the percentage of funds per issuer for each of the above listed investment instruments. These limits range from 5% to 50% depending upon the issuer and type of investment and, in some instances, such as with U.S. Treasury Obligations, state law does not impose a limit. The percentage limits set forth in the above chart are consistent with state law.

9. *Does the policy include any provisions for the removal of funds from the pool by a participating agency? If so, please describe the provisions, and the reasons for the provisions.*

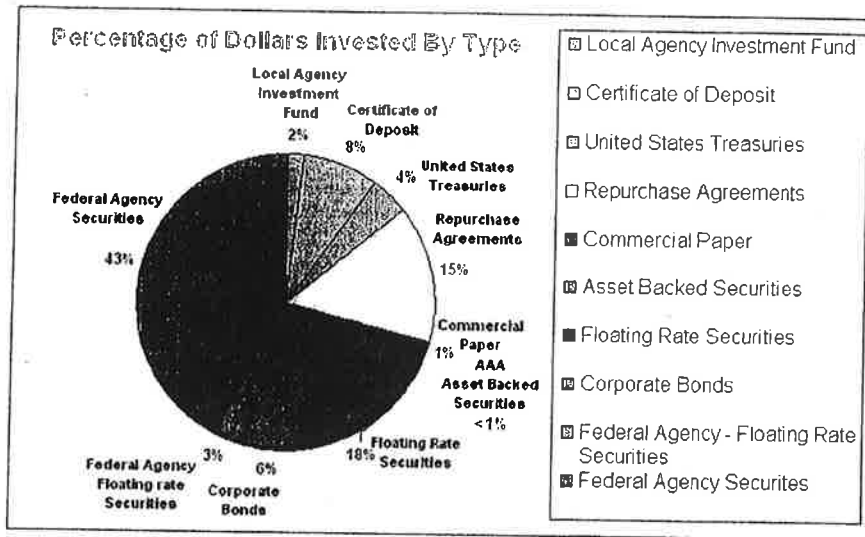
Government Code sections 27133(h) and 27136 require that each local agency seeking to withdraw funds from a county treasury pool first submit such request in writing to the county treasurer. The statutes further require that each county's investment policy set forth criteria for participant withdrawals and that the treasury evaluate any such request in accordance with the policy. Our Investment Policy provides that funds deposited in the Pool may be withdrawn at the maximum rate of 20% of the principal balance per month, exclusive of apportionment, payroll and day-to-day operations, unless specifically authorized by the Treasurer. The rationale for the 20% cap on withdrawals is to avoid the need to prematurely liquidate assets to fund unanticipated large withdrawals, thus protecting the remaining Pool participants.

The policy further provides that the Treasurer will honor all requests to withdraw funds for normal cash flow purposes. Any request to withdraw funds for purposes other than cash flow such as for external investing shall be subject to the consent of the Treasurer. These requests are subject to the Treasurer's consideration of the stability, liquidity and predictability of the pooled investment fund, or the adverse effect on the interests of the other depositors in the pooled investment fund.

D. *Investment Decisions.*

1. *Describe the current allocation of the pool investments by type of investment instrument and by issuer.*

The Investment Pool's current allocation of assets is set forth below:



Information concerning pool investment allocation by issuer is reflected in the Pool's standard monthly report. The Pool's September 2008 Monthly Report is attached as **Attachment 1**. It should be noted that state law does not limit the amount of pool assets which may be invested in federal agency securities and the Investment Policy allows up to 100% of the Pool's assets to be invested in these instruments. The Pool's current investment in federal agency securities reflects the conservative nature of such investments.

2. *How does your office insure that investments are made in accordance with the investment policy and state law?*

Our office determines if the security is one of the instruments listed in the Investment Policy. We also check the ratings of the institutions offering the instruments from ratings agencies such as Standard & Poor's, Moody's, and Fitch. We then determine whether adding this type of investment to the portfolio furthers our investment objectives as set forth in the Policy.

3. *Is the preservation of principal the primary basis for investment decisions?*

Yes, preservation of principal is the primary basis for investment decisions. One of the chief ways of protecting principal is adhering to the statutory limitations relating to the types of investment instruments that may be purchased. These instruments are historically safer investments for the purposes of preserving principal than unauthorized investments, such as equities. It is important to note that the fiscal objectives of the Investment Pool also include the maintenance of a

margin of liquidity in order to meet anticipated as well as unanticipated expenses.

