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Agenda  
Measure W Citizens' Oversight Committee (COC) Meeting  
June 12, 2023, 3:00 pm

**San Mateo County Transit District**

Bacciocco Auditorium, 2nd Floor  
1250 San Carlos Ave., San Carlos, CA

Members of the public may attend in-person or participate remotely via Zoom at: <https://us02web.zoom.us/j/88160536682?pwd=UGxSTkgrNndKejlGMmhcDV0NU93QT09> or by entering Webinar ID: 881 6053 6682, Passcode: 698401 in the Zoom app for audio/visual capability or by calling 1-669-900-9128 (enter webinar ID and press # when prompted for participant ID) for audio only.

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1. Visitors experiencing the following symptoms of COVID-19 may not enter the building:
  - Cough
  - Shortness of Breath
  - Fever
  - Chills
  - Muscle Pain
  - Sore Throat
  - Loss of Taste or Smell
2. Wearing of masks is recommended but not required.

**Public Comments:** Public comments may be submitted to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) prior to the meeting's call to order so that they can be sent to the COC as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak and callers should dial \*6 to unmute themselves when recognized to speak.

**San Mateo County Transit District Measure W Citizens' Oversight Committee Members 2023:** Rosanne Foust (Chair), Julie Lind Rupp (Vice Chair), John Baker, Adrian Brandt, Rich Hedges, Sandra Lang, Jeff Londer, Alex Madrid, Ethan Mizzi, Michael Wooley-Ousdahl, Mario Rendon, Malcolm Robinson, Irving Torres

**Staff Liaisons:** Peter Skinner, Executive Officer, Transportation Authority      **COC Secretary:** Jean Brook  
Amy Linehan, Government and Community Affairs Officer

Each public comment is limited to three minutes or less. The COC Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The video live stream will be available after the meeting at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>.

**Monday, June 12, 2023**

**3:00 pm**

- 
1. Call to Order/Pledge of Allegiance
  2. Roll Call
  3. Public Comment for Items Not on the Agenda  
*At this time, persons in the audience may speak on any matter within the jurisdiction of the Committee. The Brown Act (the State local agency open meeting law) prohibits the Committee from acting on any matter that is not on the agenda. The Chair may limit speakers to three minutes each.*
  4. Approval of Meeting Minutes from March 6, 2023
  5. Consideration and Approval of Annual Committee Report on Use of Measure W Tax Revenues and Expenditures for Fiscal Year Ending June 30, 2022
  6. Update on Measure W Citizens' Oversight Committee Membership - Recruitment for Terms Ending in 2023
  7. Committee Member Comments/Communications Regarding Transportation Matters
  8. Next Meeting: Date to be announced
  9. Adjournment

## Information for the Public

If you have questions about the agenda, please contact Amy Linehan at [linehana@samtrans.com](mailto:linehana@samtrans.com) or the COC Secretary at 650-508-6223. Agendas are available on the SamTrans website at: <https://www.samtrans.com/meetings>. Communications to the Board of Directors can be emailed to [board@samtrans.com](mailto:board@samtrans.com).

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### **Date and Time of Board and Citizens Advisory Committee Meetings**

San Mateo County Transit District Committees and Board: First Wednesday of the month, 2:00 pm; SamTrans Citizens Advisory Committee (CAC): Last Wednesday of the month, 6:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board, CAC, and Measure W COC are available on the website.

### **Location of Meeting**

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

\*Should Zoom not be operational, please check online at: <https://www.samtrans.com/meetings> for any updates or further instruction.

### **Public Comment**

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the COC Secretary. Prior to the meeting's call to order, public comments may be submitted to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) so that they can be sent to the COC as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at <https://www.samtrans.com/meetings>.

Public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to three minutes and one per person PER AGENDA ITEM. Each online commenter will be automatically notified when they are unmuted to speak. The COC Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

### **Accessible Public Meetings/Translation**

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### **Availability of Public Records**

All public records relating to an open session item on this agenda that are not exempt from disclosure pursuant to the California Public Records Act and that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070 at the same time that the public records are distributed or made available to the legislative body.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Measure W Citizens' Oversight Committee (COC)  
Meeting Minutes**

**March 6, 2023**

**Members Present (In Person):** J. Baker, A. Brandt, R. Foust (Chair), R. Hedges, S. Lang, J. Lind Rupp (Vice Chair), E. Mizzi, M. Wooley-Ousdahl

**Members Present (Via Teleconference):** A. Madrid (left at 3:57 pm), M. Robinson

**Members Absent:** A. Levin, J. Londer, M. Rendon, I. Torres

**Staff Present:** A. Linehan, J. Cassman, S. van Hoften, K. Kelly, J. Ye, P. Skinner, D. Seamans, J. Brook

**1. Call to Order**

Chair Rosanne Foust called the meeting to order at 3:03 pm.

**2. Roll Call**

Jean Brook, COC Secretary, called the roll and confirmed that a quorum was present.

**3. Public Comment for Items Not on the Agenda**

There were no public comments.

**4. Approval of Meeting Minutes from October 18, 2022**

Motion/Second: Hedges/Lang

Ayes: Baker, Brandt, Foust, Hedges, Lang, Lind Rupp, Madrid, Mizzi, Robinson, Wooley-Ousdahl

Noes: None

Absent: Levin, Londer, Rendon, Torres

**5. Public Hearing: Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief Plan for the Fiscal Year Ended June 30, 2022**

Chair Foust announced the public hearing.

**a. Independent Auditor's Presentation**

Kathleen Kelly, Interim Chief Financial Officer, introduced Ahmad Gharaibeh, Partner, Eide Bailly LLP, who provided the presentation. He said that the purpose of the audit is to ensure that the financial statements for Measure W are fairly stated and segregated from the District's financial statements. He also said that the audit shows that Measure W expenditures comply with the ballot language that was approved by the voters. Mr. Gharaibeh acknowledged that

the Measure W expenses were tracked independently from the District's expenses and offered a clean opinion on Measure W.

**b. Committee Questions**

Sandra Lang asked if there is a designation that draws a distinction between something that's a nonoperating expense and an operating expense. Mr. Gharaibeh said the distinction between the different types of expenses is reflected on Page 5 of the financial statements. Chair Foust noted that there is further explanation of that distinction on Page 8.

John Baker asked if the projects were exclusively funded by Measure W or if it was a proportion of the total project cost, and if it is a proportion of the Measure W funds, does the audit firm have to audit the whole budget for that project or just the project portion that is funded by Measure W. Jennifer Ye, Director of Accounting, confirmed that the audit just looks at the portion funded by Measure W.

Rich Hedges noted that the 20 percent income for 2022 was greater than the rate of inflation. Mr. Gharaibeh said it is referring to the sales tax and all transit agencies have had substantial increases in their sales tax collections.

