

Citizens Watchdog Committee

p3	ACTUAL VS. ANTICIPATED REVENUES ACTIA's ability to fund its programs and projects clearly depends on the state of the economy.
p4	ACTIA PROJECTS The success of project implementation is a result of Measure B serving as a steady funding source.
p6	ACTIA PROGRAMS ACTIA allocates a fixed percentage of Measure B revenues to five programs.
p7	MOBILITY • ACCESS • ACCOUNTABILITY The complete Expenditure Plan and this report are available on the ACTIA website, www.actia2022.com .

JULY 2010

MEASURE B INTRODUCTION

In November 2000, Alameda County voters approved Measure B, which extended the County's half-cent transportation sales tax to 2022 and set forth a 20-year Expenditure Plan for use of the resultant revenues. Responsibility for managing Measure B funds rests with the Alameda County Transportation Improvement Authority (ACTIA), made up of 11 elected officials from within Alameda County.

Measure B also established a Citizens Watchdog Committee (CWC) to monitor all ACTIA expenditures on projects, programs, and administration for compliance with the Expenditure Plan, including timely delivery of projects. The CWC reports its findings annually to the public.

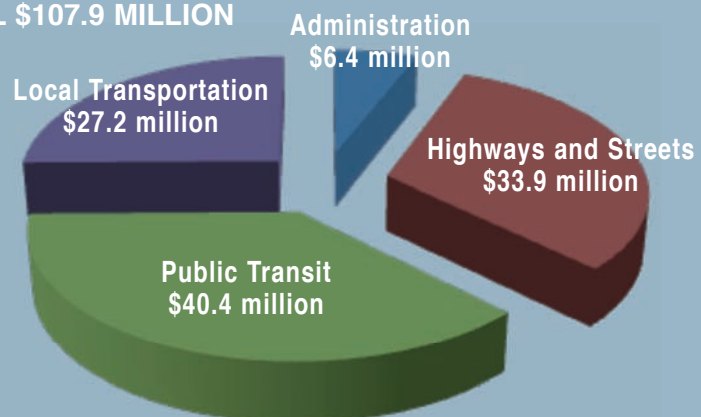
This eighth annual report covers ACTIA expenditures during the fiscal year ending June 30, 2009, and CWC actions since July 1, 2009, with a particular focus on the effect of the economy on project and program delivery.

The CWC has been meeting regularly since June 2001. Our meetings are open to the public. Meeting schedules and agendas are available at ACTIA's website www.actia2022.com.

2008-2009

Financials-at-a-Glance

FY 08-09 EXPENDITURES
TOTAL \$107.9 MILLION



Total revenues for fiscal year 2008-2009 (FY 08-09) were \$113.0 million. Audited expenditures for the same year totaled \$107.9 million. The continuing economic decline, which began in late 2008, is resulting in lower revenues and having a significant impact on programs, in particular. The CWC continues to monitor this situation closely.

The measure B fund balance of \$132.2 million is currently committed to capital projects and program expenditures, including \$127.1 million from previous years and \$5 million designated for future expenditures.

CWC members met with ACTIA's auditors and reviewed Measure B's Audited Statement of Revenues and Expenditures for July 1, 2008 through June 30, 2009. The independent auditors did not identify any accounting concerns, and the CWC accepted this audit. In addition, CWC reviewed and accepted an audit of the 4.5 percent ceiling on administrative costs and the 1 percent ceiling on administrative staff costs mandated by Measure B and found ACTIA in compliance.

CWC Activities



The CWC reviews projects and programs to monitor conformance with the Expenditure Plan approved by the voters. In its “watchdog” role, the CWC meets annually with ACTIA’s independent auditors and has the authority to request additional information to verify the accuracy of the financial statements. To focus on particular projects or program issues, the CWC convenes ad-hoc committees, and representatives of sponsoring agencies meet with committee members to clarify issues of concern. When appropriate, the CWC submits recommendations to the ACTIA Board. During this reporting period, no ad-hoc committees convened.