4. *Does your office take into consideration the cash needs of the pool participants? How does the pool participants' long term and short term need for funds affect investment decisions?*

Satisfaction of the Pool's on-going objectives is affected by the fact that, notwithstanding the need to provide for payments to participants throughout the year, there are only three time periods during the year when the Pool receives more tax money than it pays out. These operational concerns, as well as the requirements set forth in state law and the Investment Policy, impact the type and amount of investments that my office purchases for the Pool. For example, in light of the above, the Pool purchases instruments with the intent of holding such investments until their scheduled maturity dates or to benefit from the income of the instruments, as opposed to timing such purchases and sales for maximum profit.

5. *Describe the process used to make investment decisions and who makes the decisions. What information is considered before an investment decision is made? Is there anyone outside of the Treasurer's Office with whom your office discusses its investment decisions?*

Our office insures that the investment meets the Government Code, the Investment Policy and rating requirements. Then we evaluate our liquidity needs, the market overview, and examine whether the security is competitive with other like securities and whether it fits our portfolio.

E. *Monitoring of Investments.*

1. *Describe the process for monitoring pool investments. What are the steps? Who monitors them? What is the process for determining whether to sell or retain investments?*

Our monitoring process has several aspects: All securities are automatically brought to current market prices daily and significant price swings are identified. We monitor the ratings from Standard & Poor's, Moody's, and Fitch as well as our financial information reporting services, such as Bloomberg's and TradeWeb, for new information. We consult with economists Keitaro Matsuda, Michael Bazdarich, and Peter Struck twice a year, and we watch the price comparison between like securities. Although we purchase securities with the intent and capacity to hold them to maturity, we continuously monitor our portfolio for subsequent changes in percentages resulting

from non-purchase activity or changes in credit rating of our existing securities.

2. *What factors are considered before deciding to sell an investment prior to its maturity date? Do these factors differ from the factors considered for the initial purchase of an investment? If so, why do they differ and how do they differ?*

There are two main reasons why we would sell an instrument before its maturity date: either the fund needs to liquidate an asset to meet the cash needs of the participants or there is an instrument that we have determined is better than the instrument presently in the portfolio. I am assuming that your question is directed to the latter of these two reasons. If we are selling one asset to purchase another, we analyze the "opportunity cost" of such a transaction. In other words, we determine what it will cost the portfolio to sell prior to maturity date and what will be gained by purchasing the new asset at that time, rather than waiting until the existing investment matures. If we feel as though the potential new asset would be a better asset due to its features such as yield, then we would sell the existing asset prior to maturity to make the purchase.

F. Returns on Pool Investments.

1. *For each of the three parts of the Investment Pool, list the average gross returns, over the last 10 years, 5 years, 3 years and 1 year.*

The Pool's average gross return for the last 10 years is 4.36%. The average gross return on investment for the last 5 years is 3.68%. The average gross return on investment for the last 3 years is 4.14%, and the average gross return on investment for the last year is 4.31%. Annual gross returns for the last 10 years are set forth on the chart attached as **Attachment 2**.

2. *What is the Local Agency Investment Fund? How do the returns of the Investment Pool compare with Local Agency Investment Fund?*

The Local Agency Investment Fund is a voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts. The Fund is administered by the State Treasurer. Agencies such as the County are limited in the amount that they can invest in the Fund.

Attachment 2 also sets forth annual gross returns of the Investment Pool as compared to the Local Agency Investment Fund for the last 10 years.

II. Purchase of Lehman Brothers Instruments Held at the time Bankruptcy.

A. Detailed Description of the Lehman Brothers Investment Instruments.

1. *How many specific Lehman investment instruments were held in the Investment Pool at the time that Lehman declared bankruptcy?*

The Lehman Brothers investments held by the Investment Pool at the time of the bankruptcy are set forth in **Attachment 3**.