Adrian Brandt noted that approximately half of Measure W expenditures were for school-related bus service. Joan Cassman, Legal Counsel, said technically those services are referred to as "tripper" services. Chair Foust said for purposes of the audit, use of the term "school bus services" should be avoided.

Ethan Mizzi asked regarding Page 12 if "RW" meant right of way, which Ms. Cassman confirmed.

Mr. Brandt asked why electric bus procurement was a separate item from purchasing the actual buses. Ms. Ye said it was set up as two different projects in the financial system. Mr. Brandt said he was surprised that the procurement process cost more than the actual purchases. Ms. Ye said she would get back to him with more information.

Malcolm Robinson noted that the standard abbreviation for right of way is "ROW," rather than "RW."

Mr. Mizzi asked why the TA and Caltrain website development is listed under SamTrans. Ms. Cassman said Measure W doesn't pay for Caltrain expenditures and that the wording in the report is based on how the District's financial system is set up. She suggested Finance staff make a list of expenditures that is not tied to the financial system, which she said will make more sense to the public.

Mr. Brandt suggested spelling out many of the acronyms in the report. He suggested showing percentages for each category of Measure W spending rather than showing the financial system categories. Chair Foust said that the categories can be explained and clarified in the written report and presentation to the community, while tying them back to the auditor's report and the expenditure plan.

Mr. Robinson said asked how the City of Belmont received extra funding, while no other municipalities did. Mr. Skinner said it represents the expenditures on a particular project that

the City was reimbursed. He said the TA holds the money in their account until a city invoices them. Chair Foust concurred that other cities would show up as receiving funds on future reports as they are reimbursed for completed projects.

Mr. Hedges noted the \$272,000 for the US 101/SR 92 interchange, but said that the TA had awarded \$2.2 million for that project. Mr. Skinner explained that the \$272,000 represented only the expenditures, even though the project had been awarded \$2.2 million. Chair Foust said the auditors only show monies that have been expended of the funds that have been committed.

Mr. Mizzi suggested that future reports have a page indicating allocations that have not yet been expended. He asked why the Measure W expenses of \$61,000 on Page 11 do not add up with the \$23,000 in expenditures indicated on Page 12. Ms. Ye clarified that Page 11 only shows the expenditures since inception to date.

Chair Foust suggested having several pages summarizing the history of Measures A and W.

Mr. Brandt asked where the money in the Measure W Allocations column sits. Ms. Ye said for the TA, the money sits in separate accounts in the TA's investment pool; she said for SamTrans, the money sits in SamTrans' bank account.

Mr. Skinner said under Local Investment Share, the monies go directly to the cities and County on a monthly basis.

Mr. Hedges noted that it is an accounting principle to disclose if there are any unrestricted funds that were deposited with respect to Measure W.

Ms. Lang asked for clarification on the terminology of "restricted" and "nonrestricted." Mr. Gharaibeh said it is just an accounting principal requirement to disclose the spending policy for any unrestricted funds that are deposited, which he said would never happen with respect to Measure W.

Mr. Robinson said that Page 11 shows over \$2 million in investment income loss. Chair Foust said it had to do with the way that the investment mechanisms are reported. She said they are recorded as showing a loss where it is an unrealized loss or gain. Mr. Gharaibeh explained that the District holds investments until maturity but from an accounting perspective must record the change in market value of those investments to comply with accounting standards.

*Alex Madrid left the meeting at 3:57 pm.*

Mr. Mizzi asked if grade separations were included in the distributions to the TA shown on Page 11. Mr. Skinner said Measure W includes a grade separation category, but no allocations or expenditures have been made at this time. Ms. Cassman suggested in the future they could list the five categories and assign the numbers rather than collapsing the categories. Chair Foust concurred, suggesting cleaning up the language and having it match what is in the expenditure plan and also providing further explanation in the summary. Mr. Skinner concurred, and said they could expand the categories in future reports.

**c. Public Comment**

There were no comments.

**d. Close Public Hearing**

Motion/Second: Hedges/Brandt

Ayes: Baker, Brandt, Foust, Hedges, Lang, Lind Rupp, Mizzi, Robinson, Wooley-Ousdahl

Noes: None

Absent: Levin, Londer, Madrid, Rendon, Torres

**e. Committee Comments**

There were no additional comments.

**f. Committee Discussion on Drafting of Committee Report**

Ms. Kelly suggested that staff try to improve upon last year's report by considering the Committee's comments and then bringing a new draft back for approval in May or June.

Ms. Lang suggested having more detail that is consistent with Measure W and presenting the information in the report more clearly.

Chair Foust said the meeting minutes would provide staff with input on how to modify the draft of the report.

**6. Committee Member Comments/Communications Regarding Transportation Matters**

Mr. Brandt said that Caltrain had a large budget gap for its electrification project as a result of the pandemic and cost overrun issues, and noted that additional state and federal funding has closed this gap.

Mr. Robinson said he looked forward to bullet trains running from Los Angeles to the Bay Area. He noted there were a lot more potholes on area roadways.

Mr. Baker asked for follow-up from staff on the Bay Pass – confirming that Measure W funding is being used for SamTrans to participate in it.

Chair Foust announced the SamTrans Board Special Meeting/Finance Workshop on March 17, the JPB Finance Committee meeting on March 27, and the JPB Board Special Meeting/Finance Workshop on March 29.

Mr. Hedges said he was pleased with the new Central Subway Muni Metro service connecting Caltrain to Chinatown in San Francisco.

Mr. Mizzi said Butte County Association of Governments is studying a rail link between Sacramento and Chico.

Mr. Hedges noted that the Link 21 project is seeking to connect all rail service and cross the Bay via a tunnel.

Ms. Lang said that speeding is still a problem in the County and that additional infrastructure is needed to mitigate it.

**7. Next Meeting: Date to Be Announced**

Chair Foust said that staff would poll the Committee members for the date of the next meeting to be held after the draft audit report has been updated.

**8. Adjournment**

The meeting adjourned at 4:19 pm.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to [board@samtrans.com](mailto:board@samtrans.com).

DRAFT





San Mateo County Transit District

**Report of the Measure W Citizens' Oversight Committee**

Fiscal Year 2022 (July 2021 – June 2022)

The Measure W Citizens Oversight Committee (COC) is pleased to provide its Fiscal Year 2021-22 (FY 2022) annual report on the expenditure of proceeds from the San Mateo County Transit District's (District) 2018 Measure W.

The principal duties of the COC are to ensure that the proceeds have been expended for the purposes set forth in the Measure W ballot language and to provide a report on the independent audit conducted pursuant to the ballot language and the District Ordinance (Ordinance) which placed Measure W on the ballot.