The CWC routinely receives updates on the progress of project and program implementation, and continues to monitor the delivery of projects and programs, particularly in relation to deadlines and requirements detailed in the voter approved Expenditure Plan. One of the goals of the Expenditure Plan is that projects be completed in a timely manner.

The CWC has kept watch on all projects, programs, and administrative costs and the progress in meeting Local Business Contract Equity Program (LBCE) goals. Over the past year, the CWC focused special attention on the items listed to the right.

ACTIA PROJECTS, PROGRAMS AND ADMINISTRATIVE COSTS REQUIRING SPECIAL ATTENTION

BART Oakland Airport Connector Project: regarding funding and project implementation after the extension of the full funding deadline to March 31, 2011

Telegraph Avenue Corridor Bus Rapid Transit: to ensure compliance with full funding requirements of the Expenditure Plan

Route 92/Clawiter–Whitesell Interchange and Reliever Route: to ensure the project conforms with the Expenditure Plan

Dumbarton Rail Corridor: to ensure compliance with the full funding requirements of the Expenditure Plan

Administrative Costs at ACTIA: to ensure compliance with cost ceilings mandated by Measure B Expenditure Plan

Contracting Processes at ACTIA: to ensure opportunities are accessible to businesses in Alameda County

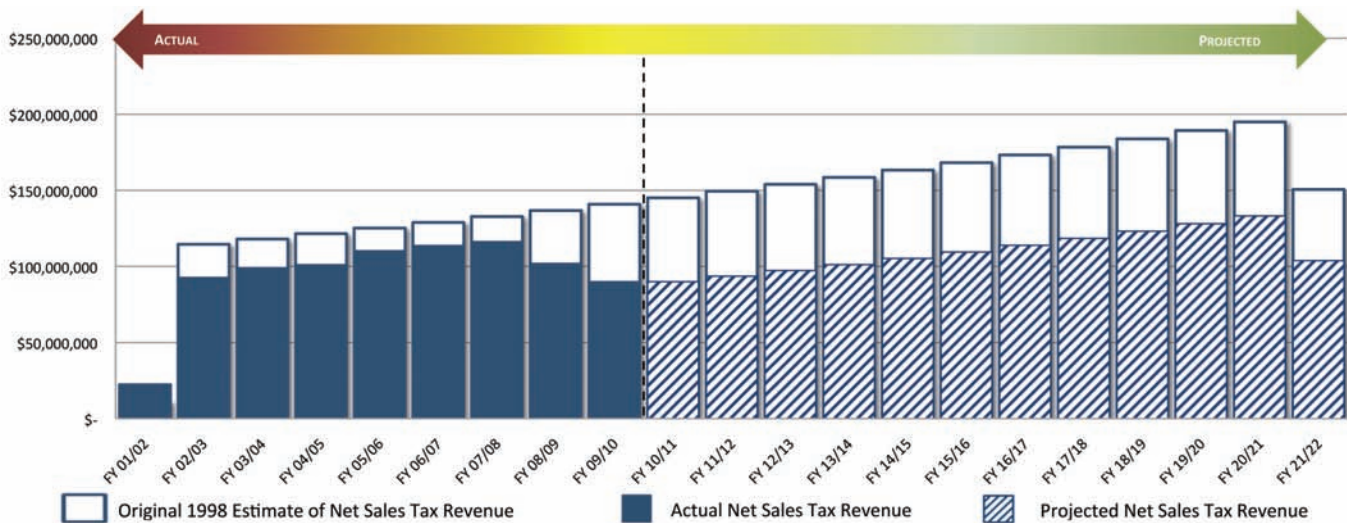


The Current Recession and Need for Reauthorization

ACTIA's ability to fund its programs and projects clearly depends on the state of the economy. Measure B funds are vulnerable to economic changes, and any downturn can have a direct effect on services that these net sales tax revenues fund. The chart below compares the original 1998 estimate of Measure B revenues with the combination of actual revenues thus far and the currently projected revenue over the next 12 years. Cumulatively, the total revenue from 2002-2022 is projected to fall a full \$1 billion short of the original estimate of \$3 billion. When the estimates were originally set forth in the late 1990s, they were deemed to be very conservative, especially in relation to the then-current economic conditions.