2. *For each of the Lehman instruments:*
 - *List the date of purchase.*
 - *The amount of the investment.*
 - *The maturity date.*
 - *Describe the type of investment instrument and which category it fell under pursuant to the Investment Policy.*
 - *Describe how each investment instrument worked, i.e., at what intervals interest was earned, and how it was calculated?*

As set forth on **Attachment 3**, at the time of the bankruptcy filing, the Pool held seven "floating rate" securities and one corporate bond. The chart also sets forth the amount of each investment and each instrument's maturity date, as well as other relevant information. The chart also sets forth the floating rate notes' reset dates in light of the Investment Policy which provides that corporate floating rate notes are analyzed/run to their reset date rather than final maturity date. The floating rate securities pay out each quarter and are based on the London Interbank Offered Rate (LIBOR) which made them attractive investments because the U.S. dollar was dropping in value against all other currencies. The corporate note paid out semi-annually.

B. Decision to make the purchase.

1. *What was the process for determining to buy each of these Lehman investment instruments?*

Please see my response to Question B.2.

2. *Describe the process used to verify that each purchase would be in conformance with the criteria set forth in the Investment Policy.*

Our office first determines whether it is authorized to purchase the security pursuant to the Government Code and the Investment Policy based on the type of investment at issue, its maturity date, and its rating. If it is determined that state law and the Policy allow the Pool to purchase the instrument, we then evaluate the strength of the instrument and our portfolio needs as well as general market conditions based on our market research.

3. *Was the process used to determine to purchase the Lehman instruments the same as the process used in determining to purchase other investments? If not, in what way did the process differ?*

The process was the same as other securities except that with respect to our purchase of Lehman securities, our analysis took into account the London Interbank Offered Rate (LIBOR) in comparison to U.S. rates.

4. *What was your specific role in the decision to purchase the Lehman instruments?*

I was involved in the decision to purchase each of the Lehman Brothers instruments.

5. *What factors were considered in deciding to purchase the Lehman instruments?*

Although the Lehman instruments were purchased over several years, in each case the process was the same. For each instrument, the following factors were considered: the purchase of the instrument satisfied state law requirements; the purchase of the instrument satisfied the requirements of the Investment Policy; verification that the rating of the financial institution met statutory and Investment Policy requirements; and the terms of the instrument satisfied the liquidity and allocation needs of the Pool. With respect to the Lehman investments specifically, we compared available like instruments and the LIBOR vs. U.S. rates were compared. Finally, we reviewed the general market conditions and economic forecasts.

6. *What analysis was done in regards to the amount of each Lehman investment to be purchased?*

In addition to the foregoing, we also evaluated the size of each investment, the Investment Policy requirements, the needs of the pool, pricing, and yield.

7. *What information was used in making such decisions?*

We utilize a real time Bloomberg terminal which provides us with access to the Bloomberg Professional service through which our office can monitor and analyze real-time financial market data movements and monitor news and price quotes. We also review other financial and news publications such as the Wall Street Journal, Barons, and the New York Times, as well as financial news broadcasts. Since we purchase investments directly from primary dealers, including Lehman Brothers, we also have access to the primary dealers' bond traders and economists.

8. *What was the role of the rating agencies in your review of the soundness of each of the Lehman instruments?*

As with our other investments, the ratings issued by various ratings agencies provide a starting point for determining whether the Pool is authorized by statute and the Investment Policy to purchase the instrument. Following an instrument's purchase, we continue to follow financial institution ratings in order to take into account any ratings changes. Because such ratings changes often lag behind market conditions, however, we place primary importance on current market research.

C. *Diversification and the Lehman Brothers Purchase.*

1. *When making investment decisions, is diversification by sector (i.e., financial, transportation, energy, manufacturing, etc.) a consideration?*

We always consider sector diversification in the decision to purchase instruments that we are authorized to invest in. However, we are faced with certain market constraints that limit our ability to achieve broad diversification. Unlike banks, brokerages and finance companies, other sector companies do not go to market with offerings as frequently, thus making the timing of these purchases difficult. It is also difficult to find and procure non finance investment instruments that meet statutory and Policy requirements, have the appropriate term and pay well.

2. *Was there a review of the impact of the Lehman investment on the Pool's diversification by sector?*

We reviewed the impact of the Lehman investments on the Pool's diversification by sector at the time of each Lehman purchase.

