



AGENDA

CITIZENS ADVISORY COMMITTEE Meeting Notice

Date: 6:00 p.m., Wednesday, December 3, 2014

Location: 1455 Market Street, 22nd Floor

Members: Glenn Davis (Chair), Christopher Waddling (Vice Chair), Myla Ablog, Brian Larkin, John Larson, Angela Minkin, Eric Rutledge, Jacqueline Sachs, Raymon Smith, Peter Tannen and Wells Whitney

- | | | | |
|------|-------------------------|---|-------------|
| 6:00 | 1. | Committee Meeting Call to Order | Page |
| 6:05 | 2. | Chair's Report – INFORMATION | |
| 6:10 | Consent Calendar | | |
| | 3. | Approve the Minutes of the October 22, 2014 Meeting – ACTION* | 7 |
| | 4. | Adopt a Motion of Support for the Approval of the 2015 State and Federal Legislative Program – ACTION* | 11 |
| | | <p>Every year the Transportation Authority Board adopts a legislative program to guide the agency's transportation advocacy efforts at the state and federal levels. The proposed State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission, as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies that deliver transportation in the city. The proposed program is presented in the form of principles, not specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and specific policy concerns that may arise over the course of the legislative session in Sacramento or Washington. Our 2015 Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues, securing funding for San Francisco projects, advancing high-speed rail investment, supporting allocation of state cap and trade revenues for transportation, promoting Vision Zero safety goals, and aspiring to meet environmental and greenhouse gas reduction goals. We are seeking a motion of support for the approval of the 2015 State and Federal Legislative Program.</p> | |
| | 5. | Adopt a Motion of Support for Programming \$4 million in Prop K Funds to the Quint-Jerrold Connector Road Project via a Fund Swap with an Equivalent Amount of Federal Transit Administration Funds from the Peninsula Corridor Joint Powers Board, and for Committing to Allocate the Prop K Funds for Construction of the Connector Road, with Conditions – ACTION* | 23 |

The Transportation Authority has been working to deliver a new Quint-Jerrold Connector Road between Oakdale and Jerrold Avenues, in coordination with the Peninsula Corridor Joint Powers Board's (PCJPB's or Caltrain's) Quint Street Bridge Replacement. The bridge project will replace the existing bridge structure with a berm and close the existing Quint Street, necessitating alternate access to facilitate a future Caltrain station at Oakdale Avenue and to respond to community concerns.

Caltrain has agreed to commit \$4 million to the connector road, but due to eligibility concerns, Caltrain's Federal Transit Administration (FTA) funds must be swapped with Prop K funds. The San Francisco Municipal Transportation Agency, which is a member of PCJPB, has agreed to facilitate the swap through its Radio Communications Systems and CAD Replacement project (Radio Project). The FTA funds need to be programmed to the Radio Project, and then an equivalent amount of Prop K funds will be de-obligated from the Radio Project and programmed to the connector road. The swap needs the approval of the Metropolitan Transportation Commission, which asked that this action be approved by the Transportation Authority, and by the FTA. The Radio Project will be held harmless by the swap. **We are seeking a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions.**

6. **Adopt a Motion of Support to Increase the Amount of the Professional Services Contract with WMH Corporation by \$5,400,000, for a Total Amount Not to Exceed \$11,300,000 to Complete Preliminary Engineering, Environmental Analysis, and Design Services for the Yerba Buena Island Bridge Structures and Authorize the Executive Director to Modify Non-Material Contract Terms and Conditions – ACTION*** 27

In our capacity as the Congestion Management Agency for San Francisco, we are working jointly with the Treasure Island Development Authority (TIDA) on the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, which includes the seismic retrofit of the YBI Bridge Structures on the west side of the island. Under the Memorandum of Agreement between the Transportation Authority and TIDA, consultant contract work for engineering and environmental services is managed and administered by the Transportation Authority. As part of continued preliminary engineering and design efforts and as required by federal funding, a Value Engineering Analysis (VA) Report was prepared in February 2014. The VA team's primary recommendation is to realign Hillcrest Road into the hillside utilizing several retaining walls; construction of a new realigned eastbound I-80 off-ramp bridge structure; and elimination of existing Structures #2, #3 and #6. The structures to be retrofitted (#1, 4, 7A, 7B, and 8) remain largely the same; however approach roadways, slopes, etc. are also affected. The VA Report estimates that the proposed change in scope will result in a \$9 million overall project cost savings compared to the current environmentally approved alternative. Implementation of the VA Report Alternative will also improve seismic performance, simplify construction efforts, minimize maintenance cost and is preferred by TIDA. The introduction of the VA Alternative will require additional engineering and environmental analysis to be performed. Amendment of the WMH Corporation contract is contingent on the approval of additional federal funding. TIDA has the responsibility to reimburse the Transportation Authority for all costs on the project that are not reimbursed by federal or state funds and also provides the required local match. **We are seeking a motion of support to increase the amount of the professional services contract with WMH by \$5,400,000, for a total amount not to exceed \$11,300,000, to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions.**

7. **Adopt a Motion of Support for Exercising the Second One-Year Option of the Memorandum of Agreement (MOA) with the Office of Economic and Workforce Development and to Increase the MOA Amount by \$164,600, to a Total Amount Not to Exceed \$500,000, for CityBuild Services to Promote Workforce Development for Phase II of the Presidio Parkway Project and Authorizing the Executive Director to Modify Non-Material Agreement Terms and Conditions – ACTION*** 69

The Transportation Authority has collaborated with the Office of Economic and Workforce Development (OEWD) to track local opportunities related to construction projects within the City and County of San Francisco. On February 22, 2012, through approval of Resolution 12-46, the Transportation Authority authorized a Memorandum of Agreement (MOA) with OEWD for a one-year period with two additional one-year extension options, in an amount not to exceed \$167,700, for CityBuild services to enhance local hire for Phase II of the Presidio Parkway project implementation. The Transportation Authority and OEWD wish to further this relationship and provide a structure

where OEWD will provide valuable local outreach and develop a skilled workforce to enhance the opportunities for San Francisco residents to become aware of and qualified for construction jobs relating to the implementation of Phase II of the Presidio Parkway project. Through Resolution 14-61, the first one-year option on this contract was exercised to cover the services provided during October 1, 2013 through September 30, 2014. This agreement will be funded by Prop K funds previously appropriated through Resolution 10-66 to the Presidio Parkway project. **We are seeking a motion of support for exercising the second one-year option of the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions.**

8. CAC Appointment – INFORMATION

The Plans and Programs Committee will consider recommending appointment of two members to the Citizens Advisory Committee (CAC) at its January 13 meeting. These vacancies result from the term expirations of Glenn Davis and Chris Waddling. Neither staff nor CAC members make recommendations regarding CAC appointments. CAC applications can be obtained at the Transportation Authority's website at www.sfcta.org/cac or by calling 415.522.4800. **This is an information item.**

9. Internal Accounting and Investment Report for the Three Months Ending September 30, 2014 – INFORMATION* 73

The Transportation Authority's Fiscal Policy directs staff to give a quarterly report of expenditures including a comparison to the approved budget. The Transportation Authority's Investment Policy directs that a review of portfolio compliance be presented along with the quarterly report. This item was completed concurrent with the audit report (see next item) as presented as information item to the Finance Committee on November 18. **The Internal Accounting Report for the three months ending September 30, 2014, is presented for information.**

10. Audit Report for the Fiscal Year Ended June 30, 2014 – INFORMATION* 95

The audit report was not completed in time for the October 22 CAC meeting, so we are providing it to the CAC as an information item this month. The Finance Committee recommended acceptance of the Audit Report for Fiscal Year Ended June 30, 2014 at its November 18 meeting and the Board will consider acceptance of the report on November 25. The Transportation Authority's financial records are required to be audited annually by an independent, certified public accountant. The annual audit (Audit Report) for the year ended June 30, 2014 was conducted in accordance with generally accepted auditing standards by the independent, certified public accounting firm of Macias, Gini & O'Connell, LLP (Macias Gini). Macias Gini is also the auditor for the City and County of San Francisco. The Transportation Authority received all unmodified (also known as a clean opinion/unqualified opinion) audit opinions from Macias Gini, with no findings or recommendations for improvements. For the fiscal audit, Macias Gini has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Yerba Buena Island Ramps and Bridge Structures Project, eFleet: Carsharing Electrified Project, Integrated Public Private Partnership Travel Demand Management Program, San Francisco Value Pricing and Regulation Study, Treasure Island Mobility Management Program, and Congestion Management Agency Planning and Programming funded by the Surface Transportation Program. For the single audit, Macias Gini has issued an opinion, stating the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report containing other required communications to the Finance Committee are attached. **This is an information item.**

End of Consent Calendar

6:15 11. Major Capital Projects Update – Caltrain Early Investment Program – INFORMATION* 163

The Caltrain Early Investment Program consists of three components: the Communications Based Overlay Signal System (CBOSS) to provide Positive Train Control; the electrification of the Caltrain line between San Jose and San Francisco; and the purchase of electric-multiple unit vehicles to operate

on the electrified railroad. With a total budget of \$1.45 billion, it is one of Prop K signature projects. In accordance with the 2012 Memorandum of Understanding (MOU) that established the funding framework for the project, San Francisco's share is \$60 million. Of this amount, the Transportation Authority identified approximately \$21 million (primarily sales tax) and, with the approval by the voters of the city's General Obligation Bonds on November 4, 2014, the remaining \$39 million were secured. However, the overall budget and schedule, which were developed in 2009, have been recently updated by Caltrain staff, resulting in a projected budget increase in the range of \$249 to \$306 million (resulting in a projected total cost of \$1.7 to 1.76 billion) and an extension of the project duration of one to two years. Caltrain is evaluating potential mitigation measures in preparation for Board action on adoption of a new budget and schedule. Meanwhile, options for closing the funding gap are being explored. Work on CBOSS construction is underway, with completion planned for 2016. Work is also underway on the procurement process for the selection of the design-build contractor for electrification and the vehicle manufacturer, informed by discussions with the California High Speed Rail Authority regarding compatibility of Caltrain's future electrified vehicles with High-Speed Rail as needed to support blended service along the peninsula corridor as envisioned in the MOU. In parallel, work is approaching conclusion on the Environmental Impact Report for the Electrification project, which is scheduled for certification in January 2015. **This is an information item.**

6:35 12. Adopt a Motion of Support for the Allocation of \$32,081,988 in Prop K Funds, with Conditions, and Allocation of \$2,585,624 in Prop AA Funds, with Conditions, for Ten Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules and Amendment of the Relevant 5-Year Prioritization Programs – ACTION*

169

As summarized in Attachments 1 and 2, we have ten requests totaling \$32,081,988 in Prop K funds and \$2,585,624 in Prop AA funds to present to the Citizens Advisory Committee for approval. Attachment 3 summarizes our recommendations. The Peninsula Corridor Joint Powers Board has requested \$7,470,000 in Prop K funding for its Caltrain Early Investment Program. The Bay Area Rapid Transit District has requested \$250,000 in Prop K funding for Transbay Tube Cross-Passage Doors Replacement. San Francisco Public Works has requested Prop K funds for Safe Routes to School projects at ER Taylor Elementary (\$53,715) and Longfellow Elementary (\$126,443). The San Francisco Municipal Transportation Agency (SFMTA) has requested Prop K funds for Replace 60 New Flyer 60-Foot Trolley Coaches (\$20,831,776), Market Street Green Bike Lanes and Raised Cycletrack (\$753,400), WalkFirst Continental Crosswalks (\$423,000), and Mansell Corridor Improvement (\$572,754). The SFMTA has also requested Prop AA funds for Mansell Corridor Improvement (\$2,325,624) and Webster Street Pedestrian Countdown Signals (\$260,000). **We are seeking a motion of support for the allocation of \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5-Year Prioritization Programs.**

6:50 13. Adopt a Motion of Support for Allocating \$872,859 in Prop K Funds, With Conditions, to the San Francisco Municipal Transportation Agency for Geary Bus Rapid Transit (BRT) Environmental Review and Initial Construction Phase Improvements Planning; for Authorizing the Executive Director to execute a Memorandum of Agreement with the San Francisco Planning Department for the Geary BRT Project Environmental Review Phase, in an Amount not to Exceed \$139,276, and to Negotiate Agreement Payment Terms and Non-Material Agreement Terms and Conditions; and for Assigning the Professional Services Contract with Jacobs Engineering Group to CirclePoint, Increasing the Amount of the Contract by \$225,000, to a Total Amount Not to Exceed \$4,409,489, for Environmental Analysis Services for the Geary BRT Project Environmental Impact Report/Statement, and Authorizing the Executive Director to Modify Non-Material Contract Terms and Conditions – ACTION*

185

In close collaboration with the San Francisco Municipal Transportation Agency (SFMTA), we are leading the environmental review phase for the Geary Bus Rapid Transit (BRT) Project, which has

developed a refined set of project alternatives, identified a Staff-Recommended Alternative, and documented the environmental analysis of those alternatives in an Administrative Draft Environmental Impact Report/Statement (EIR/S) that is being submitted for local and federal agency review before circulating to the public. In response to Transportation Authority Board and other input seeking faster delivery of benefits to the corridor, SFMTA staff is conducting conceptual planning for a potential Initial Construction Phase set of near-term improvements to be implemented before the full project will seek federal funds for construction. SFMTA's request for \$872,859 will cover near-term improvement planning, as well as prior SFMTA work to support the EIR/S. This new allocation frees up \$389,927 for increased consultant and Transportation Authority staff costs resulting from inclusion of the near-term improvements in the EIR/S and an extended schedule. Relatedly, in order to more efficiently and cost effectively deliver the project, the technical consultant team previously led by Jacobs Engineering Group (Jacobs) will now be led by subconsultant CirclePoint for the remaining tasks. The consultant team needs an additional \$225,000 to complete the environmental review phase. Lastly, we need to execute a Memorandum of Agreement (MOA) with the San Francisco Planning Department (SF Planning) to support the EIR/S. This work is funded through the prior appropriation, but funds will pass directly from us rather than through the SFMTA. **We are seeking a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed \$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint, increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489 for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions.**

7:20 14. T-Third Phase 3 Concept Study – INFORMATION* 207

Earlier this year, the Transportation Authority funded the T-Third Phase 3 Concept Study to assess the feasibility of extending the Central Subway rail service to North Beach and Fisherman's Wharf. The Central Subway Light Rail line, also known as the T-Third Phase 2, will be completed in 2018, providing rail service as far north as Washington Street in Chinatown. At the request of Commissioner Chiu and community members interested in the possibility of preserving corridor rights-of-way for a potential extension project, the San Francisco Municipal Transportation Authority (SFMTA), Transportation Authority, and Planning Department recently conducted the Concept Study to evaluate continuing rail service further north to Fisherman's Wharf. This high-level technical feasibility study evaluated the potential benefits, costs and constructability of alternative alignments in 3 sample corridors. The study finds that several concepts are technically feasible, and most score in the highest category of the Federal Transit Administration's cost effectiveness measures. All-underground concepts have the greatest benefits and remain cost effective despite higher costs. The study does not recommend a specific alternative or next steps, but is intended to inform several upcoming planning efforts (e.g. SFMTA's Rail Capacity Study and the San Francisco Transportation Plan update) which will consider this project's local and regional priority. **This is an information item.**

7:45 15. Introduction of New Business – INFORMATION

7:50 16. Public Comment

8:00 17. Adjournment

* Additional materials

Next Regular Meeting: Wednesday, January 28, 2014

**CAC MEMBERS WHO ARE UNABLE TO ATTEND SHOULD CONTACT THE CLERK OF THE
AUTHORITY AT (415) 522-4831**

The Hearing Room at the Transportation Authority offices is wheelchair accessible. To request sign language interpreters, readers, large print agendas or other accommodations, please contact the Clerk of the Authority at (415) 522-4800. Requests made at least 48 hours in

CAC Meeting Agenda

advance of the meeting will help to ensure availability.

The nearest accessible BART station is Civic Center (Market/Grove/Hyde Streets). Accessible MUNI Metro lines are the F, J, K, L, M, N, T (exit at Civic Center or Van Ness Stations). MUNI bus lines also serving the area are the 6, 9, 9L, 14, 14L, 21, 47, 49, 71, 71L, and 90. For more information about MUNI accessible services, call (415) 701-4485.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex. Accessible curbside parking is available on 11th Street.

In order to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at all public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Transportation Authority accommodate these individuals.

If any materials related to an item on this agenda have been distributed to the Citizens Advisory Committee after distribution of the agenda packet, those materials are available for public inspection at the Transportation Authority at 1455 Market Street, Floor 22, San Francisco, CA 94103, during normal office hours.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; website www.sfethics.org.



DRAFT MINUTES

CITIZENS ADVISORY COMMITTEE

October 22, 2014 MEETING

1. Committee Meeting Call to Order

The meeting was called to order by Chair Glenn Davis at 6:04 p.m. CAC members present were, Myla Ablog, Glenn Davis (Chair), Brian Larkin, Angela Minkin, Eric Rutledge, Jacqueline Sachs, Raymon Smith, Peter Tannen, and Wells Whitney. Transportation Authority staff members present were Anna LaForte, Seon Joo Kim, Steve Rehn, and David Uniman.

2. Chair's Report – INFORMATION

Chair Davis welcomed Raymon Smith to the Citizens Advisory Committee (CAC). Mr. Smith spoke on the need to improve conditions for seniors and persons with disabilities in District 6, as well as the need to focus on quality of life issues. Mr. Smith talked about his experiences serving on various other committees and added he would like to discuss how Delegated Allocation Authority could benefit the Transportation Authority in the future.

Consent Calendar

3. Approve the Minutes of the October 1, 2014 Meeting – ACTION

Jacqueline Sachs stated that Chair Davis called the meeting to order at the October 1, 2014 CAC meeting and not Peter Tannen, as indicated in the meeting minutes. Staff agreed to correct the minutes.

4. State and Federal Legislative Update – INFORMATION

5. Cycle 4 Lifeline Transportation Program Update – INFORMATION

There was no public comment.

Angela Minkin moved to approve the consent calendar with the minutes as amended. Raymon Smith seconded the motion.

The motion was approved unanimously.

End of Consent Calendar

6. Adopt a Motion of Support for Allocation of \$6,795,385 in Prop K Funds, with Conditions in Prop K Funds, with Conditions, for Eleven Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION

Seon Joo Kim, Senior Transportation Planner, presented the item per the staff memorandum.

Jacqueline Sachs asked if the Geneva-Harney Bus Rapid Transit (BRT) study would consider the existing public housing development. David Uniman, Deputy Director for Planning, responded that the study would consider the public housing development. Mr. Uniman stated the study included a comprehensive baseline analysis of all types of housing, jobs and transit service in the area, as well as near-term and long-term scenarios of existing and future housing.

Brian Larkin asked if the mid-life overhaul of the Caltrain locomotives would be considered a capital or operating and maintenance cost. Peter Skinner, Senior Grants Analyst at Caltrain, stated the project would be a capital cost because the mid-life overhaul would involve replacement of engines and rebuilding the vehicle to as-new condition. Anna LaForte, Deputy Director for Policy and Programming, added that overhauls were an allowable use of Federal Transit Administration capital funds for vehicle procurement or rehabilitation.

Raymon Smith asked when the Balboa Park Station Eastside Connections project had been identified in a plan for prioritization. Ms. LaForte stated the project had been in the planning pipeline for many years and there were numerous capital projects and plans in the area. Ms. LaForte added the project was recommended for the Lifeline Transportation Program funding in 2010 by the Transportation Authority Board. Ms. LaForte stated the San Francisco Municipal Transportation Agency (SFMTA) was also constructing improvements in the station area and that the Bay Area Rapid Transit District had completed the Westside Connections project. Ms. LaForte added that Transportation Authority staff would follow up with Mr. Smith on recommendations of the Balboa Park Circulation Study. Angela Minkin added the Balboa Park Citizen Advisory Committee provided feedback to city agencies regarding projects in the area.

Angela Minkin moved to approve this item, and Wells Whitney seconded the motion.

During public comment, Roland Lebrun noted that the memo attachment for the agenda item listed a different request amount for the Geneva-Harney BRT project than the table of contents for the packet enclosure. Mr. Lebrun also noted the planned location of the 2024 Olympic Stadium would be adjacent to the Geneva-Harney BRT, and the Transportation Authority could seek funding from preparations for the Olympics instead of Prop K.

The motion was approved unanimously.

7. San Francisco Transportation Plan and Plan Bay Area Updates – INFORMATION

David Uniman, Deputy Director for Planning, presented the item per the staff memorandum.

Jacqueline Sachs asked for clarification on the abbreviation WETA. David Uniman responded WETA was the Water Emergency Transportation Authority.

Raymon Smith asked what degree of coordination occurred between agencies for capital projects and how agencies would notify the public of construction projects. Anna LaForte stated that implementing agencies distributed project notices prior to construction. Frank Markowitz, Senior Transportation Planner at the SFMTA, stated city agencies used the Envista software to coordinate and map all upcoming utility and transportation projects as well as construction moratoriums. Mr. Markowitz added the San Francisco Public Works had five-year paving programs, but acknowledged that city agencies could coordinate more effectively. Mr. Smith stated he would follow up with Mr. Markowitz.

During public comment, Edward Mason stated San Francisco should lobby surrounding cities to accept additional housing growth, as southern cities not creating housing would create commuter shuttle impacts in San Francisco.

Roland Lebrun asked if the Transportation Authority had additional information on Regional Measure 3, a potential toll increase on Bay Area state-owned toll bridges that was assumed in Plan Bay Area. Anna LaForte responded the Metropolitan Transportation Commission was conducting polling on the next phase of bridge tolls and there was currently no proposed legislation for the measure.

Chair Davis asked if the San Francisco Transportation Plan would address the housing and

transportation linkage. Anna LaForte stated Senate Bill 375 linked housing and transportation planning and funding. Ms. LaForte added San Francisco would be disproportionately supporting future housing and jobs in the region, therefore San Francisco would advocate for receiving additional transportation funding.

8. Major Capital Projects Update – Islais Creek Maintenance Facility – INFORMATION

Luis Zurinaga, Project Management Oversight Consultant for the Transportation Authority, presented the item per the staff memorandum.

Jacqueline Sachs asked if the Islais Creek Maintenance Facility would replace the Kirkland facility. Mr. Zurinaga responded the facility initially was intended to replace the Kirkland facility, but the SFMTA conducted a facilities study and found the Kirkland facility would be needed in the future. Ms. Sachs asked what bus routes would operate from the Islais Creek facility. Mr. Zurinaga responded the SFMTA would decide route choices for buses based on which routes were in proximity to the facility.

Raymon Smith asked if the facility would need to accommodate longer buses in the future. Mr. Zurinaga stated the SFMTA Transit Fleet Management Plan did not include buses longer than 60 feet. Mr. Zurinaga added that 80-foot buses would require two articulation points and would present navigation issues on San Francisco streets.

Chair Davis asked for clarification on the funding plan. Mr. Zurinaga stated all funding sources were committed except the General Obligation bond funds, which he said would be on the November ballot. Mr. Davis asked if costs would escalate further after the start of construction, as they had in Phase 1. Mr. Zurinaga responded that Phase 1 of the project only expended 90% of the budget, and he did not expect additional cost increases in Phase 2.

Eric Rutledge asked if the pending Prop A would authorize the General Obligation Plan funds for this project. Mr. Zurinaga responded affirmatively.

Angela Minkin asked if the CAC would have the opportunity to provide input when Prop K funds were requested for this project. Anna LaForte responded affirmatively. Ms. LaForte added the CAC approved Transportation Fund for Clean Air funds for the project, but the funding plan also included revenues not programmed by the Transportation Authority.

There was no public comment.

9. Introduction of New Business – INFORMATION

Jacqueline Sachs requested project updates for the Transbay Transit Center, Central Subway, and Presidio Parkway.

There was no public comment.

10. Public Comment

Edward Mason expressed the need for further enforcement of the commuter shuttle program. Mr. Mason stated shuttles traveled on Guerrero Street, which had a 3-ton weight restriction. Mr. Mason added that certain shuttle companies subcontract to other providers which do not pay program fees and stop at non-designated locations.

Wells Whitney stated the shuttles allow workers to not drive, thereby decreasing congestion, but agreed better regulation may be needed.

Myla Ablog noted a University of California Berkeley study found employees would live closer to their workplace if commuter shuttles were not available. Ms. Ablog stated an environmental

review should have been conducted before approving the shuttle policy. Ms. Ablog added that if San Francisco was to accommodate a disproportionate number of employees living in the city, the city would need to spend a disproportionate amount on transportation.

Chair Davis requested an update on the commuter shuttle program as an information item at the December or January CAC meeting.

Roland Lebrun stated that San Francisco's commuter shuttle services were similar to the situation in the United Kingdom thirty to forty years ago. Mr. Lebrun suggested the private sector could be a much stronger transit funding partner for the City, as it had become in the U.K.

11. Adjournment

The meeting was adjourned at 7:04 p.m.



Memorandum

Date: 11.24.14

RE: Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

Subject: **ACTION** – Adopt a Motion of Support for the Approval of the 2015 State and Federal Legislative Program

Summary

Every year the Transportation Authority Board adopts a legislative program to guide the agency's transportation advocacy efforts at the state and federal levels. The proposed State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission, as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies that deliver transportation in the city. The proposed program is presented in the form of principles, not specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and specific policy concerns that may arise over the course of the legislative session in Sacramento or Washington. Our 2015 Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues, securing funding for San Francisco projects, advancing high-speed rail investment, supporting allocation of state cap and trade revenues for transportation, promoting Vision Zero safety goals, and aspiring to meet environmental and greenhouse gas reduction goals. **We are seeking a motion of support for the approval of the 2015 State and Federal Legislative Program.**

BACKGROUND

The state and federal legislative programs, adopted annually by the Transportation Authority Board, establish a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. The purpose of the legislative program is to establish general policy guidance on state and federal legislative and funding issues in transportation. The proposed 2015 State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission (MTC), as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies delivering transportation projects and services to San Francisco.

Transportation Authority staff and legislative advocacy consultants in Sacramento will use this program to communicate and plan strategy with the Mayor's Office, the City's legislative delegations in Sacramento and Washington, DC, the MTC, and other transportation agencies and advocates.

DISCUSSION

The proposed 2015 State and Federal Legislative Program is presented in the form of principles rather than specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and specific policy concerns that may arise over the course of the session. Throughout the state legislative session, which extends into the early autumn or later if extraordinary sessions are necessary, we will be reporting on the status of bills that are of significance to the Transportation Authority, and developing recommendations for Transportation Authority positions, as

appropriate.

In 2014, many important fiscal and policy agendas advanced which were consistent with the Transportation Authority's adopted State and Federal Legislative Program. The major emphasis in state transportation legislation was focused on cap and trade revenues, with the Legislature adopting an overall plan for revenue distribution. Since the framework was adopted, local public agencies have been participating in scoping exercises for the various new funding programs administered by an array of state agencies. While control over cap and trade revenues remains consolidated at the state level, in 2015 we will continue to advance the proposal of local control over revenues and will advocate that transportation get its fair share of the discretionary cap and trade revenue that will be programmed through the state budget process.

In 2014, another main legislative focus was our sponsorship of Assembly Bill (AB) 141 (Ammiano) that formed the Treasure Island Mobility Management Agency (TIMMA) and transferred the Transportation Authority's responsibilities for the future management of transportation on and off the island to the new agency. This legislation firewalled the Transportation Authority's revenue streams such as Prop K and Prop AA from the TIMMA-related activities and reduced associated liability.

Our 2015 State and Federal Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues to be put into place at the local or regional level, advancing San Francisco's priority projects and programs, supporting allocation of state cap and trade revenues for transportation, advancing high-speed rail early investment projects to bring service to the Transbay Transit Center, working to meet environmental and greenhouse gas reduction goals, and expanding the use of pricing and other innovative project delivery and financing approaches to accommodate the growth in transportation system demands in California.

New to the 2015 State and Federal Legislative Program is direct support for San Francisco's Vision Zero goals for street safety. While we do not intend to sponsor legislation, we will work with other San Francisco public agencies to support legislation required to implement and achieve Vision Zero safety goals, including legislation to permit the use of cameras for automated enforcement of traffic violations and legislation related to improving driver behavior through enhanced enforcement. We are also recommending including new language in support of the Marketplace Fairness Act which would apply state and local sales tax rates to online purchases to support local businesses and increase collection of Prop K sales tax revenue.

Attachment 1 explains in detail the Transportation Authority's proposed 2015 State and Federal Legislative Program.

We are seeking a motion of support for the approval of the 2015 State and Federal Legislative Program.

ALTERNATIVES

1. Adopt a motion of support for the approval of the 2015 State and Federal Legislative Program.
2. Adopt a motion of support for the approval of the 2015 State and Federal Legislative Program, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

There is no impact on the Transportation Authority's budget from the proposed action.

RECOMMENDATION

Adopt a motion of support for the approval of the 2015 State and Federal Legislative Program.

Attachment:

1. Draft 2015 State and Federal Legislative Program

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Area	Recommended Action	Comments
State Legislative Program Elements		
Fiscal Year 2015/16 State Budget	Protect transportation funding from diversion to the General Fund or other non-transportation uses	Proposition 22 (2010) enacted substantial protections for transportation funding within the state budget process. However, there are still opportunities for the budget to divert specific transportation fund sources to the General Fund. We will advocate that funds that should be dedicated to transportation projects are not diverted to other state budget priorities. We would also support efforts to recover weight fee revenues for transportation.
	Support efforts to change allocation formulas for state transportation funds to recognize factors other than number of registered vehicles, lane miles, or residential population	Many state formula-based transportation funding programs allocate funds on the basis of resident population, lane miles, or number of registered vehicles. These formulas are often disadvantageous for San Francisco because they fail to account for the full demands placed on the city's transportation by the significant increase in daytime population with in-commuters. We will advocate for the use of factors that better tie transportation funding to the true demands placed on the system, such as daytime population or road and transit usage.
Cap and Trade Revenues	Support flexibility and allow local control of programming and allocation of cap and trade revenues and support efforts to dedicate a significant portion of cap and trade revenues to transportation, specifically to regional and local agencies that are implementing sustainable communities strategies	<p>We will advocate that transportation projects are given highest priority in cap and trade revenue distribution and that revenues collected on transportation fuels be dedicated to transportation projects, consistent with the public's association of fuel fees and taxes with transportation improvements. While the general distribution of cap and trade revenue was legally established in 2014, 40% of the revenues will still be subject to programming by the Legislature.</p> <p>We will continue to advocate that cap and trade revenues are allocated through a process that is clear, streamlined, flexible, and effective. Specifically, where opportunities exist, we will advocate that revenues are distributed by formula to local and regional agencies and that revenues are allocated to the California High Speed Rail (HSR) project fund San Francisco Early Investment Program priorities such as Caltrain Electrification and the Caltrain Downtown Extension.</p>

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Area	Recommended Action	Comments
Transportation Policy Initiatives	Support efforts that would allow San Francisco to reform its accessible parking policies	Support the San Francisco Municipal Transportation Agency's (SFMTA's) efforts to advance its policy objectives related to improving management of accessible parking to making spaces available to those who need them, consistent with future input and guidance from our Board of Commissioners. Support SFMTA's efforts to seek changes to state law if necessary.
	Support San Francisco's Vision Zero policy	<p>Vision Zero is San Francisco's policy commitment to eliminate all traffic-related fatalities by 2024. To achieve this safety goal, San Francisco will rely on engineering, education, enforcement, evaluation, and policy to create safe streets for all users, particularly pedestrians and bicyclists. While the state's new Active Transportation Program (ATP) funds both infrastructure and non-infrastructure projects such as education, outreach, and enforcement activities, it is a very competitive and administratively burdensome grant program and insufficient to meet the demand for these types of projects.</p> <p>We will work with the SFMTA, Department of Public Works, Department of Public Health and other project partners to identify and secure additional state and federal funding, and seek legislative reform to support strategies that may not currently be authorized by state law such as the use of cameras for automated enforcement (e.g. don't block the box, and photo-radar speed enforcement). Finally, every year the Legislature considers bills aimed at improving driver behavior and increasing enforcement, in particular around schools.</p>
	Support the use of best practices for coordinating with Caltrans on locally-led projects on the state highway system	Support the Self-Help Counties Coalition effort and other Congestion Management Agencies (CMAs) to improve the efficiency and effectiveness of the Caltrans project initiation document (PID) process for local projects on the state highway system.

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Area	Recommended Action	Comments
	Support efforts to implement high occupancy toll (HOT) lanes and other traffic demand management (TDM) strategies	Existing HOT laws limit the number of allowable HOT facilities and provide that no HOT facilities can be approved after January 1, 2012. We will support new legislation – like SB 983 (Hernandez) that was considered in 2014 – to lift these restrictions and expand the ability to use pricing and express lanes to better manage congestion on state highways. We will support new HOT legislation that promotes HOT facilities in the region that could both alleviate freeway congestion and generate revenue to support travel options in the corridor. We will also support efforts to allow more flexibility in implementing other TDM measures, like cordon pricing, trip capping, and incentives for time-of-day trip shifting.
	Support state pilot of a road usage charge	In 2014, SB 1077 (DeSaulnier) initiated a state road usage charge pilot, which would design and implement a program where drivers are charged per mile traveled. We will participate as much as possible in the pilot and advocate for a fair and sustainable program that addresses the decreasing real value of the state fuel tax.
Increase Transportation Funding	Support a constitutional amendment to lower the 2/3 supermajority voter approval requirement for local transportation taxes	Support a state constitutional amendment to lower the voter approval requirement for special taxes dedicated to local transportation projects from 66.67% to 55% or a simple majority. Several constitutional amendments were introduced in 2014 to reduce the threshold for local transportation measures specifically or local revenue measures generally. Although regionally supported, none of these measures were ultimately enacted. In 2015, we will again advocate for lower voter approval thresholds for transportation and oppose unreasonable conditions or restrictions on local control over the use of revenues since the decreasing amount of state and federal funding for transportation make local funding measures even more critical in advancing transportation projects.

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Area	Recommended Action	Comments
	Support state authorization to approve new local, regional, and state revenues for transportation	<p>Support efforts to pursue new revenues for transportation at the local, regional, and state levels to help close the funding shortfalls across all modes of the transportation system, including both capital and operating needs. We are carefully monitoring a proposal for an increase in the state vehicle license fee to try to avoid negatively impacting San Francisco's ability to implement its own vehicle license fee increase, as approved in 2012 through Assembly Bill (AB) 1492 (Leno).</p> <p>Possible new local and regional revenue sources could include fuel fees, congestion reduction charges, road pricing, local sales tax cap increases, or other user fees. We will also support the Metropolitan Transportation Commission's (MTC's) proposal to seek authorization for a Regional Measure 3 bridge toll and work closely with MTC to support San Francisco's needs in the development of the expenditure plan.</p>
	Increase local funding options to replace the loss of redevelopment funding	<p>The dissolution of redevelopment agencies removed a key tool to fund new sustainable development and related transportation improvements in San Francisco. In 2014, SB 628 (Beall) lowered the voter threshold to 55% for enhanced infrastructure financing districts, but that still does not restore what was lost when redevelopment was dissolved. We will support additional efforts to revive the authority of local governments to use tax-increment financing in support of projects consistent with sustainable communities strategies.</p>
	Increase state funding for affordable housing	<p>We will support efforts to establish a new, dedicated state fund source for affordable housing. One possible source could be a real estate transaction charge.</p>
Active Transportation Program (ATP) Implementation	Support ATP guidelines that are flexible and allow local control of programming and allocation and that focus on administrative efficiency and performance-based outcomes	<p>The ATP was created by SB 99 and AB 101 to encourage active modes of transportation, including walking and bicycling, and to consolidate several related state grant programs into a single program under the control of the California Transportation Commission (CTC). The CTC worked with stakeholders throughout 2013 and 2014 to develop program guidelines, conduct the first call for projects (March 2014), and adopt the funding commitments (August and November 2014). During the process of evaluating the first ATP grant cycle, we will continue to advocate for a programming and allocation process that emphasizes flexibility and local/regional control since this approach makes the most sense for bicycle and pedestrian projects which are typically smaller and more localized than the larger projects of statewide significance that the CTC typically considers.</p>

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Area	Recommended Action	Comments
High Speed Rail (HSR)	Support the implementation of the memorandum of understanding for the HSR Early Investment Strategy for a Blended System on the Peninsula	In Spring 2012, the Transportation Authority, the California HSR Authority, MTC, and six other local and regional agencies signed a memorandum of understanding (MOU) for the development of a blended HSR and electrified Caltrain system from San Francisco to San Jose on the Peninsula, including a terminus at the Transbay Transit Center. We will continue to work with our partner agencies to advocate that the HSR early investment projects are implemented in a manner consistent with the MOU. Each of the three Caltrain local partners (San Francisco, San Mateo, and Santa Clara) is committed to a \$60 million contribution to the early investment projects, namely positive train control and electrification. However there is still a shortfall in the budgets for the Caltrain Electrification and Downtown Extension projects. As stated above, we will advocate for the State to dedicate cap and trade revenue to the Bay Area segment of the HSR project, including blended service in the Peninsula corridor, and to resolve outstanding legal issues surrounding the overall HSR project.
	Advocate that all HSR early investment projects are fully compatible with bringing service to the Transbay Terminal, northern terminus of California's HSR system	We will work with San Francisco and regional partners and the California High Speed Rail Authority to advocate that any blended system projects are compatible with and supportive of San Francisco's goals and priorities for land use and transportation developments along the corridor. We will continue to advocate for full funding of the Caltrain Downtown Extension.

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

Federal Legislative Program Elements		
Federal Appropriations	Advocate for New Starts and Small Starts funding appropriations for San Francisco projects	<p>Because of the federal government's continuing inability to pass a multi-year transportation bill and the continued insolvency of the federal highway trust fund (HTF), there is a risk that federal capital funding, particularly New Starts, dedicated to projects in San Francisco might not be available when needed or expected. We will advocate that Congress approves annual New Starts appropriations consistent with the Full Funding Grant Agreement for the Central Subway and continues to allocate Small Starts funds for the Van Ness Avenue Bus Rapid Transit project as needed to support timely project delivery. We will also work with city and regional partners to identify the next project priorities for future New and Small Starts funding.</p> <p>We will partner with other transportation stakeholders in the Bay Area and nationwide to advocate that Congress appropriates full funding, consistent with amounts detailed in MAP-21, for the remainder of federal Fiscal Year 2015 and federal Fiscal Year 2016 (assuming MAP-21 is extended).</p>
New Federal Transportation Funding	<p>Advocate for full appropriations for federal Moving Ahead for Progress in the 21st Century (MAP-21) programs</p> <p>Advocate for an increase in the 18.4 cent per gallon federal gasoline tax and/or other new fees to close the deficit in the federal Highway Trust Fund</p>	<p>The 18.4 cent per gallon federal gasoline tax has not been increased since 1993 and has lost over a third of its value in the subsequent two decades due to inflation and cost increases. The result has been a growing deficit in the federal HTF, the primary federal source of funding for not only roadway projects but also transit, pedestrian and bicycle projects. We will continue to advocate for increasing the federal gasoline tax or indexing it to inflation as the simplest ways to close the HTF funding deficit and provide critical, ongoing federal support for transportation. We will also support the study of alternate user fees such as road usage charges as future ways to reach a reliable increased level of funding so the federal government is paying its fair share.</p> <p>We will actively advocate for federal funding needs of all Proposition K-funded projects, consistent with the Expenditure Plan and San Francisco Transportation Plan priorities. We will work to advance projects like Geary Boulevard Bus Rapid Transit, Better Market Street, and the Caltrans Downtown Extension for future federal funding. These efforts will include advocating for guidelines for new programs such as the FTA's Core Capacity program to advocate they are favorable to San Francisco projects.</p>

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

	Support passage of Marketplace Fairness Act to increase local sales tax revenue	We will support efforts to apply state and local sales tax rates to online purchases to capture the full range of economic activities, bolster local business, and increase collection of the Prop K transportation sales tax and other state transportation sales taxes.
	Support efforts to implement federal carbon pricing	There is a growing consensus that putting a price on carbon pollution has the potential to be the most effective way to fight global warming, and California is already leading the way with its cap and trade program. An effort to price carbon at the federal level has been endorsed by people across the political spectrum, including prominent conservatives and big businesses. We will work to support such efforts and promote transportation investments as part of the recommended expenditure plan.
Federal Transportation Reauthorization	Support development of the next federal surface transportation authorization law	The current federal surface transportation law, MAP-21, was approved in July 2012 and was continued through May 2015. While movement on a new reauthorization is uncertain given the current political climate, we will coordinate input from San Francisco project sponsors and the Mayor's Office and be actively involved in shaping the next surface transportation act through participation in policy development committees at the regional, state, and national levels, particularly through the Transportation Research Board, the American Public Transportation Association and other professional organizations that have proven track records of effectiveness advocating on behalf of transportation improvements.
	Support reinstatement of the federal pre-tax transit fringe benefit at equal levels to the parking expense pre-tax fringe benefit	As a part of the "fiscal cliff" bill approved by Congress in January 2013, the federal pre-tax fringe benefit for transit was raised to \$240 per month, the same level as the fringe benefit for parking expenses. As of January 1, 2014 it reverted to \$130 per month. We will advocate for a permanent solution that puts transit pre-tax benefits on par with parking benefits.

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

State and Federal Legislative Program Elements		
Pricing, Public-Private Partnerships, Design-Build, and Other Innovative Project Delivery and Financing Approaches	Support legislation authorizing and expanding the use of design-build and public private partnership (P3) project delivery strategies for transportation infrastructure	The costs of building, maintaining, and expanding our infrastructure continues to increase while state and federal fund sources are decreasing and/or suffering from unreliability. New funding and financing methods have become increasingly necessary given high demand for transportation projects – both state of good repair and new capacity to deal with growth – and the poor funding situation. We need a broader toolbox of project delivery and financing options to support more timely and cost effective delivery of projects. Local agencies should also have expanded options to use alternative delivery methods to manage risk and increase local control. We will advocate for further expansion of federal financing programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA) to allow local jurisdictions to advance worthwhile transportation projects, improving mobility and creating jobs. We will coordinate with other stakeholders already working toward such legislation at the state and federal level for application of these methods to transit and roadway projects.
	Support the use of pricing as a transportation demand management tool to increase person-capacity of roads and highways	
	Coordinate with the regional and state transportation agencies on enabling legislation to authorize publicly managed toll facilities	
Environmental Policies	Support legislation to further integrate state and federal environmental impact studies and streamline permitting by state regulatory agencies	While the Transportation Authority has been a leading advocate for new, cleaner transit technologies and the efficient use of transportation alternatives, compliance with both federal and state laws can result in duplicative environmental review processes increasing the cost and length of such projects. We will continue to advocate for more efficient environmental processes (both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA)) that reduce administrative inefficiencies without reducing scope or thoroughness of environmental review, resulting in projects being delivered sooner and at a lower cost.

Attachment 1
San Francisco County Transportation Authority –2015 State and Federal Legislative Program
 Last Modified: November 24, 2014

	Support efforts to implement SB 743 and advance CEQA modernization	In 2013 Governor Brown signed SB 743 (Steinberg) into law, a groundbreaking reform to CEQA aimed at promoting greenhouse gas reduction, development of multimodal transportation networks, and a diversity of land uses. SB 743 reduced the analysis requirements for urban infill projects and allowed alternative traffic impact analysis measures. We and other city staff have been working at the state level for years on this effort and we anticipate these revised guidelines will allow us to put in place new measures that are consistent with San Francisco's transit-first policy and to evaluate the impact of future projects on all users of our transportation system, not just those driving cars. We will continue to work closely with the Governor's Office of Planning and Research, which is preparing guidelines for this reform.
Administration/ General	Oppose legislation and regulations adversely affecting our ability to efficiently and effectively contract for goods and services, conduct business and limit or transfer the risk of liability	General administrative issues arise every session that could affect the Transportation Authority's ability to operate efficiently. This element of the program would seek to protect the Transportation Authority from measures that would harm this ability and to improve the overall administrative efficiency of state and federal programs.
	Advocate for streamlining of individual administrative restrictions when multiple fund sources are used on a single project	



Memorandum

Date: 11.25.14 **RE:** Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

Subject: **ACTION** – Adopt a Motion of Support for Programming \$4 million in Prop K Funds to the Quint-Jerrold Connector Road Project via a Fund Swap with an Equivalent Amount of Federal Transit Administration Funds from the Peninsula Corridor Joint Powers Board, and for Committing to Allocate the Prop K Funds for Construction of the Connector Road, with Conditions

Summary

The Transportation Authority has been working to deliver a new Quint-Jerrold Connector Road between Oakdale and Jerrold Avenues, in coordination with the Peninsula Corridor Joint Powers Board's (PCJPB's or Caltrain's) Quint Street Bridge Replacement. The bridge project will replace the existing bridge structure with a berm and close the existing Quint Street, necessitating alternate access to facilitate a future Caltrain station at Oakdale Avenue and to respond to community concerns. Caltrain has agreed to commit \$4 million to the connector road, but due to eligibility concerns, Caltrain's Federal Transit Administration (FTA) funds must be swapped with Prop K funds. The San Francisco Municipal Transportation Agency, which is a member of PCJPB, has agreed to facilitate the swap through its Radio Communications Systems and CAD Replacement project (Radio Project). The FTA funds need to be programmed to the Radio Project, and then an equivalent amount of Prop K funds will be de-obligated from the Radio Project and programmed to the connector road. The swap needs the approval of the Metropolitan Transportation Commission, which asked that this action be approved by the Transportation Authority, and by the FTA. The Radio Project will be held harmless by the swap. **We are seeking a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions.**

BACKGROUND

The Transportation Authority has been working to deliver a new Quint-Jerrold Connector Road between Oakdale and Jerrold Avenues, in coordination with the Peninsula Corridor Joint Powers Board's (PCJPB's or Caltrain's) Quint Street Bridge Replacement. The bridge project will replace the existing bridge structure with a berm and close the existing Quint Street, necessitating alternate access to facilitate a future Caltrain station at Oakdale Avenue and to respond to community concerns. The Transportation Authority's actions to date regarding the bridge replacement and connector road projects are summarized below:

- March 2012 (Resolution 12-52): appropriated \$74,000 in Prop K funds to vet Caltrain's bridge replacement options and develop a preliminary Quint-Jerrold Connector Road design concept.
- December 2012 (Resolution 13-22): recommended Option 1: Berm Design for the bridge replacement project; allocated \$352,184 in Prop K funds to San Francisco Public Works for conceptual design and environmental review for the connector road; and appropriated \$49,843 in Prop K funds for development of a local business outreach strategy.

- July 2013 (Resolution 14-09): selected Option 1: Berm Design for the preferred option for the bridge replacement project, to be implemented in coordination with the connector road.
- September 2014 (Resolution 15-09): appropriated \$89,000 to refine and implement a workforce development and local contractor participation strategy for the bridge replacement and connector road projects.

Caltrain has agreed to commit \$4 million to the connector road, but due to eligibility concerns, Caltrain's Federal Transit Administration (FTA) funds must be swapped with Prop K funds. The purpose of this memorandum is to seek a motion of support for a fund swap and related programming actions that will enable Caltrain to contribute \$4 million to the Quint-Jerrold Connector Road.

DISCUSSION

The source of Caltrain's contribution to the Quint-Jerrold Connector Road Project is \$4 million in FTA funds that Caltrain was anticipating to use on the bridge replacement project, but were no longer needed when the lower cost berm design was selected as the preferred option. The FTA funds cannot be applied directly to the connector road due to eligibility restrictions. The San Francisco Municipal Transportation Agency (SFMTA), which is a member of PCJPB, has graciously agreed to facilitate the aforementioned swap through its Radio Communications Systems and CAD Replacement project (Radio Project).

In September 2009, through Resolution 10-17, the Transportation Authority allocated \$69.7 million in Prop K funds to SFMTA's Radio Project which will replace its aging transit radio communications system with an up-to-date interoperable digital system. The \$116 million Radio Project is able to accept the \$4 million in FTA funds, freeing up an equivalent amount of Prop K funds that can be programmed to the connector road. The Radio Project would be held harmless by the swap.

The Metropolitan Transportation Commission (MTC), which programs the subject FTA funds, has asked that the Transportation Authority Board take action to codify its support for the aforementioned swap and to commit to allocate \$4 million in Prop K funds to the connector road. In order to ensure that the Radio Project is held harmless, our recommended action is conditioned upon the FTA's approval of programming \$4 million in FTA transit formula funds to the Radio Project, anticipated in February 2015. Shortly thereafter, an equivalent amount of Prop K funds will be de-obligated from the Radio Project and programmed in Fiscal Year 2015/16 to the Quint-Jerrold Connector Road Project. Currently, we anticipate that construction of the Quint-Jerrold Connector Road would begin in summer 2016. We would bring a Prop K allocation request to this committee in spring 2016, closer to its construction start date.

We are seeking a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions.

ALTERNATIVES

1. Adopt a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions.

2. Adopt a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

This action would authorize the Transportation Authority to de-obligate \$4 million in Prop K funds from the Radio Communications Systems and CAD Replacement Project and to program them in Fiscal Year 2015/16 the Quint-Jerrold Connector Road Project. There would be no impact on the adopted Fiscal Year 2014/15 budget. When the Board allocates the funds for connector road, anticipated next fiscal year, the funds would be reflected in that year and subsequent years' budgets as appropriate.

RECOMMENDATION

Adopt a motion of support for programming \$4 million in Prop K funds to the Quint-Jerrold Connector Road Project via a fund swap with an equivalent amount of FTA funds from PCJPB, and for committing to allocate the Prop K funds for construction of the connector road, with conditions.



This Page Intentionally Left Blank



Memorandum

Date: 11.25.14

RE: Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee:

From: Lee Saage – Deputy Director for Capital Projects

Subject: **ACTION** – Adopt a Motion of Support to Increase the Amount of the Professional Services Contract with WMH Corporation by \$5,400,000, for a Total Amount Not to Exceed \$11,300,000 to Complete Preliminary Engineering, Environmental Analysis, and Design Services for the Yerba Buena Island Bridge Structures and Authorize the Executive Director to Modify Non-Material Contract Terms and Conditions

Summary

In our capacity as the Congestion Management Agency for San Francisco, we are working jointly with the Treasure Island Development Authority (TIDA) on the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, which includes the seismic retrofit of the YBI Bridge Structures on the west side of the island. Under the Memorandum of Agreement between the Transportation Authority and TIDA, consultant contract work for engineering and environmental services is managed and administered by the Transportation Authority. As part of continued preliminary engineering and design efforts and as required by federal funding, a Value Engineering Analysis (VA) Report was prepared in February 2014. The VA team's primary recommendation is to realign Hillcrest Road into the hillside utilizing several retaining walls; construction of a new realigned eastbound I-80 off-ramp bridge structure; and elimination of existing Structures #2, #3 and #6. The structures to be retrofitted (#1, 4, 7A, 7B, and 8) remain largely the same; however approach roadways, slopes, etc. are also affected. The VA Report estimates that the proposed change in scope will result in a \$9 million overall project cost savings compared to the current environmentally approved alternative. Implementation of the VA Report Alternative will also improve seismic performance, simplify construction efforts, minimize maintenance cost and is preferred by TIDA. The introduction of the VA Alternative will require additional engineering and environmental analysis to be performed. Amendment of the WMH Corporation contract is contingent on the approval of additional federal funding. TIDA has the responsibility to reimburse the Transportation Authority for all costs on the project that are not reimbursed by federal or state funds and also provides the required local match. **We are seeking a motion of support to increase the amount of the professional services contract with WMH by \$5,400,000, for a total amount not to exceed \$11,300,000, to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions.**

BACKGROUND

In our capacity as the Congestion Management Agency for San Francisco, we are working jointly with the Treasure Island Development Authority (TIDA) on the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, which includes the seismic retrofit of the YBI Bridge Structures on the west side of the island. Under the Memorandum of Agreement (MOA) between the Transportation Authority and TIDA, consultant contract work for engineering and environmental services is managed and administered by the Transportation Authority. TIDA has the responsibility to reimburse the Transportation Authority for all costs for the I-80/YBI Interchange Improvement Project that are not reimbursed by federal and state funds and also provides the required local match.

On December 14, 2010, through Resolution 11-28, the Transportation Authority awarded a two-year professional services contract to WMH Corporation, in an amount not to exceed \$1,600,000, for preliminary engineering and environmental analysis services for the YBI Bridge Structures.

On February 28, 2012, through Resolution 12-34, the Transportation Authority increased the amount of the professional services contract with WMH Corporation by \$4,300,000 for a total amount not to exceed \$5,900,000.

The purpose of this memo is to seek a motion of support to increase the amount of the professional services contract with WMH Corporation by \$5,400,000, for a total amount not to exceed \$11,300,000, to complete preliminary engineering, environmental analysis and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions.

DISCUSSION

Consistent with the MOA between the Transportation Authority and TIDA for the I-80/YBI Improvement Project, we have undertaken the procurement and management of professional consultant services to provide the necessary engineering and environmental services to produce all necessary documents required to prepare the Seismic Strategy Reports, environmental documentation, and design for YBI Bridge Structures on the west side of the island. There are a total of eight (8) bridge structures being studied. These bridge structures are a vital component of the YBI traffic circulation system and also serve as an important part of the on and off-ramp system to I-80 and the San Francisco Bay Bridge.