The impact of the current economic downturn on Measure B construction projects has been relatively mild due to lower competitive construction bids and one-time capital funding infusions from both the state (2006 voter-approved transportation bonds) and federal (American Recovery and Reinvestment Act) governments. The transportation programs that receive 60 percent of the Measure B funds, however, are facing serious funding challenges. In October 2009, in an effort to address this need, ACTIA's Board authorized staff to assess the feasibility of placing a transportation sales tax measure on the November 6, 2012, ballot. This measure will require two-thirds approval from voters to pass.

Measure B Actual vs. Anticipated Revenues



ACTIA, along with its partner agencies, will develop an Expenditure Plan for Measure B reauthorization in conjunction with the Countywide Transportation Plan and incorporate feedback from local officials, agencies, interest groups, and the public. Outreach and plan development efforts are underway and will continue through 2012.

In addition, in January 2010, the ACTIA Board and the Alameda County Congestion Management Agency (ACCMA) Board agreed to merge the two agencies and form the Alameda County Transportation Commission. Combining these two agencies will improve efficiency and reduce redundant expenditures for general overhead, business systems and systems support, consulting services, and project delivery, where there is significant overlap. Combining agencies will also streamline processes and align policies and programs.

ACTIA Projects and Programs

When voters reauthorized Alameda County's half-cent transportation sales tax measure in November 2000, a set of projects and programs were approved for implementation in Alameda County.

ACTIA allocates Measure B funds, net of administrative costs, through two broad streams: ACTIA distributes 60 percent for Programs to local jurisdictions, primarily on a formula basis and through competitive grants, and sets aside 40 percent for capital Projects designated in the Expenditure Plan.

ACTIA Projects

The voters approved 26 capital projects throughout the County for infrastructure improvements, such as BART rail extensions, highway expansions, local streets and roads enhancements, intermodal projects, and other local projects. In 2003, the ACTIA Board added the Vasco Road Safety Improvement Project funded from the Measure B Emergency Congestion Relief Fund, and in 2008, it added the I-80 Integrated Corridor Management Project.

ACTIA CAPITAL PROJECTS SUMMARY

The chart on page 5 shows the status of ACTIA's projects, including the current project phase and schedule, original and escalated funding commitments, total project cost, and any approved extensions. Of particular note is that by 2012, the mid-point of the current measure, 95 percent

of all the projects are scheduled to be complete or in construction.

The success of project implementation is a result of Measure B serving as a steady funding source, even in uncertain

economic times. Because of the local sales tax dollars, project phases can move forward while other funding sources are sought to complete construction. The Measure B Capital Projects will be delivered before the end of the sales tax collection period, and the Alameda County residents will have the benefit of the full complement of the capital projects being available to improve mobility throughout the County. For specific project status, visit the ACTIA website at www.actia2022.com.

BY 2012, THE MID-POINT OF THE CURRENT MEASURE, 95 PERCENT OF ALL THE PROJECTS ARE SCHEDULED TO BE COMPLETE OR IN CONSTRUCTION.