Measure W tasks the COC with providing information to the taxpayers of San Mateo County in the following ways:

- Receive the District's annual audit report on receipts and expenditures of Measure W tax proceeds and expenditures under the Congestion Relief Plan
- Hold an annual public hearing on the audit report
- Issue an annual report of the COC on the audit results

The Board of Directors of the District and the Board of Directors of the San Mateo County Transportation Authority (TA) are responsible for the prioritization and distribution of funds received pursuant to the provisions of Measure W. The independent audit conducted by the District and the COC's report are intended to provide additional accountability with respect to the expenditure of these proceeds by both the District and the TA.

The District's FY 2022 audit report for Measure W tax was conducted by Eide Bailly, LLP, an independent accounting firm with several years of experience in conducting independent audits of the financial results of both the District and the TA. In its audit, Eide Bailly, LLP provided what is known as an unmodified opinion (what is often referred to as a "clean" opinion) on the Measure W financial statements prepared by District staff. The COC held a public hearing on the report on March 6, 2023. A copy of the audit report is attached as Appendix A.

## **Section 1 Measure W Funding Categories and Principles**

In 2018, San Mateo County voters approved [Measure W](#), a 30-year half cent sales tax beginning July 1, 2019 through June 30, 2038, by a vote of 66.9%. In doing so, they provided the county with additional resources to improve transit and relieve traffic congestion. The District levies the tax and administers investments for 50% of the program under the County Public Transportation Systems category in Measure W's Congestion Relief Plan, and the TA is responsible for administering the other categories, which make up the remaining 50% of the measure.

**Figure 1. Measure W Funding Categories**

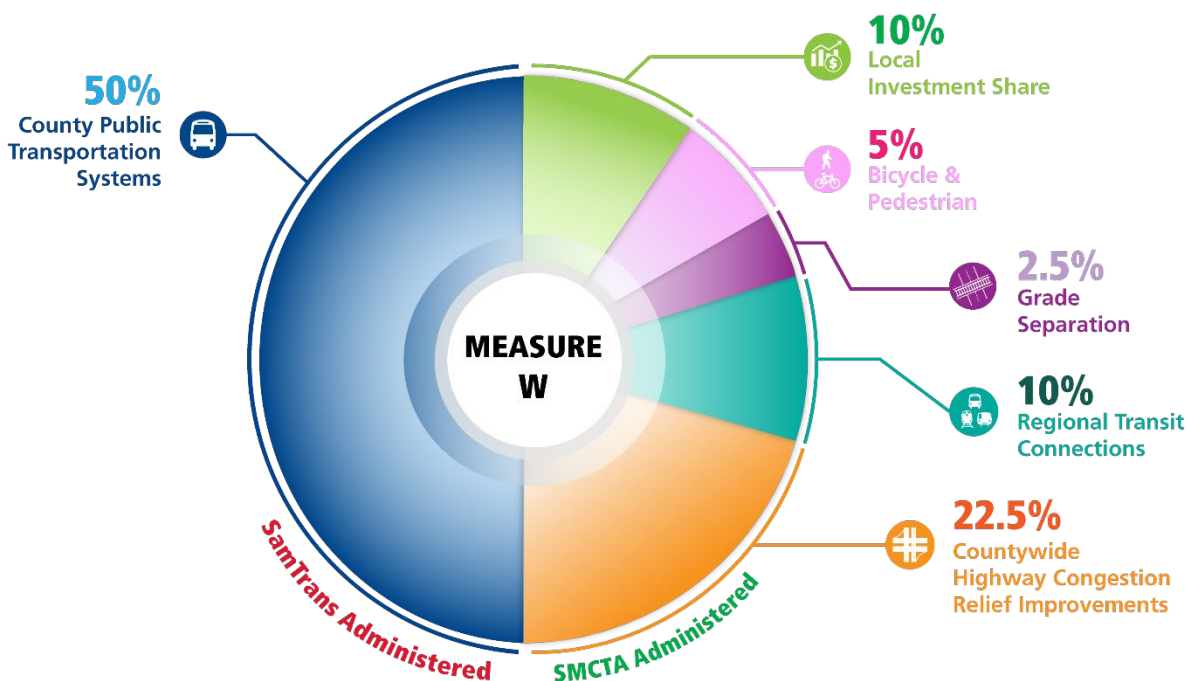


Figure Source: TA Strategic Plan 2020-2024

Measure W contains 11 Core Principles to guide program implementation where applicable:

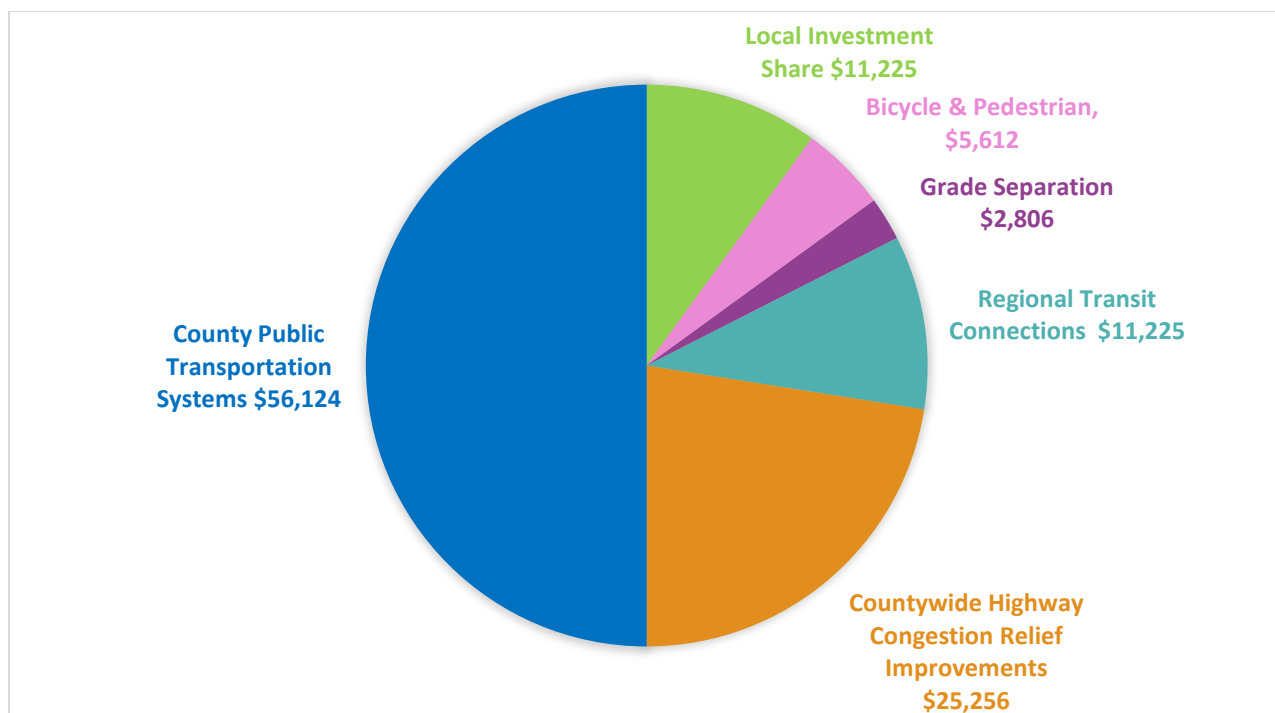
1. Relieve traffic congestion countywide
2. Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes
3. Implement environmentally-friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change
4. Promote economic vitality, economic development, and the creation of quality jobs
5. Maximize opportunities to leverage investment and services from public and private partners
6. Enhance safety and public health
7. Invest in repair and maintenance of existing and future infrastructure
8. Facilitate the reduction of vehicle miles traveled, travel times and greenhouse gas emissions

9. Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel
10. Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone
11. Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors

**A. Receipt and Distribution of Measure W Funding**

A total of \$112.3 million in Measure W sales tax was realized and received in FY 2022. Per Measure W, the funds are divided equally between the District and TA as shown in Figure 1 above. Figure 2 provides the specific breakdown of funding apportioned between the District and the TA program categories based on the funding received.

**Figure 2. Fiscal Year 2022 Measure W Distributions (in thousands)**



Date Source: Fiscal Year 2022 Audit Report

## B. District Expenditures of Measure W in Fiscal Year 2022

District Measure W revenues were spent on supporting SamTrans transit services in several operating areas and on several capital projects. Measure W generated \$56.1 million to the District in 2022, and expenditures totaled \$10.7 million. The reason for the relatively low expenses compared to the revenue received is related to an infusion of one-time Federal pandemic-related operating assistance for transit agencies across the country that allowed the District to save the remaining Measure W balance of \$45.5 million for future uses. It is important to note that the one-time federal operating assistance that was available in FY 2022 was phased out and is no longer available. As such, the District will spend much more Measure W funding on appropriate categories in future years.

In FY 2022, Measure W District funds were spent in the following categories:

- Fixed Route School Oriented Services: \$5.2 m
- Emission Zero Projects: \$2.2 m
- Infrastructure: \$1.2 m
- Paratransit: \$0.7 m
- Reimagine SamTrans: \$0.7 m
- Customer Experience: \$0.4 m
- Coastside Service: \$0.3 m
- Measure W Administration: \$0.01 m

Appendix B provides more details on the expenditures of the District's share of Measure W funds in FY 2022, and combines the many line items from the auditor's report into the categories above so that they are more readily understandable to the public.

## C. TA Expenditures of Measure W in Fiscal Year 2022

In 1988, San Mateo County voters approved [Measure A](#), a 20-year half-cent sales tax to fund and leverage additional funding for transportation projects and programs in San Mateo County. The approval of Measure A created the TA to manage and administer the sales tax revenues generated in conformance with the Transportation Expenditure Plan (TEP). The 1988 sales tax expired on December 31, 2008, and in 2004, the San Mateo County voters [reauthorized the Measure A](#) half-cent sales tax and a new TEP for an additional 25 years (from January 1, 2009 through December 31, 2033). The TEP describes programs and projects, as identified by the cities, local agencies and citizens of San Mateo County, and includes funding for multiple modes to help meet the County's transportation needs.

Unlike the District, which expends Measure W funds on projects and programs directly, the TA serves primarily as a granting agency and provides Measure W funds to cities and other local agencies throughout San Mateo County. The TA's investments in each category are guided by the TA's [Strategic Plan 2020-2024](#), which was adopted in December 2019 by the TA Board of Directors. The Strategic Plan outlines the principles, vision, goals, and implementation procedures for both Measure A and Measure W funds over the next 5 years. Adoption of a Strategic Plan every 5 years is a requirement of both the TA's [Measure A Transportation Expenditure Plan](#) and the [Measure W Congestion Relief Plan](#).

With the notable exception of the local investment share (Local Safety, Pothole and Congestion Relief Improvements as identified in the Measure W expenditure plan), which is provided directly to cities and the County by the TA, the remainder of the TA's Measure W funding is programmed and allocated

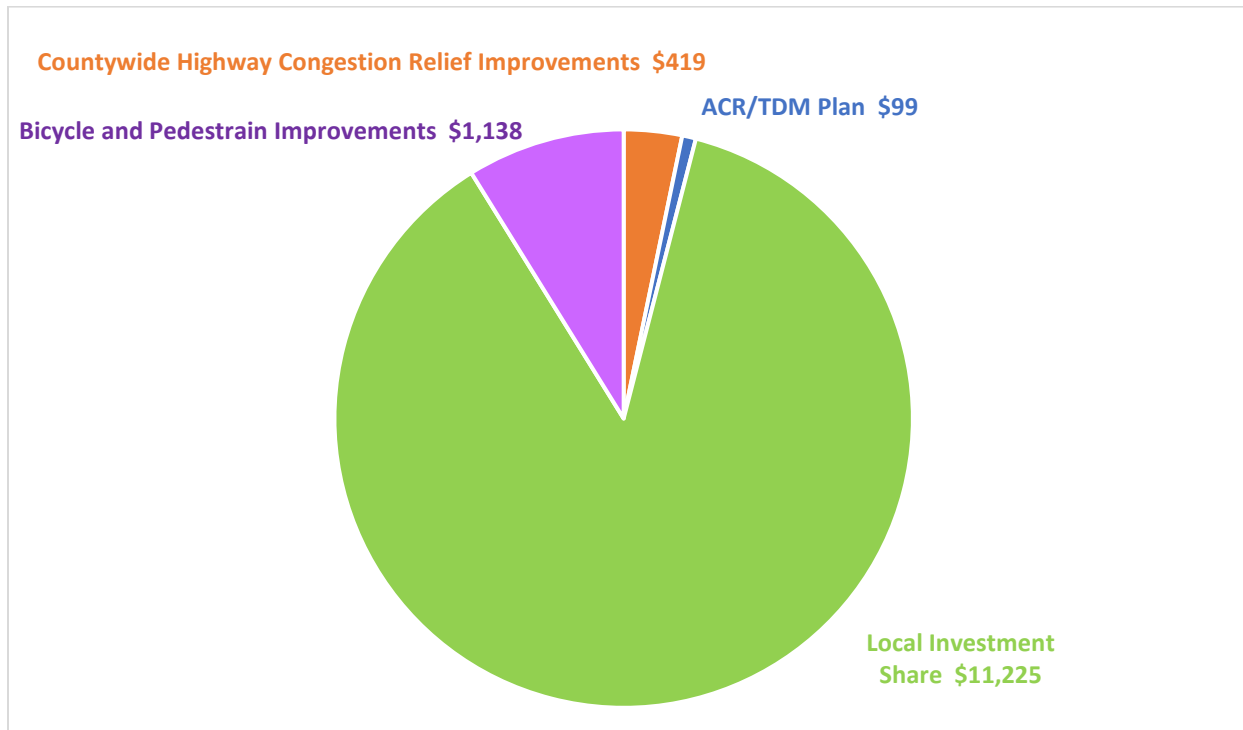
through competitive calls for projects (CFP) for each program category. The TA's CFP's typically occur on biennial cycles for each category. While funds are awarded to projects in each CFP cycle by the TA Board of Directors, the expenditure of those funds is based on actual reimbursements to project sponsors for eligible project expenses.