The initial scope of work for the WMH Corporation contract included the preparation of Seismic Strategy Reports for all eight bridge structures. These reports were approved by the California Department of Transportation (Caltrans) Structures Department in December 2011. The approved reports indicated that five of the bridge structures should be retrofitted in place while three of the bridge structures were recommended for replacement.

Separate environmental documents Categorical Exclusions per the National Environmental Protection Act (NEPA) and Categorical Exemptions per the California Environmental Quality Act (CEQA) for each of the eight bridges were approved in December 2012.

As part of continued preliminary engineering and design efforts and as required by federal funding a Value Engineering Analysis (VA) Report was prepared in February 2014 in consultation with TIDA, the San Francisco Department of Public Works (SFDPW), and independent construction experts. The VA team made various recommendations for the Transportation Authority's and TIDA's consideration to reduce overall project risk and cost. The VA team's primary recommendation is to realign Hillcrest Road into the hillside utilizing several retaining walls; construction of a new realigned eastbound I-80 off-ramp bridge structure; and elimination of existing Structures #2, #3 and #6. The structures to be retrofitted (#1, 4, 7A, 7B, and 8) remain largely the same; however approach roadways, slopes, etc. are also affected. The recommended VA Report Alternative estimated at \$66 million will save approximately \$9 million compared to the environmentally approved alternative estimated at \$75 million. Implementation of the VA Report Alternative will also improve seismic performance, simplify construction efforts, minimize maintenance cost and is preferred by TIDA and SFDPW. Caltrans approved the VA Report in November 2014.

The introduction of the VA Alternative will require additional engineering and environmental analysis to be performed. All work necessary to prepare the required technical analysis will be performed in accordance with current Caltrans and Federal Highway Administration (FHWA) policies and procedures.

The proposed milestone project schedule is shown below:

- Notice to Proceed December 2014
- Environmental Approval March 2016
- PS&E Completion December 2016
- Construction Start March 2017
- Construction Completion Summer 2019

TIDA has requested that the Transportation Authority proceed with engineering, environmental and design activities and amend the WMH Corporation contract to direct the preparation of the appropriate documents. The amendment of the WMH Corporation contract for preliminary engineering, environmental analysis and design is contingent on the approval of additional federal HBP funding. The Transportation Authority will be reimbursed for eligible preliminary engineering and design costs with a combination of TIDA and federal funds. TIDA funds will leverage the federal grant award and fulfill the local match requirement.

Since a portion of this contract is anticipated to be funded with federal financial assistance from FHWA, administered by Caltrans, the Transportation Authority will adhere to federal regulations pertaining to disadvantaged business enterprises (DBE). To date WMH Corporation has maintained 11% DBE participation from four sub-consultants: women-owned firms, ABA, David J. Powers and Associates, Inc. and Haygood & Associates Landscape Architects; and Asian Pacific-owned firm, Earth Mechanics, Inc. ABA is also based in San Francisco.

The proposed amendment to WMH Corporation would increase the existing \$5,900,000 contract amount by a maximum of \$5,400,000, to an amended total not to exceed \$11,300,000. It would extend the existing contract through the approval of the additional environmental analysis, preliminary engineering and final Plans, Specifications and Estimate. It is anticipated that the professional services contract will be extended to March 31, 2017.

We are seeking a motion of support to increase the amount of the professional services contract with WMH Corporation by \$5,400,000 for a total amount not to exceed \$11,300,000 to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions.

ALTERNATIVES

1. Adopt a motion of support to increase the amount of the professional services contract with WMH Corporation by \$5,400,000, for a total amount not to exceed \$11,300,000 to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions, as requested.
2. Adopt a motion of support to increase the amount of the professional services contract with WMH Corporation by \$5,400,000, for a total amount not to exceed \$11,300,000 to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions, with modifications.

3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

Under the MOA between TIDA and the Transportation Authority, TIDA will reimburse the Transportation Authority for all project costs and accrued interest, less state or federal government reimbursements to the Transportation Authority. Award of this contract amendment is subject to Caltrans' approval of an additional \$3,660,000 of federal HBP funds from Caltrans for reimbursement of preliminary engineering and design services costs, anticipated in late December 2014. A portion of the proposed contract amendment will be included in the Transportation Authority's mid-year budget amendment. Sufficient funds will be included in next fiscal year's budget to cover the cost of this contract.

RECOMMENDATION

Adopt a motion of support to increase the amount of the professional services contract with WMH Corporation by \$5,400,000, for a total amount not to exceed \$11,300,000 to complete preliminary engineering, environmental analysis, and design services for the YBI Bridge Structures and authorize the Executive Director to modify non-material contract terms and conditions.

Attachment:

1. YBI Bridge Structures Contract Amendment Scope of Services

SCOPE OF SERVICES

YBI WEST-SIDE BRIDGES RETROFIT PROJECT (VALUE ANALYSIS PROJECT & BRIDGE RETROFIT PROJECTS #1, 4, 7A, 7B AND 8)

PRELIMINARY ENGINEERING, ENVIRONMENTAL APPROVAL and FINAL DESIGN (Final PS&E)

INTRODUCTION

This Scope of Services is to provide preliminary engineering, environmental approval and final design (PS&E) services for the Yerba Buena Island West-Side Bridges Retrofit Project (Project), located along Treasure Island Road on Yerba Buena Island (YBI), in the City and County of San Francisco. This Scope of Services reflects the changes in the project resulting from a thorough value engineering and value analysis study process.

The original “environmentally approved” Project involved the seismic retrofit of five bridge structures and the replacement of three bridge structures, as well as associated roadway and slope improvements. The “environmentally approved” project was in the 65% PS&E phase of project development when the Value Analysis process was performed. WMH performed the Value Analysis (VA) Study consistent with Federal Highway Administration (FHWA) requirements for Structure #2. The total project cost for replacement of Structure #2, including preliminary engineering and estimated construction costs, was estimated to be greater than \$20 million. For projects in this cost range, the FHWA requires that a VA Study be performed to determine if there are reasonable ways to reduce the project costs. The VA Team identified an alternative that completely revised all three replacement structures. WMH performed preliminary engineering analysis for the VA Alternative and determined that construction cost savings would be realized compared to the original “environmentally approved” alternative. This Project is now proceeding with the VA Alternative.

The Project that will now be delivered is the “Value Analysis” Project. The Value Analysis Project proposes to realign Hillcrest Road into the hillside utilizing several retaining walls; constructs a new realigned eastbound I-80 off-ramp bridge structure; and eliminates existing Structures #2, #3 and #6. The structures to be retrofitted (#1, 4, 7A, 7B, and 8) remain largely the same; however the approach roadways, slopes, etc are affected.

To deliver the Value Analysis Project, additional preliminary engineering will be required, and the environmental technical reports and environmental documents will need to be updated and resubmitted for approval. The design of the five retrofit structures (#1, 4, 7A, 7B, and 8) is 65% complete; all of this work will carry forward. The design of new Retaining walls and the Replacement Bridge will be entirely new design. Roadway design is almost all new. However, some of the preliminary engineering effort can be utilized such as field surveys, existing drainage and utility information, etc; these items will require supplemental effort for new areas of the project that are outside of the original boundaries.

The objective of this Project Scope of Services is to obtain environmental approval and prepare Construction Bid Documents (Plans, Specifications and Estimates) to Final level of completion for the comprehensive Project.

Due to Federal funding requirements, this Project will be comprised of six (6) individual projects; each bridge is an individual project. However, it is assumed that these projects will be administered as one construction contract, with six individual construction cost estimates (one for each bridge project) for tracking purposes.

SCOPE OF THE AGREEMENT

Project Elements to be designed:

- Replacement Bridge for the EB I-80 off-ramp Bridge Structure that includes a realigned EB I-80 off-ramp and new signalized intersection at Hillcrest Road
- New Retaining Wall along the uphill side of Hillcrest Road (Retaining Wall #1)
- New Retaining Wall along Treasure Island Road - north of the new EB I-80 off-ramp intersection (Retaining Wall #2)
- New Retaining Wall along Hillcrest Road - south of the new EB I-80 off-ramp intersection (Retaining Wall #3)
- New Retaining Wall along the WB I-80 on-ramp adjacent to Hillcrest Road (Retaining Wall #4)
- Seismic Retrofit of Bridge Structure #1
- Seismic Retrofit of Bridge Structure #4
- Seismic Retrofit of Bridge Structure #7A
- Seismic Retrofit of Bridge Structure #7B
- Seismic Retrofit of Bridge Structure #8
- Roadway Improvements at Treasure Island Road
- Roadway Improvements at Hillcrest Road
- Demolition of Bridge Structure #2
- Demolition of Bridge Structure #3
- Demolition of Bridge Structure #6

Services to be performed include:

- TASK 12 Project Management
- TASK 13 Preliminary Engineering
- TASK 14 Environmental Approval
- TASK 15 Finalize Design of Retrofit Structures #1, 4, 7A, 7B and 8
- TASK 16 65% PS&E

- TASK 17 95% PS&E
- TASK 18 100% PS&E
- TASK 19 Final PS&E
- TASK 20 Right of Way Certification

SCHEDULE

The project schedule milestone dates are as follows:

- Notice to Proceed December 2014
- Environmental Approval March 2016
- PS&E Completion December 2016
- Construction Start March 2017

12.0 **TASK 12. PROJECT MANAGEMENT**

The CONSULTANT will provide project management of each task for the entire duration of the project. Management activities will consist of administration, coordination, scheduling, meeting attendance, and quality control as stated in the following:

- 12.1 Project Management/ Administration /Filing - Supervise, coordinate and monitor planning and design for conformance with the City and County of San Francisco's (CCSF) standards and policies. The CONSULTANT will maintain Project Files in accordance with CALTRANS' Uniform Filing System and, when applicable, CALTRANS' Bridge Memo to Designers.
- 12.2 Agency/Subconsultant Coordination - Coordinate with subconsultants, adjacent project design teams and involved agencies to assure timely flow of information.
- 12.3 BCDC and RWQCB Coordination – CONSULTANT shall coordinate with the Bay Conservation Development Commission (BCDC) to position the Project for BCDC approval. It is assumed a Permit will be required due to the encroachment of drainage facilities into BCDC's 100-foot shoreline band. Coordination will include approval from Engineering Criteria Review Board (ECRB), Design Review Board (DRB) and the full Commission. Additionally, CONSULTANT shall coordinate with the Regional Water Quality Control Board to work towards obtaining NPDES MS4 Compliance and Permit.
- 12.4 CPM Schedule - Prepare a detailed Critical Path Method (CPM) schedule for the entire project using Microsoft Project software. The Microsoft Project CPM schedule will be

- updated on a monthly basis. A four-week horizon schedule will also be provided at Project Development Team (PDT) meetings.
- 12.5 Quality Control - The CONSULTANT will implement a quality control procedure for engineering activities, perform in-house quality control reviews for each task, and submit project deliverables to SFCTA, CCSF and/or Caltrans for review in accordance with the approved schedule.
 - 12.6 Project Funding: Tracking and Coordination – CONSULTANT shall prepare a plan and associated draft funding request documents to deliver the Project consistent with Federal Highway Bridge Program (HBP) and Prop 1B State Seismic Retrofit funding reimbursement requirements. CONSULTANT shall track and document Project expenditures to allow for obtaining eligible HBP and Prop 1B funds. CONSULTANT shall assist SFCTA in maximizing available HBP and Prop 1B funds for the Project.
 - 12.7 PDT Meetings - Conduct monthly Project Development Team meetings. Meetings will include SFDPU, SFPUC, SFMTA, CCSF, SFCTA, and TIDA. This will include preparation and submittal of agenda, preparation and submittal of Data Request Logs, and preparation of meeting minutes for each PDT Meeting, distribution of meeting minutes and development of action items list. The agenda will be submitted prior to the meeting and the meeting minutes/action items will be submitted within one week after the meeting.
 - 12.8 Technical Meetings – Coordinate and attend meetings such as design coordination meetings, workshop meetings, comment review sessions, and peer review meetings with SFCTA, CCSF, Caltrans and other agencies to resolve issues. Meetings will be held during performance of each task or as needed by the CONSULTANT, SFCTA, CCSF, Caltrans, or other agencies.
 - 12.9 Stakeholder Briefings /Workshops – CONSULTANT shall coordinate, attend and direct meetings for stakeholder briefings and workshops as necessary. Stakeholders may include CCSF, SFPUC, SFWater, MTA, USCG, TIDA, Caltrans, and others.
 - 12.10 Invoices/Progress Reports - Prepare and submit budget reports, monthly progress reports, updated schedules and invoices in accordance with SFCTA requirements.

Task 12 - Deliverables

- CPM schedule
- Meeting Materials
- Project Correspondence
- Progress Reports
- Invoices

Task 12 – Schedule

- Notice to Proceed is scheduled for December 2014

13.0 **PRELIMINARY ENGINEERING**

This Task involves the effort necessary for preliminary engineering activities that are required due to the revised Value Analysis Project. Preliminary engineering activities that were performed previously, and are still useful and relevant, will be utilized.

This task consists of compiling and reviewing existing data pertinent to the Value Analysis Project, planning activities, identifying and requesting supplemental information and surveys, coordination with adjacent projects, obtaining information and requirements for utilities, right-of-way and permits, defining and refining the study alternative, preparing base mapping, preparing bridge advanced planning studies and preliminary structural analysis, performing traffic handling / stage construction studies, developing preliminary utility impacts, and preparing the preliminary cost estimate. CONSULTANT activities shall include, but are not limited to the following:

- 13.1 **Data Collection and Review** – CONSULTANT shall obtain and review available data and information necessary for planning and preliminary engineering of the Project. The information may be obtained from SFCTA, Caltrans, local agencies, utility owners, and other agencies and organizations. A data request log will be maintained to track data requested and obtained. Data to be reviewed includes the following:
- Previous plans, report(s) or documents related to the proposed project area
 - As-built plans
 - Utility information
 - Aerial photos and any available mapping, including digitized topography
 - Survey control data
 - Preliminary Layout Plans
 - Right-of-way information
 - Existing traffic information including traffic counts, information related to TOS, and bicycle and pedestrian information
- CONSULTANT shall obtain:
- An encroachment permit from CCSF to conduct site investigations to thoroughly explore existing site conditions
 - Permits to Enter private property will also be requested, if necessary, for site investigations
- 13.2 **Access Permits and Field Review** - The CONSULTANT will obtain Access Permits from Caltrans, the CCSF and affected property owners to conduct field studies and surveys. The CONSULTANT will thoroughly explore existing site conditions, take photographic records and verify topographic mapping features.

- 13.3 Topographic Surveys - Topographical field surveys will be performed to supplement the existing Project field surveys. Surveys will include hillside above Hillcrest Road, fences and access road, trees located within the Area of Potential Effect, pavement conform elevations, foundation locations and elevations, retaining walls and expansion joint conforms, drainage facilities, slope paving, fences, terrain obscured by ground cover, structures, and utilities.

All trees to be removed will be surveyed. The limit of tree removal has increased due to the need to provide additional contractor laydown and work areas. Also, the realignment of Hillcrest Road introduces more tree removal.

- 13.4 Base Mapping – Base mapping limits will be expanded to accommodate the Value Analysis Project. The additional Topographic Surveys will be integrated into the Project base mapping. New “original ground” surfaces will be produced with Digital Terrain Models that incorporate the additional survey information. Additional existing drainage facilities, utilities, trees, fences, walls, etc will be added to the base mapping.

- 13.5 Develop Roadway Geometrics - The CONSULTANT will develop roadway, bridge and retaining wall alignments, profiles and cross-sections. Hillcrest Road, Treasure Island Road, EB I-80 off-ramp, and WB I-80 on-ramp will be redesigned. Roadway design will be coordinated with the design of new proposed retaining walls, in an effort to minimize wall height.

Geometry for the proposed EB I-80 off-ramp / Hillcrest Road intersection will be developed in coordination with the bridge structural requirements, retaining walls, bike path, and agency representatives.

- 13.6 Preliminary Signing and Pavement Delineation – CONSULTANT shall develop preliminary signing and striping plans for final roadway configuration. These preliminary plan sheets are needed to reach consensus on the project alternative with project stakeholders.

This work will include signs on the San Francisco Oakland Bay Bridge for the EB I-80 off-ramp.

It is anticipated that variations signing and striping will be developed and discussed with MTA, SFDPW, TIDA and SFCTA. Bicycle routes and the Bus Ramp will be of particular interest.

- 13.7 Preliminary Drainage – CONSULTANT shall identify and evaluate existing drainage systems for locations uphill (north) of Hillcrest Road, and other areas affected by the Value Analysis project; this information will be combined with the current “existing drainage facilities” strip maps.

Due to the extent of the Value Analysis project changes, an entirely new preliminary concept for proposed drainage facilities will be required. Preliminary design developed for drainage facilities will include realigned Hillcrest Road; all retaining walls; “new bus only” on-ramp that exits from Hillcrest Road, EB I-80 off-ramp bridge; Structure #4, locations where Structures #2, 3 and 6 will be removed, and Treasure Island Road.

The project site will require many drainage features that convey storm water from the hillside, roadway, and bridge deck. Drainage outlet locations downhill of the project will be evaluated.

- 13.8 Preliminary Geotechnical – CONSULTANT (EMI) shall perform the following geotechnical design services for VA Alternative Project. This scope of work covers: new Tie-Back Retaining Walls #1, #2 and #3; Standard Retaining Wall #4, and new Bridge.

Preliminary Foundation Report

A Preliminary Foundation Report will be prepared for the Type Selection phase based on existing geotechnical data. It will summarize ground conditions, verify site seismicity, and provide feasible wall and foundation types, pile load capacity curves, pile length estimates, and initial earth pressure diagrams for walls. The seismicity check is included because updates in the seismic procedures and databases have occurred since the original development of project seismic design criteria in 2010. We anticipate this task will require more than usual analysis up front to derive at a feasible design for the purpose of type selection and approval. If comments are received, they will be incorporated into a final PFR.

Deliverable: Draft/Final PFR

Field Investigation and Testing

Review: The following scope of work builds on the existing field investigation and laboratory soil data, and prior soil profiles and design strength parameters. This data will be revisited.

Field Investigation: EMI proposes to perform a site reconnaissance visit to plan a supplemental field investigation. The proposed investigation consists of drilling a total of four (4) soil and rock borings in the upslope areas using track-mounted drill rigs. The purpose of these borings is to determine the depth, composition, and strength of soil and rock materials where no factual geotechnical data exists currently. These materials affect design and construction of proposed Walls No. 1, 2 and 3. The drill locations are mainly controlled by site accessibility and will consider no or minimal environmental impact. The borings will be used for cut slope stability evaluation and foundation design and are required to determine tieback lengths. EMI will prepare a boring location map which WMH can use to secure/extend encroachment permits. The sites are not on public roadway.

Maximum six days of drilling is anticipated. EMI proposes to use the similar procedures and equipment used in the initial field investigations in 2011 and 2012. In-hole pressuremeter testing is proposed in rock to determine the in-situ bulk modulus and stress-strain characteristics. One boring may be converted to a groundwater monitoring well. Schedule and progress depends on weather conditions and permit requirements.

Laboratory Testing: EMI will select representative soil samples from boreholes for laboratory testing. Laboratory tests will be performed to determine and confirm physical and engineering characteristics of soils. Anticipated laboratory soil tests include: in-place moisture and density, grain size distribution, direct shear, undrained triaxial strength tests, pressuremeter tests, and soil corrosion tests.

All tests will be conducted in general accordance with California Test methods or ASTM standards.

Deliverable: Borehole Location Plan

Engineering Analysis and Reports

Geotechnical Engineering Analyses: Using the findings from the field investigation and laboratory testing program, we will:

- Determine final soil strength parameters,
- Finalize idealized design soil profiles,
- Recheck site seismicity criteria,
- Update and perform soil slope stability evaluation for (7) transverse sections,
- Perform foundation analysis to support wall and bridge foundation design,
- Perform pavement design for flexible or rigid pavement structural sections, and

Design methodologies will follow current Caltrans design procedures. Foundations include driven and drilled piles (CIDH/CISS) with rock sockets. Wall design and slope stability will be a key element in the evaluation. A limited finite-element analysis is included to verify the seismic performance of the global slope.

Reports: The following reports will be prepared:

- A draft Addendum Geotechnical Foundation Report will be prepared for the 65% design phase documenting the supplemental field investigation and laboratory testing, and providing a characterization of final ground conditions. It will include Log of Test Borings Sheets, slope stability evaluation, load capacity/pile data tables for bridge foundations, lateral pile design recommendations, lateral earth pressures for walls, pavement structural sections, and recommendations for foundation construction, earthwork, and pavement.
- Any review comments will be incorporated into a final Addendum Geotechnical Foundation Report for final submittal and distribution.

Deliverable: Draft/Final Addendum Foundation Report

- 13.9 Erosion Control & Slope Stability Analysis – CONSULTANT shall consider slope stability applications. Erosion control locations will include the hillside above Hillcrest Road, all areas that will require tree removal, areas disturbed by temporary access trestles (New Bridge and Retrofit Structure #4), and all areas disturbed by construction activities for bridge demolition (Structures #2, 3 and 4).

CONSULTANT shall evaluate replacement slope pavement and/or stability options for slope locations directly underneath the bridge structures. Erosion control Best Management Practices will be considered to inhibit erosion at the top of bank alongside the bridge structures, as well as areas that may be impacted due to construction activities.

- 13.10 Constructability – The CONSULTANT will conduct an independent review of the Project to verify that the proposed improvements can be constructed safely and effectively in the time allocated. The review will look at stage construction and traffic handling requirements; construction access; critical path construction activities; availability and price fluctuations of construction materials; staging areas, and disposal areas; and cost-effective construction methods. The CONSULTANT will prepare a Preliminary Construction Schedule for the Project.

- 13.11 Stage Construction / Traffic Handling – Stage Construction and Traffic Handling concepts will be developed that allow for the construction of the Project. Concepts will be developed through coordination with Caltrans, TIDA, SFDPW, and USCG. One-Way circulation on Hillcrest will be proposed, requiring traffic rerouting at Treasure Island / Macalla Road intersection, two-way traffic on Macalla Road, and also one-way traffic on Southgate. This concept would reduce the overall construction duration and provide cost savings. Concepts will include construction phasing to minimize costs.

- 13.12 Maintenance Improvements: Identify and Develop Cost Estimates – CONSULTANT shall coordinate with SFDPW regarding maintenance needs for the existing bridge structures and develop cost estimates.

- 13.13 Utility Coordination - Utility information shown on plans and any other documents prepared by the CONSULTANT will be coordinated with the CCSF and SFPUC's Utility Coordinators. Additional effort will be provided to evaluate new Value Analysis Project impact areas such as the hillside above Hillcrest Road. The CONSULTANT will perform the following work activities:

- Request and review utility mapping from all affected public utility owners
- Prepare existing utility maps and submit to affected utility owners for their verification

- Positively locate underground utilities at conform locations by potholing and field survey
- Identify potential utility conflicts and develop a utility relocation strategy in coordination with the utility owners and affected stakeholders
- Maintain copies of all utility correspondence

SF Water District

CONSULTANT shall continue to coordinate with the SF Water District and its consultants to identify an alignment for the relocation of their 12” Water Line. The line is currently slated for replacement due to its age. As currently proposed by SF Water and TIDA, the 12” water line will be relocated prior to construction of this Project. WMH will provide SF Water with proposed Project cross-sections, wall information, etc to support SF Water in relocating the water line such that it will not require additional relocation.

- 13.14 Pavement Materials Memorandum - CONSULTANT shall prepare a pavement materials memorandum that provides a “composite pavement structural section as requested by SFDPW for Hillcrest Road. Recommendations will include new structural section, a full-depth AC section, and an AC overlay section.
- 13.15 Replacement Planting Conceptual Plan – CONSULTANT (HT Harvey) shall prepare a planting plan that addresses replacement planting for locations of the project that will be disturbed during construction. The replacement plan will be consistent with the Habitat Management plan that was previously prepared for YBI as part of the planning for Treasure Island Development.

Background Review

H. T. Harvey & Associates restoration ecologists will review existing background materials, including the NES MI, the most recent engineering plans, and the Yerba Buena Island Habitat Management Plan to gain an understanding of the Project.

Site Investigation

H. T. Harvey & Associates restoration ecologists will conduct a site investigation with the WMH to assess the current and anticipated conditions in order to prepare the Conceptual Revegetation Plan. We will collect up to four composite soil samples for laboratory analysis. Lab results will guide any soil amendment recommendations to be included in the Conceptual Revegetation Plan.

Conceptual Revegetation Plan

H. T. Harvey & Associates will prepare a Conceptual Revegetation Plan that will focus on revegetating areas disturbed during project construction. The conceptual plan will be prepared in accordance with the Yerba Buena Island Habitat Management Plan and will include, at a minimum, the following sections: site preparation, plant and seed species palettes, planting and seeding methodologies, and a maintenance and monitoring

program. It is assumed that there will be two iterations (draft and final) of the report. It is assumed that a moderate amount of time will be required for coordination with the Project's geotechnical and civil engineers, as well as other team members, during preparation of the plan.

- 13.16 Advanced Planning Studies – CONSULTANT shall prepare Advance Planning Studies for the new Structures that are included in the Value Analysis Project. This task is comprised of the subtasks described below:

SUBCONSULTANT (BCA and MGE) shall coordinate with Design Team in development of structure alternative concepts that address structure layout, structure materials, site conditions, and aesthetics.

- Evaluate alternative bridge geometry configuration for the new bridge structure
- Provide input regarding construction methodologies for various replacement structure foundation types.
- Consider construction access for all locations and the potential need for temporary access trestle for bridge construction
- Evaluate structure details in the context of visual aesthetics. Provide input on aesthetic treatment options.

Advance Planning Study

SUBCONSULTANT (BCA and MGE) shall prepare Advance Planning Studies (APS) and APS level Bridge and Special Design Retaining Wall plans.

Reports will be prepared for the following:

- Replacement Bridge (BCA) – This structure will serve as a portion of the EB I-80 off-ramp. The structure will be approximately 400-feet long and 27' wide.
- Retaining Wall #1 (MGE) – This wall will be on the uphill-side of Hillcrest Road. It will be approximately 25-30 feet in height.
- Retaining Wall #2 (MGE) – This wall will be on the downhill-side of Hillcrest Road. It will be approximately 25 feet in height.
- Retaining Wall #3 (MGE) - This wall will be on the downhill-side of Hillcrest Road. It will be approximately 25 feet in height.

Bridge and Retaining Wall APS Reports

1. Review available project data and establish design criteria
2. Attend project development meetings
3. Develop Conceptual Plan, Elevation, and Typical Section for each bridge replacement
4. Work with Team to develop workable construction staging schemes
5. Prepare Conceptual cost estimates

6. List critical design and interface issues required for final design
7. Prepare APS-level bridge and retaining wall plans, report, and checklist including the items listed above

- 13.17 Preliminary Structural Analysis – CONSULTANT shall perform preliminary structural analysis sufficient to define the replacement bridge and retaining wall #1, #2, #3 and #4 structures.

This Task includes the 35% / Type Selection effort to determine the bridge and wall types. Preliminary indications suggest:

- Bridge #3 – Cast-in-place prestressed concrete box girder superstructure. The foundation will likely be on CIDH piles. An area that the designers will concentrate on is minimizing the size of the CIDH piles to improve constructability.
- Retaining Wall #1 – Tie-Back Wall supported on H-Piles
- Retaining Wall #2 – Tie-Back Wall supported on H-Piles
- Retaining Wall #3 – Tie-Back Wall supported on H-Piles. This wall may require that the roadway above utilize lightweight fill
- Retaining Wall #4 – Likely a Caltrans Standard wall that does not require special details except for conforms to adjacent walls.

Effort includes construction staging and sequencing, compatibility of new foundations with existing foundations (from structures that will be replaced but the old foundations will remain buried), aesthetic treatments, conforms with existing retaining walls to remain, utility openings, etc.

- 13.18 Develop Design Alternative - CONSULTANT shall prepare the design alternative to be included in Design Approval Report for conceptual approval from SFDPW, TIDA and SFCTA. Design Alternative will include detail sufficient to identify non-standard features, evaluate impacts, and develop cost estimates. The following preliminary plan sheets are anticipated to be included:

- Layout Sheets
- Typical Cross-Sections
- Profile and Superelevation
- Contour Grading
- Signing and Pavement Delineation
- Stage Construction and Traffic Handling
- Structural General Plan Sheets

- 13.19 Exceptions to Design Standards – CONSULTANT shall identify and document non-standard geometric design features “Fact Sheets”, and submit to CCSF for review and

- approval. This effort will include almost entirely new/different exceptions compared to the original project concept.
- 13.20 Right of Way Requirements - The CONSULTANT will coordinate the right of way requirements for the realigned Hillcrest Road and Tie-Back Walls (tie-Back wall anchor rods), and prepare preliminary right-of-way requirements maps using record data that identify those parcels that will be impacted by the improvements. The approximate dimensions and areas of parcels and/or easements to be acquired will be calculated.
- 13.21 Preliminary Engineers Estimate - The CONSULTANT will prepare a preliminary Engineers Estimate in Caltrans' 6-page format.
- 13.22 Design Approval Report – CONSULTANT shall update the Design Report that documents the Project design standards utilized and design features incorporated into the project. The purpose of this report is to obtain consensus from the stakeholders as to the Project definition prior to advancing to Final Design. This report will be significantly modified as a result of the VA Alternative project

Hydraulic and Hydrology (Drainage) Report – CONSULTANT (RMC) shall identify and evaluate existing drainage systems, and the need for replacement / new drainage elements. The project site currently includes many drainage features that convey storm water from the hillside, roadway, and bridge decks. Replacement facilities will be required, including at bridge replacement locations and to address erosion concerns. Drainage outlet locations downhill of the project will be evaluated.

A Drainage Report shall be prepared to determine the watershed areas, design flows, pipe sizes and outfall details/locations. The Drainage Study Area will include: Treasure Island Road between Structure #4 and Structure #7A; realigned Hillcrest Road and the area of the hillside above realigned Hillcrest Road; EB I-80 off-ramp including Bridge #3; and the WB I-80 on-ramp including Structure #1; and area underneath Structure #3.

CONSULTANT shall develop a Hydraulics/Hydrology model based on the 2012 version of the Caltrans Highway Design Manual and the U.S. Department of Transportation Hydraulic Engineering Circular No.22, Third Edition of the Urban Drainage Design Manual (Chapter 3 Urban Hydrology Procedures, and Chapter 4 Pavement Drainage).

It is anticipated that the rational method will be used for this exercise, as the Rational Method is one standard method used for estimating peak drainage discharges from small watersheds 330- acres or less in size per the recommendations of the State of California

Department of Transportation (Caltrans). The basic assumptions for the Rational Method are:

- The maximum runoff rate at any design point is a function of the average rate of rainfall during the time of concentration.
- The maximum rate of rainfall occurs during the time of concentration, whereby the variability of the storm pattern is neglected.

The methodology described in the Caltrans Highway Design Manual, Section 810 will be used to evaluate design flows. The following information will be confirmed or developed as part of the analysis:

- Rational Method Runoff Coefficient
- Rainfall Intensity, duration and frequency curves
- Time of concentration
- Drainage Areas
- Design Flows for multiple storm events (2-year , 25-year, 50-year and 100-year)
- Stormwater conveyance pipeline sizes

CONSULTANT shall develop the Hydraulics/Hydrology Drainage Report based on findings from the hydraulic model and in compliance with San Francisco Stormwater Management Plan and the State Water Resources Control Board's Phase II General Permit, and other BCDC requirements. In addition to the model findings, this task will also include a discussion on possible outfall alternatives and locations.

Deliverable:

- Hydraulics/hydrology models
- Development of draft and final Drainage Report. Technical memorandum will also include section on outfalls alternatives and locations.

- 13.24 Hazardous Materials – CONSULTANT (GEOCON) shall perform “Phase 2” hazardous materials field investigations for soils and bridge structures.

ADL and TPH Soil Sampling

Field Activities:

Collect up to 36 surface and near-surface soil samples from up to 24 locations beneath existing bridge structures at proposed excavation areas.

Laboratory Analyses:

- 28 soil samples for Total Lead
- 8 soil samples for CAM 17 metals
- 18 soil samples for Soluble (WET or TCLP) Lead
- 18 soil samples for TPHd/mo

GEOCON will prepare a Draft Soil Sampling Report for Agency review. After receipt of comments, GEOCON will prepare the Final Soil Sampling Report.

Asbestos and Lead-Containing Paint Survey

Field Activities:

- Provide traffic control (rolling lane closure) for one day
- Collect up to 70 bulk asbestos samples
- Collect up to 16 bulk paint samples

Laboratory Analyses:

- 70 asbestos samples for Polarized Light Microscopy (PLM)
- 8 asbestos samples by PLM 400-point count
- 16 paint samples for Total Lead
- 14 paint samples for Soluble (WET or TCLP) Lead

Results will be included in a separate Asbestos and Lead-Containing Paint Survey Reports.

- 13.25 Storm Water Data Report - The CONSULTANT will prepare a Storm Water Data Report (SWDR) that is in compliance with Regional Water Quality Control Board MS4 requirements and City and County of San Francisco requirements.

The project site is located on an island hillside adjacent to the San Francisco Bay. Existing storm drain facilities that collect storm water from the bridges and roadways and discharge it to the Bay do not meet current storm water management standards. Several broken corrugated metal pipes currently lie on the hillside that leads to the bay for discharge. Several existing drainage facilities will be removed during construction of Project.

Replacement storm drain facilities will be included that meet RWQCB standards. This Scope of Work does not include replacement of drainage facilities that are not impacted by the Project. Hyrdomodification analysis is not included.

The Report will focus on the storm water quality issues to construct the project, implement appropriate temporary and permanent Best Management Practices (BMPs), and coordinate them with the overall phased construction. Documentation to support compliance with the new National Pollutant Discharge Elimination System (NPDES) Construction General Permit (CGP) that became effective July 1, 2010 will also be prepared.

Water Pollution Control Plan Sheets and Erosion Control Plan Sheets will be prepared to support preparation of the SWDR.

- 13.26 Transportation Management Plan (TMP) and Lane Closure Charts - The CONSULTANT will prepare a TMP that addresses potential traffic delays on Treasure Island Road, Hillcrest Road, and the closure of the westbound I-80 on-ramp and the eastbound I-80 off-ramp.

This TMP will document the consensus concept of the traffic management and stage construction concepts that were developed during the previous preliminary engineering phase. Factors involved in this assessment will include traveler and worker safety, public outreach, expected delays, availability of detours and alternate routes, coordination with adjacent construction projects, U.S. Coast Guard (USCG) requirements, and duration of construction activities.

TMP Document will also include:

- Stage Construction Plans
- Traffic Handling Plans
- Construction Area Sign Plans
- Lane Closure Charts
- Detours and Temporary Signal locations

Task 13 - Deliverables

- Additional Design Surveys
- Updated Base mapping and DTM
- Preliminary Foundation Report
- Draft and Final Foundation Report
- Maintenance List
- Utility Relocation Concept
- Replacement Planting Conceptual Plan
- Structures Advanced Planning Studies
- Exception to Design Standards
- Preliminary Right of way requirements mapping
- Draft Design Approval Report and
- Preliminary Construction Cost Estimate
- Hydraulic and Hydrology (Drainage) Report
- Hazardous Materials Reports
- Storm Water Data Report
- Transportation Management Plan

14.0 ENVIRONMENTAL APPROVAL

This scope of work is to prepare NEPA/CEQA clearance documentation for the proposed Value Analysis Project. New NEPA/CEQA clearance documentation will be prepared for the Value

Analysis Project in lieu of the environmental approval obtained for the original bridge projects #2, 3 and 6. The primary issues to be addressed and DJP&A's assumptions are described below.

PRELIMINARY ENVIRONMENTAL STUDIES FORM AND FIELD REVIEW

DJP&A will prepare the Caltrans Preliminary Environmental Studies (PES) Form (and supporting information) for submittal to Caltrans. SFCTA can then schedule the Field Review that WMH and DJP&A will attend with the Project Team. The PES Form will be used by Caltrans to determine the environmental studies required for the project. Because the Field Review has not yet been conducted, the following Scope of Work describes the studies that DJP&A believes could ultimately be required by Caltrans, based on our recent experience.

NEPA STUDIES

Based on the Field Review, preliminary engineering, and previously completed studies, DJP&A will prepare environmental technical reports per Caltrans' Supplemental Environmental Review (SER) formats. WMH and DJP&A will submit the reports to Caltrans for review and approval. Below is a discussion of reports/memos we expect Caltrans to require:

Cultural Resources

This scope includes preparation of a Section 106 Cultural Resource Study Addendum for the Yerba Buena Island Bridge Structures Project by *Far Western*, as a subconsultant to DJP&A. The purpose of the Addendum is to address Re-validation locations that were not within the Area of Potential Effect (APE) of the original Section 106 Historic Property Survey Report (HPSR). The work included in the Addendum is as follows:

- Revisions to the APE Map – WMH will define the revised limits of impacts for the Value Analysis project, including additional contractor access, realigned Hillcrest Road, and the retaining wall tie-back anchors that will intrude onto the hillside.
- An Addendum Archaeological Survey Report (ASR) short form will be prepared, based on Caltrans guidelines and consultation with Professionally Qualified Staff (PQS), building on the original ASR. The report will include a summary of any additional records search results and field surveys. This scope includes one round of Caltrans review.
- An Addendum HPSR will be prepared that incorporates the revised APE map and the ASR. This scope includes one round of Caltrans review of the HPSR.

This effort will utilize an aerial of the YBI Bridge Structures Value Analysis Project locations at a scale of at least one inch equals 200 feet for use in creating an archaeological APE map. This scope also assumes all access is granted to *Far Western* prior to commencing any archaeological survey.

Biological Resources

This scope includes preparation of an updated Natural Environment Study Minimal Impacts (NES MI) by *H. T. Harvey & Associates*, as a subconsultant to DJP&A. The updated NES will include a description of the project, the biological resources present within the project area, potential impacts on those resources, and mitigation measures for such impacts, as appropriate. Based on the 2012 NES MI, it is assumed that impacts on biological resources will not be substantial.

The revised project design layouts will be reviewed, as well as other sources of information, such as the California Natural Diversity Database (CNDDDB), to verify that no new and substantial changes pertaining to biological resources (such as documented occurrences of special-status species or changes in a species' listing status) potentially occurring on the Project site have occurred since November 2012. Due to *H.T. Harvey's* familiarity with the site, the preparation of the updated NES MI will rely primarily on that familiarity and the information contained in the 2012 NES MI and reference documents. A site visit will be conducted to discuss the project design revisions with the project team. The data collected will be used as the basis for preparing an updated NES MI per California Department of Transportation (Caltrans) guidelines.

Traffic

This scope does not include any traffic forecasts, traffic analysis or weaving analysis. DJP&A will revise the Traffic Technical Memorandum to describe the project changes and locations, what effect the changes will have on traffic at those locations, and how the project changes will not result in new or greater traffic impacts.

Hazardous Materials

The proposed Project elements will not result in any new or increased hazardous materials impacts, compared to those addressed in the Hazardous Materials Technical Memorandum. DJP&A will prepare a revised memo describing the project changes and locations, what effect the changes have on hazardous materials contamination at those locations, and how the project changes will not result in new or greater hazardous materials impacts. This scope includes one round of Caltrans review of the hazardous materials memo.

Water Quality

This scope assumes that a location hydraulic study is not needed for the proposed Project changes. The proposed Project elements will not result in new or increased water quality impacts, compared to those addressed in the Water Quality Study. DJP&A will revise the study to describe the project changes and locations, what effect the changes will have on water quality at those locations, and how the project changes will not result in new or greater water quality impacts.

Visual

DJP&A will prepare a revised Visual Resources Technical Memorandum memo describing the proposed Project locations and the visual changes resulting from the proposed changes. The revised memorandum will also include photo simulations, as necessary, and describe how views from the San Francisco shoreline would change with the proposed changes. This scope includes one round of Caltrans review of the visual memo. If required, a full Visual Impact Assessment can be prepared.

Equipment Staging

DJP&A will revise the Equipment Staging Technical Memorandum to describe the proposed Project, including any additional staging areas, and how the project changes will not result in new or greater impacts to these areas than previously described.

Air Quality PM₁₀/PM_{2.5}

This scope assumes no air quality analysis is needed for the Re-validation. The Yerba Buena Island Bridge Structures projects underwent interagency consultation on July 26, 2012 and SFCTA received confirmation that the Yerba Buena Island Bridge Structures projects has undergone and completed the interagency consultation requirement for PM_{2.5} project level conformity. The SFCTA will provide MTC with the project information regarding the proposed changes to verify if anything else is required for the interagency consultation requirement process, based on these changes. DJP&A will coordinate with MTC and will prepare a memorandum documenting this process and any additional requirements needed based on MTC's response.

Coordinate Updated NEPA Categorical Exclusion with Caltrans

Upon approval of all revised technical studies by Caltrans, DJP&A will coordinate the completion and sign-off of the updated NEPA CE with Caltrans staff.

CEQA NOTICE OF EXEMPTION (NOE)

CEQA NOE Form

DJP&A will prepare updated CEQA NOE forms based on the revised project description and provide them to the SFCTA and WMH for review and comment. DJP&A will coordinate any revisions with the SFCTA and will provide a final version of the updated CEQA NOE for signature. DJP&A will also file the updated Cat Ex forms with the State Clearinghouse and County Clerk, if requested by the SFCTA.

BIOTIC SURVEYS

Survey for Roosting Bats

The presence of roosting bats on the viaducts could potentially constrain project construction. In order to facilitate the implementation of measures to avoid impacts on roosting bats without

constraining project work windows (i.e., to allow for the eviction of bats during the non-breeding season), a qualified bat biologist from *H.T. Harvey & Associates*, as a subconsultant to DJP&A, will conduct a survey for roosting bats prior to the onset of the breeding season (i.e., 1 April) in the year in which removal of trees and/or ground-breaking disturbance is scheduled to occur. All bridges within the project boundary and any trees within or immediately adjacent to (i.e., within 100 feet of) work areas will be assessed to determine whether they provide high-potential roost sites.

If *H.T. Harvey* detects evidence of roosting bats or determines that potential roost sites have a high probability of supporting roosting bats during the construction period, they will conduct an additional survey to determine whether an active bat roost is present. This survey will be conducted at dusk when bats can be seen emerging from their roosts, and will utilize visual observations and acoustic equipment to determine: 1) whether the roost is active; 2) the type of roost present (i.e., a day roost or night roost); 3) the approximate numbers of bats using the roost; and 4) the species of bats present. These observations will be used to inform the recommendations for avoiding potential constraints on project activities due to the presence of roosting bats. Adequately conducting this nighttime survey will require one additional biologist to assist with visual monitoring of bat activity (i.e., if bats are roosting at multiple locations on the bridge structures, two biologists would be needed to visually observe bat emergence along the length of the bridge during the survey).

Following the completion of the survey, a letter report will be prepared summarizing the results and any recommendations (e.g., bat eviction, exclusion devices, etc.) for avoiding constraints on the project's construction schedule due to the presence of roosting bats.

Nesting Bird Habitat Assessment

In order to provide the Project team with as much advance notice as possible regarding potential constraints on work activities associated with nesting birds (i.e., construction-free buffer zones up to 100 feet around active nests of non-raptors and 300 feet around active nests of raptors), and to facilitate planning for measures to minimize such constraints, *H. T. Harvey & Associates*, as a subconsultant to DJP&A, will conduct a survey to assess available nesting habitat for birds within the work area and surrounding buffers. During this survey, a qualified biologist will inspect all project areas that may be impacted by construction to assess suitability for nesting birds and feasibility of implementing measures to deter nesting in order to minimize project constraints. Following the survey, written recommendations regarding vegetation management activities and/or exclusion devices that may be implemented (in addition to regular monitoring efforts and deterrence by removal of inactive nests and nest-starts) to reduce the probability of establishment of active bird nests that might constrain construction activities, will be provided.

Tree Survey

A tree survey will be conducted by *H. T. Harvey & Associates*, as a subconsultant to DJP&A. An International Society of Arboriculture (ISA) Certified Arborist from *H.T. Harvey* will inventory and evaluate significant trees (as defined by the Public Works Code of the City and

County of San Francisco) that could be affected by the Yerba Buena Island West-Side Bridges project. Each tree found to meet the City's criteria for significant trees will be tagged with a unique identifying number. The following information will be reported for each significant tree:

- Tree identification number
- Scientific name/Common name
- Trunk diameter at breast height (4.5 feet above grade): actual dimension in inches
- Tree height: 0 (less than 20 feet) or 1 (greater than/equal to 20 feet)
- Canopy diameter: 0 (less than 15 feet) or 1 (greater than/equal to 15 feet)
- Tree condition
 - 0 (dead)
 - 1 (Poor): The tree appears unhealthy and may have significant structural defects, mechanical damage, crown dieback, and/or poor vigor
 - 2 (Fair): The tree has minor structural problems, non-fatal/disfiguring diseases, or minor crown dieback/thinning crown, but reasonable vitality and no obvious signs of decay.
 - 3 (Good): The tree is in relatively good health and structural condition.

The data obtained will be used to quantify the required mitigation for impacts on significant trees in the NES MI update. In addition, a letter report will be prepared summarizing the survey results suitable for submittal to the City and County of San Francisco Department of Public Works, per the requirements of the City and County of San Francisco Tree Ordinance.

Scope Assumptions

- The project changes will be eligible for a CE under NEPA.
- The YBI West-Side Bridges Project does not affect any Section 4(f) properties.
- A Biological Assessment and Wetland Technical Report will not be required for this updated NES MI.
- Because the level of effort required to evict bats and subsequently exclude them from the site will depend on the number and location of roosts (e.g., tree cavity, bridge), the eviction and exclusion of bats is not included within this scope of work.
- The completed Tree Survey Report will be based on requirements outlined in the City and County of San Francisco's Public Works Code and according to the standards of the International Society of Arboricultural.
- No more than 100 trees will be evaluated to determine their status as significant trees.
- On-site biologists are not included for pre-construction deterrence and/or deterrence during construction

Task 14 - Deliverables

- Environmental Technical Reports
- NEPA Approval Documentation
- CEQA Approval Documentation

Task 14 – Milestone Schedule

- Environmental Approval is scheduled for March 2016

15.0 TASK 15 FINAL DESIGN – RETROFIT PROJECTS: BRIDGES # 1, 4, 7A, 7B & 8

This Task includes the completion of Bridge Retrofit Projects #1, 4, 7A, 7B and 8. These bridge projects have already obtained environmental clearance. Structural engineering for these projects is near 65% complete. The roadway portion of the design is approximately 35% complete.

Structure Plans – Bridges– Structure Plans will be prepared for the seismic retrofit of the following bridges. These Structure Plans will include five (5) independent bridge designs. The structures will be designed according to Caltrans Standards.

- Structures to be Seismically Retrofitted:
 - These Retrofit Structures were included in the original “environmentally approved” project. The retrofit strategy for each of the structures below was identified and approved in a formal Seismic Analysis and Retrofit Strategy process, and documented in Caltrans Approved Seismic Strategy Reports.
 - Structure #1 – This structure serves as the WB I-80 on-ramp to the Bay Bridge. The structure connects to the Bay Bridge. The retrofit strategy includes seat extensions for the bridge deck girders and also includes fiber reinforced column wrap to improve shear capacity for concrete columns.
 - Structure #4 – This structure supports both lanes of Treasure Island Road at the north end of the project. The retrofit strategy is to replace the steel frame substructure with a reinforced concrete substructure. The project will include drilling several 30-inch CIDH piles through the existing bridge deck; constructing concrete bent caps; reinforcing the steel superstructure girders; and repairing the bridge deck. Access to this Structure is very challenging and will require an access road and trestle
 - Structure #7A – This bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.
 - Structure #7B – Similar to Bridge 7A, this bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.
 - Structure #8 – Similar to Bridge 7A and 7B, this bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.

The following deliverables will be prepared and submitted for this task:

- 65% Structure PS&E Independent Check. Independent Check will be performed for each bridge retrofit design.
- 65% “Checked” Structure PS&E (Plans, Specifications and Estimate)
 - 65% Structure Plans

Structure Plans – Bridge #1 (retrofit)
Structure Plans – Bridge #4 (retrofit)
Structure Plans – Bridge #7A (retrofit)
Structure Plans – Bridge #7B (retrofit)
Structure Plans – Bridge #8 (retrofit)

- A separate construction cost estimate will be prepared for each bridge
- Special Provisions will be combined into one package.

- 65% Roadway Plans
 - Roadway Sheets will be prepared that are relevant to the Retrofit Structure Plans. In some cases, the plan sheets will be further updated as part of the PS&E phase of the Value Analysis Project (Tasks 16 thru 19). The following sheets are anticipated as part of this task:

Title Sheet & Location Map
Typical Cross-Sections
Key Map & Line Index
Layout Plans
Construction Details
Temporary Water Pollution Control Plans
Erosion Control Plans, Details and Quantities
Drainage Plans, Profiles, Details & Quantities
Utility Plans
Construction Area Sign Plans and Quantities
Stage Construction Plans
Traffic Handling Plans and Quantities
Summary of Quantities

- 95% Structure PS&E

- A separate construction cost estimate will be prepared for each bridge
- Special Provisions will be combined into one package.
- Roadway Sheets will be updated that are relevant to the Structure Plans
- 100% Structure PS&E
 - A separate construction cost estimate will be prepared for each bridge
 - Special Provisions will be combined into one package.
 - Roadway Sheets will be updated that are relevant to the Structure Plans

Task 15 - Deliverables

- Structure Design: Independent Check; 95% PS&E; and 100% PS&E for Retrofit Projects #1, 4, 7A, 7B, and 8
- Roadway Design for 65% PS&E; 95% PS&E; and 100% PS&E for Retrofit Projects #1, 4, 7A, 7B, and 8

Task 15 – Milestone Schedule

- Retrofit Design is scheduled for completion in March 2016

16.0 TASK 16 FINAL DESIGN (65% PS&E)

Task consists of preparation of 65% Plans, Specifications, and Estimates for the YBI West-Side Bridges Retrofit Project. This task involves the effort associated with preparing: technical reports; 65% structural plans; independent check of structural plans, draft 65% roadway plan sheets; unedited technical provisions; and an individual engineer's estimate for each of the projects. As noted above, the project is comprised of six individual projects that are to be tracked separately for Highway Bridge Program (HBP) funding requirements. However, in order to facilitate construction staging and traffic handling of the six YBI Bridge Structure projects, in conjunction with the adjacent Caltrans San Francisco Bay Bridge construction projects, SFCTA's WB I-80 YBI Ramps project, and Treasure Island Redevelopment projects, this Project will be prepared as one combined bid package for construction. The project plans, specifications, and estimates will be developed such that the costs of each individual projects can be tracked and processed independently.

- 16.1 Erosion Control & Slope Stability Plan – CONSULTANT (WMH, Haygood and EMI) shall evaluate the downhill-side slope adjacent to and underneath the project bridge structures and develop slope stability measures.

Construction of the retrofit structures, retaining walls, and roadway, as well as demolition of existing structures, will impact the slope, resulting in the need for restorative contour grading and slope stability applications. Concrete slope paving currently exists underneath Structures 2, 3, 4 and 6. CONSULTANT shall evaluate

replacement slope pavement and/or stability options for slope locations directly underneath the bridge structures. Erosion control Best Management Practices will be considered to inhibit erosion at the top of bank alongside the bridge structures, as well as areas that may be impacted due to construction activities.

Haygood will provide planting and irrigation recommendations; EMI will develop slope stability details; WMH will prepare slope paving details, etc

16.2 Utility Coordination - CONSULTANT (WMH and AR/WS) shall coordinate with the CCSF, SFPUC and U.S. Navy Utility Coordinators. The CONSULTANT will perform the following work activities:

- Continue coordination to ascertain utilities of concern
- Continue coordination with SF Water regarding placement of the 12" Water line relocation
- Positively locate underground utilities at conform locations by potholing and field survey.
- Identify potential utility conflicts and develop a utility relocation strategy in coordination with the utility owners and affected stakeholders
- Maintain copies of all utility correspondence
- Prepare correspondence to utility companies as required to facilitate preparation of utility relocation design, draft utility agreements, and draft utility certification documents
- Prepare draft utility Notice to Owners, utility agreements and utility certification documents. Caltrans utility coordinator and SFCTA will review all draft documents. Upon approval from Caltrans and SFCTA legal, SFCTA will execute all required NTO's and utility agreements
- Provide schedule management and recommendations where requested with regard to the right of way utility coordination and right of way certification process.
- Coordination, meetings, contacts and correspondence with project stakeholders
- Meeting with utility owners and team members as needed
- Communication and approvals (as necessary) with Caltrans Utility Relocation Department

SFCTA will finalize and implement the final Utility Agreements.