3. *Have there been other instances when there has been a similarly significant investment with one investment bank?*

The Pool currently holds Morgan Stanley investments which comprise approximately 4.3% of the Pool. There have been other instances during the last 23 years where the Pool has made other significant investments in a single issuer in accordance with state law, the Investment Policy, and the Pool's portfolio needs. There were no negative impacts on the Pool as a result of such investments.

4. *At the time each of the subject Lehman investments was purchased, did the total of all similar investments fall within the parameters set forth in the investment policy for that type of investment and did it fall within the policy parameters at all times thereafter?*

As set forth earlier, at the time of purchase our practice is to make sure any new purchase meets state law and the Investment Policy requirements regarding the allocation of the Pool by instrument category and issuer. Subsequent changes in percentages resulting from non-purchase activity, such as the influx of tax moneys, are taken into account when making future investment decisions.

5. *At the time each of the subject Lehman investments was purchased, did the total of all similar investments fall within the per-issuer limits set forth in the investment policy and did it fall within per-issuer limits at all times thereafter?*

Yes, we verified that each of the subject Lehman instruments were in compliance at the time of each purchase and thereafter.

III. Monitoring the Lehman Brothers Instruments After Purchase.

1. *After each Lehman investment vehicle was purchased, what was the process for reviewing the investment to ensure it remained a sound investment and who was responsible for conducting that review?*

Please see my response to Question III.3 below.

2. *Describe what your office did in regards to monitoring the Lehman Brothers investment from the date of purchase to the date Lehman Brothers declared bankruptcy.*

Please see my response to Question III.3 below.

3. *Was the process used in reviewing the Lehman investments the same as the process used in reviewing other investments?*

Our monitoring process has several aspects. All securities are automatically marked to market daily as opposed to the price at purchase. We identify significant daily price swings and monitor the price comparison between like securities. We monitor the rating agencies and subscribe to reporting services. We also confer with economists Keitaro Matsuda, Michael Bazdarich, and Peter Struck twice a year.

The Lehman purchases were made over a four year time period. At the time of initial purchase of each of the investments, Lehman Brothers instruments were considered conservative and secure investments.

Our attention and monitoring were heightened by a series of significant events in the months leading up to Lehman's declaration of bankruptcy. For example, in January 2008, Bank of America announced its takeover of Countrywide. This was followed by the bailout and takeover of Bear Stearns by J.P. Morgan in March 2008. We, like other observers of the market, were of the opinion that such takeovers and other consolidation in the financial industry would likely continue. We further noted that the events related to Countrywide and Bear Stearns, in which noteholders were made whole, led many observers to conclude that Lehman was unlikely to declare bankruptcy.

Immediately prior to the bankruptcy, we followed Lehman's negotiations with the Korean Development Bank regarding a possible takeover. We were aware that the Korean Development Bank, Bank of America and Barclays Bank were identified as potential suitors for Lehman. Additionally, many observers also thought that Federal assistance for Lehman would be forthcoming. All of above factors led us to believe that Lehman note holders would be made whole.

As the Board is aware, Lehman's declaration that it would file for bankruptcy on Sunday, September 14, 2008, and subsequent filing, was unprecedented and sudden. Up until 10:00 p.m. on Friday, September 12, 2008, we, like other investors, thought that Bank of America was intending to purchase Lehman Brothers. However, there was a sudden turn of events due to Merrill Lynch's last minute offer to Bank of America. On Sunday, after Barclays announced that they had stepped away from the acquisition and the Lehman sale to Bank of America failed to materialize, Treasury Secretary Paulson refused to offer Lehman Brothers the same guarantees that had been provided to Countrywide and Bear Stearns. During this entire time period, my staff was conferring with the representatives from various brokerage houses such as Morgan Stanley and Merrill Lynch, as well as Lehman Brothers.

4. *What was your role in reviewing the on-going soundness of the Lehman investments?*

I was involved in all of the monitoring activities described above.

5. *What was the role of the rating agencies in the review of the soundness of each of the Lehman investments? How often were rating agency ratings reviewed?*

Historically, in monitoring the ongoing soundness of our investments, we receive continuous updated information regarding ratings changes. While ratings were one of the factors used in our on-going evaluation of Lehman Brothers, we placed greater weight on our market research due to the fact that ratings changes can often lag behind current market conditions.