ACTIA Project No.	Project Name	Current Project Phase	Construction Start Date	Construction Completion Date	Total Project Cost Estimate	2000 Expenditure Plan Measure B Commitment	Measure B Commitment as of FY 2009/10*
1	Altamont Commuter Express Rail	Construction	June 2003	TBD	\$405,660,000	\$10,000,000	\$13,184,000
2	BART Warm Springs Extension	Construction	September 2009	June 2014	\$890,000,000	\$165,500,000	\$224,448,000
3 ¹	BART Oakland Airport Connector	Construction (DBOM Procurement)	February 2010	June 2013	\$492,685,000	\$65,800,000	\$89,052,000
Phases 4A, 4B, 4C, Phase 4D complete	Downtown Oakland Streetscape Improvement	Construction on hold	September 2007	June 2015	\$14,829,000	\$5,000,000	\$6,358,000
5	Fruitvale Transit Village	Complete	October 2002	March 2004	\$13,480,000	\$3,500,000	\$4,435,000
6	Union City Intermodal Station	Construction	June 2007	March 2011	\$46,965,000	\$9,200,000	\$12,561,000
7A ²	Telegraph Avenue Corridor Bus Rapid Transit	Environmental	July 2012	June 2016	\$234,533,000	\$8,736,000	\$10,427,000
7B	San Pablo Corridor Rapid Bus	Complete	March 2008	December 2009	\$2,785,000	\$1,727,000	\$2,785,000
7C	Telegraph Avenue Corridor Rapid Bus	Complete	June 2005	December 2009	\$26,868,000	\$9,537,000	\$11,232,000
8	I-680 Sunol Express Lanes	Construction	October 2008	August 2010	\$36,634,000	\$25,800,000	\$15,197,000
9	Iron Horse Transit Route	Design	TBD	TBD	\$11,141,000	\$4,500,000	\$6,267,000
10	I-880/Broadway-Jackson Interchange Improvement	Environmental	TBD	TBD	\$20,700,000	\$6,000,000	\$8,101,000
11	I-880/Washington Avenue Interchange Improvement	Construction	April 2009	May 2010	\$2,715,000	\$1,100,000	\$1,335,000
12	I-580/Castro Valley Interchanges Improvements	Construction	June 2008	October 2010	\$30,950,000	\$9,200,000	\$26,525,000
13/17B	Lewelling/East Lewelling Boulevard Widening and Hesperian Boulevard/Lewelling Boulevard Intersection Improvement	Construction	July 2009	December 2011	\$32,522,000	\$10,314,000	\$13,790,000
14A	I-580 WB Auxiliary Lane (Fallon Road to Tassajara Road)	Complete	March 2009	December 2009	\$2,500,000	\$1,230,000	\$2,500,000
14B	I-580 WB Auxiliary Lane (Airway Boulevard to Fallon Road)	Design	August 2011	October 2013	\$5,040,000	\$2,742,000	\$2,686,000
14C	I-580 EB Auxiliary Lane (El Charro Road to Airway Boulevard)	Construction	January 2009	May 2011	\$7,715,000	\$6,028,000	\$0
15 ³	Route 92/Clawiter-Whitesell Interchange and Reliever Route	Environmental	July 2013	January 2015	\$27,000,000	\$19,500,000	\$27,000,000
16	Oakland Local Streets Rehabilitation	Complete	July 2004	December 2006	\$5,278,000	\$4,000,000	\$5,278,000
17A	Hesperian/Lewelling Boulevard Intersection Improvement - Stage 1	Complete	October 2003	June 2004	\$651,000	\$486,000	\$578,000
18A	Westgate Parkway Extension - Stage 1	Complete	June 2004	October 2006	\$7,918,000	\$6,560,000	\$7,918,000
18B	Westgate Parkway Extension	Design	May 2011	September 2014	\$2,736,000	\$2,050,000	\$2,736,000
19	E. 14th Street/Hesperian Boulevard/150th Street Intersection Improvement	Design	January 2011	August 2012	\$3,100,000	\$830,000	\$1,030,000
20	Newark Local Streets Rehabilitation	Complete	June 2003	February 2006	\$5,500,000	\$1,200,000	\$1,422,000
21	I-238 Widening	Complete	September 2006	October 2009	\$131,813,000	\$66,000,000	\$84,362,000
22	I-680/I-880 Cross Connector Studies	Scoping	TBD	TBD	\$2,528,000	\$1,000,000	\$1,233,000
23	Isabel Avenue - Route 84/I-580 Interchange	Construction	January 2009	April 2012	\$107,800,000	\$20,000,000	\$26,529,000
24	Route 84 Expressway	Design	October 2011	March 2014	\$127,110,000	\$70,000,000	\$96,459,000
25 ⁴	Dumbarton Rail Corridor	Environmental	TBD	TBD	\$700,666,000	\$14,700,000	\$19,367,000
26	I-580 Corridor/BART to Livermore Studies	Environmental	TBD	TBD	TBD	\$8,700,000	\$11,831,000
27A	Vasco Road Safety Improvements	Complete	January 2005	June 2009	\$22,446,000	\$0	\$1,500,000
27B	I-80 Integrated Corridor Mobility Project	Design	September 2010	May 2013	\$91,700,000	\$0	\$1,300,000
Grand Total					\$3,513,968,000**	\$560,940,000	\$739,426,000