For FY 2022, actual expenses were realized in the Highway, Local Investment Share, Bicycle & Pedestrian, and Regional Transit Connections programs. Highway expenditures also include the Alternative Congestion Relief/Transportation Demand Management (ACR/TDM) program sub-category, which is called out in Figure 3 separately. The only TA Measure program category with no expenses is the Grade Separation program, which is waiting on the completion of the Caltrain Grade Separation Strategy study to conclude before additional programming will be considered.

The expenses in FY 2022 are shown in Figure 3, and correspond to the following efforts and projects:

- Countywide Highway Congestion Improvements
  - US 101 / SR 92 Interchange Area Improvements – Final design work commenced on the project.
  - Consultant services were procured to assist with validating proposed projects submitted for the 2021 Highway Program CFP
  - Consultant services were procured for the development of the ACR/TDM Plan to establish CFP guidelines and evaluation criteria for the TDM subcategory
- Local Investment Share (Local Safety, Pothole and Congestion Relief Improvements)
  - Funds can be used for transportation investments such as roadway rehabilitation, planning and implementing traffic safety projects and promoting alternative modes of transportation.
- Bicycle and Pedestrian Improvements
  - City of Belmont Ralston Avenue Corridor Project (Segment 3) – Construction work commenced on the project.
- Regional Transit Connections
  - Consultant support for Regional Transit Connections Plan scoping

**Figure 3. Fiscal Year 2022 TA Measure W Distributions (in thousands)**



Date Source: Fiscal Year 2022 Audit Report

**TA Funding Allocations and Consistency with Measure W Core Principles**

The Strategic Plan 2020-2024 establishes scoring criteria<sup>1</sup> based on the Measure W Core principles<sup>2</sup>, as well as the Goals of Measure A<sup>3</sup>. These scoring criteria are applied to the competitive CFP’s for the following program categories: Highways, Grade Separations, Pedestrian and Bicycle, and Regional Transit Connections. Projects that compete well in the CFP process are those that score well in accordance with these criteria. In FY 2022 (July 2021 to June 2022), the TA conducted two CFPs with the inclusion of Measure W funding for the Highway Program and ACR/TDM Program.

The Highway Program CFP was issued on August 6, 2021. In total, 12 applications were received from 10 sponsors. Following the close of the CFP, the TA’s Project Selection Committee evaluated and scored the submitted applications. The TA Project Selection Committee was composed of Programming and Monitoring staff from the TA as well as staff with project management and technical expertise from Caltrans, the San Francisco County Transportation Authority, Caltrain, and the Santa Clara Valley Transportation Authority. Draft recommendations were presented to the Board on November 4, 2021 and include three funding options for the Board to provide input on. The TA Board ultimately recommended to augment the CFP with available Original Measure A funding and the TA’s discretionary share of State Local Partnership Program funding to fully fund additional high-scoring construction ready

<sup>1</sup>[Strategic Plan 2020-2024](#), Appendix E

<sup>2</sup>[Strategic Plan 2020-2024](#), Table 3-2

<sup>3</sup>[Strategic Plan 2020-2024](#), Page 3

projects. The final programming and allocation were adopted by the TA Board at its December 2, 2021 meeting.

The ACR/TDM CFP was issued on April 7, 2022. As mentioned above, the Transportation Demand Management program is a sub-category of the Measure W Highway program. The CFP for the ACR/TDM program is conducted separately from the Highway Program CFP. In total, 19 applications were submitted from 13 sponsors. While the ACR/TDM CFP was kicked off in FY 2022, the final program of projects was not adopted by the TA until August 2022 (FY2023).

Additionally, as part of the Bicycle & Pedestrian Program, the TA Strategic Plan 2020-2024 identifies that 2.5% of Measure A and Measure W funding should be dedicated to the County's Safe Routes to School (SRTS) program. Two years of funding for SRTS, \$439,000, was programmed and allocated at the April 7, 2022 TA Board meeting for FYs 2023 and 2024 to the San Mateo County Office of Education which administer the SRTS CFP directly with local schools and school districts.

### **Equity Considerations for the Distribution of TA Funding**

As part of the TA Strategic Plan 2020-2024, equity is highlighted as a core evaluation criterion in TA CFP processes. Projects are evaluated holistically in terms of geographic and socioeconomic equity.

#### ***Geographic Equity***

Geographic equity is evaluated by a Call for Projects Scoring Evaluation Committee assembled to review the submitted applications. The Committee assesses whether sales tax revenue is being distributed fairly to all areas in the San Mateo County. Specifically, the Evaluation Committee often looks at whether funds are proposed to be distributed between the Coastsides versus the Baysides and amongst the North, Central, and Southern portions of the county. This often includes a review of past funding awards, in particular for smaller jurisdictions that may not often apply for Measure A and Measure W funding. The Evaluation Committee then makes recommendations to the TA Board of Directors for their consideration if there are any deviations proposed from the ranked project list.

An example of the TA's efforts to ensure geographic equity is highlighted in the funding distribution. As part of the Highway Program CFP in FY 2022, the Evaluation Committee recommended presenting the TA Board of Directors with an option that fully funded two Coastsides projects (Moss Beach SR-1 in San Mateo County and Highway 1/Manor Drive in Pacifica), which would not have been funded if geographic equity was not considered. The Board approved the option to fund these important projects on the Coastsides.