6. *How did the sale of Bear Stearns in March 2008 factor into your office's evaluation of the soundness of the Lehman investments and/or the retention of the investments, if at all?*

Please see my response to Question III.3 above.

7. *At any time before the Lehman bankruptcy, was consideration given to selling any of the Lehman investment instruments? If so, describe the circumstances behind that consideration, including when such consideration was given, the circumstances that led to the consideration, who was involved in that consideration, and why a decision was made not to sell.*

Selling any or all of the Lehman instruments was one of the options that we continually considered. Up to and including Friday September 12th, our evaluation of the situation, which included the factors detailed in my answer to Question III.3 above, led me and my staff to conclude that it would be more beneficial for the Pool to hold the securities as opposed to selling at a definite loss.

8. *For each of the types of Lehman instruments, describe the effect of selling the instruments before their maturity date.*

Selling any instruments, including the Lehman instruments, prior to their maturity dates would have a direct, negative impact on Pool earnings which would affect all Pool participants. The magnitude of any such earnings losses would depend on both market conditions as well as the time remaining until the instruments' maturity.

9. *Was the Treasury Oversight Committee advised of concerns with the Lehman investments at its meeting prior to the bankruptcy? If so, what were they told?*

Our office's evaluation of the Lehman investments was discussed at the Treasury Oversight Committee's July 2008 meeting at which time the Assistant Treasurer advised that Lehman Brothers' rating had been downgraded from "A1" to "A2" but remained at investment grade. The Assistant Treasurer informed the committee that our office remained confident in Lehman Brothers. He also informed the committee that the Pool continued to purchase Lehman Brothers' overnight commercial paper as well as entered into repurchase agreements with Lehman. The committee was informed that the Pool owned numerous financial securities from Morgan Stanley, Lehman Brothers, Union Bank, and Wells Fargo, and that our office remained confident in these investments but would closely monitor Lehman Brothers. The Assistant Treasurer further noted that there was a high probability that Lehman Brothers would be purchased by an investment bank such as Barclay's. Following the July 21, 2008, meeting, the Treasury Oversight Committee also received monthly portfolio reports for July 2008 and August 2008 which set forth the cost basis for the Lehman investments as well as their then-current market price.

10. *What other public entities are you aware of that had investments in Lehman Brothers at the time of the bankruptcy?*

Monterey was the first other county that I was aware of to announce that it had Lehman exposure. Since that announcement, a number of other counties have joined the group including: Sacramento, Alameda, Madera, Tuolumne, San Diego and others. Approximately twenty California cities have also indicated that they had Lehman exposure.

IV. Calculation of and Accounting for the Lehman Brothers Investment Loss.

1. *Describe how gains and losses have been historically distributed among participants in the Pool.*

For at least the past twenty years, gains and losses have been attributed to each depositor based on their average daily pool balance as reported by the County's Controller and are attributed to the fund balance of each depositor on a quarterly basis.

2. *Is this consistent with the Investment Policy?*

Yes. The policy mandates that losses "shall be allocated as otherwise described in this investment policy." The policy provides that gains or losses

from investment sales be credited or charged to investment income at the time of sale. The policy further provides that gains and losses are to be proportionately allocated to each depositor and each depositor is given credit for accrued interest earnings and capital gains each quarter based on their average daily pool balance as reported by the County Controller. Finally, the Policy provides that gains or losses will be attributed to the fund balance of each depositor quarterly.

3. *Describe how the loss was calculated as a result of the Lehman bankruptcy. Who was involved in decisions regarding how to calculate such loss, what other alternatives were considered, and why a decision was made to write down the loss as a total loss.*

The Lehman loss occurred in the quarter ending September 30, 2008. During this quarter the Pool also made some earnings. My office distributed the gross earnings proportionately to each participant and then deducted the proportionate rata share of the loss to each participant. The net effect of these transactions was a loss of 4.7% against each participant based on their average daily balance for the quarter.