Notes

* ACTIA allocates Measure B funds by project phase; see fact sheets or the website for additional details

¹ ACTIA Board approved Full Funding Extension for the BART Oakland Airport Connector Project through March 31, 2011

² ACTIA Board approved Environmental Extension for the Telegraph Avenue Corridor Bus Rapid Transit Project through March 31, 2012

³ ACTIA Board approved Environmental Extension for the Route 92/Clawiter - Whitesell Interchange and Reliever Route Project through March 31, 2011

⁴ ACTIA Board approved Full Funding Extension and Environmental Extension for the Dumbarton Rail Corridor Project through March 31, 2011

** Total project costs reflect a combination of Measure B funds and other funding services

ACTIA Programs

ACTIA allocates about 60 percent of Measure B revenues to five programs. Most of these funds are passed on each month to cities, the County, and transit agencies on a formula basis, with a portion distributed as competitive grants. ACTIA maintains funding agreements with each jurisdiction for the program funds it disburses. Jurisdictions must report each fiscal year on how they have used these funds, and provide their total project costs, an independent audit, and a written report detailing expenditures. Summary reports from every jurisdiction are on the ACTIA website at www.actia2022.com.

MEASURE B FUNDS ARE VULNERABLE TO CHANGES IN THE ECONOMY, AND ANY ECONOMIC DOWNTURN CAN HAVE A DIRECT EFFECT ON SERVICES THAT THESE REVENUES FUND.



The agencies jurisdictions often leverage their program funds as the local match for state and federal grants, extending the value of local Measure B dollars. The jurisdictions that also receive grants report their grant fund expenditures to ACTIA as “other Measure B” expenditures.

Measure B funds are vulnerable to changes in the economy, and any economic downturn can have a direct effect on services that these revenues fund. In FY 08-09, ACTIA provided a total of \$54.5 million in pass-through funding for programs, and the jurisdictions leveraged these funds for total projects costs reported as \$322.4 million. This Measure B allocation funded approximately 68 bicycle and pedestrian projects, 173 local streets and roads projects, 16 mass transit projects, and 30 paratransit projects.

ACTIA PROGRAMS SUMMARY

Mass Transit

(21.92% of net sales tax revenues)

Monthly allocations fund transit operations for AC Transit, Alameda-Oakland Ferry, Altamont Commuter Express Rail, Union City Transit, and Wheels in East County. ACTIA instituted a countywide grant program in 2006 for distributing the Express Bus Service Funds.

Local Streets and Roads

(22.34% of net sales tax revenues)

Every Alameda County jurisdiction receives monthly allocations for local transportation improvements. These are the most flexible Measure B funds. Jurisdictions use their funds differently to meet their locally determined transportation priorities.

Bicycle and Pedestrian Safety Funds

(5% of net sales tax revenues)

ACTIA allocates these funds monthly to jurisdictions and through competitive grants. ACTIA's Bicycle and Pedestrian Advisory Committee reviews and recommends the allocation of the competitive grants. A portion of these dollars funds the Bicycle and Pedestrian Coordination Team.

Special Transportation for Seniors and Disabled

(10.45% of net sales tax revenues)

ACTIA allocates most of these funds on a monthly basis to cities and transit operators for their ongoing transportation programs for seniors and people with disabilities; some dollars fund grants and the Paratransit Coordination Team.

Transit Center Development

(0.19% of net sales tax revenues)

This small funding stream leverages other funds and becomes a local match for grants and studies related to the implementation of Transit Center Development projects, also known as transit-oriented development or priority development areas.