#### ***Socioeconomic Equity***

Socioeconomic equity scoring criteria are more directly linked to evaluating locations throughout San Mateo County that may have higher proportions of the historically underserved and/or communities with lower incomes or higher ratios of people of color as compared to other locations. These criteria are generally consistent with the Senate Bill 535 statewide criteria, the Metropolitan Transportation Commission's (MTC) regional criteria, and the newly developed Reimagine SamTrans countywide criteria. Specific examples of the socioeconomic criteria used in the FY 2022 Highway CFP include the following:



- Statewide: CalEnviroScreen 3.0 top 25<sup>th</sup> percentile Disadvantaged Communities (measure of pollution burden and socio-economic factors compared across the entire state)
- Regional: MTC Equity Priority Communities (measure of underserved populations, such as households with low incomes and people of color compared to all nine-bay area counties)
- Countywide: Reimagine SamTrans Equity Zones (measure of underserved populations, such as households with low incomes and people of color compared to only areas within San Mateo County)

Additionally, applicants are provided with a narrative question that allows them to describe other equity benefits for other vulnerable populations such as children, seniors, people living in high density/affordable housing, low-income residents, transit-dependent populations, and others that may not be directly captured in the technical equity analysis metrics.

Projects that met social/economic equity criteria submitted to the FY 2022 Highway CFP include:

- C/CAG Dumbarton Roadway Facility Improvements
  - Equity Criteria met: Statewide, Regional, and Countywide
- Colma El Camino Real Bicycle & Pedestrian Improvements
  - Equity Criteria met: Countywide
- East Palo Alto US 101/University Avenue Interchange Improvements
  - Equity Criteria met: Statewide, Regional, and Countywide
- Redwood City US 101/Woodside Road (SR 84) Interchange
  - Equity Criteria met: Statewide, Regional, and Countywide
- San Carlos US 101/Holly Street Interchange & Pedestrian Overcrossing
  - Equity Criteria met: Countywide (directly adjacent)
- San Mateo US 101/Peninsula Avenue
  - Equity Criteria met: Regional (directly adjacent) and Countywide
- TA / C/CAG US 101 Managed Lanes North of I-380
  - Equity Criteria met: Statewide, Regional, and Countywide

### **Technical Assistance to Jurisdictions**

The Strategic Plan 2020-2024 recommended the TA strive to further its role with technical assistance, as resources permit, to advance project delivery. The following are the four areas of concentration for TA technical assistance:

- Provide technical assistance to sponsors, not limited to the Highway Program.

- Utilize consultant services to offer Complete Streets and other best practice workshops.
- Temporarily offer consultant services to sponsors, on request, to keep projects moving, while minimizing delay.
- Provide consultant services to help sponsors better position themselves to obtain grant funds to better leverage TA funding.

The Highway Program continues to provide technical assistance developing and leading projects on behalf of sponsors. As part of the FY22 Highway CFP, the TA is providing technical assistance as the implementing agency on the design phase of the City of San Mateo's US 101/Peninsula Avenue project and the County of San Mateo's Moss Beach SR-1 project.

### **Regional Transit Connections**

The Regional Transit Connections program category receives ten percent of Measure W revenue. The intent of the category is to invest in infrastructure and services that are designed to improve transit connectivity between San Mateo County and the rest of the nine-county Bay Area region. The Strategic Plan 2020-2024 recommended that a Regional Transit Connections planning study and an accompanying Transit Capital Improvement Program (CIP) be prepared to better inform the competitive selection process. Funding for the development of the Regional Transit Connections Plan was programmed and allocated on March 2, 2023, and will commence in FY 2023.

## **Section 2 Follow Up From the Public Hearing Held by the COC**

At the March 6, 2022 meeting COC members raised questions about a charge of \$397,000 related to website development; specifically, the question was whether the charges were only related to the District's website or to other member agencies such as Caltrain as well. After further evaluation and assessment of the project and the contract, staff determined that the expense would be more appropriate under the classification of the SamTrans shared services which benefits all four agencies. Staff then discussed with the auditor the best way to handle the change, and, because the amount is relatively small, the auditor suggested, and staff agreed, to reclassify the expenses in FY2023, rather than restate the officially audited expenses for FY 2022. This project will be adjusted from the FY2023 Measure W report and classified to the SamTrans shared service category.

### **Appendices**

- A. FY2022 Measure W Audit
- B. FY2022 District Measure W Expenditures

### **Additional Information**

1. [District FY2022 Annual Comprehensive Financial Report](#)
2. [District FY2022 Popular Annual Financial Report](#)
3. [TA FY2022 Annual Comprehensive Financial Report](#)
4. [TA FY2022 Popular Annual Financial Report](#)
5. [2021 Highway Program Call for Projects](#)
6. [2022 ACR/TDM Call for Projects](#)
7. [TA Strategic Plan 2020-2024](#)

**Appendix A**



Financial Statements  
Measure W Fund  
For the Years Ended June 30, 2022  
and June 30, 2021

**San Mateo County Transit District**

San Mateo County Transit District  
Measure W Fund  
Table of Contents  
June 30, 2022 and 2021

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## Independent Auditor's Report

Governing Board and  
Citizens Oversight Committee  
San Mateo County Transit District  
San Carlos, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the San Mateo County Transit District's (District) Measure W Fund (Measure W) (Fund), as of and for the years ended June 30, 2022 and June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Measure W of the District, as of June 30, 2022 and June 30, 2021, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Measure W are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022 and June 30, 2021, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Measure W Fund of the District. The Measure W Allocations and Expenses and the Current Year Measure W Projects (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 information 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 supplementary information are 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 December 22, 2022, on our consideration of the Measure W'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 solely 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 effectiveness of Measure W's 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 Measure W's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 22, 2022

San Mateo County Transit District  
Measure W Fund  
Statement of Net Position  
June 30, 2022 and June 30, 2021 (In thousands)

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 111,902	\$ 63,313
Accounts receivable	10,870	9,465
Total assets	122,772	72,778
Liabilities		
Current Liabilities		
Accounts payable	376	135
Total liabilities	376	135
Net Position		
Restricted for Measure W projects	122,396	72,643
Total net position	\$ 122,396	\$ 72,643



San Mateo County Transit District  
Measure W Fund

Statement of Revenues, Expenditures, and Changes in Net Position  
Years Ended June 30, 2022 and June 30, 2021 (In thousands)

	<u>2022</u>	<u>2021</u>
Revenues		
Measure W sales tax	\$ 112,248	\$ 93,198
Total operating revenues	<u>112,248</u>	<u>93,198</u>
Expenses		
District		
County Public Transportation Systems	10,659	4,115
Disbursements to Transportation Authority		
Countywide Highway Congestion Improvements	25,256	20,980
Local Safety, Pothole and Congestion Relief Improvements	14,031	11,655
Bicycle and Pedestrian Improvements	5,612	4,662
Regional Transit Connections	<u>11,225</u>	<u>9,324</u>
Total expenses	<u>66,783</u>	<u>50,736</u>
Operating income	<u>45,465</u>	<u>42,462</u>
Nonoperating revenues		
Interest income	<u>4,288</u>	<u>1,033</u>
Total nonoperating revenues	<u>4,288</u>	<u>1,033</u>
Change in Net Position	49,753	43,495
Net Position - Beginning	<u>72,643</u>	<u>29,148</u>
Net Position - Ending	<u>\$ 122,396</u>	<u>\$ 72,643</u>