I considered several factors before making my decision to write down the loss as a total loss. First, if the Treasurer's office continued to recognize a value in the Lehman investment, we would have to continue to include it in the portfolio. If we continued to include it in the portfolio, it would have diluted all future earnings because it would have been a non-performing asset, *i.e.* earning zero. Another factor was the potential negative effect that continuing to recognize a value in the Lehman investment would have upon Pool participant's ratings for future bond sales. Finally, a failure to write down the loss during the quarter would expose Pool participants to the risk that other participants would withdraw significant funds from the Pool prior to the complete recognition of the loss.

V. Actions Taken by the Treasurer's Office Following The Lehman Brothers Bankruptcy.

1. *Describe the steps that your office has taken in regards to reevaluating the pool's investments in investment banks in light of the Lehman bankruptcy and other market and financial events.*

Consistent with our past practice, we are continuing to evaluate each of the Pool's investments on a daily basis in light of current market conditions. The only other significant exposure the pool has to investment banks is the investment in Morgan Stanley, which, in September, we reduced from \$160 million to \$105 million. The Morgan Stanley investment is approximately 4.3% of the Pool's portfolio. On September 21, 2008, the federal government

allowed Morgan Stanley to become a bank, allowing it to take in deposits thus building capital. This action dramatically changed the basic structure of the company. On October 14, Mitsubishi purchased a 20% interest in Morgan Stanley and the U.S. Treasury Department purchased \$10 billion in Morgan Stanley preferred stock. Morgan Stanley's present long term ratings continue to be "Investment grade" ratings in accordance with the Government Code and its short term ratings remain investment grade as well.

With respect to the Pool's bank holdings, the Pool currently holds investments in strong A rated California Bank (owned by Mitsubishi Bank), Union Bank of California, Sun Trust and PNC all of which are large AA rated financial institutions. We are not adding any financial sector investments to the fund with the exception of the highest rated commercial paper and Certificates of Deposits. This office will continue to evaluate each of its investments in light of any developments which may occur.

2. *Describe the steps that your office has taken to address any potential problems in the portfolio which might present a risk of additional losses.*

Since the Lehman bankruptcy, our office has taken a number of steps to reduce our risk consistent with the Policy's guidelines and state law. First, we have instituted an internal operational investment limit of 5% per issuer pending consideration of changes to the County Investment Policy. This percentage decrease will ensure a broader diversification than the 10% set forth in the Policy. Finally, as an on-going process, I continue to work with my staff to determine additional steps that can be taken to address any potential problems in the portfolio.

3. *What factors should be considered in determining whether to establish lower limits on the amount of total pool funds that can be invested in a particular investment vehicle as well as the amount of pool funds that can be invested with a particular issuer?*

In the current financial market, the number of firms that meet the investment policy criteria is greatly reduced and getting smaller every day. Consequently, there are fewer firms with which we can choose to invest. Lowering the limits on investment vehicles and issuers means that we would need more vehicles and more vendors to meet our portfolio requirements. While there is implied safety in greater diversity there is also the added risk of having to relax our standards to include more issuers and a greater variety of instruments to remain fully invested and profitable.

4. *Describe the efforts that are being undertaken in regards to recovering of pool assets from the bankruptcy, through the federal rescue legislation or other avenues?*

Within days of the Lehman bankruptcy, we were in contact with officials from Monterey County because its treasury pool also held Lehman Instruments. Like our Board, the Monterey County Board of Supervisors determined to hire the Nixon Peabody law firm in New York to handle the bankruptcy claims.

In addition to the officials from Monterey County, I had discussions with the finance director from the City of Costa Mesa. We discussed the Lehman loss and began to contact other local agencies that suffered similar losses as a result of Lehman's collapse. We contacted Congresswoman Anna Eshoo advising her of our situation and asking for assistance. The County Counsel's office is overseeing the legal aspects of the Lehman loss. The Congressional efforts have been very capably taken over by Deputy County Manager Mary McMillan, who also coordinates the weekly telephone conference between California public agencies that suffered a Lehman investment loss. Finally, this Board, on behalf of the Pool participants, has determined to commence litigation against the officers and directors of Lehman brothers.

VI. Treasurer's Office's On-Going Reporting and Providing Of Information to Pool Participants.

1. *Describe the nature and frequency of your office's reports to the pool participants relating to the investment policy and the returns from the investments.*

The Policy provides that the Treasurer will prepare a monthly report for the County pool participants and members of the County Treasury Oversight Committee stating the type of investment, name of the issuer, maturity date, par and dollar amount of the investment. For the total pooled investment fund, the report will list average maturity and the market value. In addition, the Treasurer shall prepare a quarterly cash flow report which sets forth projections for revenue inflows, and interest earnings as compared to the projections for the operating and capital outflows of depositors. This projection shall be for at least the succeeding 12 months.

The Treasurer's office has a permanent mailing list of 76 individual pool participants to whom we e-mail monthly reports which consist of the earnings report, year end GASB information, fixed income distribution, the portfolio, gains and losses analysis, the transaction summary, a comparison of our projected expenditures for the month vs. the actual expenditures, a twelve month cash flow forecast, a comparison of our results vs. LAIF, and a copy of the current yield curve. In addition, there are ten other pool participants who get hard copies of the reports. If we receive any inquiries from the public or other pool participants, they also receive e-mail copies of the reports. By tradition all copies of materials to the schools are sent to the County

Superintendent of Schools for them to distribute. All of this information is also now available on our web site.

Finally, as set forth above, the Treasury Oversight Committee, which reviews and advises the Treasurer on performance and investment decisions meets quarterly. The appointees to this Committee are representatives of the major participants in the Pool, including representatives of School Boards and the County Office of Education. Minutes of these are available to pool participants and the public generally.

2. *Can more or different types of information be made available in such reports?*

Given the large number of Pool participants, it would be problematic to try to meet differing expectations with regard to provisions of information. In addition, it would be difficult to make any changes in our current reporting software. We are, however, always open to suggestions. If our office currently can not give the requested information, we will keep the request in mind while we work on the next version of our software.

3. *Can the reports be made available online?*

Commencing last month, our office now posts all Pool reports on our website.

cc: John L. Maltbie, County Manager
David Boesch, Assistant County Manager

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*

Date: November 13, 2008

To: All Councilpersons of San Mateo County Cities and Members of the Board of Supervisors

From: Deborah C. Gordon, Chair, City/County Association of Governments

Subject: **VACANCY ON THE CONGESTION MANAGEMENT AND ENVIRONMENTAL QUALITY COMMITTEE (CMEQ)**

The City/County Association of Governments (C/CAG) Congestion Management and Environmental Quality (CMEQ) Committee currently has one vacancy for an elected official from City Councils and/or the Board of Supervisors. Individuals wishing to be considered for appointment to the CMEQ Committee should send a letter of interest to:

Richard Napier, C/CAG Executive Director
City/County Association of Governments
555 County Center, 5th Floor
Redwood City, CA 94063

or e-mail to slwong@co.sanmateo.ca.us

Individuals must be an elected official of one of the twenty City Councils in San Mateo County or an elected official of the County Board of Supervisors. The letter of interest should include the reasons why the individual wishes to be appointed and any particular experience, background, or qualities that they feel would bring value to the CMEQ Committee. All letters of interest will be considered by the C/CAG Board.

The Congestion Management and Environmental Quality (CMEQ) Committee provides advice and recommendations to the full C/CAG Board on all matters relating to transportation planning, congestion management, travel demand management, coordination of land use and transportation planning, mobile source air quality programs, energy resources and conservation, and other environmental issues facing the local jurisdictions in San Mateo County. The role of the CMEQ Committee also includes making recommendations to the C/CAG Board on the allocation of funding for specific projects and activities addressing these programmatic areas. The CMEQ Committee meets on the last Monday of each month from 3:00 p.m. to 5:00 p.m. in the San Mateo City Hall.

If you would like to be considered for the CMEQ Committee or would like to nominate an elected official for appointment to the CMEQ Committee, please submit your request to Richard Napier through letter, or e-mail at the addresses provided at the beginning of this letter.

ITEM 10.1

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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If you have any questions about the CMEQ Committee or this appointment process, please feel free to contact any of the C/CAG Staff as follows:

Richard Napier
650-599-1420

Sandy Wong
650-599-1409
slwong@co.sanmateo.ca.us

Sincerely,



Deborah C. Gordon
C/CAG Chair