Mobility • Access • Accountability

GUARDING YOUR INVESTMENT

ACTIA has already allocated Measure B funds for most projects. Contracts between ACTIA and each sponsor require the return of Measure B funds should a sponsor cancel a project or the Board decline to grant future extensions.

A CALL FOR PUBLIC PARTICIPATION

ACTIA and the CWC invite your participation in delivering ACTIA projects and programs through four public committees comprised of almost 90 people: in addition to the Citizens Watchdog Committee, the public serves on the Bicycle and Pedestrian Advisory Committee, the Citizens Advisory Committee, and the Paratransit Advisory and Planning Committee. Committee chairs report to the ACTIA Board at its public meeting held on the fourth Thursday of the month.

FURTHER INFORMATION

The complete Expenditure Plan and this report are available on the ACTIA website, www.actia2022.com. Copies are also available, as are audits for each agency, at the Authority offices at 1333 Broadway, Suite 300, Oakland, CA 94612, telephone 510-893-3347. Information on Measure B-funded program expenditures also appears on each jurisdiction's website.

Local Business Contract Equity Program Accomplishments

In addition to providing funding to regional and local jurisdictions for their transportation needs, the Authority also offers contracting opportunities to Alameda County businesses under the Local Business Contract Equity (LBCE) Program. These contracts are funded solely with Measure B funds or with Measure B funds plus local funds.

The LBCE program goals for Local Business Enterprises (LBEs) are 70 percent of all contracts, including 30 percent for Small Local Business Enterprises (SLBEs), for professional and administrative services and 60 percent of all construction dollars. SLBE goals are contract specific and apply to projects valued at more than \$50,000. Opportunities under \$50,000 are reserved for Very Small Local Business Enterprises (VSLBEs). Contracts are exempt from these goals if they are partially funded by the state or federal government.

In 2009, the Authority exceeded these goals with total payments to LBEs exceeding \$15 million (90 percent) for 45 contracts. For exempt contracts, total payments to LBEs exceeded \$7.7 million (40 percent) for 73 contracts. Contracting dollars awarded to LBEs under the LBCE Program benefit the economies of local communities by providing jobs and helping local and small businesses in Alameda County to grow.



CWC MEMBERS FISCAL YEAR 2009-2010

Name	Appointer
Pamela Belchamber	Alameda County Mayors' Conference, D-5
Roger Chavarin	Alameda Labor Council AFL-CIO
Leonard Conly	Sierra Club
Thomas Gallagher	Alameda County Mayors' Conference, D-1
Arthur B. Geen	Alameda County Taxpayers Association
Earl Hamlin	League of Women Voters
James Haussener	Supervisor Nate Miley, D-4
Erik Jensen	East Bay Bicycle Coalition
Jo Ann Lew	Alameda County Mayors' Conference, D-2
Melody Marr	Alameda County Mayors' Conference, D-3
James Paxson	East Bay Economic Development Alliance
Harriette Saunders	Paratransit Advisory and Planning Committee
Dave Stark	Supervisor Scott Haggerty, D-1
George Zika	Alameda County Mayors' Conference, D-4
Hale Zukas	Supervisor Keith Carson
Vacancy	Supervisor Alice Lai-Bitker, D-3
Vacancy	Supervisor Gail Steele, D-2

This report can be found electronically at http://www.actia2022.com/files/managed/Document/1481/CWC_Annual_Report_July2010.pdf



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Goodbye to CWC Long Term Chair – Robert Raburn



Robert Raburn has been the chair of the CWC since its inception in June 2001, as appointed by the East Bay Bicycle Coalition (EBBC). Robert is resigning from the CWC committee after 10 years of exemplary service and leadership.

He brought to this committee his passion for Measure B programs and projects and how they benefit Alameda County. Robert has been a strong advocate for educating the public and speaking out to ensure that Measure B rules are adhered to.

CWC members consider Robert's leadership as critical to the committee's accomplishments over the 10-year period. As the Contra Costa Times stated, "He is very driven and motivated, yet he is gentle and caring with people. He doesn't come at you jumping in your face. He likes to take the time to slow down and explain connections."

Thank you, Robert, for your many years of dedication and service