16.3 65% Roadway and Structural Plan Sheets – CONSULTANT shall prepare 65% level plan sheets that included the following:

Task	Plan	Sheet Count	Plan Sheet Scale
2.8.01	Title Sheet and Location Map	1	1"=500'
2.8.02	Typical Cross Sections	6	Varies
2.8.03	Key Map and Line Index	1	1"=300'
2.8.04	Construction Staking Survey Control Sheet	1	1"=100'
2.8.05	Layout (Removal) Plans	4	1"=30'
2.8.06	Layout Plans	4	1"=30'
2.8.07	Profile and Superelevation Diagram Plans	8	1"=50'H, 1"=10'V
2.8.08	Construction Details	24	1"=20', Varies
2.8.09	Aerially Deposited Lead Removal Plans	3	1"=30'
2.8.10	Temporary Water Pollution Control Plan, Details and Quantities	16	1"=30'
2.8.11	Erosion Control Plan, Details and Quantities	12	1"=30'
2.8.12	Contour Grading Plans	8	1"=20'
2.8.13	Drainage Plans, Profiles, Details, and Quantities	20	1"=30'
2.8.14	Utility Plan	4	1"=30'
2.8.15	Construction Area Sign Plans and Quantities	4	No Scale
2.8.16	Stage Construction Plans	7	1"=50'
2.8.17	Traffic Handling Plans and Quantities	23	1"=30'
2.8.18	Detour Plans	3	1"=200'
2.8.19	Pavement Delineation Plans, Details, and Quantities	7	1"=30'
2.8.20	Sign Plans, Details, and Quantities	10	1"=30'
2.8.21	Summary of Quantities	2	N/A
2.8.22	Retaining Wall Plans - Retaining Wall #4	6	
2.8.23	Highway Planting and Irrigation Plans	8	1"=30'
2.8.24	Electrical – Permanent Lighting Plans and Details	8	1"=30'
2.8.25	Electrical – Permanent Signal Plans	3	1"=30'
2.8.26	Electrical – Temporary Lighting Plans	9	1"=30'
2.8.27	Electrical – Temporary Signal Plans	8	1"=30'
2.8.28	Electrical – Temporary Electrical Details	1	1"=20'
	Structure Plans - Retaining Wall #1	10	
	Structure Plans – Retaining Wall #2	8	
	Structure Plans – Retaining Wall #3	8	
	Structure Plans – Bridge #1 (retrofit prepared as part of Task 15)	6	
	Structure Plans – Bridge #2 (demolish)	4	
	Structure Plans – New Bridge	24	
	Structure Plans – Bridge #3 (demolish)	4	
	Structure Plans – Bridge #4 (retrofit prepared as part of Task 15)	28	
	Structure Plans – Bridge #6 (demolish)	3	
	Structure Plans – Bridge #7A (retrofit prepared as part of Task 15)	3	
	Structure Plans – Bridge #7B (retrofit prepared as part of Task 15)	4	
	Structure Plans – Bridge #8 (retrofit prepared as part of Task 15)	4	

	TOTAL SHEETS:	317	
--	----------------------	------------	--

Roadway and Structure Plans Description:

Title Sheet - The Title Sheet will be prepared per City and County of San Francisco standards

Typical Cross Sections - Typical Cross Sections will be prepared to clarify the proximity of slopes, retaining walls, roadways, bridges, etc. Pavement structural sections, slope grades, etc will be included.

Key Map and Line Index - The Key Map and Line Index Sheet will be prepared.

Construction Staking Survey Control Sheet - The Project Control Sheet will be prepared per the per City and County of San Francisco standards.

Layout Removal Plans - Separate Layout Removal Plans will be prepared to clearly identify limits of removals. Removals include trees, bridge structures, retaining walls, slope paving, etc.

Layout Plans - Layout Plans will be 1"=30 scale and depict information per the Caltrans Plan Preparation Manual.

Profile and Superelevation Plans - The Profile Plans and the Superelevation Diagrams will be prepared for project alignments.

Construction Details - The Construction Detail Plans will be prepared for the following areas:

- Pavement Elevations for most of the entire project limits
- Slope Paving Details under Structure 3 and 4.
- Concrete Barrier and MBGR transition details
- Curb & Gutter and fence details
- Miscellaneous roadway detail sheets

Aerially Deposited Lead Removal Plans - Plans will be prepared to identify the location and limits of anticipated aerially deposited lead that may be disturbed by construction. The special provisions will identify where and how said material can be placed or disposed of. These plan sheets will be set up during the 65% plan preparation. During the 95% plan preparation, the plans will incorporate all of the information provided by the Hazardous Materials Report prepared in Task 12.2 of the 65% PS&E phase.

Temporary Water Pollution Control Plans - The Temporary Water Pollution Control Plans will be prepared for site specific conditions. Standard Detail WPC plan sheets will be provided in this set. For site specific treatment, plan sheets will be set up during the 65% plan preparation. During the 95% plan preparation, the plans will incorporate all of the WPC

information required by the Storm Water Data Report prepared in Task 10.10 of the 65% PS&E phase.

Erosion Control Plans, Details and Quantities - The Erosion Control Plans will be prepared for the permanent condition. The Erosion Control Plans will be prepared in addition to, and in coordination with, the replacement planting plans. Standard Detail EC plan sheets will be provided in this set. For site specific erosion control, plan sheets will be set up during the 65% plan preparation. During the 95% plan preparation, the plans will incorporate all of the EC information required by the Storm Water Data Report prepared in Task 12.3 of the 65% PS&E phase.

Contour Grading Plans - Contour Grading Plans will be prepared to identify the final earthen graded conditions within the project limits. Said plans will identify the horizontal location of proposed retaining walls, bridge abutments and foundations, grade to drain areas, and slope paving. The 65% Plan set will be set up for the locations that will require contour grading. The 95% Contour Grading Plans will include the information that is provided in the Erosion Control and Slope Stability Analysis, developed in Task 12.5 of the 65% phase.

Drainage Plans Profiles, Details and Quantities - The Drainage Plans will include the replacement of drainage facilities related to new retaining walls, Hillcrest Road realignment, replacement bridge, extension of local drainage cross culverts, and the construction of new inlets. The drainage improvements will be designed in coordination with the Hydraulics and Hydrology (Drainage) Report that is prepared in Task 12.1. The improvements will likely include the relocation and/or modification of existing inlets and appurtenant facilities resulting from the proposed improvements. Where feasible, the scope of the drainage plans is based on utilization of existing downstream drainage systems for tying in new or relocated drainage systems or extending existing systems. Temporary drainage systems required due to stage construction are included in the Stage Construction Plans.

Utility Plans - Utility Relocation Plans will be prepared per the CCSF standards. Utility sizes and approximate locations will be in accordance with the plans and/or plotted information provided by the utility owners. The utility plans will identify coordination of utilities in relationship to the proposed improvements. If directed by SFCTA, CONSULTANT shall incorporate SF Water 12" water line relocation into the plan set. Per discussion with SF Water staff, SF Water will design the water line such that it could be inserted into the plan set

With the exception of the SF Water 12" water line relocation, specific utility relocations will be referenced on the utility plans as "by others" or as shown elsewhere in the contract plans. Any utilities that are identified that are abandoned, conduit only, require "protect in place", or require relocation shall be listed and identified on the plans. This information will be available following the utility verification process for new project areas that will be performed during Preliminary Engineering Task 10.

The utility plans will also identify the high-risk utilities in conformance with the Caltrans "Policy on High and Low Risk Underground Facilities within Highway Right of Way".

Construction Area Sign Plans and Quantities - Construction Area Sign plans will be prepared that are comprised of two (2) sheets:

- Construction Area Sign plan will that covers the proposed Project area;
- Motorist Information Plan sheet that will identify temporary signage outside the physical construction area project limits. Said Motorist Information Plan will be advisory and informational to help manage traffic flow on the San Francisco Bay Bridge during construction of this Project. Signs and/or changeable message signs will be identified on the Motorist Information Plan. The location and placement of said signs will be at the direction of the Resident Engineer.

Stage Construction Plans - The Stage Construction plans will be prepared and will identify the major and minor stages of construction. Said plans will graphically identify construction areas and/or major improvements that are to be constructed within each phase of construction. This task assumes there will be four major stages of construction and two intermediate phases of construction. Stage Construction Plans will include temporary drainage requirements.

Traffic Handling Plans - Traffic Handling plans will be prepared. Said plans will identify the placement of temporary railing, location of interim travel lanes and the signage needed to convey vehicles through the construction area. One to two typical cross-sections will be shown for each stage. This task assumes there will be four major stages of construction and two intermediate phases of construction. For each change in the staging, a new temporary alignment of railing, travel lanes and signage will be needed. Temporary herein is equated to staging that is in place a minimum of a few weeks. It is assumed that one-way traffic circulation through the project site will be possible.

Detour Plans - The Detour plans will be prepared to accommodate the necessary temporary detours to construct the proposed improvements. The following detours are anticipated herein:

- One-way Hillcrest traffic circulation (clock-wise) will require that all Southgate traffic is one-way that leads to the EB I-80 on-ramp.
- During EB I-80 Off-Ramp closure, all traffic will be routed to the alternate EB I-80 off-ramp on the east side of the tunnel.
- One-way traffic circulation on Hillcrest Road and Treasure Island Road through the project site will require that all southbound traffic originating from Treasure Island must use Macalla Road Road.

Pavement Delineation Plans - Prepare Pavement Delineation plans identifying existing striping, and modifications in relationship to the proposed improvements.

Sign Plans - Prepare Sign plans identifying existing signs, installation of new regulatory, warning, and guide signs, and modifications required in relation to the roadway improvements.

Retaining Wall Plans – Retaining Wall #4 plans are included in this scope. It is assumed this wall will be a Caltrans Standard Type wall and will be designed utilizing standard details.

Planting/Irrigation Plans - Consultant shall prepare site plans, specifications and estimates for landscape and irrigation. The planting plan will be based upon the Replacement Planting Conceptual Plan prepared previously in Task 10.15 in preliminary engineering. The replacement planting plan will be consistent with the Habitat Management Plan; if the plan includes trees, they will be included in this task. Tree removal will be shown on the Layout (Removal) Plan sheets. This task does not include mitigation tree planting.

Electrical–Permanent Lighting Plans - Consultant will prepare Permanent Roadway Lighting plans and details to replace and/or relocate the existing lighting system. The lighting plans will include proposed type of poles and pole locations, pull boxes, conduit, service locations, and circuit wiring diagrams.

Electrical–Permanent Signal Plans - Consultant will prepare Permanent Signal plans and details for the proposed intersection of EB I-80 off-ramp and Hillcrest Road. The signal plans will include controllers, pole locations, pull boxes, conduit, service locations, and circuit wiring diagrams.

Electrical – Temporary Lighting Plans – Consultant will prepare temporary lighting plans as needed to accommodate the stage construction on the Project.

Electrical – Temporary Signal Plans – Consultant will prepare temporary signal plans for one (1) location to accommodate the stage construction on the Project.

Structure Plans – Bridges and Retaining Walls – Structure Plans will be prepared to 65% Checked level of completion. These Structure Plans will include six (6) bridge designs and three (3) retaining walls. The structures will be designed according to Caltrans Standards.

- Structures to be Seismically Retrofitted:

These Retrofit Structures were included in the original “environmentally approved” project. The retrofit strategy for each of the structures below was identified and approved in a formal Seismic Analysis and Retrofit Strategy process, and documented in Caltrans Approved Seismic Strategy Reports.

- Structure #1 – This structure serves as the WB I-80 on-ramp to the Bay Bridge. The structure connects to the Bay Bridge. The retrofit strategy includes seat extensions for the bridge deck girders and also includes fiber reinforced column wrap to improve shear capacity for concrete columns.
- Structure #4 – This structure supports both lanes of Treasure Island Road at the north end of the project. The retrofit strategy is to replace the steel frame substructure with a reinforced concrete substructure. The project will include drilling several 30-inch CIDH piles through the existing bridge deck; constructing concrete bent caps; reinforcing the steel superstructure girders;

- and repairing the bridge deck. Access to this Structure is very challenging and will require an access road and trestle
- Structure #7A – This bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.
 - Structure #7B – Similar to Bridge 7A, this bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.
 - Structure #8 – Similar to Bridge 7A and 7B, this bridge is low to the ground, supporting the southbound lane of Treasure Island Road. Concrete blocks will be constructed underneath the bridge beams to “catch” the bridge should it slide off its piers.
- **New Replacement Structures:**
The following Structures were conceived during the Value Analysis process.
 - Replacement Bridge #3 – This structure will serve as a portion of the EB I-80 off-ramp. The structure will be approximately 400-feet long and 27’ wide. Likely to be precast concrete box girder structure with CIDH pile foundation.
 - Retaining Wall #1 – This wall will be on the uphill-side of Hillcrest Road. It will be approximately 25-30 feet in height. Likely to be a “Tie-Back” wall supported by steel “H” piles.
 - Retaining Wall #2 – This wall will be on the downhill-side of Hillcrest Road. It will be approximately 25 feet in height. Likely to be a “Tie-Back” wall supported by steel “H” piles.
 - Retaining Wall #3 - This wall will be on the downhill-side of Hillcrest Road. It will be approximately 25 feet in height. Likely to be a “Tie-Back” wall supported by steel “H” piles.
 - **Structures to be Demolished:**
 - Structure #2 – Tall and long steel structure on a steep slope.
 - Structure #3– Tall and long steel structure on a steep slope.
 - Structure #6 – Reinforced concrete bridge

Deliverables: *Final Roadway Design Plans – Unchecked (65% complete)*
Plan types as noted herein

Note: The above noted plans as an aggregate will be approximately 65% complete and represent the major items/areas of construction. Individual plans or types of plans may be substantially complete, while some plans or types of plans may be less complete. For example, the quantity sheets may only identify a blank table with anticipated bid items shown, and the actual quantities will not be shown.

- 16.4 Special (Technical) Provisions - CONSULTANT shall prepare draft technical provisions (in MS Word format) for bid items. SSP's shall be prepared generally consistent with Caltrans 2010 format standards.
- 16.5 Construction Quantities and Engineer's Estimate - CONSULTANT shall prepare an engineer's estimate for each of the eight individual bridge projects. Unit prices will be based upon Caltrans Contract Cost Data information and recent relevant projects. Eight individual bid schedules will be prepared.
- 16.6 Finalize Exceptions to Design Standards (Fact Sheets) - The CONSULTANT shall obtain final approval from CCSF for non-standard project geometric features.
- 16.7 Permit Applications – CONSULTANT shall prepare permit applications on behalf of SFCTA as necessary for RWQCB, BCDC and other relevant agencies. CONSULTANT shall coordinate with permitting agencies to ensure complete permit application packages are submitted and that they are consistent with stated agency requirements. David J. Powers & Associates (DJPA) will assist the Team to ensure that proposed project elements are consistent with the environmental approval documents.
- The project hillside includes protected plants, trees, and special status species. DJPA will assist in identifying drainage facility locations that minimize impacts.
- 16.8 Constructability Assessment – CONSULTANT (ABA) will: 1) evaluate constructability of project design with regard to the unique project site; and 2) provide 65% level constructability review. Task includes site visits and assessment of potential construction staging and access requirements. Objective of this task is to assist/inform the design team regarding preparation of PS&E that buildable and compatible with site requirements for environmental impacts and traffic handling.
- 16.9 Prepare and Submit 65% PS&E Package - CONSULTANT shall prepare 65% PS&E packages. PS&E packages will be provided to SFCTA, CCSF, and Caltrans for review. CONSULTANT anticipates hard copy submittals.

Deliverables:

- 65% PS&E Roadway Plans – 10 Sets 11" x 17" Sheets
- 65% Structure Plans - 10 Sets 11" x 17" Sheets
- Draft Technical Provisions – 10 Sets Hard Copy
- Updated Engineer's Estimates – 10 Sets Hard Copy
- Permit applications – RWQCB and BCDC

17.0 TASK 17 FINAL DESIGN (95% PS&E)

Task 17 consists of preparation of 95% Plans, Specifications, and Estimates for the YBI West-Side Bridges Retrofit Project. This task involves the effort associated with preparing: final technical reports; independent check of structural plans; 95% checked structural plans; 95% roadway plan sheets; edited technical provisions; and an updated individual engineer's estimate for each of the eight projects. As noted above, the Project is comprised of six individual projects that are to be tracked separately for Highway Bridge Program (HBP) funding requirements. However, in order to facilitate construction staging and traffic handling of the six YBI Bridge Structure projects, in conjunction with the adjacent Caltrans San Francisco Bay Bridge construction projects, SFCTA's WB I-80 YBI Ramps project, and planned Treasure Island Redevelopment projects, this Project will be prepared as one combined bid package for construction. The project plans, specifications, and estimates will be developed such that the costs of each individual bridge projects can be tracked and processed independently.

17.1 Respond to Agency Comments from 65% PS&E Submittal

CONSULTANT shall incorporate agreed-upon comments from Caltrans, CCSF (SFDPW, SFPUC, SFWater, and MTA), TIDA, and SFCTA into PS&E. A comment-response matrix will be prepared that tracks all written comments and responses for each agency that submits comments.

17.2 Finalize all Technical Reports

CONSULTANT will incorporate agreed-upon comments from agency reviews and prepare Final engineering documents for the following:

- Hydraulic and Hydrology (Drainage) Report
- Hazardous Materials
- Storm Water Data Report
- Transportation Management Plan (TMP) and Lane Closure Charts
- Erosion Control & Slope Stability Analysis

17.3 Utility Coordination

CONSULTANT shall continue coordination with SFPUC and TIDA for their proposed utility facilities that may impact the YBI West-Side Bridges project. CONSULTANT will coordinate electrical connection points for new roadway lighting and sign illumination.

17.4 Prepare 95% Roadway and Structural Plan Sheets

CONSULTANT shall prepare 95% level plan sheets that incorporate agency review comments from 65% submittal. Roadway plan sheets will be a complete set that includes all plan sheets listed in the 65% Plan Sheet Table.

17.5 Special (Technical) Provisions

CONSULTANT shall incorporate agency review comments and prepare 95% edited technical special provisions (in MS Word format) for bid items. SSP's shall be prepared generally consistent with Caltrans 2010 format standards.

- 17.6 Construction Quantities and Engineer's Estimate - CONSULTANT shall prepare an engineer's estimate for each of the eight individual bridge projects. Unit prices will be based upon Caltrans Contract Cost Data information and recent relevant projects. Eight individual bid schedules will be prepared.
- 17.7 Finalize Exceptions to Design Standards (Fact Sheets) - The CONSULTANT shall incorporate agency review comments, update the documents, and obtain final approval from CCSF for non-standard project geometric features.
- 17.8 Prepare and Submit 95% PS&E Package - CONSULTANT shall prepare 95% PS&E packages. PS&E packages will be provided to SFCTA, CCSF, and Caltrans for review. CONSULTANT anticipates hard copy submittals.

Deliverables:

- 95% PS&E Roadway Plans – 10 Sets 11" x 17" Sheets
- 95% Structure Plans - 10 Sets 11" x 17" Sheets
- 95% complete edited Technical Provisions – 10 Sets Hard Copy
- Updated Engineer's Estimates – 10 Sets Hard Copy
- Final Drainage Report – 5 Sets Hard Copy
- Final Hazardous Materials Reports – 5 Sets Hard Copy
- Final Traffic Management Plan - 5 Sets Hard Copy
- Final Permit applications – RWQCB and BCDC

18.0 TASK 18. FINAL DESIGN (100% PS&E)

Task 18 consists of preparation of 100% Plans, Specifications, and Estimates for the YBI West-Side Bridges Retrofit Project. Agency comments from review of the 95% PS&E submittal will be incorporated. This submittal will be delivered as the Final PS&E submittal. This task involves the effort associated with preparing: 100% structural plans; 100% roadway plan sheets; 100% edited technical provisions; and an updated individual engineer's estimate for each of the eight projects. The project plans, specifications, and estimates will be developed such that the costs of each individual bridge projects can be tracked and processed independently.

Respond to Agency Comments from 95% PS&E Submittal

CONSULTANT shall incorporate agreed-upon comments from Caltrans, CCSF (SFDPU, SFPUC, SFWater, and MTA) and SFCTA into PS&E. A comment-response

- matrix will be prepared that tracks all written comments and responses for each agency that submits comments
- 18.2 Prepare 100% Plan Sheets
CONSULTANT shall prepare 100% final plan sheets. Plans will incorporate agreed-upon comments from agency review of the 95% plan submittal, including constructability and bid-ability review comments from SFCTA's construction management team.
- 18.3 Prepare 100% Technical Special Provisions
CONSULTANT shall prepare 100% Technical Special provisions. SSPs shall include agreed-upon comments from agency review of the 95% plan submittal including constructability and bid-ability review comments from SFCTA's construction management team. SSPs will include front-end boilerplate agency that will administer the construction contract.
- 18.4 Prepare 100% Engineer's Estimate
CONSULTANT shall prepare 100% Engineer's Estimate. Estimate will incorporate agreed-upon comments from agency review of the 95% plan submittal.
- 18.5 Prepare and Submit 100% PS&E Package - CONSULTANT shall prepare 95% PS&E packages. PS&E packages will be provided to SFCTA, CCSF, and Caltrans for review. CONSULTANT anticipates hard copy submittals.

Deliverables:

- 100% PS&E Roadway Plans – 10 Sets 11" x 17" Sheets
- 100% Structure Plans - 10 Sets 11" x 17" Sheets
- 100% complete edited Technical Provisions – 10 Sets Hard Copy

19.0 TASK 19. FINAL DESIGN (FINAL PS&E)

Task 19 consists of preparation of FINAL Plans, Specifications, and Estimates for the YBI West-Side Bridges Retrofit Project. Agency comments from review of the 100% PS&E submittal will be incorporated. This package will be the Contract Bid Set. This task involves the effort associated with preparing: FINAL structural plans; FINAL roadway plan sheets; FINAL edited technical provisions; and FINAL engineer's estimate for each of the six projects. The project plans, specifications, and estimates will be developed such that the costs of each individual bridge project can be tracked and processed independently.

Respond to Agency Comments from 100% PS&E Submittal

CONSULTANT shall incorporate agreed-upon comments from Caltrans, CCSF (SFDPW, SFPUC, SFWater, and MTA) and SFCTA into PS&E. A comment-response

matrix will be prepared that tracks all written comments and responses for each agency that submits comments.

19.2 Prepare Final Plan Sheets

CONSULTANT shall prepare Final plan sheets. Plans will incorporate agreed-upon comments from agency review of the 100% plan submittal including constructability and bid-ability review comments from SFCTA's construction management team.

19.3 Prepare Final Technical Special Provisions

CONSULTANT shall prepare Final Technical Special provisions. SSPs shall include agreed-upon comments from agency review of the 100% plan submittal including constructability and bid-ability review comments from SFCTA's construction management team.

19.4 Prepare Final Engineer's Estimate

CONSULTANT shall prepare Final Engineer's Estimate. Estimate will incorporate agreed-upon comments from agency review of the 100% plan submittal.

19.5 Prepare and Submit Final PS&E Package - CONSULTANT shall prepare Final PS&E packages. PS&E packages will be provided to SFCTA, CCSF, and Caltrans for review. CONSULTANT anticipates hard copy submittals.

Deliverables:

- Final PS&E Roadway Plans – 10 Sets 11" x 17" Sheets
- Final Structure Plans - 10 Sets 11" x 17" Sheets
- Final complete edited Technical Provisions – 10 Sets Hard Copy

Task 19 Milestone Schedule:

- Final PS&E Roadway Plans are scheduled to be delivered in December 2016

20.0 **TASK 20. RIGHT OF WAY CERTIFICATION**

Task 20 consists of effort necessary to obtain the agency permits, utility agreements, right of way certification, and construction funding to enable the project to be "Ready to List".

Obtain Agency Permits

CONSULTANT shall coordinate, prepare exhibits, adapt the project design, attend meetings and make presentations as necessary to obtain the following agency permits:

- Bay Conservation and Development Commission Permit
 - Engineering Criteria Review Board (ECRB)
 - Design Review Board (DRB)
 - Commission
- United States Coast Guard (USCG) License Agreement

CONSULTANT shall coordinate with the USCG to reach agreement on the terms of the license agreement. Coordination will include stage construction and traffic handling.

- Regional Water Quality Control Board (RWQCB) Permit
CONSULTANT shall coordinate with the RWQCB to obtain the permit authorizing construction of the project.

20.2 Right of Way Certification

CONSULTANT shall coordinate the effort necessary to obtain right of way certification. This Task includes project documentation of the Navy right of way transfer and utility agreements.

- Prepare Draft Utility Notice to Owners
- Prepare Draft Utility Agreements
- Prepare Draft Utility Certification
- Provide schedule management and recommendations where requested with regard to the right of way utility coordination and right of way certification process.
- Coordination, meetings, contacts and correspondence with project stakeholders
- Meeting with utility owners as needed
- Individual file maintenance
- Communication and approvals with Caltrans Utility Relocation Department
- Prepare Final Utility Notice to Owners, Utility Agreements, and Utility Certification. (Upon receiving approval from SFCTA and Caltrans, SFCTA will execute all required NTO, and utility agreements)
- Assist in obtaining Utility Certification
- Assist in obtaining TIDA Use Permit (if necessary)
- Prepare draft and final SFCTA-TIDA Access and Use Agreement
- Assist in obtaining R/W Certification (RWC) including preparing draft RWC for Caltrans and team review and approval. Coordinate for SFCTA comments to RWC and work with Team on revisions and editing to RWC subject to Caltrans review and approval. (It is assumed the Navy will transfer all the required R/W to TIDA or the City and County of San Francisco.)

20.3 Construction Funding

CONSULTANT shall coordinate with Caltrans and SFCTA to obtain E-76 Approval and project funding for the project. CONSULTANT shall:

- Prepare and Submit PS&E Checklist to Caltrans DLA
- Prepare and Submit Draft and Final Funding Request for Construction (Request for Allocation for construction phase). Task includes tracking and follow-up of Caltrans coordination and processing of HBP funds



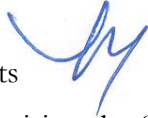
This Page Intentionally Left Blank



Memorandum

Date: 11.20.14 **RE:** Citizens Advisory Committee
 December 3, 2014

To: Citizens Advisory Committee

From: Lee Saage – Deputy Director for Capital Projects 

Subject: **ACTION** – Adopt a Motion of Support for Exercising the Second One-Year Option of the Memorandum of Agreement (MOA) with the Office of Economic and Workforce Development and to Increase the MOA Amount by \$164,600, to a Total Amount Not to Exceed \$500,000, for CityBuild Services to Promote Workforce Development for Phase II of the Presidio Parkway Project and Authorizing the Executive Director to Modify Non-Material Agreement Terms and Conditions

Summary

The Transportation Authority has collaborated with the Office of Economic and Workforce Development (OEWD) to track local opportunities related to construction projects within the City and County of San Francisco. On February 22, 2012, through approval of Resolution 12-46, the Transportation Authority authorized a Memorandum of Agreement (MOA) with OEWD for a one-year period with two additional one-year extension options, in an amount not to exceed \$167,700, for CityBuild services to enhance local hire for Phase II of the Presidio Parkway project implementation. The Transportation Authority and OEWD wish to further this relationship and provide a structure where OEWD will provide valuable local outreach and develop a skilled workforce to enhance the opportunities for San Francisco residents to become aware of and qualified for construction jobs relating to the implementation of Phase II of the Presidio Parkway project. Through Resolution 14-61, the first one-year option on this contract was exercised to cover the services provided during October 1, 2013 through September 30, 2014. This agreement will be funded by Prop K funds previously appropriated through Resolution 10-66 to the Presidio Parkway project. **We are seeking a motion of support for exercising the second one-year option of the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions.**

BACKGROUND

Doyle Drive serves as the South Access to the Golden Gate Bridge and is part of US-101 that provides a crucial regional link between the City and County of San Francisco (City) and North Bay Area counties. The Transportation Authority has been leading the effort since 1994, in close cooperation with the California Department of Transportation (Caltrans), to replace the existing Doyle Drive structure. The Transportation Authority has forged a partnership with a host of federal, state and local agencies involved with this complex undertaking. These agencies include the Federal Highway Administration, Presidio Trust, Department of Veterans Affairs, National Park Service, Caltrans, Golden Gate Bridge Highway and Transportation District, Transportation Authority of Marin, Sonoma County Transportation Authority, State Historic Preservation Office and others.

Construction of the Presidio Parkway project to replace Doyle Drive is organized into two phases. Phase I was delivered under a traditional design-bid-build process consisting of Contracts 1 through 4 for environmental mitigation, utility relocation, and the construction of portions of the permanent new parkway, one of four short tunnels under the Presidio, and a detour. Phase II includes construction of a

new northbound bridge and Battery Tunnel, the Main Post Tunnels, and the Doyle Drive/Girard Road/Marina Boulevard/Richardson Avenue interchange as well as final landscaping. Phase II is to be delivered under a public-private partnership (P3) agreement, and is expected to be open by mid-2016 with a construction cost of approximately \$272 million.

The Transportation Authority has collaborated closely with the Office of Economic and Workforce Development (OEWD) to track local opportunities related to construction projects within the City on several project from the inception of the agency. OEWD currently provides local workforce program planning, management, and operations including recruitment, assessment, referral, retention support for local resident job seekers, and community interface for the City on several large scale projects under construction through various City entities such as the San Francisco Public Utility Commission, the San Francisco International Airport, and the San Francisco Municipal Transportation Agency.

In July 2011, the Transportation Authority and OEWD began discussing the opportunities to collaborate on and facilitate the implementation of a workforce development program, as required in the Phase II contract of the Presidio Parkway project with the developer, Golden Link Concessionaire (GLC). GLC entered into a First Source Hiring Agreement (FSHA) with OEWD. Since April 2012, OEWD has been supporting the Phase II of the Presidio Parkway project by recommending qualified resources from its pool of CityBuild program graduates under a cooperative agreement with GLC to hire local labor for the construction activities per the FSHA. These efforts, similar to those provided by OEWD to support construction contracts 1-4 during Phase I, are supported by Prop K funding that the Transportation Authority reimburses to OEWD under the current Memorandum of Agreement (MOA) between our two agencies.

The purpose of this memorandum is to seek a motion of support to exercise the second one-year option to the MOA with OEWD and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to continue to enhance local hire for the Phase II of the Presidio Parkway project implementation for the period from October 1, 2014 through September 30, 2015.

DISCUSSION

On March 27, 2012, through approval of Resolution 12-46, the Transportation Authority Board authorized an MOA with OEWD for a one-year period with two additional one-year extension options in an amount not to exceed \$167,700, for CityBuild services to enhance local hire for the Phase II of the Presidio Parkway project implementation. The original MOA was awarded for the period of April 1, 2012 through March 31, 2013. However due to delayed construction start up, the original MOA had adequate funds to extend the service duration through September 30, 2013. Then, through Resolution 14-61, the first one-year option on this MOA was exercised for an additional \$167,700 to cover the services provided during the October 1, 2013 through September 30, 2014. During the past year, beginning in October of 2013, OEWD staff have supported the Presidio Parkway project and have worked very hard to ensure we meet our new hire goal of 50% to be local residents while the contractor has accelerated its construction activities.

For the Presidio Parkway project, OEWD will continue to provide an Employment Liaison Specialist(s), who will work with GLC, to provide outreach to CityBuild's network of community based organizations to identify, assess, and screen potential workers for referral to the Presidio Parkway project; facilitate the referral and hiring process with union locals and GLC; and provide onsite support to GLC and project subcontractors as required.

This approach will utilize the core skills held by each party, improving the efficiency of establishing and maintaining the First Source Hiring program. CityBuild has the primary relationship with various on-going training programs and can ensure that the workforce with required skills becomes available in a timely manner to benefit both the project and the City's employable workforce.

This second one-year extension to the MOA will further the collaborative relationship between the Transportation Authority and OEWD and provide a structure where OEWD will provide valuable local outreach and help develop a skilled workforce. This effort will enhance the opportunities for City residents to become aware of and qualify for construction jobs relating to the implementation of Phase II of the Presidio Parkway project.

We are seeking a motion of support for exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions.

ALTERNATIVES

1. Adopt a motion of support for exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions, as requested.
2. Adopt a motion of support for exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to negotiate modify non-material agreement terms and conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

This MOA amendment will be funded by Prop K funds previously appropriated through Resolution 10-66. This year's activity was included in the Transportation Authority's adopted Fiscal Year 2014/15 budget. Sufficient funds will be included in next fiscal year's budget to cover the remaining cost of this MOA.

RECOMMENDATION

Adopt a motion of support for exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions.



This Page Intentionally Left Blank



Memorandum

Date: 11.13.14 **RE:** Finance Committee
November 18, 2014

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Chiu, Farrell, Tang and Avalos (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **INFORMATION** – Internal Accounting and Investment Report for the Three Months Ending September 30, 2014

Summary

The Transportation Authority's Fiscal Policy directs staff to give a quarterly report of expenditures including a comparison to the approved budget. The Transportation Authority's Investment Policy directs that a review of portfolio compliance be presented along with the quarterly report. **The Internal Accounting Report for the three months ending September 30, 2014, is presented for information.**

BACKGROUND

The Transportation Authority's Fiscal Policy (Resolution 14-43) establishes an annual audit requirement, and also directs staff to report to the Finance Committee, on at least a quarterly basis, the Transportation Authority's actual expenditures in comparison to the approved budget. The Transportation Authority's Investment Policy (Resolution 14-43) directs a review of portfolio compliance with the Investment Policy in conjunction with, and in the context of, the quarterly expenditure and budgetary report.

Internal Accounting Report: Using the format of the Transportation Authority's annual financial statements for governmental funds, the Internal Accounting Report includes two tables, a Balance Sheet (Table 1) and a Statement of Revenues, Expenditures, and Changes in Fund Balances, with Budget Comparison (Table 2). In Table 2, the last two columns show, respectively, the budget values, and the variance of revenues and expenditures as compared to the approved budget. The Treasure Island Mobility Management Agency (TIMMA) program is separated as a new fund and program in the Fiscal Year (FY) 2014/15 budget. On April 1, 2014, through Resolution No. 110-14, the San Francisco Board of Supervisors designated the Transportation Authority as the TIMMA for San Francisco to oversee the implementation of the Treasure Island Transportation Implementation Plan in accordance with the Treasure Island Transportation Management Act (AB 981), which includes congestion pricing and travel demand management on Treasure Island. For the three months ending September 30, 2014, the numbers in the approved budget column are one-fourth of the total approved annual budget for FY 2014/15. Although the sales tax (Prop K) and vehicle registration fees (Prop AA) accruals are included for the three-month total, the Internal Accounting Report does not include the Governmental Accounting Standards Board Statement Number 34 adjustments, or the other accruals, that are done at year-end. The Balance Sheet values as of September 30, 2014 are used as the basis for the Investment Policy compliance review.

Investment Report: The investment policies and practices of the Transportation Authority are subject to and limited by applicable provisions of state law, and to prudent money management principles. All investable funds are invested in accordance with the Transportation Authority's Investment Policy and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). Any investment of bond proceeds will be further restricted by the provisions of relevant bond documents.

In managing its investment program, the Transportation Authority observes the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments are to be made with care, skill, prudence and diligence, taking into account the prevailing circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

The primary objectives, in priority order, for the Transportation Authority's investment activities are:

- 1) **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.
- 3) **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

Permitted investment instruments are specifically listed in the Transportation Authority's Investment Policy, and include the San Francisco City and County Treasury Pool, certificates of deposit, and money market funds.

The purpose of this memorandum is to provide the Finance Committee with the Internal Accounting Report and the Investment Report for the FY 2014/15 period ending September 30, 2014.

DISCUSSION

The Balance Sheet, Table 1, presents assets, liabilities, and fund balances as of September 30, 2014. Cash, deposits and investments total to \$82 million as of September 30, 2014. Other assets total \$56.6 million and includes \$16.8 million of program receivable mainly related to grant reimbursements for the I-80/Yerba Buena Island Interchange Improvement Project, \$10.6 million in an intergovernmental loan receivable from the Treasure Island Development Authority for the repayment of preliminary engineering and design costs for the Yerba Buena Island Interchange Improvement Project, and \$23.5 million in sales tax receivable. Liabilities total \$159 million as of September 30, 2013 and include \$20.5 million in accounts payable and an outstanding commercial paper repayment obligation of \$135 million.

There is a negative of \$20.9 million in total fund balances, which is largely the result of how multi-year programming commitments are accounted for. Sales tax revenues, grant reimbursements and debt proceeds collected for the remaining months in FY 2014/15 will fully fund this difference. This amount is obtained as follows: \$342,687 is restricted for debt service, \$13 million is restricted for capital projects, and \$34.4 million is an unassigned negative fund balance. The unassigned negative fund

balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years. The commitments are multi-year commitments and are funded with non-current (i.e. future) revenues. Commitments of future revenues are tracked through the grant administration process, and there is no issue with the availability of future revenues to honor them. A negative fund balance is a result of how these commitments are accounted for, and it does not affect the viability of the projects or grants. In addition, the Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can result in a negative position. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$34.4 million unassigned negative fund balance.

TABLE 1

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Internal Accounting Report

Balance Sheet (Unaudited)

Governmental Funds

September 30, 2014

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Total
Assets:						
Cash in bank	\$ 5,032,398	\$ -	\$ 829,347	\$ 11,010,086	\$ -	\$ 16,871,831
Deposits and investments with City Treasurer	64,740,761	-	-	-	-	64,740,761
Restricted investments with fiscal agent	342,687	-	-	-	-	342,687
Sales tax receivable	23,482,642	-	-	-	-	23,482,642
Vehicle registration fee receivable	-	-	-	1,264,967	-	1,264,967
Interest receivable from						
City and County of San Francisco	89,523	-	-	-	-	89,523
Program receivables	1,408,129	14,886,397	371,237	-	97,539	16,763,302
Receivable from the						
City and County of San Francisco	-	520,486	-	-	250,528	771,014
Other receivables	7,141	-	-	-	-	7,141
Intergovernmental loan receivable	10,626,477	-	-	-	-	10,626,477
Due from other funds	3,439,421	-	-	-	-	3,439,421
Prepaid costs and deposits	151,308	-	-	-	-	151,308
Total assets	\$ 109,320,487	\$ 15,406,883	\$ 1,200,584	\$ 12,275,053	\$ 348,067	\$ 138,551,074
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit):						
Liabilities:						
Accounts payable	\$ 7,715,586	\$ 12,591,211	\$ 66,944	\$ -	\$ 89,903	\$ 20,463,644
Accrued salaries and taxes	32,085	-	-	-	-	32,085
Interest payable	20,683	-	-	-	-	20,683
Due to other funds	-	2,815,672	382,926	5,317	235,506	3,439,421
Commercial paper notes payable	135,000,000	-	-	-	-	135,000,000
Total liabilities	142,768,354	15,406,883	449,870	5,317	325,409	158,955,833
Deferred Inflows of Resources:						
Unavailable program revenues	463,368	-	-	-	-	463,368
Fund Balances (Deficit):						
Nonspendable	151,308	-	-	-	-	151,308
Restricted for:						
Debt service	342,687	-	-	-	-	342,687
Capital projects	-	-	750,714	12,269,736	22,658	13,043,108
Unassigned	(34,405,230)	-	-	-	-	(34,405,230)
Total fund balances (deficit)	(33,911,235)	-	750,714	12,269,736	22,658	(20,868,127)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 109,320,487	\$ 15,406,883	\$ 1,200,584	\$ 12,275,053	\$ 348,067	

The Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Comparison compares budget to actual levels for revenues and expenditures for the first three months of the fiscal year. The Transportation Authority earned \$38 million of revenues in the first quarter. Sales tax revenues and vehicle registration fees total \$26.4 million and \$1.3 million, respectively for the three months ending September 30, 2014 and program revenues total \$10.1 million.

As of September 30, 2014, the Transportation Authority incurred \$14.5 million of expenditures. Expenditures included \$12.6 million in capital projects costs, \$21,385 in interest and fiscal charges, and \$1.9 million for personnel and non-personnel expenditures.

TABLE 2

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Internal Accounting Report

Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Comparison (Unaudited)

Governmental Funds

For the Three Months Ending September 30, 2014

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Total	Budget	Variance With Final Budget Positive (Negative)
Revenues:								
Sales tax	\$ 26,406,916	\$ -	\$ -	\$ -	\$ -	\$ 26,406,916	\$ 22,956,548	\$ 3,450,368
Vehicle registration fee	-	-	-	1,264,967	-	1,264,967	1,181,930	83,037
Investment income	140,325	-	541	1,048	-	141,914	98,002	43,912
Program revenues	-	10,004,293	-	-	144,195	10,148,488	13,033,857	(2,885,369)
Other	6,364	-	-	-	-	6,364	1,418,805	(1,412,441)
Total revenues	26,553,605	10,004,293	541	1,266,015	144,195	37,968,649	38,689,142	(720,493)
Expenditures:								
Current - transportation and capital projects:								
Personnel expenditures	894,909	345,763	6,309	21,828	52,398	1,321,207	1,493,943	(172,736)
Non-personnel expenditures	540,870	15,932	-	-	150	556,952	795,058	(238,106)
Capital project costs	2,594,429	9,936,207	-	-	68,989	12,599,625	53,623,240	(41,023,615)
Debt service	-	-	-	-	-	-	-	-
Interest and fiscal charges	21,385	-	-	-	-	21,385	446,650	(425,265)
Total expenditures	4,051,593	10,297,902	6,309	21,828	121,537	14,499,169	56,358,891	(41,859,722)
Excess (deficiency) of revenues over (under) expenditures	22,502,012	(293,609)	(5,768)	1,244,187	22,658	23,469,480	(17,669,749)	41,139,229
Other financing sources (uses):								
Transfers in	-	293,609	-	-	-	293,609	535,008	(241,399)
Transfers out	(239,690)	-	-	-	-	(239,690)	(535,008)	295,318
Total other financing sources (uses)	(239,690)	293,609	-	-	-	53,919	-	53,919
Net change in fund balances	22,262,322	-	(5,768)	1,244,187	22,658	23,523,399	(17,669,749)	41,193,148
Fund balances (deficit), beginning of year	(56,173,557)	-	756,482	11,025,549	-	(44,391,526)	-	-
Fund balances (deficit), end of September 30	(33,911,235)	-	750,714	12,269,736	22,658	(20,868,127)	-	-

For the three months ending September 30, 2014, revenues were on target and lower than budgetary estimates by \$720,493 for all of the Transportation Authority's programs. Total expenditures were less than the budgetary estimates by \$41.9 million. This amount includes a favorable variance of \$410,842 for personnel and non-personnel expenditures, \$425,265 of interest and fiscal charges, and \$41 million in capital project costs. The variance in capital project costs is due to costs from project sponsors that have not yet been received by the Transportation Authority for the first quarter. Consistent with prior year patterns, Transportation Authority staff anticipates a higher level of Prop K reimbursement requests during the next quarters.

As of September 30, 2014, approximately 79% of the Transportation Authority's investable assets were invested in the City and County of San Francisco Treasury Pool. Other investment assets include a money market investment pool held by US Bank per the terms of the Transportation Authority's

Commercial Paper indenture. These investments are in compliance with both the California Government Code and the Transportation Authority's Board-adopted Investment Policy, and provide sufficient liquidity to meet expenditures requirements for the next six months. Attachment 1 is the most recent investment report furnished by the Office of the Treasurer.

CAC POSITION

Not applicable. This is an information item.

FINANCIAL IMPACTS

Not applicable. This is an information item.

RECOMMENDATION

Not applicable. This is an information item.

Attachment:

1. Investment Report for September 30, 2014

**Office of the Treasurer & Tax Collector
City and County of San Francisco**

Pauline Marx, Chief Assistant Treasurer
Michelle Durgy, Chief Investment Officer



José Cisneros, Treasurer

Investment Report for the month of September 2014

October 15, 2014

The Honorable Edwin M. Lee
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of September 30, 2014. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of September 2014 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

<i>(in \$ million)</i>	Current Month		Prior Month	
	<u>Fiscal YTD</u>	<u>September 2014</u>	<u>Fiscal YTD</u>	<u>August 2014</u>
Average Daily Balance	\$ 5,648	\$ 5,547	\$ 5,698	\$ 5,570
Net Earnings	11.29	3.78	7.51	3.75
Earned Income Yield	0.79%	0.83%	0.78%	0.79%

CCSF Pooled Fund Statistics *

<i>(in \$ million)</i>	% of	Book	Market	Wtd. Avg.	Wtd. Avg.	
Investment Type	Portfolio	Value	Value	Coupon	YTM	WAM
U.S. Treasuries	11.17%	\$ 635.0	\$ 637.4	1.13%	1.07%	717
Federal Agencies	67.39%	3,845.9	3,845.0	0.92%	0.81%	772
State & Local Government						
Agency Obligations	1.44%	83.7	82.1	2.27%	0.88%	505
Public Time Deposits	0.01%	0.5	0.5	0.46%	0.46%	161
Negotiable CDs	5.53%	315.5	315.6	0.42%	0.42%	598
Medium Term Notes	13.67%	785.7	779.9	1.35%	0.43%	248
Money Market Funds	0.79%	45.1	45.1	0.03%	0.03%	1
Totals	100.0%	\$ 5,711.3	\$ 5,705.6	0.99%	0.76%	674

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

José Cisneros
Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Ronald Gerhard, Joe Grazioli, Charles Perl
Ben Rosenfield, Controller, Office of the Controller
Tonia Lediju, Internal Audit, Office of the Controller
Cynthia Fong, Deputy Director for Finance & Administration, San Francisco County Transportation Authority
Carol Lu, Budget Analyst
San Francisco Public Library

* Please see last page of this report for non-pooled funds holdings and statistics.

Portfolio Summary

Pooled Fund

As of September 30, 2014

<i>(in \$ million)</i> Security Type	Par Value	Book Value	Market Value	Market/Book Price	Current % Allocation	Max. Policy Allocation	Compliant?
U.S. Treasuries	\$ 635.0	\$ 635.0	\$ 637.4	100.39	11.17%	100%	Yes
Federal Agencies	3,834.2	3,845.9	3,845.0	99.98	67.39%	85%	Yes
State & Local Government Agency Obligations	81.1	83.7	82.1	98.00	1.44%	20%	Yes
Public Time Deposits	0.5	0.5	0.5	100.00	0.01%	100%	Yes
Negotiable CDs	315.5	315.5	315.6	100.05	5.53%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	-	-	-	-	0.00%	25%	Yes
Medium Term Notes	777.3	785.7	779.9	99.26	13.67%	15%	Yes
Repurchase Agreements	-	-	-	-	0.00%	100%	Yes
Reverse Repurchase/ Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes
Money Market Funds	45.1	45.1	45.1	100.00	0.79%	100%	Yes
LAIF	-	-	-	-	0.00%	\$50mm	Yes
TOTAL	\$ 5,688.7	\$ 5,711.3	\$ 5,705.6	99.90	100.00%	-	Yes

The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.

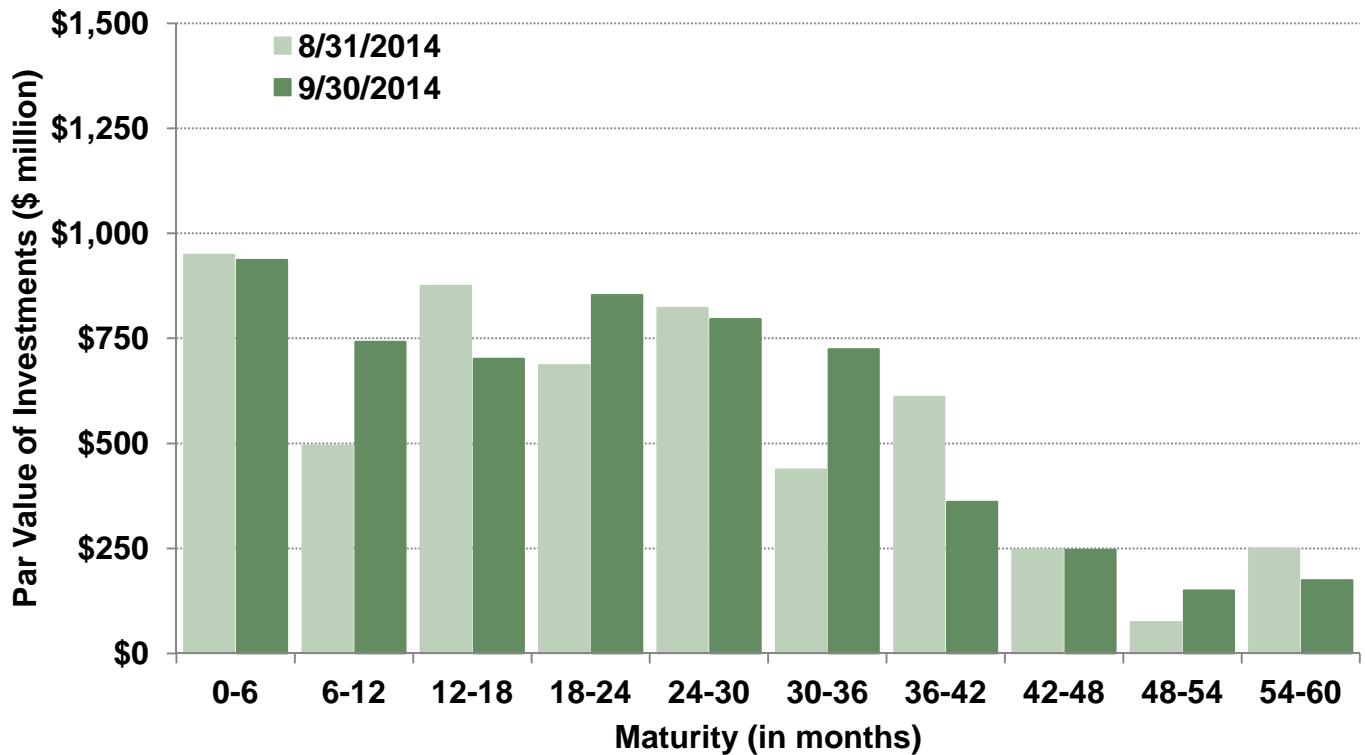
The full Investment Policy can be found at <http://www.sftreasurer.org/>, in the Reports & Plans section of the About menu.

Totals may not add due to rounding.

Portfolio Analysis

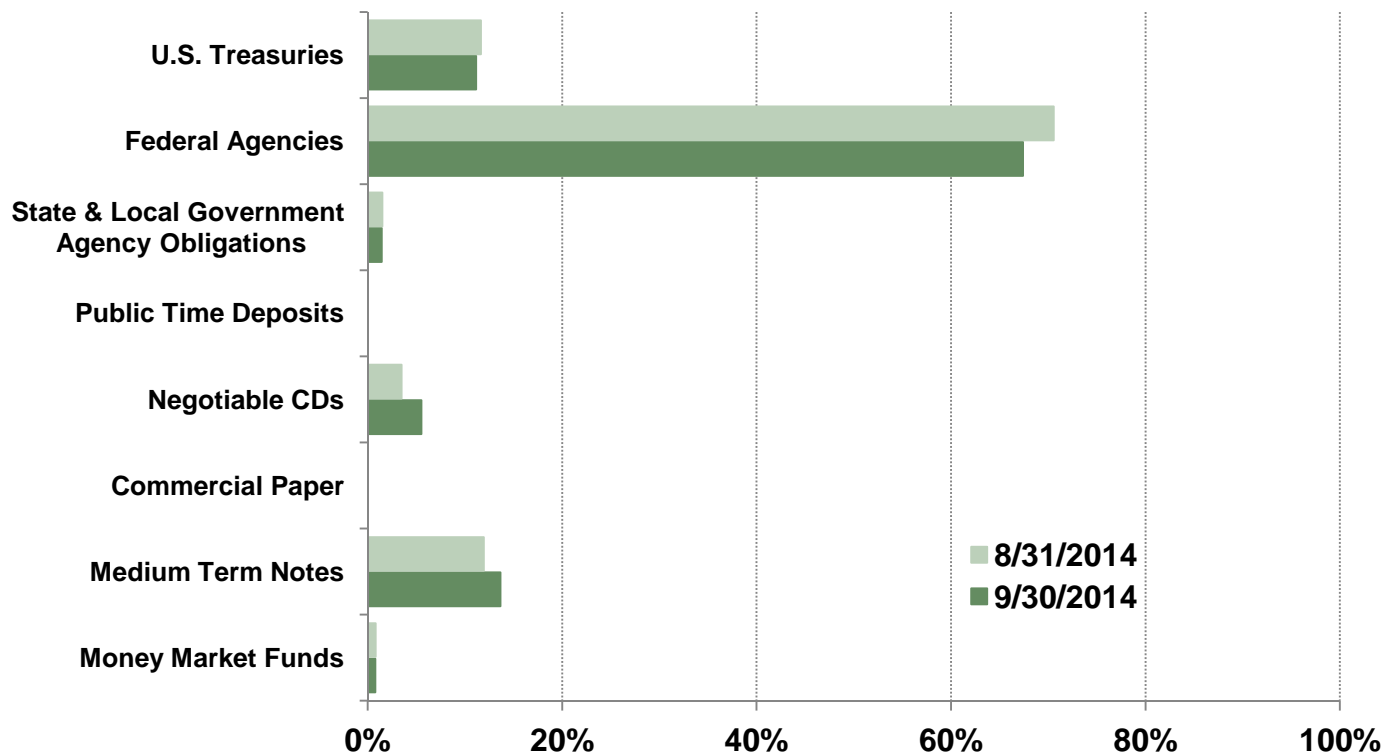
Pooled Fund

Par Value of Investments by Maturity

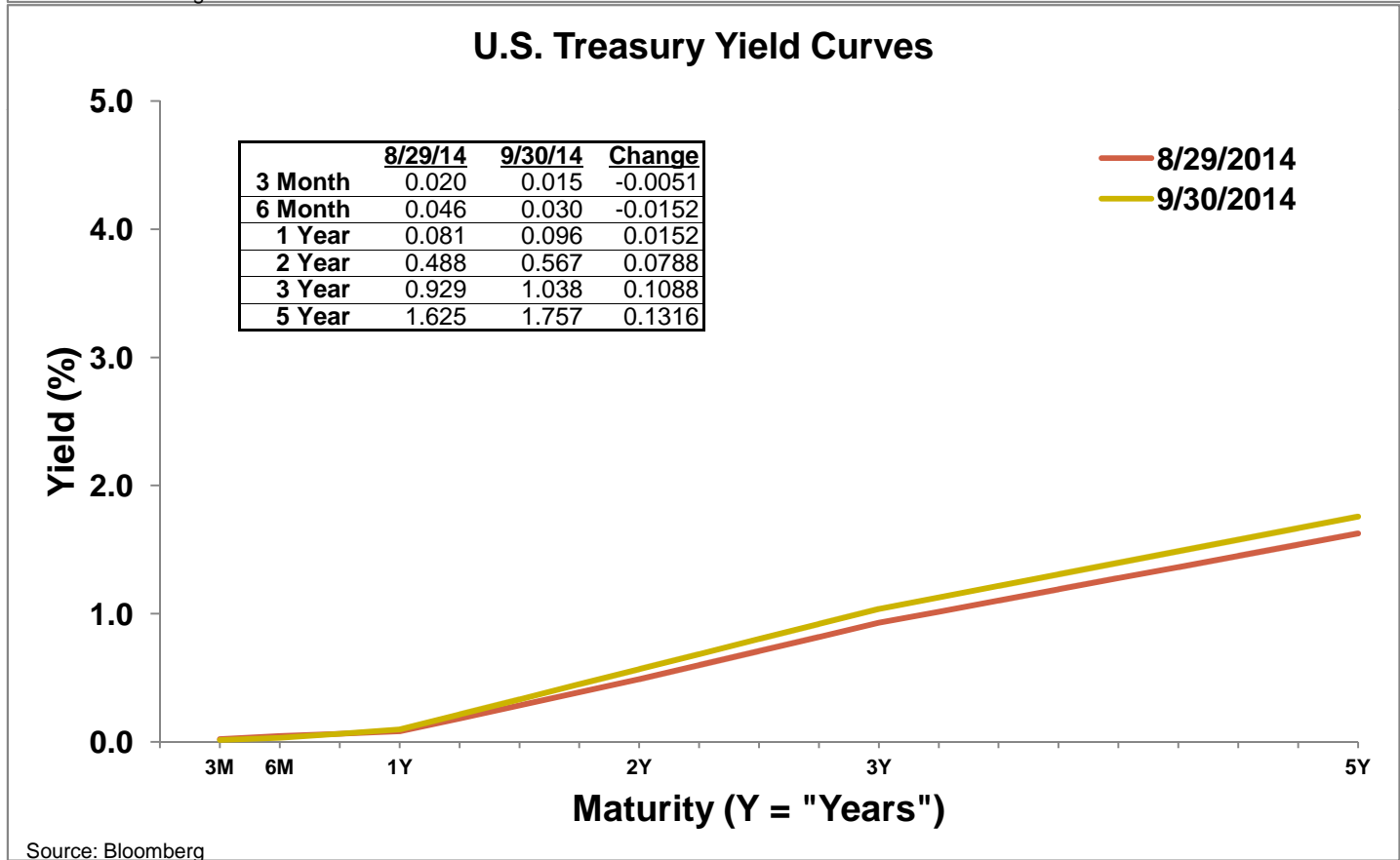
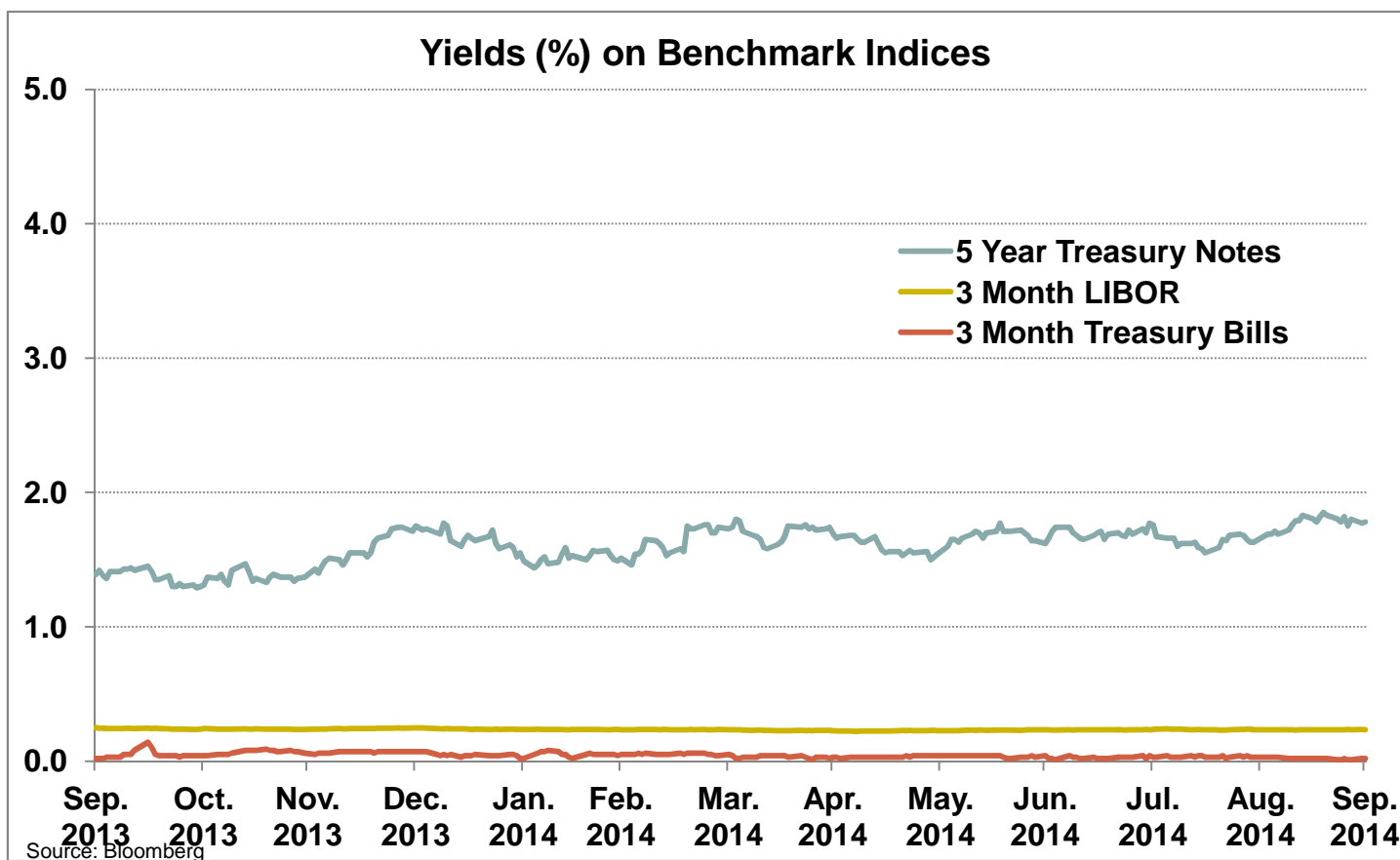


Callable bonds shown at maturity date.

Asset Allocation by Market Value



Yield Curves



Investment Inventory

Pooled Fund

As of September 30, 2014

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
U.S. Treasuries	912828MW7	US TSY NT	2/24/12	3/31/15	0.50	2.50	\$ 50,000,000	\$ 53,105,469	\$ 50,496,985	\$ 50,607,500
U.S. Treasuries	912828PE4	US TSY NT	12/23/11	10/31/15	1.07	1.25	25,000,000	25,609,375	25,170,954	25,291,000
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	1.16	1.38	50,000,000	49,519,531	49,887,183	50,677,500
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	1.16	1.38	50,000,000	49,519,531	49,887,183	50,677,500
U.S. Treasuries	912828PJ3	US TSY NT	12/23/10	11/30/15	1.16	1.38	50,000,000	48,539,063	49,655,630	50,677,500
U.S. Treasuries	912828RJ1	US TSY NT	10/11/11	9/30/16	1.99	1.00	75,000,000	74,830,078	74,931,694	75,562,500
U.S. Treasuries	912828RM4	US TSY NT	12/26/13	10/31/16	2.06	1.00	25,000,000	25,183,594	25,134,341	25,177,750
U.S. Treasuries	912828RX0	US TSY NT	2/25/14	12/31/16	2.23	0.88	25,000,000	25,145,508	25,115,007	25,066,500
U.S. Treasuries	912828SJ0	US TSY NT	3/14/12	2/28/17	2.40	0.88	75,000,000	74,771,484	74,888,895	75,076,500
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	2.40	0.88	25,000,000	24,599,609	24,804,574	25,025,500
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	2.40	0.88	25,000,000	24,599,609	24,804,574	25,025,500
U.S. Treasuries	912828SM3	US TSY NT	4/4/12	3/31/17	2.48	1.00	50,000,000	49,835,938	49,917,879	50,152,500
U.S. Treasuries	912828TM2	US TSY NT	9/17/12	8/31/17	2.89	0.63	60,000,000	59,807,813	59,886,855	59,208,000
U.S. Treasuries	912828UE8	US TSY NT	1/4/13	12/31/17	3.21	0.75	50,000,000	49,886,719	49,926,199	49,203,000
Subtotals					1.94	1.13	\$ 635,000,000	\$ 634,953,320	\$ 634,507,953	\$ 637,428,750
Federal Agencies	31315PRZ4	FARMER MAC MTN	4/9/13	10/1/14	0.00	0.24	\$ 18,000,000	\$ 17,996,400	\$ 18,000,000	\$ 18,000,000
Federal Agencies	31331J4S9	FFCB	12/16/10	12/8/14	0.19	1.40	24,000,000	23,998,000	23,999,438	24,057,120
Federal Agencies	31331J4S9	FFCB	12/8/10	12/8/14	0.19	1.40	19,000,000	18,996,680	18,997,984	19,045,220
Federal Agencies	3133XVNU1	FHLB	11/23/10	12/12/14	0.20	2.75	25,400,000	26,848,308	25,470,458	25,531,826
Federal Agencies	3133XVNU1	FHLB	11/23/10	12/12/14	0.20	2.75	2,915,000	3,079,668	2,923,011	2,930,129
Federal Agencies	3133XVNU1	FHLB	12/8/10	12/12/14	0.20	2.75	50,000,000	52,674,000	50,131,418	50,259,500
Federal Agencies	313371W93	FHLB	12/15/10	12/15/14	0.21	1.34	75,000,000	75,000,000	75,000,000	75,186,000
Federal Agencies	31331J6Q1	FFCB	12/29/10	12/29/14	0.25	1.72	27,175,000	27,157,065	27,173,907	27,279,624
Federal Agencies	3135G0HG1	FNMA GLOBAL	1/13/14	3/16/15	0.46	0.38	9,399,000	9,418,089	9,406,421	9,408,963
Federal Agencies	3135G0HG1	FFCB FLT NT 1ML+1.5	4/30/12	4/27/15	0.01	0.17	50,000,000	49,992,600	49,998,590	50,026,500
Federal Agencies	31315PWJ4	FARMER MAC FLT NT FF+26	5/3/12	5/1/15	0.16	0.35	50,000,000	50,000,000	50,000,000	50,060,000
Federal Agencies	3133EAPJ4	FFCB FLT NT 1ML+1	6/8/12	5/14/15	0.04	0.16	50,000,000	49,985,500	49,996,951	50,024,500
Federal Agencies	3133EAPJ4	FFCB FLT NT 1ML+1	12/19/13	6/18/15	0.72	0.25	50,000,000	49,992,500	49,996,429	50,046,500
Federal Agencies	3133EDC67	FFCB NT	12/5/12	6/22/15	0.02	0.17	50,000,000	49,987,300	49,996,391	50,031,500
Federal Agencies	3133EAVE5	FFCB FLT NT 1ML+2	11/22/13	7/22/15	0.81	2.38	15,000,000	15,511,350	15,247,672	15,264,000
Federal Agencies	31335PDZ9	FAMCA	8/5/13	8/5/15	0.15	0.16	62,500,000	62,487,500	62,494,726	62,521,875
Federal Agencies	3133ECVW1	FFCB FLT NT T-BILL+14	12/12/13	8/28/15	0.92	0.38	9,000,000	9,014,130	9,007,495	9,017,820
Federal Agencies	313383V81	FHLB	12/15/10	9/10/15	0.94	1.75	50,000,000	49,050,000	49,811,098	50,729,000
Federal Agencies	3137EACM9	FHLMC BONDS	12/15/10	9/11/15	0.94	1.75	75,000,000	73,587,000	74,718,380	76,100,250
Federal Agencies	313370JB5	FHLB	9/15/10	9/15/15	0.95	2.13	45,000,000	44,914,950	44,983,745	45,824,400
Federal Agencies	31315PGT0	FARMER MAC	12/10/13	9/16/15	0.96	0.55	52,047,000	52,266,229	52,160,535	52,225,001
Federal Agencies	3133ECZG2	FFCB NT	4/24/13	9/18/15	0.03	0.17	16,200,000	16,198,073	16,199,226	16,209,396
Federal Agencies	3133ECJB1	FFCB FLT NT QTR T-BILL+16	10/14/11	9/21/15	0.97	2.00	25,000,000	25,881,000	25,217,493	25,439,000
Federal Agencies	31398A3T7	FNMA EX-CALL NT	11/30/12	9/22/15	0.02	0.18	27,953,000	27,941,120	27,948,878	27,974,803
Federal Agencies	3133EAFJ6	FFCB FLT NT 1ML+2.5	12/15/10	10/26/15	1.06	1.63	25,000,000	24,317,500	24,850,127	25,376,250
Federal Agencies	31398A4M1	FNMA	12/23/10	10/26/15	1.06	1.63	42,000,000	40,924,380	41,762,731	42,632,100
Federal Agencies	31331J2S1	FFCB	12/15/10	11/16/15	1.12	1.50	25,000,000	24,186,981	24,814,051	25,343,250

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Federal Agencies	3133ECLZ5	FFCB FLT NT MONTHLY 1ML+0	5/8/13	11/19/15	0.03	0.15	25,000,000	24,997,000	24,998,657	25,012,250
Federal Agencies	313371ZY5	FHLB	12/3/10	12/11/15	1.18	1.88	25,000,000	24,982,000	24,995,721	25,462,750
Federal Agencies	313371ZY5	FHLB	12/14/10	12/11/15	1.18	1.88	50,000,000	49,871,500	49,969,267	50,925,500
Federal Agencies	3133ED5A6	FFCB FLT	12/12/13	1/20/16	0.03	0.15	50,000,000	50,000,000	50,000,000	50,021,000
Federal Agencies	31315P3B3	FARMER MAC MTN	1/27/14	1/25/16	1.32	0.42	30,000,000	30,000,000	30,000,000	29,966,100
Federal Agencies	3133XXP43	FHLB	12/12/13	3/11/16	1.43	3.13	14,000,000	14,848,400	14,545,252	14,529,060
Federal Agencies	313375RN9	FHLB NT	4/13/12	3/11/16	1.44	1.00	22,200,000	22,357,620	22,258,169	22,386,702
Federal Agencies	3133EAJU3	FFCB NT	4/12/12	3/28/16	1.49	1.05	25,000,000	25,220,750	25,083,048	25,214,500
Federal Agencies	3135G0VA8	FNMA GLOBAL NT	12/13/13	3/30/16	1.50	0.50	25,000,000	25,022,250	25,014,497	25,019,000
Federal Agencies	31315PTF6	FAMCA FLT MTN 1ML+0	4/1/13	4/1/16	0.00	0.15	50,000,000	50,000,000	50,000,000	50,015,000
Federal Agencies	313379Z21	FHLB NT	4/18/12	4/18/16	1.54	0.81	20,000,000	19,992,200	19,996,984	20,082,200
Federal Agencies	3133ECWT7	FFCB NT	11/20/13	5/9/16	1.60	0.65	22,650,000	22,746,489	22,712,755	22,693,715
Federal Agencies	3135G0RZ8	FNMA CALL NT	11/30/12	5/26/16	1.65	0.55	22,540,000	22,540,000	22,540,000	22,527,603
Federal Agencies	3133EDB35	FFCB FLT NT 1ML+3	1/15/14	6/2/16	0.01	0.19	50,000,000	49,991,681	49,994,161	50,038,500
Federal Agencies	31315PB73	FAMCA NT	2/9/12	6/9/16	1.68	0.90	10,000,000	10,000,000	10,000,000	10,055,900
Federal Agencies	313771AA5	FHLB SUB NT	5/20/13	6/13/16	1.63	5.63	16,925,000	19,472,890	18,337,714	18,344,331
Federal Agencies	313771AA5	FHLB SUB NT	5/30/13	6/13/16	1.63	5.63	14,195,000	16,259,095	15,349,777	15,385,393
Federal Agencies	313771AA5	FHLB SUB NT	9/4/14	6/13/16	1.63	5.63	8,620,000	9,489,812	9,458,115	9,342,873
Federal Agencies	3133EDDP4	FFCB NT	2/11/14	6/17/16	1.71	0.52	50,000,000	50,082,000	50,045,216	49,877,000
Federal Agencies	3130A1BK3	FHLB EX-CALL NT	3/24/14	6/24/16	1.73	0.50	25,000,000	25,000,000	25,000,000	24,968,750
Federal Agencies	3135G0XP3	FNMA GLOBAL NT	3/25/14	7/15/16	1.76	0.38	50,000,000	49,753,100	49,809,416	49,880,000
Federal Agencies	31315PA25	FAMCA MTN	7/27/11	7/27/16	1.80	2.00	15,000,000	14,934,750	14,976,250	15,374,700
Federal Agencies	31315PA25	FAMCA MTN	3/26/13	7/27/16	1.80	2.00	14,100,000	12,440,498	12,194,857	12,197,262
Federal Agencies	31315PA25	FAMCA MTN	3/26/13	7/27/16	1.80	2.00	20,000,000	20,643,350	20,500,970	20,499,600
Federal Agencies	3135G0YE7	FNMA GLOBAL NT	3/17/14	8/26/16	1.90	0.63	50,000,000	50,124,765	50,097,102	50,027,000
Federal Agencies	31315PQB8	FAMCA NT	10/29/13	9/1/16	1.90	1.50	7,000,000	7,156,240	7,105,515	7,106,540
Federal Agencies	313370TW8	FHLB BD	10/11/11	9/9/16	1.91	2.00	25,000,000	25,727,400	25,287,313	25,653,000
Federal Agencies	3133EDH21	FFCB FLT NT 1ML+2	3/14/14	9/14/16	0.04	0.17	50,000,000	49,993,612	49,995,015	50,030,000
Federal Agencies	3134G4XW3	FHLMC EX-CALL MTN	3/26/14	9/26/16	1.98	0.60	25,000,000	25,000,000	25,000,000	24,917,500
Federal Agencies	3134G3P38	FHLMC NT CALL	12/14/12	10/5/16	2.00	0.75	75,000,000	75,071,250	75,009,096	74,921,250
Federal Agencies	3133EDJA1	FFCB FLT NT 1ML+2	4/11/14	10/11/16	0.05	0.17	25,000,000	24,993,750	24,994,933	25,014,500
Federal Agencies	3133EDUV2	FFCB NT	9/11/14	10/11/16	2.01	0.65	30,700,000	30,668,318	30,669,150	30,647,503
Federal Agencies	3137EADS5	FHLMC GLOBAL NT	3/3/14	10/14/16	2.02	0.88	25,000,000	25,200,250	25,155,843	25,105,250
Federal Agencies	3134G4HK7	FHLMC CALL STEP NT	10/24/13	10/24/16	2.05	0.50	25,000,000	25,000,000	25,000,000	25,003,500
Federal Agencies	3136G1WP0	FNMA CALL NT	11/4/13	11/4/16	2.06	1.50	18,000,000	18,350,460	18,191,553	18,214,380
Federal Agencies	313381GA7	FHLB NT	11/30/12	11/30/16	2.15	0.57	23,100,000	23,104,389	23,102,376	23,049,180
Federal Agencies	3130A12F4	FHLB CALL NT	3/19/14	12/19/16	2.21	0.70	20,500,000	20,497,950	20,498,349	20,482,370
Federal Agencies	313381KR5	FHLB NT CALL	12/28/12	12/28/16	2.23	0.63	13,500,000	13,500,000	13,500,000	13,469,490
Federal Agencies	313381KR5	FHLB NT CALL	12/28/12	12/28/16	2.23	0.63	9,000,000	9,000,000	9,000,000	8,979,660
Federal Agencies	3134G33C2	FHLMC NT	1/3/13	1/3/17	2.24	0.60	50,000,000	50,000,000	50,000,000	49,833,000
Federal Agencies	3133ECB37	FFCB NT	12/20/12	1/12/17	2.27	0.58	14,000,000	14,000,000	14,000,000	13,941,620
Federal Agencies	31315PWW5	FARMER MAC MTN	5/4/12	1/17/17	2.27	1.01	49,500,000	49,475,250	49,487,920	49,768,785
Federal Agencies	3133786Q9	FHLB NT	1/10/13	2/13/17	2.35	1.00	67,780,000	68,546,456	68,223,981	67,872,859

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Federal Agencies	3133EDFW7	FFCB FLT NT 1ML+5.5	2/27/14	2/27/17	0.01	0.21	50,000,000	50,000,000	50,000,000	50,058,000
Federal Agencies	3134G4XM5	FHLMC CALL MTN	3/28/14	3/28/17	2.48	0.78	25,000,000	25,000,000	25,000,000	24,921,500
Federal Agencies	3136G1ZB8	FNMA CALL NT	3/28/14	3/28/17	2.47	0.88	25,000,000	25,000,000	25,000,000	24,937,250
Federal Agencies	31315PTQ2	FARMER MAC MTN	4/10/12	4/10/17	2.48	1.26	12,500,000	12,439,250	12,469,326	12,581,750
Federal Agencies	3133ECLL6	FFCB NT	4/17/13	4/17/17	2.53	0.60	10,000,000	10,000,000	10,000,000	9,931,000
Federal Agencies	31315PUQ0	FARMER MAC MTN	4/26/12	4/26/17	2.53	1.13	10,500,000	10,500,000	10,500,000	10,545,465
Federal Agencies	31315PV89	FARMER MAC FLT CALL NT 3ML+10	5/1/14	5/1/17	0.16	0.34	50,000,000	50,000,000	50,000,000	50,063,000
Federal Agencies	3137EADF3	FHLMC NT	5/14/12	5/12/17	2.57	1.25	25,000,000	25,133,000	25,069,563	25,174,500
Federal Agencies	3136FTR27	FNMA CALL NT	9/4/14	5/27/17	2.62	1.02	17,000,000	17,044,106	17,044,221	16,976,880
Federal Agencies	31315PZQ5	FARMER MAC MTN	12/28/12	6/5/17	2.64	1.11	9,000,000	9,122,130	9,073,730	8,985,870
Federal Agencies	3130A1ZR2	FHLB STEP NT	6/12/14	6/12/17	2.68	0.50	50,000,000	50,000,000	50,000,000	50,015,000
Federal Agencies	3133EAUW6	FFCB FLT NT FF+22	6/19/12	6/19/17	0.03	0.31	50,000,000	50,000,000	50,000,000	50,036,000
Federal Agencies	3137EADH9	FHLMC GLOBAL NT	3/25/14	6/29/17	2.71	1.00	25,000,000	24,920,625	24,933,277	24,962,000
Federal Agencies	3133ECV92	FFCB FLT NT 1ML+4	7/24/13	7/24/17	0.02	0.19	50,000,000	50,000,000	50,000,000	50,025,500
Federal Agencies	3134G3ZH6	FHLMC EX-CALL MTN	4/15/14	7/25/17	2.78	1.00	19,000,000	18,995,250	18,995,921	18,926,660
Federal Agencies	3133ECVG6	FFCB FLT NT 3ML+0	8/5/13	7/26/17	0.18	0.24	23,520,000	23,520,000	23,520,000	23,530,114
Federal Agencies	3136G0B59	FNMA STEP NT	9/20/12	9/20/17	2.95	0.70	64,750,000	64,750,000	64,750,000	64,630,860
Federal Agencies	3134G5HS7	FHLMC CALL MTN	9/25/14	9/25/17	2.94	1.13	20,100,000	20,079,900	20,080,010	20,055,981
Federal Agencies	3136G0D81	FNMA STEP NT	9/27/12	9/27/17	2.97	0.72	100,000,000	100,000,000	100,000,000	99,960,000
Federal Agencies	3137EADL0	FHLMC GLOBAL NT	3/25/14	9/29/17	2.96	1.00	25,000,000	24,836,175	24,836,560	24,887,250
Federal Agencies	3136G0Q20	FNMA CALL STEP NT	3/13/14	10/17/17	3.01	0.75	49,090,000	49,080,182	49,081,691	49,025,201
Federal Agencies	3136G0Y39	FNMA STEP NT	1/18/12	1/18/17	3.07	0.70	50,000,000	50,000,000	50,000,000	49,607,500
Federal Agencies	3134G44F2	FHLMC CALL MTN	5/21/13	11/21/17	3.10	0.80	50,000,000	50,000,000	50,000,000	49,171,000
Federal Agencies	3136G13T4	FNMA STEP NT	12/26/12	12/26/17	3.20	0.75	39,000,000	39,000,000	39,000,000	38,795,640
Federal Agencies	3136G13Q0	FNMA STEP NT	12/26/12	12/26/17	3.20	0.75	29,000,000	29,000,000	29,000,000	28,887,190
Federal Agencies	3134G32M1	FHLMC CALL NT	12/28/12	12/28/17	3.19	1.00	50,000,000	50,000,000	50,000,000	49,278,500
Federal Agencies	3135G0UN1	FNMA GLOBAL NT CALL	2/26/14	2/28/18	3.36	1.15	19,000,000	18,877,450	18,895,627	18,686,120
Federal Agencies	3135G0UN1	FNMA GLOBAL NT CALL	2/26/14	2/28/18	3.36	1.15	8,770,000	8,713,434	8,721,824	8,625,120
Federal Agencies	3136G1KN8	FNMA NT CALL	4/24/13	4/24/18	3.47	1.50	50,000,000	50,903,000	50,253,582	49,808,000
Federal Agencies	3136G1K81	FNMA NT STEP	4/30/13	4/30/18	3.53	0.75	12,600,000	12,600,000	12,600,000	12,485,592
Federal Agencies	31315PZM4	FARMER MAC STEP NT	5/3/13	5/3/18	3.54	0.70	24,600,000	24,600,000	24,600,000	24,553,506
Federal Agencies	313382XK4	FHLB STEP NT	5/7/13	5/7/18	3.57	0.75	25,000,000	25,000,000	25,000,000	24,890,750
Federal Agencies	3133ECPB4	FFCB NT	5/23/13	5/14/18	3.56	0.88	10,000,000	9,934,600	9,952,453	9,875,100
Federal Agencies	3135G0WJ8	FNMA NT	5/23/13	5/21/18	3.58	0.88	25,000,000	24,786,500	24,844,557	24,484,000
Federal Agencies	3133834P3	FHLB STEP NT	5/22/13	5/22/18	3.61	0.50	50,000,000	50,000,000	50,000,000	49,652,500
Federal Agencies	31315P4W6	FARMER MAC FLT CALL	6/6/14	6/6/18	0.07	0.36	25,000,000	25,000,000	25,000,000	25,056,250
Federal Agencies	3134G52D6	FHLMC CALL MTN	4/17/14	7/17/18	3.69	1.64	25,000,000	25,000,000	25,000,000	25,101,500
Federal Agencies	3134G4LZ9	FHLMC CALL STEP	12/10/13	12/10/18	4.12	0.88	50,000,000	50,000,000	50,000,000	50,305,500
Federal Agencies	3134G4MB1	FHLMC CALL MULTI-STEP	12/18/13	12/18/18	4.09	1.50	25,000,000	25,000,000	25,000,000	25,047,750
Federal Agencies	3130A1B98	FHLB STEP CALL NT	3/27/14	3/27/19	4.40	1.00	75,000,000	75,000,000	75,000,000	75,042,000
Federal Agencies	31315PQ69	FARMER MAC FLT CALL NT 3ML+15	4/3/14	4/3/19	0.01	0.38	50,000,000	50,000,000	50,000,000	50,055,500
Federal Agencies	31315P3W7	FARMER MAC FLT CALL	6/3/14	6/3/19	0.07	0.38	50,000,000	50,000,000	50,000,000	50,099,500
Federal Agencies	31315PS91	FARMER MAC FLT CALL NT 3ML+12	8/12/14	8/12/19	0.13	0.36	50,000,000	50,000,000	50,000,000	50,027,500
Federal Agencies	3130A2UF1	FHLB FLT CALL NT 3ML+20	8/27/14	8/27/19	0.09	0.44	25,000,000	25,000,000	25,000,000	25,110,250
Subtotals					1.55	0.92	\$ 3,834,229,000	\$ 3,845,914,204	\$ 3,840,074,359	\$ 3,844,980,118

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
State/Local Agencies	64966DPC7	NEW YORK CITY GO	6/7/12	11/1/14	0.09	4.75	\$	8,027,385	\$	8,029,920
State/Local Agencies	13063BN65	CALIFORNIA ST TAXABLE GO BD	3/27/13	2/1/15	0.34	0.85	10,000,000	10,038,000	10,006,914	10,011,100
State/Local Agencies	649791JS0	NEW YORK ST TAXABLE GO	3/21/13	3/1/15	0.42	0.39	4,620,000	4,619,076	4,619,803	4,621,155
State/Local Agencies	91412GPW9	UNIV OF CALIFORNIA REVENUE BC	3/14/13	5/15/15	0.62	0.39	5,000,000	5,000,000	5,000,000	5,001,000
State/Local Agencies	612574DQ3	MONTEREY COMM COLLEGE GO	5/7/13	8/1/15	0.84	0.63	315,000	315,000	315,000	315,721
State/Local Agencies	13063BHZ8	CALIFORNIA ST TAXABLE GO BD	8/19/14	11/1/15	1.06	3.95	5,000,000	5,274,550	5,253,461	5,180,750
State/Local Agencies	64966GXS6	NEW YORK CITY TAXABLE GO	4/1/13	12/1/15	1.13	5.13	12,255,000	13,700,477	12,887,211	12,894,343
State/Local Agencies	13063BN73	CALIFORNIA ST TAXABLE GO BD	3/27/13	2/1/16	1.33	1.05	11,000,000	11,037,180	11,017,429	11,052,250
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA REVENUE	4/10/14	5/15/16	1.62	0.63	2,500,000	2,500,000	2,500,000	2,494,975
State/Local Agencies	612574DR1	MONTEREY COMM COLLEGE GO	5/7/13	8/1/16	1.82	0.98	2,670,000	2,670,000	2,670,000	2,670,961
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA REVENUE BD	4/10/14	5/15/17	2.58	1.22	3,250,000	3,250,000	3,250,000	3,246,393
State/Local Agencies	13063CFC9	CALIFORNIA ST GO BD	11/5/13	11/1/17	3.00	1.75	16,500,000	16,558,905	16,545,563	16,544,220
Subtotals					1.35	2.27	\$ 81,110,000	\$ 83,737,908	\$ 82,092,767	\$ 82,062,788
Public Time Deposits		TRANS PACIFIC NATIONAL BANK P*	2/7/14	2/7/15	0.35	0.46	\$	240,000	\$	240,000
Public Time Deposits		BANK OF SAN FRANCISCO PTD	4/9/14	4/9/15	0.52	0.45	240,000	240,000	240,000	240,000
Subtotals					0.44	0.46	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000
Negotiable CDs	06417FB58	BANK OF NOVA SCOTIA YCD 3ML+1	7/17/13	1/20/15	0.21	0.41	\$	50,000,000	\$	50,044,020
Negotiable CDs	78009NGU4	ROYAL BANK OF CANADA NY YCD	5/19/14	6/25/15	0.01	0.33	5,500,000	5,497,250	5,498,174	5,490,618
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY YCD	9/16/14	3/10/16	0.03	0.32	25,000,000	25,000,000	25,000,000	24,990,750
Negotiable CDs	06417HHL3	BANK OF NOVA SCOTIA FLT 3ML+2*	4/3/14	3/22/16	0.02	0.46	10,000,000	10,000,290	10,000,217	10,001,400
Negotiable CDs	96121TWK0	WESTPAC FLT YCD 1ML+22	4/24/14	4/25/16	0.02	0.37	50,000,000	50,000,000	50,000,000	50,007,500
Negotiable CDs	96121TWJ3	WESTPAC FLT YCD 3ML+15	4/24/14	4/25/16	0.18	0.38	25,000,000	25,000,000	25,000,000	25,076,750
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA YCD 3ML+1	5/9/14	5/9/16	0.14	0.42	50,000,000	49,979,050	49,983,206	49,983,300
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA FLT 3ML+21	9/25/14	9/23/16	0.01	0.43	50,000,000	50,000,000	50,000,000	49,975,000
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA YCD 3ML+2	9/25/14	9/25/17	0.01	0.50	50,000,000	50,000,000	50,000,000	50,063,500
Subtotals					0.08	0.42	\$ 315,500,000	\$ 315,476,590	\$ 315,481,596	\$ 315,632,838

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Medium Term Notes	78008TXA7	RBC MTN	11/1/13	10/30/14	0.08	1.45	\$	\$	10,009,359	\$
Medium Term Notes	459200GZ8	IBM MTN	11/5/13	10/31/14	0.09	0.88	31,814,000	32,008,702	31,830,225	31,831,180
Medium Term Notes	459200GZ8	IBM MTN	9/19/14	10/31/14	0.09	0.88	13,500,000	13,556,409	13,553,324	13,507,290
Medium Term Notes	36962G4G6	GE CAPITAL CORP MTN	8/7/13	11/14/14	0.12	3.75	2,920,000	3,039,340	2,931,317	2,932,176
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	12/18/13	11/15/14	0.13	5.70	11,500,000	12,039,350	11,573,105	11,523,690
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	12/19/13	11/15/14	0.13	5.70	25,654,000	26,853,068	25,817,015	25,706,847
Medium Term Notes	86923P7B6	TOYOTA MTN 3ML+17	1/28/13	12/5/14	0.07	0.40	10,000,000	10,004,700	10,000,452	10,004,400
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	7/12/13	1/9/15	0.28	2.15	87,824,000	89,617,366	88,152,455	88,266,633
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	8/7/13	1/9/15	0.28	2.15	4,820,000	4,926,667	4,840,513	4,844,293
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	12/16/13	1/9/15	0.28	2.15	27,743,000	28,291,202	27,883,926	27,882,825
Medium Term Notes	36962G6T6	GE FLT NT 3ML+38	1/10/13	1/9/15	0.02	0.61	25,000,000	25,000,000	25,000,000	25,025,750
Medium Term Notes	46625HHP8	JP MORGAN CHASE MTN	2/18/14	1/20/15	0.31	3.70	16,935,000	17,431,196	17,098,922	17,102,148
Medium Term Notes	46625HHP8	JP MORGAN CHASE MTN	3/17/14	1/20/15	0.31	3.70	22,580,000	23,190,112	22,799,166	22,802,865
Medium Term Notes	78008SVS2	RBC MTN FIX-TO-FLT	1/22/13	1/22/15	0.19	0.33	100,000,000	100,000,000	100,000,000	99,900,000
Medium Term Notes	89233P7H3	TOYOTA MTN 3ML+17	1/23/13	1/23/15	0.19	0.40	35,000,000	35,000,000	35,000,000	35,021,700
Medium Term Notes	89233P7L4	TOYOTA MTN FIX-TO-FLOAT	2/4/13	2/4/15	0.16	0.34	25,000,000	25,000,000	25,000,000	24,998,000
Medium Term Notes	717081DA8	PFIZER MTN	12/9/13	3/15/15	0.45	5.35	3,000,000	3,185,850	3,066,519	3,066,240
Medium Term Notes	89236TAG0	TOYOTA MOTOR CREDIT CORP 3M	4/12/13	4/8/15	0.02	0.38	50,000,000	50,000,000	50,000,000	50,039,000
Medium Term Notes	64952WAW3	NEW YORK LIFE MTN	9/22/14	5/4/15	0.59	3.00	5,000,000	5,141,750	5,138,365	5,079,650
Medium Term Notes	459200HD6	IBM MTN	12/19/13	5/1/15	0.61	0.75	5,425,000	5,460,859	5,440,671	5,440,895
Medium Term Notes	36962G5Z3	GE CAPITAL CORP MTN	8/19/13	7/2/15	0.75	1.63	5,000,000	5,075,250	5,030,232	5,047,550
Medium Term Notes	36962G4M3	GE CAPITAL CORP FLT MTN 3ML+7:	11/25/13	7/9/15	0.02	0.98	8,565,000	8,624,955	8,593,507	8,591,295
Medium Term Notes	89233P6J0	TOYOTA MTN	11/15/13	7/17/15	0.80	0.88	10,000,000	10,072,000	10,034,167	10,043,500
Medium Term Notes	89233P6J0	TOYOTA MTN	3/4/14	7/17/15	0.80	0.88	6,100,000	6,147,885	6,127,678	6,126,535
Medium Term Notes	594918AG9	MICROSOFT MTN	10/30/13	9/25/15	0.98	1.63	3,186,000	3,260,266	3,224,362	3,228,438
Medium Term Notes	961214BW2	WESTPAC NT	9/15/14	9/25/15	0.98	1.13	10,152,000	10,232,201	10,228,779	10,221,440
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	3/5/14	10/9/15	1.02	0.85	10,000,000	10,089,000	10,044,146	10,043,300
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	5/7/14	10/9/15	1.02	0.85	8,000,000	8,048,969	8,036,621	8,034,640
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	5/19/14	10/9/15	1.02	0.85	9,300,000	9,367,094	9,351,598	9,340,269
Medium Term Notes	06366RJH9	BANK OF MONTREAL MTN	3/27/14	11/6/15	1.09	0.80	8,500,000	8,532,470	8,522,106	8,523,460
Medium Term Notes	36962G4T8	GE CAPITAL CORP MTN	5/12/14	11/9/15	1.09	2.25	7,000,000	7,185,203	7,137,378	7,123,200
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	3/7/14	11/15/15	1.11	1.80	23,025,000	23,588,652	23,398,944	23,371,526
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	3/12/14	11/15/15	1.11	1.80	10,000,000	10,231,900	10,155,104	10,150,500
Medium Term Notes	459200GU9	IBM CORP NT	2/11/14	1/5/16	1.25	2.00	19,579,000	20,139,743	19,952,019	19,920,654
Medium Term Notes	064255AK8	BTMUFJ FLT MTN 3ML+45	3/17/14	2/26/16	0.10	0.68	10,000,000	10,035,800	10,025,830	10,020,100
Medium Term Notes	36962G2V5	GE FLT MTN 3ML+20	5/19/14	5/11/16	0.14	0.43	17,689,000	17,703,328	17,700,653	17,711,111
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP 3M	9/23/14	9/23/16	0.02	0.33	50,000,000	50,000,000	50,000,000	49,930,500
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP FF-	9/25/14	9/23/16	0.01	0.34	47,500,000	47,500,000	47,500,000	47,463,900
Subtotals					0.30	1.35	\$ 777,311,000	\$ 785,678,437	\$ 780,198,457	\$ 779,878,399
Money Market Funds	09248U718	BLACKROCK T-FUND INSTL	9/30/14	10/1/14	0.00	0.01	\$	\$	10,000,000	\$
Money Market Funds	316175108	FIDELITY INSTL GOVT PORT	9/30/14	10/1/14	0.00	0.01	10,003,616	10,003,616	10,003,616	10,003,616
Money Market Funds	61747C707	MS INSTL GOVT FUND	9/30/14	10/1/14	0.00	0.04	25,086,004	25,086,004	25,086,004	25,086,004
Subtotals					0.00	0.03	\$ 45,089,620	\$ 45,089,620	\$ 45,089,620	\$ 45,089,620
Grand Totals					1.33	0.99	\$ 5,688,719,620	\$ 5,711,330,079	\$ 5,697,924,752	\$ 5,705,552,512

Monthly Investment Earnings

Pooled Fund

For month ended September 30, 2014

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
U.S. Treasuries	912828MW7	US TSY NT	\$ 50,000,000	2.50	0.48	2/24/12	3/31/15	\$ 102,478	\$ (82,373)	\$ -	\$ 20,105
U.S. Treasuries	912828PE4	US TSY NT	25,000,000	1.25	0.61	12/23/11	10/31/15	25,476	(12,984)	-	12,492
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	56,352	7,964	-	64,316
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	56,352	7,964	-	64,316
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	2.00	12/23/10	11/30/15	56,352	24,308	-	80,661
U.S. Treasuries	912828RJ1	US TSY NT	75,000,000	1.00	1.05	10/11/11	9/30/16	61,487	2,807	-	64,294
U.S. Treasuries	912828RM4	US TSY NT	25,000,000	1.00	0.74	12/26/13	10/31/16	20,380	(5,296)	-	15,084
U.S. Treasuries	912828RX0	US TSY NT	25,000,000	0.88	0.67	2/25/14	12/31/16	17,833	(4,197)	-	13,636
U.S. Treasuries	912828SJ0	US TSY NT	75,000,000	0.88	0.94	3/14/12	2/28/17	54,385	3,783	-	58,169
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,128	6,655	-	24,783
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,128	6,655	-	24,783
U.S. Treasuries	912828SM3	US TSY NT	50,000,000	1.00	1.07	4/4/12	3/31/17	40,991	2,701	-	43,692
U.S. Treasuries	912828TM2	US TSY NT	60,000,000	0.63	0.69	9/17/12	8/31/17	31,077	3,187	-	34,265
U.S. Treasuries	912828UE8	US TSY NT	50,000,000	0.75	0.80	1/4/13	12/31/17	30,571	1,865	-	32,436
Subtotals			\$ 635,000,000				\$ 589,992	\$ (36,961)	\$ -	\$ -	\$ 553,031
Federal Agencies	31398A3G5	FNMA EX-CALL NT	\$ -	1.50	0.51	4/4/12	9/8/14	\$ 3,850	\$ (2,488)	\$ -	\$ 1,362
Federal Agencies	31315PRZ4	FARMER MAC MTN	18,000,000	0.24	0.26	4/9/13	10/1/14	3,638	200	-	3,838
Federal Agencies	31331J4S9	FFCB	24,000,000	1.40	1.41	12/16/10	12/8/14	28,000	248	-	28,248
Federal Agencies	31331J4S9	FFCB	19,000,000	1.40	1.46	12/8/10	12/8/14	22,167	890	-	23,056
Federal Agencies	313371W51	FHLB	-	1.25	1.46	12/8/10	12/12/14	46,875	(566,599)	816,000	296,276
Federal Agencies	3133XVNU1	FHLB	25,400,000	2.75	1.30	11/23/10	12/12/14	58,208	(29,358)	-	28,851
Federal Agencies	3133XVNU1	FHLB	2,915,000	2.75	1.31	11/23/10	12/12/14	6,680	(3,338)	-	3,342
Federal Agencies	3133XVNU1	FHLB	50,000,000	2.75	1.37	12/8/10	12/12/14	114,583	(54,758)	-	59,826
Federal Agencies	313371W93	FHLB	75,000,000	1.34	1.34	12/15/10	12/15/14	83,750	-	-	83,750
Federal Agencies	31331J6Q1	FFCB	27,175,000	1.72	1.74	12/29/10	12/29/14	38,951	368	-	39,319
Federal Agencies	31331J6Q1	FFCB	65,000,000	1.72	1.72	12/29/10	12/29/14	93,167	214	-	93,380
Federal Agencies	3135G0HG1	FNMA GLOBAL	9,399,000	0.38	0.20	1/13/14	3/16/15	2,937	(1,341)	-	1,596
Federal Agencies	3135EAPJ4	FFCB FLT NT 1ML+1.5	50,000,000	0.17	0.19	4/30/12	4/27/15	7,064	203	-	7,267
Federal Agencies	31315PWJ4	FARMER MAC FLT NT FF+26	50,000,000	0.35	0.35	5/3/12	5/1/15	14,542	-	-	14,542
Federal Agencies	3133EACQ5	FFCB FLT NT 1ML+1	50,000,000	0.16	0.21	6/8/12	5/14/15	6,860	407	-	7,267
Federal Agencies	3133EDC67	FFCB NT	50,000,000	0.25	0.26	12/19/13	6/18/15	10,417	412	-	10,829
Federal Agencies	3133EAVE5	FFCB FLT NT 1ML+2	50,000,000	0.17	0.21	12/5/12	6/22/15	7,273	410	-	7,683
Federal Agencies	3133ECVW1	FAMCA	15,000,000	2.38	0.32	11/22/13	7/22/15	29,688	(25,273)	-	4,415
Federal Agencies	313383V81	FHLB	62,500,000	0.16	0.18	8/5/13	8/5/15	8,116	514	-	8,630
Federal Agencies	3137EACM9	FHLMC BONDS	9,000,000	0.38	0.28	12/12/13	8/28/15	2,813	(679)	-	2,133
Federal Agencies	31315PGT0	FARMER MAC	50,000,000	1.75	2.17	12/15/10	9/10/15	72,917	16,474	-	89,391
Federal Agencies	3133ECZG2	FFCB NT	45,000,000	2.13	2.31	12/15/10	9/11/15	109,375	24,489	-	133,864
Federal Agencies	3133ECZG2	FFCB NT	52,047,000	0.55	0.32	12/10/13	9/16/15	23,855	1,397	-	25,252
Federal Agencies	31338A3T7	FNMA EX-CALL NT	16,200,000	0.17	0.19	4/24/13	9/18/15	2,386	66	-	2,452
Federal Agencies	3133EAFJ6	FFCB FLT NT 1ML+2.5	27,953,000	0.18	0.22	10/14/11	9/21/15	41,667	(18,380)	-	23,287
Federal Agencies	31398A4M1	FNMA	25,000,000	1.63	2.22	12/15/10	10/26/15	33,854	11,529	-	45,383
Federal Agencies	31398A4M1	FNMA	42,000,000	1.63	2.19	12/23/10	10/26/15	56,875	18,251	-	75,126

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Federal Agencies	31331J2S1	FFCB	25,000,000	1.50	2.20	12/15/10	11/16/15	31,250	13,573	-	44,823
Federal Agencies	3133EC1Z5	FFCB FLT NT MONTHLY 1ML+0	25,000,000	0.15	0.16	5/8/13	11/19/15	3,219	97	-	3,316
Federal Agencies	313371ZY5	FHLB	25,000,000	1.88	1.89	12/3/10	12/11/15	39,063	294	-	39,357
Federal Agencies	313371ZY5	FHLB	50,000,000	1.88	1.93	12/14/10	12/11/15	78,125	2,115	-	80,240
Federal Agencies	3133ED5A6	FFCB FLT	50,000,000	0.15	0.15	12/12/13	1/20/16	6,449	-	-	6,449
Federal Agencies	31315P3B3	FARMER MAC MTN	30,000,000	0.42	0.42	1/27/14	1/25/16	10,500	-	-	10,500
Federal Agencies	3133XXP43	FHLB	14,000,000	3.13	0.41	12/12/13	3/11/16	36,458	(31,039)	-	5,419
Federal Agencies	313375RN9	FHLB NT	22,200,000	1.00	0.82	4/13/12	3/11/16	18,500	(3,311)	-	15,189
Federal Agencies	3133EAJU3	FFCB NT	25,000,000	1.05	0.82	4/12/12	3/28/16	21,875	(4,580)	-	17,295
Federal Agencies	3135G0VA8	FNMA GLOBAL NT	25,000,000	0.50	0.46	12/13/13	3/30/16	10,417	(797)	-	9,620
Federal Agencies	31315PTF6	FAMCA FLT MTN 1ML+0	50,000,000	0.15	0.15	4/1/13	4/1/16	6,438	-	-	6,438
Federal Agencies	313379Z21	FHLB NT	20,000,000	0.81	0.82	4/18/12	4/18/16	13,500	160	-	13,660
Federal Agencies	3133ECWT7	FFCB NT	22,650,000	0.65	0.48	11/20/13	5/9/16	12,269	(3,213)	-	9,056
Federal Agencies	3135G0RZ8	FNMA CALL NT	22,540,000	0.55	0.55	11/30/12	5/26/16	10,331	-	-	10,331
Federal Agencies	3133EDB35	FFCB FLT NT 1ML+3	50,000,000	0.19	0.20	1/15/14	6/2/16	7,790	287	-	8,077
Federal Agencies	31315PB73	FAMCA NT	10,000,000	0.90	0.90	2/9/12	6/9/16	7,500	-	-	7,500
Federal Agencies	313771AA5	FHLB SUB NT	16,925,000	5.63	0.65	5/20/13	6/13/16	79,336	(68,247)	-	11,089
Federal Agencies	313771AA5	FHLB SUB NT	14,195,000	5.63	0.77	5/30/13	6/13/16	66,539	(55,786)	-	10,753
Federal Agencies	313771AA5	FHLB SUB NT	8,620,000	5.63	0.62	9/4/14	6/13/16	36,366	(31,696)	-	4,669
Federal Agencies	3133EDDP4	FFCB NT	50,000,000	0.52	0.46	2/11/14	6/17/16	21,667	(2,170)	-	19,496
Federal Agencies	3130A1BK3	FHLB EX-CALL NT	25,000,000	0.50	0.50	3/24/14	6/24/16	10,417	-	-	10,417
Federal Agencies	3135G0XP3	FNMA GLOBAL NT	50,000,000	0.38	0.59	3/25/14	7/5/16	15,625	8,892	-	24,517
Federal Agencies	31315PA25	FAMCA MTN	15,000,000	2.00	2.09	7/27/11	7/27/16	25,000	1,071	-	26,071
Federal Agencies	31315PA25	FAMCA MTN	14,100,000	2.00	0.63	3/26/13	7/27/16	23,500	(15,633)	-	7,867
Federal Agencies	31315PA25	FAMCA MTN	11,900,000	2.00	0.62	3/26/13	7/27/16	19,833	(13,302)	-	6,531
Federal Agencies	31315PA25	FAMCA MTN	20,000,000	2.00	0.61	3/26/14	7/27/16	33,333	(22,600)	-	10,733
Federal Agencies	3135G0YE7	FNMA GLOBAL NT	50,000,000	0.63	0.52	3/17/14	8/26/16	26,042	(4,191)	-	21,850
Federal Agencies	31315PQB8	FAMCA NT	7,000,000	1.50	0.70	10/29/13	9/1/16	8,750	(4,516)	-	4,234
Federal Agencies	313370TW8	FHLB BD	25,000,000	2.00	1.39	10/11/11	9/9/16	41,667	(12,157)	-	29,510
Federal Agencies	3133EDH21	FFCB FLT NT 1ML+2	50,000,000	0.17	0.18	3/14/14	9/14/16	7,277	209	-	7,486
Federal Agencies	3134G4XW3	FHLMC EX-CALL MTN	25,000,000	0.60	0.60	3/26/14	9/26/16	12,500	-	-	12,500
Federal Agencies	3134G3P38	FHLMC NT CALL	75,000,000	0.75	0.72	12/14/12	10/5/16	46,875	(2,842)	-	44,033
Federal Agencies	3133EDJA1	FFCB FLT NT 1ML+2	25,000,000	0.17	0.19	4/11/14	10/11/16	3,639	205	-	3,844
Federal Agencies	3133EDUV2	FFCB NT	30,700,000	0.65	0.70	9/11/14	10/11/16	11,086	833	-	11,919
Federal Agencies	3137EADS5	FHLMC GLOBAL NT	25,000,000	0.88	0.57	3/3/14	10/14/16	18,229	(6,284)	-	11,945
Federal Agencies	3134G4HK7	FHLMC CALL STEP NT	25,000,000	0.50	0.50	10/24/13	10/24/16	10,417	-	-	10,417
Federal Agencies	3136G1WP0	FNMA CALL NT	18,000,000	1.50	0.84	11/4/13	11/4/16	22,500	(14,402)	-	8,098
Federal Agencies	313381GA7	FHLB NT	23,100,000	0.57	0.57	11/30/12	11/30/16	10,973	(90)	-	10,882
Federal Agencies	3130A12F4	FHLB CALL NT	20,500,000	0.70	0.70	3/19/14	12/19/16	11,958	61	-	12,019
Federal Agencies	313381KR5	FHLB NT CALL	13,500,000	0.63	0.63	12/28/12	12/28/16	7,031	-	-	7,031
Federal Agencies	313381KR5	FHLB NT CALL	9,000,000	0.63	0.63	12/28/12	12/28/16	4,688	-	-	4,688
Federal Agencies	3134G33C2	FHLMC NT	50,000,000	0.60	0.60	1/3/13	1/3/17	25,000	-	-	25,000
Federal Agencies	3133ECB37	FFCB NT	14,000,000	0.58	0.58	12/20/12	1/12/17	6,767	-	-	6,767
Federal Agencies	31315PWV5	FARMER MAC MTN	49,500,000	1.01	1.02	5/4/12	1/17/17	41,663	432	-	42,094
Federal Agencies	3133786Q9	FHLB NT	67,780,000	1.00	0.72	1/10/13	2/13/17	56,483	(15,380)	-	41,103
Federal Agencies	3133EDFW7	FFCB FLT NT 1ML+5.5	50,000,000	0.21	0.21	2/27/14	2/27/17	8,731	-	-	8,731

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Federal Agencies	3134G4XM5	FHLMC CALL MTN	25,000,000	0.78	0.78	3/28/14	3/28/17	16,250	-	-	16,250
Federal Agencies	3136G1ZB8	FNMA CALL NT	25,000,000	0.88	0.88	3/28/14	3/28/17	18,229	-	-	18,229
Federal Agencies	31315PTQ2	FARMER MAC MTN	12,500,000	1.26	1.36	4/10/12	4/10/17	13,125	998	-	14,123
Federal Agencies	3133ECLL6	FFCB NT	10,000,000	0.60	0.60	4/17/13	4/17/17	5,000	-	-	5,000
Federal Agencies	31315PUQ0	FARMER MAC MTN	10,500,000	1.13	1.13	4/26/12	4/26/17	9,844	-	-	9,844
Federal Agencies	31315PV89	FARMER MAC FLT CALL NT 3ML+10	50,000,000	0.34	0.34	5/1/14	5/1/17	14,150	-	-	14,150
Federal Agencies	3137EADF3	FHLMC NT	25,000,000	1.25	1.14	5/14/12	5/12/17	26,042	(2,188)	-	23,854
Federal Agencies	3136FTR27	FNMA CALL NT	17,000,000	1.02	1.03	9/4/14	5/27/17	13,056	115	-	13,171
Federal Agencies	31315PZQ5	FARMER MAC MTN	9,000,000	1.11	0.80	12/28/12	6/5/17	8,325	(2,262)	-	6,063
Federal Agencies	3130A1ZR2	FHLB STEP NT	50,000,000	0.50	0.50	6/12/14	6/12/17	20,833	-	-	20,833
Federal Agencies	3133EADUW6	FFCB FLT NT FF+22	50,000,000	0.31	0.31	6/19/12	6/19/17	12,874	-	-	12,874
Federal Agencies	3137EADH9	FHLMC GLOBAL NT	25,000,000	1.00	1.10	3/25/14	6/29/17	20,833	1,998	-	22,831
Federal Agencies	3133ECV92	FFCB FLT NT 1ML+4	50,000,000	0.19	0.19	7/24/13	7/24/17	8,120	-	-	8,120
Federal Agencies	3134G3ZH6	FHLMC EX-CALL MTN	19,000,000	1.00	1.01	4/15/14	7/25/17	15,833	119	-	15,952
Federal Agencies	3133ECVG6	FFCB FLT NT 3ML+0	23,520,000	0.24	0.24	8/5/13	7/26/17	4,608	-	-	4,608
Federal Agencies	3136G0B59	FNMA STEP NT	64,750,000	0.70	0.70	9/20/12	9/20/17	37,771	-	-	37,771
Federal Agencies	3134G5HS7	FHLMC CALL MTN	20,100,000	1.13	1.16	9/25/14	9/25/17	3,769	110	-	3,879
Federal Agencies	3136G0D81	FNMA STEP NT	100,000,000	0.72	0.72	9/27/12	9/27/17	60,000	-	-	60,000
Federal Agencies	3137EADL0	FHLMC GLOBAL NT	25,000,000	1.00	1.22	3/25/14	9/29/17	20,833	4,482	-	25,315
Federal Agencies	3136G0Q20	FNMA CALL STEP NT	49,090,000	0.75	0.76	3/13/14	10/17/17	30,681	224	-	30,905
Federal Agencies	3136G0Y39	FNMA STEP NT	50,000,000	0.70	0.70	11/8/12	11/8/17	29,167	-	-	29,167
Federal Agencies	3134G44F2	FHLMC CALL MTN	50,000,000	0.80	0.80	5/21/13	11/21/17	33,333	-	-	33,333
Federal Agencies	3136G13T4	FNMA STEP NT	39,000,000	0.75	0.75	12/26/12	12/26/17	24,375	-	-	24,375
Federal Agencies	3136G13Q0	FNMA STEP NT	29,000,000	0.75	0.75	12/26/12	12/26/17	18,125	-	-	18,125
Federal Agencies	3134G32M1	FHLMC CALL NT	50,000,000	1.00	1.00	12/28/12	12/28/17	41,667	-	-	41,667
Federal Agencies	3135G0UN1	FNMA GLOBAL NT CALL	19,000,000	1.15	1.32	2/26/14	2/28/18	18,208	2,513	-	20,721
Federal Agencies	3135G0UN1	FNMA GLOBAL NT CALL	8,770,000	1.15	1.32	2/26/14	2/28/18	8,405	1,160	-	9,565
Federal Agencies	3136G1KN8	FNMA NT CALL	50,000,000	1.50	1.13	4/24/13	4/24/18	62,500	(37,110)	-	25,390
Federal Agencies	3136G1K81	FNMA NT STEP	12,600,000	0.75	0.75	4/30/13	4/30/18	7,875	-	-	7,875
Federal Agencies	31315PZM4	FARMER MAC STEP NT	24,600,000	0.70	0.70	5/3/13	5/3/18	14,350	-	-	14,350
Federal Agencies	313382XK4	FHLB STEP NT	25,000,000	0.75	0.75	5/7/13	5/7/18	15,625	-	-	15,625
Federal Agencies	3133ECPB4	FFCB NT	10,000,000	0.88	1.01	5/23/13	5/14/18	7,292	1,080	-	8,371
Federal Agencies	3135G0WJ8	FNMA NT	25,000,000	0.88	1.05	5/23/13	5/21/18	18,229	3,512	-	21,741
Federal Agencies	3133834P3	FHLB STEP NT	50,000,000	0.50	0.50	5/22/13	5/22/18	20,833	-	-	20,833
Federal Agencies	31315P4W6	FARMER MAC FLT CALL	25,000,000	0.36	0.36	6/6/14	6/6/18	7,552	-	-	7,552
Federal Agencies	3134G52D6	FHLMC CALL MTN	25,000,000	1.64	1.64	4/17/14	7/17/18	34,167	-	-	34,167
Federal Agencies	3134G4LZ9	FHLMC CALL STEP	50,000,000	0.88	0.88	12/10/13	12/10/18	36,458	-	-	36,458
Federal Agencies	3134G4MB1	FHLMC CALL MULTI-STEP	25,000,000	1.50	1.50	12/18/13	12/18/18	31,250	-	-	31,250
Federal Agencies	3130A1B98	FHLB STEP CALL NT	75,000,000	1.00	1.00	3/27/14	3/27/19	62,500	-	-	62,500
Federal Agencies	31315PQ69	FARMER MAC FLT CALL NT 3ML+15	50,000,000	0.38	0.38	4/3/14	4/3/19	15,908	-	-	15,908
Federal Agencies	31315PQ3W7	FARMER MAC FLT CALL	50,000,000	0.38	0.38	6/3/14	6/3/19	15,966	-	-	15,966
Federal Agencies	31315PS91	FARMER MAC FLT CALL NT 3ML+12	50,000,000	0.36	0.36	8/12/14	8/12/19	14,796	-	-	14,796
Federal Agencies	3130A2UF1	FHLB FLT CALL NT 3ML+20	25,000,000	0.44	0.44	8/27/14	8/27/19	9,125	-	-	9,125
Subtotals			\$ 3,834,229,000					\$ 2,949,830	\$ (944,781)	\$ 816,000	\$ 2,821,049

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
State/Local Agencies	64966DPC7	NEW YORK CITY GO	\$ 8,000,000	4.75	0.68	6/7/12	11/1/14	\$ 31,667	\$ (26,501)	\$ -	\$ 5,165
State/Local Agencies	13063BN65	CALIFORNIA ST TAXABLE GO BD	10,000,000	0.85	0.64	3/27/13	2/1/15	7,083	(1,686)	-	5,397
State/Local Agencies	649791JS0	NEW YORK ST TAXABLE GO	4,620,000	0.39	0.40	3/21/13	3/1/15	1,502	39	-	1,541
State/Local Agencies	91412GPW9	UNIV OF CALIFORNIA REVENUE BC	5,000,000	0.39	0.39	3/14/13	5/15/15	1,633	-	-	1,633
State/Local Agencies	612574DQ3	MONTEREY COMM COLLEGE GO	315,000	0.63	0.63	5/7/13	8/1/15	165	-	-	165
State/Local Agencies	13063BHZ8	CALIFORNIA ST TAXABLE GO BD	5,000,000	3.95	0.35	8/19/14	11/1/15	16,458	(14,713)	-	1,745
State/Local Agencies	64966GXS6	NEW YORK CITY TAXABLE GO	12,255,000	5.13	0.66	4/1/13	12/1/15	52,390	(44,522)	-	7,868
State/Local Agencies	13063BN73	CALIFORNIA ST TAXABLE GO BD	11,000,000	1.05	0.91	3/27/13	2/1/16	9,625	(1,071)	-	8,554
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA REVENUE	2,500,000	0.63	0.63	4/10/14	5/15/16	1,321	-	-	1,321
State/Local Agencies	612574DR1	MONTEREY COMM COLLEGE GO	2,670,000	0.98	0.98	5/7/13	8/1/16	2,185	-	-	2,185
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA REVENUE BD	3,250,000	1.22	1.22	4/10/14	5/15/17	3,310	-	-	3,310
State/Local Agencies	13063CFC9	CALIFORNIA ST GO BD	16,500,000	1.75	1.66	11/5/13	11/1/17	24,063	(1,213)	-	22,850
Subtotals			\$ 81,110,000				\$ 151,402	\$ (89,668)	\$ -	\$ -	\$ 61,734
Public Time Deposits		TRANS PACIFIC NATIONAL BANK P ¹	\$ 240,000	0.46	0.46	2/7/14	2/7/15	\$ 92	\$ -	\$ -	\$ 92
Public Time Deposits		BANK OF SAN FRANCISCO PTD	240,000	0.45	0.45	4/9/14	4/9/15	90	-	-	90
Subtotals			\$ 480,000				\$ 182	\$ -	\$ -	\$ -	\$ 182
Negotiable CDs	06417FB58	BANK OF NOVA SCOTIA YCD 3ML+1	\$ 50,000,000	0.41	0.41	7/17/13	1/20/15	\$ 17,213	\$ -	\$ -	\$ 17,213
Negotiable CDs	78009NGU4	ROYAL BANK OF CANADA NY YCD	5,500,000	0.33	0.40	5/19/14	6/25/15	1,526	205	-	1,731
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY YCD	25,000,000	0.32	0.32	9/16/14	3/10/16	3,319	-	-	3,319
Negotiable CDs	06417HHL3	BANK OF NOVA SCOTIA FLT 3ML+2 ¹	10,000,000	0.46	0.46	4/3/14	3/22/16	3,839	(12)	-	3,827
Negotiable CDs	96121TWK0	WESTPAC FLT YCD 1ML+22	50,000,000	0.37	0.37	4/24/14	4/25/16	15,620	-	-	15,620
Negotiable CDs	96121TWJ3	WESTPAC FLT YCD 3ML+15	25,000,000	0.38	0.38	4/24/14	4/25/16	8,002	-	-	8,002
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA YCD 3ML+1	50,000,000	0.42	0.45	5/9/14	5/9/16	17,629	860	-	18,489
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA FLT 3ML+2 ¹	50,000,000	0.43	0.43	9/25/14	9/23/16	3,618	-	-	3,618
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA YCD 3ML+2	50,000,000	0.50	0.50	9/25/14	9/25/17	4,201	-	-	4,201
Subtotals			\$ 315,500,000				\$ 74,965	\$ 1,053	\$ -	\$ -	\$ 76,018

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Medium Term Notes	78008TXA7	RBC MTN	\$	1.45	0.27	11/11/13	10/30/14	\$	(9,682)	\$	2,401
Medium Term Notes	459200GZ8	IBM MTN	10,000,000	0.88	0.25	11/5/13	10/31/14	12,083	(16,225)	-	2,401
Medium Term Notes	459200GZ8	IBM MTN	31,814,000	0.88	0.17	9/19/14	10/31/14	23,198	(3,086)	-	6,973
Medium Term Notes	36962G4G6	GE CAPITAL CORP MTN	13,500,000	3.75	0.52	8/7/13	11/14/14	3,938	(7,716)	-	852
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	2,920,000	5.70	0.52	12/18/13	11/15/14	9,125	(48,736)	-	1,409
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	11,500,000	5.70	0.52	12/19/13	11/15/14	54,625	(108,677)	-	5,889
Medium Term Notes	36962G5M2	TOYOTA MTN 3ML+17	25,654,000	0.40	0.22	1/28/13	12/5/14	121,857	(209)	-	13,180
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	10,000,000	2.15	0.77	7/12/13	1/9/15	3,360	(98,537)	-	3,151
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	87,824,000	2.15	0.59	8/7/13	1/9/15	157,351	(6,154)	-	58,815
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	4,820,000	2.15	0.29	12/16/13	1/9/15	8,636	(42,278)	-	2,482
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	27,743,000	0.61	0.61	1/10/13	1/9/15	49,706	-	-	7,428
Medium Term Notes	46625HHH8	JP MORGAN CHASE MTN	25,000,000	3.70	0.51	2/18/14	1/20/15	12,794	(44,303)	-	12,794
Medium Term Notes	46625HHH8	JP MORGAN CHASE MTN	16,935,000	3.70	0.48	3/17/14	1/20/15	52,216	(59,234)	-	7,913
Medium Term Notes	78008SVS2	RBC MTN FIX-TO-FLT	22,580,000	0.33	0.33	1/22/13	1/22/15	69,622	-	-	10,388
Medium Term Notes	89233P7H3	TOYOTA MTN 3ML+17	100,000,000	0.40	0.40	1/23/13	1/23/15	27,633	-	-	27,633
Medium Term Notes	89233P7L4	TOYOTA MTN FIX-TO-FLOAT	35,000,000	0.34	0.34	2/4/13	2/4/15	11,757	-	-	11,757
Medium Term Notes	717081DA8	PFIZER MTN	25,000,000	5.35	0.44	12/9/13	3/15/15	7,065	(12,094)	-	7,065
Medium Term Notes	89236TAG0	TOYOTA MOTOR CREDIT CORP 3M	3,000,000	3.00	0.38	4/12/13	4/8/15	13,375	-	-	1,281
Medium Term Notes	64952WAW3	NEW YORK LIFE MTN	50,000,000	3.00	0.26	9/22/14	5/4/15	15,963	(3,385)	-	15,963
Medium Term Notes	459200HD6	IBM MTN	5,000,000	0.75	0.27	12/19/13	5/11/15	3,750	(2,118)	-	365
Medium Term Notes	36962G5Z3	GE CAPITAL CORP MTN	5,425,000	1.63	0.81	8/19/13	7/2/15	3,391	(3,310)	-	1,273
Medium Term Notes	36962G4M3	GE CAPITAL CORP FLT MTN 3ML+7:	5,000,000	0.98	0.28	11/25/13	7/9/15	6,771	(3,043)	-	3,461
Medium Term Notes	89233P6J0	TOYOTA MTN	8,565,000	0.88	0.44	11/15/13	7/17/15	7,024	(3,547)	-	3,981
Medium Term Notes	89233P6J0	TOYOTA MTN	10,000,000	0.88	0.30	3/4/14	7/17/15	7,292	(2,873)	-	3,745
Medium Term Notes	594918AG9	MICROSOFT MTN	6,100,000	1.63	0.39	10/30/13	9/25/15	4,448	(3,206)	-	1,575
Medium Term Notes	961214BW2	WESTPAC NT	3,186,000	1.13	0.35	9/15/14	9/25/15	4,314	(3,422)	-	1,109
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	10,152,000	0.85	0.42	3/5/14	10/9/15	5,076	(3,551)	-	1,654
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	10,000,000	0.85	0.46	5/7/14	10/9/15	7,083	(2,520)	-	3,533
Medium Term Notes	369604BE2	GENERAL ELECTRIC MTN	8,000,000	0.85	0.40	5/19/14	10/9/15	5,667	(3,444)	-	3,147
Medium Term Notes	06366RJH9	BANK OF MONTREAL MTN	9,300,000	0.80	0.56	3/27/14	11/6/15	6,588	(1,654)	-	3,144
Medium Term Notes	36962G4T8	GE CAPITAL CORP MTN	8,500,000	2.25	0.48	5/12/14	11/9/15	5,667	(10,104)	-	4,013
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	7,000,000	2.25	0.34	3/7/14	11/15/15	13,125	(27,362)	-	3,021
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	23,025,000	1.80	0.41	3/12/14	11/15/15	34,538	(11,349)	-	7,176
Medium Term Notes	459200GU9	IBM CORP NT	10,000,000	1.80	0.41	2/11/14	1/5/16	15,000	(24,275)	-	3,651
Medium Term Notes	064255AK8	BTMUFJ FLT MTN 3ML+45	19,579,000	2.00	0.48	3/17/14	2/26/16	32,632	(1,511)	-	8,357
Medium Term Notes	36962G2V5	GE FLT MTN 3ML+20	10,000,000	0.68	0.45	5/19/14	5/11/16	5,708	(595)	-	4,197
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP 3M	17,689,000	0.43	0.39	9/23/14	9/23/16	6,384	-	-	5,790
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP FF-	50,000,000	0.33	0.33	9/23/14	9/23/16	3,701	-	-	3,701
Medium Term Notes	89236TBU6	TOYOTA MOTOR CREDIT CORP FF-	47,500,000	0.34	0.34	9/25/14	9/23/16	2,678	-	-	2,678
Subtotals			\$ 777,311,000				\$	\$ 835,138	\$ (568,197)	\$	\$ 266,941
Money Market Funds	09248U718	BLACKROCK T-FUND INSTL	\$	0.01	0.01	9/30/14	10/1/14	82	-	-	82
Money Market Funds	316175108	FIDELITY INSTL GOVT PORT	10,000,000	0.01	0.01	9/30/14	10/1/14	82	-	-	82
Money Market Funds	61747C707	MS INSTL GOVT FUND	10,003,616	0.04	0.04	9/30/14	10/1/14	825	-	-	825
Subtotals			\$ 45,089,620				\$	\$ 989	\$	\$	\$ 989
Grand Totals			\$ 5,688,719,620				\$	\$ 4,602,498	\$ (1,638,554)	\$	\$ 3,779,944

¹Yield to maturity is calculated at purchase

Investment Transactions

Pooled Fund

For month ended September 30, 2014

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase	9/4/2014	6/13/2016	Federal Agencies	FHLB SUB NT	313771AA5	\$ 8,620,000	5.63	0.62	\$ 108.83	\$ -	\$ 9,489,812
Purchase	9/4/2014	5/27/2017	Federal Agencies	FNMA CALL NT	3136FTR27	17,000,000	1.02	1.03	99.98	-	17,044,106
Purchase	9/11/2014	10/11/2016	Federal Agencies	FFCB NT	3133EDUV2	30,700,000	0.65	0.70	99.90	-	30,668,318
Purchase	9/15/2014	9/25/2015	Medium Term Notes	WESTPAC NT	961214BW2	10,152,000	1.13	0.35	100.79	-	10,286,133
Purchase	9/16/2014	3/10/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NSA5	25,000,000	0.31	0.31	100.00	-	25,000,000
Purchase	9/19/2014	10/31/2014	Medium Term Notes	IBM MTN	459200GZ8	13,500,000	0.88	0.17	100.08	-	13,556,409
Purchase	9/22/2014	5/4/2015	Medium Term Notes	NEW YORK LIFE MTN	64952WAW3	5,000,000	3.00	0.26	101.69	-	5,141,750
Purchase	9/23/2014	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBU8	50,000,000	0.33	0.33	100.00	-	50,000,000
Purchase	9/25/2014	9/23/2016	Negotiable CDs	BANK OF NOVA SCOTIA FLT	06417HUW4	50,000,000	0.43	0.43	100.00	-	50,000,000
Purchase	9/25/2014	9/23/2016	Medium Term Notes	TOYOTA MOTOR CREDIT CORP	89236TBV6	47,500,000	0.34	0.34	100.00	-	47,500,000
Purchase	9/25/2014	9/25/2017	Federal Agencies	FHLMC CALL MTN	3134G5HS7	20,100,000	1.13	1.16	99.90	-	20,079,900
Purchase	9/25/2014	9/25/2017	Negotiable CDs	BANK OF NOVA SCOTIA YCD	06417HUR5	50,000,000	0.51	0.51	100.00	-	50,000,000
Purchase	9/30/2014	10/1/2014	Money Market Funds	MS INSTL GOVT FUND	61747C707	825	0.04	0.04	100.00	-	825
Purchase	9/30/2014	10/1/2014	Money Market Funds	FIDELITY INSTL GOVT PORT	316175108	82	0.01	0.01	100.00	-	82
Subtotals						\$ 327,572,907	0.72	0.50	\$ 100.27	\$ -	\$ 328,767,335
Sale	9/19/2014	12/12/2014	Federal Agencies	FHLB	313371W51	\$ 75,000,000	1.25	1.46	\$ 99.19	\$ 252,604	\$ 75,459,604
Subtotals						\$ 75,000,000	1.25	1.46	\$ 99.19	\$ 252,604	\$ 75,459,604
Maturity	9/8/2014	9/8/2014	Federal Agencies	FNMA EX-CALL NT	31398A3G5	\$ 13,200,000	1.50	0.51	\$ 102.39	\$ 99,000	\$ 13,299,000
Subtotals						\$ 13,200,000	1.50	0.51	\$ 102.39	\$ 99,000	\$ 13,299,000
Interest	9/1/2014	3/1/2015	State/Local Agencies	NEW YORK ST TAXABLE GO	649791JS0	\$ 4,620,000	0.39	0.40	\$ 99.98	\$ 9,009	\$ 9,009
Interest	9/1/2014	4/1/2016	Federal Agencies	FAMCA FLT MTN 1ML+0	31315PTF6	50,000,000	0.16	0.16	100.00	6,708	6,708
Interest	9/1/2014	9/1/2016	Federal Agencies	FAMCA NT	31315PQB8	7,000,000	1.50	0.70	102.23	52,500	52,500
Interest	9/2/2014	10/1/2014	Money Market Funds	BLACKROCK T-FUND INSTL	09248U718	10,000,000	0.01	0.01	100.00	85	85
Interest	9/2/2014	6/2/2016	Federal Agencies	FFCB FLT NT 1ML+3	3133EDB35	50,000,000	0.19	0.20	99.98	8,008	8,008
Interest	9/3/2014	6/3/2019	Federal Agencies	FARMER MAC FLT CALL	31315P3W7	50,000,000	0.38	0.38	100.00	47,175	47,175
Interest	9/5/2014	12/5/2014	Medium Term Notes	TOYOTA MTN 3ML+17	89233P7B6	10,000,000	0.40	0.30	100.05	10,156	10,156
Interest	9/6/2014	6/6/2018	Federal Agencies	FARMER MAC FLT CALL	31315P4W6	25,000,000	0.36	0.36	100.00	22,469	22,469
Interest	9/9/2014	9/9/2016	Federal Agencies	FHLB BD	313370TW8	25,000,000	2.00	1.39	102.91	250,000	250,000
Interest	9/10/2014	9/10/2015	Federal Agencies	FHLMC BONDS	3137EACM9	50,000,000	1.75	2.17	98.10	437,500	437,500
Interest	9/11/2014	9/11/2015	Federal Agencies	FHLB	313370JB5	75,000,000	1.75	2.31	98.12	656,250	656,250
Interest	9/11/2014	3/11/2016	Federal Agencies	FHLB NT	313375RN9	22,200,000	1.00	0.82	100.71	111,000	111,000
Interest	9/11/2014	3/11/2016	Federal Agencies	FHLB	3133XXP43	14,000,000	3.13	0.41	106.06	218,750	218,750
Interest	9/11/2014	10/11/2016	Federal Agencies	FFCB FLT NT 1ML+2	3133EDJA1	25,000,000	0.18	0.19	99.98	3,810	3,810
Interest	9/12/2014	6/12/2017	Federal Agencies	FHLB STEP NT	3130A1ZR2	50,000,000	0.50	0.50	100.00	62,500	62,500
Interest	9/14/2014	5/14/2015	Federal Agencies	FFCB FLT NT 1ML+1	3133EAQCS	50,000,000	0.17	0.20	99.97	7,147	7,147
Interest	9/14/2014	9/14/2016	Federal Agencies	FFCB FLT NT 1ML+2	3133EDH21	50,000,000	0.18	0.18	99.99	7,578	7,578

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	9/15/2014	3/15/2015	Medium Term Notes	PFIZER MTN	717081DA8	3,000,000	5.35	0.44	106.20	80,250	80,250
Interest	9/15/2014	9/15/2015	Federal Agencies	FARMER MAC	31315PGT0	45,000,000	2.13	2.17	99.81	478,125	478,125
Interest	9/16/2014	3/16/2015	Federal Agencies	FNMA GLOBAL	3135G0HG1	9,399,000	0.38	0.20	100.20	17,623	17,623
Interest	9/16/2014	9/16/2015	Federal Agencies	FFCB NT	3133ECZG2	52,047,000	0.55	0.32	100.40	143,129	143,129
Interest	9/18/2014	9/18/2015	Federal Agencies	FFCB FLT NT QTR T-BILL+1	3133ECZB1	16,200,000	0.18	0.19	99.99	7,690	7,690
Interest	9/19/2014	11/19/2015	Federal Agencies	FFCB FLT NT MONTHLY 1ML+	3133ECZL5	25,000,000	0.16	0.17	99.99	3,348	3,348
Interest	9/19/2014	6/19/2017	Federal Agencies	FFCB FLT NT FF+22	3133EAWU6	50,000,000	0.31	0.31	100.00	39,708	39,708
Interest	9/20/2014	1/20/2016	Federal Agencies	FFCB FLT	3133ED5A6	50,000,000	0.16	0.16	100.00	6,695	6,695
Interest	9/20/2014	9/20/2017	Federal Agencies	FNMA STEP NT	3136G0B59	64,750,000	0.70	0.70	100.00	226,625	226,625
Interest	9/21/2014	9/21/2015	Federal Agencies	FNMA EX-CALL NT	31398A3T7	25,000,000	2.00	1.08	103.52	250,000	250,000
Interest	9/22/2014	6/22/2015	Federal Agencies	FFCB FLT NT 1ML+2	3133EAVE5	50,000,000	0.18	0.21	99.97	7,535	7,535
Interest	9/22/2014	9/22/2015	Federal Agencies	FFCB FLT NT 1ML+2.5	3133EAFJ6	27,953,000	0.18	0.22	99.96	4,333	4,333
Interest	9/22/2014	3/22/2016	Negotiable CDs	BANK OF NOVA SCOTIA FLT	06417HHL3	10,000,000	0.46	0.46	100.00	11,618	11,618
Interest	9/24/2014	4/25/2016	Negotiable CDs	WESTPAC FLT YCD 1ML+22	96121TWK0	50,000,000	0.38	0.37	100.00	15,104	15,104
Interest	9/24/2014	6/24/2016	Federal Agencies	FHLB EX-CALL NT	3130A1BK3	25,000,000	0.50	0.50	100.00	62,500	62,500
Interest	9/24/2014	7/24/2017	Federal Agencies	FFCB FLT NT 1ML+4	3133ECV92	50,000,000	0.20	0.20	100.00	8,396	8,396
Interest	9/25/2014	6/25/2015	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NGU4	5,500,000	0.33	0.38	99.95	4,573	4,573
Interest	9/25/2014	9/25/2015	Medium Term Notes	MICROSOFT MTN	594918AG9	3,186,000	1.63	0.39	102.33	25,886	25,886
Interest	9/25/2014	9/25/2015	Medium Term Notes	WESTPAC NT	961214BW2	10,152,000	1.13	0.35	100.79	3,173	3,173
Interest	9/26/2014	9/26/2016	Federal Agencies	FHLMC EX-CALL MTN	3134G4XW3	25,000,000	0.60	0.60	100.00	75,000	75,000
Interest	9/27/2014	4/27/2015	Federal Agencies	FFCB FLT NT 1ML+1.5	3133EAPJ4	50,000,000	0.17	0.19	99.99	7,319	7,319
Interest	9/27/2014	2/27/2017	Federal Agencies	FFCB FLT NT 1ML+5.5	3133EDFW7	50,000,000	0.21	0.21	100.00	9,042	9,042
Interest	9/27/2014	9/27/2017	Federal Agencies	FNMA STEP NT	3136G0D81	100,000,000	0.72	0.72	100.00	360,000	360,000
Interest	9/27/2014	3/27/2019	Federal Agencies	FHLB STEP CALL NT	3130A1B98	75,000,000	1.00	1.00	100.00	187,500	187,500
Interest	9/28/2014	3/28/2016	Federal Agencies	FFCB NT	3133EAIJ3	25,000,000	1.05	0.82	100.88	131,250	131,250
Interest	9/28/2014	3/28/2017	Federal Agencies	FHLMC CALL MTN	3134G4XM5	25,000,000	0.78	0.78	100.00	97,500	97,500
Interest	9/28/2014	3/28/2017	Federal Agencies	FNMA CALL NT	3136G1ZB8	25,000,000	0.88	0.88	100.00	109,375	109,375
Interest	9/29/2014	9/29/2017	Federal Agencies	FHLMC GLOBAL NT	3137EADL0	25,000,000	1.00	1.22	99.23	125,000	125,000
Interest	9/30/2014	10/1/2014	Money Market Funds	MS INSTL GOVT FUND	61747C707	25,085,179	0.04	0.04	100.00	825	825
Interest	9/30/2014	10/1/2014	Money Market Funds	FIDELITY INSTL GOVT PORT	316175108	10,003,533	0.01	0.01	100.00	82	82
Interest	9/30/2014	3/31/2015	U.S. Treasuries	US TSY NT	912828MW7	50,000,000	2.50	0.48	106.21	625,000	625,000
Interest	9/30/2014	3/30/2016	Federal Agencies	FNMA GLOBAL NT	3135G0VA8	25,000,000	0.50	0.46	100.09	62,500	62,500
Interest	9/30/2014	9/30/2016	U.S. Treasuries	US TSY NT	912828RJ1	75,000,000	1.00	1.05	99.77	375,000	375,000
Interest	9/30/2014	3/31/2017	U.S. Treasuries	US TSY NT	912828SM3	50,000,000	1.00	1.07	99.67	250,000	250,000
Subtotals						\$ 1,775,095,713	0.75	0.66	\$ 100.21	\$ 5,722,349	\$ 5,776,282

Grand Totals	14	Purchases
	(1)	Sales
	(1)	Maturities / Calls
	12	Change in number of positions

Non-Pooled Investments

As of September 30, 2014

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
State/Local Agencies	797712AD8	SFRDA SOUTH BEACH HARBOR	1/20/12	12/1/16	2.09	3.50	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000
Subtotals					2.09	3.50	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000
Grand Totals					2.09	3.50	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000

NON-POOLED FUNDS PORTFOLIO STATISTICS

	Current Month		Prior Month	
	Fiscal YTD	September 2014	Fiscal YTD	August 2014
Average Daily Balance	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000
Net Earnings	\$ 28,613	\$ 9,538	\$ 19,075	\$ 9,538
Earned Income Yield	3.47%	3.55%	3.43%	3.43%

Note: All non-pooled securities were inherited by the City and County of San Francisco as successor agency to the San Francisco Redevelopment Agency. Book value and amortized book value are derived from limited information received from the SFRDA and are subject to verification.



Memorandum

Date: 11.10.14 **RE:** Finance Committee
November 18, 2014

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Chiu, Farrell, Tang and Avalos (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Acceptance of the Audit Report for the Fiscal Year Ended June 30, 2014

Summary

The Transportation Authority's financial records are required to be audited annually by an independent, certified public accountant. The annual audit (Audit Report) for the year ended June 30, 2014 was conducted in accordance with generally accepted auditing standards by the independent, certified public accounting firm of Macias, Gini & O'Connell, LLP (Macias Gini). Macias Gini is also the auditor for the City and County of San Francisco. The Transportation Authority received all unmodified (also known as a clean opinion/unqualified opinion) audit opinions from Macias Gini, with no findings or recommendations for improvements. For the fiscal audit, Macias Gini has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Yerba Buena Island Ramps and Bridge Structures Project, eFleet: Carsharing Electrified Project, Integrated Public Private Partnership Travel Demand Management Program, San Francisco Value Pricing and Regulation Study, Treasure Island Mobility Management Program, and Congestion Management Agency Planning and Programming funded by the Surface Transportation Program. For the single audit, Macias Gini has issued an opinion, stating the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report containing other required communications to the Finance Committee are attached. **We are seeking a recommendation to accept the Audit Report for the fiscal year ended June 30, 2014.**

BACKGROUND

Under its fiscal policy, the Transportation Authority's financial records are to be audited annually by an independent, certified public accounting firm. The audits for the fiscal year ended June 30, 2014 (Audit Report) were conducted in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Audit Report contains formal opinions, or disclaimers thereof, issued by an independent, certified public accounting firm as a result of an external audit performed on an agency. An unmodified opinion (also known as a clean opinion/unqualified opinion) is the best type of report an agency may receive from an external audit and represents that the agency complied with direct and material regulatory requirements or that the agency's financial condition, position, and operations in all material respects were fairly presented.

As more than \$500,000 in federal expenditures was expended during the fiscal year, the Transportation Authority also was subject to the federal single audit compliance requirements. Both the fiscal audit and

the single audit were performed by the independent, certified public accounting firm of Macias, Gini, and O'Connell, LLP (Macias Gini). Macias Gini is also the independent auditor for the City and County of San Francisco.

DISCUSSION

The Audit Report includes the overall basic financial statements, a management discussion and analysis of the Transportation Authority's financial performance during that fiscal year, notes and required supplemental information, and the results from the single audit of federal awards. Financial performance of the Transportation Authority is described in the management's discussion and analysis section. This section includes specific financial analysis, budgetary comparison schedules presented for major funds, and accompanying notes included as supplementary information for the statements.

We are pleased to note that Macias Gini issued all unmodified (clean/unqualified) opinions and the Transportation Authority received no findings or recommendations for improvements. For the annual audit, Macias Gini has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Yerba Buena Island Ramps and Bridge Structures Project, eFleet: Carsharing Electrified Project, Integrated Public Private Partnership Travel Demand Management Program, San Francisco Value Pricing and Regulation Study, Treasure Island Mobility Management Program, and Congestion Management Agency Planning and Programming funded by the Surface Transportation Program. For the single audit, Macias Gini has issued an opinion, stating that the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report regarding other required communications to the Finance Committee are attached.

We are seeking a recommendation to accept the Audit Report for the fiscal year ended June 30, 2014.

ALTERNATIVES

1. Recommend acceptance of the Audit Report for the fiscal year ended June 30, 2014.
2. Recommend acceptance of the Audit Report for the fiscal year ended June 30, 2014, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

None. This item will be presented at the December 3, 2014 meeting of the Citizens Advisory Committee (CAC).

FINANCIAL IMPACTS

There are no financial impacts on the Transportation Authority's budget from the proposed action.

RECOMMENDATION

Recommend acceptance of the Audit Report for the fiscal year ended June 30, 2014.

Attachments (2):

1. Audit Report for the Year Ended June 30, 2014
2. Report to the Finance Committee for the Year Ended June 30, 2014

**SAN FRANCISCO COUNTY
TRANSPORTATION AUTHORITY**

Annual Financial Report

For the Year Ended June 30, 2014



Certified Public Accountants.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	<i>Page</i>
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Governmental Funds Financial Statements:	
Balance Sheet.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	14
Statement of Fiduciary Assets and Liabilities	15
Notes to the Basic Financial Statements	17
Other Required Supplementary Information (Unaudited):	
Schedules of Funding Progress and Employer Contributions	39
Budgetary Comparison Schedules.....	40
Note to Required Supplementary Information	45
Single Audit Compliance Section:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	47
Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	49
Schedule of Expenditures of Federal Awards	51
Notes to the Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	55
Summary Schedule of Prior Audit Findings and Questioned Costs.....	56



Independent Auditor's Report

Board of Commissioners
 San Francisco County Transportation Authority
 San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Transportation Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the San Francisco County Transportation Authority as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress and employer contributions and the budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Transportation Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014 on our consideration of the Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Transportation Authority's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California

November 7, 2014

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

The annual financial report of the San Francisco County Transportation Authority (Transportation Authority) presents a discussion and analysis of the Transportation Authority's financial performance during the year ended June 30, 2014. The Transportation Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The liabilities of the Transportation Authority's governmental activities exceeded its assets at the close of Fiscal Year (FY) 2013/14 by \$35.9 million. Of the net position, \$2.8 million was for net investment in capital assets, \$342 thousand was restricted for debt service, \$12.2 million was restricted for capital projects, and a negative balance of \$51.2 million was unrestricted deficit. A major factor to consider in reviewing the statement of net position is that the Transportation Authority does not hold or retain title for the projects it constructs or for the vehicles and system improvements that it purchases with sales tax program funds, congestion management agency programs funds, transportation funds for clean air program funds, and vehicle registration fee for transportation improvements program funds. The reporting of the commercial paper debt program, without a corresponding asset, results in the net deficit. Furthermore, debt financing has been used to enable the acceleration of projects for the benefit of San Francisco residents and taxpayers. Cash, deposits and investments increased by \$3.9 million as compared to the prior year. Other non-cash assets (assets other than cash, deposits, and investments) increased by \$9.6 million as compared to the prior year.
- The Transportation Authority's total net position increased \$25.2 million during the year ended June 30, 2014, as compared to a decrease of \$17.3 million in the prior year. Sales tax revenues increased by \$8.2 million from the prior year. Investment income increased by \$617 thousand, due to unrealized gains in the Transportation Authority's investment in the City and County of San Francisco Treasury Pool and other revenues increased \$4.9 million. This year to year variance is largely due to the construction activities for the Interstate 80/Yerba Buena Island Ramps Improvement Project (YBI Ramps) project. Transportation and capital projects expenses decreased by \$29 million during the year ended June 30, 2014 due to project delays including the Transit Effectiveness Project, Transbay Transit Center Project, and Radio System Replacement Project.
- The Transportation Authority had negative governmental fund balances of \$44.4 million. Of this amount, \$249 thousand is nonspendable, \$343 thousand is restricted for debt service, \$0.8 million is restricted for the capital projects in Transportation Fund for Clean Air Program Fund and \$11 million for capital projects in the Vehicle Registration Fee for Transportation Improvements Program Fund, and \$56.8 million is an unassigned negative fund balance. The Transportation Authority's governmental funds balances increased by \$23.5 million in comparison with the prior year. The negative fund balance in the governmental funds balance sheet occurred in part because the Transportation Authority's capital projects are implemented over the course of several fiscal periods and are funded with short-term financing. The negative governmental fund balance reflects no more than the Transportation Authority's intent to fund a portion of the long-term capital project expenditures in future years.
- The Transportation Authority went from a cash ("pay-as-you-go") financing basis to a borrowing entity in March 2004. The Board of Commissioners authorized the issuance by the Transportation Authority of up to \$200 million of commercial paper notes. The Transportation Authority issued \$50 million of commercial paper on April 14, 2004, with a second tranche of \$100 million issued

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

on September 2, 2004. During FY 2013/14 the Transportation Authority worked with sponsors to forecast the financing needed for capital projects in FY 2014/15. As a result of this analysis, \$15 million of commercial paper notes was redeemed during FY 2013/14, and at June 30, 2014, \$135 million in commercial paper notes was outstanding.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Transportation Authority's basic financial statements. The Transportation Authority's basic financial statements comprise three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. Table 1 shows the relationship of the government-wide financial statements to the governmental fund financial statements.

Table 1
Qualities of Government-wide Financial Statements as
Compared to Financial Statements Prepared Under Traditional Governmental Fund Accounting

Quality	Government-wide Financial Statements	Governmental Fund Accounting Financial Statements	Fiduciary Fund Financial Statements
Scope	Entire Transportation Authority	Activities of the Transportation Authority that are not proprietary or fiduciary	Instances in which the Transportation Authority administers resources on behalf of others
Required Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities (both government-wide) 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances (for each individual fund) 	<ul style="list-style-type: none"> • Statement of Fiduciary Assets and Liabilities
Basis of Accounting and Measurement Focus	<ul style="list-style-type: none"> • Full accrual accounting • Economic resources focus 	<ul style="list-style-type: none"> • Modified accrual accounting • Current financial resources focus 	<ul style="list-style-type: none"> • Full accrual accounting

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Transportation Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all Transportation Authority assets and liabilities, with the difference between the two reported as net position. The statement of net position is designed to provide information about the financial position of the Transportation Authority as a whole, including all of its capital assets and long-term liabilities, on a full accrual basis of accounting similar to the accounting model used by private sector firms.

The *statement of activities* presents information showing how the Transportation Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to accrued, but uncollected taxes, and to expenses pertaining to earned but unused compensated absences.

Both of these government-wide financial statements distinguish functions of the Transportation Authority that are principally supported by receipt of sales taxes, vehicle registration fee, and other sources of government grants. The only governmental activity of the Transportation Authority is transportation and capital projects. The Transportation Authority does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Transportation Authority, like other state and local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the Transportation Authority's basic services are reported in governmental funds. These statements, however, focus on: (1) how cash and other financial assets can readily be converted to available resources, and (2) the balances left at year-end, which are available for spending. Such information is useful in determining what financial resources are available in the near future to finance the Transportation Authority's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances include a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Transportation Authority maintains four governmental funds organized according to their source of funding. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the: (A) Sales Tax Program, (B) Congestion Management Agency Programs, (C) Transportation Fund for Clean Air Program; and (D) Vehicle Registration Fee for Transportation Improvements Program. Each of these funds is considered a major fund.

Fiduciary fund is used to account for resources held for the benefit of parties outside the Transportation Authority. The Transportation Authority is acting solely as a fiduciary administrator for the San Francisco Municipal Transportation Agency's (MUNI) Third Street Light Rail Project's Owner-Controlled Insurance Program (OCIP) escrow account, and has no responsibility for managing the OCIP claims management or settlement.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

Required Supplementary Information

The required supplementary information (RSI) is presented concerning the Transportation Authority's budgetary comparison schedule for all the funds. The Transportation Authority adopts an annual appropriated budget. The budgetary comparison schedules have been provided to demonstrate compliance with the budget. The schedules of funding progress and employer contributions – postemployment healthcare benefits – is also presented as RSI.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Transportation Authority's statement of net position shows liabilities exceeded its assets by \$35.9 million at June 30, 2014. Cash, deposits and investments increased by \$3.9 million overall due to timing of payments related to FY 2012/13 expenditures while transportation and capital expenses for FY 2013/14 decreased \$29 million over the prior year. The other assets category increased by \$9.8 million as compared to the prior year mainly due to an increase in program receivables balance due to grant reimbursements related to construction activities for the YBI Ramps project and increase in sales tax receivable due to increase in overall FY 2013/14 sales tax revenues. Other assets include \$17.7 million in sales tax receivables, \$18.6 million in outstanding program and other receivables (including amounts due from the City and County of San Francisco) and \$10.6 million in intergovernmental loan made to the Treasure Island Development Authority (TIDA) for the Yerba Buena Island Interchange Improvement Project. For the year ended June 30, 2014, the loan increased by \$271 thousand and as of June 30, 2014 TIDA has \$10.6 million of the loan outstanding, which includes accrued interest.

Table 2
Statement of Net Position (in thousands)

	June 30, 2014	June 30, 2013	\$ Change	% Change
Assets:				
Cash, deposits, and investments	\$ 70,983	\$ 67,080	\$ 3,903	5.8%
Other assets	48,134	38,364	9,770	25.5%
Capital assets	2,805	3,008	(203)	-6.7%
Total assets	<u>121,922</u>	<u>108,452</u>	<u>13,470</u>	12.4%
Liabilities:				
Current and other liabilities	<u>157,856</u>	<u>169,602</u>	<u>(11,746)</u>	-6.9%
Net Position:				
Net investment in capital assets	2,805	3,008	(203)	-6.7%
Restricted for debt service	342	300	42	14.0%
Restricted for capital projects	12,153	10,624	1,529	14.4%
Unrestricted deficit	<u>(51,234)</u>	<u>(75,082)</u>	<u>23,848</u>	31.8%
Total net position	<u><u>\$ (35,934)</u></u>	<u><u>\$ (61,150)</u></u>	<u><u>\$ 25,216</u></u>	41.2%

The Transportation Authority's accounts payable liability balance was \$3.5 million more than prior year due mainly to the increased construction activities for the YBI Ramps project. The Transportation Authority's restricted for capital projects of \$12.2 million represents resources subject to funding source constraints. The negative unrestricted net position amount of \$51.2 million represents a deficit due to commercial paper financing, which will be eliminated with future revenues. The Transportation

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

Authority's outstanding commitments are described in Note 14 of the basic financial statements. A portion of the Transportation Authority's net position of \$342 thousand reflects the debt service reserves required to support the Transportation Authority commercial paper debt program. The \$2.8 million in investment in capital assets (net of accumulated depreciation) is comprised mostly of Board-approved investments in the Transportation Authority's workspace such as leasehold improvements and furniture and equipment. The Transportation Authority currently uses these capital assets to provide services; consequently, these assets are not available for future spending. The Transportation Authority issues debt to finance sales tax sponsors' projects and programs, and these transportation facilities are owned and maintained by the sponsors. As a result, the facilities are recorded as an asset of the receiving agency. However, the related debt issued to finance these projects remains as a liability of the Transportation Authority.

Table 3
Statement of Activities (in thousands)

	For the Year Ended		\$ Change	% Change
	June 30, 2014	June 30, 2013		
Revenues:				
General:				
Sales tax	\$ 93,930	\$ 85,753	\$ 8,177	9.5%
Vehicle registration fee	4,882	4,724	158	3.3%
Investment income	638	21	617	2938.1%
Other	304	678	(374)	-55.2%
Program operating grants and contributions	17,588	12,703	4,885	38.5%
Total revenues	<u>117,342</u>	<u>103,879</u>	<u>13,463</u>	13.0%
Expenses:				
Transportation and capital projects	90,772	119,741	(28,969)	-24.2%
Interest	1,354	1,483	(129)	-8.7%
Total expenses	<u>92,126</u>	<u>121,224</u>	<u>(29,098)</u>	-24.0%
Change in net position	25,216	(17,345)	42,561	245.4%
Net position, beginning	<u>(61,150)</u>	<u>(43,805)</u>	<u>(17,345)</u>	-39.6%
Net position, ending	<u>\$ (35,934)</u>	<u>\$ (61,150)</u>	<u>\$ 25,216</u>	41.2%

The Transportation Authority's net position increased \$25.2 million for the year ended June 30, 2014. During the period, sales tax revenues increased by \$8.2 million or 9.5% as compared to the prior year. There is \$4.9 million of vehicle registration fee revenues, approved by San Francisco voters through Proposition AA (Prop AA) in November 2010. Investment income increased by \$617 thousand due to unrealized gains in the Transportation Authority's investment in the City and County of San Francisco Treasury Pool. Program revenues increased by \$4.9 million due to increased construction activities for the YBI Ramps project.

For the year ended June 30, 2014, transportation and capital projects expenses were \$29 million less than prior year, mainly due to project delays including the Transit Effectiveness Project, Transbay Transit Center Project, and Radio System Replacement Project.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE TRANSPORTATION AUTHORITY'S FUNDS

As noted earlier, the Transportation Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Transportation Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Transportation Authority's financing requirements.

Table 4
Balance Sheet (in thousands)

	June 30, 2014						
	Sales Tax Program	Congestion Management Agency Programs	Transportation For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Total	June 30, 2013	\$ Change
Assets:							
Cash, deposits, and investments	\$ 57,751	\$ -	\$ 1,447	\$ 11,785	\$ 70,983	\$ 67,080	\$ 3,903
Other assets	36,371	15,381	371	843	52,966	40,540	12,426
Total assets	\$ 94,122	\$ 15,381	\$ 1,818	\$ 12,628	\$ 123,949	\$ 107,620	\$ 16,329
Liabilities, deferred inflows of resources and fund balances (deficits):							
Liabilities:							
Current and other liabilities	\$ 148,424	\$ 9,147	\$ 690	\$ 1,603	\$ 159,864	\$ 169,149	\$ (9,285)
Deferred inflows of resources:							
Unavailable program revenue	1,871	6,234	371	-	8,476	6,359	2,117
Fund balances (deficits):							
Nonspendable	249	-	-	-	249	82	167
Restricted for:							
Debt service	343	-	-	-	343	300	43
Capital projects	-	-	757	11,025	11,782	10,623	1,159
Unassigned	(56,765)	-	-	-	(56,765)	(78,893)	22,128
Total fund balances (deficits)	(56,173)	-	757	11,025	(44,391)	(67,888)	23,497
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 94,122	\$ 15,381	\$ 1,818	\$ 12,628	\$ 123,949	\$ 107,620	\$ 16,329

At June 30, 2014, the Transportation Authority's governmental funds reported combined ending negative fund balances of \$44.4 million, a decrease of \$23.5 million as compared to the prior year. The total fund balances are composed of a balance of \$249 thousand nonspendable for prepaid costs and deposits, \$343 thousand restricted for debt service, a balance of \$11.8 million restricted for the capital projects, and a negative unassigned fund balance of \$56.8 million.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2014

Table 5

Statement of Revenues, Expenditures, and Changes in Fund Balances (in thousands)

	For the Year Ended June 30, 2014					Year Ended June 30, 2013	\$ Change
	Sales Tax Program	Congestion Management Agency Programs	Transportation For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Total		
Revenues:							
Sales tax	\$ 93,931	\$ -	\$ -	\$ -	\$ 93,931	\$ 85,754	\$ 8,177
Vehicle registration fee	-	-	-	4,882	4,882	4,725	157
Investment income	632	-	2	4	638	20	618
Program revenues	3,800	11,291	379	-	15,470	36,535	(21,065)
Lease Incentive	-	-	-	-	-	1,763	(1,763)
Other	81	88	-	-	169	542	(373)
Total revenues	98,444	11,379	381	4,886	115,090	129,339	(14,249)
Expenditures:							
Transportation and capital projects	65,903	20,228	416	3,692	90,239	119,180	(28,941)
Interest	1,354	-	-	-	1,354	1,483	(129)
Total expenditures	67,257	20,228	416	3,692	91,593	120,663	(29,070)
Excess (deficiency) of revenues (under) expenditures	31,187	(8,849)	(35)	1,194	23,497	8,676	14,821
Other financing sources (uses):							
Transfers in	-	8,849	-	-	8,849	2,741	6,108
Transfers out	(8,849)	-	-	-	(8,849)	(2,741)	(6,108)
Net change in fund balances	22,338	-	(35)	1,194	23,497	8,676	14,821
Fund balances (deficit), beginning	(78,511)	-	792	9,831	(67,888)	(76,564)	8,676
Fund balances (deficit), end of year	\$ (56,173)	\$ -	\$ 757	\$ 11,025	\$ (44,391)	\$ (67,888)	\$ 23,497

Total revenues for the Transportation Authority's activities totaled \$115.1 million in FY 2013/14, a decrease of \$14.2 million from FY 2012/13. As compared to the prior year, sales tax revenues increased by \$8.2 million, investment income increased by \$618 thousand, and program revenues decreased by \$21.1 million. Expenditures for the Transportation Authority's activities totaled \$91.6 million and decreased by \$29.1 million from FY 2012/13. At June 30, 2014, revenues for governmental funds exceeded expenditures by \$23.5 million. Other aspects of the individual program activities are discussed in the government-wide analysis above.

BUDGETARY ANALYSIS AND HIGHLIGHTS AND ECONOMIC FACTORS

The Transportation Authority's final budgetary fund balances decreased from the original budget by \$176.5 million. The majority of the variance is due to the timing of capital projects expenditure requests from sponsors and the resulting changing needs for the timing of the issuance and payments of commercial paper debt. In the final budget process, the Transportation Authority, working with sponsors, determined that additional debt financing was not necessary in FY 2013/14 and that \$15 million of commercial paper could be redeemed during the fiscal year. In addition, budgetary resources and appropriations related to several capital projects were revised resulting in an overall decrease in budgetary capital expenditures due to revised project estimated costs and project delays.

During the year, actual resources were more than the final budgetary estimates by \$6.9 million for all Transportation Authority's programs, not including the carryover budgetary fund balance. The majority of the variance is due to the increased Sales Tax revenues reflecting an improved economy and Congestion Management Agency Program revenues from federal funds for the Yerba Buena Island project.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2014

Actual charges to appropriations were less than budgetary estimates by \$37.8 million. This amount includes a positive favorable variance of \$41.1 million in capital project costs and an unfavorable variance of \$4.6 million in transfers to other funds. This lower capital spending is principally from sponsors funded by the sales tax program and vehicle registration fee for transportation improvements program whose major capital project costs were less than anticipated for FY 2013/14, which resulted in idle cash available to reduce the commercial paper note liability in the amount of \$15.0 million. The variance of \$4.6 million in transfers from the sales tax program fund to the congestion management agency programs fund is principally due the timing of the local match requirements for the Yerba Buena Island project. Additional information on the Transportation Authority's budgetary comparison schedules for all programs can be found on pages 40 through 44 of this report.

CAPITAL ASSETS

The Transportation Authority's investment in capital assets as of June 30, 2014, amounted to \$2.8 million (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, and equipment. Additional information on the Transportation Authority's capital assets can be found in Note 5 on page 29 of this report.

COMMERCIAL PAPER NOTES

In March 2004, the Transportation Authority authorized \$200 million of commercial paper notes to finance the costs of acquiring, constructing and implementing certain transportation improvements included in the Transportation Authority's Proposition K Expenditure Plan. These notes will be repaid from sales tax revenues. During the prior year, Fitch Ratings, Inc. assigned a rating of "AA+" over the Commercial Paper Notes (Limited Tax Bonds), Series 2004A and Series 2004B. As of June 30, 2014, the Transportation Authority has \$135 million of commercial paper notes outstanding. Additional information on the Transportation Authority's commercial paper notes can be found in Note 7 on page 31 of this report.

On July 10, 2012, the Transportation Authority entered into a three-year credit facility with Wells Fargo Bank, National Association, in an amount equal to \$217.8 million. The credit facility will expire on July 10, 2015 and has a fee of 45 basis points of the annual maximum debt service amount. Additional information on the Transportation Authority's credit facility can be found in Note 7 on page 31 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Transportation Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the San Francisco County Transportation Authority, Attention: Deputy Director for Finance and Administration, 1455 Market Street, 22nd Floor, San Francisco, California, 94103.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
Governmental Activities
June 30, 2014

Assets:

Cash in bank	\$ 17,695,946
Deposits and investments with City Treasurer	52,944,541
Restricted investments with fiscal agents	342,674
Sales tax receivable	17,703,874
Vehicle registration fee receivable	843,311
Interest receivable from City and County of San Francisco	104,297
Program receivables	18,053,886
Receivable from the City and County of San Francisco	531,821
Other receivables	41,492
Intergovernmental loan receivable	10,606,801
Prepaid costs and deposits	249,102
Capital assets - depreciable, net	<u>2,804,523</u>
 Total assets	 <u>121,922,268</u>

Liabilities:

Accounts payable	13,037,919
Accounts payable to the City and County of San Francisco	6,869,941
Accrued salaries and taxes	105,217
Interest payable	19,139
Commercial paper notes payable	135,000,000
Unearned rent abatement	711,001
Unearned leasehold incentive	1,491,920
Accrued compensated absences	<u>620,906</u>
 Total liabilities	 <u>157,856,043</u>

Net position:

Net investment in capital assets	2,804,523
Restricted for debt service	342,674
Restricted by enabling legislation for capital projects	12,153,268
Unrestricted deficit	<u>(51,234,240)</u>
 Total net position	 <u>\$ (35,933,775)</u>

The notes to the basic financial statements are an integral part of this statement.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Statement of Activities

Governmental Activities

For the Year Ended June 30, 2014

	Total	Transportation and Capital Projects	Interest
Expenses	\$ 92,126,066	\$ 90,771,643	\$ 1,354,423
Program revenues:			
Operating grants and contributions	17,587,975	17,587,975	-
Net program expense	(74,538,091)	\$ (73,183,668)	\$ (1,354,423)
General revenues:			
Sales tax	93,930,566		
Vehicle registration fee	4,881,668		
Investment income	637,677		
Other	304,466		
Total general revenues	99,754,377		
Change in net position	25,216,286		
Net position, beginning of year	(61,150,061)		
Net position, end of year	\$ (35,933,775)		

The notes to the basic financial statements are an integral part of this statement.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Balance Sheet
Governmental Funds
June 30, 2014

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Total
Assets:					
Cash in bank	\$ 4,464,295	\$ -	\$ 1,446,553	\$ 11,785,098	\$ 17,695,946
Deposits and investments with City Treasurer	52,944,541	-	-	-	52,944,541
Restricted investments with fiscal agent	342,674	-	-	-	342,674
Sales tax receivable	17,703,874	-	-	-	17,703,874
Vehicle registration fee receivable	-	-	-	843,311	843,311
Interest receivable from City and County of San Francisco	104,297	-	-	-	104,297
Program receivables:					
Federal	-	14,235,158	-	-	14,235,158
State	-	295,102	-	-	295,102
Other	2,869,134	283,255	371,237	-	3,523,626
Receivable from the City and County of San Francisco	-	531,821	-	-	531,821
Other receivables	6,264	35,228	-	-	41,492
Intergovernmental loan receivable	10,606,801	-	-	-	10,606,801
Due from other funds	4,830,966	-	-	-	4,830,966
Prepaid costs and deposits	249,102	-	-	-	249,102
Total assets	\$ 94,121,948	\$ 15,380,564	\$ 1,817,790	\$ 12,628,409	\$ 123,948,711
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit):					
Liabilities:					
Accounts payable	\$ 7,661,297	\$ 4,758,723	\$ 117,056	\$ 500,843	\$ 13,037,919
Accounts payable to the City and County of San Francisco	5,638,355	55,411	154,089	1,022,086	6,869,941
Accrued salaries and taxes	105,217	-	-	-	105,217
Interest payable	19,139	-	-	-	19,139
Due to other funds	-	4,332,109	418,926	79,931	4,830,966
Commercial paper notes payable	135,000,000	-	-	-	135,000,000
Total liabilities	148,424,008	9,146,243	690,071	1,602,860	159,863,182
Deferred Inflows of Resources:					
Unavailable program revenues	1,871,497	6,234,321	371,237	-	8,477,055
Fund Balances (Deficit):					
Nonspendable	249,102	-	-	-	249,102
Restricted for:					
Debt service	342,674	-	-	-	342,674
Capital projects	-	-	756,482	11,025,549	11,782,031
Unassigned	(56,765,333)	-	-	-	(56,765,333)
Total fund balances (deficit)	(56,173,557)	-	756,482	11,025,549	(44,391,526)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 94,121,948	\$ 15,380,564	\$ 1,817,790	\$ 12,628,409	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	2,804,523
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	
Program receivables	8,477,055
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Unearned leasehold incentive	(1,491,920)
Unearned rent abatement	(711,001)
Accrued compensated absences	(620,906)
Net position of governmental activities	\$ (35,933,775)

The notes to the basic financial statements are an integral part of this statement.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Total
Revenues:					
Sales tax	\$ 93,930,566	\$ -	\$ -	\$ -	\$ 93,930,566
Vehicle registration fee	-	-	-	4,881,668	4,881,668
Investment income	631,520	-	2,203	3,954	637,677
Program revenues:					
Federal	-	9,497,092	-	-	9,497,092
State	-	1,280,267	-	-	1,280,267
Regional and other	3,800,222	513,858	378,268	-	4,692,348
Project refunds and other	81,398	87,439	-	-	168,837
Total revenues	98,443,706	11,378,656	380,471	4,885,622	115,088,455
Expenditures:					
Current - transportation and capital projects:					
Personnel expenditures	3,397,116	1,694,389	45,589	74,614	5,211,708
Non-personnel expenditures	1,704,536	253,286	-	27,111	1,984,933
Capital project costs	60,605,885	18,280,076	370,762	3,589,819	82,846,542
Capital outlay	195,221	-	-	-	195,221
Debt service -					
Interest and fiscal charges	1,354,423	-	-	-	1,354,423
Total expenditures	67,257,181	20,227,751	416,351	3,691,544	91,592,827
Excess (deficiency) of revenues over (under) expenditures	31,186,525	(8,849,095)	(35,880)	1,194,078	23,495,628
Other financing sources (uses):					
Transfers in	-	8,849,095	-	-	8,849,095
Transfers out	(8,849,095)	-	-	-	(8,849,095)
Total other financing sources (uses)	(8,849,095)	8,849,095	-	-	-
Net change in fund balances	22,337,430	-	(35,880)	1,194,078	23,495,628
Fund balances (deficit), beginning of year	(78,510,987)	-	792,362	9,831,471	
Fund balances (deficit), end of year	\$ (56,173,557)	\$ -	\$ 756,482	\$ 11,025,549	

Amounts reported for governmental activities in the statement of activities are different because:

In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	195,221
Depreciation expense	(398,588)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Amortization in leasehold incentives	135,629
Change in deferred inflows of resources	2,118,268

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Rent expense	(318,787)
Compensated absences	(11,085)

Change in net position of governmental activities	<u>\$ 25,216,286</u>
---	----------------------

The notes to the basic financial statements are an integral part of this statement.

SAN FRANCISCO COUNTY TRANSPORTATION AGENCYStatement of Fiduciary Assets and Liabilities
Owner-Controlled Insurance Program Agency Fund
June 30, 2014

Assets:

Deposits with escrow agent	<u>\$ 1,335,738</u>
----------------------------	---------------------

Liabilities:

Due to City and County of San Francisco	<u>\$ 1,335,738</u>
---	---------------------

The notes to the basic financial statements are an integral part of this statement.

This page left intentionally blank.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 1 - REPORTING ENTITY AND BACKGROUND

The San Francisco County Transportation Authority (Transportation Authority) was created in 1989 by a vote of the San Francisco electorate. The vote approved Proposition B, which imposed a sales tax of one-half of one percent (0.5%), for a period not to exceed 20 years, to fund essential transportation projects. The types of projects to be funded with the proceeds from the sales tax were set forth in the San Francisco County Transportation Expenditure Plan (the Plan), which was approved as part of Proposition B. The Transportation Authority was organized pursuant to Sections 131000 et seq. of the Public Utilities Code. Collection of the voter-approved sales tax began on April 1, 1990.

The Transportation Authority has its own governing board consisting of the eleven members of the Board of Supervisors of the City and County of San Francisco (the City) acting as the Board of Commissioners of the Transportation Authority (the Board). Pursuant to Governmental Accounting Standards Board (GASB) standards, the financial statements of the Transportation Authority are included in the City's basic financial statements. Nonetheless, the Transportation Authority is governed by an administrative code separate from that of the City's, and the agency operates as a special-purpose government agency under State law, separate and distinct from the City. The City's Mayor does not have oversight control over the Transportation Authority. The ordinance that created the Transportation Authority empowers it to independently issue debt in order to finance transportation projects in the Plan. The Transportation Authority's borrowing capacity is separate and distinct from that of the City.

(a) Sales Tax Program

The Transportation Authority was originally formed by voter approval of Proposition B on November 7, 1989, which allowed the Transportation Authority to levy a county-wide one-half of one percent sales tax (the Sales Tax), that would sunset in 2010, for transportation projects and programs geared toward improving traffic congestion in the City. On November 4, 2003, the San Francisco voters approved Proposition K with a 74.7% affirmative vote, amending the City Business and Tax Code to extend the county-wide one-half of one percent sales tax, and to replace the 1989 Proposition B Plan with a new 30-year Expenditure Plan. The new Expenditure Plan includes investments in four major categories: 1) Transit; 2) Streets and Traffic Safety (including street resurfacing, and bicycle and pedestrian improvements); 3) Paratransit services for seniors and disabled people; and 4) Transportation System Management/Strategic Initiatives (including funds for neighborhood parking management, transportation/land use coordination, and travel demand management efforts). Major capital projects to be funded by the Proposition K Expenditure Plan include: A) development of the Bus Rapid Transit and MUNI Metro Network; B) construction of the MUNI Central Subway (Third Street Light Rail Project-Phase 2); C) construction of the Caltrain Downtown Extension to a rebuilt Transbay Terminal; and D) South Approach to the Golden Gate Bridge: Doyle Drive Replacement Project (re-envisioned as the Presidio Parkway). Pursuant to the provisions of Division 12.5 of the California Public Utilities Code, the Transportation Authority Board may adopt an updated Expenditure Plan any time after 20 years from the effective date of adoption of the Proposition K Expenditure Plan but no later than the last general election in which the Proposition K Expenditure Plan is in effect. The Sales Tax would continue as long as a new or modified plan is in effect. Under Proposition K legislation, the Transportation Authority directs the use of the Sales Tax and may spend up to \$485.2 million per year and may issue up to \$1.88 billion in bonds secured by the Sales Tax.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 1 - REPORTING ENTITY AND BACKGROUND (Continued)

(b) Congestion Management Agency Programs

On November 6, 1990, the Transportation Authority was designated under State law as the Congestion Management Agency (CMA) for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming and air quality goals; preparing a long-range countywide transportation plan to guide the City's future transportation investment decisions; monitoring and measuring traffic congestion levels in the City; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City's priorities for state and federal transportation funds and works with the Metropolitan Transportation Commission (MTC) to program those funds to San Francisco projects.

One of the Transportation Authority's responsibilities as the CMA is to develop a long-range countywide transportation plan (the San Francisco Transportation Plan, formerly known as the Countywide Transportation Plan) to guide transportation system development and investment over the next 30 years. The plan is consistent with the broader policy framework of the City's General Plan and particularly its Transportation Element. The San Francisco Transportation Plan further develops and implements the City's General Plan principles, by identifying needed transportation system improvements based on technical review of system performance; extensive public and agency input on key issues and needs; and analysis of policies, financial opportunities and constraints. In December 2013, the Transportation Authority Board adopted the first update to the plan.

Major programs and projects under the CMA include:

Surface Transportation Program (STP) – In September 1992, the MTC began programming Federal STP funds to CMAs in the Bay Area. In turn, the Transportation Authority is responsible for certain planning and programming activities, work tasks and products, that support MTC's overall work program.

Program, Planning and Monitoring (PPM) Program – The California Transportation Commission allocated State Highway funds for project planning, programming and monitoring activities related to the development and monitoring of project implementation of the Regional Transportation Improvement Program and State Transportation Improvement Program (STIP). These activities include the development, oversight and coordination of project study reports, long range planning for future STIP needs, project programming, amendment review, project oversight and expediting STIP project delivery.

I-80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as YBI Interchange Improvement Project) – The Treasure Island Development Authority (TIDA) has requested that the Transportation Authority, in its capacity as the CMA, be the lead agency for the YBI Interchange Improvement Project. Since 2009, the Transportation Authority has been working jointly with TIDA, the Mayor's Office of Economic and Workforce Development (OEWD) and the California Department of Transportation (Caltrans) in securing the approval of an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the project. Caltrans issued the Federal Record of Decision in November 2011. The Final EIR/EIS was certified by the Transportation Authority Board in December 2011. The Transportation Authority completed preparation of the Final Plans, Specifications, and Estimate documents for the project in March 2013. To minimize the construction cost and complexity of delivering the project, the Project Development Team (PDT) consisting of members

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 1 - REPORTING ENTITY AND BACKGROUND (Continued)

from Caltrans, the Federal Highway Administration (FHWA), U.S. Coast Guard, TIDA and the Transportation Authority are coordinating construction of the YBI Interchange Improvement Project with the construction of the new Eastern Span of the San Francisco Bay Bridge. Construction of the YBI Interchange Improvement Project started in January 2014 with completion anticipated by mid-2016.

(c) Transportation Fund for Clean Air (TFCA) Program

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the local guarantee (40%) share of transportation funds available through the TFCA program. Funds from this program, administered by the Bay Area Air Quality Management District (BAAQMD) come from a \$4 vehicle registration fee on automobiles registered in the Bay Area. Through this program, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions.

(d) Proposition AA (Prop AA) Administrator of County Vehicle Registration Fee

On November 2, 2010, San Francisco voters approved Prop AA with a 59.6% affirmative vote, authorizing the Transportation Authority to collect an additional \$10 annual vehicle registration fee on motor vehicles registered in San Francisco and to use the proceeds to fund transportation projects identified in the Expenditure Plan. Revenue collection began in May 2011.

Prop AA revenues must be used to fund projects from the following three programmatic categories. The percentage allocation of revenues designated for each category over the 30-year Expenditure Plan period is shown in parenthesis following the category name.

- Street Repair and Reconstruction (50%) – giving priority to streets with bicycle and transit networks and to projects that include complete streets elements such as curb ramps, bicycle infrastructure, pedestrian improvements, and other measures to slow or reduce traffic.
- Pedestrian Safety (25%) - including crosswalk improvements, sidewalk repair or upgrade, and pedestrian countdown signals and lighting.
- Transit Reliability and Mobility Improvements (25%) – including transit stop improvements, consolidation and relocation; transit signal priority; traffic signal upgrades; travel information improvements; and parking management projects.

In December 2012, the Transportation Authority Board approved the first Prop AA Strategic Plan, including the specific projects that could be funded within the first five years (i.e., Fiscal Years 2012/13 to 2016/17). The Prop AA program is a pay-as-you-go program. The Transportation Authority can use up to 5% of the funds for administrative costs.

(e) Treasure Island Mobility Management Authority (TIMMA)

The Treasure Island Transportation Management Act of 2008 (AB 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the Treasure Island Mobility Management Agency (TIMMA) to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In Fiscal Year 2013/14, TIMMA is reported with the Congestion Management Agency Programs. The Transportation Authority will present TIMMA as a separate fund in Fiscal Year 2014/15.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

Government-wide Financial Statements – The statement of net position and statement of activities display information about the Transportation Authority. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are normally supported by taxes, grants, and other revenues.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Transportation Authority's funds. The Transportation Authority reports activities of each of its four programs – *Sales Tax Program*; *Congestion Management Agency Programs*, *Transportation Fund for Clean Air Program* and *Vehicle Registration Fee for Transportation Improvements Program* – as major funds. In addition, the Transportation Authority reports an agency fund to account for assets held as an agent for the San Francisco Municipal Railway's (MUNI) Owner-Controlled Insurance Program (OCIP) for the Third Street Light Rail Project.

(b) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide and the agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Transportation Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, vehicle registration fees and grants. On an accrual basis, revenues from sales taxes and vehicle registration fees are recognized in the fiscal year for which the underlying exchange transactions occur. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, vehicle registration fees, interest, and grants are accrued when their receipt occurs within 90 days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the year ended June 30, 2014, the Transportation Authority adopted a new revenue recognition policy, and changed the availability period from 120 days to 90 days. The new policy more closely reflects the use of current resources to pay liabilities of the current period. The adoption of the new accounting principle resulted in a reduction in revenues by \$1.2 million and \$0.4 million in the Congestion Management Agency Programs fund and the Transportation Fund for Clean Air Program fund, respectively, for the year ended June 30, 2014.

Under the terms of grant agreements, the Transportation Authority funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Transportation Authority's policy to first apply restricted cost-reimbursement grant resources to such programs and then unrestricted general revenues.

(c) Investments

The Transportation Authority records investment transactions on the trade date. Investments are reported at fair value. Fair value is defined as the amount that the Transportation Authority could reasonably expect to receive for an investment in a current sale between a willing buyer and seller, and is generally measured by quoted market prices.

(d) Restricted Investments

Restricted investments are maintained with the trustee of the commercial paper notes for debt service.

(e) Sales Tax Revenue and Receivables

The Transportation Authority recognizes taxpayer-assessed revenues, net of estimated refunds, in the accounting period in which they become susceptible to accrual, which means when the revenues become both measurable and available to finance expenditures of the current fiscal period.

Sales tax receivables represent sales tax receipts in the three months subsequent to the Transportation Authority's fiscal year-end relating to the prior year's sales activity. The Transportation Authority has contracted with the California State Board of Equalization for collection and distribution of the sales tax. The Board of Equalization receives an administrative fee for providing this service. The Transportation Authority records sales tax revenues net of such fees.

(f) Vehicle Registration Fees and Receivables

The Transportation Authority recognizes vehicle registration fees in the accounting period in which they become susceptible to accrual, which means when the revenues become both measurable and available to finance expenditures of the current fiscal period.

Vehicle registration fees receivables represent vehicle registration fee receipts in the three months subsequent to the Transportation Authority's fiscal year-end relating to the prior year's registration activity. The Transportation Authority has contracted with the California Department of Motor Vehicles for collection and distribution of the vehicle registration fees. The Department of Motor Vehicles receives an administrative fee for providing this service. The Transportation Authority records vehicle registration fee revenues net of such fees.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Capital Assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. The Transportation Authority capitalizes assets with a purchase price of \$5,000 and above. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide financial statements.

The estimated useful lives are as follows:

Leasehold improvements	13 years
Furniture	5 years
Computer equipment	3 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life is not capitalized. For the government-wide statements, improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

(h) Compensated Absences

The Transportation Authority reports compensated absences for accrued vacation, compensatory time-off and floating holidays. Transportation Authority employees have a vested interest in accrued compensated absences and the time will eventually either be used or paid by the Transportation Authority. Generally, employees earn and use their current compensated absence hours with a small portion being accrued or unused each year. As this occurs, the Transportation Authority incurs an obligation to pay for these unused hours. This liability is recorded in the government-wide statement of net position to reflect the Transportation Authority's obligation to fund such costs from future operations. A liability is recorded in the governmental funds balance sheet when it is due and payable. Sick leave benefits do not vest and no liability is recorded. At June 30, 2014, the Transportation Authority recognized a compensated absences liability in the amount of \$620,906 and during the year ended June 30, 2014, the Transportation Authority expended \$384,985 in compensated absences.

(i) Effects of New Pronouncements

During the year ended June 30, 2014, the Transportation Authority implemented the following GASB Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify certain items (that were previously reported as assets and liabilities) as deferred outflows of resources or deferred inflows of resources, and recognizes certain items (that were previously reported as assets and liabilities) as outflows of resources or inflows of resources. The Transportation Authority implemented this statement during the year ended June 30, 2014 and reclassified amounts previously reported as a liability in the governmental funds to a deferred inflows of resources. As of June 30, 2014, the Transportation Authority reported \$1,871,497, \$6,234,321 and \$371,237 as deferred inflows of resources in the Sales Tax Program fund, Congestion Management Agency Programs fund and Transportation Fund for Clean Air Program fund, respectively, for program receivables that are not expected to be collected within the Transportation Authority's availability period.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 66, *Technical Corrections – 2012 – an amendment to GASB Statements No. 10 and No. 62*, resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement amends Statement No. 10, *Codification of Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. This statement did not have a significant impact to the Transportation Authority's financial statements.
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities and requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This statement did not have a significant impact to the Transportation Authority's financial statements.

The Transportation Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In June 2012, the GASB issued a new standard, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB No. 27*, to improve the guidance for accounting for and reporting on the pensions that governments provide to their employees.

Key changes include:

- Separating how the accounting and financial reporting is determined from how pensions are funded.
- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20-year AA or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Recording of a liability in the financial statements of employers for defined-benefit plans.
- Requiring more extensive note disclosures and required supplementary information.

The statement relates to accounting and financial reporting and does not apply to how governments approach the funding of their pension plans. At present, there generally is a close connection between the ways many governments fund pensions and how they account for and report information about them in audited financial reports. Application of this statement is effective for the Transportation Authority's year ending June 30, 2015.

- In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement is intended to improve accounting and financial reporting for state and local governments' combinations and disposals of government operations. This statement provides guidance determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations; using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations; measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and reporting the disposal of government operations that have been transferred or sold. Application of this statement is effective for the Transportation Authority's year ending June 30, 2015.
- In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, which resolves transition issues in GASB Statement No. 68. This statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement 68. This statement requires that when a state or local government is transitioning to the new pension standards, that it recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions. Application of this statement is effective for the Transportation Authority's year ending June 30, 2015.

(j) Fund Equity/Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Transportation Authority currently does not have any outstanding notes or other borrowings that are attributable to capital assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of "Restricted" or "Net investment in capital assets."

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Transportation Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds are classified as follow:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the Transportation Authority’s highest level of decision-making authority, the Transportation Authority’s Board. Commitments may be changed or lifted only by the Transportation Authority taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – includes amounts intended to be used by the Transportation Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Commissioners or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the Sales Tax Program (general operating fund) and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

The sales tax program fund had a negative fund balance of \$56,173,557 as of June 30, 2014. This condition, as well as the negative net position, exists because the Transportation Authority uses debt financing to accelerate the delivery – for earlier benefits to the traveling public – of sales tax funded projects that are owned and operated by other agencies. The negative fund balance will be covered as future sales tax revenues are realized.

(k) Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS

(a) Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Transportation Authority's deposits may not be returned to it. The Transportation Authority does not have a policy for custodial credit risk on deposits. As of June 30, 2014, the carrying amount of the Transportation Authority's deposits was \$17,695,946 and the bank balance was \$18,386,401. The difference between the bank balance and the carrying amount represents outstanding checks. Of the bank balance, \$750,000 was covered by federal depository insurance and \$17,636,401 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of Federal Deposit Insurance Corporation limits made by state or local government units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the public agency's name.

Investments - For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Transportation Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Transportation Authority does not have a policy regarding custodial credit risk on investments. As of June 30, 2014, the Transportation Authority's investments are not exposed to custodial credit risk.

(b) Investments Authorized by the Transportation Authority's Investment Policy

The table below identifies the investment types that are authorized for the Transportation Authority by the California Government Code 53601 or the Transportation Authority's Investment Policy, where the policy is more restrictive. The Transportation Authority's Investment Policy is more restrictive than the California Government Code in the area of reverse repurchase agreements, which are not allowed, and certificates of deposits, which must be in financial institutions located in California and may not exceed 10% of the Transportation Authority's portfolio.

The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by fiscal agents that are governed by the provisions of debt agreements of the Transportation Authority, rather than the general provisions of the California Government Code or the Transportation Authority's Investment Policy.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio*</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Notes, Bonds, or Bills	5 Years	None	None
Federal Agency or U.S. Government Sponsored Enterprise Obligations	5 Years	None	None
Repurchase Agreements	1 Year	None	None
State of California Obligations or any local agency within the State	5 Years	None	None
Notes or Bonds of Other U.S. States	5 Years	None	None
Bankers' Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Medium-Term Notes	5 Years	30%	None
FDIC Insured and Fully Collateralized Certificates of Deposit**	1 Year	10%	None
Negotiable Certificates of Deposits	5 Years	30%	None
State of California Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	N/A	None	None
Insured Savings and Money Market Accounts	N/A	None	None
City and County of San Francisco Treasury Pool	N/A	None	None
Shares of Beneficial Interest (Money Market Funds)	N/A	20%	10%

* Excludes amounts held by fiscal agents that are not subject to California Government Code restrictions.

** More restrictive than the California Government Code.

Investments Authorized by the Indenture Agreement

<u>Authorized Investment Type</u>
U.S. Treasury Notes, Bonds, or Bills
U.S. Treasury Obligations
Federal Agency or U.S. Government Sponsored Enterprise Obligations
Housing Authority Bonds
State Obligations
Corporate Bonds, Notes, and Other Debentures
Demand or Time Deposits
Taxable and Tax-Exempt Commercial Paper
Certificates of Deposit
Negotiable Certificates of Deposits
Variable Rate Obligations
Repurchase Agreements
Investment Agreements
Shares of Beneficial Interest (Money Market Mutual Funds)
City and County of San Francisco Treasury Pool

Investments with fiscal agent are composed of debt service reserves for principal and interest debt service payments that have not yet occurred as of the financial statement date, and associated interest earnings held by the fiscal agent. Under the Transportation Authority's commercial paper note program, the sales tax revenues distributed by the California State Board of Equalization flow directly to the fiscal agent for repayment of the principal and interest on the notes before going to the Transportation Authority for operations.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

The following is a summary of the Transportation Authority's investments at June 30, 2014:

	Fair Value	Investment (Maturities in Years)		Credit Ratings (Standard & Poor's)
		Less than 1	1-5	
Deposits and investments with				
City Treasury Pool	\$ 52,944,541	\$ -	\$ 52,944,541	Not rated
Money Market Mutual Fund	342,674	342,674	-	AAAm
Total investments	<u>\$ 53,287,215</u>	<u>\$ 342,674</u>	<u>\$ 52,944,541</u>	

The Transportation Authority maintains deposits and investments with the City and County of San Francisco Treasury Pool (Pool). As of June 30, 2014, the Transportation Authority's deposits and investments in the Pool is approximately \$52.9 million and the total amount invested by all public agencies in the Pool is approximately \$6 billion. The Transportation Authority's investment in the Pool has a weighted average maturity of 1.9 years. The City's Treasurer Oversight Committee (Committee) has oversight responsibility for the Pool. The value of the Transportation Authority's shares in the Pool, which may be withdrawn, is based on the book value of the Transportation Authority's percentage participation, which is different than the fair value of the Transportation Authority's percentage participation in the Pool. At June 30, 2014, the Pool consists of U.S. government and agency securities, state and local government agency obligations, negotiable certificates of deposit, medium term notes, and public time deposits as authorized by State statutes and the City's investment policy. Additional information regarding deposit, investment risks (such as interest rate, credit, and concentration of credit risks) may be obtained by contacting the City's Controller's Office, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, CA 94102.

NOTE 4 - INTERFUND TRANSACTIONS

Due to/Due from

The composition of interfund balances as of June 30, 2014, is as follows:

	Payable to:			Total
	Congestion Management Agency	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvement Program	
<u>Receivable from:</u>				
Sales Tax Program	<u>\$ 4,332,109</u>	<u>\$ 418,926</u>	<u>\$ 79,931</u>	<u>\$ 4,830,966</u>

The outstanding receivables from the Sales Tax Program result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 4 - INTERFUND TRANSACTIONS (Continued)*Transfers*

During the fiscal year, the Congestion Management Agency Programs received a subsidy transfer of \$8,849,095 in Sales Tax Program funds. This subsidy was authorized through the Board-approved Proposition K Strategic Plan and the annual budget approval process.

NOTE 5 - CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2014, is as follows:

	Balance July 1, 2013	Additions	Retirement	Balance June 30, 2014
Capital assets, being depreciated:				
Leasehold improvements	\$ 2,992,404	\$ 31,220	\$ -	\$ 3,023,624
Furniture and equipment	770,577	164,001	(25,554)	909,024
Total capital assets, being depreciated	3,762,981	195,221	(25,554)	3,932,648
Less accumulated depreciation for:				
Leasehold improvements	230,185	231,542	-	461,727
Furniture and equipment	524,906	167,046	(25,554)	666,398
Total accumulated depreciation	755,091	398,588	(25,554)	1,128,125
Total capital assets, net	\$ 3,007,890	\$ (203,367)	\$ -	\$ 2,804,523

Depreciation expense for the current year amounted to \$398,588.

NOTE 6 – TRANSACTIONS WITH THE CITY AND COUNTY OF SAN FRANCISCO

Receivables from the City and County of San Francisco consist of the following at June 30, 2014:

Receivables from the following City Department/Agency	Purpose	Total
Planning Department	Transportation Sustainability Project and Travel Demand Modeling Assistance	\$ 23,521
Office of Community Investment and Infrastructure	Folsom Street Off-Ramp Realignment Project	160,725
Treasure Island Development Authority	Treasure Island Transportation Implementation Plan Yerba Buena Island Ramps Improvement Project	199,872 147,703
		347,575
Total receivables from the City and County of San Francisco		\$ 531,821

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

**NOTE 6 – TRANSACTIONS WITH THE
CITY AND COUNTY OF SAN FRANCISCO (Continued)**

Payables to the City and County of San Francisco consist of the following at June 30, 2014:

<u>Payables to the following City Department</u>	<u>Purpose</u>	<u>Total</u>
Department of Environment	Clean Air Programs	\$ 202,465
Department of Public Works	Street Resurfacing	200,124
Municipal Transportation Agency:		
Department of Parking & Traffic	Bicycle Circulation/Safety	\$ 66,848
	Clean Air Programs	110,986
	New Signals and Signs	1,146,408
	Pedestrian Circulation/Safety	224,112
	Pedestrian Safety	947,908
	Rapid Bus Network including Real Time Transit Information	9,786
	Traffic Calming	383,925
	Transportation Demand Management	14,700
		<u>2,904,673</u>
Municipal Railway	Balboa Park BART/Muni Station Access Improvements	33,848
	Central Subway	1,428,751
	Guideways	735,128
	Rehabilitation, Upgrade and Replacement of Existing Facilities	562,791
	Transit Vehicle Replacement and Renovation	637,287
	Transportation/Land Use Coordination	2,993
	Transportation Studies	11,549
		<u>3,412,347</u>
		6,317,020
Office of Economic and Workforce Development	Workforce Development for Presidio Parkway	<u>150,332</u>
Total payable to the City and County of San Francisco		<u>\$ 6,869,941</u>

The Transportation Authority reimbursed the City and County of San Francisco for the following transportation and capital program expenditures made on its behalf during the year ended June 30, 2014:

<u>Expenditures incurred by the following City Department</u>	<u>Total</u>
Department of Environment	\$ 533,141
Department of Public Works	7,953,667
Municipal Transportation Agency	44,343,947
Office of Economic and Workforce Development	200,099
Planning Department	6,013
Port of San Francisco	66,207
Total expenditures incurred by the City and County of San Francisco	<u>\$ 53,103,074</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

**NOTE 6 – TRANSACTIONS WITH THE
CITY AND COUNTY OF SAN FRANCISCO (Continued)**

During Fiscal Year 2013/14, the Transportation Authority incurred capital expenditures of \$53.1 million, which were paid to departments within the City, of which \$44.3 million was expended on SFMTA projects. SFMTA projects include \$33.7 million on the Central Subway and Computer-Aided Dispatch Replacement projects and the Central Control and Communications Program and \$10.6 million on various transit and street maintenance improvements and pedestrian and bicycle projects.

NOTE 7 - COMMERCIAL PAPER NOTES

In April 2004, the Transportation Authority issued an initial tranche of \$50,000,000 and in September 2004 the Transportation Authority issued the second tranche of \$100,000,000 of a programmed \$200,000,000 aggregate principal amount of commercial paper notes (Limited Tax Bonds), Series A and B. The commercial paper notes are issued to provide a source of financing for the Transportation Authority's voter-approved Proposition K Expenditure Plan. Under this program, the Transportation Authority is able to issue commercial paper notes at prevailing interest rates not to exceed 12% per annum. The maximum maturity of the commercial paper notes is 270 days. On July 10, 2012, the Transportation Authority entered into a three-year credit and liquidity facility with Wells Fargo Bank, National Association, in an amount equal to \$217,753,425. The credit facility will expire on July 10, 2015 and has a fee of 45 basis points of the annual maximum debt service amount. The commercial paper notes are secured by a first lien gross pledge of the Transportation Authority's sales tax. The principal and interest on the commercial paper notes is payable at each maturity.

During the year ended June 30, 2014, the Authority redeemed \$15,000,000 in commercial paper notes. As of June 30, 2014, \$135,000,000 in commercial paper notes was outstanding, with a weighted average maturity of 104 to 139 days after year-end, with interest rates at 0.08% and 0.09%, respectively. For the year ended June 30, 2014, the Transportation Authority paid \$993,500 to Wells Fargo Bank in line of credit fees.

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT PLAN

Plan Description

All full-time and certain other qualifying employees of the Transportation Authority are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the State of California's Public Employees' Retirement System (CALPERS). CALPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The Transportation Authority's retirement plan is under the CALPERS Miscellaneous 2% at 55 Risk Pool for classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in the CALPERS system) and 2% at 62 Risk Pool for new members (employees hired after January 1, 2013 and are new entrants to the CALPERS system), cost-sharing multiple employer plans. The Fund provides retirement, disability and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service. Benefit provisions and other requirements are established by State statute and by Transportation Authority resolution. CALPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CALPERS Executive Offices, Lincoln Plaza East, 400 Q Street, Sacramento, California 95814.

Funding Policy

Active plan members have an obligation to contribute a percentage of their annual covered salary to the Fund. For classic employees, the Transportation Authority contributes the 7% employee portion on behalf of its employees. For new members, employees pay the 6.25% employee contribution.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT PLAN

CITY AND COUNTY OF SAN FRANCISCO (Continued)

The Transportation Authority is required to contribute the actuarially determined remaining amounts necessary to fund the 2% at age 55 retirement plan benefits for its classic members and 2% at 62 retirement plan benefits for its new members under the California Employees' Pension Reform Act (PEPRA) provisions. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2014 was 11.38% and 6.25%, for classic and new members, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CALPERS. The Transportation Authority's contributions to CALPERS for the years ended June 30, 2014, 2013, and 2012, were \$365,402, \$351,952; and \$349,720, respectively, equal to the required contributions for each year.

NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Transportation Authority's defined benefit postemployment healthcare plan provides healthcare benefits to eligible employees and their surviving spouses. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 and meeting program vesting requirements, or being converted to disability status, and retiring directly from the Transportation Authority. Dental and vision benefits are not available to retirees.

The Transportation Authority is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CALPERS for the provision of healthcare insurance programs for both active and retired employees. The Transportation Authority participates in the California Employers' Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CALPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERBT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709 or by calling 888-225-7377.

Funding Policy

The contribution requirements of plan members and the Transportation Authority are established and may be amended by the Board. As of June 30, 2014, the Transportation Authority contributed \$138,400, or 100%, of the annual required contribution (ARC) to the CERBT.

The Transportation Authority is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 4.25% of annual covered payroll and was based on the June 30, 2013 actuarial valuation.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Annual OPEB Cost

As of June 30, 2014, the Transportation Authority's annual other postemployment benefit (OPEB) expense of \$138,400 was equal to the ARC. The following table represents annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

<u>Fiscal Year</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2012	\$ 158,000	100%	\$ -
6/30/2013	163,000	100%	-
6/30/2014	138,400	100%	-

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial value of plan assets	\$ 759,600
Actuarial accrued liability	<u>1,124,100</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 364,500</u>
Funded ratio (actuarial value of plan assets/AAL)	67.6%
Covered payroll (active plan members)	\$ 3,253,400
UAAL as a percentage of covered payroll	11.2%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of certain events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percent of expected salary for each year of employment between entry age (age of hire) and assumed exit (maximum retirement age). The actuarial assumptions assume an investment rate of 7.25% representing the long-term rate of investment return on investments with CERBT of 7.61%, net a 0.36% margin for adverse deviations. The assumed annual healthcare trend rates for non-Medicare benefits started at 19.25%, then grades down to 7.50% in plan year starting July 1, 2014 to an ultimate rate of 4.50% by plan year beginning July 1, 2026. The assumed annual healthcare trend rates for Medicare benefits were 4.75% in each of the first two years, then 4.50% per year thereafter. All discount and trend rates included an assumed 3.0% general inflation assumption. The actuarial value of CERBT assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. CERBT's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis using an assumed aggregate payroll increase of 3.25% per year and a static 20-year period beginning Fiscal Year 2013/14

NOTE 10 - OPERATING LEASES

The Transportation Authority leases its office space under an operating lease agreement. On December 9, 2011, the Transportation Authority executed a 13-year workspace lease for its new office located at 1455 Market Street, with a 5-year extension option. The term of the lease commenced on July 1, 2012 and expires on June 30, 2025. Under the lease agreement, the landlord granted the Transportation Authority a rent abatement totaling \$522,112 for the period July 1, 2012 through November 30, 2012 and from July 1, 2013 through October 31, 2013 and provided a leasehold allowance credit in the amount of \$1,763,180. During the year ended June 30, 2014, the Transportation Authority expended \$473,164 towards its office lease and recorded an office lease expense of \$791,754 and an amortization expense of \$135,629 on the statement of activities.

The Transportation Authority also leases its copier equipment under an operating lease agreement. The Transportation Authority entered into a 5-year lease agreement with monthly payments of \$515, plus applicable taxes, commencing on June 28, 2012. On April 22, 2014, the Transportation Authority entered into an additional 3-year lease agreement with monthly payments of \$974, plus applicable taxes. During the year ended June 30, 2014, total copier expenses were \$9,110.

The following is a schedule of future minimum lease obligations as of June 30, 2014:

Year ending June 30:	Office Lease	Copier Leases	Total
2015	\$ 734,220	\$ 17,868	\$ 752,088
2016	758,694	17,868	776,562
2017	783,168	15,920	799,088
2018	807,642	-	807,642
2019	832,116	-	832,116
2020 - 2024	4,527,690	-	4,527,690
2025	978,960	-	978,960
Total future minimum lease obligations	<u>\$ 9,422,490</u>	<u>\$ 51,656</u>	<u>\$ 9,474,146</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 11 - ADMINISTRATIVE EXPENSE LIMITATIONS

In accordance with California Public Utilities Code, Section 131107, not more than one percent of the Transportation Authority's annual net amount of revenues raised by the sales tax may be used to fund the salaries and benefits of the staff of the Transportation Authority in administering the Plan. For the year ended June 30, 2014, revenues, staff salaries and fringe benefits for administering the Plan for the Sales Tax Program were as follows:

Revenue	\$ 93,930,566
Expenditures:	
Salaries	356,595
Fringe benefits	104,180
	<hr/>
Total	\$ 460,775
	<hr/>
Percentage of revenue	0.49%
	<hr/>

Personnel expenditures of \$3,397,116 were reported in the Sales Tax Program Fund, of which \$460,775 was related to general administration of the Plan and \$2,936,341 was related to planning and programming, which includes monitoring and oversight of Prop K funded projects.

NOTE 12 - RISK MANAGEMENT

The Transportation Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Transportation Authority manages and finances these risks by purchasing commercial insurance. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Transportation Authority's commercial insurance coverage in any of the past three years.

NOTE 13 - OWNER-CONTROLLED INSURANCE PROGRAM

In February 2002, the Transportation Authority entered into a trust agreement with Chartis Insurance (formerly American Insurance Group) and J.P. Morgan Chase Bank, N.A. on behalf of MUNI to act as the fiduciary administrator for the aggregate deductible loss pool supporting MUNI's Third Street Light Rail Project's Owner-Controlled Insurance Program (OCIP). The Third Street Light Rail Project OCIP is an umbrella insurance program that provides commercial general liability, excess liability, workers' compensation, pollution liability and railroad liability coverage for those Third Street Light Rail Project construction contracts included in the program. The escrow account for the aggregate deductible loss pool was established for \$4,621,400 at the inception of the OCIP, and is used to pay claims as determined by the City's Office of the City Attorney, MUNI and Chartis Insurance. The Transportation Authority is acting solely as a fiduciary administrator for the escrow account, and has no responsibility for managing the OCIP claims management or settlement. As of June 30, 2014, the Transportation Authority has \$1,335,738 in escrow accounts to fund claims related to MUNI's Third Street Light Rail Project.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Transportation Authority's outstanding commitments totaled \$308,382,378 at June 30, 2014. This amount is comprised of \$242,008,061 in remaining capital project appropriations. Sponsors receive appropriations for the entire project (awards) but cannot be reimbursed faster than the amount allocated annually. At June 30, 2014, the Transportation Authority has \$3,005,432 and \$63,368,885 encumbered in

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 14 - COMMITMENTS AND CONTINGENCIES

the Sales Tax Program and the Congestion Management Agency Programs, respectively, on various Transportation Authority contracts held with private consulting and construction companies and cooperative agreements with governmental entities.

(b) Loan Agreement with Treasure Island Development Authority

In July 2008, the Transportation Authority entered into a loan agreement with the Treasure Island Development Authority (TIDA) for the repayment of project management oversight, engineering and environmental costs for the Yerba Buena Island (YBI) Ramps Replacement Project, now known as the YBI Interchange Improvement Project. In July 2013, the Transportation Authority Board approved increasing the non-federal portion of the loan agreement with TIDA to a total amount not to exceed \$11,037,000, to complete preliminary engineering and design for the YBI Ramps Improvement Project and the YBI Bridge Structures (collectively known as the YBI Interchange Improvement Project). The total non-federal and federal loan obligation amount shall not to exceed \$18,830,000. Since August 2010, the Transportation Authority has received Federal Highway Bridge Program funding from the California Department of Transportation (Caltrans) for the preliminary and final design phases of the project. The loan agreement with TIDA will leverage the federal grant award to fulfill the local match requirement and reimburse the Transportation Authority for administrative costs.

Under the terms of the agreement, TIDA will repay the Transportation Authority for all project costs incurred by the Transportation Authority and accrued interest, less federal government reimbursements to the Transportation Authority. If the federal grant funds do not become available for some or all of the project costs, or if the federal agency disallows the Transportation Authority's reimbursement claims on some or all of the project costs, then TIDA bears the responsibility to repay the Transportation Authority for all costs incurred on the YBI Interchange Improvement Project for a total loan obligation amount not-to-exceed \$18,830,000. The repayment to the Transportation Authority may be paid by TIDA in three annual installment payments on the later of 30 days after the first close of escrow for transfer of the Naval Station Treasure Island from the Navy to TIDA or December 31, 2014. Interest shall accrue on all outstanding unpaid project costs until TIDA and federal agencies fully reimburse the Transportation Authority for all costs related to the project. Interest will be compounded quarterly, at the City Treasurer's Pooled Investment Fund rate or the Transportation Authority's borrowing rate, whichever is applicable, beginning on the date of the Transportation Authority's reimbursement claim to Caltrans until the Transportation Authority costs and all accrued interest has been repaid.

This loan is collateralized by the senior security interest in TIDA's right, title and interest in and to 1) the rents accruing under the Sublease, Development, Marketing and Property Management Agreement between TIDA and The John Stewart Company, related to the subleasing of existing residential units at the Naval Station Treasure Island; and 2) any and all other TIDA revenue, except revenue prohibited by applicable laws from being used for this purpose or is necessary for repayment of the annual amount of TIDA's pre-existing San Francisco Public Utilities Commission (SFPUC) utility obligation under the Memorandum of Understanding between TIDA and SFPUC. As of June 30, 2014, TIDA has drawn down \$10,143,433 on the loan and accrued \$463,368 in interest costs.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 15 – SUBSEQUENT EVENT***State Legislates TIMMA as a separate legal entity***

Following the establishment of the Transportation Authority as the TIMMA by the San Francisco Board of Supervisors on April 1, 2014, the Transportation Authority worked with the State Assembly delegation to establish TIMMA as a separate legal entity, in order to protect the role of TIMMA from the Transportation Authority's operations and resources, particular the voter-approved Prop K and Prop AA funded programs. On September 19, 2014, Governor Brown signed AB 141 (Ammiano) into law, establishing TIMMA as a separate legal entity.

This page left intentionally blank.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Required Supplementary Information (Unaudited)
 Schedules of Funding Progress and Employer Contributions
 For the Year Ended June 30, 2014

Postemployment Healthcare Benefits

The Schedule of Funding Progress presented below provides a consolidated snapshot of the Transportation Authority's ability to meet current and future liabilities with the plan assets. The most recent actuarial valuation was performed as of June 30, 2013.

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL) - Entry Age	(Excess Assets) [(B) - (A)]	Funded Ratio [(A) / (B)]	(E) Covered Payroll	of Covered Payroll [(C) / (E)]
1/1/2008	\$ -	\$ 182,000	\$ 182,000	0.0%	\$ 1,978,000	9.2%
1/1/2010	173,000	374,000	201,000	46.3%	2,858,000	7.0%
6/30/2011	405,000	671,000	266,000	60.4%	3,251,000	8.2%
6/30/2013	759,600	1,124,100	364,500	67.6%	3,253,400	11.2%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
June 30, 2009	\$ 86,000	\$ 86,000	100.0%
June 30, 2010	110,000	110,000	100.0%
June 30, 2011	113,000	113,000	100.0%
June 30, 2012	158,000	158,000	100.0%
June 30, 2013	163,000	163,000	100.0%
June 30, 2014	138,400	138,400	100.0%

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedules
For the Year Ended June 30, 2014

	Sales Tax Program			
	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balances, beginning of year	<u>\$ 73,141,679</u>	<u>\$ 73,141,679</u>	<u>\$ 73,141,679</u>	<u>\$ -</u>
Resources (inflows):				
Sales tax	88,294,414	88,294,414	93,930,566	5,636,152
Vehicle registration fee	-	-	-	-
Investment income	939,991	518,497	631,520	113,023
Program revenues:				
Federal	-	-	-	-
State	-	-	-	-
Regional and other	-	4,641,715	3,800,222	(841,493)
Proceeds from commercial paper notes	275,318,510	-	-	-
Project refunds and other revenue	2,571,750	44,400	81,398	36,998
Transfers in from other funds	-	-	-	-
Total resources	<u>367,124,665</u>	<u>93,499,026</u>	<u>98,443,706</u>	<u>4,944,680</u>
Amount available for appropriation	<u>440,266,344</u>	<u>166,640,705</u>	<u>171,585,385</u>	<u>4,944,680</u>
Charges to appropriations (outflows):				
Current - transportation and capital projects:				
Personnel expenditures	2,942,389	3,391,935	3,397,116	(5,181)
Non-personal expenditures	1,784,292	2,079,942	1,704,536	375,406
Capital project costs	210,587,000	101,897,000	60,761,426	41,135,574
Capital outlay	-	258,000	195,221	62,779
Transfers out to other funds	4,100,345	4,234,826	8,849,095	(4,614,269)
Debt service:				
Principal payment	-	15,006,000	15,000,000	6,000
Interest and fiscal charges	1,600,000	1,600,000	1,354,423	245,577
Total charges to appropriations	<u>221,014,026</u>	<u>128,467,703</u>	<u>91,261,817</u>	<u>37,205,886</u>
Budgetary fund balances, end of year	<u>\$ 219,252,318</u>	<u>\$ 38,173,002</u>	<u>\$ 80,323,568</u>	<u>\$ 42,150,566</u>

The note to required supplementary information is an integral part of these schedules.

(Continued)

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedules

For the Year Ended June 30, 2014

	Congestion Management Agency Programs			
	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balances, beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Sales tax	-	-	-	-
Vehicle registration fee	-	-	-	-
Investment income	-	-	-	-
Program revenues:				
Federal	10,503,527	11,207,649	9,497,092	(1,710,557)
State	1,208,579	1,208,579	1,280,267	71,688
Regional and other	793,250	1,304,211	513,858	(790,353)
Proceeds from commercial paper notes	-	-	-	-
Project refunds and other revenue	88,143	88,143	87,439	(704)
Transfers in from other funds	4,100,345	4,234,826	8,849,095	4,614,269
Total resources	16,693,844	18,043,408	20,227,751	2,184,343
Amount available for appropriation	16,693,844	18,043,408	20,227,751	2,184,343
Charges to appropriations (outflows):				
Current - transportation and capital projects:				
Personnel expenditures	2,485,377	2,344,755	1,694,389	650,366
Non-personal expenditures	249,499	196,999	253,286	(56,287)
Capital project costs	13,958,968	15,501,654	18,280,076	(2,778,422)
Capital outlay	-	-	-	-
Transfers out to other funds	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total charges to appropriations	16,693,844	18,043,408	20,227,751	(2,184,343)
Budgetary fund balances, end of year	\$ -	\$ -	\$ -	\$ -

The note to required supplementary information is an integral part of these schedules.

(Continued)

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedules
For the Year Ended June 30, 2014

	Transportation Fund for Clean Air Program			
	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balances, beginning of year	<u>\$ 792,362</u>	<u>\$ 792,362</u>	<u>\$ 792,362</u>	<u>\$ -</u>
Resources (inflows):				
Sales tax	-	-	-	-
Vehicle registration fee	-	-	-	-
Investment income	3,000	3,000	2,203	(797)
Program revenues:				
Federal	-	-	-	-
State	-	-	-	-
Regional and other	736,195	736,195	378,268	(357,927)
Proceeds from commercial paper notes	-	-	-	-
Project refunds and other revenue	-	-	-	-
Transfers in from other funds	-	-	-	-
Total resources	<u>739,195</u>	<u>739,195</u>	<u>380,471</u>	<u>(358,724)</u>
Amount available for appropriation	<u>1,531,557</u>	<u>1,531,557</u>	<u>1,172,833</u>	<u>(358,724)</u>
Charges to appropriations (outflows):				
Current - transportation and capital projects:				
Personnel expenditures	36,501	36,501	45,589	(9,088)
Non-personal expenditures	-	-	-	-
Capital project costs	1,433,954	1,223,378	370,762	852,616
Capital outlay	-	-	-	-
Transfers out to other funds	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total charges to appropriations	<u>1,470,455</u>	<u>1,259,879</u>	<u>416,351</u>	<u>843,528</u>
Budgetary fund balances, end of year	<u>\$ 61,102</u>	<u>\$ 271,678</u>	<u>\$ 756,482</u>	<u>\$ 484,804</u>

The note to required supplementary information is an integral part of these schedules.

(Continued)

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedules

For the Year Ended June 30, 2014

Vehicle Registration Fee for
Transportation Improvements Program

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Budgetary fund balances, beginning of year	<u>\$ 9,831,471</u>	<u>\$ 9,831,471</u>	<u>\$ 9,831,471</u>	<u>\$ -</u>
Resources (inflows):				
Sales tax	-	-	-	-
Vehicle registration fee	4,727,760	4,727,760	4,881,668	153,908
Investment income	5,000	5,000	3,954	(1,046)
Program revenues:				
Federal	-	-	-	-
State	-	-	-	-
Regional and other	-	-	-	-
Proceeds from commercial paper notes	-	-	-	-
Project refunds and other revenue	-	-	-	-
Transfers in from other funds	-	-	-	-
Total resources	<u>4,732,760</u>	<u>4,732,760</u>	<u>4,885,622</u>	<u>152,862</u>
Amount available for appropriation	<u>14,564,231</u>	<u>14,564,231</u>	<u>14,717,093</u>	<u>152,862</u>
Charges to appropriations (outflows):				
Current - transportation and capital projects:				
Personnel expenditures	85,568	85,568	74,614	10,954
Non-personal expenditures	150,820	150,820	27,111	123,709
Capital project costs	9,817,216	5,432,162	3,589,819	1,842,343
Capital outlay	-	-	-	-
Transfers out to other funds	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total charges to appropriations	<u>10,053,604</u>	<u>5,668,550</u>	<u>3,691,544</u>	<u>1,977,006</u>
Budgetary fund balances, end of year	<u>\$ 4,510,627</u>	<u>\$ 8,895,681</u>	<u>\$ 11,025,549</u>	<u>\$ 2,129,868</u>

The note to required supplementary information is an integral part of these schedules.

(Continued)

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedules
For the Year Ended June 30, 2014

	Total Programs			Variance with
	Original Budget	Final Budget	Budgetary Basis Actual	Final Budget Positive (Negative)
Budgetary fund balances, beginning of year	<u>\$ 83,765,512</u>	<u>\$ 83,765,512</u>	<u>\$ 83,765,512</u>	<u>\$ -</u>
Resources (inflows):				
Sales tax	88,294,414	88,294,414	93,930,566	5,636,152
Vehicle registration fee	4,727,760	4,727,760	4,881,668	153,908
Investment income	947,991	526,497	637,677	111,180
Program revenues:				
Federal	10,503,527	11,207,649	9,497,092	(1,710,557)
State	1,208,579	1,208,579	1,280,267	71,688
Regional and other	1,529,445	6,682,121	4,692,348	(1,989,773)
Proceeds from commercial paper notes	275,318,510	-	-	-
Project refunds and other revenue	2,659,893	132,543	168,837	36,294
Transfers in from other funds	4,100,345	4,234,826	8,849,095	4,614,269
Total resources	<u>389,290,464</u>	<u>117,014,389</u>	<u>123,937,550</u>	<u>6,923,161</u>
Amount available for appropriation	<u>473,055,976</u>	<u>200,779,901</u>	<u>207,703,062</u>	<u>6,923,161</u>
Charges to appropriations (outflows):				
Current - transportation and capital projects:				
Personnel expenditures	5,549,835	5,858,759	5,211,708	647,051
Non-personal expenditures	2,184,611	2,427,761	1,984,933	442,828
Capital project costs	235,797,138	124,054,194	83,002,083	41,052,111
Capital outlay	-	258,000	195,221	62,779
Transfers out to other funds	4,100,345	4,234,826	8,849,095	(4,614,269)
Debt service:				
Principal payment	-	15,006,000	15,000,000	6,000
Interest and fiscal charges	1,600,000	1,600,000	1,354,423	245,577
Total charges to appropriations	<u>249,231,929</u>	<u>153,439,540</u>	<u>115,597,463</u>	<u>37,842,077</u>
Budgetary fund balances, end of year	<u>\$ 223,824,047</u>	<u>\$ 47,340,361</u>	<u>\$ 92,105,599</u>	<u>\$ 44,765,238</u>

Explanation of Differences between Budgetary fund balances and GAAP fund balances

The proceeds from the issuance of commercial paper notes are inflows of budgetary resources but are not revenues for financial reporting purposes.	(150,000,000)
The payment of principal on the commercial paper notes are outflows of budgetary resources but are not expenditures for financial reporting purposes.	15,000,000
Prior year deobligations from transportation project and programs and other budgetary adjustments are inflows.	(11,603,407)
Prior year payments on the Yerba Buena Island Ramps Project/TIDA loan are outflows of budgetary resources but are not expenditures for financial reporting purposes.	9,950,741
Current year payments on the Yerba Buena Island Ramps Project/TIDA loan are outflows of budgetary resources but are not expenditures for financial reporting purposes.	155,541
	<u>\$ (44,391,526)</u>

The note to required supplementary information is an integral part of these schedules.

(Concluded)

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Note to Required Supplementary Information (Unaudited)

For the Year Ended June 30, 2014

Budgets and Budgetary Data

Comparisons with financial results for the current fiscal period for all the funds are presented as required supplementary information and include, in addition to actual expenditures, amounts that have been appropriated for projects and programs. Unexpended capital budget appropriations are carried forward to subsequent years. The budget represents a process through which policy decisions are made, implemented and controlled. Appropriations may be adjusted during the year with the approval of the Transportation Authority. Accordingly, the legal level of budgetary control by the Transportation Authority is the program (fund) level. The Transportation Authority utilizes an encumbrance system as a management control technique to assist in controlling expenditures.

The budgetary process is based upon accounting for certain transactions on a basis other than accounting principles generally accepted in the United States (GAAP). The results of operations are presented in the budget-to-actual comparison schedule in accordance with the budgetary process (Budgetary Basis) to provide a meaningful comparison with the budget.

The main differences between Budgetary Basis “actual” and GAAP basis are the recognition of the following: (1) commercial paper note proceeds as a source of revenue and payments as a use of resources while for GAAP purposes the commercial paper note balances were recognized as a liability in the Sales Tax Program Fund, and (2) the payments and repayments on the loans are outflows and inflows of budgetary resources but are assets and not revenues for financial reporting purposes.

This page left intentionally blank.



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Board of Commissioners
 San Francisco County Transportation Authority
 San Francisco, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Transportation Authority's basic financial statements, and have issued our report thereon dated November 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Transportation Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Transportation Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Transportation Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 7, 2014



**Independent Auditor's Report on Compliance for Each Major Program and
Report on Internal Control over Compliance Required by OMB Circular A-133**

Board of Commissioners
 San Francisco County Transportation Authority
 San Francisco, California

Report on Compliance for Each Major Federal Program

We have audited the San Francisco County Transportation Authority's (Transportation Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Transportation Authority's major federal program for the year ended June 30, 2014. The Transportation Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Transportation Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Transportation Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Transportation Authority's compliance.

Opinion on Major Federal Program

In our opinion, the Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Transportation Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Transportation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Transportation Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 7, 2014

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Program Description	Catalog of Federal Domestic Assistance	Grant No.	Grant Approval Date	Approved Federal Award	Federal Expenditures			Amount Provided to Subrecipients
					Cumulative Expenditures Prior to July 1, 2013	July 1, 2013 through June 30, 2014	Cumulative Expenditures Through June 30, 2014	
U.S. Department of Transportation, Federal Highway Administration:								
Highway Planning and Construction								
Passed through - Metropolitan Transportation Commission								
Surface Transportation Plan (STP):								
Transportation Planning and Programming ⁽¹⁾	20.205	C002683	07/01/12	\$ 3,568,000	\$ 667,000	\$ 674,277	\$ 1,341,277	\$ -
STP: Treasure Island Mobility Management	20.205	N/A	01/01/13	500,000	8,000	16,000	24,000	476,000
Passed through - State California Department of Transportation								
eFleet: Carsharing Electrified	20.205	CML-6272(033)	12/28/11	1,700,000	188,668	247,108	435,776	238,698
Integrated Public Private Partnership Travel								
Demand Management Program (TDM)	20.205	CML-6272(034)	04/25/11	750,000	345,948	230,751	576,699	-
San Francisco Value Pricing and Regulation Study	20.205	VPPL-6272(037)	08/17/12	480,000	14,661	131,308	145,969	-
Treasure Island Mobility Management	20.205	VPPL-6272(041)	08/15/13	480,000	-	150,577	150,577	-
Yerba Buena Island - Reconstruct Existing								
Westbound On and Off Ramps on East Side of Yerba Buena Island ⁽²⁾	20.205	BRLS-6272(023)	08/20/10	73,919,055	6,692,135	10,834,125	17,526,260	-
Yerba Buena Island Viaduct Structure #1	20.205	STPLZ-6272(024)	09/10/10	218,967	184,584	6,816	191,400	-
Yerba Buena Island Viaduct Structure #2	20.205	STPLZ-6272(026)	09/10/10	4,268,535	1,727,679	908,920	2,636,599	-
Yerba Buena Island Viaduct Structure #3	20.205	STPLZ-6272(027)	09/10/10	2,115,897	979,030	312,729	1,291,759	-
Yerba Buena Island Viaduct Structure #4	20.205	STPLZ-6272(028)	09/10/10	539,435	300,790	49,643	350,433	-
Yerba Buena Island Viaduct Structure #6	20.205	STPLZ-6272(029)	09/10/10	527,874	343,056	68,829	411,885	-
Yerba Buena Island Viaduct Structure #7A	20.205	STPLZ-6272(030)	09/10/10	150,321	132,197	2,900	135,097	-
Yerba Buena Island Viaduct Structure #7B	20.205	STPLZ-6272(031)	09/10/10	191,163	143,277	5,894	149,171	-
Yerba Buena Island Viaduct Structure #8	20.205	STPLZ-6272(032)	09/10/10	242,887	208,649	5,646	214,295	-
Total Highway Planning and Construction				89,652,134	11,935,674	13,645,523	25,581,197	238,698
Public Transportation Research								
Passed through - State California Department of Transportation								
19th Avenue Investment Study	20.515	74A0626	02/01/12	297,600	255,083	42,517	297,600	-
Balboa Park Circulation Study	20.515	74A0627	02/01/12	262,400	126,831	135,569	262,400	-
Geneva-Harney Way Bus Rapid Transit Feasibility Study	20.515	74A0716	03/01/13	300,000	6,034	88,466	94,500	-
Total Public Transportation Research				860,000	387,948	266,552	654,500	-
Total U.S. Department of Transportation, Federal Transit Administration								
Total Expenditures of Federal Awards				\$ 90,512,134	\$ 12,323,622	\$ 13,912,075	\$ 26,235,697	\$ 238,698

Note: ⁽¹⁾ During fiscal year 2013/14, the Metropolitan Transportation Commission increased the STP Transportation Planning and Programming grant from \$2,795,000 to \$3,568,000.
⁽²⁾ During fiscal year 2013/14, the California Department of Transportation increased the award amount from \$8,299,687 to \$73,919,055.

See accompanying notes to the schedule of expenditures of federal awards.

This page left intentionally blank.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

NOTE 1 - GENERAL

The schedule of expenditures of federal awards (Schedule) presents the activity of all federal award programs of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California. Federal awards passed through from other governmental agencies are included in the Schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

This page left intentionally blank.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2014

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? No
- ◆ Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- ◆ Material weakness(es) identified? No
- ◆ Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? No

Identification of major program:

Federal Catalog Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$417,362

Auditee qualified as a low-risk auditee? Yes

Section II Financial Statement Findings

No matters were reported.

Section III Federal Award Findings and Questioned Costs

No matters were reported.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Summary Schedule of Prior Audit Findings and Questioned Costs
For the Year Ended June 30, 2014

There were no audit findings nor questioned costs for the year ended June 30, 2013.

**SAN FRANCISCO COUNTY
TRANSPORTATION AUTHORITY**

Report to the Finance Committee

For the Year Ended June 30, 2014



Certified Public Accountants.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Report to the Finance Committee
For the Year Ended June 30, 2014

Table of Contents

	Page
Transmittal Letter.....	1
Required Communications.....	2



Finance Committee of the Board of Commissioners
 Board of Commissioners
 San Francisco County Transportation Authority
 San Francisco, California

In planning and performing our audit of the basic financial statements of the San Francisco County Transportation Authority (Transportation Authority) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Transportation Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Transportation Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not identified.

Additionally, we have included in this letter a report on communications with the Finance Committee (Committee) as required by auditing standards generally accepted in the United States of America.

This communication is intended solely for the use of the Board of Commissioners, Finance Committee and the Transportation Authority's management and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Walnut Creek, California
 November 7, 2014

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Report to the Finance Committee
For the Year Ended June 30, 2014

REQUIRED COMMUNICATIONS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Francisco County Transportation Authority (Transportation Authority) as of and for the year ended June 30, 2014, and have issued our report thereon dated November 7, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We communicated such information in our engagement letter dated May 8, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Transportation Authority are described in Note 2 to the basic financial statements. As described in Note 2(i) to the basic financial statements, the Transportation Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 66, *Technical Corrections – 2012 – an amendment to GASB Statements No. 10 and No. 62*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. There was no significant impact to the financial statements as a result of implementing these new standards.

In addition, as described in Note 1(b) to the financial statements, the Transportation Authority adopted a new revenue recognition policy during the year ended June 30, 2014, and changed the availability period from 120 days to 90 days. The new policy more closely reflects the use of current resources to pay liabilities of the current period. The adoption of the new accounting principle resulted in a reduction in revenues reported in the Congestion Management Agency Programs by \$1.2 million and the Transportation Fund for Clean Air Program by \$0.4 million for the year ended June 30, 2014.

We noted no transactions entered into by the Transportation Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the accrual of compensated absences, the contribution requirements for pension and other postemployment benefits (OPEB), and the funded status of the OPEB plan. Management's estimate of the accrual of compensated absences is based on eligible employees' current pay rate and accrued hours and pension and other postemployment benefit plans' employer and employee contribution requirements and funded status (OPEB plan only) were based on actuarially determined studies. We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Report to the Finance Committee

For the Year Ended June 30, 2014

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following summarizes the uncorrected misstatements of the financial statements:

Fund	Account	Debit	Credit
Sales Tax	Fund balance	\$ 2,521,904	
Sales Tax	Transfers out		\$ 1,516,437
Sales Tax	Revenue		\$ 1,005,467
CMA	Transfers in	\$ 1,516,437	
CMA	Revenue		\$ 1,516,437
TFCA	Fund balance	\$ 362,080	
TFCA	Revenue		\$ 362,080

To record the change in the governmental funds' availability period from 120 days to 90 days.

Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 7, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Report to the Finance Committee
For the Year Ended June 30, 2014

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Transportation Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information In Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the financial statements and our report does not extend beyond the financial information identified in our audit report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedules of funding progress and employer contributions and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



This Page Intentionally Left Blank



Memorandum

Date: 11.24.14

RE: Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee

From: Lee Saage – Deputy Director for Capital Projects

Subject: **INFORMATION** – Major Capital Projects Update – Caltrain Early Investment Program

Summary

The Caltrain Early Investment Program consists of three components: the Communications Based Overlay Signal System (CBOSS) to provide Positive Train Control; the electrification of the Caltrain line between San Jose and San Francisco; and the purchase of electric-multiple unit vehicles to operate on the electrified railroad. With a total budget of \$1.45 billion, it is one of Prop K signature projects. In accordance with the 2012 Memorandum of Understanding (MOU) that established the funding framework for the project, San Francisco's share is \$60 million. Of this amount, the Transportation Authority identified approximately \$21 million (primarily sales tax) and, with the approval by the voters of the city's General Obligation Bonds on November 4, 2014, the remaining \$39 million were secured. However, the overall budget and schedule, which were developed in 2009, have been recently updated by Caltrain staff, resulting in a projected budget increase in the range of \$249 to \$306 million (resulting in a projected total cost of \$1.7 to 1.76 billion) and an extension of the project duration of one to two years. Caltrain is evaluating potential mitigation measures in preparation for Board action on adoption of a new budget and schedule. Meanwhile, options for closing the funding gap are being explored. Work on CBOSS construction is underway, with completion planned for 2016. Work is also underway on the procurement process for the selection of the design-build contractor for electrification and the vehicle manufacturer, informed by discussions with the California High Speed Rail Authority regarding compatibility of Caltrain's future electrified vehicles with High-Speed Rail as needed to support blended service along the peninsula corridor as envisioned in the MOU. In parallel, work is approaching conclusion on the Environmental Impact Report for the Electrification project, which is scheduled for certification in January 2015. **This is an information item.**

BACKGROUND

The Peninsula Corridor Joint Powers Board's (PCJPB) Electrification project will replace Caltrain's existing diesel service with a fully-electrified service from the 4th and King station in San Francisco to the Tamien station in San Jose. This project is one of the signature projects of the Prop K Expenditure Plan. It is also one of the main components of the Caltrain Modernization program, which provides the commuter rail system with the strategic vision to improve system performance while minimizing equipment and operating costs, and is critical to the long-term financial sustainability of Caltrain. The electrification infrastructure project includes the installation of two substations for traction power, poles and an overhead contact system, signal and grade crossing circuitry changes, and the acquisition of electric rolling stock, known as electric multiple units (EMUs), to replace the majority of the current diesel trains. The project will extend for 52 miles from San Francisco to San Jose. It will result in faster and more frequent service, and reduction of air pollutant emissions, noise, and vibration.

On April 24, 2012, through Resolution 12-62, the Transportation Authority Board authorized the Executive Director to execute, with conditions, a Memorandum of Understanding (MOU) with the California High Speed Rail Authority (CHSRA), the Metropolitan Transportation Commission, and six other local and regional entities to establish a funding framework for a High-Speed Rail Early Investment Strategy for a blended system in the Peninsula Corridor. The Early Investment Strategy, also

known as the Early Investment Program, consists of three components: the Communications Based Overlay Signal System (CBOSS) (also known as Positive Train Control (PTC)), the electrification of the Caltrain line between San Jose and San Francisco, and the purchase of electric-multiple unit (EMU) vehicles to operate on the electrified railroad. The program will modernize the corridor, reduce train related emissions by up to 90 percent, provide faster and increased service to more stations, and will prepare the Caltrain system for shared use with High-Speed Rail.

DISCUSSION

The purpose of this memorandum is to update the Citizens Advisory Committee (CAC) on the status of the Early Investment Program.

Budget: As summarized below, the total Early Investment Program budget established in 2009 and included in the 2012 MOU referenced in the prior section was estimated at \$1.456 billion. However, the initial budget has been recently updated by Caltrain staff, resulting in an increase in the range of \$249 to \$306 million, resulting in a new projected cost of \$1.7 to \$1.76 billion. The cost increases only impact the electrification portion of the program and not CBOSS. Caltrain staff is in the process of evaluating mitigation measures in preparation for recommending a new budget to their Board. The current adopted cost estimate is shown below.

Early Investment Program Costs (<i>in \$ millions</i>)	
CBOSS/Positive Train Control	\$231
Electrification	\$785
Vehicles - Electric Multiple Units	\$440
TOTAL	\$1,456

Funding: The 2012 Blended System MOU Funding Plan for the previously adopted budget is shown below. It commits each of the three PCJPB members (San Francisco, San Mateo and Santa Clara counties) to a local contribution of \$60 million each for the Early Investment Program for the Peninsula Corridor. The Transportation Authority has committed funds to cover a total of \$20,860,000 of San Francisco's \$60 million JPB member local contribution. These funds are primarily Prop K sales tax with a small amount of previously programmed State Regional Improvement Program funds. With the approval by the voters of the city's General Obligation Bonds on November 4, 2014, the remaining \$39 million of San Francisco's commitment were secured. Allocation of a third tranche of Prop K funds for the Early Investment Program is included as a separate Prop K allocation item on the December 3 CAC agenda.

As mentioned above, the updated budget for the project has resulted in projected increases in the range of \$249 to \$306 million. These increases only affect the Electrification project. CBOSS remains fully funded. Further, conversations with the CHSRA regarding compatibility of the future electrified Caltrain vehicles with a blended High-Speed Rail/electrified Caltrain system in the peninsula corridor are ongoing and could result in additional changes (see Challenges section). The funding partners are in the process of identifying potential sources of additional funds and developing strategies to secure them.

Some of the ideas being considered to bridge the funding gap include: PCJPB fare increases, bridge tolls, state cap and trade (including High-Speed Rail funds), Federal Transit Administration (FTA) Core Capacity, and FTA Vehicle Replacement program. PCJPB is also evaluate financing mechanisms such as a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan or revenue bonds backed by fare revenues.

Program Funding by Source (<i>in \$ millions</i>)	
PCJPB Member Agency Contributions	\$180
San Mateo County Transportation Authority (Currently Available)	\$11
Caltrain CBOSS/PTC	\$4
<i>Subtotal Local</i>	<i>\$195</i>
Prop 1A Connectivity	\$106
Prop 1A High Speed Rail Authority	\$600
Prop 1B Caltrain	\$24
<i>Subtotal State</i>	<i>\$730</i>
Federal RR Admin. for CBOSS/PTC	\$17
Federal Transit Admin prior/current obligations	\$43
Federal Transit Admin future obligations	\$440
<i>Subtotal Federal</i>	<i>\$500</i>
MTC Bridge Tolls	\$11
BAAQMD Carl Moyer*	\$20
<i>Subtotal Regional</i>	<i>\$31</i>
TOTAL	\$1,456

*Bay Area Air Quality Management District (BAAQMD) Carl Moyer funds.

Schedule: Caltrain is proceeding with the implementation of the Early Investment Program. Work is underway on the design/build contract for CBOSS. Its schedule anticipates system installation from September 2013 to June 2015, testing/commissioning from September 2014 to October 2015, and system acceptance from October 2015 to May 2016. The CBOSS schedule is depicted below.

CBOSS Schedule

Activities	2012					2013					2014					2015					2016															
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
1. Preliminary Design																																				
2. Critical Design																																				
3. Final Design																																				
4. System Procurement																																				
5. System Installation																																				
6. Testing/Commissioning																																				
7. System Acceptance																																				

The schedule for Electrification was recently updated but has not been adopted yet. PJJPB's new schedule projection is that electrified service will begin between winter 2020 and spring 2021 compared to the original winter 2019 projection. RFPs for Electrification and vehicles are scheduled to be released in early 2015, with the latter pending the outcome of discussions between PCJPB and CHSRA regarding compatibility of the vehicle specifications.

Status: On January 27, 2012 the PCJPB issued the notice-to-proceed for the \$231 million CBOSS design-build contract. Since then, the contractor has completed final design and started construction and equipment installation in November 2013. In August 2014, the contractor completed the buildout and equipment installation of the Backup Central Control Facility. The project is on track for completion by May 2016.

The PCJPB and its consultants are nearing completion of the environmental work required to clear the Electrification project. This work consists of an update of the California Environmental Quality Act Environmental Impact Report (EIR) completed in 2009, when the project was put on hold due to lack of funding. On the National Environmental Policy side, the FTA issued a Finding of No Significant Impact in 2009. Certification of the EIR is scheduled for January 2015. In parallel, Caltrain staff has started the procurement process for the design-build electrification contract and the vehicles manufacture contract.

In accordance with the MOU, the Transportation Authority, together with the other signatories established the Peninsula Corridor Working Group, which is tasked with providing oversight and guidance to Caltrain. The group meets on a monthly basis to discuss progress and issues.

DBE/SBE Program: Caltrain's policy is to have an agency-wide goal for DBE participation rather than project-specific goals. The current goal is 10.5%. Actual DBE participation for the third quarter of Fiscal Year 2013 was 21%. Actual participation to date on the CBOSS project is 2.9%; Caltrain expects this participation to increase during the implementation phase.

Challenges: The budget for the program was developed in 2009, when electrification was scheduled for completion in 2015. As noted above, Caltrain staff and consultants recently completed an update to the cost and schedule, which resulted in projected cost increases in the range of \$249 to \$306 million and a schedule extension of one to two years for electrification. The PCJPB and the funding partners need to identify potential sources of funds and develop strategies to secure them.

Caltrain's decisions about the design of electric rail vehicles will fundamentally affect service in the peninsula for the foreseeable future. While the CHSRA has selected a vehicle design whose floor height is approximately 50", Caltrain has indicated intent to specify vehicles whose floor height is approximately 25". Caltrain and the CHSRA must embrace compatibility as a policy imperative in order

to accommodate ridership demand. That is why we have been advocating for compatibility for over two years. Platform height is possibly the most important factor in achieving compatibility and true interoperability. We're happy to report that significant progress has been made on this issue. Caltrain and CHSRA have recently become very engaged in discussions on compatibility and preliminary reports indicate that they may be near to a resolution on a common platform height.

This is an information item.

ALTERNATIVES

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.



This Page Intentionally Left Blank

Memorandum

Date: 11.26.14

RE: Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee

From: Anna LaForte – Deputy Director for Policy and Programming *all*

Subject: **ACTION** – Adopt a Motion of Support for the Allocation of \$32,081,988 in Prop K Funds, with Conditions, and Allocation of \$2,585,624 in Prop AA Funds, with Conditions, for Ten Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules and Amendment of the Relevant 5-Year Prioritization Programs

Summary

As summarized in Attachments 1 and 2, we have ten requests totaling \$32,081,988 in Prop K funds and \$2,585,624 in Prop AA funds to present to the Citizens Advisory Committee for approval. Attachment 3 summarizes our recommendations. The Peninsula Corridor Joint Powers Board has requested \$7,470,000 in Prop K funding for its Caltrain Early Investment Program (EIP), which includes Electrification and the Communication Based Overlay Signal System. A capital projects update on the Caltrain EIP is also on this meeting's agenda. The Bay Area Rapid Transit District has requested \$250,000 in Prop K funding for Transbay Tube Cross-Passage Doors Replacement. San Francisco Public Works has requested Prop K funds for Safe Routes to School projects at ER Taylor Elementary (\$53,715) and Longfellow Elementary (\$126,443). The San Francisco Municipal Transportation Agency (SFMTA) has requested Prop K funds for Replace 60 New Flyer 60-Foot Trolley Coaches (\$20,831,776), Market Street Green Bike Lanes and Raised Cycletrack (\$753,400), WalkFirst Continental Crosswalks (\$423,000), and Mansell Corridor Improvement (\$572,754). The SFMTA has also requested Prop AA funds for Mansell Corridor Improvement (\$2,325,624) and Webster Street Pedestrian Countdown Signals (\$260,000). **We are seeking a motion of support for the allocation of \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5-Year Prioritization Programs.**

BACKGROUND

We have received ten requests for a combined total of \$32,081,988 in Prop K funds and \$2,585,624 in Prop AA funds to present to the Citizens Advisory Committee (CAC) at the December 3, 2014 meeting, for potential Board approval on December 16, 2014. As shown in Attachment 1, the requests come from the following Prop K and Prop AA categories:

- Prop K Electrification
- Prop K New and Renovated Vehicles – Muni
- Prop K Rehabilitate/Upgrade Existing Facilities – Muni
- Prop K Guideways – BART
- Prop K Bicycle Circulation/Safety
- Prop K Pedestrian Circulation/Safety
- Prop K Transportation/Land Use Coordination
- Prop AA Street Repair and Reconstruction; and
- Prop AA Pedestrian Safety

The purpose of this memorandum is to present the Prop K and Prop AA requests to the CAC, and to

seek a motion of support for the allocation of these funds, with conditions, and amendment of the relevant 5YPPs.

DISCUSSION

Attachment 1 summarizes the ten requests for Prop K and Prop AA funds, including information on proposed leveraging (i.e. stretching Prop K dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project are included in the enclosed Allocation Request Forms.

Staff Recommendation: Attachment 3 summarizes the staff recommendations for the requests. Transportation Authority staff and project sponsors will attend the CAC meeting to provide brief presentations on some of the specific requests and to respond to any questions that the CAC may have.

We are seeking a motion of support for the allocation of \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5YPPs.

ALTERNATIVES

1. Adopt a motion of support for the allocation \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5YPPs.
2. Adopt a motion of support for the allocation \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5YPPs, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

As detailed in Attachment 2 and the enclosed Allocation Request Forms, this action would allocate \$32,081,988 in Fiscal Year 2014/15 Prop K funds, with conditions, and allocate \$2,585,624 in Prop AA funds, with conditions. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

The Prop K Capital Budget (Attachment 4) shows the recommended cash flow distribution schedules for the subject requests. Attachment 5 contains a cash-flow-based summary table including the Prop K Fiscal Year 2014/15 allocations to date and the subject Prop K requests.

The Prop AA Fiscal Year 2014/15 Capital Budget (Attachment 6) shows the recommended cash flow distribution schedules for the subject Prop AA allocation requests, and Attachment 7 contains a cash-flow-based summary table of the Fiscal Year 2014/15 allocations to date, including the subject Prop AA requests.

Sufficient funds are included in the adopted Fiscal Year 2014/15 budget to accommodate the recommendation actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

RECOMMENDATION

Adopt a motion of support for the allocation \$32,081,988 in Prop K funds, with conditions, and allocation of \$2,585,624 in Prop AA funds, with conditions, for ten requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules and amendment of the relevant 5YPPs.

Attachments (7):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Capital Budget 2014/15
5. Prop K 2014/15 Fiscal Year Cash Flow Distribution – Summary Table
6. Prop AA Capital Budget 2014/15
7. Prop AA 2014/15 Fiscal Year Cash Flow Distribution – Summary Table

Enclosure:

1. Prop K/Prop AA Allocation Request Forms (10)

Attachment 1: Summary of Applications Received

Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Current Prop AA Request	Total Cost for Requested Phase(s)	Prop K Leveraging		Phase(s) Requested	District
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	6	PCJPB	Caltrain Early Investment Program	\$ 7,470,000	\$ -	\$ 1,421,510,000	89%	99%	Design, Construction	6,10
Prop K	17M	SFMTA	Replace 60 New Flyer 60-Foot Trolley Coaches	\$ 20,831,776	\$ -	\$ 103,750,724	84%	80%	Procurement	Citywide
Prop K	20M	SFMTA	Muni Metro East Paint & Body Shop and Historic Car Storage Structure	\$ 1,600,900	\$ -	\$ 1,600,900	90%	0%	Environmental	10
Prop K	22B	BART	Transbay Tube Cross-Passage Doors Replacement	\$ 250,000	\$ -	\$ 500,000	78%	50%	Design	6
Prop K	39	SFMTA	Market Street Green Bike Lanes and Raised Cycletrack	\$ 758,400	\$ -	\$ 1,080,400	28%	30%	Construction	5, 6, 8
Prop K	40	SFMTA	WalkFirst Continental Crosswalks	\$ 423,000	\$ -	\$ 423,000	25%	0%	Construction	Citywide
Prop K	40, 44	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 53,715	\$ -	\$ 298,044	39%	82%	Construction	9
Prop K	40, 44	Public Works	Longfellow Elementary School Safe Routes to School	\$ 126,443	\$ -	\$ 603,938	34%	79%	Construction	11
Prop K, Prop AA	44, Street	SFMTA	Mansell Corridor Improvement	\$ 572,754	\$ 2,325,624	\$ 4,526,224	40%	87%	Construction	9, 10, 11
Prop AA	Ped	SFMTA	Webster Street Pedestrian Countdown Signals	\$ -	\$ 260,000	\$ 260,000	NA	NA	Design	2, 5
TOTAL							\$ 32,086,988	\$ 2,585,624	\$ 1,534,553,230	88%
								98%		

Footnotes

¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2014 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronyms include BART (Bay Area Rapid Transit District), PCJPB (Peninsula Corridor Joint Powers Board (Caltrain)), and SFMTA (San Francisco Municipal Transportation Agency).

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
6	PCJPB	Caltrain Early Investment Program	\$ 7,470,000	\$ -	Prop K funds will provide the Fiscal Year 2014/15 share of San Francisco's \$60 million commitment to the Caltrain Early Investment Program, which consists of Caltrain Communications Based Overlay Signal System/Positive Train Control (CBOSS/PTC), electrification of the line, and the purchase of electric-multiple unit vehicles. These projects will reduce emissions, provide faster service, and will prepare Caltrain for shared use with High Speed Rail. The current request will provide funding for the construction of the CBOSS/PTC and completion of environmental clearance and preparation of the project delivery request for proposals for electrification.
17M	SFMTA	Replace 60 New Flyer 60-Foot Trolley Coaches	\$ 20,831,776	\$ -	Prop K funds will provide the local match for \$83.3 million in Federal Transit Administration (FTA) funds to replace 60 60-foot trolley coaches that were placed in service in 1993-1994 and have exceeded the FTA's useful life policy of 15 years. Only 28 of the vehicles remain in service. The SFMTA has entered into a joint procurement contract with King County Metro (Seattle) to purchase these articulated trolley coaches. SFMTA anticipates the first vehicle to be delivered in April 2015 and the final vehicle to be delivered by November 2016. Some of the replacement vehicles will be used for Van Ness Bus Rapid Transit service.
20M	SFMTA	Muni Metro East Paint & Body Shop and Historic Car Storage Structure	\$ 1,600,900	\$ -	Prop K funds will be used for environmental phase of a new paint and body shop and historic streetcar canopy over storage tracks at the Muni Metro East maintenance facility. The new paint and body shop will consolidate the body and paint facilities and accommodate all vehicle types in the SFMTA fleet which will allow better use of staff and other resources. The new canopy will provide weather protection for the historic streetcar fleet. The total project cost, through construction, is estimated at \$192 million, of which \$36.8 million is anticipated to come from Prop A General Obligation bonds passed by voters in November 2014. The project has a significant funding gap of \$148 million from yet to be identified funding sources which may include State cap and trade funds and SFMTA revenue bonds. SFMTA anticipates environmental studies to be completed by June 2016. Design could begin in spring 2016.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
22B	BART	Transbay Tube Cross-Passage Doors Replacement	\$ 250,000	\$ -	Prop K funds will be used for the design of replacement cross-passage doors in the Transbay Tube, which are means of emergency egress. Current doors are 40 years old and are in need of replacement. Up to 10 doors on the San Francisco side of the Transbay Tube would be replaced. Design is anticipated to be completed by March 2016.
39	SFMTA	Market Street Green Bike Lanes and Raised Cycletrack	\$ 758,400	\$ -	Prop K funds will be used for the installation of green bicycle lanes and intersection treatments (e.g. green intersection auto-bike conflict markings) on Market Street between Castro and Duboce, and the construction of a one-block raised cycletrack pilot on Market Street between Gough and 12th Streets. The request includes funds for the SFMTA to evaluate the finalized design elements of the raised cycletrack, including but not limited to, the design of the curb (sloped vs. vertical), the cross-slope of the bikeway, and the height of the bikeway relative to the sidewalk. SFMTA anticipates installation of the cycletrack to be completed by September 2015 and the green lanes/intersection treatments to be installed by January 2016. The raised cycletrack is included on the list of 24 Vision Zero near term capital projects.
40	SFMTA	WalkFirst Continental Crosswalks	\$ 423,000	\$ -	Prop K funds will be used in the construction of continental crosswalks at up to 94 intersections on the Pedestrian High Injury Corridors identified in the WalkFirst Investment Strategy. Pedestrian safety treatments at the intersections of Kearny and Geary, and Ocean Ave at Miramar and Plymouth Avenues are included among the 24 Vision Zero near term capital projects. Construction is anticipated to be completed by December 2015.
40, 44	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 53,715	\$ -	Prop K funds will be used as local match for the OneBay Area Grant for the construction of seven pedestrian bulb outs to improve pedestrian safety at the intersection of Bacon and Goettingen Streets, adjacent to the ER Taylor Elementary School and the Portola branch of the San Francisco Public Library. Construction is anticipated to be completed by December 2015.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
40, 44	Public Works	Longfellow Elementary School Safe Routes to School	\$ 126,443	\$ -	Prop K funds will be used as local match for the OneBayArea Grant for the construction of pedestrian bulb-outs, curb ramps, flashing beacons, and landscaping to improve pedestrian safety at the intersections of Mission and Whittier, Mission and Whipple, and Mission and Lowell near Longfellow Elementary School. Construction is anticipated to be complete by December 2015.
44, Street	SFMTA	Mansell Corridor Improvement	\$ 572,754	\$ 2,325,624	Prop K and Prop AA funds will be used as local match for the OneBayArea Grant for the construction of complete street improvements on Mansell between Visitacion Ave and Dublin Street. Project will include a road diet, multiuse path, sidewalks, raised crosswalks, flashing beacons, corner bulb-outs, and landscaping. Construction is anticipated to be completed by August 2016.
Ped	SFMTA	Webster Street Pedestrian Countdown Signals	\$ -	\$ 260,000	Prop AA funds will be used in the design of pedestrian countdown signals and other signal hardware improvements (e.g., new poles, signals, and improved street lighting) at six intersections on Webster Street between California and McAllister. This project supports Vision Zero by enhancing pedestrian safety on Webster which is a WalkFirst high-injury corridor. Design is anticipated to be completed by March 2016. Installation of the pedestrian signals will start in September 2016, following completion of the Webster paving project, which extends from Green to McAllister.
TOTAL			\$ 32,086,988	\$ 2,585,624	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
6	PCJPB	Caltrain Early Investment Program	\$ 7,470,000	\$ -	Special Condition: Our recommendation includes a special condition that the recommended Prop K funds will not be reimbursed until PCJPB and California High Speed Rail Authority reach formal agreement on compatibility necessary to support blended High-Speed Rail (HSR) operations planned for the Peninsula Corridor. For the purposes of this special condition, compatibility will be satisfied by formal agreement on common platform heights. Note: We are still negotiating with Caltrain regarding this special condition, which Caltrain has not yet agreed to. We will provide an update at the CAC meeting.
17M	SEMTA	Replace 60 New Flyer 60-Foot Trolley Coaches	\$ 20,831,776	\$ -	
20M	SEMTA	Muni Metro East Paint & Body Shop and Historic Car Storage Structure	\$ 1,600,900	\$ -	
22B	BART	Transbay Tube Cross-Passage Doors Replacement	\$ 250,000	\$ -	5YPP Amendment: This request requires a 5YPP amendment to the Guideways - BART category to redirect \$250,000 in Fiscal Year 2014/15 funds from the Planning phase to the Design phase of the subject project.
39	SEMTA	Market Street Green Bike Lanes and Raised Cycletrack	\$ 758,400	\$ -	5-Year Prioritization Program (5YPP) Amendment: The requested allocation requires a 5YPP amendment to the Bicycle Circulation/Safety category to utilize Fiscal Year 2014/15 funds for Innovative Treatments (planning, design, and construction phases) and utilize Spot Improvements construction funds to fully fund the subject project. See attached 5YPP amendment for details.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
40	SFMTA	WalkFirst Continental Crosswalks	\$ 423,000	\$ -	
40, 44	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 53,715	\$ -	5YPP Amendment: The requested allocation requires an amendment to the Pedestrian Circulation and Safety 5YPP to redirect \$6,575 in Fiscal Year 2014/15 in Prop K funds from the Active Transportation Program Local Match placeholder to the subject project. The SFMTA has prioritized this project to utilize ATP Local Match funds to cover the disproportionately large construction management budget for a small project such as this, which is not entirely eligible for federal funds. See attached 5YPP amendment for details.
40, 44	Public Works	Longfellow Elementary School Safe Routes to School	\$ 126,443	\$ -	5YPP Amendment: The requested allocation requires a Pedestrian Circulation and Safety 5YPP amendment to redirect \$64,578 in Fiscal Year 2014/15 in Prop K funds from the ATP Local Match placeholder to the subject project. The SFMTA has prioritized this project to utilize ATP Local Match funds to cover the disproportionately large construction management budget for a small project such as this, which is not entirely eligible for federal funds, as well as costs associated with working under Muni overhead lines not fully accounted for in the original project budget. See the attached 5YPP amendment for details.
44, Street	SFMTA	Mansell Corridor Improvement	\$ 572,754	\$ 2,325,624	

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Recommendation
Ped	SEMTA	Webster Street Pedestrian Countdown Signals	\$ -	\$ 260,000	
TOTAL			\$ 32,086,988	\$ 2,585,624	

¹ See Attachment 1 for footnotes.

Attachment 4.
Prop K FY 2014/15 Capital Budget¹

				Cash Flow Distribution					FYs 2019/20 - 2027/2028 ²
EP #	Sponsor	Project Name	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	
TRANSIT									
1	SFMTA	Van Ness Bus Rapid Transit	\$ 1,594,280	\$ 1,275,424	\$ 318,856				
5	TJPA	Transbay Transit Center and Downtown Extension	\$ 43,046,950	\$ 34,128,950	\$ 4,693,000	\$ 4,225,000			
5	TJPA	Downtown Extension	\$ 1,219,000	\$ 632,400	\$ 586,600				
6	PCJPB	Caltrain Early Investment Program	\$ 7,470,000	\$ 7,470,000					
7	PCJPB	Railroad Bridge Load Rating	\$ 382,347	\$ 191,174	\$ 191,173				
7	PCJPB	Rail Grinding	\$ 620,400	\$ 310,200	\$ 310,200				
8	BART	Balboa Park Station Eastside Connections	\$ 2,030,000			\$ 2,030,000			
14	SFCTA	Quint-Jerrold Connector Road Contracting and Workforce Development Strategy	\$ 89,000	\$ 89,000					
15	SFMTA	Light Rail Vehicle Procurement	\$ 4,592,490			\$ 3,092,490	\$ 1,500,000		
17M	SFMTA	Light Rail Vehicle Procurement	\$ 60,116,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,116,310
17M	SFMTA	Replace 60 New Flyer 60-Foot Trolley Coaches	\$ 20,831,776	\$ 2,100,000	\$ 12,800,000	\$ 5,931,776			
17P	PCJPB	F40 Locomotive Mid-Life Overhaul	\$ 1,042,857	\$ 521,429	\$ 521,428				
17U	SFMTA	Light Rail Vehicle Procurement	\$ 66,444,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,444,342
20M	SFMTA	Muni Metro East Paint & Body Shop and Historic Car Storage Structure	\$ 1,600,900	\$ 600,900	\$ 1,000,000				
20P	PCJPB	Systemwide Station Improvements	\$ 210,989	\$ 105,495	\$ 105,494				
22B	BART	Transbay Tube Cross-Passage Doors Replacement	\$ 250,000	\$ 250,000					
22P	PCJPB	Quint Street Bridge Replacement	\$ 303,066	\$ 303,066					
22P	PCJPB	Systemwide Track Rehabilitation	\$ 1,243,407	\$ 621,704	\$ 621,703				
Transit Subtotal			\$ 213,088,114	\$ 48,599,742	\$ 21,148,454	\$ 15,279,266	\$ 1,500,000	\$ -	\$ 126,560,652
PARATRANSIT									
23	SFMTA	Paratransit	\$ 9,670,000	\$ 9,670,000					
Paratransit Subtotal			\$ 9,670,000	\$ 9,670,000	\$ -	\$ -	\$ -	\$ -	\$ -
VISITACION VALLEY WATERSHED									
27	SFMTA	Bayshore Multimodal Station Location Study	\$ 14,415	\$ 9,665	\$ 4,750				
27	SFCTA	Bayshore Multimodal Station Location Study	\$ 14,415	\$ 9,665	\$ 4,750				
27	SFMTA	Geneva-Harney BRT Feasibility/Pre-Environmental Study	\$ 200,000	\$ 112,866	\$ 87,134				
Visitacion Valley Watershed Subtotal			\$ 228,830	\$ 132,196	\$ 96,634	\$ -	\$ -	\$ -	\$ -
STREET AND TRAFFIC SAFETY									
34	SFPW	West Portal Ave and Quintara St. Pavement Renovation	\$ 3,002,785	\$ 2,402,228	\$ 600,557				
35	SFPW	Street Repair and Cleaning Equipment	\$ 701,034	\$ 350,517	\$ 350,517				
37	SFPW	Public Sidewalk Repair	\$ 492,200	\$ 492,200					
38	SFMTA	John Yehall Chin Safe Routes to School	\$ 40,433	\$ 40,433					
39	SFMTA	Twin Peaks Connectivity	\$ 23,000	\$ 19,866	\$ 3,134				
39	SFMTA	Shared Roadway Bicycle Markings (Sharrows)	\$ 256,100	\$ 151,000	\$ 105,100				
39	PCJPB	San Francisco Bicycle Parking Facility Improvements - Supplemental Funds	\$ 20,000	\$ 20,000					

Attachment 4.
Prop K FY 2014/15 Capital Budget¹

				Cash Flow Distribution					
EP #	Sponsor	Project Name	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FYs 2019/20 - 2027/2028 ²
39	SFMTA	Market Street Green Bike Lanes and Raised Cycletrack	\$ 758,400	\$ 500,544	\$ 257,856				
40	SFMTA	WalkFirst Continental Crosswalks	\$ 423,000	\$ 211,500	\$ 211,500				
40	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 6,575	\$ 6,575					
40	Public Works	Longfellow Elementary School Safe Routes to School	\$ 64,578	\$ 12,663	\$ 51,915				
42	SFPW	Tree Planting and Maintenance	\$ 1,000,000	\$ 1,000,000					
Streets and Traffic Safety Subtotal			\$ 6,788,105	\$ 5,207,526	\$ 1,580,579	\$ -	\$ -	\$ -	\$ -
TSM/STRATEGIC INITIATIVES									
43	SFE	Commuter Benefits Ordinance Employer Outreach	\$ 77,546	\$ 77,546					
43	SFCTA	Bay Area Transit Core Capacity Study	\$ 450,000	\$ 315,000	\$ 135,000				
43	SFCTA	San Francisco Corridor Management Study	\$ 300,000	\$ 75,000	\$ 125,000	\$ 100,000			
43	SFCTA	Treasure Island Mobility Management Program	\$ 150,000	\$ 150,000					
44	SFMTA	Persia Triangle	\$ 200,685	\$ 100,343	\$ 100,342				
44	SFCTA	NTIP Predevelopment/Program Support	\$ 75,000	\$ 75,000					
44	SFMTA	NTIP Predevelopment/Program Support	\$ 75,000	\$ 75,000					
44	SFMTA	Western Addition Community-Based Transportation Plan [NTIP]	\$ 240,000	\$ 96,000	\$ 96,000	\$ 48,000			
44	SF Public Works	Chinatown Broadway Phase IV	\$ 701,886	\$ 175,471	\$ 526,415				
44	Public Works	ER Taylor Elementary School Safe Routes to School	\$ 47,140	\$ -	\$ 47,140				
44	Public Works	Longfellow Elementary School Safe Routes to School	\$ 61,865	\$ -	\$ 61,865				
44	SFMTA	Mansell Corridor Improvement Project	\$ 572,754	\$ -	\$ 472,754	\$ 100,000			
TSM/Strategic Initiatives Subtotal			\$ 2,951,876	\$ 1,139,360	\$ 1,564,516	\$ 248,000	\$ -	\$ -	\$ -
TOTAL			\$ 232,726,925	\$ 64,748,824	\$ 24,390,183	\$ 15,527,266	\$ 1,500,000	\$ -	\$ 126,560,652

¹ This table shows Cash Flow Distribution Schedules for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).

² Light Rail Vehicle Procurement. See Resolution 15-12 for cash flow details.

Shaded lines indicate allocations/appropriations that are part of the current action.

Attachment 5.
Prop K FY 2014/15 Capital Budget¹

	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FYs 2019/20 - 2027/28²
Prior Allocations	\$ 200,639,937	\$ 53,596,642	\$ 9,487,153	\$ 9,495,490	\$ 1,500,000	\$ -	\$ 126,560,652
Current Request(s)	\$ 32,086,988	\$ 11,152,182	\$ 14,903,030	\$ 6,031,776	\$ -	\$ -	\$ -
New Total Allocations	\$ 232,726,925	\$ 64,748,824	\$ 24,390,183	\$ 15,527,266	\$ 1,500,000	\$ -	\$ 126,560,652

¹ This table shows total cash flow for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).

² Light Rail Vehicle Procurement. See Resolution 15-12 for cash flow details.

Attachment 6.
Prop AA FY 2014/15 Capital Budget¹

			Cash Flow Distribution			
Sponsor	Project Name	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
STREET REPAIR AND RECONSTRUCTION						
DPW	Dolores St Pavement Renovation	\$ 2,210,000	\$ 707,199	\$ 1,502,801		
SFMTA	Mansell Corridor Improvement Project	\$ 2,325,624	\$ 50,000	\$ 2,275,624		
Street Repair and Reconstruction Subtotal		\$ 4,535,624	\$ 757,199	\$ 3,778,425	\$ -	\$ -
PEDESTRIAN SAFETY						
UC Hastings	McAllister St Campus Streetscape	\$ 1,762,206	\$ 1,762,206			
SFMTA	Webster Street Pedestrian Countdown Signals	\$ 260,000	\$ 100,000	\$ 160,000		
Pedestrian Safety Subtotal		\$ 2,022,206	\$ 1,862,206	\$ 160,000	\$ -	\$ -
TRANSIT RELIABILITY AND MOBILITY IMPROVEMENTS						
SFMTA	City College Pedestrian Connector	\$ 42,000	\$ 42,000			
Transit Reliability and Mobility Improvements Subtotal		\$ 42,000	\$ 42,000	\$ -		\$ -
TOTAL		\$ 6,599,830	\$ 2,661,405	\$ 3,938,425	\$ -	\$ -

¹ This table shows Cash Flow Distribution Schedules for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s). Shaded lines indicate allocations/appropriations that are part of the current action.

Attachment 7.
Prop AA FY 2014/15 Capital Budget Summary¹

	Total	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Prior Allocations	\$ 4,014,206	\$ 2,511,405	\$ 1,502,801	\$ -	\$ -
Current Request(s)	\$ 2,585,624	\$ 150,000	\$ 2,435,624	\$ -	\$ -
New Total Allocations	\$ 6,599,830	\$ 2,661,405	\$ 3,938,425	\$ -	\$ -

¹ This table shows total cash flow for all FY 2014/15 allocations approved to date, along with the current recommended allocation(s).



This Page Intentionally Left Blank

Memorandum

Date: 11.25.14

RE: Citizens Advisory Committee
December 3, 2014

To: Citizens Advisory Committee

From: Anna LaForte – Deputy Director for Policy and Programming *all*
David Uniman – Deputy Director for Planning *Dell*

Subject: **ACTION** – Adopt a Motion of Support for Allocating \$872,859 in Prop K Funds, With Conditions, to the San Francisco Municipal Transportation Agency for Geary Bus Rapid Transit (BRT) Environmental Review and Initial Construction Phase Improvements Planning; for Authorizing the Executive Director to execute a Memorandum of Agreement with the San Francisco Planning Department for the Geary BRT Project Environmental Review Phase, in an Amount not to Exceed \$139,276, and to Negotiate Agreement Payment Terms and Non-Material Agreement Terms and Conditions; and for Assigning the Professional Services Contract with Jacobs Engineering Group to CirclePoint, Increasing the Amount of the Contract by \$225,000, to a Total Amount Not to Exceed \$4,409,489, for Environmental Analysis Services for the Geary BRT Project Environmental Impact Report/Statement, and Authorizing the Executive Director to Modify Non-Material Contract Terms and Conditions

Summary

In close collaboration with the San Francisco Municipal Transportation Agency (SFMTA), we are leading the environmental review phase for the Geary Bus Rapid Transit (BRT) Project, which has developed a refined set of project alternatives, identified a Staff-Recommended Alternative, and documented the environmental analysis of those alternatives in an Administrative Draft Environmental Impact Report/Statement (EIR/S) that is being submitted for local and federal agency review before circulating to the public. In response to Transportation Authority Board and other input seeking faster delivery of benefits to the corridor, SFMTA staff is conducting conceptual planning for a potential Initial Construction Phase set of near-term improvements to be implemented before the full project will seek federal funds for construction. SFMTA's request for \$872,859 will cover near-term improvement planning, as well as prior SFMTA work to support the EIR/S. This new allocation frees up \$389,927 for increased consultant and Transportation Authority staff costs resulting from inclusion of the near-term improvements in the EIR/S and an extended schedule. Relatedly, in order to more efficiently and cost effectively deliver the project, the technical consultant team previously led by Jacobs Engineering Group (Jacobs) will now be led by subconsultant CirclePoint for the remaining tasks. The consultant team needs an additional \$225,000 to complete the environmental review phase. Lastly, we need to execute a Memorandum of Agreement (MOA) with the San Francisco Planning Department (SF Planning) to support the EIR/S. This work is funded through the prior appropriation, but funds will pass directly from us rather than through the SFMTA. **We are seeking a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed \$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint, increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489 for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions.**

BACKGROUND

The Geary Bus Rapid Transit (BRT) Project is a coordinated set of transit and pedestrian improvements along the 6.5-mile Geary corridor between the Transbay Transit Center and 48th Avenue. It is a signature project in the voter-approved Prop K Expenditure Plan.

The Geary BRT Project is in its environmental review phase, which will culminate with publication of an Environmental Impact Report/Statement (EIR/S), a project approval and document certification action by the Transportation Authority Board, a project approval by the SFMTA Board, and an action by the Federal Transit Administration (FTA) completing the federal environmental review requirements. The project is a partnership between the Transportation Authority, which is leading the environmental review, and the San Francisco Municipal Transportation Agency (SFMTA), which will lead the preliminary and detailed design phases and will be responsible for construction and operation of the facility.

After a years-long process including multiple rounds of project design, analysis, and community input, the Geary BRT Project arrived at a refined set of alternative project designs in Spring 2013. Analysis on these alternatives led to identification of a staff-recommended alternative design in Winter 2013/14. The team embarked on a major round of outreach in Spring 2014 to share the staff-recommended alternative and solicit feedback. Meanwhile, the team conducted environmental analyses for all alternatives, and in Summer 2014, compiled the analyses into an Administrative Draft Environmental Impact Report/Statement (ADEIR/S).

The purpose of this memorandum is threefold: to present the SFMTA's request for \$872,859 in Prop K funds for the Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; to discuss the need for an Memorandum of Agreement (MOA) between the Transportation Authority and SF Planning; and to present the request to assign the professional services contract with Jacobs Engineering Group to CirclePoint and amend the contract to complete the environmental review process, and to seek a motion of support for these actions.

DISCUSSION

Current Status and Schedule: The team is now revising the ADEIR/S in response to local agency review and comment, as part of our effort to conduct earlier and more in-depth inter-agency coordination than the Transportation Authority did during the Van Ness BRT environmental process. We expect this coordination to facilitate and speed the upcoming public circulation of the Geary draft EIR/S by avoiding delays from last-minute interagency issues. Agencies that have reviewed the draft include multiple divisions within the SFMTA, SF Planning, San Francisco Public Works (SFPW), the San Francisco Public Utilities Commission, Golden Gate Transit, the San Francisco Department of Public Health, the Mayor's Office on Disability, the Bay Area Rapid Transit District, and the California Department of Transportation.

In response to Transportation Authority Board and other input seeking faster delivery of benefits to the corridor, SFMTA staff is conducting conceptual planning for a potential Initial Construction Phase set of near-term improvements (described further below) to be implemented before the full project will seek federal funds for construction. The project team has helped to develop these near-term improvements and to incorporate them into the ADEIR/S while concurrently responding to other local agency comments on the documents. When the edits are complete, we will submit the ADEIR/S to the FTA. Following incorporation of FTA's comments, we will release the public draft EIR/S.

Finally, some project design details have drawn community feedback and questions, for which we have been working on responses. These details include the pedestrian crossings at Webster Street, the design of the bus transition from side-lane to center-lane operation around Palm Avenue relating to accommodating vehicle left turns from Geary, and the complex interactions at Park Presidio Boulevard among stop locations, passenger transfers, traffic patterns, and pedestrian crossings. We anticipate that some of these project design details will require the closer attention of the detailed engineering design phase to fully address, but we have developed options and identified constraints now to facilitate resolution.

Attachment 1 shows the project's schedule for the remaining steps in the environmental review process and the steps for the project's implementation, including the potential Initial Construction Phase and the full project.

Potential Initial Construction Phase Near-Term Improvements: The SFMTA, in coordination with Transportation Authority staff, has been conducting pre-development work to identify, determine the feasibility of, and then refine a near-term proposal for improvements in the Geary BRT corridor, so that they can be integrated into the full project's EIR/S and then quickly be advanced to construction. The near-term proposals' capital investments would be compatible with the Staff Recommended Alternative (SRA) as defined in the EIR/S, and would result in mainly permanent and some temporary investments on the corridor.

Because official action will not be taken to select the full project's Locally Preferred Alternative until the end of the environmental review process, the Initial Construction Phase proposal will remain preliminary until then, with the potential for further refinement as needed. However, the SFMTA's planning work has identified elements such as:

- Side-running bus lanes from Van Ness Avenue to Stanyan Avenue, colorized where pavement conditions allow
- Station and stop changes to improve bus operations, such as lengthening of 6 bus zones, installation or modification of approximately 10 bus bulbs, and shifting of 10 bus stops from the near side of an intersection to the far side, and consolidation of 10 selected local stops
- Traffic signal improvements at approximately 5 intersections, such as new signal lights and poles, for upgraded pedestrian signal equipment and smoother bus and traffic operations, including queue-jump installations at two intersections
- Installation of approximately 10-15 right-turn pockets to keep the bus lanes free of queued turning vehicles
- Pedestrian crossing bulb-outs at approximately 10 locations, as well as needed accompanying curb ramp upgrades

These Initial Construction Phase improvements respond to Board and public input asking for travel and other community benefits to be delivered to the corridor quickly and on a rolling basis, so that the community does not need to wait until the full BRT project, anticipated to be completed in Fiscal Year 2019/20, to begin enjoying improvements. The schedules for the Initial Construction Phase and full project are shown in Attachment 1, with that initial phase targeted for implementation in 2016. Attachment 2 provides a scope comparison of the various project phases.

While benefits from the full project include travel time savings of approximately 20% across the BRT segments of the corridor, or about 10 minutes per direction, in addition to a 20% improvement in

reliability, and benefits to the streetscape environment and pedestrian safety at locations throughout the corridor, the agencies are implementing other immediate changes and developing the Initial Construction Phase to provide some of these benefits sooner. The Initial Construction Phase improvements, along with efforts already underway such as Transit Signal Priority, new replacement low-floor buses, and bus service adjustments, will provide 4-6 minutes in travel time savings, or about half that of the full project, in addition to increased service and reliability. The initial improvements also improve pedestrian safety at key locations.

Costs and Funding: The cost estimate for the Geary BRT SRA, which has undergone multiple rounds of refinement with reviews of inputs by the SFMTA and the SFPW, is approximately \$320 million in year-of-expenditure dollars, as shown in Attachment 3. The design and construction costs account for a comprehensive set of scope items, including some that are not required in order to simply provide a BRT facility but serve as overall street enhancements or address the needs of other infrastructure systems along the Geary corridor. Such items to accommodate or accompany BRT street design changes include street re-surfacing, needed underground sewer and water line utility re-locations and replacements, new street lights, new landscaping, new medians, upgraded traffic signal equipment, pedestrian bulb-outs and other crossing improvements, curb ramp retrofits, and parking meter adjustments.

The funding plan for the Geary BRT project, shown in Attachment 4, reflects the \$320 million funding need, inclusive of engineering design. A funding gap exists that will require ongoing work to identify and commit sources toward fully funding the project. We have recently amended the plan to include a revised total of \$44.4 million in Prop K funds, which is about \$14 million more than previously available. These funds were committed through the 2014 Prop K Strategic Plan and 5-Year Prioritization Program (5YPP) updates. This programming was intended to fully fund the project through final design, with a small contribution toward construction.

The funding plan also includes \$75 million in FTA Small Starts funds, a national, competitive grant source to which the project will apply. We are working with SFMTA and FTA to develop a Small Starts BRT project definition that will fit within FTA's maximum \$250 million total cost for Small Starts. Given the corridor's high existing ridership, Geary BRT is expected to be very competitive. With SFMTA, we continue to refine the funding strategy and seek other funding to close the current gap, such as new transportation revenue measures being proposed for local voter consideration and other state and federal discretionary funds (e.g. cap and trade).

The cost of the potential Initial Construction Phase near-term improvements, also shown in Attachment 3, is estimated at \$15-20 million. SFMTA will continue to develop a funding plan for the Initial Construction Phase as it proceeds with planning and conceptual engineering work. Given the high degree of overlap with the Geary BRT improvements, the initial funding plan assumes \$10 million in Prop K from the funding set aside for Geary BRT. Other potential sources to fill the estimated \$5-\$10 million gap include cap and trade, State Prop 1B, Prop K (not from BRT funds), Prop AA vehicle registration fee, and Props A (General Obligation Bond) and B approved this November.

Prop K Allocation Request: SFMTA's request for \$872,859 in Prop K funds will cover near-term improvement planning, remaining SFMTA support through completion of the environmental phase, and prior SFMTA work to support the EIR/S estimated. SFMTA anticipates seeking allocation of design funds for the near-term proposal and the full BRT project concurrently in early 2015. The enclosed allocation request form contains further details on the scope, schedule and budget.

Of the total request, \$389,927 is intended to cover expenses already incurred by SFMTA to support the Geary BRT project. These SFMTA costs were originally to be funded through an existing appropriation

to the Transportation Authority. Funding these expenses through a direct allocation to the SFMTA is administratively less burdensome and frees up \$389,927 for increased consultant and Transportation Authority staff costs resulting from additional work relating to reviewing and helping to develop potential Initial Construction Phase near-term improvements and incorporating them into the EIR/S, additional rounds of cost estimate refinements; greater-than-anticipated work to coordinate with local agencies on the ADEIR/S, including responding to a significant number of comments from local agencies on the ADEIR/S.

Special Condition: In order to ensure that the full BRT project continues to move forward concurrently with the Initial Construction Phase near-term improvements, as a condition of this allocation, our recommendation includes re-directing \$10 million from current Geary BRT funding for design/construction of the Initial Phase and reserves all the remaining Prop K funds currently programmed to Geary BRT for the full project. This condition and a minor amendment to adjust programming phase are reflected in the 5YPP amendment attached to the enclosed allocation request form.

Memorandum of Agreement: In its role as a Responsible Agency for environmental review, SF Planning is expending staff time toward generating an environmental document consistent with the city's approach to other environmental documents, including coordination with the project team on methodology issues for particular environmental technical studies such as visual impacts, transportation, air quality, noise, and cultural resources, as well as review of the document itself. The City Attorney's Office is also providing input on the legal aspects of the environmental review process, including review of the environmental document. Greater detail on the scope responsibilities for SF Planning, and the City Attorney's Office can be found in Attachment 5.

Resolution 14-52, adopted by the Transportation Authority Board in February 2014, authorized reimbursement of these two agencies for the aforementioned scope of work to be executed through a funding agreement with the SFMTA and to be funded through prior appropriations for Geary BRT environmental work. With the SFMTA's current Prop K request, funds for SF Planning and the City Attorney's Office will flow directly from the Transportation Authority to SF Planning instead of through SFMTA, triggering the need for the subject MOA.

Table 1 below shows the agency budgets for the subject MOA, covering their participation in the development of the project's EIR/S.

Table 1. SF Planning and City Attorney's Office Budgets for Geary BRT Environmental Review

Agency	Staff Expenditures Reimbursable by the Transportation Authority
SF Planning	\$30,352
City Attorney's Office	\$99,840
<i>Contingency</i>	<i>\$9,084</i>
Total	\$139,276

Professional Services Contract Assignment and Amendment: In January 2008, through Resolution 08-42, the Transportation Authority awarded a contract to Jacobs Engineering Group (then Carter Burgess) in the amount of \$1,800,000 to conduct environmental analysis of BRT on Geary Boulevard and to advance conceptual engineering designs. In December 2010, through Resolution 11-27, the Transportation Authority approved an increase of \$1,054,565 to provide for additional identified scope areas. In July 2013, through Resolution 14-15, the Transportation Authority approved an increase of \$1,329,924, with the contract term to set at Winter 2015.

As the BRT project has progressed from planning and analysis to environmental documentation, the needed expertise for leading the consultant team has correspondingly shifted. To maximize the efficiency of the team, a re-shuffled teaming structure is now needed, with one of the original team's subconsultants, CirclePoint, now taking the lead for the project's remaining tasks toward the completion of the environmental process. CirclePoint is the consultant team member with the expertise and responsibility for developing the EIR/S, conducting public outreach for circulation, and responding to public comments. To streamline the team and minimize project management costs, we are seeking approval to assign the original professional services contract's rights and obligations from Jacobs Engineering Group to CirclePoint, which would effectively end the practical involvement of Jacobs and shift the Transportation Authority's contractual relationship to CirclePoint for more efficient project administration and management. The original contract includes a term specifically allowing this action.

In addition, the project has responded to several unanticipated work items, including: additional analysis and other work relating to reviewing and helping to develop potential Initial Construction Phase near-term improvements and incorporating them into the EIR/S, additional rounds of cost estimate refinements; greater-than-anticipated work to coordinate with local agencies on the ADEIR/S, including responding to over 300 comments from a pre-ADEIR/S review of the transportation chapter by the SFMTA and over 550 comments from the local agency review of the ADEIR/S; and heavy re-working of several chapters in response to comments. The team has also experienced higher-than-anticipated project management costs, including that associated with the Initial Construction Phase near-term improvements, but also from Jacobs Engineering Group as the prime consultant. The consultant team has reached a significant milestone, having developed the ADEIR/S for FTA review, and it estimates an additional \$225,000 is needed to complete the environmental review phase including a Final EIR/S. This figure includes an assumption for a moderate amount of comments that may be submitted and require responses during the public comment period, although some uncertainty is inherent. The proposed amendment, the scope and budget of which are provided in Attachment 6, would increase the total contract amount to \$4,409,489. The SFMTA's current request enables us to use some of the appropriation's funds originally budgeted for the SFMTA to be directed instead at absorbing additional project costs, including the increased consultant team budget.

The Jacobs Engineering Group has achieved 16% DBE participation to date, from seven subconsultants: women-owned firms Baseline Environmental Consulting and Pittman & Associates, Hispanic-owned firm Diaz Yourman & Associates, African American-owned firm Terry A. Hayes & Associates, and Asian Pacific American-owned firms M Lee Corporation and William Kanemoto Associates. M Lee Corporation is also based in San Francisco. The assignment of the Jacobs contract to Circle Point would not impact these subcontractor relationships.

We are seeking a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed

\$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint, increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489 for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions.

ALTERNATIVES

1. Adopt a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed \$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint and increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489, for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions, as requested.
2. Adopt a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed \$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint and increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489, for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

This action would allocate \$872,859 in Fiscal Year 2014/15 Prop K funds. The allocation would be subject to the Fiscal Year Cash Flow Distribution Schedule contained in the enclosed Allocation Request Form. The Prop K Capital Budget (Enclosure 2) shows the recommended cash flow distribution schedule for the subject request. Enclosure 3 contains a cash-flow-based summary table including the Prop K Fiscal Year 2014/15 allocations to date and the subject Prop K request. Sufficient funds are included in the adopted Fiscal Year 2014/15 budget to accommodate the recommendation allocation. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

The proposed MOA with SF Planning and the proposed professional services contract amendment with CirclePoint will be funded by Prop K funds previously appropriated through Resolution 14-17. This year's activity for the MOA was included in the Transportation Authority's adopted Fiscal Year 2014/15 budget. The proposed contract amendment will be included in the Transportation Authority's mid-year budget amendment.

RECOMMENDATION

Adopt a motion of support for allocating \$872,859 in Prop K funds, with conditions, to the SFMTA for Geary BRT Environmental Review and Initial Construction Phase Improvements Planning; for

authorizing the Executive Director to execute an MOA with SF Planning for the Geary BRT Project Environmental Review Phase, in an amount not to exceed \$139,276, and to negotiate agreement payment terms and non-material agreement terms and conditions; and for assigning the professional services contract with Jacobs to CirclePoint and increasing the amount of the contract by \$225,000, to a total amount not to exceed \$4,409,489, for Environmental Analysis Services for the Geary BRT Project EIR/S, and authorizing the Executive Director to modify non-material contract terms and conditions.

Attachments (6):

1. Project Schedule
2. Geary Improvements Description and Checklist by Phase
3. Geary Cost Estimate by Element and Phase
4. Geary BRT Funding plan
5. Memorandum of Agreement Scope and Budget
6. Technical Consultant Contract Amendment Scope and Budget

Enclosures (3):

- A. Allocation Request Form
- B. Prop K Capital Budget
- C. Prop K Fiscal Year Cash Flow Distribution – Summary Table

Attachment 1. Geary BRT Project Environmental Review and Implementation Schedule

Timeline	Environmental Review Process	Initial Construction Phase (Phase 1)	Full Project (Phase 2)
Winter 2014/15	Release of Draft Environmental Document	Conceptual engineering completed	
Spring 2015	Public Comment Period	Detailed design initiated	Conceptual engineering initiated
Summer 2015	Response to Comments, Release of Final Environmental Document		
Fall 2015	Certification, Record of Decision		
Winter 2015/16		Detailed design completed Phase 1a Construction Initiated* (bus zone changes, right turn pockets, and transit-only lane installation)	Conceptual engineering completed Small Starts application submitted to Federal Transit Administration**
Spring 2016			Detailed design initiated**
Summer 2016			
Fall 2016		Phase 1b Construction Initiated* (bus bulbs, pedestrian bulbs, signal upgrades)	
...			
Winter 2017/18			Detailed design completed** Construction initiated**
...			
Winter 2019/20			Construction completed**

*pending phasing analysis to be completed during design, and pending city coordination opportunities

**pending funding, and pending analysis to be completed during conceptual engineering

Attachment 2. Geary Bus Rapid Transit Improvements Description and Checklist by Phase
November 21, 2014

Introduction

The SFMTA and SFCTA are proposing phased implementation of the Geary BRT project in order to expedite the delivery of transit improvements to the Geary corridor. The following project description materials describe the scope of the improvements, including a narrative description and a checklist table showing the scope elements to be included.

The cost estimates illustrate that the full project is estimated to cost \$300-320M (above the \$250M Small Starts Grant application cap), so we are working to identify what elements/segments would be included in the Geary BRT Small Starts application, and what might be constructed concurrently using other funds (including other federal funds). For this reason, we believe the best approach is to define the project comprehensively in the project's joint environmental document that is currently under development.

In addition to defining the project components for the Small Starts application, we are also working to implement an initial construction phase of near-term improvements (Phase 1) after the approval of the EIR/EIS. These improvements, which will result in some, but not all, of the travel time benefits associated with the full project, are consistent with the full project elements and could be implemented on a shorter timeline. We anticipate the near-term implementation occurring concurrently with the full-project design. The Phase 1 elements are estimated to cost approximately \$15-20M, which is largely included within the cost of the full project¹.

¹ An exception is the bus lane colorization, which has a 3-to-5-year useful life and will need to be re-applied with the full project.

Project Scope Narrative

This narrative describes planned and completed bus, pedestrian, and street improvements to the Geary corridor. It describes three categories of improvements: baseline improvements recently completed or already underway, the full Bus Rapid Transit project, and the near-term improvements to be implemented after the environmental process.

Baseline Improvements

Some bus and pedestrian improvements are already funded and in-progress, including service plan improvements, Transit Signal Priority (using wireless technology), existing vehicle fleet replacement with new, 60-foot, articulated, low-floor, diesel-electric hybrid buses, and branding elements for buses and stations. Also, improvements have recently been completed to provide colorized bus lanes from Market Street to Van Ness Avenue.

Full Project: Staff-Recommended Alternative

A. Dedicated bus lanes with red colorization treatment. From Market Street to Van Ness Avenue, colorized bus lanes already exist. From Van Ness to Palm Avenue, the project would extend side-running bus lanes, with a few exceptions². This includes resurfacing the bus lane in segments with poor pavement condition. From Palm Avenue to 27th Avenue, the project would provide center-running bus lanes. From 27th to 34th Avenue, the project would provide side-running bus lanes. For the center-running segment, this scope element includes new concrete pavement for the bus lanes, as well as two new, dual, landscaped medians, and necessary sewer relocation and replacement work.

B. Station and stop bus-operation improvements. Along the side-running segments of the corridor, this includes bus bulb-out installations or modifications at approximately 20 locations to facilitate bus vehicle maneuvers around bus stops and stations. The work here accounts for necessary relocations of water and sewer utilities, as well as concrete bus pads at each BRT stop. It also includes re-locations of approximately 10 stops from the near sides of intersections to the far side, for improved bus flows through traffic and to maximize the benefits of transit signal priority. This scope element also includes bus stop pattern changes such as removal of approximately 20 local stops and conversion of a few selected Limited/BRT stops to local stops.

C. Station and stop passenger amenities. This includes station and stop amenities such as shelters, real-time transit information, station communications, lighting, custom paving, and landscaping.

D. Bus service changes. The existing 38 Geary would continue to operate as local service, stopping at every stop. The existing 38 Limited would become the BRT service, stopping only at BRT stops. The BRT

² For a few blocks near the Masonic Avenue and Fillmore Street intersections, the buses would operate on narrow frontage roads adjacent to the grade-separated Geary tunnels at those locations; some blocks of the frontage roads lack sufficient width for a bus lane and the mixed-flow travel lane needed to provide access to adjacent land uses and side streets; in such cases, the buses will share the lane with mixed-flow traffic.

project would increase the amount of service provided by these lines to accommodate additional demand as is anticipated by ridership forecasts. The 38AX and 38BX express services, operating only in the peak-hour in the peak direction, would become one express line called the 38X, stopping at BRT stops along the Geary corridor west of Masonic and traveling along Pine and Bush to reach downtown destinations. Note that the SFMTA will make periodic and incremental service adjustments based on ridership trends; for the analysis, the project used a high-frequency service plan to respond to anticipated forecasted ridership increases.

E. Bus vehicle changes. New, low-floor, articulated 60-foot diesel hybrid-electric motorcoaches are anticipated in the baseline to replace the existing fleet, but up to 16 additional vehicles are accounted for in the project cost estimate to enable the proposed increase in service for the BRT project.

F. Traffic signal improvements and communications. The project will install upgraded and new equipment at approximately 50 intersections along the corridor, including new vehicle and pedestrian countdown signal heads, and new poles. These upgrades are needed for smoother bus and traffic operations, as well as for pedestrian crossing safety benefits. At six locations, signalized queue jumps would be provided for transit. At five currently unsignalized locations, the project would install new traffic signals. This scope element also includes installation of fiber optic cable to improve the reliability of traffic signal communications and facilitate real-time traffic monitoring.

G. Right-turn pockets. In side-running segments, at approximately 10-15 locations with heavy right-turning vehicle demand and high pedestrian crossing activity, the project will install right-turn pockets so that right-turning vehicles that are stopped to wait for pedestrians to cross can queue in a pocket adjacent to the side-running bus lane, leaving the bus lane clear for buses.

H. Other street improvements. This includes replacement street lighting to accompany the center-running bus lanes (existing lighting is located in the existing median), street re-surfacing wherever needed, adjusting parking meters to accommodate roadway design changes, and new landscaping on existing medians.

I. Pedestrian improvements. This includes installing approximately 60 pedestrian bulb-outs, enhanced approximately 5 new signalized pedestrian crossings, pedestrian crosswalk striping at approximately 70 intersections, approximately 120 curb ramp upgrades throughout the corridor where needed, and sidewalk repair near curbside stations where needed (pedestrian signal modifications at existing signalized intersections are accounted for under traffic signal improvements).

J. Other changes at key areas. Other improvements include street redesign between Masonic and Presidio to add a colorized bike lane making a key connection in the bicycle network. It also includes a road diet between Gough and Scott combined with street-level pedestrian crossing improvements and removal of existing pedestrian overcrossings in the Japantown area in part to enable provision of a bus lane in that location.

Near-Term Improvements – Potential Initial Construction Phase

A. Dedicated bus lanes. From Van Ness to Stanyan Avenue, the near-term improvements include side-running bus lanes, with a few exceptions.³ Work would be limited to this segment of the corridor only. The near-term/initial construction phase cost estimate does not account for pavement resurfacing. Where feasible, the lanes will be delineated with red color treatment.

B. Station and stop bus-operation improvements. The near-term improvements include approximately 10 new bus bulb-out installations and modifications to approximately five existing bulbs. The work here accounts for necessary relocations of water and sewer utilities, as well as concrete bus pads at each BRT stop. The near-term improvements also lengthen six bus zones to facilitate vehicle maneuvers around bus stops and stations, as well as relocations of approximately 10 stops from the near side of intersections to the far side, for improved bus flows through traffic to maximize the benefit of transit signal priority. This scope element includes stop pattern changes such as removal of approximately 10 local stops and conversion of a few selected Limited/BRT stops to local stops.

F. Traffic signal improvements. The near-term improvements will install upgraded equipment at approximately 5 intersections along the corridor, including new vehicle and pedestrian countdown signal heads, and new poles. At most of these locations, complete upgrades are needed in order to install pedestrian countdown capability; at other locations, the upgrades support smoother bus and traffic operations. At two locations, signalized queue jumps would be provided for transit, and a new signal would be added at one location.

G. Right-turn pockets. At approximately 10-15 locations with heavy right-turning vehicle demand and high pedestrian crossing activity, where there will be side-running bus lanes, the project will install right-turn pockets so that right-turning vehicles that are stopped to wait for pedestrians to cross can queue in a pocket adjacent to the side-running bus lane, leaving the bus lane clear for buses.

I. Pedestrian improvements. This includes approximately 10 pedestrian bulb-outs, as well as needed accompanying curb ramp upgrades.

J. Other changes at key areas. Other improvements include a road diet between Gough and Scott to remove 2 travel lanes and striping to re-allocate that space to the median.

³ For a few blocks near the Masonic Avenue and Fillmore Street intersections, the buses would operate on narrow frontage roads adjacent to the grade-separated Geary tunnels at those locations; some blocks of the frontage roads lack sufficient width for a bus lane and the mixed-flow travel lane needed to provide access to adjacent land uses and side streets; in such cases, the buses will share the lane with mixed-flow traffic.

Table 1. Geary Bus Rapid Transit Scope Checklist Table

	Element	Baseline	Initial Construction Phase [Phase 1]	Full Project after Initial Phase [Phase 2]
A	Dedicated colorized bus lanes	x [partial: Inner Geary red lanes]	x [partial: side lanes only, Van Ness to Stanyan, no re-surfacing]	x [includes center-running segment Palm to 27th]
B	Station/stop bus-operation improvements		x [partial: subset of all locations]	x
C	Station/stop passenger amenities	x [partial: shelters/branding]		x
D	Bus service changes	x		x
E	Bus vehicle changes	x		x
F	Traffic signals and communications and Transit Signal Priority	x [partial: wireless TSP]	x [partial: subset of all locations]	x [includes fiber for improved life cycle/reliability, traffic monitoring]
G	Right turn pockets		x	
H	Street improvements			x
I	Pedestrian improvements		x [partial: subset of all bulb-out locations]	x [includes enhanced striping at all intersections]
J	Other changes at key areas		x [partial: includes Fillmore-area road diet]	x [includes Masonic-area bike lane and other street changes; includes Fillmore ped bridge removals and street-level crossings]

Notes:

Baseline: improvements already in-progress, not included in Initial Construction Phase or Full Project

Initial Construction Phase [Phase 1]: improvements to be initiated immediately after environmental phase is completed; to be funded from local sources.

Attachment 3. Geary Cost Estimate by Element and Phase
Last Edited: November 26, 2014

	Element	I. Potential Initial Construction Phase [Phase 1]	II. Full Project After Initial Phase [Phase 2]	III. Total, Phase 1 + Phase 2	IV. Full Project [Single Phase]
A	Dedicated colored bus lanes	\$ 4,454,000	\$ 80,242,000	\$ 84,696,000	\$ 80,242,000
B	Station/stop bus-operation improvements	\$ 5,465,000	\$ 48,355,000	\$ 53,820,000	\$ 53,818,000
C	Station/stop passenger amenities		\$ 60,283,000	\$ 60,283,000	\$ 60,283,000
D	Bus service changes		*	*	*
E	Bus vehicle changes		\$ 22,655,000	\$ 22,655,000	\$ 22,655,000
F	Traffic signals	\$ 3,750,000	\$ 33,674,000	\$ 37,424,000	\$ 37,424,000
G	Right turn pockets	\$ 130,000	**	**	**
H	Other street improvements		\$ 34,649,000	\$ 34,649,000	\$ 34,779,000
I	Pedestrian improvements	\$ 2,200,000	\$ 20,096,000	\$ 22,296,000	\$ 22,296,000
J	Other changes at key areas	\$ 50,000	\$ 4,854,000	\$ 4,904,000	\$ 4,854,000
	Total	\$ 16,049,000	\$ 304,808,000	\$ 320,857,000	\$ 316,351,000
	Environmental/planning phase cost			\$ 7,346,000	\$ 7,346,000
	Grand total			\$ 328,203,000	\$ 323,697,000

Notes

Costs for baseline improvements already in-progress or underway, such as Transit Signal Priority, are not included in these costs.

I. Potential Initial Construction Phase [Phase 1]: Near-term improvements consist of some permanent and some temporary improvements. Includes some BRT components and some related improvements.

II. Full Project After Initial Phase [Phase 2]: includes all improvements after near-term implementation, including BRT and related improvements.

* Service/operation cost is not included here.

** Right-turn pocket costs are accounted for under Element H.

III. Total Cost, Phase I + Phase 2 is the summation of columns I and II

IV. Total Cost [Single-Phase Project]: project is constructed as a single phase (e.g., no initial phase). Lower costs result from lack of need for temporary improvements:

In Row (A), dedicated bus lane initial phase and full project cost is additive because of brief life cycle.

In Row (J), other changes at key areas - near-term and full project cost is additive because near-term changes are temporary

Source	Type	Status	Project Phases ¹				Total by Status	TOTAL
			ENV, CER/PE	PS&E	CON			
5309 Small Starts ²	Federal	Allocated					\$0	\$75,000,000
		Programmed					\$0	
		Planned			\$75,000,000		\$75,000,000	
Prop K ³	Local	Allocated	\$7,346,113				\$7,346,113	\$44,429,113
		Programmed	\$17,300,000	\$14,500,000	\$5,283,000		\$37,083,000	
		Planned					\$0	
TBD ⁴	TBD	Allocated					\$0	\$208,774,289
		Programmed					\$0	
		Planned	\$6,956,217	\$6,670,105	\$195,147,967		\$208,774,289	
	Totals	Allocated	\$7,346,113	\$0	\$0		\$7,346,113	\$328,203,402
		Programmed	\$17,300,000	\$14,500,000	\$5,283,000		\$37,083,000	
		Planned	\$6,956,217	\$6,670,105	\$270,147,967		\$283,774,289	
			\$31,602,330	\$21,170,105	\$275,430,967		\$328,203,402	

¹ Acronyms used for project phases include: ENV - Environmental Documentation, CER/PE, Conceptual Engineering Report/Preliminary Engineering (30% Design), PS&E - Plans, Specifications & Estimates or Final Design, CON - Construction. The construction phase includes the incremental cost for procuring new BRT vehicles for the project.

² The Geary BRT project team plans to apply for Small Starts funds in early 2016. \$75 million is the maximum amount of Small Starts funds available to a project.

³ Resolution XX will reserve \$10 million from current Geary BRT funding for design/construction of the Initial Construction Phase and will reserve all the remaining Prop K funds currently programmed to Geary BRT for the Full Project.

⁴ Potential sources under consideration to fill the funding gap include additional sales tax, MTC Transit Performance Initiative funds, OneBayArea Grant, bridge tolls, other state or federal discretionary funds, and the Mayor's 2030 Transportation Task Force. The latter identified Geary BRT (listed as Geary Rapid Network Improvements) as one of the few named projects in its investment plan, with a \$27 million investment. The Task Force also deemed Geary BRT to be eligible for a portion of the \$58 million identified for the Transit Performance Initiative in the Task Force investment plan.

Attachment 5. San Francisco Planning Department and City Attorney's Office

Memorandum of Agreement for the Geary Bus Rapid Transit Project Environmental Phase

Scope and Budget

Scope

Task 2.10.1 Project Management

This task provides for staff time spent addressing overall issues relating to the Geary Bus Rapid Transit (BRT) project and San Francisco Planning Department (SF Planning) and City Attorney's Office (CAO) involvement in creating the joint Environmental Impact Report/Statement (EIR/S).

Task 2.10.2 Understanding the Project

This task includes staff time spent becoming sufficiently familiar with the project's design to provide guidance on its environmental documentation, including the geographic scope, the study area's existing conditions, the nature of the proposed improvements, the project alternatives, and details such as the potential extent of excavation, proposed stop locations, bus service changes, on-street parking changes, changes to left turns, and potential construction methods and phasing.

Task 2.10.3 Meetings

This task includes up to six meetings to discuss the project's environmental analyses and documentation, with 2 hours for each meeting: one hour for the meeting, and one hour for any advanced preparation and/or follow-up.

Task 2.10.4 Assistance with Methodology

This task includes review of proposed methodologies and draft results for all Geary BRT technical studies, including analyses specifically for cultural resources, visual impacts, air quality, noise, energy, biology, transportation, land use, growth, and cumulative impacts.

Task 2.10.5 Assistance with Compliance with City Administrative Code Chapter 31

This task includes coordination with the Geary BRT project for compliance with San Francisco Administrative Code Chapter 31 governing the city's procedures for carrying out environmental requirements for the California Environmental Quality Act (CEQA), specifically relating to the processes and procedures for environmental documentation and review.

Task 2.10.6 Review Administrative Draft and Final EIR/S

This task includes reviewing the full Administrative Draft EIR/S for consistency with relevant city policies and other environmental documents led by San Francisco. This review will include attention to, for each environmental technical analysis topic: the language describing the regulatory setting, including references to appropriate laws and regulations; the methodology for the technical analysis; the description of the environmental setting; and the environmental consequences, including the criteria used for identifying significant impacts under the CEQA and proposed mitigations, as well as the discussions of National Environmental Policy Act (NEPA) effects and avoidance, minimization, and mitigation measures. It also includes input on the structure of the document and text edits as necessary. This task also includes reviewing

and providing input on responses to public comments received from the public comment period, as well as the Final EIR/S.

Task 2.10.7 Administrative Support

This task includes staff time spent supporting the administrative needs of the agencies' participation in the Geary environmental review process, including invoicing.

Budget Detail

Geary BRT Environmental Review - Planning Department Responsible Agency Cost Estimate				
Task	Hours	Staff Classification	Rate (Hourly)	Subtotal
Task 2.10.1. Project Management	4	Viktoriya Wise, Deputy ERO	\$140.00	\$560.00
	12	Jessica Range, Plnr IV	\$125.52	\$1,506.24
	18	Rachel Schuett, Plnr III	\$105.79	\$1,904.22
Task 2.10.2. Understanding the Project	6	Jessica Range, Plnr IV	\$125.52	\$753.12
	8	Rachel Schuett, Plnr III	\$105.79	\$846.32
Task 2.10.3. Meetings	12	Jessica Range, Pnr IV	\$125.52	\$1,506.24
	12	Rachel Schuett, Plnr III	\$105.79	\$1,269.48
	2	Shelley Caltigerone, Pnr III	\$105.79	\$211.58
	2	Randall Dean, Plnr III	\$115.00	\$230.00
	8	City Attorney	\$240.00	\$1,920.00
Task 2.10.4. Assistance with Methodology	6	Jessica Range, Pnr IV	\$125.52	\$753.12
	8	Rachel Schuett, Plnr III	\$105.79	\$846.32
	2	Shelley Caltigerone, Pnr III	\$105.79	\$211.58
	2	Randall Dean, Plnr III	\$115.00	\$230.00
	8	City Attorney	\$240.00	\$1,920.00
Task 2.10.5. Assistance with Compliance with Chapter 31	4	Jessica Range, Plnr IV	\$125.52	\$502.08
	12	Rachel Schuett, Plnr III	\$105.79	\$1,269.48
Task 2.10.6. Review Administrative Draft EIR/S and Final EIR/S	40	Jessica Range, Plnr IV	\$125.52	\$5,020.80
	60	Rachel Schuett, Plnr III	\$105.79	\$6,347.40
	8	Shelley Caltigerone, Pnr III	\$105.79	\$846.32
	8	Randall Dean, Plnr III	\$115.00	\$920.00
	400	City Attorney	\$240.00	\$96,000.00
	4	Viktoriya Wise, Deputy ERO	\$140.00	\$560.00
Task 2.10.7. Administrative Support	8	Virnaliza Byrd, Planner Tech	\$60.00	\$480.00
Subtotal	654			\$126,614.30
Contingency	10%			\$12,661.43
Total				\$139,275.73

* Assumed hours are based on limited role in reviewing and assisting as a CEQA responsible agency. Additional hours may be required if the level of effort exceeds that assumed in this estimate.



Revised 11/20/2014

SFCTA Geary BRT Project - Cost to Complete

The following is an outline of the major steps anticipated in completing the Draft ED (DED), associated public involvement, and Final ED/Record of Decision.

For budget purposes, Circlepoint assumes the above activities would be completed by November 2015 (or approximately 12 months of active time).

We further assume that Circlepoint will expend all remaining funds authorized towards completion of a revised DED incorporating agency review comments and discussing construction phasing. As of November 19, 2014, this work is substantially complete. We anticipate this work will be completed on or about December 12, 2014 and that no further analysis, subcontractor involvement, or substantive changes will be identified requiring revisions.

Task 1 – Meetings and Project Management

This task involves regular meetings with SFCTA staff to review project status, issues, schedule, and budget performance. This task also includes contract management activities including monthly progress reports.

Major Assumptions:

- *This task allows for approximately 4-6 hours of activity (meetings, management, etc) per month of for about 12 months.*

Task 2 – FTA Review and Revisions to DED

This task involves revising the DED based on comments from FTA and preparing the DED for publication.

Major Assumptions:

- *Edits will be primarily editorial in nature*
- *No subcontractor involvement needed to respond to FTA comments*
- *SFCTA/Parisi will address comments on transportation analysis/chapter*
- *Task includes reproduction costs associated with review process.*
 - *Costs of printing Draft EIS/EIR for public distribution is not included and assumed to be borne by SFCTA*

Task 3 – DED Public Hearing/Notification

Support one public hearing at a City-owned venue

Notification – develop postcard notice for corridor mailing (assumed to be up to 15,000 entries – and we assume SFCTA will pay for postage), provide content for SFCTA to email announcement, placement of notice in Examiner, Richmond Review (where timing permits) and Sing-Tao.

- Assume one consolidated set of comments on draft materials for a single review loop
- Assume SFCTA to pay for postage of postcard notice

Logistics – Assume venue is City-owned with all necessary equipment, except easels. Logistics to include development of logistics plan, setup and take down of equipment and refreshments.

Materials include sign-in sheet, name tags, comment sheet, optional speaker card, directional signs, and agenda (could also include fact sheets, copies of noticing materials, and other information as needed).

- Assume one consolidated set of comments on draft materials for a single review loop
- Assumes meeting materials in black and white, any production of color materials not included in this estimate

Attendance and Documentation – provide up to 2 staff and provide summary of outreach and transcript of comments.

- Provide one language interpreter per meeting
- Provide court reporter, assume total cost up to \$500 for transcript

Necessary coordination to provide strategic and tactical support for public outreach activities. This includes attending up to 4 planning meetings, participating in material development and phone calls, emails as needed.

Task 4 - Third round of informational public meetings (between DEIR and FEIR, related to completion of LPA)

Notification – development of notice language (for SFCTA to send via email) and placement in Examiner, Richmond Review (where timing permits), and Sing-Tao.

- Assume one consolidated set of comments on draft materials for a single review loop

Logistics – secure venues selected by SFCTA, prepare logistics plan, set up and take down for meeting, provide necessary equipment and refreshments.

Materials include sign-in sheet, name tags, comment sheet, optional speaker card, directional signs, and agenda (could also include fact sheets, copies of noticing materials, and other information as needed).

- Assume one consolidated set of comments on draft materials for a single review loop
- Assumes meeting materials in black and white, any production of color materials not included in this estimate

Attendance and Documentation – provide up to 2 staff per meeting and provide high-level summary of outreach activities and input received.

- Provide one language interpreter per meeting.

Task 5 – Prepare Final ED, Record of Decision

This task involves preparing responses to comments received during the public review period, revisions to the DED as necessary, inclusion of Preferred Alternative, and preparation of Record of Decision for FTA approval and filing.

Major Assumptions:

- *The level of effort to prepare responses to comments and the Final ED is dependent on the number and complexity of comments received. The extent of public comment on a Draft ED is not predictable. The budget therefore includes a preliminary estimate of time to respond to comments. This preliminary estimate assumes no more than 340 hours of staff time or about \$46,000 (200 hours associate, 100 hours Senior Project Manager, 40 hours Principal) as a placeholder budget. The preliminary budget also assumes about \$12,000 in staff time to prepare/revise the ROD, though the extent of detail in the ROD is also not predictable. The remainder of the budget allowance in this task is anticipated for associated coordination, including meetings with FTA and SFCTA.*
- *No new analysis necessary to address comments received and the Preferred Alternative*
- *Preferred Alternative is substantially similar to the Staff Recommended Alternative*
- *Agency review comments (SFCTA, MTA, Planning, City Attorney) would be editorial in nature and do not require substantial revision of ED chapters or analysis.*
- *FTA review comments are editorial in nature and do not require substantial revision of ED chapters or analysis.*
- *SFCTA staff will take lead role in responding to comments related to transportation chapter.*
- *We assume the Final ED will be published and noticed more formally as part of the final certification and approval process. We have not specified any specific outreach tasks in support of this effort; however, if SFCTA anticipates needing support, these could be authorized out of contingency funds.*

Direct Costs

In order to assume prime contractor status, Circlepoint would need to provide insurance coverage commensurate with the terms of the prime contract, the terms of exceed Circlepoint's current coverage limits. We have obtained a preliminary estimate of the cost to increase our coverage to match the terms of the prime contract and have identified that cost estimate in our cost to complete. This estimate assumes 24 months of increased coverage specific to this project.

Contingency Fund

A contingency fund is proposed for use in addressing out-of-scope activities that may occur such as:

- Need for technical subcontractor assistance - can be applied flexibly (responding to comments, revising project plans, etc.)
- Revisions necessary to address more extensive FTA comments than assumed for Task 2.
- Additional outreach support or development of materials for noticing or meetings
- Additional public comments
- Substantive changes to the Final ED
- Other unforeseen needs.

Cost to Complete Budget

Assumed Balance Remaining as of 12/12/14	\$ 0.00
Task 1 - Meetings and Project management	\$ 15,000
Task 2 - FTA Review/CP revisions to publication	\$ 18,500
Task 3 - DEIR Hearing Notification	\$ 12,600
Task 4 - 3rd round hearings - LPA	\$ 32,000
Task 5 - FED - Responses to Comments Document/ROD - Allowance	\$ 65,000
Direct Costs (Insurance)	\$ 7,000
Subtotal - Tasks 1-5	\$ 150,100
Proposed Contingency	\$ 74,900
Grand Total: Tasks 1-5, Direct Costs + Contingency	\$ 225,000

Memorandum

Date: 11.25.14
To: Citizens Advisory Committee
From: Lee Saage – Deputy Director for Capital Projects
Subject: **INFORMATION** – T-Third Phase 3 Concept Study

RE: Citizens Advisory Committee
December 3, 2014



Summary

Earlier this year, the Transportation Authority funded the T-Third Phase 3 Concept Study to assess the feasibility of extending the Central Subway rail service to North Beach and Fisherman's Wharf. The Central Subway Light Rail line, also known as the T-Third Phase 2, will be completed in 2018, providing rail service as far north as Washington Street in Chinatown. At the request of Commissioner Chiu and community members interested in the possibility of preserving corridor rights-of-way for a potential extension project, the San Francisco Municipal Transportation Authority (SFMTA), Transportation Authority, and Planning Department recently conducted the Concept Study to evaluate continuing rail service further north to Fisherman's Wharf. This high-level technical feasibility study evaluated the potential benefits, costs and constructability of alternative alignments in 3 sample corridors. The study finds that several concepts are technically feasible, and most score in the highest category of the Federal Transit Administration's cost effectiveness measures. All-underground concepts have the greatest benefits and remain cost effective despite higher costs. The study does not recommend a specific alternative or next steps, but is intended to inform several upcoming planning efforts (e.g. SFMTA's Rail Capacity Study and the San Francisco Transportation Plan update) which will consider this project's local and regional priority. **This is an information item.**

BACKGROUND

In 2018 the T-Third Phase 2 (Central Subway) will be complete and light rail transit (LRT) service between the Caltrain Station at 4th and King Streets and Chinatown will begin. The new service will serve approximately half of the North Beach corridor identified in the 1994 Four Corridor Plan that established priorities for Muni rail expansion. In response to a request by Commissioner Chiu and community members interested in the possibility of preserving corridor rights-of-way for a potential future extension project, the Transportation Authority funded the T-Third Phase 3 Concept Study to assess the feasibility of continuing Central Subway rail service to North Beach and Fisherman's Wharf.

The T-Third Phase 3 Concept Study is a joint effort between the San Francisco County Transportation Authority (Transportation Authority), the San Francisco Municipal Transportation Agency (SFMTA), and the San Francisco Planning Department (Planning Department), with SFMTA serving as the lead agency. In March of this year, the Transportation Authority approved a scope of work for the study and allocated \$173,212 in Prop K funds to support the effort. The scope called for a report that included the following elements and sections:

- Alignment
- Grade Options
- Construction Methods
- Transit & Traffic Analysis
- Costs & Funding
- Land Use & Economic Development

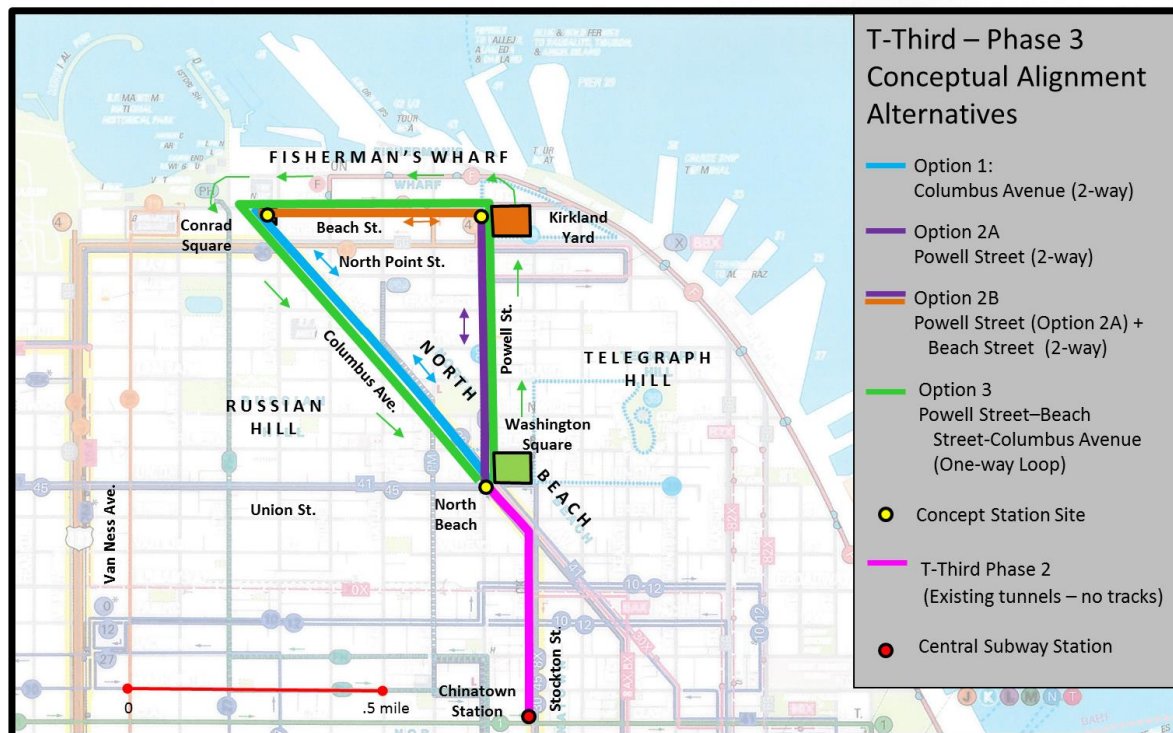
DISCUSSION

The purpose of this memorandum is to provide an overview of the T-Third Phase 3 Study, which is being presented as an information item to the SFMTA Board, the Planning Commission and the Transportation Authority's Plans and Programs Committee in December. The goal of the study is to assess the general feasibility of a potential extension of the T-Third light rail project to Fisherman's Wharf, including examining potential alignments and the potential benefits, costs, and constructability of such an investment. The study looked at 3 sample corridors, 3 station locations, and a variety of configurations for a total of 14 concept alignments. The study offers a high-level evaluation, largely based on existing data. The study does not recommend a specific alternative or next steps but is rather intended to inform policy-maker consideration in light of several upcoming planning efforts (e.g. SFMTA's Rail Capacity Study and the San Francisco Transportation Plan update) to determine its local and regional priority.

Alignment and Grade Options: Four general alignments were suggested by earlier Phase 2 studies and a 2013 charrette, including two-way service along Columbus Avenue (Option 1), two-way service along Powell Street (Option 2A), two-way service along Powell Street and Beach Street (Option 2B), and a one-way loop along Powell Street, Beach Street, and Columbus Avenue.

All alignments included a North Beach station near the current terminus of the Central Subway tunnel at Columbus Avenue and Union Street. Depending on the alignment, Fisherman's Wharf station options were considered near the SFMTA's Kirkland Yard at Powell Street and Beach Street; at Conrad Square near Columbus Avenue and Beach Street; or at both locations. (See figure.)

Figure: T-Third Phase 3 Study Conceptual Alignments



For each horizontal alignment, variations of station location and of vertical alignment were considered, resulting in 14 concept alignments for study. Both surface and subway vertical alignments were analyzed, and initial analysis on tunnel issues (ground types, utilities, etc.) was performed.

Construction Methods: Use of a tunnel boring machine (TBM) appears feasible and economical, with tunnel depths of approximately 50' to 60' below ground. A launching pit and turn-back or retrieval pit would be required for this method. Some areas, including the stations and the connection to the existing Central Subway tunnels, would require additional excavation. This work could be performed using either sequential excavation method (SEM) or cut-and-cover construction. Cost considerations and availability of staging areas will factor into choosing a construction method at each site. SEM is considered less disruptive to the surface environment, but is more expensive and requires a nearby staging area. The current TBM retrieval site (Pagoda Palace) would be feasible to use as staging for the tunnel connection. Other sites are also possible. Cut-and-cover is cheaper but must be staged directly on the alignment; for stations under streets (as North Beach is likely to be, due to the tunnel connection), cut-and-cover construction would be significantly disruptive.

An extension beyond the planned terminal station at Chinatown would require a new environmental review effort along with other significant project development and funding activities; thus, no investment decision is imminent. Regarding the Pagoda Palace site, the SFMTA lease to use the property for TBM retrieval expires on May 10, 2015. The owner has obtained entitlement from the San Francisco Planning Commission to build a 19-unit residential structure on the site thereafter.

Traffic and Transit Analysis: Estimated one-way travel times from the Chinatown station to either a station at Conrad Square or a station at Kirkland Yard ranged from 3-3.5 minutes by subway to 4.5-5 minutes by surface LRT. For transit service from Caltrain to the Wharf, this represents a 50%-60% travel time improvement over present day conditions. A representative transportation model run, using the Columbus Avenue subway concept alignment, estimated ridership of 41,000 trips per day and significant relief of overcrowding on other Muni lines in that area.

The planned 2-car trains and platforms of the Central Subway would be adequate to carry projected ridership peaks, but only if the planned service levels of 2.5 minutes are maintained. Some extension configurations could help maintain the frequent headways by adding loops or additional crossover tracks to facilitate turn-around performance. An additional 6 to 14 Light Rail Vehicles (LRVs, 3 to 7 train sets) would be needed to maintain project service levels.

Costs and Funding: Preliminary cost estimates of the concept alignments ranged from a low of \$400 million (subway and surface to Kirkland), to a high of \$1.400 billion (subway connecting all three locations) in 2014 dollars, not taking into account escalation. Ten alignments were under \$1.0 billion and two were over \$1.0 billion (two were found to be infeasible in a constructability assessment). The choice of tunnel or surface configurations, alignment length, number of stations, and construction method at North Beach were significant drivers of cost differences between concept alignments.

Using current Federal Transit Administration New Starts guidelines, an extension is likely to receive a "high" cost-effectiveness rating for the range of costs estimated in the study and would be competitive to obtain funds from this highly competitive nationwide program. With respect to eligibility, local match for federal funds could come from a variety of sources, including a local transportation sales tax (Prop K extension or a new measure), cap and trade funds, or bridge tolls. The potential for land use value capture was also evaluated (see below). While eligibility may not be a significant challenge, the ability for a project of this magnitude cost to secure funds is given the fact that transportation needs far exceed the capacity of foreseeable revenue sources.

Land Use and Economic Development: Initial land use and economic development analysis showed a potential for value capture funding that could support bonding for 10%-30% of the capital cost via use of a community finance district or infrastructure finance district. These mechanisms require substantial community support to pass. Zoning changes such as height limit increases would have a modest effect on the bonding capacity.

Summary Evaluation: The representative alignments studied show that an extension is feasible and carries ridership benefits. To aid discussion of potential alignment options and trade-offs for different choices, staff evaluated the concept alignments within seven un-weighted areas of consideration. (See table below.)

- Passenger Experience
- Operational Efficiency
- Transit System Performance
- Local Operations Considerations
- Infrastructure Resiliency
- Construction Disturbance
- Capital Construction Cost & Risk

Table: Evaluation Matrix

Evaluation Matrix														
	1-1	1-2	2A-1	2A-2	2A-3	2A-4	2A-5	2A-6	2B-1	2B-2	2B-3	2B-4	3-1	3-2
Evaluation Elements	Evaluation of Concept Alternatives													
	Columbus Ave. Subway-Surface	Columbus Ave. Subway	Powell St. Subway-Surface	Powell St. subway	Powell St. Subway-Surface w/ surface short loop	Powell St. Subway w/ surface short loop	Powell St. Subway-Surface w/surface F-Line loop	Powell St. Subway w/ surface F-Line loop	Powell St. + Beach St. Subway-Surface	Powell St. + Beach St. Subway	Powell St. + Beach St. Surface-Subway	Powell St. + Beach St. Subway-Surface	One-Way Loop (Powell-Beach-Columbus) Subway-Surface	One-Way Loop (Powell-Beach-Columbus) Subway
Passenger Experience	0	+	0	+	-	-	-	-	-	+	NF	NF	0	+
Operational Efficiency	-	+	-	+	-	0	-	-	-	+	NF	NF	+	+
System Performance	0	+	0	+	0	+	-	-	0	+	NF	NF	+	+
Local Operations Considerations	-	+	-	+	-	0	-	-	-	+	NF	NF	-	+
Infrastructure Resiliency	+	+	0	+	0	-	0	-	0	+	NF	NF	0	0
Construction Disturbance	-	0	-	0	-	-	-	-	-	-	NF	NF	-	-
Capital Construction Cost and Risk	+	0	+	0	+	0	+	0	+	-	NF	NF	+	0
Total	-1	5	-2	5	-3	-2	-4	-6	-3	3	NF	NF	1	3
Capital Cost (\$ millions in 2014 Dollars)	407-482	848-933	367-442	837-912	406-480	875-950	454-529	924-999	443-518	1,333-1,408	NF	NF	496-571	1,087-1,139
Constructability Rating	4	5	3/4	4	3/4	2	3/4	2	3/4	4	1	2	3	3/4

The study does not recommend a particular alignment, nor is it intended to limit alignments to the samples here. That said, the best scoring concepts were all-underground alignments, which supply greater passenger, operations, system, and resiliency benefits, but which cost approximately twice as much as surface alignments.

Next Steps: The study findings will inform several upcoming planning efforts, including SFMTA's Rail Capacity Strategy, the regional San Francisco Bay Area Core Capacity Transit Study (lead by the Metropolitan Transportation Commission in partnership with BART, SFMTA, AC Transit and the Transportation Authority), and the San Francisco Transportation Plan update, which will consider the project's local and regional priority.

This is an information item.

ALTERNATIVES

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.

Enclosure:

1. T-Third Concept Study presentation