San Mateo County Transit District  
Measure W Fund

Statement of Cash Flows

Years Ended June 30, 2022 and June 30, 2021 (In thousands)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Cash received from California Department of Tax and Fee Administration	\$ 110,843	\$ 90,434
Payments to vendors for goods and services	(10,196)	(3,917)
Payments to employees	(222)	(181)
Disbursements to the Transportation Authority	(56,124)	(46,620)
Net Cash Provided by Operating Activities	<u>44,301</u>	<u>39,716</u>
 Cash Flows from Investing Activities		
Investment income received	<u>4,288</u>	<u>1,033</u>
Net cash provided by investing activities	<u>4,288</u>	<u>1,033</u>
 Net change in cash and cash equivalents	48,589	40,749
Cash and Cash Equivalents, Beginning of Year	<u>63,313</u>	<u>22,564</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 111,902</u>	<u>\$ 63,313</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 45,465	\$ 42,462
Adjustments to reconcile operating income to net cash provided by operating activities		
Accounts receivable	(1,405)	(2,764)
Accounts payable and accrued liabilities	<u>241</u>	<u>18</u>
Net Cash Provided for Operating Activities	<u>\$ 44,301</u>	<u>\$ 39,716</u>

San Mateo County Transit District  
Measure W Fund  
Notes to Financial Statements  
June 30, 2022

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**Note 1 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

Under Measure W approved by the voters of San Mateo County in November 2018, San Mateo County Transit District (District) receives a share of the one-half percent sales tax to be used for local transportation-related expenses. The duration of the sales tax is for a period of 30 years, beginning on July 1, 2019 and ending June 30, 2049.

The financial statements of the fund do not purport to, and do not, present the financial position of the District as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. The activities of the Fund are reported within the District's enterprise fund. The projects funded by Measure W represent a portion of the activities of the District and, as such, are included in the District's financial statements.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**Net Position**

Net position is reported on the statement of net position as "restricted net position." This category represents net position that may only be used to support activities and costs allowable per the Measure W enabling legislation.

**Spending Order**

The accounting policy is to first consume the most restricted resources when multiple resources are available for the same purpose.

**Cash and Cash Equivalents**

For purpose of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of 90 days or less when purchased to be cash equivalents.

**Investments**

The District's investments are generally carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end and includes the effects of these adjustments as a component of interest and investment income for that fiscal year.

San Mateo County Transit District  
Measure W Fund  
Notes to Financial Statements  
June 30, 2022

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**Transactions and Use Tax (Sales Tax) Revenues**

Measure W authorizes the District to impose a 0.5% transaction and use tax within District boundaries, which is collected and administered by the California Department of Tax and Fee Administration. Revenue from sales taxes are recognized in the fiscal year when the underlying exchange occurs and any uncollected amount is reported as a receivable.

**Operating and Nonoperating Revenues and Expenses**

For purposes of reporting operating and nonoperating revenues and expenses, operating revenues comprise sales tax revenues and operating expenses comprise costs related to Measure W distributions. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Note 2 - Cash and Investments**

**Policies**

All of the Measure W Program's cash and investments are deposited in the District's Treasury pool managed by Public Financial Management and District staff. The pool is unrated. Investments in the pool are made in accordance with the District's investment policy as approved by the Board. Investments are stated at fair value. However, the value of the pool shares in the District's Treasury pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the Measure W Program's position in the pool.

San Mateo County Transit District  
Measure W Fund  
Notes to Financial Statements  
June 30, 2022

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code or the District's investment policy, whichever is more restrictive, that addresses interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the District's investment policy.

Authorized Investment Type	Minimum Credit Rating	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Banker's Acceptances	None	180 days	40%	30%
Commercial Paper (\$500 Mil. Min. Assets)	A1/P1/F1	270 days	40%	10%
Negotiable Certificates of Deposit	None	5 years	30%	N/A
Repurchase Agreements	None	1 year	100%	N/A
Reverse Repurchase Agreements	None	92 days	20%	N/A
Medium-term Notes	A	5 years	30%	10%
Shares of beneficial interest issued by diversified management companies	None	N/A	20%	10%
Local Government Investment Pools	None	N/A	100%	N/A
Asset-backed and Mortgage-backed securities	AA	5 years	20%	N/A
Municipal Obligations	None	10 years	100%	N/A
Supranational Obligations	AA	5 years	30%	N/A
Local Agency Investment Fund (LAIF)	None	N/A	None	\$75M
San Mateo County Investment Pool	None		Up to the current state limit	

San Mateo County Transit District  
Measure W Fund  
Notes to Financial Statements  
June 30, 2022

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**Interest Rate Risk**

Interest rate risk is the risk incurred when market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Note 3 - Accounts Receivable**

The receivable amounts reported in the financial statements represent sales tax revenues not received by fiscal year end for \$10,870 and \$9,465, from California Department of Tax and Fee Administration, for fiscal years ended June 30, 2022 and June 30, 2021, respectively.



Supplementary Information  
June 30, 2022

## San Mateo County Transit District

San Mateo County Transit District  
Measure W Allocations and Expenses  
Through June 30, 2022

The following table shows the total Measure W allocations and amount reported as expended by the District and the Authority from inception to June 30, 2022.

(In thousands)

	Inception to Date as of June 30, 2022		
	Measure W Allocations	Measure W Expenses	Unexpended Amounts
District			
County Public Transportation Systems	\$ 146,895	\$ 29,820	\$ 117,075
Interest income	5,321	-	5,321
Disbursements to Transportation Authority			
Countywide Highway Congestion Improvements	66,103	732	65,371
Local Safety, Pothole and Congestion Relief Improvements	36,724	29,379	7,345
Bicycle and Pedestrian Improvements	14,689	1,138	13,551
Regional Transit Connections	29,379	8	29,371
Investment income (loss)	(2,258)	165	(2,423)
	<u>\$ 296,853</u>	<u>\$ 61,242</u>	<u>\$ 235,611</u>
Total - restricted for Measure W			



San Mateo County Transit District  
Current Year Measure W Projects  
For the year ended June 30, 2022

The tables below show the current year Measure W project expenses for the District and the Authority, respectively.

District's Measure W Projects	Amount (In thousands)
<b>County Public Transportation Systems:</b>	
School Bus Services	\$ 5,186
ZEB Implementation and Deployment	1,009
ADA Operating Subsidy	705
Technology Refresh Project	546
FY20 Comprehensive Operation Analysis	426
Upgrade District Website	397
Electric Bus Procurement	384
Purchase 17 Battery Electric Bus	343
5307 JARC Support Coastside Service	263
Dumbarton Corridor RW Fencing	218
South Base Switchgear Replace	193
Business Intelligent Solution	191
SamTrans Reimagine	130
ZEB Program Management	127
Capital Project Development	95
North Base Building 200	71
Lighting Upgrade at North Base	59
SAM Workplace Transformation	52
5307 JARC Support Coastside Service	43
FY20 Shuttle Study	42
COA CEQA Analysis	37
SPEAR System Improvement	31
MobileView (WiFi) Enhancement	27
Promoting Senior Mobility	19
ECR Pinch Point Study	16
SamTrans Visioning	15
SAMTR Operating Administration	12
ADA Study & Phase 1 Retrofits	12
MTC Clipper Integration	3
EV Chargers Non-Rev Vehicles	2
SB Gas Line Replacement	1
Replacement of (135) 2009 Gillig Buses	1
Replacement of (10) 2017 RW Minivans	1
Total	<u>\$ 10,659</u>
<b>Transportation Authority's Measure W Projects</b>	
<b>Amount (In thousands)</b>	
<b>Countywide Highway Congestion Improvements</b>	
US101/SR92 Interchange Area Improvement	\$ 272
Consultant Services for 2021 Highway Program CFP	11
ACR/TDM Plan	99
Administrative Overhead	136
<b>Local Safety, Pothole and Congestion Relief Improvements</b>	
Local investment share	11,225
<b>Bicycle and Pedestrian Improvements</b>	
City of Belmont Ralston Avenue Corridor Project – Segment 3	839
Administrative Overhead	299
Total	<u>\$ 12,881</u>



Independent Auditor's Report  
For the Year ended June 30, 2022  
**San Mateo County Transit District**



**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***

Governing Board and  
Citizens Oversight Committee  
San Mateo County Transit District  
San Carlos, California

We have audited, in accordance with the 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 San Mateo County Transit District's (District) Measure W Fund (Measure W) as of and for the year ended June 30, 2022, and the related notes of the financial statements, and have issued our report thereon dated December 22, 2022.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Measure W Fund are intended to present the financial position and the changes in financial position attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of San Mateo County Transit District as of June 30, 2022 and 2021, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's Measure W Fund 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 be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Measure W'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 financial statements. 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 cursive script that reads "Eide Bailly LLP".

Menlo Park, California  
December 22, 2022

San Mateo County Transit District  
Measure W Fund  
Schedule of Findings and Questioned Costs  
June 30, 2022

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None reported.

## Appendix B: District Measure W Expenditures (in thousands)

Category	Description	Amounts	Core Principle(s)
<b>Fixed Route - School Oriented Services</b>	The District provides safe, clean, and convenient routes that serve elementary, middle and high schools located throughout the San Mateo County. The efforts result in less traffic congestion around schools, improved air quality, and a greener, healthier community.	\$5,186	1, 2, 6, 8, 10
		5,186	
<b>Emission Zero</b>	The District is replacing diesel-powered buses with a mix of battery electric and hydrogen fuel cell buses and developing related charging and fueling infrastructure to meet the state's 2040 mandate for zero emission fleet.	2,152	2, 3, 5, 7, 8
	100113 Electric Bus Procurement	384	
	100464 Capital Project Development	95	
	100513 ZEB Program Management	127	
	100547 South Base Switchgear Replace	193	
	100585 Purchase 17 Battery Electric Buses	343	
	100631 ZEB Implementation and Deployment	1,009	
	100635 Replacement of (135) 2009 Gillig Buses	1	
<b>Infrastructure</b>	The District maintains and invests in its infrastructure such as technology, transportation buildings, and other facilities.	1,172	2, 3, 6, 7, 8
	21505 Technology Refresh Project	546	
	21512 Dumbarton Corridor RW Fencing	218	
	100018 Lighting Upgrade at North Base	59	
	100404 Business Intelligence Solution	191	
	100463 SPEAR System Improvement	31	
	100511 South Base Gas Line Replacement	1	
	100548 North Base Building 200	71	
	100629 EV Chargers Non-Rev Vehicles	2	
	100656 SAM Workplace Transformation	52	
<b>Paratransit</b>	The District provides accessible transportation services throughout San Mateo County with fixed-route SamTrans and shared-ride Redi-Wheels and RediCoast paratransit services. The District maintains and periodically replaces paratransit buses, conducts outreach and promotion, and makes infrastructure improvements to enhanced accessibility.	737	2, 4, 5, 6, 7, 10
	100414 Promoting Senior Mobility	19	
	100475 ADA Study & Phase 1 Retrofits	12	
	100634 Replacement of (10) 2017 Redi-Wheels Minivans	1	
	100679 Paratransit Operating Subsidy	705	
<b>Reimagine SamTrans</b>	Reimagine SamTrans was a comprehensive operational analysis (COA) that redesigns the entire SamTrans bus system to implement a new, streamlined bus network with brand new routes and improved frequency for riders. Efforts to launch the new bus network launch include outreach and promotion, bus operators recruitment, and creation of new Microtransit services. The COA was conducted in concert with other planning studies to maximize coordination and efficiency in public transit and transportation investments.	666	1, 2, 4, 8, 9,11
	100176 SamTrans Visioning	15	
	100417 FY20 Comprehensive Operation Analysis	426	
	100420 FY20 Shuttle Study	42	
	100545 ECR Pinch Point Study	16	
	100625 COA CEQA Analysis	37	
	100672 SamTrans Reimagine	130	
<b>Customer Experience</b>	The District aims to improve customers' experiences by enhancing its transit services, payment system, communications, bus shelters/transit centers maintenance, customer services and safety and security.	427	2, 7
	100016 MobileView (WiFi) Enhancement	27	
	100348 Upgrade District Website	397	
	100595 MTC Clipper Integration	3	
<b>Coastside Service</b>	The District provides contracted services to residents for the San Mateo County Coastside communities, from Pacifica to Half Moon Bay.	306	2, 4, 5,8
	100666 5307 JARC Support Coastside Service	306	
<b>Measure W Administration</b>	The District is responsible for covering the costs of administrating Measure W, such as audit fees.	12	
	Audit Fees SAMTR Operating Administration	12	
<b>Grand Total</b>		\$10,659	

#	Measure W Core Principles
1	Relieve traffic congestion countywide
2	Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes
3	Implement environmentally-friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change
4	Promote economic vitality, economic development, and the creation of quality jobs
5	Maximize opportunities to leverage investment and services from public and private partners
6	Enhance safety and public health
7	Invest in repair and maintenance of existing and future infrastructure
8	Facilitate the reduction of vehicle miles traveled, travel times and greenhouse gas emissions
9	Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel
10	Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone
11	Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors