

BOARD MEETING NOTICE

AC Transit
Director
Greg Harper

Alameda County
Supervisors
Alice Lai-Bitker
Scott Haggerty, Vice Chair
Gail Steele
Nate Miley
Keith Carson

City of Alameda
Mayor
Beverly Johnson

City of Albany
Vice Mayor
Farid Javandel

BART
Director
Thomas Blalock

City of Berkeley
Councilmember
Laurie Capitelli

City of Dublin
Mayor
Tim Sbranti

City of Emeryville
Mayor
Ruth Atkin

City of Fremont
Vice Mayor
Robert Wieckowski

City of Hayward
Councilmember
Olden Henson

City of Livermore
Mayor
Marshall Kamena

City of Newark
Councilmember
Luis Freitas

City of Oakland
Councilmembers
Larry Reid
Rebecca Kaplan

City of Piedmont
Vice Mayor
John Chiang

City of Pleasanton
Mayor
Jennifer Hosterman

City of San Leandro
Councilmember
Joyce R. Starosciak

City of Union City
Mayor
Mark Green, Chair

Executive Director
Art Dao

**Thursday, December 2, 2010,
2:30 P.M.**

1333 Broadway, Suite 300
Oakland, California 94612

(see map on last page of agenda)

Chair: Mark Green
Vice Chair: Scott Haggerty

Executive Director: Arthur L. Dao

Interim Clerk of the Commission: Gladys V. Parmelee

AGENDA

*Copies of Individual Agenda Items are Available on the:
Alameda CTC Website -- www.alamedactc.org*

1. Pledge of Allegiance

2. Roll Call

3. Public Comment

Members of the public may address the Board during "Public Comment" on any item not on the agenda. Public comment on an agenda item will be heard as part of that specific agenda item. Only matters within the Commission's jurisdictions may be addressed. If you wish to comment make your desire known by filling out a speaker card and handing it to the Clerk of the Commission. Please wait until the Chair calls your name. Walk to the microphone when called; give your name, and your comments. Please be brief and limit comments to the specific subject under discussion. Please limit your comment to three minutes.

4. Chair/Vice-Chair's Report

- 4A. Special Recognition of Service:
 - 4A.1 Vice Mayor Robert Wieckowski
 - 4A.2 Supervisor Alice Lai-Bitker
 - 4A.3 Supervisor Gail Steele

5. Approval of Consent Calendar

I/A

5A. Minutes of October 28, 2010 - page 1

5B. Adoption of Conformity Findings for the 2010 Congestion Management Program – page 9

5C. Approval of Measure B Allocation to the PE/Environmental Phase and Approval of Amendment No. 3 to the Project Specific Funding Agreement with BART for the PE/Env Phase (A08-0048) for the I-580 Corridor/BART to Livermore Studies (ACTIA 26) – page 13

- 5D. Approval of ACTIA Congestion Relief Emergency Funds and ACCMA CMA TIP funds for the I-80 Integrated Corridor Mobility Project/San Pablo Avenue Arterial and Transit Improvement Project – Page 15
- 5E. Approval of Measure B Congestion Relief Emergency Funds and CMA TIP funds for the I-880 North Safety and Operational Improvements at 23rd/29th Avenues Project – page 19
- 5F. Approval of CMA TIP funds to supplement budget for the I-580 San Leandro Soundwall Project – page 27
- 5G. Authorize the Executive Director to Execute the necessary Funding Agreements to deliver the Mission Boulevard/I-880 Interchange Phase 1B/2 Project I-880/Mission Boulevard (Route 26) Interchange Reconstruction (MB 196) – page 33
- 5H. Approval of First Quarter Budget Update for ACTIA – page 37

6. Community Advisory Committee Reports – (Time Limit: 3 minutes per speaker)

- 6A. Bicycle and Pedestrian Advisory Committee – Midori Tabata, Chair – page 67
- 6B. Citizens Advisory Committee – Barry Ferrier, Chair - page 69
- 6C. Citizens Watchdog Committee – James Paxson, Chair - page 75
- 6D. Paratransit Advisory and Planning Committee – Sylvia Stadmire, Chair - page 81

7. Planning, Policy and Legislation Committee Action Items

- 7A. Legislative Program Update - page 89

8. Programs and Projects Committee Action Items

- 8A. Acceptance of Semi-Annual Capital Projects Status Update – page 101

9. Finance and Administration Committee Action Items

- 9A. Presentation and Approval of Financial Audits for ACTIA – page 135
- 9B. Presentation and Approval of Financial Audits for ACTA – page 213
- 9C. Presentation and Approval of Financial Audits for ACCMA – page 257

10. Staff Reports (verbal)

12. Adjournment: Next Meeting –January 27, 2011 at 2:30 PM

(#) All items on the agenda are subject to action and/or change by the Alameda CTC Board.

*PLEASE DO NOT WEAR SCENTED PRODUCTS SO INDIVIDUALS WITH
ENVIRONMENTAL SENSITIVITIES MAY ATTEND*

December Meeting Schedule: Some dates are tentative. Persons interested in attending should check dates with Alameda CTC staff.

Citizens Advisory Committee (CAC)	5:30 pm	No Meeting	1333 Broadway Suite300
Citizens Watchdog Committee (CWC)	6:30 pm	No Meeting	1333 Broadway Suite300
Alameda County Transportation Advisory Committee (ACTAC)	1:30 pm	December 7, 2010	1333 Broadway Suite 300
I-680 Sunol Express Lane Joint Powers Authority	9:30 am	No Meeting	1333 Broadway Suite 300
I-580 Policy Advisory Committee	9:45 am	No Meeting	1333 Broadway Suite 300
Planning, Policy and Legislation Committee (PPLC)	11:00 am	No Meeting	1333 Broadway Suite 300
Programs and Projects Committee (PPC)	12:15 pm	No Meeting	1333 Broadway Suite 300
Finance and Administration Committee (FAC)	1:30 pm	No Meeting	1333 Broadway Suite 300
Bicycle and Pedestrian Advisory Committee	5:30 pm	December 9, 2010	1333 Broadway Suite300
Countywide Transportation Plan and Expenditure Plan Development Steering Committee	1:30 pm	No Meeting	1333 Broadway Suite 300
Paratransit Technical Advisory Committee	9:30 am	No Meeting	1333 Broadway Suite 300
Paratransit Advisory and Planning Committee	1:00 pm	No Meeting	1333 Broadway Suite 300
Alameda CTC Board Retreat	8:30 am	December 17, 2010	Castro Valley Library 3600 Norbridge Avenue Castro Valley, CA 94546
Alameda CTC Board Meeting		Next Meeting is on January 27, 2011	

Glossary of Acronyms

ABAG	Association of Bay Area Governments	MTC	Metropolitan Transportation Commission
ACCM	Alameda County Congestion Management Agency	MTS	Metropolitan Transportation System
ACE	Altamont Commuter Express	NEPA	National Environmental Policy Act
ACTA	Alameda County Transportation Authority (1986 Measure B authority)	NOP	Notice of Preparation
ACTAC	Alameda County Technical Advisory Committee	PCI	Pavement Condition Index
ACTIA	Alameda County Transportation Improvement Authority (2000 Measure B authority)	PSR	Project Study Report
ADA	Americans with Disabilities Act	RM 2	Regional Measure 2 (Bridge toll)
BAAQMD	Bay Area Air Quality Management District	RTIP	Regional Transportation Improvement Program
BART	Bay Area Rapid Transit District	RTP	Regional Transportation Plan (MTC's <i>Transportation 2035</i>)
BRT	Bus Rapid Transit	SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act
Caltrans	California Department of Transportation	SR	State Route
CEQA	California Environmental Quality Act	STA	State Transit Assistance
CIP	Capital Investment Program	STIP	State Transportation Improvement Program
CMAQ	Federal Congestion Mitigation and Air Quality	STP	Federal Surface Transportation Program
CMP	Congestion Management Program	TCM	Transportation Control Measures
CTC	California Transportation Commission	TCRP	Transportation Congestion Relief Program
EIR	Environmental Impact Report	TDA	Transportation Development Act
FHWA	Federal Highway Administration	TDM	Travel-Demand Management
FTA	Federal Transit Administration	TFCA	Transportation Fund for Clean Air
HOT	High occupancy toll	TIP	Federal Transportation Improvement Program
HOV	High occupancy vehicle	TLC	Transportation for Livable Communities
ITIP	State Interregional Transportation Improvement Program	TMP	Traffic Management Plan
LATIP	Local Area Transportation Improvement Program	TMS	Transportation Management System
LAVTA	Livermore-Amador Valley Transportation Authority	TOD	Transit-Oriented Development
LOS	Level of service	TOS	Transportation Operations Systems
		TVTC	Tri Valley Transportation Committee
		VHD	Vehicle Hours of Delay
		VMT	Vehicle miles traveled

ALAMEDA

County Transportation Commission

ACCMA ■ 1333 Broadway, Suite 220 ■ Oakland, CA 94612 ■ PH: (510) 836-2560
ACTIA ■ 1333 Broadway, Suite 300 ■ Oakland, CA 94612 ■ PH: (510) 893-3347

www.AlamedaCTC.org

Public Transportation Access

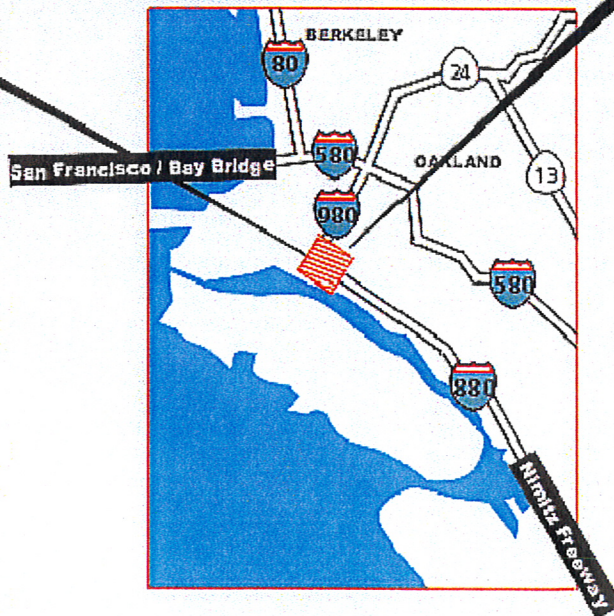
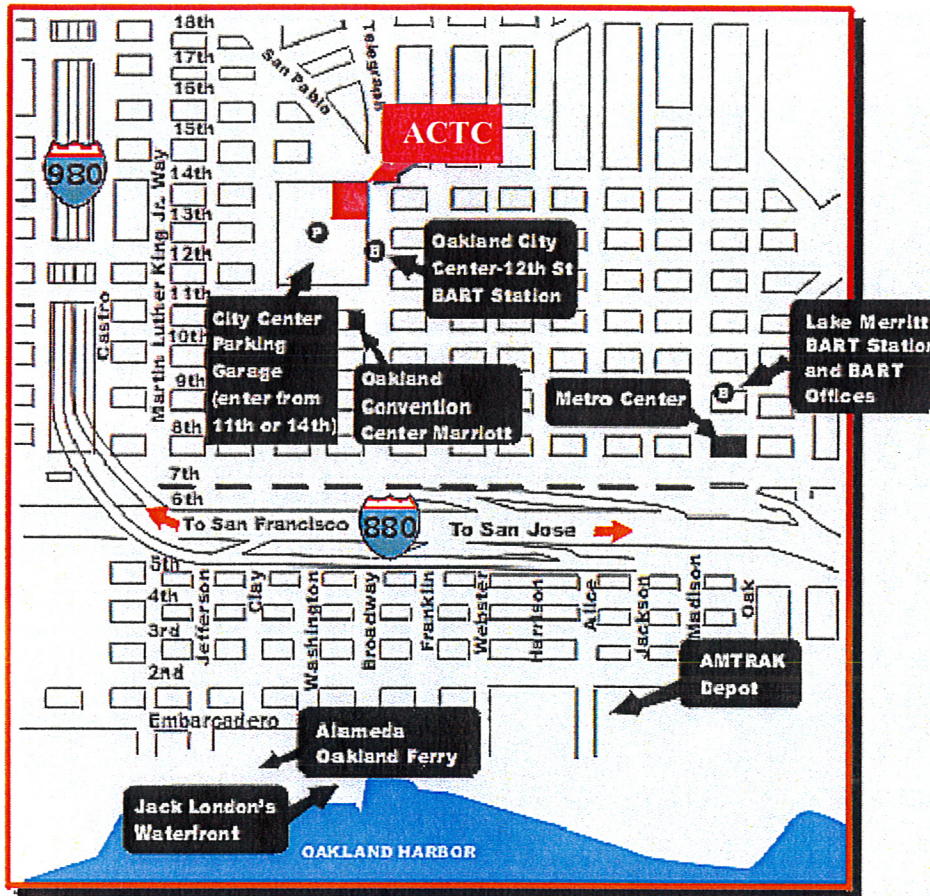
BART: City/Center 12th
Street Station

AC Transit:

Lines 1, 1R, 11, 12, 13, 14,
15, 18, 40, 51, 63, 72, 72M,
72R, 88, 314, 800, 801,
802, 805, 840

Auto Access

- Traveling South: Take 11th
Street exit from I-980 to
11th Street
- Traveling North: Take 11th
Street/Convention Center
Exit from I-980 to 11th
Street
- Parking:
City Center Garage –
Underground Parking,
enter from 11th or 14th
Street





ALAMEDA COUNTY TRANSPORTATION COMMISSION
MINUTES OF OCTOBER 28, 2010
OAKLAND, CALIFORNIA

1. Call to Order/Pledge of Allegiance

2. Roll Call

Parmelee conducted the roll call to confirm quorum. The roll call roster is attached.

3. Public Comment

There was no public comment.

4. Chair and Vice-Chair's Report

Chair Green stated that he and Councilmember Reid attended the Oakland Airport Connector Groundbreaking on October 20th and the event was well attended. He also attended the Tiger II Funds ceremony held on October 27th in the City of Oakland. He reminded everybody to support Measure F in the forthcoming election.

4A.1 Alameda CTC Resolution No. 10-005 – Resolution of Appreciation for Dennis Fay

Supervisor Lai-Bitker made a motion to approve Alameda CTC Resolution No. 10-005. A second was made by Director Blalock. The motion passed 22-0. Chair Green awarded the resolution to Dennis Fay and thanked him for his service and wished him the best in his future endeavors. Mr. Fay thanked the Alameda CTC and stated that it was a privilege to work for all the Commissioners and he truly believe that they all work very hard for their constituents well beyond what they get recognized for.

4A.2 Alameda CTC Resolution No. 10-006 – Resolution of Appreciation for Christine Monsen

Councilmember Henson made a motion to approve Alameda CTC Resolution No. 10-006. A second was made by Mayor Kamena. The motion passed 22-0. Chair Green awarded the resolution to Christine Monsen and thanked her for her service and wished her the best in her future endeavors. Ms. Monsen stated it was an honor and privilege to work for the Commissioners and commended them for the merger which will not only save money but have also created a stronger organization. She also thanked ACTIA and CMA staff who work very hard for the constituents of Alameda County.

5. Approval of Consent Calendar

- 5A. Minutes of September 23, 2010
- 5B. Review of Draft Conformity Findings: Congestion Management Program (CMP) 2010
- 5C. Approval of Executive Director Entering Into Agreement to Implement TOD/ TAP Studies and Plans
- 5D. Approval of Funding Assistance for the Alameda County Public Works Agency Stanley Boulevard Safety and Streetscape Project
- 5E. Approval of Project Study Report/Project Initiation Document (PSR/PID) Priority List for Alameda County: Current and Projected Work Program
- 5F. Approval of Programming of the FY 2010/11 TFCA Program Remaining Balance

- 5G. Approval of TFCA Program Expenditure Deadline Extension Requests:
 - 5G.1 BART – Electronic Bicycle Lockers, TFCA Projects 07ALA06 and 08ALA02
 - 5G.2 Alameda CTC – Webster Street Corridor Enhancements, TFCA Project 08ALA01
 - 5G.3 City of Berkeley – 9th Street Bicycle Boulevard, TFCA Project 08ALA03
- 5H. Approval of Monitoring Reports:
 - 5H.1 State Transportation Improvement (STIP) Program At Risk Report
 - 5H.2 Federal Surface Transportation/Congestion Mitigation and Air Quality STP/CMAQ) Program At Risk Report
 - 5H.3 CMA Exchange Program Quarterly Status Report
 - 5H.4 Transportation for Clean Air (TFCA) Program At Risk Report
 - 5H.5 Transit Oriented Development Quarterly Progress Report, Transportation and Land Use Program
- 5I. Authorization to Extend Four Measure B Grant Agreement End Dates
- 5J. Acceptance of Semi-Annual Capital Projects Status Update
- 5K. ACCMA Quarterly Financial Overview
- 5L. Approval of ACCMA's Quarterly SBE, LBE and DBE Report for the Period of July 2010 through September 30, 2010
- 5M. Approval of Interagency Agreement Regarding Reimbursement and Allocation of Costs Associated with the Joint Operation of the Alameda County Transportation Commission (Alameda CTC), the Alameda County Transportation Improvement Authority (ACTIA) and the Alameda County Congestion Management Agency (CMA)
- 5N. Approval of Appointments to the Community Advisory Committees

Councilmember Henson moved for the approval of the consent calendar; Mayor Kamena made a second. The motion passed 23-0.

6. Community Advisory Committee Reports

6A. Bicycle and Pedestrian Advisory Committee (BPAC)

Midori Tabata was not present.

6B. Citizens Advisory Committee (CAC)

Barry Ferrier, CAC Chair, stated that they held their meeting on October 21st and there was a good turn out and public participation. He said that staff has provided them an outreach talking points which they find very helpful. He also said that the website has been very useful for a lot of people. He informed the Commission that the next Transportation Forum is scheduled on January 20, 2011 and will be held in the City of Hayward.

6C. Citizens Watchdog Committee (CWC)

James Paxon, CWC Chair, was not present. On behalf of Mr. Paxon, Arthur Dao stated that the next CWC meeting will be held on November 9th in the Alameda CTC offices. He also informed the Commission that an Ad Hoc Committee has been convened to review issues about high cash balance reserves of the City of Oakland and City of Fremont related to Measure B.

6D. Paratransit Advisory Committee (PAPCO)

Sylvia Stadmire, Chair of PAPCO, stated that PAPCO met on October 25th. She said that they have finalized their workplan for this year which includes the following areas of interest: outreach, policy coordination, and oversight. She said that many members expressed concern on the proposed AC Transit service cut because seniors, people with disabilities, and low-income residents rely on public transportation. She also said that they currently have vacancies for the cities of Alameda, Albany and San Leandro. Commissioner Blalock commended PAPCO for exemplary attendance record and thanked them for their service.

7. Planning, Policy and Legislation Committee Action Items

7A. Legislative Program Update

Tess Lengyel stated that the State budget was signed on October 9th. She briefly discussed the budget veto items and their impact on transportation. She said that each year a legislative program is adopted by the Commission to provide direction for its legislative and policy activities. The purpose of the legislative program is to establish funding, regulatory and administrative principles to guide legislative advocacy in the coming year. Last year the legislative program focused on the following: Federal Transportation Bill Reauthorization; Transportation Funding; Project Delivery; Multi-modal Transportation; Transportation and Social Equity; and Climate Change. She informed the Commission that the legislative program for next year will be included in the agenda for the Board Retreat. This item was for information only. Mayor Green informed the Commissioners that the Board Retreat will be held on December 17th.

7B. Approval of Countywide Approach for Seeking Input on the Sustainable Communities Strategy (SCS)

Beth Walukas requested the Commission to approve a countywide approach for seeking input on and educating the Alameda County's elected bodies about SCS being developed by ABAG and MTC for the 2013 Regional Transportation Plan. Based on the recommendations from the Planning, Policy and Legislation Committee, staff will contact representatives of the business community, such as East Bay Economic Development Alliance, and other sectors such as Waste Management, Zone 7, and EBMUD. She also said that on the first week of November, ABAG will send information on SCS to Planning Directors of each city and county in the Bay Area requesting them to present it to their Councils and Boards by the end of December 2010. A motion to approve staff recommendation was made by Councilmember Kaplan; a second was made by Councilmember Worthington. The motion passed 24-0.

7C. Update on Alameda CTC Pass-through Fund Program and Grant Programs

Tess Lengyel stated that approximately 60 percent of the net revenues received from the Measure B half-cent transportation sales tax in Alameda County fund programs and is allocated throughout the County for essential services and projects. Every month, Alameda CTC disburses pass-through program funds to 19 agencies/jurisdictions, via formulas, percentages, and grants, for five programs. These programs are: bicycle and pedestrian safety, local streets and roads, mass transit including express bus services, services for seniors and people with disabilities (paratransit), and transit-oriented development. She also said that pass-through programs are required to submit annual independent compliance audits and accompanying annual descriptive compliance reports every six month. Her

report summarized the status of these programs as reported for 08/09, and grant programs as reported through July 2010. This item was for information only.

9. Finance and Administration Committee Action Items

9A. Approval of FY 2010-2011 Budget – First Quarter Update

Dick Swanson stated that a total of 20 Capital projects and programs experienced material budget changes during the past quarter and a total of eleven projects and programs reduced budgets by a total of \$76.9 million while nine projects and programs increased the budget by a total of \$2.2 million. These combined changes would reduce the adopted FY 2010-11 Budget by a net reduction of \$74.2 million. He requested the Commission to approve the First Quarter budget update for FY 2010-11. A motion to approve staff recommendation was made by Councilmember Henson; a second was made by Director Blalock. The motion passed 24-0.

9B. Approval of a Comprehensive Benefits Program for Transition and Future Employees of the Alameda County Transportation Commission

Arthur Dao recommended that the Commission approve a comprehensive benefit program for transition and new employees of the Alameda CTC. He stated that the proposed employee benefit program includes the following major components: (1) CalPERS retirement benefits; (2) Health benefits for transition employees; (3) Post-retirement health benefits; and (4) Accrual of vacation and sick leaves, paid holidays allowance, and other benefits. He added that approval of the proposed comprehensive benefit program would allow for the following critical merger activities to occur: (a) initiation of a new contract with CalPERS to provide Alameda CTC employees with CalPERS retirement benefits; (b) initiation of an actuarial analysis to be performed on the retirement benefit program; (c) provision of key budgeting information for the establishment of a unified budget for FY 2011-12; and (d) adoption of a salary and benefit resolution in Spring 2011, prior to the start of FY 2011-12. A motion to approve staff recommendation was made by Mayor Kamena; a second was made by Director Blalock. The motion passed as follows: *20 aye, 3 – nay, 4 – absent, 0 – abstain. (AC Transit (1) – nay; Alameda County (5) – aye (1) - nay; City of Alameda (1) - absent; City of Albany (1) – aye; BART (1) – aye; City of Berkeley (1) – aye; City of Dublin (1) – absent; City of Emeryville (1) – nay; City of Fremont (2) – absent; City of Hayward (2) – aye; City of Livermore (1) – aye; City of Newark (1) – aye; City of Oakland (4) – aye; City of Piedmont (1) – aye; City of Pleasanton (1) – aye; City of San Leandro (1) – aye; City of Union City (1) – aye*

10A. Update on I-680 Express Lanes

Frank Furger stated that the I-680 Express Lane opened for operations at 5:00 a.m. on September 20th. The Express Lane operates Monday to Friday from 5:00 am to 8:00 pm for toll paying customers and HOVs. He said that in the first five weeks of operation, a total of \$48,641.45 in revenues was generated. There were 30,387 toll paying trips processed on the same period. He added that about 90% of the revenue generated was in the morning commute between 6:00 am and 10:00 am and about 72% of the trips were in the 6:00 am to 10:00 am period. This item was for information only.

Arthur Dao informed the Commission that Frank Furger has retired from the ACCMA and has been appointed as Executive Director of the I-680 Sunol JPA. He will manage the day to day operation of the I-680 and I-580 HOT Lanes.

11. Joint Meeting of ACTIA, ACCMA and Alameda CTC Boards

11A. Convene joint meeting of the Boards of the Alameda CTC, the Alameda County Congestion Management Agency (ACCMA), and the Alameda County Transportation Improvement Authority (ACTIA)

Chair Green called a closed session at 3:11 p.m.

11B. Closed Session: Confer with legal counsel regarding personnel matters pursuant to Government Code §54957

11C. Report on Closed Session

The closed session ended at 3:22 pm. Zack Wasserman stated that the action taken during the closed session was to reconfirm the authority of the Chair to complete the negotiations and execute the severance agreements with the two former executive directors.

11D. For both ACTIA and ACCMA: Consideration of Resolution of Intention to Approve an Amendment to Contract with CalPERS to Provide Section 20903 (Two Years Additional Service Credit) for Executive Director and Deputy

Zack Wasserman stated that this item was withdrawn.

12. Adjournment: Next Meeting - December 2, 2010 at 2:30 PM

Chair Green adjourned the meeting at 3:38 p.m. The next meeting is on December 2, 2010.

Attest by:





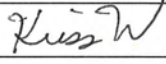


















Gladys V. Parmelee
Interim Clerk of the Commission

**ALAMEDA COUNTY TRANSPORTATION COMMISSION BOARD MEETING
ROSTER OF MEETING ATTENDANCE**

October 28, 2010

1333 Broadway, Suite 300, Oakland, CA 94612

COMMISSIONERS	Initials	ALTERNATES	Initials
Beverly Johnson – City of Alameda		Frank Matarrese – City of Alameda	
Scott Haggerty – County of Alameda, District 1		William Harrison – City of Fremont	
Gail Steele – County of Alameda, District 2			
Alice Lai-Bitker – County of Alameda, District 3		Michael Gregory – City of San Leandro	
Nate Miley – County of Alameda, District 4			
Keith Carson – County of Alameda, District 5		Kriss Worthington – City of Berkeley	
Farid Javandel - City of Albany		Peggy Thomsen - City of Albany	
Laurie Capitelli – City of Berkeley		Kriss Worthington – City of Berkeley	
Tim Sbranti- City of Dublin		Kasie Hildenbrand - City of Dublin	
Ruth Atkin – City of Emeryville		Kurt Brinkman – City of Emeryville	
Robert Wieckowski – City of Fremont		Robert Wasserman – City of Fremont	
Olden Henson – City of Hayward		Marvin Peixoto – City of Hayward	
Marshall Kamena – City of Livermore		Jeff Williams – City of Livermore	
Luis Freitas – City of Newark		Alberto Huezo – City of Newark	
Larry Reid – City of Oakland		Patricia Kernighan – City of Oakland	
Rebecca Kaplan – City of Oakland		Jane Brunner – City of Oakland	
John Chiang – City of Piedmont		Garrett Keating – City of Piedmont	
Jennifer Hosterman – City of Pleasanton		Cheryl Cook-Kallio – City of Pleasanton	
Joyce R. Starosciak – City of San Leandro		Tony Santos – City of San Leandro	
Greg Harper – AC Transit		Rocky Fernandez - AC Transit	
Thomas Blalock - BART		Robert Franklin - BART	
Mark Green, Chair – City of Union City		Carol Dutra-Vernaci – City of Union City	
LEGAL COUNSEL			
Zack Wasserman – WRBD			
Neal Parish – WRBD			
Geoffrey Gibbs - GLG			

STAFF	Initials	STAFF	Initials
Arthur L. Dao – Executive Director, Alameda CTC	<i>and</i>	Dick Swanson - Director of Finance & Admin.	<i>DS</i>
Dennis R. Fay - Executive Director, CMA	<i>DRF</i>	Anees Azad – Manager of Finance & Admin.	<i>AA</i>
Christine Monsen – Executive Director, ACTIA	<i>CM</i>	Tess Lengyel – Programs & Public Affairs Mgr.	<i>TL</i>
Frank R. Furger – Executive Director, I-680 JPA	<i>FF</i>	Arun Goel – Associate Transportation Engineer	<i>AKG</i>
Gladys Parmelee – Exec. Asst. & Clerk of the Commission	<i>gpm</i>	Keonnis Taylor – Programs Coordinator	<i>KT</i>
Yvonne Chan – Accounting Manager	<i>YC</i>	Lei Lam – Senior Accountant	<i>LL</i>
Christina Muller –Administrative Manager	<i>CM</i>	Linda Adams – Executive Assistant	<i>LA</i>
Cyrus Minoofar - Manager of ITS	<i>CM</i>	John Hemiup – Senior Transportation Engineer	<i>JH</i>
Matt Todd - Manager of Programming	<i>MT</i>	Vivek Bhat - Senior Transportation Engineer	<i>VB</i>
Ray Akkawi – Manager of Project Delivery	<i>RA</i>	Liz Brazil – Contracts Administrator	
Beth Walukas – Manager of Planning	<i>BW</i>	Jacki Taylor – Engineering Staff Assistant	<i>JT</i>
Saravana Suthanthira, Senior Transportation. Planner	<i>SS</i>	Victoria Winn – Administrative Assistant III	<i>VW</i>
Diane Stark, Senior Transportation Planner	<i>DS</i>	Claudia Leyva - Administrative Assistant III	
Bijan Yarjani – Senior Transportation Engineer		Libby Hendrickson - Administrative Assistant II	
Steve Haas – Senior Transportation Engineer		Myrna Portillo - Administrative Assistant I	<i>MP</i>

NAME	JURISDICTION/ ORGANIZATION	PHONE #	E-MAIL
1. <u>Mika Miyasato</u>	<u>HNTB</u>	<u>510-587-8677</u>	<u>mmiyasato@hntb.com</u>
2. <u>Mike Tassano</u>	<u>City of Pleasanton</u>	<u>925-931-5170</u>	<u>MTASSANO@CI.PLEASANTON.CA.US</u>
3. <u>Tina Spencer</u>	<u>ACTransit</u>	<u>510.852.3245</u>	<u>tspencer@actransit.org</u>
4. <u>Bob Vinn</u>	<u>Livermore</u>	<u>925 960 4516</u>	<u>bgvinn@ci.livermore.ca.us</u>
5. <u>Warren Tighe</u>	<u>Siemens</u>	<u>925 787 3251</u>	<u>warren.tighe@siemens.com</u>
6. <u>DORA Royster</u>	<u>PCT</u>	<u>1333-Broadway, #300</u>	<u>DoraRoyster@actia2022.com</u>
7. <u>Naomi Arment Nelson/Nygama</u>	<u>1333 Broadway, Ste 300</u>		
8. <u>Rochelle Wheeler</u>	<u>Consultant to Alameda CTC</u>	<u>510-267-6121</u>	<u>rwheeler@actia2022.com</u>
9. <u>James O'Brien</u>	<u>ACTIA PCT</u>	<u>510 267-6106</u>	<u>james@advancepd.com</u>
10. <u>Simon Wong</u>	<u>TCV NEWSPAPER</u>	<u>510 444 1999</u>	<u>SIMON@TRICITYVOICE.COM</u>
11. <u>BARRY FERRIER</u>	<u>ACTIA - CAC</u>	<u>510 489-4767</u>	<u>BFERRIER@CS.COM</u>
12. <u>SEUNG CHO</u>	<u>PCT</u>	<u>510 267 6134</u>	<u>scho@actia2022.com</u>

	NAME	JURISDICTION/ ORGANIZATION	PHONE #	E-MAIL
13.	Madeleine Key	Daily Cal	209 606 8732	mkey@dailycal.org
14.	Dawn Argula	Ala C 305*1	925-551-6995	dawn.argula@acgov.org
15.	Joan Fisher	ACTIA/LA	510-267-6133	ontrach@actia2022.com
16.	Daniel Holdershead	ACPWA	510 670-5455	danielw@acpwa.org
17.	James Chu	ACPWA	510 670-5566	james@acpwa.org
18.	Alan Lee	BART	510-464-6121	ALee1@bart.gov
19.	Donna Lee	BART	510 -464-6282	donna.Hey dlee@bart.gov
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Memorandum

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Planning, Policy and Legislation Committee

SUBJECT: Adoption of Conformity Findings for the 2010 Congestion Management Program (CMP)

Recommendations:

It is recommended that the Commission find that all local jurisdictions are in conformance with the Congestion Management Program (CMP) annual conformity requirements.

Summary:

Local jurisdictions are required to comply with the CMP as follows:

- 1) (a) Tier 1 Land Use Analysis – submit to Alameda CTC all Notice of Preparations, EIRs and General Plan amendments;
(b) Tier 2 Land Use Forecasts- review ABAG Projections by traffic analysis zones;
- 2) Traffic Demand Management (TDM) – Complete Site Design Checklist;
- 3) Payment of Fees; and
- 4) Deficiency Plans and Deficiency Plan Progress Reports, as needed in some jurisdictions.

All of the jurisdictions that are required to provide a Deficiency Plan status report have complied with the requirement. All jurisdictions have complied with the remaining three conformity requirements.

Discussion:

Letters were sent to the jurisdictions requesting Tier 1 Land Use Analysis Program and TDM Site Design Checklist by September 30, 2010, and Deficiency Plan Progress Reports from the responsible jurisdictions by October 8, 2010. Responses were received from all of the jurisdictions. The details of the conformance with regard to the Deficiency Plans are as follows:

- 1) I-580 westbound between Center Street and I-238 in Alameda County.
Lead: Alameda County

Participation Jurisdictions: Cities of Oakland, San Leandro, Dublin, Livermore and Pleasanton

Completion Report: The implementation of Deficiency Plan has been completed with the implementation of the I-238 expansion that was completed in October 2009 and completion of Castro Valley Interchange Improvement Project in September 2010. The I-580 freeway segment between Center Street and I-238 for which the deficiency plan was prepared is functioning at a Level of Service of A with an average speed of 60.3 mph based on the 2010 Level of Service Monitoring Study.

2) All jurisdictions that are required to report on the other three active deficiency plans are in conformance as follows:

- Mowry Avenue eastbound from Peralta Boulevard to SR 238/Mission Boulevard
Lead: City of Fremont
Participation Jurisdictions: Newark
Progress Report and Letters of Concurrence: Received and short term mitigation measure has been completed and progress is satisfactory
- SR 185 westbound from 46th Street to 42nd Street in Oakland
Lead: City of Oakland
Participation Jurisdiction: City of Alameda
Progress Report and Letters of Concurrence: Received and the progress is satisfactory on both short term and long term mitigation measures.
- SR 260 (Posey Tube) eastbound and I-880 northbound freeway connection
Lead: City of Oakland
Participation Jurisdictions: Cities of Berkeley and Alameda
Progress Report and Letters of Concurrence: Received and the progress is satisfactory. Additionally, the cities of Oakland and Alameda requested support from the regional agencies in securing funds for portion of the Phase II improvements for the Webster ITS project, which is one of the improvement measures in the Deficiency Plan. The Alameda CTC will work with the cities to determine funding availability.

Attachment A is a summary table that demonstrates the status of conformity with the Alameda County CMP.

Fiscal Impacts:

This item does not affect the Alameda CTC budget.

Attachments:

Attachment A - 2010 CMP Conformance: Land Use Analysis, Site Design Guidelines, Payment of Fees, and Deficiency Plans

Table 1
2010 CMP CONFORMANCE

Land Use Analysis, Site Design, Payment of Fees and Deficiency Plans

	Land Use Analysis Program			Site Design	Payment of Fees	Deficiency Plans/LOS Standards	Meets All Requirements
Jurisdiction	Tier 1 - Ordinance Adoption	Tier 1: GPA & NOP Submittals	Tier 2- Land Use Forecasts	Checklist Complete	Payments thru 4th Qts FY 09/10	Deficiency Plan Progress Reports and Concurrence	
Alameda County	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Alameda	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Albany	Yes	Yes	Yes	Yes	Yes	N/A	Yes
City of Berkeley	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Dublin	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Emeryville	Yes	Yes	Yes	Yes	Yes	N/A	Yes
City of Fremont	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Hayward	Yes	Yes	Yes	Yes	Yes	N/A	Yes
City of Livermore	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Newark	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Oakland	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Piedmont	Yes	Yes	Yes	Yes	Yes	NA	Yes
City of Pleasanton	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of San Leandro	Yes	Yes	Yes	Yes	Yes	Yes	Yes
City of Union City	Yes	Yes	Yes	Yes	Yes	NA	Yes

N/A indicates that the city is not responsible for any deficiency plan for the past fiscal year.

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Memorandum

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Programs and Projects Committee

SUBJECT: **Approval of Measure B Allocation to the PE/Environmental Phase and Approval of Amendment No. 3 to the Project Specific Funding Agreement with BART for the PE/Env Phase (A08-0048) for the I-580 Corridor/BART to Livermore Studies (ACTIA 26)**

Recommendations:

It is recommended that the Commission approve the following two actions related to the I-580 Corridor/BART to Livermore Studies project (ACTIA 26):

1. Allocate \$1.668 million in Measure B Funds for additional environmental and engineering studies; and
2. Approve Amendment No. 3 to the Project Specific Funding Agreement (Agreement No. A08-0048) with the San Francisco Bay Area Rapid Transit District (BART) to encumber an additional \$1.668 million of Measure B funds for environmental and engineering studies.

Summary:

The recommended actions will allocate and encumber \$1.668 million of Measure B funds to provide for the following activities related to early implementation of the BART to Livermore project:

- Real Estate Procedures
- Alignment Engineering Study for the Downtown Livermore Station and Approach
- Yard and Shop Needs Analysis
- Yard and Shop Location Analysis
- Phasing and Funding Plan
- Continuing Outreach

Discussion/Background:

In May 2008, the ACTIA Board authorized a Project Specific Funding Agreement (PSFA) with BART for the Preliminary Engineering (PE)/Environmental Phase of the I-580/BART to Livermore Studies project (ACTIA 26) (PSFA A08-0048). On June 25, 2009, Amendment No. 1 to PSFA A08-0048 encumbered additional funds, for a total of \$4.531 million, to complete the

Program EIR. Amendment No. 2, authorized by the Board on June 24, 2010 extended the termination date of the agreement to June 30, 2012.

On July 1, 2010, the BART Board of Directors certified the program level Final Environmental Impact Report (FEIR) for the project and expressed support for pursuit of an Early Implementation Plan that focused on establishing the parameters for right-of-way protection in the corridor and engineering studies to refine the alignment and implementation and funding strategies. The recommended Amendment No. 3 to PSFA A08-0048 would fund the activities related to early implementation described above.

Fiscal Impacts:

Approval of the recommended actions will allocate and encumber an additional \$1.668 million in Measure B funds for ACTIA 26 in PSFA A08-0048. The requested allocation is consistent with the Allocation Plan included in the current Strategic Plan.



Memorandum

Date: November 9, 2010

To: Alameda County Transportation Commission

From: Programs and Projects Committee

Subject: **I-80 Integrated Corridor Mobility Project/San Pablo Avenue Arterial and Transit Improvement Project: Request to Allocate additional Funds and Amendment to Professional Services Contract**

Recommendations:

In support of delivering the I-80 Integrated Corridor Mobility Project/San Pablo Avenue Arterial and Transit Improvement Project, it is recommended that the Commission take the following actions:

1. Allocate an additional \$500,000 from the CMA Transportation Improvement Program (TIP) Funds to complete the project development phase of this project;
2. Allocate an additional \$500,000 in Measure B Congestion Relief Emergency Funds (CREF) to complete the project development phase of this project. An allocation of \$1.3 million from Measure B CREF funds was approved by ACTIA Board on September 25, 2008;
3. Authorize the Executive Director to execute an amendment to the existing contract with Kimley Horn & Associates for an additional \$1.0 million for project development work on this project. The amended contract amount shall not exceed \$10.9 million.

Discussion:

The California Transportation Commission (CTC) programmed \$55.3 million of Congestion Management Improvement Account (CMIA) funds for the construction of the freeway elements of this project. Project development activities are not funded by the CMIA Bond Program.

At its May 28, 2008 meeting, CTC approved \$21.4 million of Traffic Light Synchronization Program (TLSP) funds for the San Pablo Corridor Arterial and Transit Improvement Project in order to complement the overall I-80 ICM Project.

On September 25, 2008, the ACTIA Board allocated \$1.3 Million in Measure B Congestion Relief Emergency Funds (CREF) to the I-80 ICM / San Pablo Corridor Arterial and Transit Improvement Project. With this allocation the ACTC, in coordination with the Contra Costa Transportation Authority (CCTA) were able to fund the project development phase. Funding plan for the project development phase was \$12.155 million from the following funds: CCTA

(\$4.876 million), CMAQ (\$3.243 million), CMA TIP (\$0.580 million), Measure B CREF (\$1.3 million), and TFCA (\$1.155 million). This funding plan for the project development phases includes the cost of ACTC project management.

The CMA Board has also authorized the Executive Director to execute professional services agreements up to \$9.9 million to begin project delivery of the I-80 Integrated Corridor Mobility (ICM) Project and the San Pablo Corridor Arterial and Transit Improvement in July 2008.

Subsequently, the CMA entered in to an agreement with Kimley Horn & Associates for project development including environmental clearance and final design. Due to certain unforeseen issues, the project is experiencing delays and increased scope in completing the environmental approval and final design, as outlined below:

1. Developing the project elements as described in the CMIA baseline agreement - Extensive time and effort was spent on developing the functionality of the various project elements which was not fully accounted for when the PA&ED schedule was established. This is an innovative Intelligent Transportation System (ITS) project with many elements that have not been previously implemented on the California state highway system, thereby requiring more local input and consensus than a typical roadway project. Extensive time and effort was spent educating the local agencies and other stakeholders on the theory and function of the project elements before consensus could be reached.

2. Revisions to the project component function - Significant efforts have been expended to re-run the traffic model, revise the operations analysis and obtain consensus among the project partners and stakeholders as to when to implement Speed Harmonization on the project. The concurrence from all partners, stakeholders, including the nine cities along the corridor and other agencies on the function of the speed harmonization component during non-recurrent conditions to provide “Queue warning”, and acceptance of other components, was obtained in May 2010.

3. Securing an environmental permit that was not originally anticipated - As design work progressed, it was determined that some of the planned traffic devices would have to be installed in areas in which four federally-listed species (California red legged frog, Alameda whip snake, California clapper rail, and the salt marsh harvest mouse) are present. This necessitated securing a permit from the United States Fish and Wildlife Service (Service). The permit process includes the preparation of a biological assessment (BA), consultation with the Service and the issuance of a biological opinion (BO), which was not accounted for in the original project schedule. The process has started and will take about ten months to complete. The PA&ED is expected to be completed in May 2011.

Action 1:

It is recommended that the Board allocate \$0.5 million in CMA TIP funds to complete the project development phase of this project.

Action 2:

It is recommended that the Commission allocate \$0.5 million in Measure B CREF funds to complete the project development phase of the project. The 2000 Expenditure Plan provides \$7.6 million in Congestion Relief Emergency Funds. In September 2003, ACTIA Board approved \$1.5 million from CREF for the Vasco Road Safety Project. In September 2008, the Board approved a \$1.3 million to the I-80 ICM/San Pablo Avenue Arterial and Transit Improvement Project. The escalated CREF balance of \$10.251 million was reduced to \$7.451 million. With this request the CREF balance would be reduced to \$6.951 million.

Action 3:

It is recommended that the Commission authorize the Executive Director to negotiate and execute new or amend existing professional services contracts for the I-80 ICM Project in an amount not to exceed \$10.9 million, which constitute the project development costs for the project.

Fiscal ImpactsThe revenues and costs associated with this project will reduce ACTC's Congestion Relief Emergency Funds (CREF) and Transportation Improvement Program (TIP) capacities by \$500,000 each. The approved CMA budget will be adjusted accordingly.

Attachments:

Attachment A: I-80 ICM Project Cost Funding

Attachment A:
I-80 ICM Project Cost Funding
Project Cost / Funding (\$ x 1,000)

Cost Estimate by Phase	
Scoping	\$ 150
PE/Environmental	\$ 4,847
Final Design (PS&E)	\$ 7,908
Right-Of-Way	\$ 150
Utility Relocation	\$ -
Construction	\$ 75,337
Equipment Purchase	\$ 5,363
Total	\$ 93,755

Funding	
CMA TIP*	\$ 1,080
Federal (CMAQ)	\$ 3,243
State (STIP)	\$ 954
Measure J	\$ 4,876
WCCTAC	\$ 47
ACTIA*	\$ 1,800
TFCA	\$ 1,155
CMIA Bonds	\$ 55,300
TLSP Bonds	\$ 21,400
AC Transit - RM2	\$ 4,000
Total	\$ 93,855

*Note - \$500K increase in funding from CMA TIP & \$500K from ACTIA is requested pending ACTC approval.



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Memorandum

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Plans and Programs Committee

SUBJECT: Approval of Measure B Congestion Relief Emergency Funds and CMA TIP funds for the I-880 North Safety and Operational Improvements at 23rd/29th Avenues Project

Recommendations:

It is recommended that the Commission approve the following funding actions for the delivery of the I-880 North Safety and Operational Improvements at 23rd/29th Avenues Project (Project):

- Amend the adopted FY 2010-11 Strategic Plan to include the Project to be funded with the Congestion Relief Emergency Funds (CREF) as project number ACTIA 27C with a programmed balance of \$750,000,
- Authorize the Executive Director to execute an amendment to the Master Funding Agreement between ACTIA and ACCMA to include Project Number ACTIA 27C,
- Approve an allocation of \$750,000 to the project development phase of Project 27C (with eligible expenses retroactive to May 8, 2009),
- Authorize the Executive Director to execute a Project Specific Funding Agreement (PSFA) between ACTIA and ACCMA for the project development phase of ACTIA 27C,
- Approve ACCMA CMA TIP funds of \$750,000 for the Project (with eligible expenses retroactive to May 8, 2009),
- Approve Alameda CTC Resolution 10-007 (Attachment C), a revision to ACCMA Resolution 08-012, amending the funds available to implement the project, which authorizes the Executive Director to execute necessary contracts and agreements for the Project.

Summary:

This Project proposes to construct operational and safety improvements on Interstate 880 at the existing overcrossings of 29th Avenue and 23rd Avenue in the City of Oakland. The project will improve the vertical clearance of the structures as well as recurring congestion in the area and improve safety related features such as ramp lengths/design and shoulder widths with \$73 million in Proposition 1B Trade Corridor Improvement Funds programmed to complete the project. The Environmental Document and the Project Report were completed in April 2010 and the design and ROW phases have been initiated. The work to complete the Environmental Document and the Project Report has provided additional information about the project scope, cost and schedule. Based on this

information, staff is projecting a \$3 to \$3.25 million dollar shortfall in the project development budget (\$11.5 to \$14.75 million). Staff is reviewing items that can be adjusted and/or rescope, while maintaining delivery, to reduce the amount of funding required to complete project development. Staff is requesting the Alameda CTC Board approve the programming of \$1.5 million at this time to address immediate project needs, from a combination of Measure B (\$750,000) and CMA TIP funds (\$750,000).

Background:

This Project proposes to construct operational and safety improvements on Interstate 880 (I-880) at the existing overcrossings of 29th Avenue and 23rd Avenue in the City of Oakland. The Project will remove and reconstruct the 29th Avenue overcrossing and the two 23rd Avenue overcrossings of I-880. The new overcrossings will provide room to widen the existing I-880 mainline lanes and shoulders. The Project also includes relocating the northbound Lisbon Avenue on ramp to begin at 29th Avenue and lengthening the northbound auxiliary lane between 29th Avenue and 23rd Avenue. In addition, the project plans to reconstruct the 23rd Avenue / I-880 northbound ramps / 11th Street Intersection, to lengthen and improve the northbound off ramp at 29th Avenue to terminate directly into the 29th Avenue crossing and to construct a soundwall along the northbound auxiliary lane between 29th and 23rd Avenues.

Average daily traffic volumes on I-880 exceed 220,000 vehicles/day, with combined northbound and southbound volumes exceeding 14,000 vehicles in both the AM and PM peak hours. I-880 has been identified as being one of the most congested freeway corridors in Alameda County. It is a vital part of the Alameda County and Bay Area transportation system and is part of a major trucking route (I-880 / I-238 / I-580 / I-205) serving Alameda, the Bay Area, the Central Valley and the western United States. I-880 provides access to numerous intermodal facilities including the Port of Oakland and Oakland International Airport. The I-880 corridor is a primary north-south freight route to and from the Port of Oakland and has the highest volume of trucks in the region. The Port of Oakland, the Bay Area's largest port, generates approximately 25% of the truck traffic on I-880 and approximately 9% of all truck traffic in the Bay Area.

The Project improvements will increase the flow of vehicles along the mainline and help reduce the rate of congestion related accidents in the area. The high traffic volumes combined with the existing interchange spacing, ramp geometric configurations and the limited ability to widen the mainline impact mobility (freight and commuter) in the I-880 corridor and contribute to a daily recurring bottleneck that accounts for approximately 50% of the northbound delay on I-880 in Alameda County. The frequency of accidents in this area is approximately five times higher than the statewide average, which exacerbates the existing bottleneck conditions.

The new overcrossings will also provide standard vertical clearances over mainline I-880. Currently, the minimum vertical clearances at the 23rd Avenue (eastbound), 23rd Avenue (westbound), and 29th Avenue overcrossings are 13 ft – 9 in, 14 ft – 9 in and 15ft – 2 in, respectively. The Caltrans current minimum design standard clearance is 16 ft – 6 in. The reconstruction would provide a vertical clearance of 16.5 feet reducing the potential of oversize trucks hitting the overcrossing.

Reconstructing the 23rd Avenue and 29th Avenue overcrossings will eliminate the last three nonstandard vertical clearance obstacles in the North I-880 corridor and will provide over 15 continuous miles of standard vertical clearances along the key trucking route from the Port of Oakland to I-238 and I-580.

The project was identified as a potential candidate for a yet to be identified funding source expected to emerge in 2006 (Proposition 1B ballot measure approved in November 2006). The Project Study Report (PSR) for the project was approved in November 2007. The ACCMA worked with MTC and other regional partners and the Project was included in the MTC proposal for the Proposition 1B Trade Corridor Improvement Funds (TCIF). In 2008, the project was approved for \$73 million of TCIF funding for the Construction and ROW phases of the Project. Based on the PSR level understanding of the project, the ACCMA identified and secured an additional \$24 million of funds for Environmental, Design and ROW phases, for a total project cost of about \$97 million. Since that time, the Environmental Document and the Project Report were completed in April 2010.

The work to complete the Environmental Document and the Project Report has provided additional information about the project scope, cost and schedule. Additional outreach and investigation was required to be conducted during the process to develop the documents, including an expanded effort regarding project layout, modeling/circulation issues, and additional resources to ensure the expanded effort was delivered within the baseline project schedule the ACCMA committed to with the California Transportation Commission. The project approved in the Environmental Document includes a circulation that modifies the current circulation, through a revision to lane distribution on the new structures, as well as including a roundabout intersection, and achieving the operational improvements while minimizing ROW impacts in this established area. The initial project development efforts budget was based on the PSR level document. Based on the knowledge available through the environmental phase of the project, staff is projecting a \$3 to \$3.25 million dollar shortfall in the project development budget (\$11.5 to \$14.75 million). Staff is requesting the Commission approve the programming of \$1.5 million at this time to address immediate project needs, from a combination of Measure B (\$750,000) and CMA TIP funds (\$750,000). Staff continues to move forward with project development, including reviewing/evaluating the scope, cost and schedule to reduce the funding needed to deliver the project as well as pursuing additional fund sources to supplement the budget.

The Measure B Expenditure Plan states that the CREF “shall be available to fund high-priority projects that address major regional congestion problems that emerge during the lifetime of the Plan and which are not addressed by the proposed Plan.” The improvements in the area of the I-880/23rd and I-880/29th Interchanges address major regional congestion problems that are not identified in the Expenditure Plan. Staff recommends the Commission amend the Project into the current Strategic Plan under the Congestion Relief Emergency Funds (CREF) as project number ACTIA 27C with a programmed balance of \$750,000.

The 2000 Expenditure Plan provides \$7.6 million in CREF. In September 2003 the ACTIA Board approved \$1.5 million from the CREF for the Vasco Road Safety Project and in September 2008 the

ACTIA Board approved \$1.3 million from the CREF for the I-80 ICM/San Pablo Avenue Arterial Improvement Project, leaving a balance of \$4.8 million. No other allocations from this fund have been made.

The CMA TIP program was established to provide local funding to projects, or phases of projects, which would be subject to delay and/or significant cost impacts if more restrictive regional, state or federal funds were used in lieu of local funding. The Project is eligible to receive CMA TIP funds. The Project currently has \$125,000 of CMA TIP funds programmed to the Project. Staff recommends the Commission approve additional CMA TIP funds of \$750,000 for the Project. The CMA TIP program can accommodate the proposed programming.

The Commission is also requested to authorize the funds for expenses retroactive to May 8, 2009. Federal funding was intended to be utilized for certain project development phase work completed from mid 2009 and into 2010. The funding plan has been affected by the revision of the Caltrans funding program (revised in mid 2009). Staff proposes an internal reallocation of the fund sources for the Project, using the funding requested in this action for environmental phase expenses and the federal funds being assigned for design phase expenses. The retroactive date represents the date the federal funds were authorized to the project.

Fiscal Impacts:

Approval of the proposed allocation of up to \$750,000 from the CREF would reduce the CREF balance to \$4.8 million. There is adequate capacity in the programmed balance of the 2010-2011 Strategic Plan. The CMA TIP program can accommodate the proposed programming.

Attachments:

Attachment A – Funding Plan

Attachment B – Project Map

Attachment C – Resolution 10-007

Attachment A
I-880 North Safety and Operational Improvements at 23rd/29th Avenues Project
Project Cost / Funding
(\$ x 1,000)

Cost Estimate by Phase	
Scoping	\$ 250
PE/Environmental	\$ 5,300
Final Design (PS&E)	\$ 9,000
Right-Of-Way	\$ 5,450
Utility Relocation	\$ -
Construction	\$ 80,000
Equipment Purchase	\$ -
Total	\$ 100,000

Funding	
CMA TIP *	\$ 1,000
Federal	\$ 1,787
State - STIP	\$ 2,000
State - SHOPP	\$ 10,000
Local - RM2	\$ 10,000
Local - Measure B*	\$ 750
TCIF	\$ 73,000
TBD Fund Source	\$ 1,500
Total	\$ 100,037

* Includes Request for \$750K of CMA TIP and \$750K of Measure B Funds

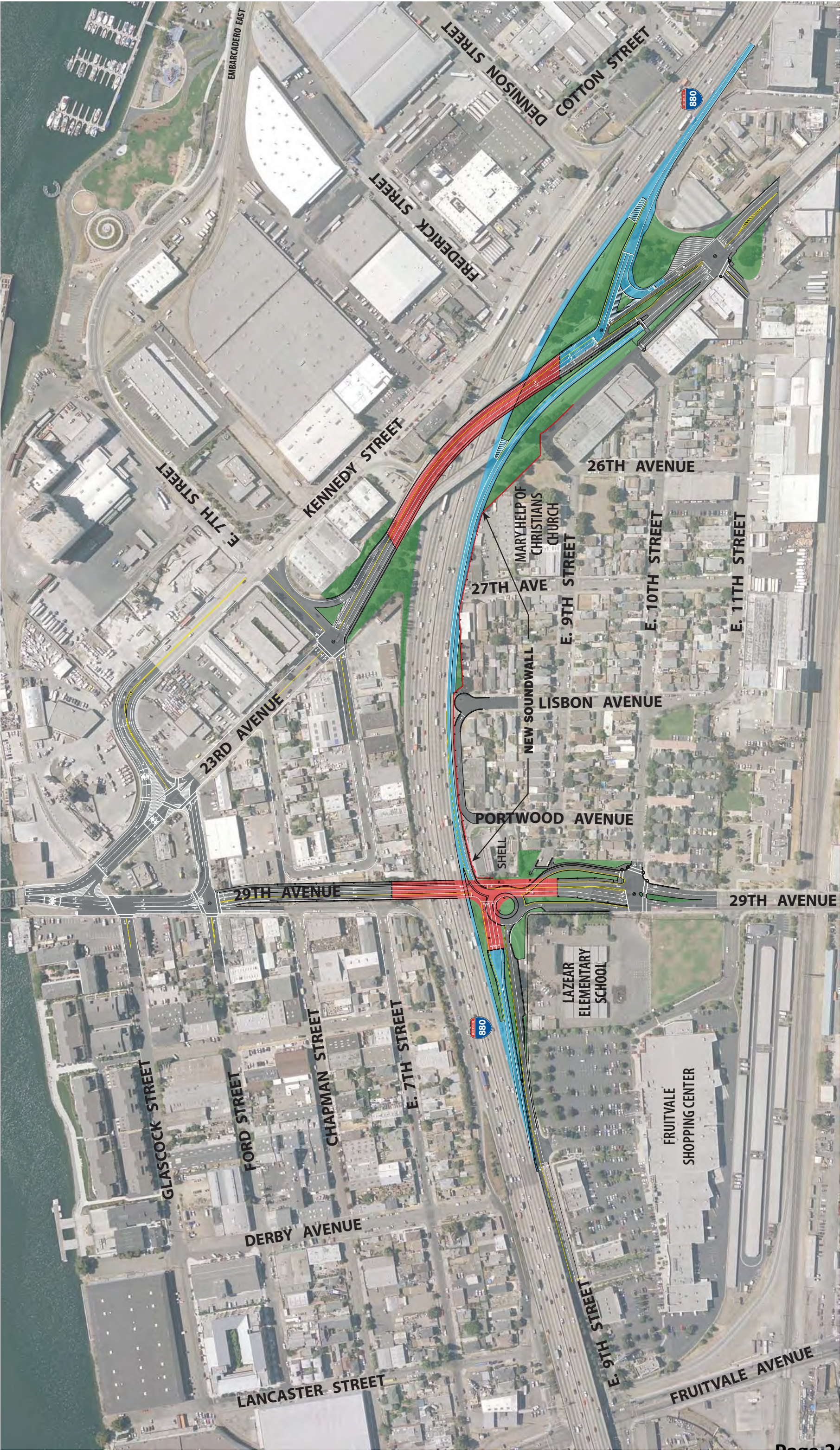
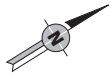


Photo: Tomlinson Associates, Inc. September 2008



11/16/09 JUN 35-1004-63-13402

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
RESOLUTION NO. 10-007**

**PROJECT DEVELOPMENT, IMPLEMENTATION, AND DELIVERY OF THE
I-880 NORTH SAFETY AND OPERATIONAL IMPROVEMENTS AT 23RD &
29TH AVENUE PROJECT**

WHEREAS, the Alameda County Transportation Commission (“Alameda CTC”) is authorized to act on behalf of the Alameda County Congestion Management Agency (“CMA”) through the powers delegated to Alameda CTC by the joint powers agreement which created Alameda CTC; and

WHEREAS, CMA is eligible to receive Federal and State funding for certain transportation projects, through the California Department of Transportation; and

WHEREAS, the CMA is eligible to receive other local funding for certain transportation projects through agencies such as MTC; and

WHEREAS, the CMA and Alameda CTC desire state highway improvements consisting of safety and operational improvements on I-880 at 23rd and 29th Avenue within the city of Oakland (Project); and

WHEREAS, the CMA and/or Alameda CTC wish to enter into contracts and/or agreements with various consultants to prepare the preliminary engineering, environmental document and the final design; perform right of way services, and construction support services; and

WHEREAS, the CMA Board adopted Resolution 08-012 at its regular Board meeting on Thursday July 31, 2008, and this Alameda CTC Resolution 10-007 is intended to supersede and replace CMA Resolution 08-012; and

WHEREAS, the Alameda CTC through the CMA currently has budget of \$11.7 million in Federal, State and local funds for project development, implementation and delivery, an increase of \$1.5 million from the previously authorized funds of \$10.2 million.

NOW, THEREFORE, BE IT RESOLVED, that the Alameda CTC authorizes the Executive Director or his authorized designee to execute all necessary contracts, agreements and amendments including but not limited to the preliminary engineering/environmental, final design, right of way services, and construction support services not exceeding the \$11.7 million authorized by the CMA and Alameda CTC.

DULY PASSED AND ADOPTED by the Board of the Alameda County Transportation Commission at the regular meeting of the Board held on Thursday, December 2, 2010 in Oakland, California, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SIGNED:

Mark Green, Chair

ATTEST:

Gladys Parmelee, Clerk of the Commission



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www.AlamedaCTC.org

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Programs and Projects Committee

SUBJECT: **Approval of CMA TIP funds to supplement budget for the I-580 San Leandro Soundwall Project**

Recommendations:

It is recommended that the Commission:

1. Approve \$500,000 of CMA TIP funds to supplement the budget for the I-580 San Leandro Soundwall Project Budget, and
2. Authorize the Executive Director to negotiate and execute agreements including amending existing contracts for consultant services for implementation of the project.

Summary:

The Alameda CTC is the sponsor of the I-580 San Leandro Soundwall Project. The Alameda CTC is responsible for the construction administration of the project. Funding for the construction phase is provided by a combination of Federal Surface Transportation Program (STP) funds and CMA TIP funds used as the local match. The additional requested funds would supplement the contingency budget necessary to complete the remaining activities and to close out of the project.

Background:

General Project Description

The I-580 San Leandro Soundwall Project Construction contract was awarded to Gordon N. Ball Inc. for \$6,180,565. The project budget had a contingency of \$ 668,685. The contractor began work on the project on June 15, 2009 with a construction contract time of 250 working days. The ACCMA Board selected S&C Engineers Inc. as the Construction Management (CM) team to provide oversight of the construction through a competitive selection process.

The construction contract included bid alternate options for sound absorptive walls if the bids received were favorable. The bids received were lower than the Engineer's Estimate and the alternative bid option of pre-cast sound absorptive walls along the west side of I-580 (Eastbound traffic direction) was exercised.

During the construction phase a number of issues were encountered.

Weather delays

The construction contract has experienced a total of approximately 60 weather days (rain days work cannot be conducted), an addition of about 3 months to the original contract time of 250 Working

Days. The CM contract assumed one month of weather delay days. Although the weather delays have not added any time related overhead towards the construction contract, they have impacted the CM contract budget which has been extended by about 3 months.

Extra Night-work inspection due to change in type of walls

With the pre-cast sound absorptive wall alternative almost 50% of the walls were installed at night with freeway closures, as compared to daytime work typical with traditional masonry block walls. This work required tasks such as additional CM team night inspections, lane closures and CHP on site. The CM contract was executed prior to the contract advertisement when the pre-cast walls were an alternative bid item. The cost proposal budgeted for 80 hours a month for additional inspection services for the heaviest 6 months of construction. Additional inspection hours were required based on the construction method and schedule utilized. Also, due to the nature of lane closures and night work, overtime hours were also required in certain instances.

Buried Man-made objects

The I-580 MacArthur Freeway was built on an area previously used for residences. There were several buried man-made objects that have been encountered in the construction of the soundwalls along both sides of the freeway due the previous land use. The design parameters of the pre-cast wall system allow little flexibility to adjust pile locations resulting in the issuance of Contract Change Orders (CCOs) for removal of multiple buried objects.

Median issue

Pursuant to the stage construction plans prepared, the Contractor was required to shift the existing travel lanes on I-580 (both directions) toward the median to permit the construction of the soundwalls. As part of this lane shift, a portion of the Number 1 lane was shifted onto the existing asphalt median/shoulder. After heavy periods of rain the asphalt failed in certain areas. This resulted in a change order to remove and replace the asphalt shoulder with a pavement capable of handling traffic loads for the duration of construction work. Funds were also required to address damage claims to motor vehicles.

As a result of these multiple issues the contingency funds have almost been exhausted. The additional requested funds would be utilized to supplement the I-580 Soundwall project budget necessary to complete the remaining activities and to close out of the project.

The contractor is currently working on the final punch-list items and on completion will be provided a proposed final estimate (PFE). The PFE typically details the final cost of the project and includes all change orders, item payments, supplemental work etc. The contractor will then have 30 days to review the PFE and either accept the amount or provide justification for any additional cost. While currently there are no known claims or unresolved issues, there is always a possibility that the contractor may raise an issue during the PFE stage.

The CMA TIP program was established to provide local funding to projects, or phases of projects, which would be subject to delay and/or significant cost impacts if more restrictive regional, state or federal funds were used in lieu of local funding. The Project is eligible to receive CMA TIP funds. The Project currently has \$3,193,000 of CMA TIP funds programmed to the Project. Staff recommends the Alameda CTC Board approve additional CMA TIP funds of \$500,000 for the

Project. This action would revise CMA TIP funds programmed to the Project to \$3,693,000. The CMA TIP program can accommodate the proposed programming.

Fiscal Impacts:

The CMA TIP program can accommodate the proposed programming.

Attachments:

Attachment A: Project Cost / Funding Sheet

Attachment B: Project Layout Map

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Current Project Cost / Funding (\$ x 1,000)

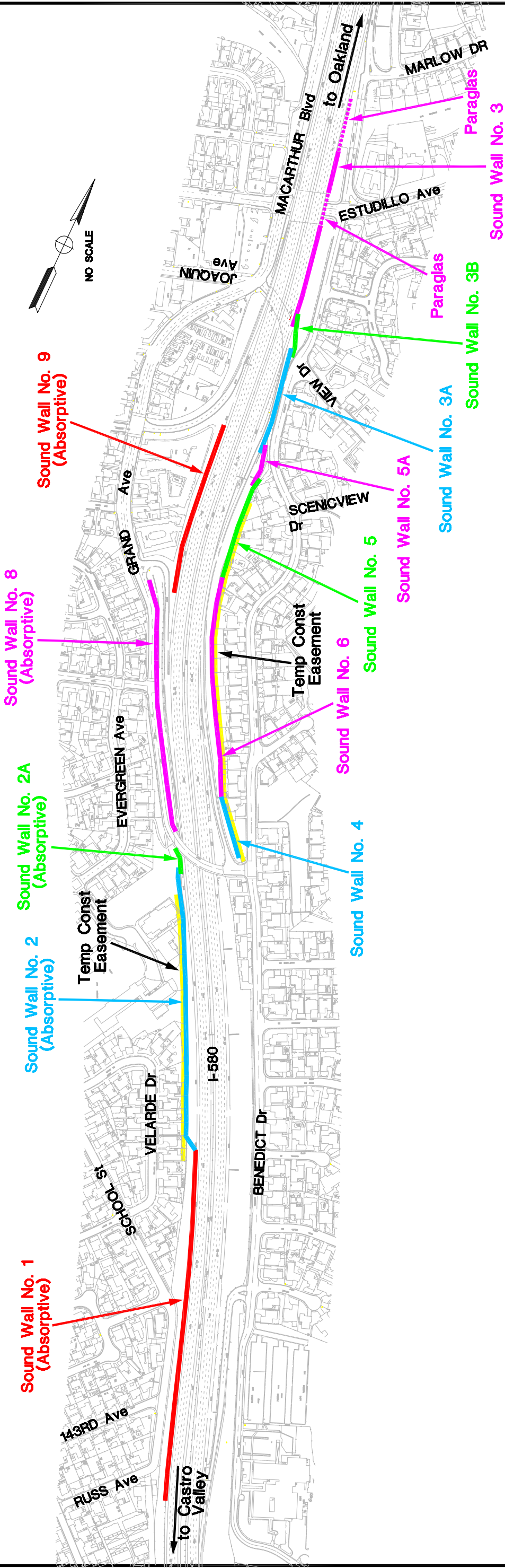
Cost Estimate by Phase	
Scoping	\$ -
PE/Environmental	\$ -
Final Design (PS&E)	\$ 2,250
Right-Of-Way	\$ -
Utility Relocation	\$ -
Construction / CM	\$ 8,205
Equipment Purchase	\$ -
Total	\$ 10,455

Funding	
CMA TIP	\$ 3,193
Federal	\$ 7,262
State	\$ -
Regional	\$ -
Local	\$ -
Other	\$ -
Total	\$ 10,455

Proposed Project Cost / Funding (\$ x 1,000)

Cost Estimate by Phase	
Scoping	\$ -
PE/Environmental	\$ -
Final Design (PS&E)	\$ 2,250
Right-Of-Way	\$ -
Utility Relocation	\$ -
Construction / CM	\$ 8,705
Equipment Purchase	\$ -
Total	\$ 10,955

Funding	
CMA TIP	\$ 3,693
Federal	\$ 7,262
State	\$ -
Regional	\$ -
Local	\$ -
Other	\$ -
Total	\$ 10,955



PROPOSED SOUND WALLS ALONG
ROUTE 580 IN SAN LEANDRO
ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY



ACCMA ■ 1333 Broadway, Suite 220 ■ Oakland, CA 94612 ■ PH: (510) 836-2560
 ACTIA ■ 1333 Broadway, Suite 300 ■ Oakland, CA 94612 ■ PH: (510) 893-3347

www.AlamedaCTC.org

Memorandum

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Programs and Projects Committee

SUBJECT: **Authorize the Executive Director to Execute the necessary Funding Agreements to deliver the Mission Boulevard/I-880 Interchange Phase 1B/2 Project I-880/Mission Boulevard (Route 262) Interchange Reconstruction (MB 196)**

Recommendations:

It is recommended that the Commission approve the following two actions related to the I-880/Mission Boulevard (Route 262) Interchange Reconstruction project (ACTA MB196):

1. Accept the Project Status Update for ACTA MB196; and
2. Authorize the Executive Director to execute the necessary funding and implementation agreements to assist the City of Fremont and Santa Clara Valley Transportation Authority (VTA) with the delivery the Mission Boulevard/I-880 Interchange Phase 1B/2 project.

Summary:

Project Status Update - The majority of the I-880/Mission Boulevard (Route 262) Interchange Reconstruction project (ACTA MB196), i.e. the I-880 Interchange portion, has been constructed and is open to traffic. The remaining portion, the portion along Mission Boulevard in the vicinity of the UPRR crossings and the Kato Road on and off ramps, has been incorporated into a separate project being implemented by the VTA in cooperation with the City of Fremont. The separate project, the Mission Boulevard/I-880 Interchange Phase 1B/2 project, is expected to enter construction in mid-to-late 2011.

The recommended action would allow the Executive Director to execute funding and implementation agreements required for project implementation which meet the following conditions:

1. Consistency with the Memorandum of Understanding from 2006, including a loan agreement to advance Measure B funds for AB1462 funds;
2. Do not commit additional Measure B funds to the project; and
3. Are found to have no adverse impact to the Alameda CTC's ability to fulfill the commitments of Measure B funds to other projects included in the Measure B Program of Capital Projects.

Discussion/Background:

Project Status Update - The majority of the I-880/Mission Boulevard (Route 262) Interchange Reconstruction project (ACTA MB196) has been constructed and is open to traffic. A portion of ACTA MB196, including the replacement of the UPRR crossings and the Kato Road on and off ramps, was deferred from the I-880 Interchange portion of the project and incorporated into a separate project which includes the Warren Avenue grade separation and improvements within the UPRR right of way. The VTA is leading the project development efforts for the Mission Boulevard/I-880 Interchange Phase 1B/2 project in cooperation with the City of Fremont. The Alameda County Transportation Authority (ACTA) has been involved with the VTA, the City of Fremont, and Caltrans throughout the project development, right of way, and utility relocation phases of the Mission Boulevard/I-880 Interchange Phase 1B/2.

The Mission Boulevard/I-880 Interchange Phase 1B/2 project is expected to go to construction during mid-to-late 2011. The VTA is leading the project development, right of way and utility relocation efforts. The design is being coordinated with the UPRR for the portions affecting the railroad right of way, with Caltrans for the State Highway portion along Mission Boulevard (State Route 262), and with the City of Fremont for the local roadway portions including Warren Avenue. Right of way and utility relocation is also being coordinated with the affected agencies and utility owners.

The funding plan for the construction phase includes State bond funding from the Highway Railroad Crossing Safety Account (HRCSA) and from the Corridor Mobility Improvement Account (CMIA), both of which require Baseline Agreements between the California Transportation Commission (CTC) and the sponsor and/or implementing agency. Other agencies providing funding for the project are required to sign the Baseline Agreement along with the implementing agency.

The funding plan includes another State-level source: AB1462 which provides for revenues from the disposal of certain excess lands to be made available to projects included in a Local Area Transportation Improvement Program (LATIP) approved by the CTC. The Phase 1B/2 project is included in the approved Historic Parkway LATIP for \$42.35 million.

A Memorandum of Understanding (MOU) was approved in 2006 between ACTA, Caltrans, and the cities of Fremont and Union City. The MOU included a commitment by ACTA to advance Measure B funds for the AB1462 funding if the AB1462 funds are not available at the time the Phase 1B/2 project is ready for reimbursement. The commitment to advance the Measure B funds was contingent on several provisions such as ACTA's ability to advance the funds without negative impacts to other Measure B commitments to remaining capital projects in the ACTA Program, a reasonable interest rate for the time out of pocket, and reasonable assurance that the funds to repay any advance will be made available for repayment.

As the funding and implementation agreements for the construction phase of the Phase 1B/2 project are being developed and executed, the Alameda CTC may be required, or requested to be signatory to one or more agreements to support project implementation. The recommended

action would allow the Executive Director to execute funding and implementation agreements required for project implementation which meet the following conditions:

1. Consistency with the MOU from 2006, including a loan agreement to advance Measure B funds for AB1462 funds;
2. Do not commit additional Measure B funds to the project; and
3. Are found to have no adverse impact to the Alameda CTC's ability to fulfill the commitments of Measure B funds to other projects included in the Measure B Program of Capital Projects.

Any agreement that includes a commitment of additional Measure B funds to the project would require specific Alameda CTC approval, in which case the agreement would have to be brought before the Alameda CTC on a future agenda for approval before the Executive Director could execute the agreement.

Fiscal Impacts:

Approval of the recommended action will have no significant fiscal impact on the Measure B Program.

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ACCMA ■ 1333 Broadway, Suite 220 ■ Oakland, CA 94612 ■ PH: (510) 836-2560
ACTIA ■ 1333 Broadway, Suite 300 ■ Oakland, CA 94612 ■ PH: (510) 893-3347

www.AlamedaCTC.org

Memorandum

DATE: November 9, 2010

TO: Alameda County Transportation Commission

FROM: Finance and Administration Committee

SUBJECT: **Approval of First Quarter Budget Update for ACTIA and Investment Report**

Recommendations:

- I. Approval of Quarterly Budget Update, including increase in Equipment Budget of \$20,000, as shown on Table 1.
- II. Approval of the Quarterly Investment Report-Table 2.

Summary:

- The first quarter results reflect an increase in sales tax revenues and lagging expenditures. Due to a lack of current collections data, the increase in sales tax appears to be timing difference and it may dissipate as the year progresses. The lag in expenses is a timing difference and staff anticipates that some of the large projects included in the budget may be pushed into next year.
- The investments yields continue to decline with average rates for ACTIA investments at 1.70% compared to the budgeted yield of 1.00% and prior year actuals at 2.50%.
- Next February, after additional sales tax collection data is released by the Board of Equalization, staff will consider revisions to the current sales tax budget, projected at \$90 million. Staff will also calculate the administrative cost ratios with the mid-year information.
- The summary under Table 1 reflects the ACTA Board action to transfer assets, liabilities, revenues and expenditures to ACTIA and the breakout of Alameda CTC and the County-Wide Transportation Plan,

Discussion:

BUDGET SECTION

The Budget Update is an opportunity to revise the estimated revenues and expenditures in line with the most current information. This practice allows staff to continually refine revenue and expenditure streams based on changes in the economic climate and costs. This also provides recipients of program funds the benefit of the latest estimates, and incorporates the Strategic Plan into the budgeting process.

The Table 1 below summarizes the revenues and expenditures by major funds under the following column headings:

1. **Original Budget** for Current Year 2010-11, which was approved last June;
2. **First Quarter Budget** shows Current Year Budget for the quarter ending September 30, 2010;
3. **The First Quarter Actuals** reflects the updated information on revenues and expenditures;
4. **Variance Budget vs Actuals** shows the variances between columns 2 and 3;

TABLE 1
SUMMARY OF REVENUE AND EXPENDITURES-ACTIA by Funds

		Fiscal Year 2010/2011			
DESCRIPTION		ORIGINAL BUDGET	FIRST QTR. BUDGET	FIRST QTR ACTUAL	VARIANCE BUDGET VS ACTUAL
REVENUES		1	2	3	4
Sales Tax-Net					
Capital Projects Fund		\$ 34,465,950	\$ 8,616,488	\$ 9,566,823	\$ 950,335
Pass-Through		48,413,268	12,103,317	13,439,120	1,335,803
Special Purpose Funds		3,070,782	767,696	852,405	84,709
General Fund-ACTIA		4,050,000	1,012,500	1,124,215	111,715
Sub-Total		90,000,000	22,500,000	24,982,563	2,482,563
Other Revenues					
Interest Income (ACTIA)		1,111,000	277,750	303,520	25,770
Other Govt. Revenue		728,677	182,169	515,676	333,507
Other Income		112,253	28,063	18,024	(10,039)
ACTC General Fund		159,250	39,813	\$ 74,925	35,113
CWTP Fund		776,834	194,209	11,364	(182,845)
ACTA Project Fund (Int.)		1,750,000	437,500	933,299	495,799
Total ACTIA Revenues		94,638,014	23,659,504	26,839,371	3,179,867
EXPENDITURES					
Capital Projects Fund		85,695,790	21,423,947	2,428,329	18,995,618
Pass-Through		48,413,268	12,103,317	13,439,120	(1,335,803)
Special Purpose Funds		10,641,911	2,660,478	136,133	2,524,345
General Fund-ACTIA		4,124,602	1,031,150	895,923	135,227
General Fund-ACTC		159,250	39,813	74,925	(35,113)
CWTP Fund		776,834	194,209	11,364	182,845
ACTA Project Fund		27,708,064	6,927,016	529,383	6,397,633
Total Expenditures		177,519,718	44,379,929	17,515,177	26,864,752
NET CHANGE		(82,881,704)	(20,720,426)	9,324,194	30,044,620
BEG. BALANCE BY FUND (Audited)					
Capital Projects Fund		87,350,878	87,350,878	87,350,878	-
Pass-Through		-	-	-	-
Special Purpose Funds		11,592,946	11,592,946	11,592,946	-
General Fund-ACTIA		14,622,538	14,622,538	14,622,538	-
General Fund-ACTC		-	-	-	-
CWTP Fund		-	-	-	-
ACTA Project Fund		189,342,754	189,342,754	189,342,754	-
Total		302,909,116	302,909,116	302,909,116	-
END. BALANCE BY FUND					
Capital Projects Fund		28,469,089	75,003,337	95,308,568	20,305,230
Pass-Through		-	-	-	-
Special Purpose Funds		3,608,635	9,700,164	12,309,218	2,609,054
General Fund-ACTIA		13,728,473	14,631,951	14,868,854	236,903
General Fund-ACTC		569,427	142,357	-	(142,357)
CWTP Fund		(664,581)	(166,145)	-	166,145
ACTA Project Fund		163,384,690	182,853,238	189,746,670	6,893,432
Total		\$ 209,095,733	\$ 282,164,902	\$ 312,233,310	\$ 30,068,408

ACTA/ACTIA Investment Status Report Quarter End September 30, 2010						Table 2	
ACTA	Pre-Audit	Interest Earned				Audited-FYE 2010	
	Investment Balance	Quarter End September 30, 2010				Investment Balance	Interest earned
		Interest earned	Avg. Rate Actual	Budget (4)	Difference	FYE June 30, 2010	FYE 2010
County Treas. Pool (2)		-					
Checking UBOC	21,209	20				53,614	\$193
State Treas. Pool (LAIF)	27,185,628	23,801	0.66%	0		17,858,450	99,664
Investment Advisors (1)	155,504,647	909,477	2.30%	0		165,070,857	5,731,340
Sub-Total Before Discount	182,711,484	933,298	2.20%	437,500	495,798	182,982,921	5,831,197
FMV Premium/(Discount)(4)	3,504,112	-				3,504,112	9,421
Total	\$186,215,596	\$933,298		\$ 437,500	\$ 495,798	\$186,487,033	\$5,840,618
Overall Rate:			2.20%	1.00%		Overall Rate:	3.00%
ACTIA	Pre-Audit	Interest Earned				Audited-FYE 2010	
	Investment Balance	Quarter End September 30, 2010				Investment Balance	Interest earned
		Interest earned	Avg. Rate Actual	Budget (4)	Difference	FYE June 30, 2010	FYE 2010
Community Bank (OPEB)(5)	908,754	\$0	0.01%			929,128	\$5,790
Checking UBOC	6,457,368	654	0.05%			4,091,191	3,148
State Treas. Pool (LAIF)	48,629,010	61,448	0.50%			49,999,050	266,298
State Treas. Pool (LAIF-ACTA)	13,000,000						
AC Transit Loan	0	68,624	7.00%			7,040,371	759,036
Investment Advisors (1)	50,810,686	172,794	1.25%			60,189,855	2,467,234
Sub-Total Before Discount	118,897,064	303,520	1.05%	277,750	25,770	121,320,467	3,501,506
FMV Premium/(Discount)(4)	343,942	-				343,942	-1,125,826
Total	\$119,241,006	\$303,520		\$ 277,750	\$ 25,770	\$121,664,409	\$2,375,680
Overall Rate:			1.05%	1.00%		Overall Rate:	1.88%
GRAND TOTAL	305,456,602	1,236,818	1.70%	715,250	521,568	308,151,442	8,216,298

Notes:

- (1) The Investment Advisor accounts were activated on July 30, 2004. Additions were made over the years.
- (2) This amount signifies the deposits on right-of-way proceedings.
- (3) The AC Transit Loan has a rate of 6% plus 1% admin fees after Jan 1, 2009.
- (4) The budget figures do not have an allowance for fair market valuation (FMV) premium/discount.
- (5) The OPEB/Health Retirement account and related interest income is an off-the-Books account.
- (6) Please refer to attached custodial bank statements for detail of investments



Account Statements

Online Access
unionbank.com/trustandcustody

ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

MB 03 001606 72229 H 10 A

ALAMEDA COUNTY TRANSPORTATION
AUTHORITY
1333 BROADWAY, SUITE 300
OAKLAND CA 94612-1922



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ACTIA

Contents

Account Number	Account Name	Statement Period
6736300870	ALAMEDA COUNTY TRANS AUTH CU	September 1, 2010 through September 30, 2010
6736300871	ALAMEDA COUNTY TRANS AUTH SUB CU	September 1, 2010 through September 30, 2010



ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

ALAMEDA COUNTY TRANSPORTATION
AUTHORITY
1333 BROADWAY, SUITE 300
OAKLAND CA 94612

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Account Number

6736300870

Account Name

ALAMEDA COUNTY TRANS AUTH CU

Relationship Manager

DENISE WONG

415-705-7326

Online Access

unionbank.com/trustandcustody

Investment Manager
CHANDLER LIQUID ASSET MGMT

Contents

Account Summary

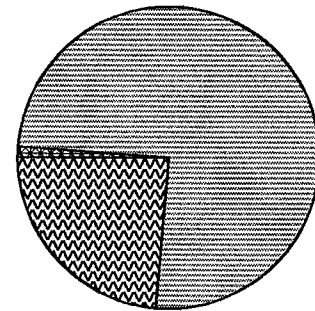
Principal Portfolio Summary
Unrealized Gain/Loss Summary
Cash Transactions Summary
Asset Detail
Maturity Summary
Transaction Detail
Realized Gain/Loss Summary

Overview of Total Account Value

Closing Value on 12/31/2009 \$94,496,216.49
Opening Value on 09/01/2010 \$86,563,047.67
Closing Value on 09/30/2010 \$86,686,036.36
Net Change For Period \$122,988.69

Overview of Account by Investment Category

Your Current Portfolio Mix





Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	1,003,993.11	1.16%	0.05%
Government Obligations	65,136,072.20	75.14%	4.07%
Corporate Obligations	20,545,971.05	23.70%	2.37%
Total Principal Portfolio	\$86,686,036.36	100.00%	3.62%

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	1,003,993.11	1,003,993.11	0.00
Government Obligations	64,908,538.05	65,136,072.20	227,534.15
Corporate Obligations	20,240,832.83	20,545,971.05	305,138.22
Total Gain/Loss	\$86,153,363.99	\$86,686,036.36	\$532,672.37

Cash Transactions Summary

Receipts	Principal Cash
Dividend	21.21
Interest	215,487.50
Accrued Interest Received	33,359.20
Sales	2,807,001.23
Total Receipts	\$3,055,869.14
Disbursements	
Purchases	(2,630,000.00)
Total Disbursements	(\$2,630,000.00)

Cash Transactions Summary (continued)

Other Transactions	Principal Cash
Net Cash Management	(425,869.14)
Total Other Transactions	(\$425,869.14)
Total Net Transactions	\$0.00



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
HighMark Money Market Funds								
HIGHMARK MONEY MARKET	431114701S	1,003,993.110	1,003,993.11	1,003,993.11	1.0000	1.16%	0.05%	502.05
U S GOVT FD FIDUCIARY SH					09/30/2010			
***CASH MANAGEMENT SWEEP								
Total Cash & Cash Equivalents			\$1,003,993.11	\$1,003,993.11		1.16%	0.05%	\$502.05

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 4.3750% 12/15/2010	912828EQ9	1,000,000.000	1,010,000.00	1,008,550.00	100.8550 09/30/2010	1.16%	4.34%	43,750.00
UNITED STATES TREAS NTS 4.7500% 3/31/2011	912828FA3	2,500,000.000	2,635,750.56	2,556,150.00	102.2460 09/30/2010	2.95%	4.65%	118,750.00
UNITED STATES TREAS NTS 4.8750% 4/30/2011	912828FD7	2,000,000.000	2,110,703.13	2,053,900.00	102.6950 09/30/2010	2.37%	4.75%	97,500.00
UNITED STATES TREAS NTS 5.1250% 6/30/2011	912828FK1	2,000,000.000	2,109,414.06	2,072,580.00	103.6290 09/30/2010	2.39%	4.95%	102,500.00
UNITED STATES TREAS NTS 4.6250% 8/31/2011	912828FS4	1,800,000.000	1,935,054.69	1,871,442.00	103.9690 09/30/2010	2.16%	4.45%	83,250.00
UNITED STATES TREAS NTS 1.1250% 12/15/2011	912828KA7	1,500,000.000	1,506,919.09	1,514,475.00	100.9650 09/30/2010	1.75%	1.11%	16,875.00
UNITED STATES TREAS NTS 4.5000% 4/30/2012	912828GQ7	1,200,000.000	1,215,703.13	1,278,936.00	106.5780 09/30/2010	1.48%	4.22%	54,000.00



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 3.8750% 10/31/2012	912828HG8	1,225,000.000	1,272,616.41	1,313,236.75	107.2030 09/30/2010	1.51%	3.61%	47,468.75
Federal Govt Agency								
FEDERAL FARM CR BKS CONS 3.7500% 12/6/2010	31331YGP9	1,000,000.000	1,011,176.00	1,006,250.00	100.6250 09/30/2010	1.16%	3.73%	37,500.00
FEDERAL NATL MTG ASSN 3.3750% 5/19/2011	31398ARH7	3,150,000.000	3,275,574.75	3,212,023.50	101.9690 09/30/2010	3.71%	3.31%	106,312.50
FEDERAL HOME LOAN BANKS 2.6250% 5/20/2011	3133XQQQ8	825,000.000	842,715.22	837,119.25	101.4690 09/30/2010	0.97%	2.59%	21,656.25
FEDERAL HOME LN MTG CORP 6.0000% 6/15/2011	3134A4FM1	2,500,000.000	2,687,222.50	2,601,575.00	104.0630 09/30/2010	3.00%	5.77%	150,000.00
FEDERAL HOME LOAN BANKS 3.3750% 6/24/2011	3133XRCW8	3,225,000.000	3,320,927.63	3,292,531.50	102.0940 09/30/2010	3.80%	3.31%	108,843.75
FEDERAL HOME LOAN BANKS 3.6250% 7/1/2011	3133XRRU6	2,500,000.000	2,609,580.00	2,563,275.00	102.5310 09/30/2010	2.96%	3.54%	90,625.00
FEDERAL FARM CR BKS CONS 5.3750% 7/18/2011	31331VJ80	2,500,000.000	2,599,910.00	2,600,775.00	104.0310 09/30/2010	3.00%	5.17%	134,375.00
FEDERAL HOME LN MTG CORP 5.2500% 7/18/2011	3137EAAf6	2,500,000.000	2,722,120.00	2,599,225.00	103.9690 09/30/2010	3.00%	5.05%	131,250.00
FEDERAL HOME LN BKS 4.8750% 11/18/2011	3133XHPH9	2,500,000.000	2,711,595.00	2,625,775.00	105.0310 09/30/2010	3.03%	4.64%	121,875.00
FEDERAL FARM CR BKS GLOBAL 2.0000% 1/17/2012	31331GKY4	1,475,000.000	1,502,218.18	1,504,957.25	102.0310 09/30/2010	1.74%	1.96%	29,500.00



Account Number
6736300870

Account Name

ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
TENNESSEE VALLEY AUTH 6.7900% 5/23/2012	880591DT6	2,125,000.000	2,317,763.00	2,340,878.75	110.1590 09/30/2010	2.70%	6.16%	144,287.50
FEDERAL HOME LN MTG CORP 4.6250% 10/25/2012	3137EAAZ2	2,500,000.000	2,562,070.00	2,710,150.00	108.4060 09/30/2010	3.13%	4.27%	115,625.00
FEDERAL HOME LOAN BANKS 3.3750% 2/27/2013	3133XP2W3	2,500,000.000	2,432,425.00	2,660,950.00	106.4380 09/30/2010	3.07%	3.17%	84,375.00
TENNESSEE VALLEY AUTH 6.0000% 3/15/2013	880591CW0	4,000,000.000	4,407,900.00	4,511,440.00	112.7860 09/30/2010	5.19%	5.32%	240,000.00
FEDERAL NATL MTG ASSN 3.8750% 7/12/2013	31398ASD5	1,700,000.000	1,811,683.20	1,845,571.00	108.5630 09/30/2010	2.13%	3.57%	65,875.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	4,000,000.000	4,411,330.00	4,429,560.00	110.7390 09/30/2010	5.11%	4.29%	190,000.00
FEDERAL FARM CREDIT BANK BONDS DTD 09/23/2010 1.10% 09/23/2013	31331JJ38	880,000.000	880,000.00	881,927.20	100.2190 09/30/2010	1.02%	1.10%	9,680.00
FEDERAL NATL MTGE ASSN NOTES 1.200% 09/27/2013	31398AA47	1,750,000.000	1,750,000.00	1,754,375.00	100.2500 09/30/2010	2.02%	1.20%	21,000.00
FEDERAL FARM CR BKs GLOBAL 3.8750% 10/7/2013	31331GCS6	2,300,000.000	2,397,934.00	2,508,449.00	109.0630 09/30/2010	2.89%	3.55%	89,125.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	2,000,000.000	2,080,600.00	2,170,620.00	108.5310 09/30/2010	2.50%	3.34%	72,500.00



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LN MTG CORP 4.8750% 11/15/2013	313444UK8	2,500,000.000	2,776,632.50	2,809,375.00	112.3750 09/30/2010	3.24%	4.34%	121,875.00
Total Government Obligations			\$64,908,538.05	\$65,136,072.20		75.14%	4.07%	\$2,550,373.75

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
MORGAN STANLEY FDIC GTD TLG 2.9000% 12/1/2010	61757UAA8	2,700,000.000	2,771,874.00	2,711,610.00	100.4300 09/30/2010	3.13%	2.89%	78,300.00
PNC FUNDING CORP DTD 12/22/2008 1.8750% 06/22/2011	69351CAA1	2,675,000.000	2,711,495.03	2,706,645.25	101.1830 09/30/2010	3.12%	1.85%	50,156.25
US BANCORP DTD 03/13/2009 2.250% 03/13/2012	91160HAA5	3,210,000.000	3,209,614.80	3,290,282.10	102.5010 09/30/2010	3.80%	2.20%	72,225.00
BANK OF AMERICA FDIC GTD TLG 3.1250% 6/15/2012	06050BAA9	2,100,000.000	2,178,477.00	2,188,179.00	104.1990 09/30/2010	2.52%	3.00%	65,625.00
GOLDMAN SACHS GP INC FDIC TL 3.2500% 6/15/2012	38146FAA9	2,000,000.000	2,027,720.00	2,090,960.00	104.5480 09/30/2010	2.41%	3.11%	65,000.00
WELLS FARGO & COMPANY DTD 03/30/2009 2.1250% 06/15/2012	949744AC0	1,900,000.000	1,899,506.00	1,952,706.00	102.7740 09/30/2010	2.25%	2.07%	40,375.00
GENL ELEC CAP CORP FDIC TLGP 2.1250% 12/21/2012	36967HA99	2,180,000.000	2,182,071.00	2,249,411.20	103.1840 09/30/2010	2.59%	2.06%	46,325.00



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
JPMORGAN CHASE & CO	481247AM6	3,250,000.000	3,260,075.00	3,356,177.50	103.2670	3.88%	2.06%	69,062.50
DTD 04/06/2009 2.1250% 12/26/2012					09/30/2010			
Total Corporate Obligations			\$20,240,832.83	\$20,545,971.05		23.70%	2.37%	\$487,068.75
Total Principal Portfolio			\$86,153,363.99	\$86,586,036.36		100.00%	3.62%	\$3,137,944.55
Total Account Values			\$86,153,363.99	\$86,586,036.36		100.00%	3.62%	\$3,137,944.55

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2010		4,700,000.000	4,793,050.00	4,726,410.00	5.52%
2011		32,175,000.000	33,779,981.66	33,107,491.50	38.64%
2012		23,165,000.000	23,627,834.52	24,275,874.55	28.33%
2013		21,630,000.000	22,948,504.70	23,572,267.20	27.51%
2014					
2015					
2016					
2017					
2018					
2019					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$0.00	81,570,000.000	\$85,149,370.88	\$85,682,043.25	100.00%



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance				
09/01/10	Dividend CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARKUS GOVERNMENT MONEY MKT FD ONE MONTH YIELD (ANNUALIZED) .05%	431114701S	\$0.00	\$85,917,841.48
09/13/10	Sales SOLD 1,175,000 PAR VALUE OF FHLB BDS 2.625% 5/20/11 LT CAPITAL LOSS OF (\$6,377.90) TRADE DATE 09/10/10 SOLD THROUGH SBC WARBURG INC. 1,175,000 PAR VALUE AT 101.6045 %	3133X00008	1,193,852.88	(1,200,230.78)
09/13/10	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF FHLB BDS 2.625% 5/20/11	3133X00008	9,681.51	
09/13/10	Interest CASH RECEIPT OF INTEREST EARNED ON US BANCORP MTN 2.250% 3/13/12 0.01125/\$1 PV ON 3,210,000 PAR VALUE DUE 9/13/201	91160HAA5	36,112.50	
09/14/10	Sales SOLD 850,000 PAR VALUE OF FNMA NTS 3.375% 5/19/11 LT CAPITAL LOSS OF (\$16,085.40) TRADE DATE 09/13/10 SOLD THROUGH MORGAN STANLEY 850,000 PAR VALUE AT 102.0941 %	31398ARH7	867,799.85	(883,885.25)
09/14/10	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF FNMA NTS 3.375% 5/19/11	31398ARH7	9,164.06	
09/15/10	Interest CASH RECEIPT OF INTEREST EARNED ON TVA 6.000% 3/15/13 0.03/\$1 PV ON 4,000,000 PAR VALUE DUE 9/15/2010	880591CWO	120,000.00	



Account Number
6736300870

Account Name
ALAMEDA COUNTY TRANS AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
09/17/10	Sales SOLD 675,000 PAR VALUE OF TENN VY AUTH SER A 6.790% 5/23/12 LT CAPITAL GAIN OF \$9,117.90 TRADE DATE 09/16/10 SOLD THROUGH MORGAN STANLEY 675,000 PAR VALUE AT 110.422 %	880591DT6	745,348.50	(736,230.60)
09/17/10	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF TENN VY AUTH SER A 6.790% 5/23/12	880591DT6	14,513.63	
09/23/10	Purchases PURCHASED 880,000 PAR VALUE OF FFCB BDS 1.100% 9/23/13 TRADE DATE 09/13/10 PURCHASED THROUGH JP MORGAN CLEARING CORP 880,000 PAR VALUE AT 100 %	31331JJ38	(880,000.00)	880,000.00
09/27/10	Purchases PURCHASED 1,750,000 PAR VALUE OF FNMA NTS 1.200% 9/27/13 TRADE DATE 09/10/10 PURCHASED THROUGH CREDIT SUISSE 1,750,000 PAR VALUE AT 100 %	31398A4A7	(1,750,000.00)	1,750,000.00
09/30/10	Interest CASH RECEIPT OF INTEREST EARNED ON U S TREAS NTS 4.750% 3/31/11 0.02375/\$1 PV ON 2,500,000 PAR VALUE DUE 9/30/201	912828FA3	59,375.00	
	Net Cash Management TOTAL ACTIVITY FOR HIGHMARK US GOVERNMENT MONEY MKT FD FROM 09/01/10 TO 09/30/10	431114701S	(425,869.14)	425,869.14
Net Activity			\$0.00	\$235,522.51
Ending Balance			\$0.00	\$86,153,363.99

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Gain / Loss Amount	
						Short	Long
09/13/10	FHLB BDS 2.625% 5/20/11	3133XQQ08	1,175,000.00	1,200,230.78	1,193,852.88	0.00	(6,377.90)
09/14/10	FNMA NTS 3.375% 5/19/11	31398ARH7	850,000.00	883,885.25	867,799.85	0.00	(16,085.40)
09/17/10	TENN VY AUTH SER A 6.790% 5/23/12	880591DT6	675,000.00	736,230.60	745,348.50	0.00	9,117.90
	TOTAL			\$2,820,346.63	\$2,807,001.23	\$0.00	(\$13,345.40)
SUMMARY						TOTAL	
Short Term Capital Gain / Loss						\$0.00	
Long Term Capital Gain / Loss						(\$13,345.40)	

Disclaimer

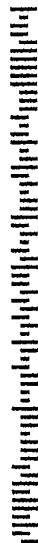
The amount your account netted on a sale minus the total amount the account paid at initial purchase is your account's realized gain (if positive) or loss (if negative). Cost basis as reported on your UB statement is either a) the lot-specific purchase price minus purchase commissions and fees or b) information provided by the client or their representative to Union Bank at or after the time we were appointed Custodian or Trustee of the assets. The monthly or quarterly statements of your account may not have correct calculations of gain/loss for a particular tax lot due to incomplete information. The cost basis information in those statements is preliminary and subject to change if you provide additional data during the year or for other reasons. Therefore, please refer to the Tax Statements that we provide after year-end to determine accurate gain/loss calculations and what we report to the IRS. Please consult your tax advisor for more information. Mutual Fund Capital Gain distributions are not included in this summary.



ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

MB 02 001637 72229 H 10 A

ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY ATTN: MR.AZAD
1333 BROADWAY, SUITE 300
OAKLAND CA 94612-1922



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Account Number	Account Name	Statement Period
6736300880	ALAMEDA COUNTY TR IMP AUTH CU	September 1, 2010 through September 30, 2010
6736300881	ALAMEDA CNTY TRANS IMP AUTH SUB CU	September 1, 2010 through September 30, 2010

Account Statements

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ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY ATTN: MR. AZAD
1333 BROADWAY, SUITE 300
OAKLAND CA 94612

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Account Number

6736300880

Account Name

ALAMEDA COUNTY TR IMP AUTH CU

Relationship Manager

DENISE WONG

415-705-7326

Online Access

unionbank.com/trustandcustody

Investment Manager
CHANDLER LIQUID ASSET MGMT

Overview of Total Account Value

Closing Value on 12/31/2009	\$30,264,475.08
Opening Value on 09/01/2010	\$30,479,761.04
Closing Value on 09/30/2010	\$29,251,660.80
Net Change For Period	(\$1,228,100.24)

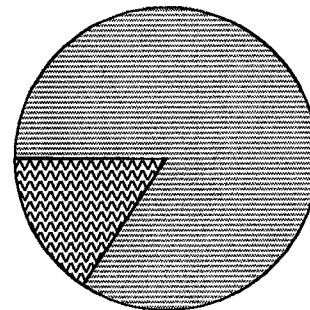
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Principal Portfolio Summary
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Cash Transactions Summary
Asset Detail
Maturity Summary
Transaction Detail
Realized Gain/Loss Summary

Overview of Account by Investment Category

Your Current Portfolio Mix

% of Total Account	Market Value	Description
0.16%	46,250.00	Cash & Cash Equivalents
84.13%	24,608,622.95	Government Obligations
15.71%	4,596,787.85	Corporate Obligations
100.00%	\$29,251,660.80	Total Account Value





Account Number
6736300880

Account Name
ALAMEDA COUNTY TR IMP AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL NATL MTGE ASSN NOTES DTD 04/09/2009 1.3750% 04/28/2011	31398AWQ1	1,000,000.000	1,008,195.00	1,006,250.00	100.6250 09/30/2010	3.44%	1.37%	13,750.00
FEDERAL NATL MTG ASSN 6.0000% 5/15/2011	31359MJH7	1,835,000.000	1,945,492.69	1,899,793.85	103.5310 09/30/2010	6.49%	5.80%	110,100.00
FEDERAL NATL MTG ASSN 3.3750% 5/19/2011	31398ARH7	1,500,000.000	1,560,225.00	1,529,535.00	101.9690 09/30/2010	5.23%	3.31%	50,625.00
FEDERAL HOME LOAN BANKS 2.6250% 5/20/2011	3133XQDQ8	1,500,000.000	1,532,209.50	1,522,035.00	101.4690 09/30/2010	5.20%	2.59%	39,375.00
FEDERAL FARM CREDIT BONDS DTD 06/01/2010 0.5% 06/01/2011	31331JPX5	1,000,000.000	1,000,504.00	1,001,250.00	100.1250 09/30/2010	3.42%	0.50%	5,000.00
FEDERAL HOME LOAN BANKS 3.1250% 6/10/2011	3133XR4U1	1,920,000.000	1,977,262.08	1,953,600.00	101.7500 09/30/2010	6.68%	3.07%	60,000.00
FEDERAL HOME LN MTG CORP 6.0000% 6/15/2011	3134A4FM1	1,410,000.000	1,495,439.22	1,467,288.30	104.0630 09/30/2010	5.02%	5.77%	84,600.00
FEDERAL FARM CR BKS BONDS DTD 06/20/2008 3.900% 06/20/2011	31331YY46	750,000.000	775,252.50	769,222.50	102.5630 09/30/2010	2.63%	3.80%	29,250.00
FEDERAL HOME LN MTG CORP 3.8750% 6/29/2011	3137EABN8	1,000,000.000	1,034,750.00	1,026,560.00	102.6560 09/30/2010	3.51%	3.77%	38,750.00
FEDERAL HOME LOAN BANKS 3.6250% 7/1/2011	3133XRRU6	1,500,000.000	1,565,748.00	1,537,965.00	102.5310 09/30/2010	5.26%	3.54%	54,375.00
FEDERAL FARM CR BKS CONS 5.3750% 7/18/2011	31331VJ80	1,000,000.000	1,039,964.00	1,040,310.00	104.0310 09/30/2010	3.56%	5.17%	53,750.00



Account Number
6736300880

Account Name
ALAMEDA COUNTY TR IMP AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LN MTG CORP 5.2500% 7/18/2011	3137EAAAF6	1,400,000.000	1,524,387.20	1,455,566.00	103.9690 09/30/2010	4.98%	5.05%	73,500.00
FEDERAL HOME LN BKS 4.8750% 11/18/2011	3133XHPH9	1,000,000.000	1,031,172.00	1,050,310.00	105.0310 09/30/2010	3.59%	4.64%	48,750.00

Total Government Obligations

\$24,967,310.86 \$24,608,622.95 84.13% 3.73% \$918,587.50

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
PNC FUNDING CORP DTD 12/22/2008 1.8750% 06/22/2011	69351CAA1	900,000.000	912,278.70	910,647.00	101.1830 09/30/2010	3.11%	1.85%	16,875.00
US BANCORP DTD 03/13/2009 2.250% 03/13/2012	91160HAA5	1,225,000.000	1,224,853.00	1,255,837.25	102.5010 09/30/2010	4.29%	2.20%	27,562.50
BANK OF AMERICA FDIC GTD TLG 3.1250% 6/15/2012	06050BAA9	800,000.000	829,896.00	833,592.00	104.1990 09/30/2010	2.85%	3.00%	25,000.00
GOLDMAN SACHS GP INC FDIC TL 3.2500% 6/15/2012	38146FAA9	800,000.000	811,088.00	836,384.00	104.5480 09/30/2010	2.86%	3.11%	26,000.00



Account Number
6736300880

Account Name
ALAMEDA COUNTY TR IMP AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
WELLS FARGO & COMPANY DTD 03/30/2009 2.1250% 06/15/2012	949744AC0	740,000.000	739,807.60	760,527.60	102.7740 09/30/2010	2.60%	2.07%	15,725.00
Total Corporate Obligations			\$4,517,923.30	\$4,596,787.85		15.71%	2.42%	\$111,162.50
Total Principal Portfolio			\$29,531,404.16	\$29,251,660.80		100.00%	3.52%	\$1,029,773.13
Total Account Values			\$29,531,404.16	\$29,251,660.80		100.00%	3.52%	\$1,029,773.13

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2010		2,000,000.000	2,070,764.00	2,012,500.00	6.89%
2011		22,925,000.000	23,808,825.56	23,506,769.95	80.49%
2012		3,565,000.000	3,605,644.60	3,686,140.85	12.62%
2013					
2014					
2015					
2016					
2017					
2018					
2019					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$0.00	28,490,000.000	\$29,485,234.16	\$29,205,410.80	100.00%



Account Number
6736300880

Account Name
ALAMEDA COUNTY TR IMP AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance				
09/01/10	Dividend CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK US GOVERNMENT MONEY MKT FD ONE MONTH YIELD (ANNUALIZED) .05%	431114701S	\$0.00	\$30,713,265.15
09/10/10	Maturities/Redemptions MATURED 1,030,000 PAR VALUE OF FHLB BDS 5.125% 9/10/10 ST CAPITAL LOSS OF (\$29,015.10) TRADE DATE 09/10/10 1,030,000 PAR VALUE AT 100 %	3133XGLE2	1,030,000.00	(1,059,015.10)
09/10/10	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 5.125% 9/10/10 0.025625/\$1 PV ON 1,030,000 PAR VALUE DUE 9/10/20	3133XGLE2	26,393.75	
09/13/10	Interest CASH RECEIPT OF INTEREST EARNED ON US BANCORP MTN 2.250% 3/13/12 0.01125/\$1 PV ON 1,225,000 PAR VALUE DUE 9/13/201	91160HAA5	13,781.25	
09/27/10	Checking / Savings Deposit CASH DISBURSEMENT PAID TO ACTIA TRANSFER TO UB CHKING/SAVING 7020024512		(1,239,197.12)	
09/30/10	Interest CASH RECEIPT OF INTEREST EARNED ON U S TREAS NTS 4.750% 3/31/11 0.02375/\$1 PV ON 1,000,000 PAR VALUE DUE 9/30/201	912828FA3	23,750.00	
09/30/10	Interest CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 4.500% 9/30/11 0.0225/\$1 PV ON 1,000,000 PAR VALUE DUE 9/30/2010	912828FU9	22,500.00	



Account Number
6736300880

Account Name
ALAMEDA COUNTY TR IMP AUTH CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
	Net Cash Management	431114701S	122,765.89	(122,765.89)
	TOTAL ACTIVITY FOR HIGHMARKUS GOVERNMENT MONEY MKT FD FROM 09/01/10 TO 09/30/10			
Net Activity			\$0.00	(\$1,181,780.99)
Ending Balance			\$0.00	\$29,531,484.16

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Gain / Loss Amount
						Short Long
09/10/10	FHLB BDS 5.125% 9/10/10	3133XGLE2	1,030,000.00	1,059,015.10	1,030,000.00	(29,015.10) 0.00
TOTAL				\$1,059,015.10	\$1,030,000.00	(\$29,015.10) \$0.00
SUMMARY						
Short Term Capital Gain / Loss				REALIZED	TOTAL	
				\$0.00	(\$29,015.10)	
Long Term Capital Gain / Loss				\$0.00	\$0.00	

Disclaimer

The amount your account netted on a sale minus the total amount the account paid at initial purchase is your account's realized gain (if positive) or loss (if negative). Cost basis as reported on your UB statement is either a) the lot-specific purchase price minus purchase commissions and fees or b) information provided by the client or their representative to Union Bank at or after the time we were appointed Custodian or Trustee of the assets. The monthly or quarterly statements of your account may not have correct calculations of gain/loss for a particular tax lot due to incomplete information. The cost basis information in those statements is preliminary and subject to change if you provide additional data during the year or for other reasons. Therefore, please refer to the Tax Statements that we provide after year-end to determine accurate gain/loss calculations and what we report to the IRS. Please consult your tax advisor for more information. Mutual Fund Capital Gain distributions are not included in this summary.



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350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY ATTN: MR. AZAD
1333 BROADWAY, SUITE 300
OAKLAND CA 94612

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Account Number

6736300881

Account Name

ALAMEDA CNTY TRANS IMP AUTH SUB CU

Relationship Manager

DENISE WONG

415-705-7326

Online Access

unionbank.com/trustandcustody

Investment Manager
PUBLIC FINANCIAL MANAGEMENT

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Principal Portfolio Summary
Unrealized Gain/Loss Summary
Cash Transactions Summary
Asset Detail
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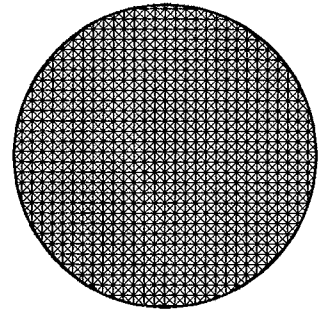
Overview of Total Account Value

Closing Value on 12/31/2009 \$38,644,726.98
Opening Value on 09/01/2010 \$29,636,102.16
Closing Value on 09/30/2010 \$21,477,639.25
Net Change For Period (\$8,158,462.91)

Overview of Account by Investment Category

Your Current Portfolio Mix

% of Total Account	Market Value	Description
100.00%	21,477,639.25	Government Obligations
100.00%	\$21,477,639.25	Total Account Value





Account Number
6736300881

Account Name
ALAMEDA CNTY TRANS IMP AUTH SUB CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Government Obligations	21,477,639.25	100.00%	2.75%
Total Principal Portfolio	\$21,477,639.25	100.00%	2.75%

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Government Obligations	21,601,686.56	21,477,639.25	(124,047.31)
Total Gain/Loss	\$21,601,686.56	\$21,477,639.25	(\$124,047.31)

Cash Transactions Summary

	Principal Cash
Receipts	
Dividend	5.34
Interest	204,083.75
Maturities/Redemptions	7,982,000.00
Total Receipts	\$8,186,089.09
Disbursements	
Checking / Savings Deposit	(8,311,767.68)
Total Disbursements	(\$8,311,767.68)
Other Transactions	
Net Cash Management	125,678.59
Total Other Transactions	\$125,678.59
Total Net Transactions	\$0.00



Account Number
6736300881

Account Name
ALAMEDA CNTY TRANS IMP AUTH SUB CU

Account Statement

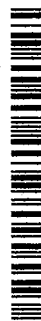
Statement Period

September 1, 2010 through September 30, 2010

Asset Detail - Principal Portfolio

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL NATL MTG ASSN NOTES DTD 03/23/2009 1.750% 03/23/2011	31398AVQ2	515,000.000	523,322.40	518,702.85	100.7190 09/30/2010	2.42%	1.74%	9,012.50
FEDERAL HOME LN MTG CORP 3.8750% 6/29/2011	3137EABN8	14,435,000.000	14,954,057.65	14,818,393.80	102.6580 09/30/2010	68.99%	3.77%	559,356.25
US Govt Agency - Discount								
FEDERAL NATL MTG ASSN DISC N 0.0000% 1/4/2011	313588AD7	6,143,000.000	6,124,306.51	6,140,542.80	99.9600 09/30/2010	28.59%	0.35%	21,729.69
Total Government Obligations			\$21,601,686.56	\$21,477,539.25		100.00%	2.75%	\$590,098.44
Total Principal Portfolio			\$21,601,686.56	\$21,477,539.25		100.00%	2.75%	\$590,098.44
Total Account Values			\$21,601,686.56	\$21,477,539.25		100.00%	2.75%	\$590,098.44





Account Number
6736300881

Account Name
ALAMEDA CNTY TRANS IMP AUTH SUB CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2010					
2011		21,093,000.000	21,601,686.56	21,477,639.25	100.00%
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$0.00	21,093,000.000	\$21,601,686.56	\$21,477,639.25	100.00%

Transaction Detail

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance					
09/01/10	Dividend	CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK US GOVERNMENT MONEY MKT FD ONE MONTH YIELD (ANNUALIZED), 05%	431114701S	\$0.00	\$30,110,805.34
09/10/10	Maturities/Redemptions	MATURED 5,000,000 PAR VALUE OF FHLB BDS 5.125% 9/10/10 LT CAPITAL LOSS OF (\$257,750.00) TRADE DATE 09/10/10 5,000,000 PAR VALUE AT 100 %	3133XGLE2	5,000,000.00	(5,257,750.00)
09/10/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 5.125% 9/10/10 0.025625/\$1 PV ON 5,000,000 PAR VALUE DUE 9/10/20	3133XGLE2	128,125.00	



Account Number
6736300881

Account Name
ALAMEDA CNTY TRANS IMP AUTH SUB CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
09/13/10	Maturities/Redemptions	MATURED 2,562,000 PAR VALUE OF FFCB BDS 5.250% 9/13/10 LT CAPITAL LOSS OF (\$136,733.94) TRADE DATE 09/13/10 2,562,000 PAR VALUE AT 100 %	31331XE40	2,562,000.00	(2,698,733.94)
09/13/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FFCB BDS 5.250% 9/13/10 0.02625\$1 PV ON 2,562,000 PAR VALUE DUE 9/13/201	31331XE40	67,252.50	
09/23/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 1.750% 3/23/11 0.00875\$1 PV ON 515,000 PAR VALUE DUE 9/23/2010	31398AVQ2	4,506.25	
09/29/10	Checking / Savings Deposit	CASH DISBURSEMENT PAID TO ACTIA TRANSFER TO UB CHKING/SAVING 7020024512		(7,887,567.68)	
09/30/10	Checking / Savings Deposit	CASH DISBURSEMENT PAID TO ACTIA TRANSFER TO UB CHKING/SAVING 7020024512		(424,200.00)	
09/30/10	Maturities/Redemptions	MATURED 420,000 PAR VALUE OF US TREAS NTS 2.000% 9/30/10 LT CAPITAL LOSS OF (\$6,956.25) TRADE DATE 09/30/10 420,000 PAR VALUE AT 100 %	912828JL5	420,000.00	(426,956.25)
09/30/10	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 2.000% 9/30/10 0.01\$1 PV ON 420,000 PAR VALUE DUE 9/30/2010	912828JL5	4,200.00	



Account Number
6736300881

Account Name
ALAMEDA CNTY TRANS IMP AUTH SUB CU

Account Statement

Statement Period

September 1, 2010 through September 30, 2010

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
	Net Cash Management	431114701S	125,678.59	(125,678.59)
	TOTAL ACTIVITY FOR HIGHMARK US GOVERNMENT MONEY MKT FD FROM 09/01/10 TO 09/30/10			
Net Activity			\$0.00	(\$8,569,118.78)
Ending Balance			\$0.00	\$21,601,686.56

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Gain / Loss Amount
						Short Long
09/10/10	FHLB BDS 5.125% 9/10/10	3133XGLE2	5,000,000.00	5,257,750.00	5,000,000.00	0.00 (257,750.00)
09/13/10	FFCB BDS 5.250% 9/13/10	31331XE40	2,562,000.00	2,698,733.94	2,562,000.00	0.00 (136,733.94)
09/30/10	US TREAS NTS 2.000% 9/30/10	912828JL5	420,000.00	426,956.25	420,000.00	0.00 (6,956.25)
TOTAL				\$8,383,440.19	\$7,982,000.00	\$0.00 (\$401,440.19)

SUMMARY

	DISTRIBUTIONS	REALIZED	TOTAL
Short Term Capital Gain / Loss	\$0.00	\$0.00	\$0.00
Long Term Capital Gain / Loss	\$0.00	(\$401,440.19)	(\$401,440.19)

Disclaimer

The amount your account netted on a sale minus the total amount the account paid at initial purchase is your account's realized gain (if positive) or loss (if negative). Cost basis as reported on your UB statement is either a) the lot-specific purchase price minus purchase commissions and fees or b) information provided by the client or their representative to Union Bank at or after the time we were appointed Custodian or Trustee of the assets. The monthly or quarterly statements of your account may not have correct calculations of gain/loss for a particular tax lot due to incomplete information. The cost basis information in those statements is preliminary and subject to change if you provide additional data during the year or for other reasons. Therefore, please refer to the Tax Statements that we provide after year-end to determine accurate gain/loss calculations and what we report to the IRS. Please consult your tax advisor for more information. Mutual Fund Capital Gain distributions are not included in this summary.

**Alameda CTC Commission Meeting 12/02/10
Agenda Item 6A**

**Alameda County Transportation Commission
Bicycle and Pedestrian Advisory Committee
Roster and Attendance Fiscal Year 2010/2011**

	Suffix	Last Name	First Name	City	Appointed By	Term Began	Re-apptmt.	Term Expires	Mtgs Missed Since July '10*
1	Ms.	Tabata, Chair	Midori	Oakland	Councilmember Rebecca Kaplan, City of Oakland	Jul-06	Sep-08	Sep-10	0
2	Mr.	Van Demark, Vice-Chair	Tom	Oakland	Supervisor Miley, District 4	Oct-04	Jan-09	Jan-11	1
3	Mr.	Boyer	David	Union City	Mayor Mark Green, Union City	Nov-06	Nov-08	Nov-10	0
4	Mr.	Chen	Alexander	Fremont	Supervisor Scott Haggerty, District 1	Oct-09		Oct-11	1
5	Ms.	Gigli	Lucy	Alameda	Supervisor Alice Lai-Bitker, District 3	Jan-07	Jan-09	Jan-11	0
6	Mr.	Johansen	Jeremy	San Leandro	Mayor Anthony Santos, San Leandro	Sep-10		Jan-12	0
7	Mr.	Jordan	Preston	Albany	Supervisor Carson, District 5	Oct-08	Sep-10	Sep-12	0
8	Mr.	Kirby	Glenn	Hayward	Supervisor Steele, District 2	Oct-03	Jan-10	Jan-12	1
9	Mr.	Salomone	Anthony	Union City	May Marshall Kamena, Livermore	Jan-10		Jan-12	0
10	Ms.	Welsh	Ann	Pleasanton	Mayor Jennifer Hosterman, Pleasanton	Oct-09		Oct-11	0
11		Vacancy			Mayor Beverly Johnson, Alameda				

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ACTIA Citizens Advisory Committee Meeting Minutes
Thursday, July 15, 2010, 5:30 p.m., 33997 Alvarado Niles Road, Union City

Attendance Key (A = Absent, P = Present)

Members:

<u>P</u> Barry Ferrier, Chair	<u>A</u> Joseph Hilson	<u>A</u> Catherine Souders-Mahanpour
<u>P</u> Cynthia Dorsey, Vice Chair	<u>A</u> Alton Jefferson	<u>A</u> Gerarda Stocking
<u>A</u> Meredith Brown	<u>P</u> Roop Jindal	<u>A</u> Brenda Walker
<u>A</u> Norbert Castro	<u>A</u> Dimitris Kastriotis	<u>A</u> Ronald Washington
<u>P</u> Val Chinn	<u>P</u> Audrey LePell	<u>A</u> Darren White
<u>A</u> Joseph Collier	<u>P</u> Pilar Lorenzana-Campo	<u>P</u> Hale Zukas
<u>P</u> Emily Duncan	<u>P</u> Frank Rose	
<u>A</u> Frances Hilliard	<u>A</u> Nicholas Sebastian	
	<u>P</u> Mike Sedlak	

Staff:

<u>P</u> Christine Monsen, Executive Director	<u>P</u> Angie Ayers, Acumen Building Enterprise, Inc.
<u>P</u> Tess Lengyel, Programs and Public Affairs Manager	<u>P</u> Lou Hexter, MIG
<u>P</u> Keonnis Taylor, Programs Coordinator	

1. Welcome and Introductions

Chair Barry Ferrier called the meeting to order at 5:35 p.m. and welcomed the new CAC member Pilar Lorenzana-Campo. The meeting began with introductions and a review of the meeting outcomes.

Guests Present: Sharon Powers (PAPCO) and Clara Sample (PAPCO) attended the meeting.

2. Public Comments

There were no public comments.

3. Approval of June 17, 2010 Minutes

Audrey LePell moved to approve the minutes as written. Roop Jindal seconded the motion. The motion carried 8-1; Hale Zukas abstained.

4. Staff Overview of Outreach Materials and Website Report

Keonnis Taylor led the discussion of ACTIA's messaging tips and benchmarks of success, which are the outreach targets that ACTIA uses to keep the community informed. CAC members reviewed a handout of outreach tracking events.

Keonnis encouraged CAC members to attend the Annual Mobility Workshop hosted by PAPCO on July 30, 2010 at MTC Auditorium.

Lou Hexter gave a report on the website update. CAC members reviewed a handout of the Constant Contact Email Tracking report and a report showing the number of pages viewed from May 1, 2010 to July 13, 2010.

Barry Ferrier suggested that the e-newsletter notification should come from a “dummy” address versus Tess Lengyel e-mail address. Barry also mentioned that “e-news” should be highlighted in black like “e-notifier.” Tess Lengyel stated that changes to the website will be done later due to the number of changes going on with the organizations. Tess announced the new Alameda County Transportation Commission (Alameda CTC) website and mentioned that the ACTIA and CMA websites will still exist on an interim basis. She informed the members that when visitors access these websites, they see a new landing page.

5. CAC Outreach Goals and Objectives

Barry Ferrier suggested that ACTIA add “e-notifier” to the CAC Outreach Planning and Review document in the section: *How should CAC provide outreach?* A member inquired if the e-newsletter goes to the local newspapers. Staff commented that the newsletter goes to the Constant Contact list, Chambers of Commerce, ACTIA Board, local elected officials, state and federal officials, and all ACTIA committee members. ACTIA also sends a press release that announces the transportation forums to all newspapers in the county.

CAC members suggested targeting the following organizations for outreach:

- Place a notice in the ICC Milpitas news.
- Place a notice in the East Indian temple in Fremont off Mission Blvd.
- Reach Tax Counseling for the Elderly Organizations. Also, many foundations fund environment changes and it would be good to reach low-income minority groups that rely on public transportation options. Other outreach targets include the Kaiser Foundation and the California Endowment project officers that organize coalitions.
- Reach climate change advocates, for example, the Regional Asthma Management Program, the Alameda County Public Health Department, and TransForm.
- Target equity advocates, people fighting for social equity from the standpoint of income.
- Use Twitter and Facebook to link to BART and AC Transit.
- Perform outreach at the Castro Valley Fall Festival sponsored by the Castro Valley Chamber of Commerce the second weekend in September.
- Perform outreach at the Fremont Festival of Art in August.
- Perform outreach at the Hayward Zucchini in August.

6. CAC Member/Outreach Reports

Barry Ferrier inquired if the Alameda County Registrar of Voters will provide voter email addresses so ACTIA can send an email blast. Discussion took place around the cost of this outreach effort. Barry stated that the cost will be \$4,200 to send 62,045 emails. Staff stated that ACTIA currently sends blasts to the Chambers of Commerce in Alameda County and the Rotary Clubs.

Cynthia Dorsey invited CAC members and staff to the new Transbay Terminal open house on August 3, 2010. The new terminal will include AC Transit, Greyhound, Muni, and SamTrans.

7. Staff Reports

Tess Lengyel invited CAC members to the upcoming Annual Mobility Workshop hosted by PAPCO on July 30, 2010. The theme of the workshop is Mobility Management.

Christine Monsen informed the CAC that the actual sales tax for this fiscal year will be \$94 million, which is 7 percent lower than last year's actual, but higher than the \$90 million budgeted.

Christine Monsen gave an update on the Oakland Airport Connector (OAC) project. Christine stated that the California Transportation Commission approved reprogramming \$20 million in Statewide Transportation Improvement Program funds to the OAC project, and the matter will come before the Alameda CTC this month for action. Full funding will be presented to the BART Board on July 22.

Christine Monsen informed the committee that the I-680 Sunol Express Lanes project with the southbound high-occupancy vehicle lanes is scheduled for completion in October 2010.

A CAC member inquired if the new website has a place for outreach work in progress. Staff posts all meetings and events to the Alameda CTC website. In the interim, if you are interested in ACTIA or CMA go the old website for each agency.

8. Adjournment/Next Meeting

The meeting adjourned at 6:45 p.m. The next meeting is at 5:30 p.m. on October 21, 2010, at Alameda CTC offices in Oakland.

Alameda County Transportation Commission
Citizen Advisory Committee
Roster and Attendance
Fiscal Year 2010/2011

	Title	Last Name	First Name	City	Appointed By	Term Began	Re-apptmt.	Term Expires	Mtgs Missed Since July '10*
1	Mr.	Ferrier, Chair	Barry	Union City	Mayor Mark Green, Union City	Jan-04	Jan-10	Jan-12	0
2	Ms.	Dorsey, Vice-Chair	Cynthia	Oakland	Supervisor Keith Carson, D-5	Feb-02	Mar-09	Mar-11	0
3	Ms.	Brown	Meredith	Oakland	Supervisor Nate Miley, D-4	Apr-07	Apr-09	Apr-11	2
4	Mr.	Castro	Norbert	San Leandro	Mayor Anthony Santos, San Leandro	Dec-07	Feb-10	Feb-12	2
5	Ms.	Chinn	Val	Hayward	Mayor Marshall Kamena, Livermore	Dec-99	Feb-10	Feb-12	0
6	Mr.	Collier	Joseph	San Leandro	Mayor Anthony Santos, San Leandro	Dec-09		Dec-11	1
7	Ms.	Duncan	Emily	Union City	Mayor Mark Green, Union City	Feb-10		Feb-12	1
8	Ms.	Hilliard	Frances	Oakland	Supervisor Alice Lai-Bitker, D-3	Jun-02	Feb-10	Feb-12	1
9	Mr.	Hilson	Joseph	Hayward	Mayor Marshall Kamena, Union City	Dec-06	Dec-08	Dec-10	2
10	Mr.	Hottle	Brad	Pleasanton	Mayor Jennifer Hosterman, Pleasanton	Oct-10		Oct-12	0
11	Mr.	Jefferson	Alton	San Leandro	Supervisor Alice Lai-Bitker, D-3	Sep-08	Sep-10	Sep-12	1
12	Dr.	Jindal	Roop	Hayward	Supervisor Scott Haggerty, D-1	Oct-03	Mar-10	Mar-12	0
13	Mr.	Kastriotis	Dimitris	Sunol	Supervisor Gail Steele, D-2	Dec-07	Jan-10	Jan-12	2
14	Ms.	LePell	Audrey	Hayward	Supervisor Gail Steele, D-2	May-04	Jan-09	Jan-11	0
15	Ms.	Lorenzana-Campo	Pilar	Oakland	Councilmember Rebecca Kaplan	May-10		May-12	0
16	Mr.	Rose	Frank	Oakland	Supervisor Nate Miley, D-4	Sep-08		Sep-10	0
17	Ms.	Sample	Clara	Union City	Mayor Mark Green, Union City	Sep-10		Sep-12	0
18	Mr.	Sebastian	Nicholas	Emeryville	Mayor Beverly Johnson, Alameda	Sep-07	Sep-09	Sep-11	2
19	Mr.	Sedlak	Mike	Pleasanton	Mayor Jennifer Hosterman, Pleasanton	May-10		May-12	0

Alameda County Transportation Commission
Citizen Advisory Committee
Roster and Attendance
Fiscal Year 2010/2011

	Title	Last Name	First Name	City	Appointed By	Term Began	Re-apptmt.	Term Expires	Mtgs Missed Since July '10*
20	Ms. Stocking	Gerarda	Gerarda	Livermore	Supervisor Scott Haggerty, D-1	Oct-03	Mar-10	Mar-12	2
21	Ms. Walker	Brenda	Brenda	Oakland	Supervisor Nate Miley, D-4	Oct-09		Oct-11	2
22	Mr. Washington	Ronald	Ronald	Berkeley	Supervisor Keith Carson, D-5	Feb-02	Mar-09	Mar-11	2
23	Mr. White	Darren	Darren	San Leandro	Mayor Anthony Santos, San Leandro	Sep-08	Sep-10	Sep-12	2
24	Mr. Zukas	Hale	Hale	Berkeley	Supervisor Keith Carson, D-5	Feb-02	Mar-09	Mar-11	0
25	Vacancy				Mayor Beverly Johnson, Alameda				
26	Vacancy				Mayor Beverly Johnson, Alameda				
27	Vacancy				Mayor Jennifer Hosterman, Pleasanton				
28	Vacancy				Mayor Marshall Kamena, Livermore				
29	Vacancy				Councilmember Rebecca Kaplan				
30	Vacancy				Councilmember Rebecca Kaplan				
31	Vacancy				Supervisor Alice Lai-Bitker, D-3				
32	Vacancy				Supervisor Gail Steele, D-2				
33	Vacancy				Supervisor Scott Haggerty, D-1				

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1333 Broadway, Suite 300
Oakland, CA 94612
(510) 893-3347 (ph)
(510) 893-6489 (fax)
www.actia2022.com

ACTIA Citizens Watchdog Committee Meeting Minutes Monday, July 12, 2010, 6:30 p.m., 1333 Broadway, Suite 300, Oakland

Attendance Key (A = Absent, P = Present)

Members:

<u>P</u> James Paxson, Chair	<u>A</u> Arthur Geen	<u>A</u> Dave Stark
<u>P</u> Jo Ann Lew, Vice Chair	<u>P</u> Earl Hamlin	<u>A</u> George Zika
<u>P</u> Pamela Belchamber	<u>P</u> James Haussener	<u>P</u> Hale Zukas
<u>P</u> Roger Chavarin	<u>P</u> Erik Jensen	
<u>A</u> Leonard Conly	<u>A</u> Melody Marr	
<u>A</u> Thomas Gallagher	<u>P</u> Harriette Saunders	

Staff:

<u>P</u> Christine Monsen, Executive Director	<u>P</u> Tess Lengyel, Programs and Public Affairs Manager
<u>P</u> Anees Azad, Finance and Administration Manager	<u>P</u> Angie Ayers, Acumen Building Enterprise, Inc.
<u>A</u> Art Dao, Deputy Director	

Meeting Key (Action Items = A, Information/Discussion Items = I)

Public Hearing Minutes

1. Call to Order/Welcome and Introductions - I

Chair, James Paxson called the meeting to order at 6:35 p.m. The meeting began with introductions and a review of the meeting outcomes.

2. Report from Chair/Review Draft Annual Report - I

The CWC members reviewed the CWC 8th Annual Report to the Public along with the draft press release. The following changes were requested by the CWC members:

- a) On page 1, in the second paragraph, the Financials-at-a-Glance should read as follows. This change is also required on the press release:
The Measure B fund balance of \$132.2 million is currently committed to capital projects and program expenditures, including \$127 million from previous years and \$5 million designated for future expenditures.
- b) On page 3, the end of the first paragraph should read as follows:
When the estimates were originally set forth in the late 1990s, they were deemed to be very conservative, especially in relation to then-current economic conditions.
- c) On page 3, the middle of the second paragraph should read as follows:
The transportation programs that receive 60 percent of the Measure B funds, however, are facing serious funding challenges.
- d) On page 3, in the graphic key, remove "(Actual/Projected)" from the end of each item in the key.

3. Public Comments - I

The public had no comments.

4. Close Public Hearing on Annual Report - I

The chair closed the public hearing to review the CWC 8th Annual Report to the Public at 6:45 p.m.

Regular Meeting Agenda**1. Welcome and Introductions - I****2. Approval of June 14, 2010 Minutes - A**

Roger Chavarin moved to approve the minutes as written. Jo Ann Lew seconded the motion. The motion carried with one abstention, Earl Hamlin (8-1).

3. Adoption of Final Annual Report - A

Earl Hamlin moved to adopt the 8th CWC Annual Report with the changes noted during the public hearing. Harriette Saunders seconded the motion. The motion carried with one abstention, James Haussener (8-1).

4. Approval of Publication Quantity and Costs - A

Tess Lengyel informed the committee that the budget for the publishing of the CWC 8th Annual Report is \$50,000, which is the same as last year. The actual cost for the 7th Annual Report was \$52, 846, and ACTIA agreed to pay for the additional costs since it uses the CWC Annual Report for its general outreach efforts.

CWC members suggested for next year to consider placing billboards on BART and AC Transit; include verbiage in the fare gate flyer at BART; include information in the Chamber of Commerce newsletter, etc.; consider promoting the report through social media, for example, Facebook; and leverage ACTIA's relationship with its partners for outreach to a broader audience.

Tess also explained that the CWC Annual Report is distributed to a multitude of audiences for through ACTIA's general outreach venues. The audience includes organizations such as the League of Women Voters, the California Taxpayers' Association, media, libraries, and ACTIA Community Advisory Committees.

James Paxson requested a volunteer group to work with staff to distribute and finalize the 8th CWC Annual Report and oversee the publication costs. The volunteers for the subcommittee are:

- James Haussener
- Jo Ann Lew
- James Paxson
- Harriette Saunders
- Hale Zukas

Earl Hamlin made a motion to approve the subcommittee to make recommendations to finalize the 8th Annual Report, the print ad for publications, the press release, and the Publication Cost Schedule. Roger Chavarin seconded the motion. The motion carried unanimously.

5. Approval of Press Release for CWC Annual Report – A

James Paxson stated that ACTIA will distribute the press release to the media throughout Alameda County and beyond, and it would be nice if it can be sent to the Better Business Bureau, to all

jurisdictions, and the same organizations that received the Countywide Transportation Plan/Expenditure Plan mailing.

Roger Chavarin made a motion to approve the draft press release with the changes noted in the public hearing; and with a change of date on page 14 in the packet from June 30, 2008 to June 30, 2009. Earl Hamlin seconded the motion. The motion carried unanimously.

6. Approval/Acceptance of CWC Bylaws – A

CWC members requested that ACTIA staff distribute the meeting minutes two weeks prior to the agenda planning session and solicit input from the members for new agenda items. Those suggestions will be included in the agenda planning session held with the chair, vice-chair and staff. Staff agreed to include the suggestions in a calendar of events for the CWC Agenda Review Schedule and send it to CWC members.

Roger Chavarin made a motion to adopt the CWC Bylaws as written. Harriette Saunders seconded the motion. The motion carried unanimously.

Tess Lengyel informed the committee that the Alameda County Transportation Commission (Alameda CTC) is meeting for the first time on July 22, 2010, and members may need to revisit the CWC Bylaws before next year to reflect any Commission changes.

7. Approval of CWC FY 10/11 Calendar – A

The CWC requested changing the April 28, 2011 date to April 2011 on the calendar.

Earl Hamlin made a motion to approve the CWC Calendar with the requested change. Roger Chavarin seconded the motion. The motion carried unanimously.

8. CWC Watch List for Fiscal Year 2010/2011 - I

CWC members reviewed the current "Watch List" for both projects and programs. The members selected the projects and programs they want to watch during fiscal year 2010-2011.

9. CWC Member Reports/Issues Identification

The CWC members formed an Ad-hoc Committee to work with the City of Fremont and the City of Oakland to review the ending Measure B balances/reserves stated in their compliance reports. The following members will serve on the Committee:

- Pamela Belchamber
- James Haussener
- Erik Jensen
- Jo Ann Lew
- James Paxson
- Harriette Saunders

Staff will contact the CWC members to extend an invitation to absent members.

Pamela Belchamber made a motion to form an Ad-hoc Committee to work with the cities of Fremont and Oakland to understand why their reserves are high. Earl Hamlin seconded the motion. The motion carried unanimously.

James Haussener will complete the ad-hoc forms, and ACTIA will send them to the jurisdictions. The cities will have a representative attend the ad-hoc meeting to address CWC's concerns. ACTIA will provide the CWC Ad-hoc Committee with the contracts for Fremont and Oakland prior to the Ad-hoc meeting.

10. Staff Reports

Anees Azad informed the CWC that the actual sales tax for this fiscal year will be \$94 million, which is 7 percent lower than last year's actual, but higher than the \$90 million budgeted.

Tess Lengyel stated that the Request for Proposals was released for the Countywide Transportation and Transportation Expenditure Plan (CWTP-TEP) consultant. The pre-bid meeting is scheduled for Thursday, July 15. Proposals are due August 19 and will go to the Commission in September for approval.

Tess Lengyel informed the CWC that 47 applications were received for the CWTP-TEP Community Advisory Working Group (CAWG). Currently, staff is reviewing the applications and will make a recommendation to the CWTP-TEP Steering Committee on July 19. Staff mailed appointment requests to numerous organizations that will appoint members to create the CWTP-TEP Technical Advisory Working Group (TAWG).

Tess Lengyel announced the upcoming South County Transportation Forum on July 15, 2010 at the Ruggieri Senior Center in Union City. Tess also announced PAPCO Annual Mobility Workshop on July 30, 2010 at MTC Auditorium.

Christine Monsen gave an update on the Oakland Airport Connector (OAC) project. Christine stated that the California Transportation Commission approved the reprogramming of \$20 million in Statewide Transportation Improvement Program funds to the OAC project and the matter will come before the Alameda CTC this month for action. Full funding will be presented to BART Board on July 22.

Christine Monsen informed the committee that the I-680 Sunol Express Lanes project with the southbound high-occupancy vehicle lane project is scheduled for completion in October 2010.

11. Adjournment/Next Meeting

The meeting adjourned at 8:10 p.m. The next meeting is November 8, 2010.

Fiscal Year 2010/2011

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Paratransit Advisory and Planning Committee Meeting Minutes
Monday, September 20, 2010, 1 p.m.,
1333 Broadway, Suite 300, Oakland

Attendance Key (A = Absent, P = Present)

Members:

<u>P</u> Sylvia Stadmire, Chair	<u>P</u> Jane Lewis <u>A</u> Audrey Lord- Hausman	<u>P</u> Clara Sample <u>P</u> Harriette Saunders
<u>P</u> Carolyn Orr, Vice-Chair	<u>P</u> Jonah Markowitz	<u>P</u> Will Scott
<u>P</u> Aydan Aysoy	<u>P</u> Betty Mulholland	<u>A</u> Maryanne Tracy- Baker
<u>A</u> Larry Bunn	<u>P</u> Sharon Powers	<u>P</u> Renee Wittmeier
<u>P</u> Herb Clayton	<u>P</u> Vanessa Proee	<u>P</u> Hale Zukas
<u>P</u> Shawn Costello	<u>P</u> Carmen Rivera- Hendrickson	
<u>P</u> Herb Hastings	<u>P</u> Michelle Rousey	
<u>P</u> Joyce Jacobson		

Staff:

<u>A</u> Tess Lengyel, Programs and Public Affairs Manager	<u>A</u> Keonnis Taylor, Programs Coordinator
<u>P</u> Naomi Armenta, Paratransit Coordinator	<u>P</u> Angie Ayers, Acumen Building Enterprise, Inc.
<u>P</u> Rachel Ede, Nelson/Nygaard	<u>P</u> Krystle Pasco, Paratransit Coordination Team
<u>P</u> Cathleen Sullivan, Nelson/Nygaard	

1. Welcome and Introductions

Sylvia Stadmire, PAPCO Chair, called the meeting to order at 1 p.m. The meeting began with introductions and a review of the meeting outcomes.

Guests Present: Jennifer Cullen, Tri-Valley Senior Support Services; Kim Huffman, AC Transit; Hakiem McGee, City of Oakland; and Carolyn Verheyen, MIG attended the meeting.

2. Public Comments

There were no public comments.

3. Approval of June 28, 2010 Minutes

Harriette Saunders moved that PAPCO approve the minutes as written. Clara Sample seconded the motion. The motion carried unanimously (14-0-1); Carmen Rivera-Hendrickson abstained.

4. Mobility Workshop Outcomes Report

Rachel Ede reviewed the survey results from the 7th Annual Mobility Workshop held on July 30 at the Metropolitan Transportation Commission (MTC) Auditorium with PAPCO. The results from the workshop survey, which was distributed via email this year, were as follows:

- Presentations: The State of the System Planning for Progress and What Does Planning for Progress Mean ranked highest as the most informative of the presentations. The presentation, Mobility through Collaboration by David Cyra, Ambassador of United We Ride, was considered too “small town.”
- Resource Fair: The participants found the resource fair had relevant, helpful information. However, MTC did not follow the room setup plan, and the attendees noted that the workshop setup did not lend itself to easy maneuvering for wheelchairs.
- Alameda County Coordination Working Session: Several themes emerged from the working session discussions, such as – travel across jurisdictions and service areas; linking transportation planning across the county; the available spectrum of transportation services across the county; increasing collaboration with the range of transportation providers operating in communities; developing a single point of contact for accessing transportation information; a more passenger-centered focus to service delivery; and an approach to transportation planning linked to the needs of the complete community.

5. Develop PAPCO Goals and Work Plan for FY 10/11

- A. Review Work Plan Outcomes from 09/10 – Naomi Armenta reviewed the outcome of fiscal year 09/10 goals and stated the accomplishments of the committee.
- B. Develop new Goals/Work Plan FY 10/11 – PAPCO combined the items from previous meetings, as well as the goals from 09/10 and generated new goals and a work plan for fiscal year 2010/11.

6. Per Diem Process Review

Naomi informed PAPCO that the Alameda County Transportation Commission (Alameda CTC) approved new per diems for the Community Advisory Committee members. PAPCO members reviewed the per diem process outlined in the agenda packet. PAPCO members will receive a per diem for one outreach event per year, and the members agreed to notify staff when they want to receive payment for an event they attended.

7. Member Reports on PAPCO Mission, Roles, and Responsibilities Implementation

Naomi announced that United Seniors of Alameda County (USOAC) will have their 20th Annual Convention on November 18, 2010.

PAPCO was informed that East Bay Paratransit will increase its rates in January 2011. Base fare will start at \$4.

Betty Mulholland informed PAPCO that the California Senior Legislature (CSL) will celebrate 30 years of service to older Californians at its 30th Anniversary Legislative Session in Sacramento in October. CSL is asking for donations to assist in the Anniversary Celebration. Naomi agreed to take the request to Tess Lengyel.

PAPCO members stated that AC Transit is re-routing many of its routes, will cut-hours, and will cut weekend services. PAPCO wants to make a statement through the Commission to AC Transit regarding the impact the service changes have on the paratransit community. Naomi agreed to speak with Tess on the subject.

The AC Transit Board will decide regarding more cuts on Wednesday, September 22, at its 6 p.m. meeting at 1600 Franklin. The public can attend. A member stated that TransForm has a meeting scheduled on September 21 at 5:30 p.m. at 436 14th Street, Oakland, regarding AC Transit service changes.

Joyce Jacobson applied for the Clipper Card. She called BART and AC Transit to request purchase locations. Joyce was unable to get feedback from BART and AC Transit. She was surprised that the staff is so poorly informed regarding the Clipper Card. Naomi said that she will ask her contact for more information.

Naomi requested PAPCO members review the Ground Rules in the agenda packet.

8. Committee Reports

- A. East Bay Paratransit Services Review Advisory Committee (SRAC) – Sharon Powers attended the September 7, 2010 SRAC meeting. She informed the committee that SRAC elected a new chair, Don Queen. Sharon stated that the next SRAC meeting is scheduled for November 7, 2010.
- B. Citizens Watchdog Committee (CWC) – Harriette Saunders announced that CWC finalized and distributed the 8th CWC Annual Report.

9. Mandated Program Reports (Information Only)

Naomi requested PAPCO review the documents in the packet for this agenda item.

10. Staff Updates

- A. Mobility Management – Naomi encouraged PAPCO to review the article *Success in Mobility Management Is Focus of ESPA Strategic Plan* in the packet. She also mentioned that the City of Oakland launched the new free Broadway Shuttle system, which connects downtown with Jack London Square, and is an excellent example of a public/private partnership.
- B. Outreach Update – Krystle Pasco reviewed the Outreach Tracking Spreadsheet with PAPCO. She highlighted the outreach events that took place during the month of September, including the Family Faith Day in the Park at Moss Wood Park, the 13TH Annual Senior Resource in San Leandro, and the 36th Annual Solano Avenue Stroll in Albany.

Krystle announced outreach plans at the Disabled Student Residence Program on October 1, 2010. She also notified PAPCO of the I-580 Groundbreaking Ceremony taking place during the PAPCO meeting.

- C. Other Staff Updates – Naomi announced that Art Dao was appointed the executive director of the Alameda CTC, and his position became effective on September 1, 2010. The Alameda CTC has three standing committees that meet the second Monday of every month. The committees are:

Planning, Policy and Legislation Committee (PPLC); Programs and Projects Committee (PPC); Finance and Administration Committee (FAC). A retirement party is being held at Scott's Seafood Restaurant in Jack London Square on October 8th for Christine Monsen and Dennis Fey.

The PAPCO members want to invite Christine to one of their meetings to say goodbye, rather than attend the retirement party. Naomi agreed to take the request to Tess.

Naomi informed the members that MTC is conducting a Title VI analysis of the Clipper Card. Once done, it may have an impact on how BART fares are calculated.

11.Committee Leadership Training

Carolyn Verheyen of Moore Iacofano Goltsman, Inc. (MIG) held a Committee Leadership Training for PAPCO and staff that covered being an effective committee member, time management, and decision making.

12.Adjournment

The meeting adjourned at 4 p.m.

**Alameda County Transportation Commission
Paratransit Advisory and Planning Committee**

Roster and Attendance

Fiscal Year 2010/2011

	Title	Last	First	City	Appointed By	Term Began	Re- apptmt.	Term Expires	Mtgs Missed Since July-10
1	Ms.	Stadmire, Chair	Sylvia J.	San Leandro	Supervisor Alice Lai-Bitker, D-3	Sep-07	Feb-10	Feb-12	0
2	Rev.	Orr, Vice-Chair	Carolyn M.	Oakland	Councilmember Rebecca Kaplan	Oct-05	May-10	May-12	0
3	Ms.	Aysoy	Aydan	Berkeley	City of Berkeley	Jul-09		Jul-11	0
4	Mr.	Bunn	Larry	Union City	Union City Transit	Jun-06	Sep-10	Sep-12	2
5	Mr.	Clayton	Herb	Hayward	Supervisor Gail Steele, D-2	Sep-03	Mar-07	Mar-11	0
6	Mr.	Costello	Shawn	Dublin	City of Dublin	Sep-08	Sep-10	Sep-12	1
7	Mr.	Hastings	Herb	Dublin	Supervisor Scott Haggerty, D-1	Mar-07	Mar-09	Mar-11	1
8	Ms.	Jacobson	Joyce	Emeryville	City of Emeryville	Mar-07	Mar-09	Mar-11	0
9	Ms.	Johnson	Sandra J.	Oakland	Supervisor Nate Miley, D-4	Sep-10		Sep-12	0
10	Ms.	Lewis	Jane	Dublin	City of Livermore	Sep-09		Sep-11	1
11	Mr.	Markowitz	Jonah	Berkeley	Supervisor Keith Carson, D-5	Dec-04	Mar-09	Mar-11	0
12	Ms.	Mulholland	Betty	Oakland	Supervisor Nate Miley, D-4	Sep-09		Sep-11	1
13	Ms.	Powers	Sharon	Fremont	City of Fremont	Dec-07	Jan-10	Jan-12	0
14	Ms.	Proee	Vanessa	Hayward	City of Hayward	Mar-10		Mar-12	0
15	Ms.	Rivera-Hendrickson	Carmen	Pleasanton	City of Pleasanton	Sep-09		Sep-11	1
16	Ms.	Rousey	Michelle	Oakland	Supervisor Gail Steele, D-2	May-10		May-12	0
17	Ms.	Sample	Clara	Union City	City of Union City	Mar-07	Mar-09	Mar-11	0
18	Ms.	Saunders	Harriette	Alameda	BART	Jun-08	Sep-10	Sep-12	0

**Alameda County Transportation Commission
Paratransit Advisory and Planning Committee
Roster and Attendance
Fiscal Year 2010/2011**

19	Mr.	Scott	Will	Berkeley	Supervisor Keith Carson, D-5	Mar-10		Mar-12	1
20	Ms.	Tracy-Baker	Maryanne	San Leandro	Supervisor Scott Haggerty, D-1	Oct-08		Oct-10	1
21	Ms.	Wittmeier	Renee	San Lorenzo	Supervisor Alice Lai-Bitker, D-3	May-09		May-11	0
22	Mr.	Zukas	Hale	Berkeley	A. C. Transit	Aug-02	Mar-09	Mar-11	0
23		Vacancy			City of Alameda				
24		Vacancy			City of Albany				
25		Vacancy			City of Newark				
26		Vacancy			City of Piedmont				
27		Vacancy			City of San Leandro				
28		Vacancy			LAVTA				

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www.AlamedaCTC.org

Memorandum

DATE: November 19, 2010

TO: Alameda County Transportation Commission

FROM: Planning, Policy and Legislation Committee

SUBJECT: Legislative Update

Recommendations:

This is an information item only.

Summary:

The November election results will bring significant change in the coming year from a shift in power in the House of Representatives to a returning Governor to proposition passage that will redefine how fees and taxes are approved in the State of California. The attachments included provide an overview of these changes. Attachment A is an update from our State lobbyist, Suter, Wallauch, Corbet & Associates, and Attachments B1 and B2 include federal updates.

Development of the 2011 Legislative Program will be done during the December 17th Commission retreat. During the retreat, staff will provide an overview of the legislative landscape in both Washington and Sacramento to set the framework for crafting the legislative program for 2011.

Background:

Each year, the Commission adopts a Legislative Program to provide direction for its legislative and policy activities for the year.

The purpose of the Legislative Program is to establish funding, regulatory and administrative principles to guide legislative advocacy in the coming year. The program is intended to be flexible to allow for the opportunity to pursue legislative and administrative opportunities that may arise during the year, and to respond to the political issues and processes in Sacramento and Washington, DC.

In the previous year, the legislative program focused on the federal bill reauthorization and on specific project and program implementation including the following sections:

- Federal Transportation Bill Reauthorization
- Transportation Funding
- Project Delivery

- Multi-modal Transportation
- Transportation and Social Equity
- Climate Change

Our state and federal lobbyists will be scheduling meetings early next year with Legislators in Sacramento and Washington, D.C. to discuss the Commission's legislative needs in 2011.

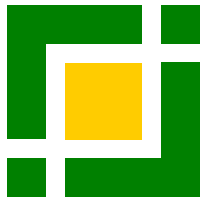
Fiscal Impact:

No direct fiscal impact.

Attachments:

Attachment A1: State Legislative update

Attachment B1 and B2: Federal updates



November 19, 2010

TO: Art Dao, Executive Director
Alameda County Transportation Commission

FR: Suter, Wallauch, Corbett & Associates

RE: Legislative Update

More Bad News: On the heels of Governor Schwarzenegger's announcement of another special session on the budget, the LAO underscored the need by pegging the deficit at \$25.4 billion. This includes a \$6 billion deficit in the current fiscal year and 2011-12 spending gap of \$19 billion. The Governor has called a special session on the budget to begin on December 6, with the goal addressing the current year shortfall. While Proposition 25 makes it easier to approve any fixes by lowering the vote requirement for budget bills to a majority, any budget fixes will likely not move forward until January after Governor Brown is sworn into office.

The October spending plan disintegrated faster than expected with the help of Proposition 22 and 26. For the current fiscal year, the LAO assumes the state will not secure \$3.5 billion in federal funds and Proposition 22 will prevent the state from counting about \$800 million in general fund savings this year. The rest of the current year shortfall is based on higher than expected costs for prisons and other programs. The \$19 billion gap in 2011-12 is due primarily to the temporary fixes in the current year budget and the end of temporary tax increases, such as the sales tax and vehicle license fee increases.

The LAO assumes that Prop 22 prevents the state using transportation funds for bond debt payments or as loans to the general fund starting on November 3. Any loans or debt payments made before that date are permissible. According to the LAO about \$400 million in loans to the general fund have not been executed, and about \$400 million in gas tax funds budgeted for bond debt payments have not yet been made. This brings the general fund impact of Prop 22 to \$800 million for the current fiscal year. This \$800 million is now available for transportation projects, which must be appropriated by the Legislature.

With respect to Prop 26, the LAO assumes it will repeal the gas tax swap if not reenacted by the Legislature with a 2/3 vote by November 2011. It is interesting to note that the LAO assumes that the repeal of the swap will result in the sales tax on gasoline automatically being restored. If this is true, and many do not think it is true, then Prop 26 would have little affect on transportation funding because the Prop 42 process will be restored, and transit funding would receive a huge boost due to the protection in Prop 22 that require spill over funds to flow to transit operations and capital.

Propositions: While California defied the rest of the county and maintained its true blue status, the results on the propositions are a little confusing. The voters reduced the vote threshold on approving a budget to a simple majority, but also approved Prop 26 which requires a 2/3 vote at the state and local level to impose or increase nearly any fee or tax. Prop 22 was also approved which provides greater protections for local revenues, but it adds to the current year budget deficit and creates untold confusion when overlaid with the requirements of Prop 26. The only thing we know for sure is that legislative revenge for Prop 22 will only require a majority vote. It will be months, years before the dust settles on the impacts surrounding the passage of Prop 22 and Prop 26.

- **Prop 22:** Prop 22 contained numerous provisions aimed at protecting local funding sources, including the eliminating the state's ability to borrow local property tax revenues, prevents the state from shifting redevelopment agency funds to schools, and places greater protections on the local share of Highway User Tax Account (HUTA) funds. In addition, Prop 22 placed in the Constitution several changes intended to protect funding for highway projects and public transit programs.

However, since the drafting of Prop 22, the state enacted the gas tax shift which made significant changes on how transportation and transit funds are collected and allocated. The enactment of Prop 22 raises several questions on how implementation will impact the 2010-11 state budget and transportation funding. The LAO assumes Prop 22 will impact the general fund by \$800 million in current fiscal year, and approaching \$1 billion annually in future fiscal years. How these funds are redirected to transportation and transit projects is not clear.

- **Prop 26:** This Proposition basically amends the Constitution to require a 2/3 vote to impose a fee or tax at the state or local level. There remains a limited scope of local fees that can be raised without a vote. The most immediate Prop 26 impact is that it applies to any state laws passed on or after January 1, 2010. This includes the gas tax swap.

Under Prop 26 the Legislature must adopt the gas tax swap again with a 2/3 vote within one year to prevent the swap's repeal. If the Legislature is unable to act on the gas tax swap it is not clear what happens next. The LAO assumes that the sales tax on gasoline is automatically reinstated and therefore the Prop 42 funding process is reinstated and transit operating funds are restored. CSAC's County Counsel group does not agree. They believe if the gas tax swap is not reenacted then the sections are repealed leaving no funding stream for transportation programs. The County Counsel's point to the absence of direction in either Prop 26 or the gas tax swap statute on what happens if the swap is repealed or invalidated.

There are also questions on whether the swap is automatically repealed in one year if the Legislature does not act. Or, does a party need to challenge the validity of the swap and ask the courts to intervene?

While the simplest course of action in the coming year is for the Legislature to scrape together the 2/3 vote necessary to reenact the gas tax swap, it does provide an opportunity to examine options. Local entities need to weigh in on whether reenacting a funding system heavily weighted on the excise tax is appropriate. Local governments will soon face new challenges set in SB 375 and a more flexible funding source may be necessary to meet those challenges.

Strategic Growth Council (SGC): In September the Health in All Policies Task Force held a series on workshops, including one in Oakland, to review the need to develop consistent policies aimed at improving the health of all Californian's as well as advancing the State's climate change goals. The SGC has posted the Task Force's recommendation and they are soliciting comments. In particular the Task Force is recommending that transportation policies incorporate complete streets principles and emphasize active transportation, such as walking, biking, or taking public transit. The recommendations can be found at <http://www.sgc.ca.gov/workgroups/hiap.html> or by contacting our office.

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SIMON AND COMPANY
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Washington Friday Report

Volume XII, Issue 45

November 19, 2010

INSIDE THIS WEEK

- 1 **Earmarks, FY11 Omnibus**
- 2 **SAFETEA-LU, Debt Reduction, Water Resources**
- 2 **House Minority, D Block, FHFA, OMB**

Well, so far the lame duck has not disappointed, with some big surprises which will have long-term impacts. They'll close it down for Thanksgiving later today and come back on the 29th. Here's a quick overview of the highlights:

Earmarks: The Growing Moratorium

The issue of earmarks has been at the forefront in Washington this week. Most Republicans, with some exceptions, have been voicing their opposition, while most Democrats, with some exceptions, continue to support. The end result, though, is a growing moratorium. Here's how it lines up: House Republicans, who will control the whole House oppose earmarks. We expect them to be fully banned on the House side. Senate Republicans have joined them. But Senate Democrats, who will control the Senate, appear to want to try to continue them, although the potential legislative chaos with such a mixed approach cannot be underestimated. We have included a summary of some of the more prominent political opinions on earmarks expressed recently.

This week **President Obama** spoke about earmarks as the main theme of his weekly address. While the President did not say he supported the GOP's complete moratorium on earmarks, he stated his belief that there must be new limitations put in place and greater transparency of the process by which earmarks are chosen. *"Now, some of these earmarks support worthy projects in our local communities. But many others do not. We can't afford Bridges to Nowhere like the one that was planned a few years back in Alaska. Earmarks like these represent a relatively small part of overall federal spending. But when it comes to signaling our commitment to fiscal responsibility, addressing them would have an important impact."*

Speaker-designate **John Boehner** spoke about the House Republicans decision to ban earmarks this week: *"Earmarks have become a symbol of a Congress that has broken faith with the people. This earmark ban shows the American people we are listening and we are dead serious about ending business as usual in Washington... House and Senate Republicans are now united in adopting earmark bans. We hope President Obama will follow through on his support for an earmark ban by pressing*

Democratic leaders to join House and Senate Republicans in taking this critical step to restore public trust."

Senate Minority Leader **Mitch McConnell** pronounced his support of the House GOP ban on earmarks. *"Banning earmarks is another small but important symbolic step we can take to show that we're serious, another step on the way to serious and sustained cuts in spending and to the debt."*

Senator **Richard Lugar** spoke out as one of the few Republican voices of opposition to the GOP earmark ban. Senator Lugar stated his belief that the earmark process is an amendment to spending bills and instead of reducing spending by eliminating earmarks they would be forced to broaden spending by removing earmarks as part of their amendment right. He argued that the ban gives the appearance of reducing spending without producing any actual results: *"I oppose the Senate Republican Conference voluntary moratorium on so-called 'earmarks.' At a moment in which over-spending by the Federal government perpetuates annual deficits of over \$1 trillion a year, the Congress is being asked to debate a Congressional earmark spending resolution which will save no money even while giving the impression that the Congress is attempting to meet the public demand to reduce spending."*

In contrast, Democratic Senator **Claire McCaskill** voiced her support of the GOP earmark ban: *"I welcome Senator McConnell to the fight to ban earmarks. Tax dollars are always best distributed based on merit. I'm glad that Republican leadership is coming around to this idea; now it's my Democratic colleagues turn to get on board,"*

Even after the GOP's announcement of their ban on earmarks, there has been talk that transportation infrastructure projects may still have a spot. **John Mica** (R-Fla), who is poised to take over as House Transportation committee chairman, voiced his caution about a rigid ban. In an interview he said the issue will have to be decided on a case-by-case basis and that he had conferred with GOP leadership about the issue. Mica stated: *"There are some bills that require some legislative language to direct the funds, otherwise you're writing a blank check to the administration."* In contrast, **Senator Richard Shelby** (R-Ala) stated that he did not think the GOP's earmark moratorium left any room for exceptions, even for transportation infrastructure. *We have included the release and their remarks for your review.*

FY11 Omnibus Derailed

Senate Minority Leader **Mitch McConnell** announced this week that he would not support any omnibus appropriations

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spending measure for FY11. This statement makes it look like a continuing resolution is the only spending measure likely to be passed in the near future. It appears that his side would prefer a two- or three-month spending measure, which would give them more leverage to force spending cuts early next year when the short-term spending bill expired and would have to be extended. The Democrats, however, would likely push for a yearlong stopgap measure. *We have included Senator McConnell's remarks for your review.*

SAFETEA-LU Extension

With the most recent extension of the surface transportation law, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) due to expire on December 31st the Senate has begun working on a 6 month extension to keep the programs funded through July 4, 2011. It is still up in air as to whether the Environment and Public Works Committee will produce a draft of a completely new bill, but it has been reported that the committee hopes to make "substantial progress" in the beginning of the new year. The most challenging aspect of creating a new bill has been getting Congress to agree on funding mechanisms and it is likely that this disagreement will only increase in the new Congress. *Background included.*

Debt Reduction Task Force

A report entitled "Restoring America's Future" was released on Wednesday by the Debt Reduction Task Force. The Task Force made recommendations to reduce and stabilize 60 percent of the national debt. The plan was developed by a bipartisan task force and chaired by former Senate Budget Committee Chairman **Pete Domenici** and former White House Budget Director and Federal Reserve Vice Chair Dr. **Alice Rivlin**, and includes 19 former White House and Cabinet officials, former Senate and House members, former governors and mayors, and business, labor, and other leaders. The plan also reforms personal and corporate taxes to make America more competitive, ensures that Social Security can pay benefits to future generations, and controls health care costs. *Please see attached: <http://bipartisanpolicy.org/projects/debt-initiative/about>*

Water Resources Hearing

The Senate Committee on Environment and Public Works (EPW) examined proposals for maintaining ports, waterways, and flood controls. Senator **Barbara Boxer** (CA) discussed the importance of maintaining ports especially in California, and how they were able to establish a National Committee on Levee Safety which directed the Committee to come with recommendations for a national levee system. Senator **James Inhofe** (OK) ranking minority member of the Committee, noted: "...I strongly support federal investment in public infrastructure. In fact, I believe it is one of two areas where the federal government should spend money, the other being national defense, of course." Both statements are attached.

House Minority Elections

Following the Democratic leadership elections this week, the incoming House Minority Leader **Nancy Pelosi** was asked what she thought the message was from the voters November 2. She

replied: "The message we received from the American people was that they want a job — they want jobs. 9.5% unemployment is a very tough screen to get through with any other message." She responded to the challenge that as she currently holds a very low approval rating that she may not have been the best choice to lead the House Democrats. Speaker Pelosi pointed out that over \$75 million was spent in campaigns against her and not many could sustain high ratings after such an aggressive campaign. She contended that she was just as much of an effective leader and was proud of the accomplishments she had made with health care, Wall Street reform, and consumer protection. *See attached article.*

D Block Spectrum

Republicans from the Energy and Commerce Committee will seek to block public safety control of the "D" Block frequency. Rep. **Joe Barton** (TX) (a candidate for chairmanship) favors a "clean auction" without any public safety access requirement. However, this past August, Senator **Jay Rockefeller** (WV), chairman of the Commerce, Science, and Transportation Committee introduced a legislation (S. 3756) that would reallocate the 700 MHz D Block spectrum to public safety to support operation of a proposed nationwide wireless broadband networks for first responders. The measure would turn the D Block over to the public sector with the promise that the FCC could auction any returned portion. Ranking member of the House Homeland Security Committee, Rep. **Peter King** (NY) also introduced a bill (HR 5081) that would give the Block to public safety. Senators **Joe Lieberman** (CT), **John McCain** (AZ) and **Kay Bailey Hutchinson** (TX) all support turning the spectrum directly over to public safety. *See attached article.*

Housing Oversight Leadership

President Obama announced this week his nomination of **Joseph A. Smith, Jr.** to the position of Director of the Federal Housing Finance Agency, overseeing federal housing finance agencies such as Fannie Mae and Freddie Mac. The President Obama stated: "Mr. Smith brings to this position both tremendous expertise and a deep commitment to strengthening our housing finance system for the American people. I'm grateful that he has accepted this nomination, and I look forward to working with him in the months and years to come." Currently, Smith is the North Carolina Banking Commissioner. *White House statement included.*

New OMB Director at Last

This week the Senate confirmed the nomination of **Jacob L. Lew** to lead President Obama's Office of Management and Budget. Lew held the same job at OMB during the Clinton administration and received a great deal of praise for his role in bringing about the Balanced Budget Act of 1997. The nomination has been on "hold" for several months by Senator Mary Landrieu in a dispute with the White house over off-shore drilling. *White House statement included.*

Please contact Len Simon, Claire Colegrove or Rukia Dahir with any questions.

**MEMORANDUM**

TO: Arthur Dao
Alameda County Transportation Commission
FROM: CJ Strategies
RE: Legislative Update
DATE: November 19, 2010

Both the House and Senate returned to Washington on November 15, for the lame duck session and new Member orientation. We are hearing the session could run through December 17. The House and Senate leaders have been occupied with organizational matters this week for the 112th Congress — including some leadership contests — in advance of a weeklong Thanksgiving break. Most significant legislative action will be pushed into a period beginning November 29.

As you know, there will be big changes in the 112th Congress. Republican candidates won enough seats in the mid-term elections to transfer the Majority rule of the House of Representatives from Democrat to Republican. Democratic candidates won enough seats to retain the Majority rule of the Senate although with a smaller margin.

There are a few priorities the current Democratic leadership wants to address in a lame duck session: an omnibus appropriations package, an extension of the 2001 and 2003 tax cuts that expire at the end of the year, an extension of unemployment benefits, Medicare reimbursement rates for physicians, and child nutrition and food safety bills. Some other priorities include:

- Tax extenders -- Renewal of popular tax breaks including state sales tax deductions and the research and development credit has foundered, even after the House and Senate passed versions of a bill (S 3793) earlier this year.
- Defense Authorization -- Opposition to language repealing Don't Ask Don't Tell is just one of several problems holding up the annual measure authorizing military programs (S 3454).
- START Treaty -- The White House is pushing for a vote on the new strategic arms reduction treaty (START — Treaty Doc 111-5) with Russia, but many Senate Republicans are in no hurry.
- Immigration -- Senate Majority Leader Harry Reid, D-Nev., has promised a vote on a bill (HR 1751, S 3827) that would offer conditional legal status to undocumented children of illegal immigrants if they go to college or join the armed forces.
- Social Security Payments -- The House is expected to vote on a bill (HR 5987) that would order a \$250 payment to Social Security recipients as compensation for the fact that there will be no 2011 cost-of-living adjustment.

We will continue to send updates as the lame duck session gets underway.

Continuing Resolution and FY11 Appropriations

The current continuing resolution expires December 3, and Democrats will have to decide in whether to press ahead with a more than \$1 trillion omnibus spending package for the entire fiscal year that started October 1. Fiscally conservative Republicans in both chambers have already come out in opposition to the omnibus. They are feeling emboldened after significant Republican gains in the midterm elections and are eager to make good on their promises to cut spending when they take over the House in January. If Democratic leaders opt for an omnibus, House Speaker Pelosi could likely move the package with relative ease. But winning enough support for the package in the Senate would be more difficult, where Republicans in the minority could throw up procedural roadblocks.

A critical component to completing the FY11 bills will be the ability of the House and Senate to agree on a top-line level of discretionary spending. The Democrats' inability to adopt a budget resolution denied them the common discretionary cap that such a measure sets for both chambers, and as a result House and Senate Democrats went their own ways — with Republicans in both chambers calling for dramatically lower spending. The only certainty appears to be that FY11 spending will be significantly below the \$1.128 billion requested by President Obama, which itself reflected a proposed freeze in non-security discretionary spending.

Congress ultimately may opt for a longer-term continuing resolution to keep the government funded into next year, thus allowing incoming Republicans an early chance to shape federal spending. One option is to pass another short-term CR during the lame-duck session as they decide how to move forward.

We will keep you updated as leadership determines how to move forward and let you know how it could impact funding included in the FY11 House THUD bill for the I-80 Gilman Street Interchange.

SAFETEA-LU Reauthorization

The current SAFETEA-LU extension expires on December 31. We expect Congress to pass another short-term extension during the lame duck session; incoming Chair John Mica (R-FL) and several members of the Senate committees with jurisdiction are supporting a six-month extension.

As stated above, the likely new Chairman will be the current ranking member, John Mica. Mica has worked closely with the outgoing Chair in supporting the \$500 billion reauthorization bill. However, given the change in his Caucus, it will likely be difficult for him to move such a large funding package with \$200 billion left unfunded by gas tax revenues.

The Ranking Member will likely be Nick Rahall (D-WV), rather than Peter DeFazio (D-OR) who has been the Chair of the Highways and Transit Subcommittee. We are hearing that Rahall may focus more on basic highway functions rather than mass transit and livability.

Mica plans to draft a very different bill from Oberstar's draft; we are hearing it will be significantly smaller with an emphasis on public-private partnerships. We are hearing that he strongly believes a bill will either be passed in the first nine months of 2011 or not at all before 2013.

Below are more details we are beginning to hear from his staff:

Major Priorities for the Next Highway Bill

1. Streamline Project Delivery
 - a. Mica calls this his 437-Day Plan, after the Minnesota bridge collapse and subsequent fast-track repair
 - b. The average project takes 14 years to complete – his goal is to cut that time in half to 7 years
 - c. Combine the Final EIS with the Record of Decision
 - d. Create hard deadlines for agency sign-offs
 - e. Expand the list of Categorical Exclusions
 - f. Expand list of what states can do before Final NEPA clearance (at their own risk)
 - g. Allow states to take some power from the USDOT
 - h. Allow states with a tough environmental process (CA, FL) to stand in for federal standards
2. Better Leverage Resources
 - a. Emphasis on PPP's
 - b. Allow new lanes to be tolled, not existing interstate lanes
 - c. Against Oberstar's idea of a DOT Office of Public Benefit
 - d. DOT will be a resource for states to consult on PPP's to ensure a fair deal but will not have veto authority
 - e. Encourage state-level infrastructure banks (in the South Carolina mold)
 - f. Expand the cap on Private Activity Bonds (PAB's)
 - g. Keep and possibly expand Build America Bonds (BAB's)
 - h. Consideration of a new class of qualified tax exempt bonds
 - i. Encourage use of TIFIA instead of creating a National Infrastructure Bank
 - j. If National Infrastructure Bank is created, allow only loans and not grants
3. Stabilize the Highway Trust Fund
 - a. No gas tax increase
 - b. Reprogram unspent DOT money
 - c. Shrink the size of the next Highway Bill to fit the amount of funding coming into the system
 - i. \$7 Billion for transit, about a \$3 Billion decrease
 - ii. \$35 Billion for highways, about a \$7 Billion decrease
 - d. Greater emphasis on projects with a strong federal benefit
 - e. Greater emphasis on projects located in the National Highway System
 - i. Other projects will have less federal funding to compete for
 - ii. Some project types (enhancements, for example) could be dropped from HTF consideration
4. Performance Measures
 - a. Will be included in the bill; accountability is important
 - b. Committee will consult outside groups for technical assistance

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www.AlamedaCTC.org

Memorandum

DATE: November 18, 2010

TO: Alameda County Transportation Commission

FROM: Programs and Projects Committee

SUBJECT: Semi-Annual Capital Projects Update

Recommendations

This is an information item only and no action is requested.

Summary

This memorandum provides a status update on 13 active ACCMA-sponsored projects. The projects, the current phase and the estimated construction completion dates are summarized below. The projects are separated by the County's four planning areas: Planning Area 1 (PA1 or North), PA2 (Central), PA3 (South) and PA4 (East). The Background section of this memorandum includes additional information of each of the projects and a discussion of the status and issues affecting the delivery of the project.

Project No.	Project Title	Current Phase	Estimated Construction Complete Date
Planning Area 1 (North)			
345.0	SMART Corridors Programs	Operations	ongoing
374.1	I-580 Sound Wall Project in Oakland	Design	TBD
410.0	I-880 North Safety and Operational Improvements Project at 23rd/29th Avenues	Design	late 2015
491.0	I-80 Integrated Corridor Mobility (ICM) Project	Design	early 2015
440.0	Webster Street SMART Corridor Project	Design	mid 2011

Planning Area 2 (Central)			
430.0	I-880 Southbound HOV Lane Extension Project	Design	early 2014
374.0	I-580 Sound Walls Project in San Leandro	Construction	Nov 2010
Planning Area 3 (South)			
470.0	I-680/I-880 Cross Connector Project	Scoping	mid 2012
210 / 372	I-680 Express Lane Project	Construction	Nov 2010
Planning Area 4 (East)			
420.0 / 420.5	I-580 Eastbound HOV Lane/Aux Lane Project	Const. (HOV) / Design (Aux)	Nov 2010 (HOV) / early 2011 (Aux)
424.0	I-580 Westbound HOV Lane Project	Design	late 2013
420.4	I-580 Eastbound High Occupancy Toll (HOT) Lane	Design	mid 2012
424.1	I-580 Westbound High Occupancy Toll (HOT) Lane	Scoping	late 2013

Background

SMART Corridors Programs (Project No. 345.0) – The SMART Corridors Program provides video and traffic data to the public and to transportation managers of cities and partnering agencies along three major arterial corridors: San Pablo Avenue Corridor, Telegraph Avenue Corridor, and the Hesperian Boulevard/International Boulevard/East 14th Street Corridor. The program also provides transit signal preemption (TSP) for buses along the named corridors. The ongoing Operations and Maintenance (O&M) of the SMART Corridors Program's equipment was initiated and is being provided by the Alameda CTC. Funding was initially provided by federal grants and some capital funds. More recently, funding was committed the West Contra Costa Technical Advisory Committee (WCCTAC – a regional transportation planning committee advising the expenditure of the Contra Costa County Measures C and J Transportation Sales Tax programs and projects) and AC Transit. The selection of a new maintenance contractor for the management of the advanced transportation management system (ATMS) field components is complete; however, the award of the contract is pending the approval of funding.

The annual O&M costs, inclusive of Commission staff costs, ranges between \$851,000 and \$1,597,000. However, due to the lack of sustainable funding for this O&M program, the management of the program has been relegated to keeping the components energized by payment to the utility companies (PG&E, AT&T, communications, etc.). The O&M service contracts have not been renewed or approved in the current fiscal year and any needed service is paid on as-need-basis by a service contract or purchase order.

Future options for the continuation of ACTC's role in the O&M of the SMART Corridors Program are under evaluation, including transferring O&M to the local cities as stated in the cooperative agreements.

Key Project issues

- O&M funding shortfall – the original funding for this Program has been depleted. Under the terms of the O&M Plan, the installed electronic components and equipment belong to the participating cities and the Program's maintenance can be transitioned to them if alternative funding resources are not found.
- Potential Funding Options – the funding required for the ongoing maintenance of the SMART Corridor Program can be potentially obtained through the following options:
 - The Alameda CTC could continue to provide O&M for the Program with a combination of funding from the Vehicle Registration Fee (pending election results), AC Transit, CMA TIP funding and other grants. Funding from VRF, if available, would be the only sustainable funding source for the O&M of the SMART Corridors. All other funding sources are not neither sustainable nor considered as reliable.
 - The Commission could continue to provide O&M for the Program with supplemental funding provided by the cities. A Memorandum of Understanding revising the cooperative agreement with each city would be prepared to document the funding commitments.
 - The Commission could discontinue providing O&M services for the Program and turnover the O&M responsibilities to the Cities. If funding from VRF will not be available, this option would be the most prudent. Staff will bring a recommendation back to the Commission in the future for further consideration and directions.

I-580 Sound Wall Project in Oakland (Project No. 374.1) – The goal of the project is to construct sound walls on the west side of I-580 in Oakland between 14th Avenue and Ardley Avenue. The final design and preparation of the plans, specifications, and estimate (PS&E) have been completed. These contract documents have been submitted to Caltrans for review, and they have been approved. However, the funding for construction capital and construction management of the project has never been identified, and it is uncertain as to the timetable for the construction of these sound walls.

Key Project issues

- Project funding shortfall – Construction funding, approximately \$2.0 million, is needed to complete this project. At this time, a funding source has not been identified.

I-880 North Safety and Operational Improvements at 23rd/29th Avenues (Project No. 410.0) – This project proposes to construct operational and safety improvements on Interstate 880 at the existing overcrossings of 29th Avenue and 23rd Avenue in the City of Oakland. Improvements include replacing three (3) freeway overcrossing structures and multiple

improvements to the northbound on and off ramps, as well as the freeway mainline. The Final Project Report and Environmental Document were approved by Caltrans in April 2010. A consultant team has been selected to prepare the civil and structural design packages for the project. The design effort is contracted through the 35 percent PS&E milestone.

This project is funded with \$73 million from the Trade Corridor Improvements Fund (TCIF) of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B November 2006. The current estimated total project cost is \$95 million.

Key Project issues

- Project funding shortfall -- The project currently has an overall funding shortfall of at least \$3.1 million. This funding shortfall needs to be addressed in the immediate future to allow for the completion of the final design and preparation of the PS&E, as well as for right-of-way acquisition activities to continue. In addition, though the project development work to obtain the environmental clearance and project approval of the project has been complete, there is insufficient fund in the environmental clearance project phase to close out the consultant contract.
- Project delivery schedule – as this project is funded with a substantial amount of the State Proposition 1B bond funds, the California Transportation Commission and Caltrans, consistent with State statutes, require that the project construction contract must be awarded by December 31, 2013. This project involves the complex acquisition of a few right-of-way parcels and potential relocation of major utilities that would require protracted negotiations with property owners and utility companies. These long-lead time project activities posed a major risk to the project schedule, and could put the state funds in jeopardy.

I-80 Integrated Corridor Mobility (ICM) Project (Project No. 491.0) – This project will install new Active Traffic Management (ATM) features along Interstate 80 in Alameda and Contra Costa Counties. It will also upgrade existing traffic management elements along the San Pablo Avenue Corridor.

The project will employ state-of-the practice Traffic Operations System (TOS) and Intelligent Transportation System (ITS) tools to improve safety, mobility, and trip reliability for all users in the 20-mile corridor. The main project components will be Incident Management, Adaptive Ramp Metering (ARM), and Traffic & Transit Information on the freeway mainline, and improvements to San Pablo Avenue and arterials connecting with I-80.

The project is significantly funded with \$55.3 million from the statewide Proposition 1B Corridor Mobility Improvements Account (CMIA) funds and \$21.4 million from the Proposition 1B Traffic Lights Synchronization Program (TLSP) funds, for a total of \$76.7 million. The current estimated total cost of the project is \$93.855 million.

The project is currently planned to be delivered via seven construction contracts with varying schedules. The environmental clearance for the major elements of the project is being obtained.

At this time, none of the seven construction contracts has been advertised or awarded, pending funding allocations from the California Transportation Commission. At this point the CTC Commissioners, CTC staff, and Caltrans Headquarters management staff have expressed several concerns related to the project scope, costs, schedule, management approach, and risks management associated with the implementation of the project. The CTC had indicated that until these issues are addressed, state funding allocations to this project will not be approved

Key Project issues

- Project funding shortfall – A key consultant contract to provide design engineering for the project has a budget shortfall of about \$1 million. This contract budget overrun was created by about 4 years of project delays and scope adjustments. Funding for the contract budget shortfall is proposed to be from the CMA TIP Exchange Program and ACTIA Measure B Congestion Relief Emergent Funds (CREF), on a 50-50 basis. Approval for these additional funds is being requested under a separate action this month.
- Lack of project consensus from the California Transportation Commission – For the past few years, the CTC and Caltrans Headquarters have expressed several concerns related to the project scope, costs, schedule, management approach, and risks management associated with the implementation of the project. The CTC has indicated that until these issues are addressed, state funding allocations to this project will not be approved. For the past few weeks, Alameda CTC staff has been actively coordinating and engaging staff of the Metropolitan Transportation Commission (MTC), Caltrans District 4, Contra Costa Transportation Authority (CCTA), and CTC aiming at resolving these long-standing issues. Alameda CTC will host a Workshop with staff of these named agencies in November 2010 to accomplish this goal.
- Lack of project consensus from the Cities along the San Pablo Avenue Corridor – The nine cities along the San Pablo Avenue Corridor have also been raising issues related project scope and potential traffic impacts on each of the cities. The most significant issue that are raised by the Cities has been the potential costs for operating and maintaining (O&M) the traffic management components to be installed along the San Pablo Corridor and arterials connecting to I-80. The Cities do not want to be responsible for the O&M costs. And a few cities in Contra Costa County have already conditioned their approval of the project on the O&M costs not born by them. Alameda CTC staff is planning an outreach program to meet with Cities along the project limits in the next few months to explain the project scope, project implementation and operation of the integrated project, and to seek solutions to the O&M resource issue.
- Project Environmental Clearance – It was determined that a Biological Assessment is required and submittal to Fish and Wildlife Service for a Biological Opinion through the Formal Process will be necessary. This will extend the approval of the environmental document to May 2011. Completion of the draft Environmental Document is dependant on Caltrans' approval of the Technical Studies. The Cultural Resources study, in particular, may require selective excavation of several sites.

- Project Scope and Schedule – The project is approximately 14 months behind the baseline schedule due to resolution of the project scope among project partners and stakeholders.

Webster Street SMART Corridor in Alameda (Project No. 440.0) – In partnership with the City of Alameda, AC Transit and Caltrans, the Alameda CTC is implementing the Webster Street SMART Corridor project. The purpose of this project is to improve traffic, transit operations and safety. The project includes traffic signal installation, modifications, and timing coordination for the corridor. The project also implements Transit Signal Priority System (TSP) for AC Transit, Emergency Vehicle Preemption (EVP) for the fire department, Closed Circuit TV cameras and real-time speed and volume detection equipment allowing remote monitoring and sharing of data in real-time. A series of electronic Trail Blazer Signs (TBS) accessible to the City and Caltrans would allow implementation of a Traffic Incident Management (TIM) system through the Webster/Posy Tubes connecting the City of Alameda with the City of Oakland where the area trauma center is located.

The project communications costs are minimized through implementation of a robust wireless system. Staff is working on utilizing existing links between fire, police, and public works departments for further cost reductions and allowing access to all emergency responders. The funding for this project has been provided through a variety of local, regional, and federal sources totaling \$1.6 million, including a \$340,000 federal earmark, \$90,000 federal stimulus funds from Department of Energy, \$830,000 in TFCA funds, and \$278,000 from MTC. The design for this project has been completed and construction advertisement is pending an authorization to proceed (E-76) from Caltrans. It is estimated that the construction would begin by March 2011.

Key Project issues

- Project Funding Shortfall -- Additional funds are being sought for the unfunded portion of this project including implementation a local Transportation Management Center (TMC) in the city of Alameda that would connect City departments (Public Works, Fire, Police) with Caltrans, CHP, County and Coastguard.

I-880 Southbound HOV Lane Extension (Hegenberger to Marina) (Project No. 430.0) – This project will widen the southbound I-880 from Hegenberger Road to Marina Boulevard to extend the existing SB HOV by approximately three (3) miles. The project includes reconstructing the overcrossing structures over I-880 at Davis Street and Marina Boulevard and the Union Pacific Railroad – San Leandro Creek Overhead structure. The Environmental Document was approved in February 2010 and the Project Report in March 2010. Engineering work is underway. The project will be constructed in two segments, with two construction contracts. The first contract will cover the northern segment of the project which includes the Davis Street and Marina Boulevard overcrossings. The second construction contract will cover the southern segment which including the UPRR – San Leandro Creek bridge. The roadway and Structures PS&E is at 95% for the south segment. The roadway PS&E is at 95% for the north segment, but the north segment structures PS&E is at 35% because of the inclusion of unforeseen seismic retrofit work.

At the request of the City of San Leandro, the Alameda CTC is also managing the preparation of a Combined Project Study Report/Project Report (PSR/PR) for modifications of the Marina Boulevard Interchange. Alameda CTC staff is also coordinating with the City of San Leandro regarding additional improvements at the Davis Street Interchange.

This project is funded with \$94.6 million from the statewide Proposition 1B CMIA funds. The CTC requires that the construction contracts for this project must be awarded by December 31, 2012.

Key Project issues

- Project Funding Shortfall – Right of Way Phase funding of about \$2 million was requested through the 2008 STIP, but was not approved. The additional funding is needed to complete the right of way acquisition and utility relocation phases for the project. The completion of these activities is required and critical deliver the project on the established schedule approved by the CTC and Caltrans.
- Project delivery schedule – a construction and maintenance (C&M) agreement with UPRR will be required for the construction of the project. This complex and long-lead time activity posed a substantial risk to the project delivery schedule and may put state bond funds in jeopardy. UPRR has provided comments on the draft C&M Agreement and ACTC and CT staff are working with UPRR to finalize the Agreement.

I-580 Sound Walls Project in San Leandro (Project No. 374.0) – The San Leandro soundwall project contractor began work on June 15, 2009. The project is on schedule to be completed in November 2010. The contract time was extended approximately eighteen weeks due to weather conditions and utility issues. All work, including the masonry block soundwalls on the east side of I-580, the lightweight material walls located on the bridges, and the precast sound absorptive walls on the west side of I-580 have been completed.

Key Project issues

- Project Funding Shortfall – An additional \$500,000 is needed to fund required change order requests and additional construction management services due to the time extension of the construction contract. Staff is assessing the possibility of using funding from the CMA TIP Exchange Program to fund the project cost overrun.

I-680 to I-880 Cross Connector Project (Project No. 370.0) – This project will provide a Project Study Report (PSR) to identify improvements to SR 262 (Mission Boulevard) between I-680 and Warm Springs Boulevard in Fremont. The partner agencies have agreed to reinstate work on the project. A time extension was approved by the Alameda CTC in September 2010 allowing for the use of the Measure B funds through June 2012. ACTIA is providing Measure B funding for this project (ACTIA 22). The design consultant under contract that prepared the preliminary/conceptual plans has developed a scope of work. The PSR is anticipated to be initiated in November 2010.

I-680 Express Lane Project (Project Nos. 210.0/372.0) – The Express Lane opened for operations on September 20, 2010. The project widened southbound I-680 to accommodate the existing HOV Lane and the Express Lane (High Occupancy Toll) from SR 84 in Alameda County to SR 237 in Santa Clara County. The project was split into six contracts: three roadway contracts, one landscape contract, an environmental mitigation contract and a system integrator contract. The three roadway contracts under Caltrans oversight are completed. The system integrator contract is undergoing acceptance testing. Completion of the site acceptance testing is scheduled for early December. The landscape contract and environmental mitigation contract are underway, with completion scheduled for mid 2011.

I-580 Eastbound HOV Lane Project (Project No. 420.0-HOV, 420.5-Aux) – The Eastbound High Occupancy Vehicle (HOV) lane Project provides an eastbound HOV lane from Hacienda Drive in Pleasanton to the Greenville overcrossing in Livermore. The first segment, from Airway Boulevard to the Greenville overcrossing, was opened to traffic on October 2, 2009 and the construction contract was accepted on February 2, 2010. Construction of the second segment began on August 2009 by Ghilotti Construction. The HOV lane from Airway and First Street was opened on July 18, 2010. The remaining portion between Hacienda and Airway will open on November 10 2010.

The engineering consultant retained by the Alameda CTC is preparing the PS&E for the auxiliary lanes between Isabel Avenue and North Livermore Avenue and North Livermore Avenue and First Street in Livermore. The PS&E for the Auxiliary Lanes Project is 95% complete. In addition, a re-validation of the environmental document for the I-580 Eastbound HOV Lane Project is being prepared to include the addition of the eastbound auxiliary lanes into the project scope.

The environmental document for the conversion of the I-580 Eastbound HOV Lane to a double High Occupancy Toll (HOT) Lane is being prepared. A re-validation for a single eastbound HOT lane has already been approved.

Key Project issues

- Project Delays -- the schedule for the eastbound auxiliary lanes has been impacted by the delay in the approval of the Biological Assessment by the U. S. Fish and Wildlife Services (USFWS), which is required for the completion of the Re-Validated environmental document. The schedule may be further impacted by the decision on HOT Lane implementation options as discussed below.

I-580 Eastbound High Occupancy Toll (HOT) Lane (Project No. 420.4) – Preliminary engineering and preparation of the environmental document began in July 2008. A revalidation of the I-580 EB HOV Lane Project IS/EA was approved to allow conversion to a single HOT lane. The Alameda CTC is preparing an environmental document for the construction of a double HOT lane in the eastbound direction. All environmental technical reports have been completed and have been submitted to Caltrans for review. Two design workshops were held to define the parameters of the Dynamic Pricing Algorithm and to coordinate the civil elements of the System Integrator work with those of the HOV and auxiliary lanes project. It is anticipated

that the I-580 Eastbound HOT Lane project would be added to the Eastbound Auxiliary Lane project described above.

Key Project issues

- Lack of consensus on project scope – Caltrans has not yet concurred with the scope due to design standard issues pertaining to shoulder and lane widths on the freeway mainline. Caltrans requires a 10-foot wide median shoulder and 12-foot wide lanes. The previously approved single HOT lane project scope could accommodate the Caltrans shoulder and lane width standards. However, the currently proposed double HOT lane project scope cannot accommodate the Caltrans standards. There are three scope options currently under discussion:
 - Option 1 – Implement the double HOT lane project as currently proposed with non-standard left shoulder width and 11-foot lanes at spot locations from Hacienda Boulevard to First Street. Incorporate the HOT project elements into the Eastbound Auxiliary Lane Project. Caltrans has not approved this option.
 - Option 2 -- Implement the single HOT lane project with the Eastbound Auxiliary Lane Project and convert to a double HOT lane facility at a future date as required by traffic demand. According the Traffic and Revenue Study prepared for the project, it is forecast that the double HOT lane will be required three years after the single HOT lane is put into operation. Caltrans has approved construction of a single HOT lane; conversion to a double HOT lane will still be subject to the design standard issues mentioned above. MTC staff also endorsed this concept.
 - Option 3 -- Implement the double HOT lane project with non-standard left shoulder and lane widths from Hacienda to Isabel, standard widths from Isabel to Greenville. This option would require changes to the Auxiliary Lane Project, including additional widening. This option will delay construction of the auxiliary lane project. Staff is coordinating with Caltrans to further explore this option.
- Potential funding shortfall and schedule delays – dependent on which option would ultimately selected for the delivery of the I-580 Eastbound HOT and Auxiliary Lane Project, a potential additional funding in of approximately \$8 million to \$10 million would be needed. In addition, the project could suffer up to 18 months of delay.

I-580 Westbound HOV Lane Project (Project No. 424.0) – The westbound HOV lane project provides a westbound HOV lane from the Greenville overcrossing in Livermore to the Foothill Boulevard overcrossing in Pleasanton. The project will be constructed in three segments with three construction contracts: an east segment, a west segment and the widening of the eastbound bridges. The scope to rehabilitate the existing pavement was added to the project in January 2010 and the design consultant has revised the plans to add the rehabilitation. The PS&E for the west segment is currently 100% complete and has been submitted to Caltrans for review. The

PS&E for east segment 95% complete. The widening of the bridges in the eastbound direction will be combined with the Eastbound Auxiliary Lane Project.

Key Project issues

- Potential schedule delay – the delivery of the project may be delayed beyond that which was originally approved if eminent domain proceeding is required as part of the right of way acquisition process.
- Potential schedule delay – Incorporation of the pavement rehabilitation requires the preparation of a Pavement Deflection Report. The ACTC's Consultants have not been able to secure a permit to perform this work due to ongoing construction in the corridor (Isabel I/C and I-580 EB HOV lane projects). Field work is expected to begin in November. This could delay the project by three months.

I-580 Westbound High Occupancy Toll (HOT) Lane (Project No. 424.1) - The westbound HOT lane project would provide a westbound HOT lane from the Greenville overcrossing in Livermore to the San Ramon Road/Foothill Boulevard overcrossing in Pleasanton. Caltrans approved the modeling and traffic operations methodology recommendations and a draft travel demand forecast was submitted for review in March 2010. The Cost/Revenue and Operations Analysis is underway and scheduled to be completed in December 2010 pending Caltrans agreement to review the Operations Analysis Report.

Project issues

- Project Funding – the project currently does not have a full funding plan:
 - Funding for the construction of the Westbound HOT Lane Project has not been identified. The current estimated project construction cost ranges between \$8.5 million and \$10 million. There is current funding for scoping, environmental clearance and final design activities.
 - Current design and construction cost estimate assumes utilization of existing pavement with little to no additional widening and no additional right of way requiring approval of design exceptions for left shoulder and lane width (similar issue to EB HOT).
 - Project scope not yet determined. An RFP to prepare a Caltrans Project Study Report (PSR) will be released in November 2010.
- Project Review – Caltrans is not willing to review the project documents pending an approved cooperative agreement. The project is included in the Caltrans District 4 FY 2010/11 Work Plan for PID documents and a request to prepare a cooperative agreement has been submitted to Caltrans. A draft Cooperative Agreement Report has also been prepared and submitted to Caltrans for review.

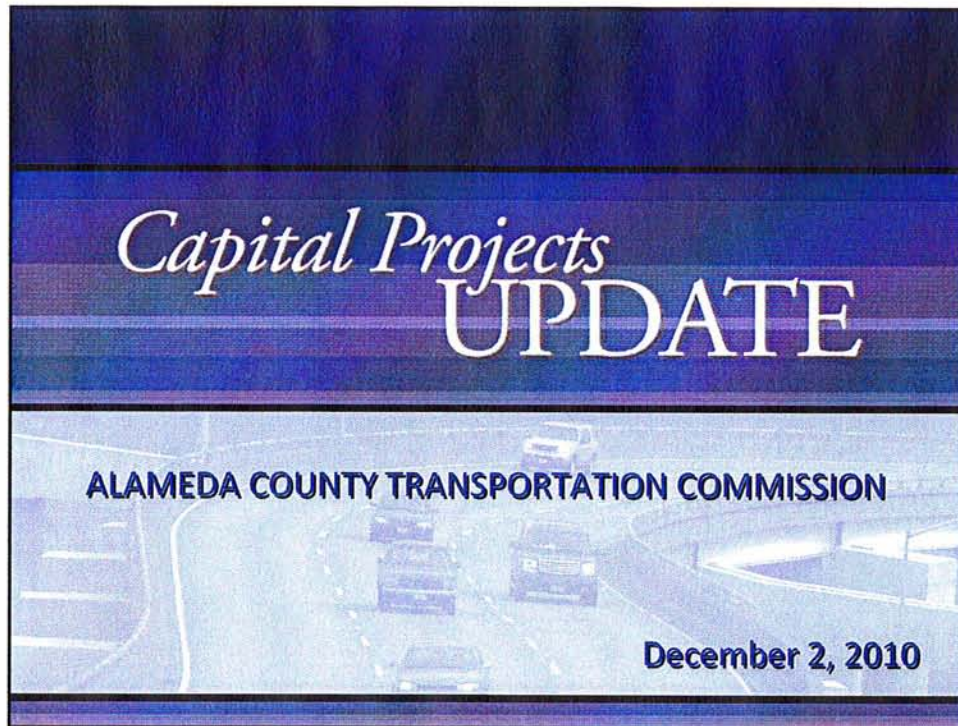
Fiscal Impacts

This is an information item only. There is no fiscal impact associated with this report. Any fiscal impact associated with individual projects would be addressed in separate Board actions.

Attachment

Attachment A – Capital Projects Update Powerpoint slides

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Capital Program Summary

- ☐ 14 active projects located throughout the four planning areas of the County
- ☐ Current Program Estimated Cost is \$1,060, 116. The majority of the Program Costs are funded from Proposition 1B, STIP, SHOPP, Regional Measure 2, and Measure B
- ☐ Two sound wall projects along I-580 in San Leandro and Oakland.
- ☐ Two SMART Corridor-type projects
- ☐ One environmental mitigation project and one corridor right-of-way preservation project along I-580 in the Livermore Valley.
- ☐ Two High Occupancy Toll (HOT) Lane Projects: Eastbound and Westbound I-580 in the Livermore Valley

Capital Program Summary

- ❑ Six projects, with an estimated cost of \$779.5 million are funded with a significant amount (\$519.5 million) from the Statewide Proposition 1B Bond Funds and have the highest project delivery risks
 - ❖ Eastbound and Westbound I-580 HOV Lanes Project
 - ❖ Southbound I-680 Sunol Express Lane Project
 - ❖ Southbound I-880 HOV Extension Project
 - ❖ I-880/23rd and 29th Avenue Interchange Modifications
 - ❖ I-80 Integrated Corridor Mobility Project
- ❑ In general, the ACCMA, now ACTC, is responsible for pre-construction project development activities, and Caltrans is responsible to advertise, award, and administer construction contracts of the Prop 1B projects

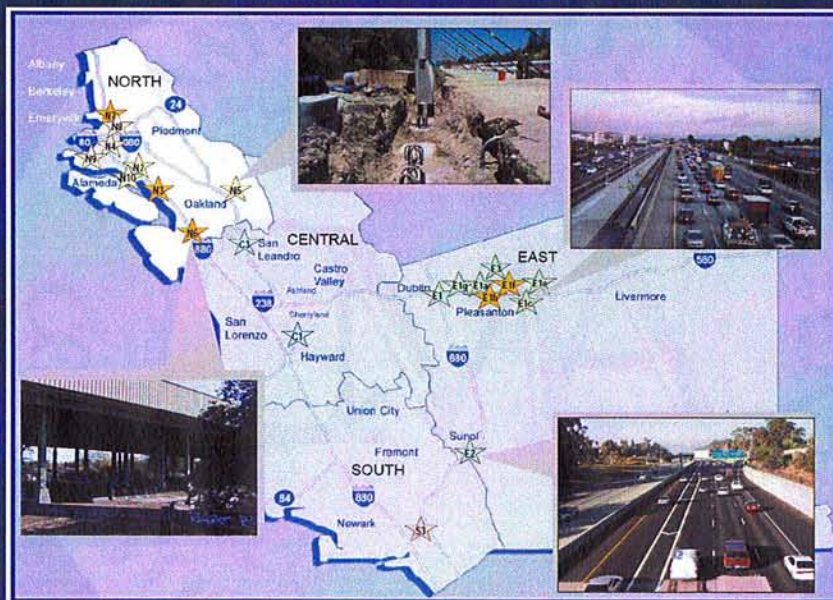
Capital Program Assessment

- ❑ Smaller projects (sound walls, SMART corridors, and ITS-type projects) are either completed or waiting to go to construction
- ❑ Larger corridor improvements HOV projects on southbound I-680 and eastbound I-580 are being completed
- ❑ Delivery of the eastbound and westbound HOT lanes projects on I-580 will largely depend on reaching agreement on the scope of the projects
- ❑ The scopes of the other major State Proposition 1B bond-funded projects are being assessed during the final design process. No additional contingency funds have been identified to address scope changes or risk management

Capital Program Assessment

- ❑ Many projects have been split into smaller segments necessitating more resources to manage and track
- ❑ Much of the direct costs and indirect costs of the Alameda CTC are funded from project funds allocated from the Regional Measure 2 Program and State Proposition 1B bond revenues, which are one-time grants
- ❑ RM-2 and Proposition 1B project costs are paid on a reimbursed basis requiring the ACTC to have sufficient cash flow to front project costs over longer periods of time, which is becoming a financial burden
- ❑ A sustainable funding source to continue the operations and maintenance of the SMART Corridors Program has not been identified.

PROJECT LOCATION MAP



Project Status – Northern County Area

Project Name	Current Phase	Begin Construction	End Construction
SMART Corridors O&M	Operations	--	--
I-580 Sound Walls -- Oakland	Design Completed	TBD	TBD
I-880/23 rd and 29 th Avenue Interchange Modifications	Final Design	8/2012	10/2015
I-80 Integrated Corridor Mobility	Environmental Clearance & Design	01/2011	01/2015*
Webster Street SMART Corridor	Design	2011	2011

Project Status – Central County

Project Name	Current Phase	Begin Construction	End Construction
I-880 Southbound HOV Lane Extension – (North Segment) Hegenberger to Davis	Final Design	01/2012	01/2014
I-880 Southbound HOV Lane Extension – (South Segment) Davis to Marina	Final Design	06/2011	01/2014
I-580 Sound Walls in San Leandro	Completed/Closeout	11/2008	10/2010

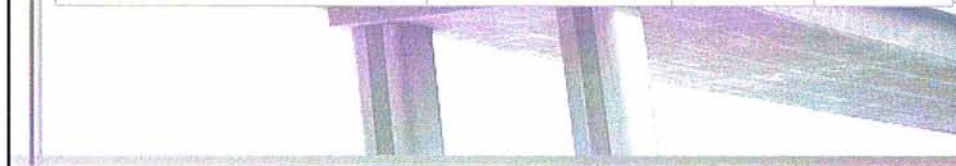
Project Status – South County

Project Name	Current Phase	Begin Construction	End Construction
I-680 Express Lane	Construction & Operations	11/2008	11/2010



Project Status – East County

Project Name	Current Phase	Begin Construction	End Construction
I-580 Eastbound HOV Lane	Construction Completed	8/2009	11/2010
I-580 Eastbound HOT Lane & Auxiliary Lanes	Final Design	2011	11/2012
I-580 Westbound HOV Lane	Final Design	12/2011	12/2013
I-580 Westbound HOT Lane	Scoping	-	12/2013

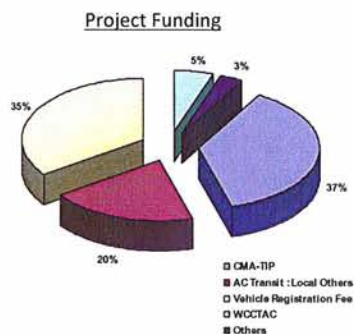


Smart Corridors Program Operations & Maintenance

- ❑ Over the past seven years, significant investments have been made in intelligent transportation system (ITS) infrastructure to provide video and traffic data to the public and to transportation managers as well as emergency service providers in real-time
- ❑ A sustainable funding stream to fund the costs to maintain the ITS equipment and component and to provide services was not identified at the time of implementation

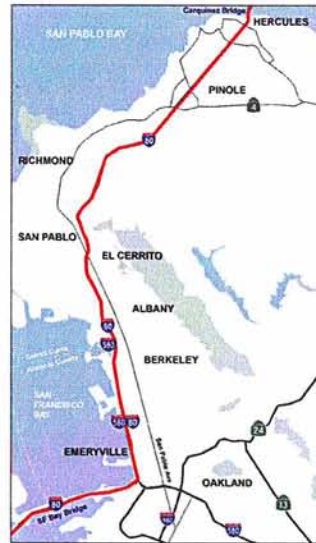
Smart Corridors Program – Project Issues

- ❑ Project Funding: Original Funding resources have been depleted. Additional funding needs to be identified or the program needs to be transitioned to the participating cities per the Operation and Management Plan terms.
- ❑ Current annual O&M costs are in the range of \$850,000 and \$1.5 million
- ❑ Options:
 - VRF – may not cover costs
 - Supplemental funding from cities/AC Transit/Contra Costa Transportation Authority
 - Turnover program to the Cities



I-80 Integrated Corridor Mobility (ICM) Project

- The project will install new Active Traffic Management features to Interstate 80 in Alameda and Contra Costa Counties. It will also upgrade existing traffic management elements along the San Pablo Avenue Corridor.
- The major project components will be Incident Management, Adaptive Ramp Metering, Traffic and Transit Information and improvements to San Pablo Avenue and Arterials connecting with I-80
- The project has been split into five CMIA projects and two Traffic Light Synchronization Program (TLSP) projects.
- Current project cost estimate is \$92.9 million



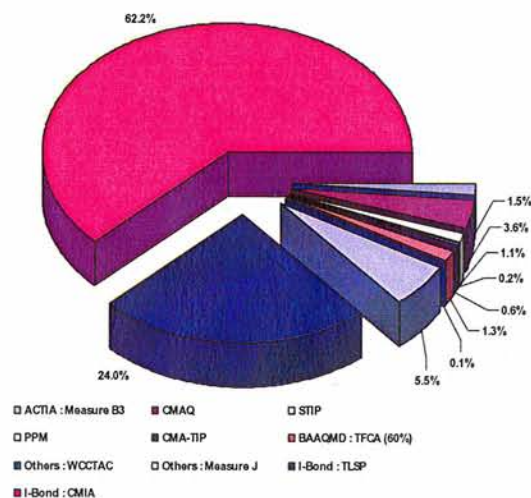
I-80 Integrated Corridor Mobility (ICM) Project – Project Status

- ☐ The construction contracts to implement the Traffic Operations System (TOS) Project and the Traffic Lights Synchronization Project are ready for advertisement pending project and funding approval from the California Transportation Commission in January 2011
- ☐ The Mainline I-80 Adaptive Ramp Metering and Incident Management Project is still under environmental review.
- ☐ The consensus on the overall project scope is still being obtained from the California Transportation Commission and the Cities along I-80 and San Pablo Corridor within the project limits

I-80 ICM Project – Project Issues

- ❑ Additional funding, estimated at \$1.0 million, is needed to complete the project development phase, cost overruns due to unforeseen environmental conditions and project delays
- ❑ The CTC has several concerns regarding the project scope, project benefits, project management structure, risk management, future resources for maintenance and operations, and project delivery approach
- ❑ Consensus has not been obtained from the cities along I-80 and San Pablo Corridor on project implementation, maintenance, and operations
- ❑ Unresolved/Unidentified funding for the operations and maintenance of the improvements on San Pablo Corridor and local arterials
- ❑ The project is approximately 14 months behind the baseline schedule due to resolution of the project scope among the project partners and stakeholders

I-80 ICM Project – Project Funding



I-580 Eastbound / Westbound HOV Lane Project Location Map



I-580 Eastbound HOV Lane

The project will provide an HOV lane in the eastbound direction from Hacienda Drive in Pleasanton to the Greenville overcrossing in Livermore.

The project will also provide eastbound auxiliary lanes between Isabel Avenue and North Livermore Avenue and North Livermore Avenue and First Street.

The current estimated project cost is \$153.9 million



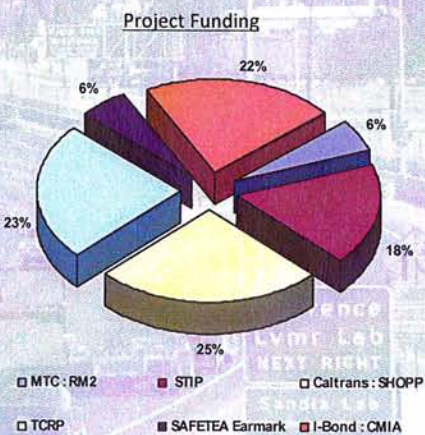
I-580 Eastbound HOV Lane – Project Status

- ☐ The construction of the eastern segment of the Project was completed and opened to traffic in February 2010
- ☐ The construction of the western segment between Hacienda Drive and Airway Boulevard was completed and the facility was opened to traffic in November 2010
- ☐ The design of the auxiliary lanes project is underway. The auxiliary lanes will be constructed with the construction of the EB HOT lane project



I-580 Eastbound Auxiliary Lane – Project Issues

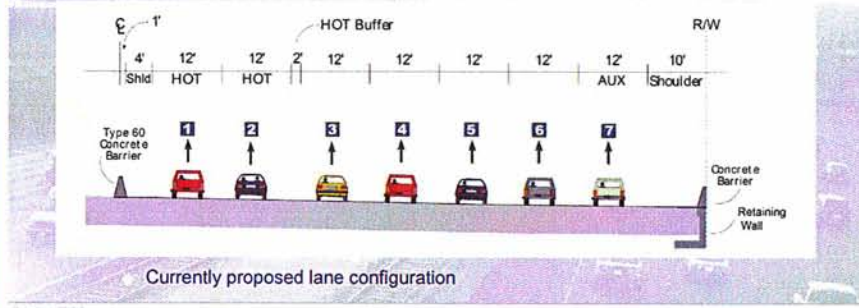
- ☐ **Project Schedule:** The schedule for the eastbound auxiliary lanes project will be impacted by the decision on HOT Lane implementation options.
- ☐ **Right of Way:** Eminent domain proceedings could delay the project schedule by about one year



I-580 Eastbound HOT Lane

☐ Project Components

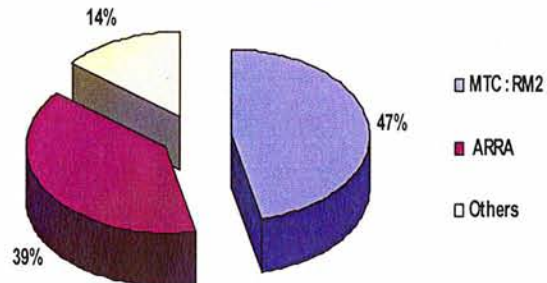
- ❖ The approved project will convert the I-580 eastbound HOV Lane to a HOT Lane from Hacienda Drive in Pleasanton to the Greenville overcrossing in Livermore.
- ❖ The project is also investigating the feasibility of a double HOT Lane



I-580 Eastbound HOT Lane – Project Status

- ☐ The Environmental Document (ED) for a single HOT Lane was approved in October 2009
- ☐ The Alameda CTC has requested that an ED be prepared for construction of Double HOT lane
- ☐ Caltrans is reviewing environmental technical reports but disagreed with the proposed 4-foot wide inside shoulder
- ☐ Two design workshops were held to:
 - ❖ Define the parameters of Dynamic Pricing Algorithm
 - ❖ Coordinate the civil elements of the System Integrator work with those done by HOV and Auxiliary Lane Projects.
- ☐ The EB HOT Lane project is expected to be added to EB Auxiliary Lane project

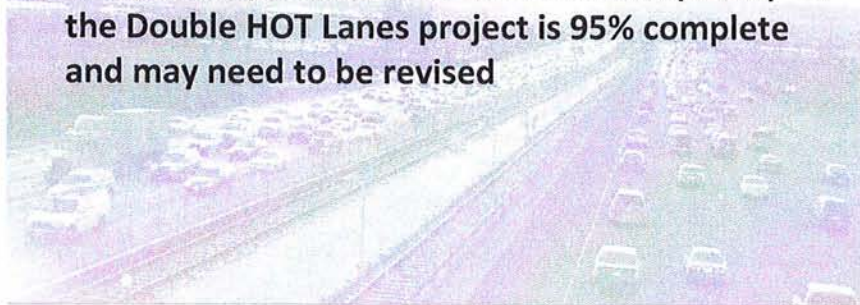
I-580 Eastbound HOT Lane -- Funding



The current estimated project cost is \$19 million

I-580 Eastbound HOT Lane – Project Issues

- ☐ Agreement with Caltrans and MTC has not been obtained on the project scope of the Double HOT Lanes project
- ☐ The plans, specifications, and estimate (PS&E) for the Double HOT Lanes project is 95% complete and may need to be revised

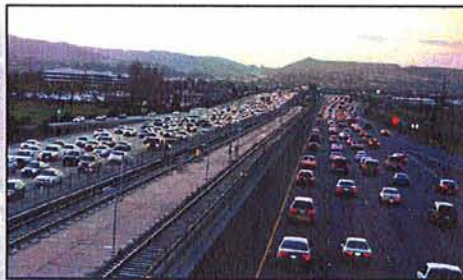


I-580 Eastbound HOT Lane – Options Being Discussed with Caltrans

- ☐ Option 1: Implement a Double HOT lane as currently proposed:
 - ❖ Non standard left shoulder width between Hacienda and First Street.
- ☐ Option 2: Implement a single HOT lane as originally approved
 - ❖ Upgrade Single 2+ HOT Lane to Single 3+ HOT Lane at a future date, or to a Double HOT Lane as traffic demand dictates.
- ☐ Option 3: Implement double HOT lane with:
 - ❖ Non standard left shoulder width from Hacienda to Isabel, standard with from Isabel to Greenville.
 - ❖ Incorporate changes to the Auxiliary Lane Project to include the additional widening
 - ❖ Require further Environmental Review and a new Biological Opinion (BO) prior to Project Approval which would result in a project delay of about one year and new possible mitigation requirements
 - ❖ Additional funding would also be required

I-580 Westbound HOV Lane

- ☐ Project Components
 - ❖ The project will provide a westbound HOV lane from the Greenville overcrossing in Livermore to the Foothill Boulevard overcrossing in Pleasanton.
 - ❖ Rehabilitation of the existing pavement was added to the project in January 2010 and the plans have been revised to add the rehabilitation.
- ☐ Project Issues
 - ❖ Right of Way: Eminent domain proceedings could delay the project schedule by about one year



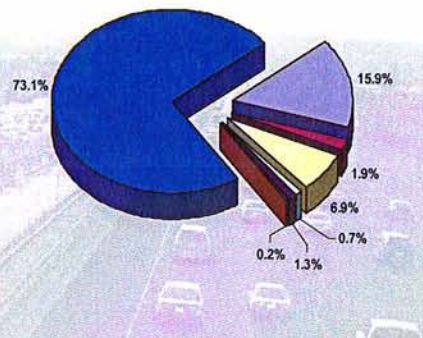
I-580 Westbound HOV Lane

Project Status:

- ❖ The project design package was split into three smaller construction contracts; East Segment, West Segment, and Eastbound Bridge Widening.
- ❖ Rehabilitation of existing pavement was added to the project in January 2010; design plans have been revised to include this change.
- ❖ West Segment 100% PS&E Package was submitted to Caltrans on October 1, 2010.
- ❖ The Eastbound Bridge Widening will be combined with Eastbound Auxiliary Lane Project.

Project Funding

- MTC : RM2
- ACTIA : Measure B3
- TCRP
- Others : TVTC
- Others : City of Livermore
- Federal : IMD
- I-Bond : CMIA



I-580 Westbound HOT Lane

Project Components

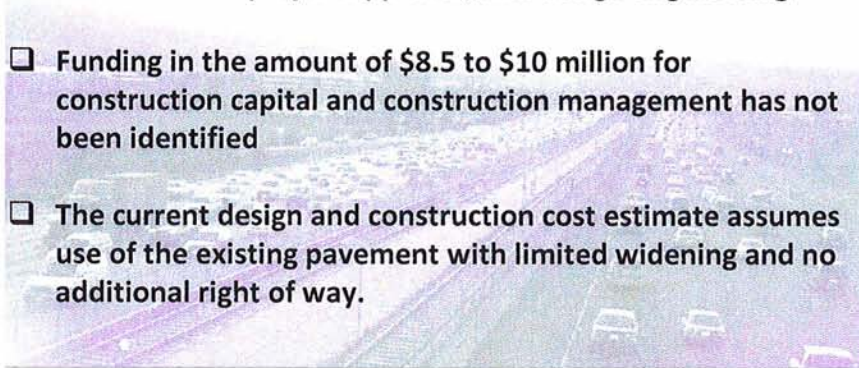
- ❖ The project is studying the feasibility of converting the I-580 westbound HOV Lane to a HOT Lane from the Greenville overcrossing in Livermore to the Foothill Boulevard overcrossing in the cities of Dublin and Pleasanton.

Project Status

- ❖ Caltrans has approved the modeling and traffic operations methodology recommendations
- ❖ A draft travel demand forecast was submitted to Caltrans for review
- ❖ The Cost/Revenue and Operations Analysis is underway and scheduled for completion in December 2010.
- ❖ *An RFP to initiate the Project Study Report will be released in November 2010.*

I-580 Westbound HOT Lane – Project Issues

- ☐ The project is not fully funded.
- ☐ There is only adequate funding for scoping, environmental clearance and project approval, and design engineering
- ☐ Funding in the amount of \$8.5 to \$10 million for construction capital and construction management has not been identified
- ☐ The current design and construction cost estimate assumes use of the existing pavement with limited widening and no additional right of way.



I-880 North Safety Operational -- Improvements at 23rd/29th

- ☐ The project will construct operational and safety improvements on Interstate 880 (I-880) at the existing overcrossings of 29th Avenue and 23rd Avenue in the City of Oakland.
- ☐ The project will remove and reconstruct the 29th Avenue overcrossing and the two 23rd Avenue overcrossings of I-880, increasing the flow of vehicles along the mainline and help reduce the rate of congestion related accidents in the area.
- ☐ The current project estimated cost is about \$100 million



I-880 North Safety Operational Improvements at 23rd/29th

□ Key Project Components:

- ❖ Relocating the northbound Lisbon Avenue on ramp to begin at 29th Avenue.
- ❖ Lengthening the northbound auxiliary lane between 29th Avenue and 23rd Avenue and remove and reconstruct the eastbound and westbound 23rd Avenue overcrossings.
- ❖ Reconstruct the 23rd Avenue / I-880 northbound ramps / 11th Street Intersection.
- ❖ Lengthen and improve the northbound off ramp at 29th Avenue to terminate directly into the 29th Avenue crossing.
- ❖ Construct a soundwall along the northbound auxiliary lane between 29th and 23rd Avenues.



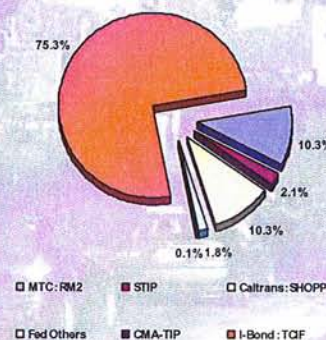
I-880 North Safety Operational Improvements at 23rd/29th

- The Final Project Report and Environmental Document were approved by Caltrans on April 14, 2010. A consultant team is preparing civil and structural design packages

- Additional funding of approximately \$3.1 million is needed to complete the Project Development and the Design phases of the project and for right of way support

- Additional future funding may be needed to accommodate additional project scope and address project risks

Project Funding



I-880 Southbound HOV Lane Extension– Hegenberger Rd. to Davis St. / Davis St. to Marina Blvd

- ☐ The project will widen I-880 southbound on the outside from Hegenberger Road in Oakland to Marina Boulevard in San Leandro
- ☐ Construct SB HOV lane and re-delineate the mainline
- ☐ Provide on & off-ramp conformity at Hegenberger Road, 98th Avenue, Davis Street, and Marina Boulevard interchanges
- ☐ Replace overcrossings at Davis Street and Marina Boulevard
- ☐ The current project estimated cost is \$108,000 million

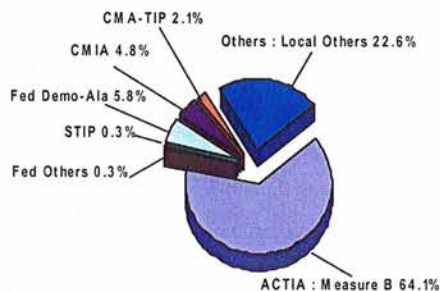


I-880 Southbound HOV Lane Extension– Hegenberger Rd. to Davis St. / Davis St. to Marina Blvd

☐ Project Status:

- ❖ The Environmental Document was Approved by FHWA in February 2010
- ❖ Caltrans approved the Project Report in March 2010.
- ❖ At the request of the City of San Leandro the Alameda CTC is overseeing the Marina Boulevard Interchange Project Study Report

Project Funding:



I-880 Southbound HOV Lane Extension— Hegenberger Rd. to Davis St. / Davis St. to Marina Blvd

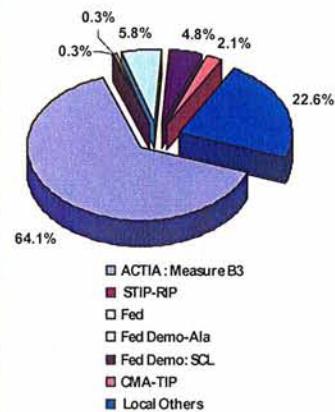
❑ Project Issues:

- ❖ Initial project funding shortfall -- Approximately \$2.0 million of additional funding is needed to complete the right of way acquisition and utility relocations.
- ❖ Unanticipated additional project scope -- Caltrans required the seismic retrofit of the three adjoining bridges over the Union Pacific Railroad. Only the southbound outside bridge is being widened by Marina Boulevard and Davis Street Interchange Project.
- ❖ Additional project scope and coordination -- The City of San Leandro has asked the ACTC to oversee the ultimate interchange improvements projects and include them with the HOV project.
- ❖ Potential need for additional funding to address the additional project scope and project risks
- ❖ Potential for schedule delays

I-680 Express Lane



Project Funding



I-680 Express Lane

Project Status:

- Highway construction was substantially completed and the Express lane opened on September 20, 2010, as scheduled. Final Testing, System Integration and final punch list items are underway.
- Contract #1 is complete and was accepted on September 27, 2010
- Contract #2 has a revised completion date of December 2010.
- Contract #3 is expected to be completed October 2010



I-580 Soundwall Design – San Leandro

ACTC PROJECT NO. PN 374.0

Key Project Components:

Construction of soundwalls between Estudillo and 141st Avenue along both sides of I-580 in San Leandro.

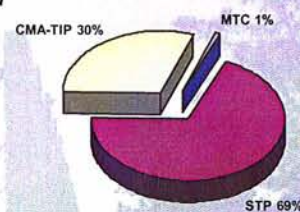
Project Status:

- Scheduled to be finished in early November 2010.
- Construction Closeout through December 2010.
- Schedule extended 18 weeks due to weather and utility delays.

Project Funding:

- Additional \$500,000 is needed to complete construction due to time extension.

Project Funding



I-680 / I-880 Cross Connector

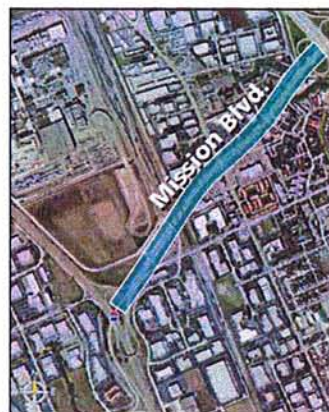
Key Project Components:

The project will identify improvements to SR 262 (Mission Boulevard) between I-680 and Warm Springs Boulevard in Fremont.

Funding: ACTIA Measure B, \$938,100

Project Status:

- Staff met with partnering agencies and intends to reinstate work in November 2010



Webster Street SMART Corridor

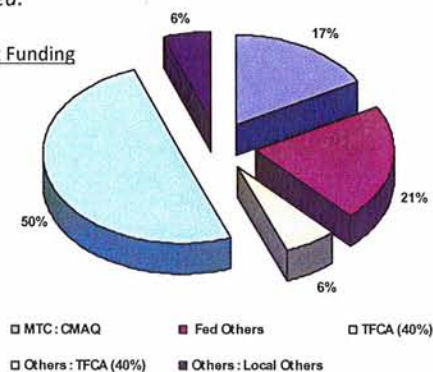
Key Project Components

- Includes operations and safety improvements related to traffic and transit
- Implementation of a Traffic Incident Management (TIM) system through the Webster / Posey Tube connecting the City of Alameda and the City of Oakland where the area trauma center is located.

Project Funding:

- Funding has been provided through a variety of local and federal sources totaling \$1.6 million, including a \$340,000 federal Earmark.

Project Funding



Webster Street SMART Corridor

Harris and Associates was selected to provide the Construction Management Services for this project.

Project Issues:

- *The schedule has been pushed out pending authorization to proceed from Caltrans, new bid opening date for construction contract expected in March 2011.*
- *Working with Caltrans to clear Environmental, ROW, Encroachment Permit and E-76*
- *Additional funding is being sought for the implementation of a local Transportation Management Center in the City of Alameda.*



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Memorandum

DATE: November 19, 2010

TO: Alameda County Transportation Commission

FROM: Finance and Administration Committee

SUBJECT: Approval of ACTIA Draft Audit for Fiscal Year 2009/2010

Recommendations:

It is recommended that the Commission accept the following documents as presented by the certified public accounting firm of Maze and Associates, LLP. for fiscal year 2009/2010:

1. Basic Financial Statements
2. ACTIA Single Audit Financial Statements (required for federally funded projects)
3. Limitations Worksheet (showing administrative cost ratios)

Discussion:

As required by Measure B and SB 878, an annual independent financial audit was conducted by a certified public accounting firm for the fiscal year ending June 30, 2010. As there were transactions involving federal funds of more than \$500,000, the auditors performed the Single Audit as required by the federal grant.

The audit firm of Maze and Associates, LLP, is the Authority's new auditors starting this year. The draft audit report of the Authority's financial activities for the fiscal year ending June 30, 2010, and the Limitations Worksheet are attached for your review. The auditors also reviewed the Authority's internal operating controls, systems and processes as well as the accuracy and reliability of its financial records.

As part of their audit services, the auditor issues a management letter if they identify any material weaknesses in the internal control structure found during the audit of the financial statements, and discusses items of administrative concern. The auditors did not find any material weaknesses and will issue a statement stating so (see Statement to ACTIA Board).

We want to take this opportunity to thank Lei Lam, Senior Accountant, the Project Control Team and Maze and Associates staff for their assistance. This is the first year of Maze's contract with ACTIA, and we want to thank them for their diligent efforts in helping ACTIA address the increasing audit requirements.

Fiscal Impact:

None

Attachments

- Attachment A - Staff Discussion on ACTIA Independent Audit Report FY 2009-10
- Attachment B - Final ACTIA Audit FY 2009-10 and Statement to Alameda CTC
- Attachment C - Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2010
- Attachment D - Final Single Audit Report (Federal Grant)
- Attachment E - Final Limitations Worksheet



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 ACTIA ■ 1333 Broadway, Suite 300 ■ Oakland, CA 94612 ■ PH: (510) 893-3347

www.AlamedaCTC.org

TO: Alameda County Transportation Commission

FROM: Arthur L. Dao, Executive Director
 Anees Azad, Finance and Administration Manager

DATE: November 8, 2010

SUBJECT: Staff Discussion on ACTIA Independent Audit Report FY 2009-10

Summary:

- This staff report provides a discussion of the main points in the ACTIA independent audit for FY 2009-10
- This is the first year of our audit with Maze and Associates.
- Our financial statements and single audit received clean opinions and cost ratios are in full compliance.

Discussion:

This is the 8th year of the ACTIA audit since its inception in FY 2002-03. Over the past 8 years, ACTIA financial statements have been examined by three different sets of independent auditors (Williams Adley, VTD and now Maze). Throughout these 8 years, all our financial statements have received clean opinions and there have been:

- No internal control deficiencies and no management letter points/recommendations
- Clean Single Audits. This year's single audit, which is required for federal funds expenditures exceeding \$500,000, relates to the \$823, 000 in Federal STP funds applied to the I-580 corridor projects.
- Full compliance with both the 1% and 4.5% administrative cost ratios. The Limitations Worksheet presents these ratios, as reviewed by Maze and Associates. In most prior years, we have been substantially below the 1% staff cost ratio threshold. For FY 2009-10, the ACTIA staff cost ratio of 0.992% was very close to the 1% maximum due to the historical drop in sales tax revenues and the accrual of severance cost.

The last page of the audit report reflects the Budgeted Indirect Cost Ratio, which is a measure of the administrative costs in comparison to the direct projects and program costs at ACTIA. The indirect administrative cost includes rent, supplies, general consultants such as legal, legislative and LBCE, indirect staff costs and governance costs. Direct cost includes all costs that are directly related to projects and programs delivery. Including the Pass-Through payments, the indirect cost ratio is under 2%. After removing the Pass-Through costs, which require minimum administrative efforts

and dilutes the ratio, this key measure of administrative cost is under 3 %.

Finally, I would like to draw your attention the body of the financial statements. The audited financial statements show the application of the Cost Allocation Policy approved by the ACTIA Board in October 2009. This essentially means that the General Fund reflects the indirect cost for ACTIA and all direct cost are booked to the benefitting project or programs funds. This segregation of funds allows a clean scorecard of available resources under each fund.

The General Fund, which has an ending balance of \$14.6 million, shows the reserved amount for B-3 re-authorization related expenses and the County-Wide Transportation Plan, as approved under the ACTIA Budget for FY 2010-11.

Fiscal Impact: None

**ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT
AUTHORITY**

**BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2010**

**PREPARED BY THE
FINANCE AND ADMINISTRATION
DEPARTMENT**

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

The Governing Board of the
Alameda County Transportation Improvement Authority
Oakland, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alameda County Transportation Improvement Authority (ACTIA) as of and for the year ended June 30, 2010, which collectively comprise ACTIA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACTIA's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the ACTIA's June 30, 2009 financial statements which were audited by other auditors whose unqualified opinion was dated October 26, 2009.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ACTIA as of June 30, 2010, and the respective changes in the financial position, and the respective budgetary comparisons included as part of the basic financial statements, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2010 on our consideration of ACTIA'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* and should be considered in assessing the results of our audit.

The required supplementary information such as the Management's Discussion and Analysis and budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Schedule of Direct and Indirect Expenditures as listed on the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinions on it.

Yare & Associates

September 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Alameda County Transportation Improvement Authority (Authority or ACTIA), we offer readers of ACTIA's financial statements this narrative overview and analysis of the financial activities of ACTIA for the Fiscal Year Ended June 30, 2010 (FYE 2010). We encourage readers to consider the information presented here in conjunction with ACTIA's financial statements that follow this section.

ACTIA began collecting sales tax revenues on April 1, 2002. In the first two years of operation, ACTIA relied on ACTA for the financing of start-up cost and administrative infrastructure. In FYE 2006, ACTIA has repaid all start-up loans, organized its own administrative infrastructure and has emerged as a financially viable transportation authority to deliver on the commitments outlined in the Authority's 20-Year Transportation Expenditure Plan.

Since inception, ACTIA has delivered over \$881 million in transportation funding to various Alameda County projects while incurring less than 4.5% in indirect administrative costs and under 1% in indirect staff costs (as percentages of revenues). ACTIA has maintained its net assets steadily over the same duration to address future commitments.

FINANCIAL HIGHLIGHTS

As of June 30, 2010, ACTIA has expended its net assets position from \$132 million to \$113 million in the delivery of capital projects. In prior year, FYE 2009, the Authority saw an improvement in net assets from \$127 million to \$132 million. ACTIA's overall financial position remained steady in the FYE 2010 after the precipitous 19% drop in sales tax revenues from the FYE 2007 level, due to the economic recession. On the expenditure side, recent capital projects contracts have also experienced significantly lower bids than the initial estimates, due to the recession. In the near term, due to the continued financial improvements and the recent lower cost environment for capital projects, ACTIA is expected to finance upcoming capital commitments without seeking external financing. However, in two to three years timeframe, ACTIA is likely to seek external medium-term financing for upcoming capital projects.

In FYE 2010, the Authority posted revenues of \$105.1 million, including sales tax revenues of \$ 95.6 million, which was a 7% decline from prior year. ACTIA's total expenditures for FYE 2010 were \$123.7 million, including \$6.3 million for administration, \$28.1 million for Highways and Streets, \$63.2 million for Public Transit, and \$26.1 million for Local Transportation. A total of \$107.9 million and \$111.2 million were expended in FYE 2009 and FYE 2008, respectively. The expenditures reflect the continuing development of capital projects and programs since inception in 2002.

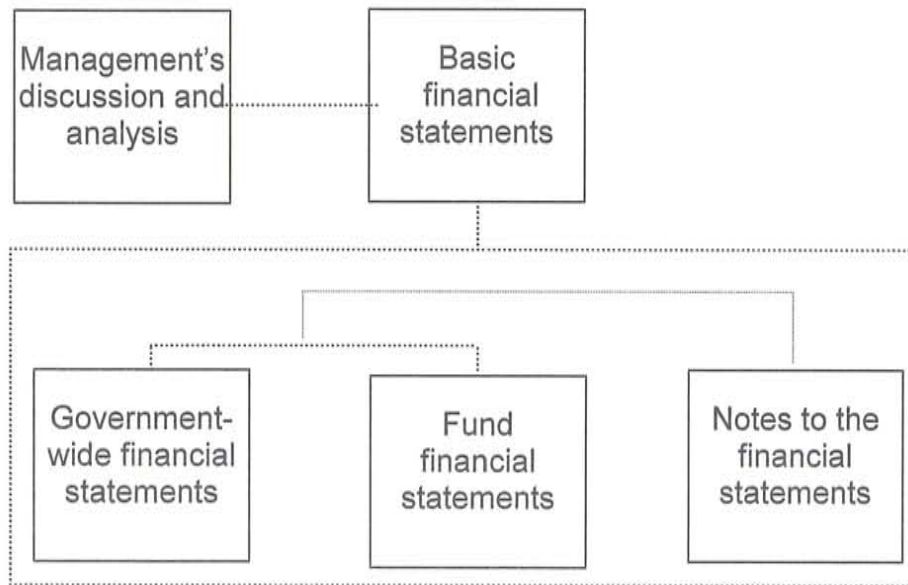
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the management's discussion and analysis (this section), and the basic financial statements, including the government-wide financial statements, statements for the general and governmental funds, and budgetary comparison statements. The basic financial statements show the consolidated presentation of governmental funds, along with the required adjustments and the resulting government-wide statements. The distinction between the two formats is summarized below:

- The government-wide statements include the statement of net assets and the statement of activities, which provides a summary of both the expenses and revenues by function or program.
- The next statements are governmental fund statements, that provide a summary of the following:
 - Balance sheet showing the assets and liabilities by governmental fund type;
 - Statement of revenues, expenditures and changes in fund balances, again by governmental fund type; (and reconciliation to the statement of activities); and
 - Budgetary comparison statements for the general and special revenue funds.

Figure A-1

The Alameda County Transportation Improvement Authority Required Components of the Annual Financial Report



Summary <-----> Detail

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-2 summarizes the major features of ACTIA's financial statements, including the portion of ACTIA they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
The Alameda County Transportation Improvement Authority
Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds
Scope	Entire Agency	The activities of the entire Agency that are not proprietary or fiduciary, such as Highways and Streets and Public Transit
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Statements

The government-wide statements report information about ACTIA as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of ACTIA's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The statement of activities includes the expenses, revenues, and changes in net assets by function or program.

The two government-wide statements report ACTIA's net assets and how they have changed. Net assets, the difference between ACTIA's assets and liabilities, are one way to measure ACTIA's financial health or position. Over time, increases or decreases in ACTIA's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of ACTIA include only one category:

- Governmental activities – ACTIA's basic services are included here, such as Highways and Streets, and Public Transit.

Fund Financial Statements

The fund financial statements provide more detailed information about ACTIA's governmental funds, not ACTIA as a whole. Funds are accounting devices that ACTIA uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The ACTIA Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

FINANCIAL ANALYSIS OF ACTIA AS A WHOLE

Government-wide Statements

Government-wide statements include the statement of activities and the statement of net assets.

Activities: In FYE 2010, ACTIA posted total revenues of \$105.1 million, of which \$95.6 was from sales tax and the balance from interest and other revenue. In FYE 2009, ACTIA posted total revenues of \$113.0 million, of which \$102.5 was from sales tax and the balance from interest and other revenue. In FYE 2008, ACTIA posted total revenues of \$127.4 million, of which \$117.3 million was from sales tax and the balance from interest and other revenue (see Table A-1 and Figure A-3).

The total costs for the current year, FYE 2010, were \$123.7 million, including \$6.3 million for Administration, \$28.1 million for Highways and Streets, \$63.2 million for Public Transit, and \$26.1 million for Local Transportation. In FYE 2009, the total cost were \$107.9 million, including \$6.4 million for Administration, \$33.9 million for Highways and Streets, \$40.4 million for Public Transit, and \$27.2 million for Local Transportation. The total costs for FYE 2008, total costs were \$111.3 million, including \$5.3 million for Administration, \$31.5 million for Highways and Streets, \$40.5 million for Public Transit, and \$33.9 million for Local Transportation. (See Table A-1 and Figure A-4).

In the current year, FYE 2010, expenditures exceeded revenues by \$18.7 million, resulting in net assets of \$113.5 million at year-end. In the prior year, FYE 2009, revenues exceeded expenditures by \$5.0 million, resulting in net assets of \$132.2 million at year-end. In FYE 2008, revenues exceeded expenditures by \$16.1 million, resulting in net assets of \$127.1 million at year-end. (See Table A-1).

Table A-1

**The Alameda County Transportation Improvement Authority
Changes in Net Assets
June 30, 2010, 2009 and 2008**

	Governmental Activities		
	2010	2009	2008
Revenues			
Program revenues:			
Operating grants and contributions	\$ 7,150,185	\$ 4,307,866	\$ 3,691,335
Capital grants and contributions	2,261,455	6,132,120	6,369,021
General revenues:			
Sales taxes	95,642,284	102,531,773	117,325,523
Total revenues	105,053,924	112,971,759	127,385,879
Expenses			
Administration	6,345,537	6,451,951	5,358,500
Highways and Streets	28,109,281	33,903,914	31,512,788
Public Transit	63,176,467	40,400,152	40,548,900
Local Transportation	26,101,744	27,166,706	33,893,417
Total expenses	123,733,029	107,922,723	111,313,605
Change in net assets	(18,679,105)	5,049,036	16,072,274
Net assets, beginning of year	132,155,115	127,106,079	111,033,805
Net assets, end of year	\$ 113,476,010	\$ 132,155,115	\$ 127,106,079

Figure A-3
The Alameda County Transportation Improvement Authority
Sources of Revenue for Fiscal Year 2009-10

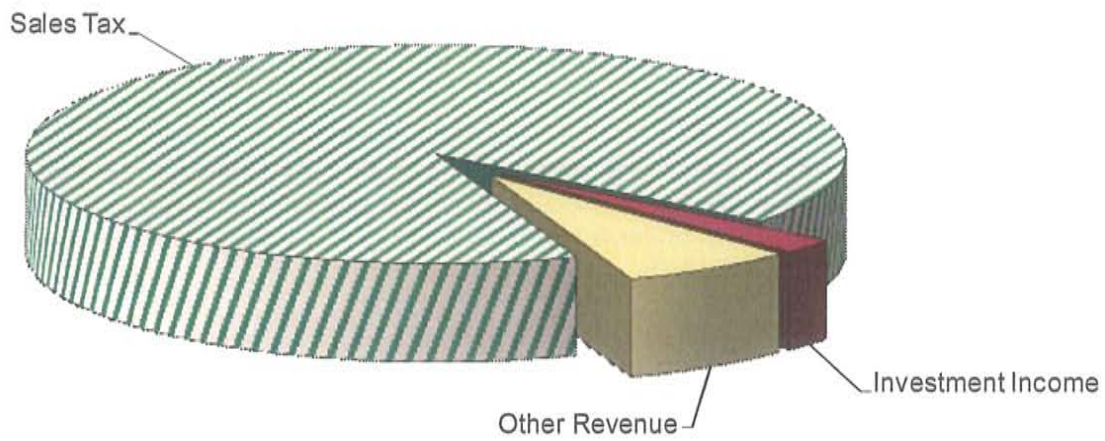
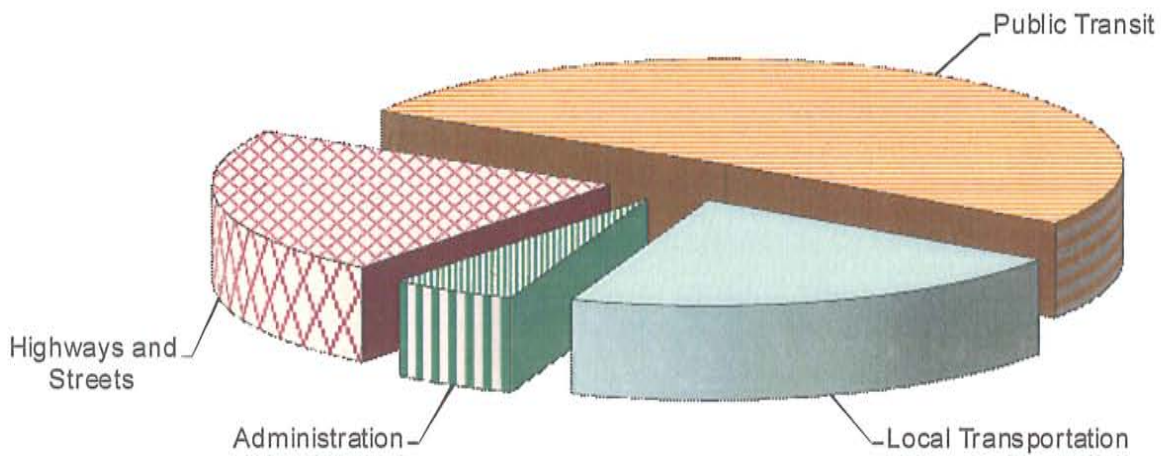


Figure A-4
The Alameda County Transportation Improvement Authority
Functional Expenses for Fiscal Year 2009-10



Net Assets: The total assets for the current year at June 30, 2010 were \$139.0 million, of which \$15.1 million was from sales tax receivables, \$ 114.8 million was from cash and investments, \$7.0 million are receivables from other government agencies and \$2.1 million from various other assets. Liabilities totaled \$25.5 million, most of which was accounts payable. Of the total \$113.5 million in net assets, nearly all of it is restricted as to use and \$0 million is invested in capital assets (see table A-2).

The total assets for the current year at June 30, 2009 were \$150.7 million, of which \$14.7 million was from sales tax receivables, \$118.9 million was from cash and investments, \$15.1 million are receivables from other government agencies and \$2.0 million from various other assets. Liabilities totaled \$18.5 million, most of which was accounts payable. Of the total \$132.1 million in net assets, nearly all of it is restricted as to use and \$0 million is invested in capital assets (see table A-2).

The total assets at June 30, 2008 were \$155.4 million, of which \$18.6 million was from sales tax receivables, \$111.1 million was from cash and investments, \$25.1 million are receivables from other government agencies and \$0.5million from various other assets. Liabilities totaled \$28.2 million, most of which was accounts payable. Of the total \$127.1 million in net assets, nearly all of it is restricted as to use and \$0.1 million is invested in capital assets (see table A-2).

Table A-2
The Alameda County Transportation Improvement Authority
Net Assets
June 30, 2010, 2009 and 2008

	Governmental Activities		
	2010	2009	2008
Cash and investments	\$ 114,623,290	\$ 118,906,164	\$ 111,107,595
Receivables			
Sales tax receivables	15,131,509	14,742,712	18,588,200
Interest	68,513	123,833	266,456
Other governmental	1,302,444	106,472	116,298
Other	718,178	1,645,589	9,475
Due from fiduciary	22,767	12,218	22,587
Capital assets (net of accumulated depreciation)			
Furniture and equipment	35,656	47,176	31,494
Leasehold improvements	-	-	34,406
Advances to other governments	7,040,370	15,086,398	25,080,225
Other assets	50,268	20,298	98,662
Total assets	\$ 138,992,995	\$ 150,690,860	\$ 155,355,398
Accounts payable	\$ 25,373,950	\$ 18,424,633	\$ 28,159,090
Compensated absences	70,804	73,761	72,450
Net OPEB Obligation	55,204	37,351	17,779
Due to other governments	17,027	-	-
Total liabilities	25,516,985	18,535,745	28,249,319
Net assets:			
invested in capital assets	35,656	47,176	65,900
Restricted for:			
Transportation Projects/Programs	113,440,354	132,107,939	127,040,179
Total net assets	113,476,010	132,155,115	127,106,079
Total liabilities and net assets	\$ 138,992,995	\$ 150,690,860	\$ 155,355,398

Financial Analysis of ACTIA's Funds

Governmental Funds

ACTIA uses fund accounting to ensure compliance with finance-related legal requirements. The governmental funds in this case include the general, capital projects, and special revenue funds.

ACTIA works with other project sponsors to deliver the Highway and Streets projects and the Public Transit and Paratransit programs. Local Transportation funds are, for the most part, distributed directly to local agencies to administer projects important to their governing Boards. ACTIA's activities also include administration, which consists of financing public improvements, investing remaining fund balances, project management, and other administrative functions.

As of June 30, 2010, ACTIA had \$139.0 million in assets in the governmental funds: \$15.0 million in the general fund, \$102.2 million in the capital projects fund, and \$21.7 million in the special revenue fund. Of the total assets, \$114.6 million was in cash and investments. As of June 30, 2009, ACTIA had \$150.6 million in assets in the governmental funds: \$13.2 million in the general fund, \$112.7 million in the capital projects fund, and \$24.7 million in the special revenue fund. Of the total assets, \$118.9 million was in cash and investments. As of June 30, 2008, ACTIA had \$155.3 million in assets in the governmental funds: \$11.9 million in the general fund, \$113.7 million in the capital projects fund, and \$29.7 million in the special revenue fund. Of the total assets, \$111.1 million was in cash and investments.

At the end of FYE 2010, ACTIA's liabilities were \$25.5 million, most of which were in accounts payable. At the end of FYE 2009, ACTIA's liabilities were \$18.5 million, most of which were in accounts payable. At the end of FYE 2008, ACTIA's liabilities were \$28.2 million, most of which were in accounts payable.

As of June 30, 2010, the total fund balance was \$113.6 million. As of June 30, 2009, the total fund balance was \$132.9 million. As of June 30, 2008, the total fund balance was \$127.1 million.

For FYE 2010, ACTIA had revenues of \$105.1 million, primarily from the sales tax and investment income. During the year, ACTIA expended \$123.7 million through the governmental funds, including \$6.3 million for administration, \$28.1 million for Highways and Streets, \$63.2 million for Public Transit and Paratransit operations, and \$26.1 million for Local Transportation programs.

For FYE 2009, ACTIA had revenues of \$113.0 million, primarily from the sales tax and investment income. During the year, ACTIA expended \$107.9 million through the governmental funds, including \$6.4 million for administration, \$33.9 million for Highways and Streets, \$40.4 million for Public Transit and Paratransit operations, and \$27.2 million for Local Transportation programs.

For FYE 2008, ACTIA had revenues of \$127.4 million, primarily from the sales tax and investment income. During the year, ACTIA expended \$111.2 million through the governmental funds, including \$5.3 million for administration, \$31.5 million for Highways and Streets, \$40.5 million for Public Transit and Paratransit operations, and \$33.9 million for Local Transportation programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, ACTIA had invested \$35,656 in capital assets, including furniture and equipment and leasehold improvements (see Table A-3). Please refer to the notes to the financial statements for more detail.

Table A-2-1
The Alameda County Transportation Improvement Authority
Capital Assets (net of depreciation)
June 30, 2010, 2009 and 2008

	2010	2009	2008
Furniture and equipment (net of accumulated depreciation)	\$ 13,217	\$ 18,754	\$ 31,494
Leasehold improvements (net of accumulated amortization)	22,439	28,422	34,406
Total	\$ 35,656	\$ 47,176	\$ 65,900

The major capital asset additions included leasehold improvements and new furniture and equipment to carry out its regular business operations.

Long-Term Debt

As of June 30, 2010, 2009 and 2007, ACTIA had no outstanding long-term debt.

COMPARISON OF BUDGETED TO ACTUAL

Prior to the start of each fiscal year, ACTIA adopts a budget for the fiscal year. This budget may be modified at quarterly intervals resulting in subsequent legally adopted budgets. These modifications are made primarily to adjust revenues that change due to the economic climate and adjust expenses to reflect the changes in revenues or capital project costs.

For the general fund, ACTIA started with an adopted budget of \$6.2 million from revenues, expenditures totaling \$5.8 million, and a surplus in the general fund balance of \$0.4 million. In the final adopted budget, these amounts were revised to \$ 5.7 million in revenues, \$ 4.8 million in expenditures, and a surplus in the general fund of \$0.9 million. The actual revenues from the sales tax and other income were \$5.9 million, and indirect administrative costs totaled \$4.3 million (including \$1.3 million of sales tax collection fees), resulting in a surplus of \$1.6 million. Most of the improvements were from the allocation of cost to benefitting capital projects and special revenue funds.

Likewise, for the Special Revenue Fund starting adopted budget anticipated revenues and expenditures of \$57.5 million and \$59.3 million, respectively. The final adopted budget had revenues and expenditures of \$51.8 million and \$55.4 million, respectively. Actual amounts were \$54.3 million in revenues and \$57.8 million in expenditures, with \$32.4 million for Public Transit, \$24.6 million for Local Transportation (Highways and Streets) and \$0.9 million for Administration. Special fund revenues include grants and pass-through funds, which match expenditures as nearly all receipts are passed on to Alameda County jurisdictions in accordance with the Measure B plan. The residual difference of \$3.5 million is the net decrease to the reserved fund balance under special revenue (Express Bus, Service Gap, Regional Bike and Pedestrians and Transit Oriented Development Reserves). Details of special revenue funds are provided under supplemental information.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of ACTIA's finances for all those with an interest in ACTIA's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to Arthur L. Dao or Anees Azad of the Alameda County Transportation Improvement Authority at 1333 Broadway, Suite 300, Oakland, California 94612.

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**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
GOVERNMENTAL FUNDS - BALANCE SHEETS / STATEMENT OF NET ASSETS
JUNE 30, 2010
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2009)**

	Statement of Net Assets			
	General	Capital Projects	Special Revenue	2010 Total
Assets				
Cash and investments	\$14,110,501	\$87,443,490	\$13,069,299	\$114,623,290
Receivables				
Sales tax	680,918	5,794,693	8,655,898	15,131,509
Accrued interest		68,513		68,513
Other governments	115,162	1,180,793	6,489	1,302,444
Other	3,152	713,626	1,400	718,178
Advances to other governments	5,767	7,034,603		7,040,370
Due from employee benefits trust	22,767			22,767
Other assets	50,268			50,268
Capital assets, depreciable, net of accumulated depreciation				(1) 35,656
Total assets	\$14,988,535	\$102,235,718	\$21,733,086	\$138,957,339
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$365,997	\$14,884,840	\$10,123,113	\$25,373,950
Due to other governments			17,027	17,027
Compensated absences				(2) 70,804
Net OPEB obligations - due in more than one year				(3) 55,204
Total liabilities	365,997	14,884,840	10,140,140	25,390,977
Fund balances:				
Reserved for:				
Administration	11,022,538			11,022,538
Election costs	2,600,000			2,600,000
County-wide transportation plan	1,000,000			1,000,000
Transportation projects		87,350,878	11,592,946	98,943,824
Total fund balances	14,622,538	87,350,878	11,592,946	113,566,362
Total liabilities and fund balances	\$14,988,535	\$102,235,718	\$21,733,086	\$138,957,339
Net Assets:				
Invested in capital assets				
Restricted				
Total net assets				
			35,656	35,656
			113,440,354	113,440,354
			\$113,476,010	\$113,476,010
				\$132,155,115

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

- (1) - Capital assets used in governmental activities are not financial resources and, and therefore are not reported in the funds.
- (2) - Compensated absences are considered long term and therefore are not recorded in the governmental funds.
- (3) - OPEB obligations are considered long term and therefore are not recorded in the governmental funds.

See accompanying notes to financial statements

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

	Statement of Activities			
				2009 Total
	General	Capital Projects	Special Revenue	
Revenues:				
Sales tax	\$5,439,121	\$36,171,469	\$54,031,694	\$95,642,284
Investment income	291,909	1,719,992	249,554	2,261,455
Federal, state and local funds		2,910,537		2,910,537
Other income	179,754	4,057,864	2,030	4,239,648
Total revenues	5,910,784	44,859,862	54,283,278	105,053,924
Expenditures\expenses:				
Current:				
Administration	4,272,483	1,196,590	850,048	6,319,121
Highways and streets		28,109,281		28,109,281
Public transit		30,819,672	32,356,795	63,176,467
Local transportation		1,525,336	24,576,408	26,101,744
Total expenditures\expenses	4,272,483	61,650,879	57,783,251	123,706,613
Excess of revenues over expenditures	1,638,301	(16,791,017)	(3,499,973)	(18,652,689)
Net change in fund balances \ net assets	1,638,301	(16,791,017)	(3,499,973)	(18,652,689)
Fund balances / net assets:				
Beginning of year	12,984,237	104,141,895	15,092,919	132,219,051
End of year	\$14,622,538	\$87,350,878	\$11,592,946	\$113,566,362

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation in the period.

Changes in compensated absences

Changes in post-employment benefits other than pensions

11,520

(2,957)

17,853

\$26,416

See accompanying notes to financial statements

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Retiree Benefits Trust Fund
ASSETS	
Deposits and investments	\$932,128
Total Assets	<u>932,128</u>
LIABILITIES	
Due to ACTIA General Fund	22,767
Total Liabilities	<u>22,767</u>
NET ASSETS	
Held in trust for OPEB benefits	909,361
Total Net Assets	<u><u>\$909,361</u></u>

See accompanying notes to financial statements

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

	Retiree Benefits Trust Fund
ADDITIONS:	
Investment earnings	\$8,789
Total Additions	8,789
DEDUCTIONS:	
Benefits	10,549
Total Deductions	10,549
Change in Net Assets	(1,760)
Net Assets - Beginning	911,121
Net Assets - Ending	<u>\$909,361</u>

See accompanying notes to financial statements

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Alameda County Transportation Improvement Authority (ACTIA) was created by the Alameda County Board of Supervisors in 1998, to place a ballot measure to authorize the imposition of a one half of one percent sales and use tax (the sales tax) in Alameda County before Alameda County voters in June 1998. This measure did not receive two-thirds voter support. A subsequent ballot measure was placed on the November 2000 ballot, and was approved by over two-thirds of the voters. The proceeds from the sales tax are principally reserved for highway infrastructure, mass transit, local transportation, and administrative costs. The sales tax commenced April 1, 2002 and will expire on March 31, 2022.

The basic financial statements of ACTIA include all of its financial activities. ACTIA is the sole independent agency responsible for receiving and allocating funds necessary to complete the programs and was governed by an eleven-member board of elected officials from the County and local cities. Also please read Note (10) for additional information.

(b) Government-Wide and Fund Financial Statements

The fund financial statements (i.e., balance sheet and statement of governmental fund revenues, expenditures, and changes in fund balance) and government-wide financial statements (i.e., statement of net assets and the statement of activities) have been combined, as prescribed in Governmental Accounting Standards Board (GASB) statement number 34, as it applies to special purpose entities. The Authority meets the definition of a special purpose entity. These statements report information on all of the non-fiduciary activities of ACTIA.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economics resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales tax revenues are recorded when the tax is due to the State Board of Equalization. Grants and similar items recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ACTIA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(1) Summary of Significant Accounting Policies (Continued)

Sales taxes, local matching revenue, and investment income (including the change in the fair value of investments) associated with the current year fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the modified accrual basis of accounting as described above.

Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the Authority.

ACTIA reports the following major governmental funds:

The *general fund* is ACTIA's primary operating fund. It accounts for all financial resources of ACTIA, except those required to be accounted for in another fund. A total of 4.5% net revenues has been allocated for administration of this Measure B sales tax program. Administration costs include salaries, benefits, professional fees, rent expense, office supplies and equipment, utilities and other cost that cannot be specifically identified with another fund. The salaries and benefits of ACTIA's staff are limited by Measure B to 1% of sales tax revenue. Revenues in excess of administrative expenditures in any one year are reserved for future administrative costs.

The *capital projects fund* accounts for resources accumulated and payments made for the acquisition or construction of major capital improvements in accordance with the Alameda County 20-Year Transportation Expenditure Plan. ACTIA does not retain ownership of these improvements. They are transferred to the sponsor or managing jurisdiction after completion.

The *special revenue fund* accounts for resources accumulated as required by Measure B for allocation to local cities and the County of local transportation improvements, including streets and roads, and to transit agencies for operations and maintenance.

The *fiduciary fund* reporting focuses on net assets and changes in net assets. Trust funds are used to account for the assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the Authority's own programs. The Authority's fiduciary fund is a trust fund which accounts for the Retiree Medical Benefits and allocated sources to provide medical benefits for retirees.

The effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(1) Summary of Significant Accounting Policies (Continued)

(d) Budgetary Data

Following a public meeting, ACTIA adopts an annual budget for all governmental fund types to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the program level, the amounts stated therein as proposed expenditures become appropriations to the various programs. Once a quarter, ACTIA approves all transfers between expenditure objects and overall budget modifications during the year. For the capital projects fund, ACTIA annually approves individual project budgets (strategic plan), detailed by component functions. The Executive Director or designee approves reimbursements to the project sponsors, and reimbursements are not to exceed contract and strategic plan limits. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

(e) Deposits and Investments

ACTIA's cash and investments are maintained in custodial investment accounts managed by independent investment advisors, and California State Treasurers. ACTIA generally holds investments till maturity. All cash and investments of ACTIA are restricted as to the investment options as specified in the State government code and investment policy.

(f) Capital Assets

Capital assets, which include leasehold improvements and office furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by ACTIA as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of ACTIA are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Office furniture and equipment	5
Computer equipment	3
Leasehold improvements	5

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

(2) Summary of Significant Accounting Policies (Continued)

(g) *Compensated Absences*

It is ACTIA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation and sick leave may be accumulated up to a specific maximum. ACTIA is not obligated to pay for unused sick leave if an employee terminates employment prior to retirement or prior to when ACTIA ceases operations.

Compensated absences activity was as follows for the year ended June 30, 2010:

Beginning Balance	\$73,761
Additions	63,185
Payments	<u>(66,142)</u>
Ending Balance	<u><u>\$70,804</u></u>

(h) *Fund Equity*

In the fund financial statements, governmental funds report reservations of balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

(i) *Interfund Transfers*

Interfund transfers are generally recorded as transfers in (out) except for reimbursements for services performed, which are recorded as a reduction of expenditures in the performing fund and an expenditure of the receiving fund.

(j) *Estimates*

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

(2) Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2010, are classified in the accompanying financial statements as follows:

Governmental Activities	\$114,623,290
Fiduciary Funds	<u>932,128</u>
Total Deposits	<u><u>\$115,555,418</u></u>

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(2) Deposits and Investments (Continued)

Deposits and investments as of June 30, 2010, consist of the following:

Cash on hand and in banks	\$4,091,191
Investments	<u>111,464,227</u>
Total Deposits and Investments	<u>\$115,555,418</u>

Policies and Practices

ACTIA is authorized under California Government Code or the Entity's investment policy, if different, to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Credit Quality
Local Agency Bonds, Notes, Warrants	5 years	10%	5%	Aa
Registered State Bonds, Notes, Warrants	5 years	10%	5%	Aa
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	35%	Aaa
Banker's Acceptance	180 days	40%	5%	A1
Commercial Paper	270 days	25%	5%	A1
Negotiable Certificates of Deposit	3 years	30%	5%	Aa
Repurchase Agreements	90 days	20%	None	None
Medium-Term Notes	5 years	30%	5%	Aa
Money Markets	N/A	20%	5%	Aaa
County Pooled Investment Funds	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

Policy also dictates that a maximum of 5% of total portfolio can be deposited with the California Asset Management Program.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(2) Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will 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. ACTIA manages its exposure to interest rate risk by purchasing a combination of shorter term and longer 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.

Information about the sensitivity of the fair values of ACTIA's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of ACTIA's investment by maturity.

Investment Type	12 Months or less	13 to 24 Months	Total
U.S. Agency Securities:			
Non-Callable	\$45,917,314	\$5,219,512	\$51,136,826
U.S. Treasury Bonds	1,469,046	3,133,599	4,602,645
Corporate Notes	911,828	3,701,115	4,612,943
Certificate of Deposits	932,128		932,128
Money Market Mutual Funds	180,635		180,635
California Local Agency Investment Fund	49,999,050		49,999,050
Total Investments	\$99,410,001	12,054,226	111,464,227
Cash in Bank	4,091,191		4,091,191
Total Cash and Investments	\$103,501,192	\$12,054,226	\$115,555,418

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2010, these investments matured in an average of 203 days.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

(2) Deposits and Investment (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, ACTIA's investment policy, or debt agreements, and the actual S & P rating as of the year-end for each investment type.

Investment Type	Aaa	Not Rated	Total
U.S. Agency Securities:			
Non-Callable	\$51,136,826		\$51,136,826
U.S. Treasury Bonds		\$4,602,645	4,602,645
Corporate Notes	4,612,943		4,612,943
Certificate of Deposits		932,128	932,128
Money Market Mutual Funds	180,635		180,635
California Local Agency Investment Fund		49,999,050	49,999,050
Totals Investments	<u>\$55,930,404</u>	<u>55,533,823</u>	<u>111,464,227</u>
Cash in Bank		4,091,191	4,091,191
Total Cash and Investments	<u>\$55,930,404</u>	<u>\$59,625,014</u>	<u>\$115,555,418</u>

Concentration of Credit Risk

The investment policy of ACTIA contains limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. Investments in any one issuer (other than U.S Treasury securities, mutual funds and external investment pools) that represent five percent (5%) or more of the total investments are as follows:

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$12,189,569
Federal Home Loan Mortgage Corp	Federal Agency Securities	18,911,717
Federal National Mortgage Assoc	Federal Agency Securities	11,126,253

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(2) Deposits and Investment (Continued)

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, ACTIA's deposits may not be returned to it. ACTIA's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2010, ACTIA's bank balance of \$5,786,349, with a reported balance of \$4,091,191, is collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the ACTIA.

Custodial Credit Risk Deposits – Retiree's Health Benefit Trust Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Retiree Health Benefit Trust Fund's deposits may not be returned to them. Although the Retiree Health Insurance Trust Fund does not have its own investment policy, there are securities available as pledged collateral for the retirement fund for the Retiree Health Insurance Trust Fund's Deposits of \$932,128 with a financial institution. Retiree Health Benefit Trust Fund is held as a timed deposit with a maturity date of July 2, 2010.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, ACTIA will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. It is ACTIA's policy that all securities held, be secured through third-party custody and safekeeping.

Local Agency Investment Fund

ACTIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of ACTIA's investment in the pool is reported in the accompanying financial statement at amounts based upon ACTIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(3) Advances to Other Governments

ACTIA advanced \$25 million of public transit program funds to Alameda-Contra Costa Transit Agency (AC Transit) in 2006. The advance had a variable interest rate, which is adjusted monthly, based on LAIF plus one percent. During the fiscal year ended on June 30, 2009, the loan agreement was amended where \$10 million of loan was paid down. The amended loan carries an interest rate of 6% and another 1% for administrative fees. The loan is due on or before December 31, 2010. The outstanding balance, including accrued interest, as of June 30, 2010, is \$7,040,370.

(4) Capital Assets

(a) Capital Assets – Governmental Activities

A summary of changes in capital assets recorded in governmental activities follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>June 30, 2010</u>
Capital assets being depreciated:			
Furniture and equipment	\$85,732	\$4,384	\$90,116
Leasehold improvements	41,886		41,886
Total capital assets being depreciated	<u>127,618</u>	<u>4,384</u>	<u>132,002</u>
Less accumulated depreciation for:			
Furniture and equipment	(66,978)	(9,921)	(76,899)
Leasehold improvements	<u>(13,464)</u>	<u>(5,983)</u>	<u>(19,447)</u>
Total accumulated depreciation	<u>(80,442)</u>	<u>(15,904)</u>	<u>(96,346)</u>
Governmental activities capital assets, net	<u>\$47,176</u>	<u>(11,520)</u>	<u>\$35,656</u>

(b) Depreciation Expense

Depreciation expense of \$15,904 was charged to the Administrative function of ACTIA during the year ended June 30, 2010.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(5) Commitments and Contingent Liabilities

(a) *Agreements with Engineering Firms*

ACTIA has entered into contracts with various private engineering firms to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, and construction management services. As of June 30, 2010, the total outstanding commitments (not paid or accrued) are \$11.2 million. The terms range from June 30, 2010 for up to four and half years (or acceptance of the phase of work, whichever is earlier).

(b) *Agreements with Project Sponsors*

ACTIA has entered into contracts with various project sponsors to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management and equipment purchase services. As of June 30, 2010, the total outstanding commitments (not paid or accrued) are \$186.4 million. The terms range from June 30, 2010 for seven and one half years (or acceptance of the phase of work, whichever is earlier).

(c) *Operating Lease Commitments*

The Authority has entered into an operating lease agreement with BOI-Broadway Trust for rental of facilities with commitments through November 2013. Future minimum rental payments are as follows:

Year Ending June 30	Lease Payments
2011	\$360,057
2012	371,325
2013	382,593
2014	161,370
Total	<u>\$1,275,345</u>

ACTIA will also pay additional rent related to its share of increased operating costs and increased taxes. One fourth of the rent is paid by the ACTA under the budget approved by the Boards (See Note 8).

ACTIA has entered into sublease agreements for rental of facilities to Bay Area Program Management Group and Nelson\Nygaard for monthly rent of \$4,082 and \$710 respectively effective from July 1, 2007. Under new sublease agreements with Acumen and Rochelle Wheeler entered during the fiscal year ending June 30, 2009, the Authority will receive a monthly rent of \$1,011 and \$368, respectively. These subleases are month-to-month tenancy terminable for any reason whatsoever on 30 days written notice given at any time by either party.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(5) Commitments and Contingent Liabilities (Continued)

(d) Insurance, Claims and Litigation

ACTIA is exposed to various risks of loss related to torts: thereof, damage to, and destruction of assets; errors and omissions; and natural disasters. ACTIA is named as an additional insured party on the ACTIA's commercial insurance coverage for general liability, directors and officers liability, automobile liability, and property coverage. The amounts of settlements for the past three fiscal years have not exceeded insurance coverage.

Type of Claim	Coverage Limits	Deductible
Property	\$200,000	\$1,000
General Liability	2,000,000	1,000
Automobile	1,000,000	
Excess Liability	4,000,000	10,000
Commercial Crime	10,000,000	75,000
Workers' Compensation	1,000,000	

(7) Retirement Plan

Plan Description – ACTIA is part of the miscellaneous 2.5% at 55 risk pool, a cost-sharing multiple-employer defined benefit plan. All employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the California Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. 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 and may receive retirement benefits at age 50. These benefits provisions and all other requirements are established by State statute. CalPERS issues a publicly available financial statement report. The CalPERS Comprehensive Annual Financial Report may be obtained by writing the State of California's Public Employees' Retirement System at P.O. Box 942709, Sacramento, California 94229-2709.

Funding Policy – The total combined payroll for ACTA and ACTIA for the fiscal year ended June 30, 2010 was \$1,035,500, which approximates covered payroll for employees participating in the Fund. ACTIA, due to a benefits resolution, has an obligation to contribute 7% for covered employees and employees will contribute 1%, which represent the members' portion. ACTIA is required to contribute at an actuarially determined rate. The average rate for the year ended June 30, 2010 was 10.101% of covered payroll.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(6) Retirement Plan (Continued)

Annual Pension Cost – ACTIA’s annual pension costs was equal to the required contribution, which was determined as part of an actuarial valuation performed as of June 30, 2008, using the entry age normal cost method. The significant actuarial assumptions used in the valuation were an assumed rate of return on investment assets of 7.75%, projected salary increases ranging from 3.25% to 14.45%, annual payroll growth of 3.25% and inflation of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term market value fluctuations over a fifteen-year period.

Three Year Trend Information - The following table shows the ACTIA’s required contributions and percentage contributed, for the current year and each of the preceding two years.

Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributions	Net Pension Obligation
06/30/08	\$171,690	100%	\$0
06/30/09	178,821	100%	0
06/30/10	176,843	100%	0

As required by new State law, effective July 1, 2005, the Authority’s Miscellaneous Plan was terminated, and the employees in the plan were required by CALPERs to join a new State-wide pool. One of the conditions of entry to these pools was that the Authority true-up any unfunded liability in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERs.

Three-year historical trend information is presented below:

State-wide Pool Miscellaneous Plan:

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2006	\$912,988,585	\$787,758,909	\$125,229,676	86.3%	\$200,320,145	62.5%
2007	1,315,454,361	1,149,247,298	166,207,063	87.4%	289,090,187	57.5%
2008	1,537,909,933	1,337,707,835	200,202,098	87.0%	333,307,600	60.1%

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(7) Other Postemployment Benefits (OPEB)

Plan Description

Employees hired prior to November 1, 2004 - Employees who retire from ACTIA and are eligible to immediately receive a pension from CalPERS are eligible to receive a portion of the cost of the monthly premium for health coverage through the CalPERS medical program. The benefit provided by ACTIA is for the retiree only. It continues until the retiree dies. ACTIA will contribute the lesser of the premium rate for the plan selected by the retiree and the Kaiser Employee only/Early Retiree premium rate. Retirees must contribute the entire cost of spousal and dependent child coverage.

Employees hired November 1, 2004 and later - Eligibility for postretirement health coverage through the Authority will be determined by a vesting schedule. An employee will vest 50% after five years of service with ACTIA. After five years of service with ACTIA, credit will be given for any prior years of PERS service that the employee may have earned with another employer. The employee will vest an additional 5% for each year of service thereafter, up to a maximum of 100%. The benefit provided by ACTIA is for the retiree only. It continues until the retiree dies. ACTIA will contribute the lesser of the premium rate for the plan selected by the retiree and the vested percentage of the weighted average Employee only premium rate based on the enrollment of all active employees.

Employees will be considered 100% vested after 15 years of service with ACTIA, regardless of the number of days after separation from employment.

Retirees must contribute the entire cost of spousal and dependent child coverage

The plan is authorized under the Board Resolution 04-0054. The ACTIA reports the financial activity of the Plan as a trust/ agency fund, and no separate financial report is prepared. Membership of the Plan consisted of the following at July 1, 2009, the date of the latest actuarial valuation:

Retirees receiving benefits	3
Active plan members	8
Total	<u>11</u>

Funding Policy - The contribution requirements of ACTIA and the plan members are established and may be amended by the Governing Board. The required contribution is based on the single party Kaiser premium available through the California PERS medical program. During the year ended June 30, 2010, ACTIA contributed \$0. The premiums were funded from the interest earnings of Retiree Benefit Trust.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(7) Other Postemployment Benefits (OPEB) (Continued)

Annual Post Retirement Benefit Costs and Net Post Retirement Benefit Obligations - ACTIA's annual other post retirement benefit (OPEB) obligation cost is calculated based on the annual required contribution of the employer (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 over a period not to exceed thirty years. The following tables show the ARC of ACTIA, the components of ACTIA's annual OPEB costs for the year, the amount actually contributed to the Plan, and the changes in ACTIA's net post retirement benefit cost obligation to the Plan.

Normal Cost at Year End	\$35,793
Amortization of UAAL	(17,301)
Annual required contribution (ARC)	18,492
Interest on Prior Year Net OPEB Obligation	1,868
Adjustment to ARC	(2,507)
Annual OPEB Cost	17,853
Contributions made	0
Increase (Decrease) in Net OPEB Obligation	17,853
Net OPEB Obligation - Beginning of Year	37,351
Net OPEB Obligation - End of Year	\$55,204

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 were as follows:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
6/30/08	\$17,119	\$0	0%	\$17,119
6/30/09	19,572	\$0	0%	37,351
6/30/10	17,853	\$0	0%	55,204

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the profitability of occurrence of 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 estimated are made about the future. The schedules of funding progress and employer's contributions are presented as required supplementary information following the notes to the financial statements. The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits. The schedule provides multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(7) Other Postemployment Benefits (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

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

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Actuarial Cost Method. Under the PUC cost method the actuarial present value of projected benefits is allocated ratably over the service of individuals between entry age and the assumed exit age(s). In this valuation each individual's attribution period extends from hire date to estimated retirement date. The actuarial assumptions included a 5% discount rate and 5% investment rate of return. The retirement, mortality and termination rates used in this valuation were recently adopted for use in California PERS pension valuations. The actuarial valuation assumed that the annual health care cost trend rates will decrease gradually from the relatively high rate of annual increase in the past, depending on the age of the employee and the year being projected. See table below for medical trend rates assumptions. The health care cost long-term annual expected rate of increase is in the 5% to 6% range, leading to 5.5% long term rate.

<u>Calendar Year Beginning January</u>	<u>Estimated Increase</u>
2011	7.9%
2012	7.6%
2013	7.3%
2014	7.0%
2015	6.7%
2016	6.4%
2017	6.1%
2018	5.8%
2019 & thereafter	5.5%

The UAAL is being amortized as a level dollar method on a closed basis over 30 years. Any administrative fees other than those included in the monthly premium rates are not included in the actuarial valuation. The actuarial valuation also does not include any liability estimates for future hires.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(7) Other Postemployment Benefits (OPEB) (Continued)

OPEB Schedule of Funding Progress

The table below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial	Actuarial	Unfunded	Annual	UAAL As a
Valuation Date	Liability (AAL)	Value of Assets	Funded Status	Percentage of
	(a)	(b)	(a) - (b)	Covered Payroll
			(b)/(a)	(c)
				[(a)-(b)]/(c)
6/30/2007	\$557,513	\$873,021	(\$315,508)	156.6%
6/30/2008	610,469	921,678	(311,209)	151.0%
6/30/2009	665,583	923,339	(257,756)	138.7%

(8) Related Party Transactions

During the year ended June 30, 2010, ACTIA paid \$1,498,893 for the administrative costs on behalf of ACTA. As of June 30, 2010, \$1,285,414 is receivable from ACTA. This is included in the receivable from other governments total on the statement of net assets and balance sheet.

ACTA is charged various administrative costs such as staff costs, rent, insurance, supplies and other miscellaneous costs on a prorated basis. These costs are approved through the budget process and reimbursed from cash reserves.

(9) Stewardship, compliance and accountability

Excess of expenditures over appropriations- For the year ended on June 30, 2010, expenditures exceeded appropriations for \$2,386,121 in Special Revenue Fund. The excess of actual over budgeted expenditures are due to the timing differences on Board Approved grant expenditures.

(10) Creation of Alameda County Transportation Commission (Alameda CTC) and Termination of ACTA on July 1, 2010

On March 25, 2010, ACTIA, the Alameda County Congestion Management Agency (ACCMA), the County of Alameda, the fourteen cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement (JPA). On June 24, 2010, the Boards of ACTIA and ACCMA gave the final approval which created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as the Alameda County Transportation Commission (Alameda CTC).

The Alameda CTC is the successor agency of ACCMA, ACTIA and ACTA, and has all the functions and responsibilities of such agencies along with certain additional powers as described in the JPA.

On June 24, 2010, the ACTA Board adopted the resolution to transfer all of ACTA's assets, responsibilities, functions and liabilities to ACTIA, effective on July 1, 2010. The ACTA Board also adopted the resolution that ACTA be dissolved, terminated and extinguished effective July 1, 2010, following the transfer.

Effective on July 1, 2010, ACTA transferred to ACTIA net assets in the amount of \$189,243,754.

REQUIRED SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$5,750,000	\$5,238,710	\$5,439,121	\$200,411
Investment income	223,350	233,339	291,909	58,570
Other	186,274	196,248	179,754	(16,494)
Total revenues	<u>6,159,624</u>	<u>5,668,297</u>	<u>5,910,784</u>	<u>242,487</u>
Expenditures:				
Current:				
Administration	5,773,604	4,766,894	4,272,483	494,411
Total expenditures	<u>5,773,604</u>	<u>4,766,894</u>	<u>4,272,483</u>	<u>494,411</u>
Excess of revenues over expenditures	<u>386,020</u>	<u>901,403</u>	<u>1,638,301</u>	<u>736,898</u>
Net change in fund balances	<u>\$386,020</u>	<u>\$901,403</u>	<u>1,638,301</u>	<u>\$736,898</u>
Beginning Fund balance			<u>12,984,237</u>	
Ending Fund balance			<u>\$14,622,538</u>	

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual amounts</u>	
Revenues:				
Sales tax	\$57,204,500	\$51,484,054	\$54,031,694	\$2,547,640
Investment income	301,523	291,049	249,554	(41,495)
Other		2,230	2,030	(200)
Total revenues	<u>57,506,023</u>	<u>51,777,333</u>	<u>54,283,278</u>	<u>2,505,945</u>
Expenditures:				
Current:				
Administration	1,208,000	1,251,970	850,048	401,922
Public transit	32,543,209	30,720,885	32,356,795	(1,635,910)
Local Transportation	25,569,664	23,424,275	24,576,408	(1,152,133)
Total expenditures	<u>59,320,873</u>	<u>55,397,130</u>	<u>57,783,251</u>	<u>(2,386,121)</u>
Net change in fund balances	<u>(\$1,814,850)</u>	<u>(\$3,619,797)</u>	<u>(3,499,973)</u>	<u>\$119,824</u>
Beginning Fund balance			<u>15,092,919</u>	
Ending Fund balance			<u>\$11,592,946</u>	

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OTHER SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF SPECIAL REVENUE FUND PROJECTS AND PROGRAMS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2010
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2009)**

Assets	Express Bus	Service Gap	Regional Bike and Pedestrian	Transit- Oriented Development	Program Distributions	Total	
						2010	2009
Cash and investments	\$2,713,153	\$3,736,785	\$5,250,279	\$1,368,873	\$209	\$13,069,299	\$16,283,275
Receivables							
Sales tax	101,552	206,643	180,632	27,456	8,139,615	8,655,898	8,433,489
Other receivables		1,400				1,400	
Due from other governments			6,489			6,489	
Total assets	2,814,705	3,944,828	5,437,400	1,396,329	8,139,824	21,733,086	24,716,764
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$109,127	\$1,302,072	\$451,974	\$120,338	\$8,139,602	\$10,123,113	\$9,623,845
Due to other governments	1,881	13,942		1,204		17,027	
Total liabilities	111,008	1,316,014	451,974	121,542	8,139,602	10,140,140	9,623,845
Fund balances:							
Reserved for:							
Transportation projects	2,703,697	2,628,814	4,985,426	1,274,787	222	11,592,946	15,092,919
Total fund balances	2,703,697	2,628,814	4,985,426	1,274,787	222	11,592,946	15,092,919
Total liabilities and fund balances	\$2,814,705	\$3,944,828	\$5,437,400	\$1,396,329	\$8,139,824	\$21,733,086	\$24,716,764

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE BY SPECIAL REVENUE FUND PROJECTS AND PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010**

	Express Bus	Service Gap	Regional Bike and Pedestrian	Transit- Oriented Development	Program Distributions	Total 2010	2009
Revenues:							
Sales tax	\$633,907	\$1,289,906	\$1,127,539	\$171,386	\$50,808,956	\$54,031,694	\$57,958,263
Investment income	71,936	71,049	84,137	22,432		249,554	728,178
Other governments			2,030			2,030	56
Total revenues	705,843	1,360,955	1,213,706	193,818	50,808,956	54,283,278	58,686,497
Expenditures:							
Administration	13,885	358,490	366,981	110,692		850,048	492,849
Public transit	2,043,397	2,850,462		187,984	27,274,952	32,356,795	31,414,738
Local transportation			1,042,488		23,533,920	24,576,408	26,618,543
Total expenditures	2,057,282	3,208,952	1,409,469	298,676	50,808,872	57,783,251	58,526,130
Excess of revenues over expenditures	(1,351,439)	(1,847,997)	(195,763)	(104,858)	84	(3,499,973)	160,367
Net change in fund balances	(1,351,439)	(1,847,997)	(195,763)	(104,858)	84	(3,499,973)	160,367
Fund balances, beginning of year	4,055,136	4,476,811	5,181,189	1,379,645	138	15,092,919	14,932,552
Fund balances, end of year	\$2,703,697	\$2,628,814	\$4,985,426	\$1,274,787	\$222	\$11,592,946	\$15,092,919

Alameda County Transportation Improvement Authority
Schedule of Direct and Indirect Expenditures
For the Year June 30, 2011

	Direct Costs	Indirect costs	Unallowable Costs	TOTAL
Salaries and Benefits	\$ 712,136	\$ 756,415		\$ 1,468,552
Office Expenses	11,000	334,200	\$ 22,100	367,300
Publications		145,000		145,000
Professional Services	3,668,904	1,285,802	280,000	5,234,706
Office Rental		242,747	77,253	320,000
Equipment Purchases		15,000		15,000
Insurance		70,000	10,000	80,000
Tax Collection Costs			1,225,000	1,225,000
 Total Expenses	 <u>4,392,040</u>	 <u>2,849,164</u>	 <u>1,614,353</u>	 <u>8,855,558</u>
 Prior year Indirect cost Filing/Carryforward		None		
Depreciation				
Amount Recoverable		<u>2,849,164</u>		
 Ratio of Indirect to Direct Costs		64.87%		

**ALAMEDA COUNTY
TRANSPORTATION IMPROVEMENT AUTHORITY

MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED
JUNE 30, 2010**

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**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2010

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MEMORANDUM ON INTERNAL CONTROL

To the Governing Board of
the Alameda County Transportation Improvement Authority (Authority)
Oakland, California

In planning and performing our audit of the financial statements of the Alameda County Transportation Improvement Authority as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the Authority.

The Authority's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Governing Board, others within the organization, and agencies and pass-through entities requiring compliance with generally accepted government auditing standards, and is not intended to be and should not be used by anyone other than these specified parties.

Mare & Associates

September 15, 2010

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

CURRENT YEAR SCHEDULE OF OTHER MATTERS

2010-01: Upcoming GASB Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions (Effective for fiscal 2010/11)

This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered **nonspendable**, such as fund balance associated with inventories. This Statement also provides for additional classification as **restricted, committed, assigned, and unassigned** based on the relative strength of the constraints that control how specific amounts can be spent.

The **restricted** fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The **committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the **assigned** fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds *other than the general fund*, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. *In other funds*, the unassigned classification should be *used only to report a deficit balance* resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

Management Response:

ACTIA Management acknowledges and accepts the implications of GASB 54 in disclosing current and future fund balances. Management plans to comply with this new GASB 54 as it has with all other accounting and auditing requirements.

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REQUIRED COMMUNICATIONS

To the Governing Board of
the Alameda County Transportation Improvement Authority
Oakland, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority as of and for the year ended June 30, 2010 and have issued our report thereon dated September 15, 2010. Professional standards require that we advise you of the following matters relating to our audit.

Financial Statement Audit Assurance: Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with generally accepted auditing standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud, or illegal acts may exist and not be detected by us.

Other Information Included with the Audited Financial Statements: Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Authority's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Our responsibility also includes communicating to you any information that we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements. This other information and the extent of our procedures are explained in our audit report.

Accounting Policies: Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2010.

Unusual Transactions, Controversial or Emerging Areas: No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Estimates: Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

- *Estimated Fair Value of Investments:* (Note 2 to the financial statements) - As of June 30, 2010, the Authority held approximately \$116 million of cash and investments as measured by fair value. Fair value is essentially market pricing in effect as of June 30, 2010. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to that date.

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

Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Retention Issues: We did not discuss any major issues with management regarding the application of accounting principles and auditing standards that resulted in a condition to our retention as the Authority's auditors.

Difficulties: We encountered no serious difficulties in dealing with management relating to the performance of the audit.

Audit Adjustments: For purposes of this communication, professional standards define an audit adjustment, whether or not recorded by the Authority, as a proposed correction of the financial statements that, in our judgment, may not have been detected except through the audit procedures performed. These adjustments may include those proposed by us but not recorded by the Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that the adjustments are not material to the current financial statements.

We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the entity's financial reporting process.

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. We have no such misstatements to report to management.

This report is intended solely for the information and use of the finance committee, Governing Board, and management and is not intended to be and should not be used by anyone other than these specified parties.

Marx & Associates

September 15, 2010

**ALAMEDA COUNTY
TRANSPORTATION IMPROVEMENT AUTHORITY

SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2010**

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**SINGLE AUDIT REPORT
For The Year Ended June 30, 2010**

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010**

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

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

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

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

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.200</u>	<u>Highway Research and Development Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated September 15, 2010 which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –

Financial Statement Prior Year Findings

There were no prior year Financial Statement Findings reported.

Federal Award Prior Year Findings and Questioned Costs

There were no prior year Federal Award Findings and Questioned Costs reported.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Pass-Through State of California Department of Transportation			
Highway Research and Development Program	20.200	STPL-6430(001)	<u>\$822,543</u>
Total Expenditures of Federal Awards			<u><u>\$822,543</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2010

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Alameda County Transportation Improvement Authority, California as disclosed in the notes to the Basic Financial Statements.

NOTE 2-BASIS OF ACCOUNTING

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3-DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS

Federal awards may be granted directly to the Authority by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Authority. The Schedule includes both of these types of Federal award programs when applicable.

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**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***

The Governing Board of the
Alameda County Transportation Improvement Authority
Oakland, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority as of and for the year ended June 30, 2010, and have issued our report thereon dated September 15, 2010. We conducted our audit in accordance with generally accepted auditing standards 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 and other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated September 15, 2010 which is an integral part of our audits and should be read in conjunction with this report.

This report is intended solely for the information and use of Governing Board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

September 15, 2010

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Governing Board of the
Alameda County Transportation Improvement Authority (Authority)
Oakland, California

Compliance

We have audited the Alameda County Transportation Improvement Authority's 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 each of the Authority's major federal programs for the year ended June 30, 2010. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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. 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 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. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Authority as of and for the year ended June 30, 2010, and have issued our report thereon dated September 15, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, Governing Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

September 15, 2010

**ALAMEDA COUNTY
TRANSPORTATION IMPROVEMENT AUTHORITY
LIMITATIONS WORKSHEET
FOR THE YEAR ENDED
JUNE 30, 2010**

ACCOUNTANCY CORPORATION

3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

To the Governing Board of the
Alameda County Transportation Improvement Authority
Oakland, California

We have audited the basic financial statements of the Alameda County Transportation Improvement Authority (Authority) as of and for the year ended June 30, 2010, and have issued our report thereon dated September 15, 2010. We have also audited the accompanying Alameda County Transportation Improvement Authority Limitations Worksheet (Limitations Worksheet) for the year ended June 30, 2010. The Worksheet is the responsibility of the Authority's management. Our responsibility is to express an opinion on this Limitations Worksheet based on our audit.

We conducted our audit of the Limitations Worksheet in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Limitations Worksheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Limitations Worksheet. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall Worksheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Limitations Worksheet referred to above, presents fairly, in all material respects, the administrative cost and related percentages of the Authority for the year ended June 30, 2010, in conformity with the accounting principles generally accepted in the United States of America.

Maze & Associates

September 15, 2010

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

Limitations Worksheet

Basis for Salary and Benefits Limitation and the Administrative Cost Limitation

	FY 2009-10
<u>Revenues</u>	
Gross Sales Tax	\$ 95,642,284
Less Collection Fees (BOE, Audit fees)	(1,188,710)
Net SALES TAX PROCEEDS	<u>94,453,574</u>
Investments and Other Income-Net of Related Costs	<u>9,411,640</u>
Total Net Revenue-"FUNDS GENERATED"	<u><u>\$ 103,865,214</u></u>
<u>Expenditures</u>	
Gross Salaries and Benefits	\$ 936,973
Administrative Salary & Benefits	<u>936,973</u>
Other Admin Costs (Consultants, Rent, Supplies, etc) under General Fund	<u>2,015,723</u>
Total Administration Costs	<u><u>\$ 2,952,696</u></u>
<u>Compliance on Salary and Benefits Cost Limitation (Maximum Allowed is 1%)</u>	
Ratio of Gross Sal. & Ben. to "Net SALES TAX PROCEEDS" (Expenditure Plan Requirement)	0.992%
Ratio of Gross Sal. & Ben. to FUNDS GENERATED (PUC 180109 Requirement)	0.902%
<u>Compliance on Administration Cost Limitation (Maximum Allowed is 4.5%)</u>	
Ratio of Total Admin. Costs to "Net SALES TAX PROCEEDS" (Expenditure Plan Requirement)	3.126%

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Memorandum

DATE: November 19, 2010

TO: Alameda County Transportation Commission

FROM: Finance and Administration Committee

SUBJECT: Approval of ACTA Draft Audit for Fiscal Year 2009/2010

Recommendation:

It is recommended that the Commission accept the following documents as presented by the certified public accounting firm of Maze and Associates, LLP. For fiscal year 2009/2010:

1. Final Basic Financial Statements

Discussion

As required by Measure B and SB 878, an annual independent financial audit was conducted by a certified public accounting firm for the fiscal year ending June 30, 2010. As there were no transactions involving federal funds of more than \$500,000, the auditors did not performed the Single Audit as required by the federal grant.

The audit firm of Maze and Associates, LLP, is ACTA's new auditor. This audit is the final independent audit for ACTA as the ACTA Board authorized the transfer of all assets, liabilities, fund balance and functions to ACTIA. These assets, liabilities and fund balance will be included with ACTIA's financial statements, as a segregated fund, starting July 1, 2010.

As part of their audit services, the auditor issues a management letter if they identify any material weaknesses in the internal control structure found during the audit of the financial statements, and discusses items of administrative concern. The auditors did not find any material weaknesses and will issue a statement stating so (see Statement to ACTA Board).

We want to take this opportunity to thank Lei Lam, Senior Accountant, the Project Control Team and Maze and Associates staff for their assistance. This is the first year of Maze's contract with ACTIA, and we want to thank them for their diligent efforts in helping ACTA address the increasing audit requirements.

Fiscal Impact

None

Attachments

- Attachment A - Final ACTA Audit FY 2009-10 and Statement to ACTA Board
- Attachment B - Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2010

ALAMEDA COUNTY TRANSPORTATION AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

**PREPARED BY THE
FINANCE AND ADMINISTRATION
DEPARTMENT**

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ALAMEDA COUNTY TRANSPORTATION AUTHORITY

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JUNE 30, 2010

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ACCOUNTANCY CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Governing Board of the
Alameda County Transportation Authority
Oakland, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alameda County Transportation Authority (ACTA) as of and for the year ended June 30, 2010, which collectively comprise ACTA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACTA's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the ACTA's June 30, 2009, financial statements which were audited by other auditors whose unqualified opinion was dated October 26, 2009.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ACTA as of June 30, 2010, and the respective changes in the financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2, ACTA Board passed a resolution which transferred all assets, liabilities, and responsibilities to ACTIA, effective on July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2010 on our consideration of the ACTA'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* and should be considered in assessing the results of our audit.

The required supplementary information, such as the Management's Discussion and Analysis, and the budgetary comparison for Special Revenue Fund is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ware & Associates

September 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Alameda County Transportation Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the Fiscal Year Ended June 30, 2010 (FYE 2010). We encourage readers to consider the information presented here in conjunction with the Authority's financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The Authority's overall financial position remained steady in FYE 2010 as it continued its transition to the post-collection period where the primary activity is the delivery of remaining expenditure plan capital projects. At the end of the fiscal year, the Authority had \$189.2 million in net assets to deliver the remaining projects in the ACTA Expenditure Plan.

The fiscal year ended June 30, 2002 was a pivotal stage for the Authority as the sales tax collection stopped as of March 31, 2002. From that year forward, expenditures have generally exceed revenues and the Authority will spend down the net assets accumulated over the prior years on the remaining projects in the 1986 Expenditure Plan.

In FYE 2010, the Authority posted revenues of \$8.1 million, primarily from interest on investments. ACTA's total expenditures for FYE 2010 were \$30.9 million. A total of \$30.1 million and \$20.2 million were expended in FYE 2009 and FYE 2008, respectively.

Of note is the remaining fund balance of \$185.2 million at the close FYE 2010 (compared to \$208.0 million at the end of last fiscal year). These funds are assets restricted for the completion of the remaining projects in the 1986 Expenditure Plan approved by voters, or as amended.

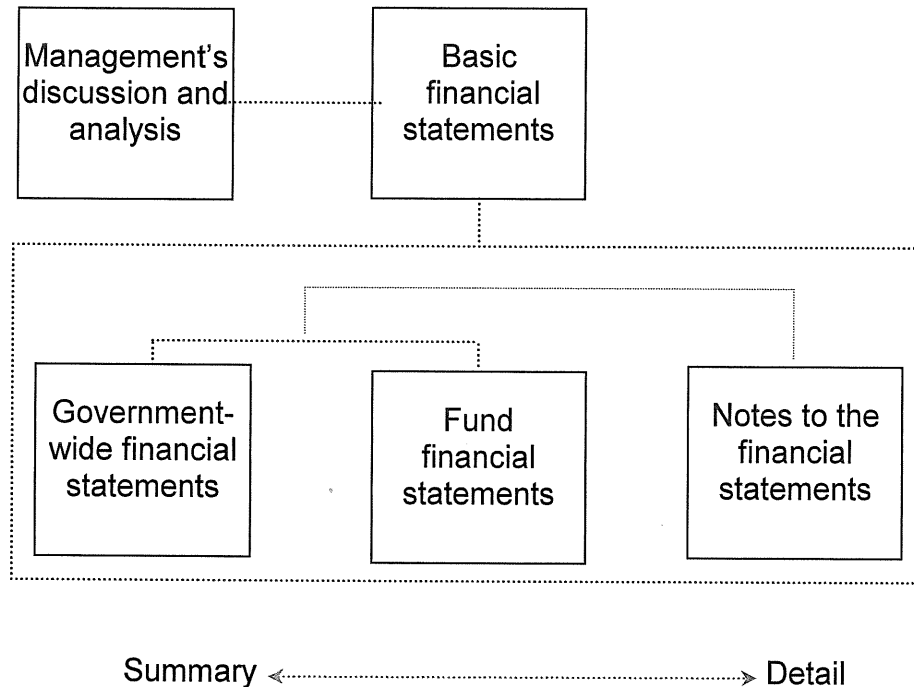
On June 2010, the ACTA Board adopted a resolution that transfers all of ACTA's assets, responsibilities, functions and liabilities to ACTIA to be effective on July 1, 2010. The ACTA Board also adopted the resolution that ACTA be dissolved, terminated and extinguished effective July 1, 2010, following the transfer. Effective July 1, 2010, ACTA transferred to ACTIA net assets in the amount of \$189,243,754.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the management's discussion and analysis (this section), and the basic financial statements, including the government-wide financial statements, statements for the general and governmental funds. The basic financial statements show the consolidated presentation of governmental funds, along with the required adjustments and the resulting government-wide statements. The distinction between the two formats is summarized below:

- The government-wide statements include the statement of net assets and the statement of activities, which provides a summary of both the expenses and revenues by function or program.
- The governmental fund statements, that provide a summary of the following:
 - Balance sheet showing the assets and liabilities by function;
 - Statement of revenues, expenditures and changes in fund balances, again by function (and reconciliation to the statement of activities) ; and

Figure A-1
The Alameda County Transportation Authority
Required Components of the Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-2 summarizes the major features of the Authority's financial statements, including the portion of the Authority they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
The Alameda County Transportation Authority
Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds
Scope	Entire Authority	The activities of the entire Authority that are not proprietary or fiduciary, such as highways and streets and public transit
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The statement of activities includes the expenses, revenues, and changes in net assets by function or program.

The two government-wide statements report the Authority's net assets and how they have changed. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Authority include only one category:

- Governmental activities – The Authority's basic services are included here, such as highways and streets, and public transit.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's governmental funds, not the Authority as a whole. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The Authority Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Government-wide Statements

Government-wide statements include the statement of activities and the statement of net assets. Overall, expenses exceeded revenues, which in turn lowered the reserve funds for the expenditure plan implementation.

Activities: The Authority's total revenues for the current year, FYE 2010, were \$8.1 million, of which \$2.3 million were from capital grants, \$5.8 million was from operating grants/interest. The Authority's total revenues for FYE 2009 were \$14.9 million, of which \$2.5 million were from capital grants, \$12.4 million was from operating grants/interest and \$5 thousand were from residual sales tax receipts. The Authority's total revenues for FYE 2008 were \$16.2 million, of which \$0.6 million were from capital grants, \$14.9 million was from operating grants/interest and \$0.7 million were from residual sales tax receipts (see Table A-1 and Figure A-3).

The total expenses for the Authority in the current year, FYE 2010, were \$30.9 million, which was primarily for Highways and Streets. The total expenses for FYE 2009 were \$30.1 million, which was primarily for Highways and Streets. The total expenses for the Authority in FYE 2008 were \$20.2 million, which was primarily for Highways and Streets (see Table A-1 and Figure A-4).

In the current year, FYE 2010, expenses exceeded revenues by \$22.8 million, resulting in net assets of \$189.2 million at year-end. In FYE 2009, expenses exceeded revenues by \$15.1 million, resulting in net assets of \$212.1 million at year-end. In FYE 2008, expenses exceeded revenues by \$4.0 million, resulting in net assets of \$227.2 million at year-end (see Table A-1).

Table A-1
The Alameda County Transportation Authority
Changes in the Net Assets
Years Ended June 30, 2010, 2009 and 2008

	Governmental Activities		
	2010	2009	2008
Revenues			
Program revenues:			
Investment Income	\$ 5,840,620	\$ 12,425,608	\$ 14,910,354
Capital grants and contributions	2,243,845	2,501,241	562,901
General revenues:			
Sales taxes	-	5,150	656,474
Other	-	-	23,950
Total revenues	8,084,465	14,931,999	16,153,679
Expenses			
Highway and Streets	29,423,768	28,418,996	20,092,371
Administration	1,504,634	1,641,149	
Public Transit	-	309	86,207
Total expenses	30,928,402	30,060,454	20,178,578
Change in Net Assets	(22,843,937)	(15,128,455)	(4,024,899)
Fund Balance Adjustment	-	-	-
Net assets (deficit), beginning of year	212,087,691	227,216,147	231,241,046
Net assets (deficit), end of year	\$ 189,243,754	\$ 212,087,692	\$ 227,216,147

Figure A-3
The Alameda County Transportation Authority
Sources of Revenue for the Year Ended June 30, 2010

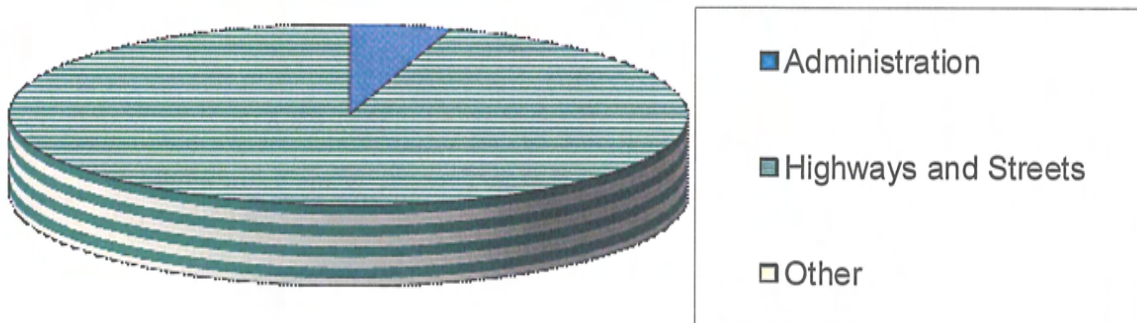
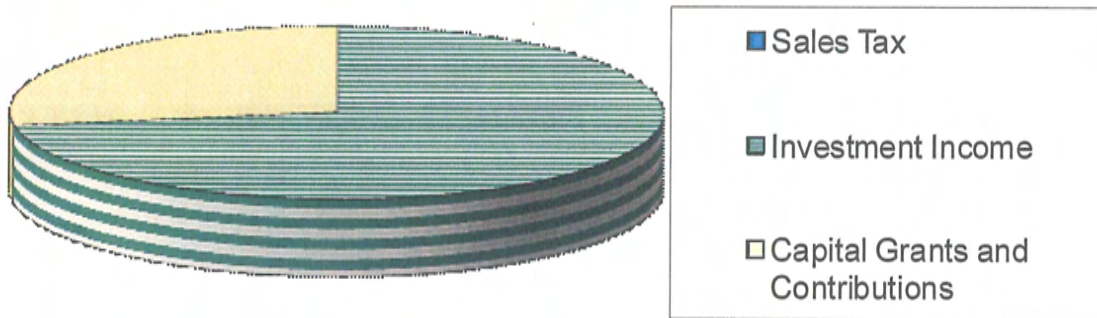


Figure A-4
The Alameda County Transportation Authority
Functional Expenses for the Year Ended June 30, 2010

Net Assets: The total assets of the Authority at June 30, 2010 (current year) were \$191.9 million, of which \$186.5 was from cash and investments. Of the total net assets, \$4.1 million is invested in capital assets, and \$185.2 is restricted for highways and streets. The total assets of the Authority at June 30, 2009 (prior year) were \$218 million, of which \$212.8 was from cash and investments. Of the total net assets, \$4.1 million is invested in capital assets, and \$204 million is restricted for highways and streets. The total assets of the Authority at June 30, 2008 were \$228.8 million, of which \$223.0 was from cash and investments. Of the total net assets, \$4.1 million is invested in capital assets, and \$223.2 million is restricted for highways and streets (see Table A-2).

Table A-2
The Alameda County Transportation Authority
Net Assets
June 30, 2010, 2009 and 2008

	Governmental Activities		
	2010	2009	2008
Cash and Investments	\$ 186,487,031	\$ 212,777,522	\$ 222,969,616
Receivables			
Accrued interest	28,377	38,452	97,622
Other governments	1,242,421	1,037,758	1,580,291
Other			62,029
Capital assets (net of accumulated depreciation)			
Land	4,068,000	4,068,000	4,068,000
Furniture and equipment	17,770	23,511	32,134
Other Assets	13,996	6,538	38,005
Total assets	\$ 191,857,595	\$ 217,951,781	\$ 228,847,697
Accounts payable	\$ 1,328,427	\$ 5,757,617	\$ 1,515,252
Payable to other government	1,285,414	106,472	116,298
Other	-	-	-
Noncurrent liabilities	-	-	-
Total liabilities	2,613,841	5,864,089	1,631,550
Net assets:			
Invested in capital assets	4,085,770	4,091,511	4,100,134
For:			
Highway and streets	185,157,984	207,996,181	223,116,013
Total net assets	189,243,754	212,087,692	227,216,147
Total Liabilities and Net Assets	\$ 191,857,595	\$ 217,951,781	\$ 228,847,697

1 Financial Analysis of the Authority's Funds

Governmental Funds

The Authority uses fund accounting to ensure compliance with finance-related legal requirements. The governmental funds in this case include the general, capital projects, and special revenue funds.

In FYE 2006, the Authority (ACTA) transferred all employees, administrative functions and related liabilities to ACTIA. This leaves only the capital projects accounting under ACTA. As a result of this change, the funds activity reported under ACTA were primarily related to the Capital Fund. This fund accounts for capital project expenditures and administrative costs (including consultants, salaries and benefits) relating to the delivery of capital projects.

The total net assets of the Authority at June 30, 2010 (current year) were \$189.2 million, of which \$186.5 million was from cash and investments. The total net assets of the Authority at June 30, 2009 (prior year) were \$212.1 million, of which \$212.8 million was from cash and investments. The total net assets of the Authority at June 30, 2008 were \$227.2 million, of which \$223.0 million was from cash and investments.

At the end of FYE 2010 (current year), the Authority's liabilities were \$2.6 million, of which \$1.3 million is for accounts payable related to the capital projects fund and the balance is other liabilities. At the end of FYE 2009 (prior year), the Authority's liabilities were \$5.8 million, of which all is for accounts payable related to the capital projects fund and the balance is other liabilities. At the end of FYE 2008, the Authority's liabilities were \$1.6 million, of which nearly all is for accounts payable related to the capital projects fund.

Of the fund balances at the end of FYE 2010, \$185.2 million is reserved for Highways and Streets, for both capital projects and general administration. Of the fund balances at the end of FYE 2009, \$208 million was reserved for Highways and Streets, for both capital projects and general administration. Of the fund balances at the end of FYE 2008, \$223.1 million was reserved for Highways and Streets, for both capital projects and general administration.

In FYE 2010 (current year), the Authority had revenues of \$8.1 million, including \$5.8 million from investment income, and \$2.2 million from local matching funds. During the year, the Authority expended \$30.9 million through the governmental funds, mostly for highways and streets. In FYE 2009 (prior year), the Authority had revenues of \$14.9 million, including \$5 thousand from the sales tax, \$12.4 million from investment income, and \$2.5 million from local matching funds. During the year, the Authority expended \$30.1 million through the governmental funds, mostly for highways and streets. In FYE 2008, the Authority had revenues of \$16.2 million, including \$0.7 million from the sales tax, \$14.9 million from investment income, and \$0.6 million from local matching funds. During the year, the Authority expended \$20.2 million through the governmental funds, mostly for highways and streets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, 2009 and 2008, the Authority had invested \$4.1 million in capital assets, including property and furniture and equipment (see Table A-3).

Table A-3
The Alameda County Transportation Authority
Capital Assets (net of depreciation)
June 30, 2010, 2009 and 2008

	2010	2009	2008
Land	\$ 4,068,000	\$ 4,068,000	\$ 4,068,000
Furniture and equipment (net of accumulated depreciation)	17,770	23,511	32,134
Total	\$ 4,085,770	\$ 4,091,511	\$ 4,108,899

Long-Term Debt

As of June 30, 2010, 2009 and 2008, the Authority had no outstanding debt.

COMPARISON OF BUDGETED TO ACTUAL:

Prior to the start of each fiscal year, the Authority adopts a budget for the fiscal year. This budget may be modified at quarterly intervals resulting in subsequent legally adopted budget. These modifications are made to adjust revenues that change due to the economic climate and adjust expenses to the changes in revenues or capital project costs.

The final revenue budget for the Authority was \$7.3 million; the actual revenue was \$8.1 million. The variance is due to the investment income exceeding budget estimates.

The final budget anticipated expenditures of \$25.2 million. Actual expenditures were \$30.9 million and the variance was due to the timing of the expenditures on board authorized capital projects.

ECONOMIC FACTORS AND FUTURE PROJECTIONS

As the sales tax collection period ended in 2002, the Authority relies on the cash and investment balance, interest earnings on its investment balance and commitments from federal, state and local sources for the completion of the remaining projects. The improvement in interest rate has had a positive impact on the Authority's ability to complete the remaining projects. In the future, significant changes to the interest rates, project commitment levels and project cost overruns are likely to impact the Authority's ability to complete the remaining projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to Arthur L. Dao or Anees Azad of the Alameda County Transportation Authority at 1333 Broadway, Suite 300, Oakland, California, CA 94610.

**ALAMEDA COUNTY TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS - BALANCE SHEET / STATEMENT OF NET ASSETS
JUNE 30, 2010
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2009)**

Assets	Capital Projects	Total	Adjustments	Statement of Net Assets	
				2010 Total	2009 Total
Cash and investments	\$186,487,031	\$186,487,031		\$186,487,031	\$212,777,522
Receivables					
Accrued interest	28,377	28,377		28,377	38,452
Other	1,242,421	1,242,421		1,242,421	60,469
Government agencies					977,289
Capital assets					
Land			(1)	\$4,068,000	4,068,000
Furniture and equipment (net of accumulated depreciation)			(1)	17,770	23,511
Other	13,996	13,996		13,996	6,538
Total assets	<u>\$187,771,825</u>	<u>\$187,771,825</u>	4,085,770	191,857,595	217,951,781
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$1,328,427	\$1,328,427		1,328,427	5,757,617
Payable to other government agencies	1,285,414	1,285,414		1,285,414	106,472
Total liabilities	<u>2,613,841</u>	<u>2,613,841</u>		2,613,841	5,864,089
Fund balances:					
Reserves for:					
Highway and streets	185,157,984	185,157,984	(185,157,984)		
Total fund balances	<u>185,157,984</u>	<u>185,157,984</u>	(185,157,984)		
Total liabilities and fund balances	<u>\$187,771,825</u>	<u>\$187,771,825</u>			
Net Assets:					
Invested in capital assets			4,085,770	4,085,770	4,091,511
Restricted			185,157,984	185,157,984	207,996,181
Total net assets			<u>\$189,243,754</u>	<u>\$189,243,754</u>	<u>\$212,087,692</u>

(1) Amounts reported for governmental activities in the statement of net assets are different because: Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

See accompanying notes to financial statements

**ALAMEDA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE \ STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2009)**

	Capital Projects	Total	Adjustments	Statement of Activities	
				2010 Total	2009 Total
Revenues:					
Sales tax					\$5,150
Investment income	\$5,840,620	\$5,840,620		\$5,840,620	12,425,608
Local matching funds	2,243,845	2,243,845		2,243,845	2,501,241
Total revenues	8,084,465	8,084,465		8,084,465	14,931,999
Expenditures\expenses:					
Current:					
Administration	1,498,893	1,498,893	(1)	1,504,633	1,641,149
Highways and Streets	29,423,768	29,423,768		29,423,768	28,418,996
Public transit					309
Total expenditures\expenses	30,922,661	30,922,661	5,741	30,928,402	30,060,454
Excess (Deficiency) of revenues over expenditures	(22,838,196)	(22,838,196)	(5,741)	(22,843,937)	(15,128,455)
Net change in fund balances\net assets	(22,838,196)	(22,838,196)	(5,741)	(22,843,937)	(15,128,455)
Beginning of year	207,996,180	207,996,180	4,091,511	212,087,691	227,216,147
End of year	\$185,157,984	\$185,157,984	\$4,085,770	\$189,243,754	\$212,087,692

(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

See accompanying notes to financial statements

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ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

(1) Summary of Significant Accounting Policies

a. Reporting Entity

The Alameda County Transportation Authority (ACTA) was created by the approval of Measure B by Alameda County, California (the County) voters in November 1986. Measure B authorized the imposition of a one-half of one percent sales and use tax (the sales tax) in the County, the proceeds of which are principally reserved for highway improvements, local transportation improvements, and transit funding (collectively, the programs) in the County. The sales tax commenced April 1, 1987 and expired on March 31, 2002.

ACTA is responsible for completing all of the projects in the expenditure plan adopted by voters, or to delegate this responsibility. Revenues from interest on the fund balance are estimated to cover all future administrative costs.

The basic financial statements of ACTA include all of its financial activities. ACTA is the sole independent Authority responsible for receiving and allocating funds from the 1986 Measure B necessary to complete the program and was governed by a nine-member board of elected officials from the County and local sites. Please refer to Footnote (2) for details.

b. Government-Wide and Fund Financial Statements

The fund financial statements (i.e., balance sheet and statement of governmental fund revenues, expenditures, and changes in fund balance) and government-wide financial statements (i.e., statement of net assets and the statement of activities) have been combined, as prescribed in Governmental Accounting Standards Board (GASB) statement number 34, as it applies to special purpose entities. The Authority meets the definition of a special purpose entity. These statements report information on all of the non-fiduciary activities of ACTA.

c. Measurement Focus, Basics of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economics measurement focus* and *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales tax revenues are recorded when the tax is due from the State Board of Equalization. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ACTA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(1) Summary of Significant Accounting Policies (Continued)

d. Measurement Focus, Basics of Accounting, and Financial Statement Presentation (Continued)

Sales taxes, local matching revenue, and investment income (including the change in the fair value of investments) associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the modified accrual basis of accounting as described above.

ACTA reports the following major governmental fund:

The *capital projects fund* is the primary operating fund, which accounts for resources accumulated and payments made for the acquisition or construction of major capital improvements in accordance with the Alameda County Transportation Authority Expenditure Plan. ACTA does not retain ownership of these improvements.

e. Budgetary Data

Following a public meeting, ACTA adopts an annual budget for all governmental fund types to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the program level, the amounts stated therein as proposed expenditures become appropriations to the various programs. Once a quarter, ACTA approves all transfers between expenditure objects and overall budget modifications during the year. For the capital projects fund, ACTA approves reimbursements to the project sponsors, and reimbursements are not to exceed contract limits. Annual budgets are adopted on a basis consistent with accounting principles, generally accepted in the United States of America.

f. Deposits and Investments

ACTA's cash and investments are maintained in custodial investment accounts managed by independent investment advisors, and with the California State Treasurers. ACTA generally holds investments until maturity. All cash and investments of ACTA are restricted as to their use as specified in the State government code.

ACTA's investments are stated at fair value. Fair value has been obtained by using market quotes as of June 30, 2010 and reflects the values as if ACTA were to liquidate the securities on that date. Money market investments are valued at amortized cost, which approximates market value.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(1) Summary of Significant Accounting Policies (Continued)

g. Capital Assets

Capital assets, which include land, leasehold improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by ACTA as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets of ACTA are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Office Furniture and Equipment	5
Computer Equipment	3
Leasehold Improvements	5

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. ACTA does not have any long-term liabilities.

i. Fund Equity

In the fund financial statements, governmental funds report reservations of balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

j. Interfund Transfers

Interfund transfers are generally recorded as transfers in (out) except for reimbursement for services performed, which are recorded as a reduction of expenditures in the performing fund and expenditures of the receiving fund.

k. Estimates

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

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(2) Creation of Alameda County Transportation Commission (Alameda CTC) and Termination of ACTA on July 1, 2010

On March 25, 2010, ACTIA, the Alameda County Congestion Management Agency (ACCMA), the County of Alameda, the fourteen cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement (JPA). On June 24, 2010, the Boards of ACTIA and ACCMA gave the final approval which created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as the Alameda County Transportation Commission (Alameda CTC).

The Alameda CTC is the successor agency of ACCMA, ACTIA and ACTA, and has all the functions and responsibilities of such agencies along with certain additional powers as described in the JPA.

ACTA Board had determined that ACTA be terminated upon the formation of the Alameda CTC, and that all assets, functions and responsibilities, including but not limited to ACTA's existing contracts and agreements, be transferred and assigned to ACTIA, and thereafter transferred and assigned to the Alameda CTC upon the establishment by Alameda CTC of such accounts and administrative capabilities as may be required to accept such transfer and assignment.

On June 24, 2010, the ACTA Board adopted the resolution that for financial transaction and accounting purposes, the transfer of ACTA's assets, responsibilities and liabilities to ACTIA to be effective on July 1, 2010. The ACTA Board also adopted the resolution that ACTA be dissolved, terminated and extinguished effective as of the date of closing of the transfer of ACTA's assets, functions and responsibilities to ACTIA, which was July 1, 2010. All known debts, liabilities and other obligations of ACTA were assumed by ACTIA on July 1, 2010 and thereafter would be assumed by the Alameda CTC.

Effective on July 1, 2010, ACTA transferred to ACTIA all remaining net assets in the amount of \$189,243,755.

(3) Deposits and Investments

Summary of Deposits and Investments

Deposits and Investments as of June 30, 2010, consists of the following:

Cash and cash equivalents	\$53,612
Investments	186,433,420
	<u>\$186,487,032</u>

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(3) Deposits and Investments (Continued)

Policies and Practices

ACTA is authorized under California Government Code, or the Authority's investment policy if different, to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	10%	5%
Registered State Bonds, Notes, Warrants	5 years	10%	5%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	35%
Banker's Acceptance	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	3 years	30%	5%
Repurchase Agreements	90 days	20%	None
Medium-Term Notes	5 years	30%	5%
Money Markets	N/A	20%	5%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Policy also dictates that a maximum of 5% of total portfolio can be deposited with the California Management Program (CAMP)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will 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. ACTA manages its exposure to interest rate risk by purchasing a combination of shorter term and longer 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

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(3) Deposits and Investments (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of ACTA's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of ACTA's investment by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Agency Securities:				
Non-Callable	\$25,805,363	\$30,032,314	\$41,462,723	\$97,300,400
Callable		2,253,825		2,253,825
U.S. Treasury Bonds	13,789,695	15,485,011	1,315,821	30,590,527
Corporate Notes	5,436,405	26,129,799	6,640,804	38,207,008
Money Market Mutual Funds	223,210			223,210
California Local Agency Investment Fund	17,858,450			17,858,450
Total Investments	63,113,123	73,900,949	49,419,348	186,433,420
Cash in Bank	53,612			53,612
Total Cash and Investments	\$63,166,735	\$73,900,949	\$49,419,348	\$186,487,032

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2010, these investments matured in an average of 203 days.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

(3) Deposits and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, ACTA's investment policy, or debt agreements, and the actual rating, per Moody's, as of the year-end for each investment type.

Investment Type	Aaa	Aa2	A1	Not Rated	Total
U.S. Agency Securities:					
Non-Callable	\$97,300,400				\$97,300,400
Callable	2,253,825				2,253,825
U.S. Treasury Bonds				\$30,590,527	30,590,527
Corporate Notes	31,231,310	\$3,841,208	\$3,134,490		38,207,008
Money Market Mutual Funds	223,210				223,210
California Local Agency Investment Fund				17,858,450	17,858,450
Totals Investments	131,008,745	3,841,208	3,134,490	48,448,977	186,433,420
Cash in Bank	53,612				53,612
Total Cash and Investments	<u>\$131,062,357</u>	<u>\$3,841,208</u>	<u>\$3,134,490</u>	<u>\$48,448,977</u>	<u>\$186,487,032</u>

Concentration of Credit Risk

The investment policy of ACTA contains limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. Investments in any one issuer (other than U.S Treasury securities, mutual funds and external investment pools) that represent five percent (5%) or more of the total investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	\$23,640,197
Federal Home Loan Mortgage Corp	Federal Agency Securities	38,515,665
Federal National Mortgage Assoc	Federal Agency Securities	12,063,676

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(3) Deposits and Investments (Continued)

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, ACTA's deposits may not be returned to it. ACTA's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2010, ACTA's bank balance with a reported balance of \$53,612 is collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the ACTA.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, ACTA will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. It is ACTA's policy that all securities held, be secured through third-party custody and safekeeping.

Investment in the State Investment Pool - ACTA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of ACTA's investment in the pool is reported in the accompanying financial statement at amounts based upon ACTA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

(4) Capital Assets

a. Capital Assets - Governmental Activities

A summary of changes in capital assets recorded governmental activities follows:

	Balance at June 30, 2009	Additions	Balance at June 30, 2010
Capital assets not being depreciated			
Land	\$4,068,000		\$4,068,000
Total capital assets not being depreciated	<u>4,068,000</u>		<u>4,068,000</u>
Capital assets being depreciated:			
Furniture, equipment and leasehold improvements	54,813	\$2,192	57,005
Total capital assets being depreciated	<u>54,813</u>	<u>2,192</u>	<u>57,005</u>
Accumulated depreciation:			
Furniture, equipment and leasehold improvements	(31,302)	(7,933)	(39,235)
Total capital assets being depreciated, net	<u>23,511</u>	<u>(5,741)</u>	<u>17,770</u>
Governmental activities capital assets, net	<u>\$4,091,511</u>	<u>(\$5,741)</u>	<u>\$4,085,770</u>

b. Depreciation Expense

Depreciation expense of \$7,933 is reflected under the administration function of ACTA.

(5) Interfund Transfers

There were no inter-fund transfers in the current fiscal year.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(6) Commitments and Contingent Liabilities

a. Agreements with Engineering Firms

ACTA has entered into contracts with various private engineering firms and other agencies to provide scoping/planning, engineering, environmental, design, right of way engineering and acquisition, construction and constructions management services. As of June 30, 2010, the total outstanding commitments (not paid or accrued) are \$12.5 million. The terms range from June 30, 2010 to 4 years (or acceptance of the phase of work, whichever is earlier).

b. Agreements with Project Sponsors

ACTA has entered into contracts with various project sponsors to provide scoping/planning, engineering, environmental, design, right of way engineering and acquisition, construction, and construction management services. As of June 30, 2010, the total outstanding commitments (not paid or accrued) are \$51.0 million. The terms range from June 30, 2010 to 3 years (or acceptance of the phase of work, whichever is earlier).

c. Insurance, Claims and Litigation

ACTA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disaster. ACTA has purchased commercial insurance coverage for general liability, workers' compensation, employee and automobile liability, fidelity, and property coverage. Settlements have not exceeded insurance coverage in the past three years.

Type of Claim	Coverage Limits	Deductible
Property	\$200,000	\$1,000
General Liability	2,000,000	1,000
Automobile	1,000,000	
Excess Liability	4,000,000	10,000
Commercial Crime	10,000,000	75,000
Workers' Compensation	1,000,000	

d. Federal Grants

ACTA participates in federal grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs have not yet been completed. Accordingly, ACTA's compliance with applicable grant requirements will be established at some future date. The amounts, if any of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. Management believes that disallowances, if any, would not have a material effect on the financial statements.

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

(7) Related Party Transaction

During the year ended June 30, 2010, ACTIA paid \$1,456,893 for administrative costs on behalf of ACTA. As of June 30, 2010, \$1,285,414 is payable to ACTIA. This amount is included in the payable to other government agencies total on the statement of net assets and balance sheet.

ACTA is charged various administrative costs such as staff costs, rent, insurance, supplies and other miscellaneous costs. on a prorated basis. These costs are approved through the budget process and reimbursed from cash reserves.

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**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***

The Governing Board of the
Alameda County Transportation Authority (Authority)
Oakland, California

We have audited the financial statements of Alameda County Transportation Improvement Authority as of and for the year ended June 30, 2010, and have issued our report thereon dated September 15, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 Authority'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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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.

As part of our audit, we prepared and issued our separate Memorandum on Internal Control dated September 15, 2010.

This report is intended solely for the information and use of management, Governing Board, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Xlape & Associates

September 15, 2010

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2010**

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**ALAMEDA COUNTY TRANSPORTATION AUTHORITY
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2010

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MEMORANDUM ON INTERNAL CONTROL

To the Governing Board of
the Alameda County Transportation Authority (Authority)
Oakland, California

In planning and performing our audit of the financial statements of the Alameda County Transportation Authority (Authority) as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the Authority.

The Authority's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Governing Board, others within the organization, and agencies and pass-through entities requiring compliance with generally accepted government auditing standards, and is not intended to be and should not be used by anyone other than these specified parties.

Mare & Associates

September 15, 2010

ALAMEDA COUNTY TRANSPORTATION AUTHORITY

CURRENT YEAR SCHEDULE OF OTHER MATTERS

2010-01: Upcoming GASB Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions (Effective for fiscal 2010/11)

This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered **nonspendable**, such as fund balance associated with inventories. This Statement also provides for additional classification as **restricted, committed, assigned, and unassigned** based on the relative strength of the constraints that control how specific amounts can be spent.

The **restricted** fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The **committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the **assigned** fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds *other than the general fund*, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. *In other funds*, the unassigned classification should be *used only to report a deficit balance* resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

Management Response:

ACTIA Management acknowledges and accepts the implications of GASB 54 in disclosing current and future fund balances. Management plans to comply with this new GASB 54 as it has with all other accounting and auditing requirements.

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ACCOUNTANCY CORPORATION

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maze@mazeassociates.com
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REQUIRED COMMUNICATIONS

To the Governing Board of
the Alameda County Transportation Authority (Authority)
Oakland, California

We have audited the financial statements of the Alameda County Transportation Authority as of and for the year ended June 30, 2010 and have issued our report thereon dated September 15, 2010. Professional standards require that we advise you of the following matters relating to our audit.

Financial Statement Audit Assurance: Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit in accordance with generally accepted auditing standards does not provide absolute assurance about, or guarantee the accuracy of, the financial statements. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is an inherent risk that material errors, fraud, or illegal acts may exist and not be detected by us.

Other Information Included with the Audited Financial Statements: Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Authority's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. Our responsibility also includes communicating to you any information that we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements. This other information and the extent of our procedures are explained in our audit report.

Accounting Policies: Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2010.

Unusual Transactions, Controversial or Emerging Areas: No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- **Creation of Alameda County Transportation Commission (Alameda CTC) and Termination of ACTA effective on July 1, 2010** (Note 2 to the financial statements): On June 24, 2010, the ACTA Board adopted the resolution to transfer all of ACTA's assets, responsibilities and liabilities to ACTIA, effective July 1, 2010. All of ACTA's assets, debts, liabilities and other obligations were assumed by ACTIA on July 1, 2010 and thereafter will be assumed by the Alameda CTC.

Estimates: Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

- **Estimated Fair Value of Investments:** (Note 3 to the financial statements) - As of June 30, 2010, the Authority held approximately \$186 million of cash and investments as measured by fair value. Fair value is essentially market pricing in effect as of June 30, 2010. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to that date.

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

Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Retention Issues: We did not discuss any major issues with management regarding the application of accounting principles and auditing standards that resulted in a condition to our retention as the Authority's auditors.

Difficulties: We encountered no serious difficulties in dealing with management relating to the performance of the audit.

Audit Adjustments: For purposes of this communication, professional standards define an audit adjustment, whether or not recorded by the Authority, as a proposed correction of the financial statements that, in our judgment, may not have been detected except through the audit procedures performed. These adjustments may include those proposed by us but not recorded by the Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that the adjustments are not material to the current financial statements.

We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the entity's financial reporting process.

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. We have no such misstatements to report to management.

This report is intended solely for the information and use of the finance committee, Governing Board, and management and is not intended to be and should not be used by anyone other than these specified parties.

Mare & Associates

September 15, 2010



ACCMA ■ 1333 Broadway, Suite 220 ■ Oakland, CA 94612 ■ PH: (510) 836-2560
ACTIA ■ 1333 Broadway, Suite 300 ■ Oakland, CA 94612 ■ PH: (510) 893-3347

www.AlamedaCTC.org

Memorandum

DATE: November 22, 2010

TO: Alameda County Transportation Commission

FROM: Finance and Administration Committee

SUBJECT: Approval of ACCMA Draft Audit for Fiscal Year 2009/2010

Recommendation:

It is recommended that the Commission accept the ACCMA's Draft Basic Financial Statements for fiscal year 2009/2010 as prepared by the certified public accounting firm of Kevin W. Harper CPA & Associates.

Discussion

An annual independent financial audit was conducted by Kevin W. Harper, CPA, a certified public accounting firm, for the fiscal year ending June 30, 2010.

In addition to the Basic Financial Statements, the auditor also audited the ACCMA's compliance with the federal OMB Circular A-133 Compliance Supplement (Single Audit) regarding the Agency's major federal program for the year ended June 30, 2010. No deficiencies in internal control were identified during their compliance audit of OMB Circular 133.

Fiscal Impact

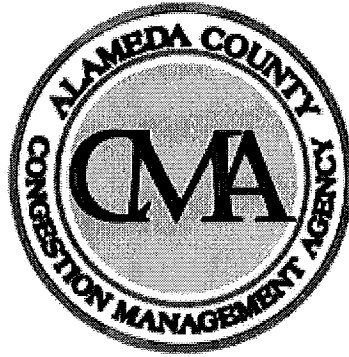
None

Attachments

Attachment A -Draft ACCMA Financial Statements for FY 2009-10

Attachment B – Management Letter Year Ended June 30, 2010

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**ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY**

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors

Alameda County Congestion Management Agency:

We have audited the accompanying basic financial statements of the Alameda County Congestion Management Agency (the "Agency") as of and for the year ended June 30, 2010, listed in the foregoing table of contents. These basic financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2010, and the changes in its financial position and respective budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10 to the basic financial statements, on July 22, 2010, the Agency's Board voted to merge with the Alameda County Transportation Improvement Authority to form the new Alameda County Transportation Commission.

INDEPENDENT AUDITORS' REPORT (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2010, on our consideration of the Agency'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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards on page 28 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

October 27, 2010

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2010**

This section of the Alameda County Congestion Management Agency (the "Agency") annual financial report presents a discussion and analysis of the Agency's financial performance during the fiscal year ended June 30, 2010. Please read it in conjunction with the Agency's basic financial statements and notes to those statements following this section. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Overview of the Financial Statements

As required by the Governmental Accounting Standards Board, the Agency's principal financial statements include the following:

- Statement of Net Assets (showing agency-wide assets and liabilities)
- Statement of Activities (showing agency-wide revenues and expenses)
- Balance Sheet (showing assets and liabilities for the General Fund, the Exchange Fund and the Transportation Fund for Clean Air)
- Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (showing revenues and expenditures by fund)
- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund (showing budget versus actual revenues and expenditures)

Financial Highlights

Financial highlights for the fiscal year ended June 30, 2010, include the following:

- The Agency's total net assets were \$9,268,624, an increase of \$567,812 from the prior fiscal year (see Statement of Activities, page 9).
- The Agency's total revenues increased by 38.8% from \$39,937,451 for fiscal year 2008-09 to \$55,419,518 for fiscal year 2009-10 due to increases in project activity. Similarly, the Agency's expenses increased by 41.4% from \$38,642,900 in fiscal year 2008-09 to \$54,851,706 in fiscal year 2009-10 in response to increased project activity (see Statement of Activities, page 9).
- The Agency's cash and investments (restricted and unrestricted) totaled \$23,321,775, an increase of \$3,678,717 or 18.7% from the prior fiscal year (see Statement of Net Assets, page 8).

- The General Fund reported a net increase in fund balance for the year of \$186,269 (see Statement of Revenues, Expenditures and Changes in Fund Balance, page 11).

Financial Information

The Agency maintains three funds: General Fund, Exchange Fund and Transportation Fund for Clean Air. Following is a discussion of the results of operations of each fund during fiscal year 2009-10:

General Fund – The Agency uses the General Fund as its chief operating fund. This fund is used for preparing the Congestion Management Plan and programming federal, state and local funds to implement the plan. The Agency's focus is on assisting sponsors in delivering currently funded or programmed projects. The following table shows General Fund revenues and expenditures for the two most recent fiscal years:

	<i>FY 2009-10</i>	<i>FY 2008-09</i>	<i>Percent Change</i>
Total Revenues	\$ 53,104,612	\$ 33,311,590	59.4 %
Total Expenditures	52,918,343	33,008,350	60.3
Net Change in Fund Balance	186,269	303,240	3.1
Beginning Fund Balance (Deficit)	(46,989)	(350,229)	(86.6)
Ending Fund Balance (Deficit)	<u>\$ 139,280</u>	<u>\$ (46,989)</u>	<u>396.4 %</u>

Total General Fund revenues increased during the last fiscal year by 59.4% due to increases in project activity. General Fund expenditures increased 59.9%. Fund balance increased by \$186,269, leaving an ending fund balance of \$139,280.

The Agency receives revenue from a wide variety of sources. The table below demonstrates the diversity of revenue sources to the General Fund during the past fiscal year:

	<i>Revenues</i>	<i>Percent of Total Revenue</i>
Member Agency Fees	\$ 1,004,898	1.9 %
Metropolitan Transportation Commission	13,190,571	24.8
CalTrans	15,564,832	29.3
Transportation Fund for Clean Air	566,352	1.1
Bay Area Air Quality Management District	707,766	1.3
AC Transit	355,584	0.7
Contra Costa Transportation Authority	2,197,518	4.1
Other	1,538,992	2.9
Interest	57,553	0.1
ACTIA/ACTA	12,674,893	23.9
Revenue from Exchange Fund	5,245,653	9.9
Total General Fund Revenues	<u>\$ 53,104,612</u>	<u>100.0 %</u>

Exchange Fund – Under the Exchange Program, the Agency entered into agreements with several local agencies to exchange the Agency's state or federal funds with other governments' local funding for various transportation projects. This program is used to

expedite projects by giving project sponsors the flexibility of using local funds rather than more restrictive state or federal funds.

The Agency has entered into exchange agreements with the following agencies through June 30, 2010:

AC Transit	\$35,060,514
BART	8,100,000
Berkeley	259,560
Dublin	4,230,000
Fremont	6,280,050
Livermore	4,580,000
Altamont Commuter Express	432,445
Santa Clara Valley Transportation Authority	558,000
MTC	750,000
Union City	<u>9,314,000</u>
Total Exchanged Funds	<u>\$69,564,569</u>

These exchanges were recognized as deferred revenue in the government-wide financial statements at the time the Agency entered into exchange agreements, and are being recognized as revenue when qualifying expenses are incurred. Approximately \$60.1 million of these exchanged funds have been collected and \$50.4 million has been expended as of June 30, 2010.

Transportation Fund for Clean Air – This program generates about \$1-2 million annually for Alameda County transportation projects that improve air quality. In the past, the Agency has used these funds to support an array of projects such as shuttle buses, transit information, bicycle projects, regional ridesharing, the Guaranteed Ride Home Program and signal coordination.

Agency-wide - Expenses increased by 41.9% in fiscal year 2009-10 from the prior year. Program Revenues (those revenues available to the Agency through grants from agencies such as the Metropolitan Transportation Commission, CalTrans, ACTIA and others) increased by 45.6% from fiscal year 2008-09 due to increased project activity. General Revenues (which include revenues from the Exchange Fund and annual dues from member agencies) increased by 6.1% between fiscal years 2008-09 and 2009-10 primarily as a result of using more Exchange Program revenue to fund projects. Changes in both revenues and expenses since the prior year are summarized as follows:

	<i>FY 2009-10</i>	<i>FY 2008-09</i>	<i>Percent Change</i>
Total Expenses	\$ 54,851,706	\$ 38,642,900	41.9 %
Total Program Revenues	48,046,550	32,987,049	45.7
Net Program Expenses	(6,805,156)	(5,655,851)	20.3
General Revenues	7,372,968	6,950,402	6.1
Change in Net Assets	567,812	1,294,551	(56.1)
Beginning Net Assets	8,700,812	7,406,261	17.5
Ending Net Assets	<u>\$ 9,268,624</u>	<u>\$ 8,700,812</u>	<u>6.5 %</u>

The Agency's net assets increased by 6.5% between fiscal years 2008-09 and 2009-10. A summary of the Agency's Statement of Net Assets, as shown on page 8, is presented below:

	<i>FY 2009-10</i>	<i>FY 2008-09</i>	<i>Percent Change</i>
Total Assets	\$ 52,446,221	\$ 48,235,410	8.7 %
Total Liabilities	43,177,597	39,534,598	9.2
Total Net Assets	<u>\$ 9,268,624</u>	<u>\$ 8,700,812</u>	<u>6.5 %</u>
Components of Net Assets:			
Restricted	\$ 8,799,919	\$ 8,285,195	
Unrestricted (Deficit)	139,280	(46,988)	
Invested in Capital Assets	329,425	462,605	
	<u>\$ 9,268,624</u>	<u>\$ 8,700,812</u>	

Budget vs. Actual – General Fund - As shown on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual for the General Fund on page 13, significant variances exist between the original and final budget amounts and what was finally recorded as actual revenues or expenditures at year-end. The primary reason for the differences between the original and final budget is that the budget is developed in anticipation that funding agreements and authorizations will be forthcoming from either Caltrans or the Federal Highway Administration in a timely manner. During this last fiscal year, the state's fiscal crisis postponed many decisions that, in turn, delayed the issuance of the required funding authorizations. As a consequence, projects schedules were pushed back due to the absence of necessary funding. With regard to the variance between final budget and actual, the differences are almost entirely due to project work being either accelerated or delayed near the end of the fiscal year. While overall project budgets remained the same, the allocation of revenue and expenditures shifted between fiscal years, and in so doing, deviated from budget expectations. For these reasons, the variance between final budget and actual for revenues (2.8%) approximated the variance for expenditures (3.0%).

Summary of Known Facts, Decisions or Conditions

The Agency merged with the Alameda County Transportation Improvement Authority ("ACTIA") on July 22, 2010 to form the new Alameda County Transportation Commission ("ACTC"). On August 23, 2010, the new Commission appointed a new

Executive Director and initiated a series of actions that will culminate in the complete functional and organizational integration of the two organizations during fiscal year 2010-11. It is expected that the ACCMA will be terminated sometime in 2011. The first ACTC budget will be developed for fiscal year 2011-12. A complete description of ACTC and its activities can be found at www.alamedactc.org.

On June 24, 2010, the Agency approved a resolution to place a transportation improvement measure on the November 2, 2010 ballot. If approved by a majority of the voters of the County, a vehicle registration fee of \$10 per year would be available for local transportation improvements throughout the County. A Board adopted Expenditure Plan identified four programs, each of which would be allocated a portion of the expected annual revenue, after administrative costs have been deducted, of approximately \$1 million. They are:

- Local Road Improvement and Repair Program (60 %)
- Transit for Congestion Relief Program (25%)
- Local Transportation Technology Program (10%)
- Pedestrian and Bicyclist Safety Program (5%)

On September 20, 2010, the 14 mile long I-680 Express Lane Project began operations for commuters in the southbound direction on I-680 between Highway 84 and Highway 237. The I-680 Express Lane gives solo drivers the choice to pay a toll electronically to use the lane while regular carpool users continue to use the lane for free. The Express Lane will be differentiated with new striping, three specific entry and exit points, overhead electronic signs and a FasTrak electronic toll collection system. The Agency entered into a joint powers agreement with ACTIA and Santa Clara Valley Transportation Authority to construct, maintain, operate and administer the tolls and equipment. The operations of the Express Lane Project is expected to have no significant financial impact on the Agency.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those interested in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Accounting at 1333 Broadway, Suite 220, Oakland, CA 94612.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF NET ASSETS
JUNE 30, 2010

DRAFT

ASSETS

Cash and Investments	\$	12,095,095
Restricted Cash and Investments		11,226,680
Accounts Receivable		28,708,293
Interest Receivable		27,312
Prepaid Items		59,416
Capital Assets, Net of Accumulated Depreciation		<u>329,425</u>
Total Assets		<u>52,446,221</u>

LIABILITIES

Accounts Payable		13,780,815
Accrued Liabilities		240,059
Deferred Revenue		<u>29,156,723</u>
Total Liabilities		<u>43,177,597</u>

NET ASSETS

Restricted for:		
Transportation Fund for Clean Air		4,181,057
Exchange Program		<u>4,618,862</u>
Total Restricted Net Assets		8,799,919
Invested in Capital Assets		329,425
Unrestricted		<u>139,280</u>
Total Net Assets	\$	<u><u>9,268,624</u></u>

The accompanying notes are an integral part of the basic financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

RAFT

EXPENSES

Salaries & Benefits	\$ 4,035,422
Board Meeting Per Diem	74,916
Travel & Transportation - Special Events	58,905
Office Space	393,486
Office & Related	273,286
Legal Counsel	52,442
Annual Audit	32,517
Professional Services	23,639
Legislative Advocacy	99,032
Consultants & Contractors	48,883,812
Member Agencies for Projects - TFCA	777,481
Depreciation	133,180
Miscellaneous	13,588
Total Expenses	<u>54,851,706</u>

PROGRAM REVENUES - Operating Grants and Contributions:

Metropolitan Transportation Commission	13,190,571
ACTIA/ACTA	12,674,893
CalTrans	15,564,832
Transportation Fund for Clean Air	566,352
Bay Area Air Quality Management District	1,957,808
AC Transit	355,584
Contra Costa Transportation Authority	2,197,518
Other	1,538,992
Total Program Revenues (Expenses)	<u>48,046,550</u>

Net Program Revenues	<u>(6,805,156)</u>
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GENERAL REVENUES

Member Agency Fees	1,004,898
Revenue from Exchange Program	6,268,248
Interest	99,822
Total General Revenues	<u>7,372,968</u>

Change in Net Assets	567,812
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Net Assets, July 1, 2009	8,700,812
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Net Assets, June 30, 2010	<u><u>\$ 9,268,624</u></u>
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The accompanying notes are an integral part of the basic financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

DRAFT

	<i>Major</i>		<i>Non-major Transportation</i>	<i>Total Governmental Funds</i>
	<i>General Fund</i>	<i>Exchange Fund</i>	<i>Fund for Clean Air</i>	
ASSETS				
Cash and Investments	\$ 12,095,095			\$ 12,095,095
Restricted Cash and Investments		\$ 7,419,446	\$ 3,807,234	11,226,680
Accounts Receivable	18,361,496		900,000	19,261,496
Interest Receivable	13,032	9,399	4,881	27,312
Interfund Receivable		10,385,900		10,385,900
Prepaid Items	59,416			59,416
Total Assets	\$ 30,529,039	\$ 17,814,745	\$ 4,712,115	\$ 53,055,899
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 9,763,015	\$ 3,486,742	\$ 531,058	\$ 13,780,815
Accrued Liabilities	240,059			240,059
Interfund Payable	10,385,900			10,385,900
Deferred Revenue	10,000,785	9,709,141		19,709,926
Total Liabilities	30,389,759	13,195,883	531,058	44,116,700
Fund Balances	139,280	4,618,862	4,181,057	8,939,199
Total Liabilities and Fund Balances	\$ 30,529,039	\$ 17,814,745	\$ 4,712,115	\$ 53,055,899

The accompanying notes are an integral part of the basic financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

DRAFT

	<u>Major</u>		<u>Non-major</u>	
	<u>General</u>	<u>Exchange</u>	<u>Transportation</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund for</u>	<u>Governmental</u>
			<u>Clean Air</u>	<u>Funds</u>
REVENUES				
Grants:				
Metropolitan Transportation Commission	\$ 13,190,571			\$ 13,190,571
CalTrans	15,564,832			15,564,832
Transportation Fund for Clean Air	566,352			566,352
Bay Area Air Quality Management District	707,766		\$ 1,250,042	1,957,808
AC Transit	355,584			355,584
Contra Costa Transportation Authority	2,197,518			2,197,518
Other	1,538,992			1,538,992
Revenue from Member Agencies	1,004,898			1,004,898
Revenue from Exchange Program	5,245,653	\$ 1,022,595		6,268,248
ACTIA/ACTA	12,674,893			12,674,893
Interest	57,553	23,344	18,925	99,822
Total Revenues	<u>53,104,612</u>	<u>1,045,939</u>	<u>1,268,967</u>	<u>55,419,518</u>
EXPENDITURES				
Current:				
Salaries & Benefits	4,035,422			4,035,422
Board Meeting Per Diem	74,916			74,916
Travel & Transportation - Special Events	58,905			58,905
Office Space	393,486			393,486
Office & Related	273,286			273,286
Legal Counsel	52,442			52,442
Annual Audit	32,517			32,517
Professional Services	23,639			23,639
Legislative Advocacy	99,032			99,032
Consultants & Contractors	47,861,338	1,022,474		48,883,812
Member Agencies for Projects - TFCA			777,481	777,481
Miscellaneous	13,360	120	108	13,588
Total Expenditures	<u>52,918,343</u>	<u>1,022,594</u>	<u>777,589</u>	<u>54,718,526</u>
Net Change in Fund Balances	186,269	23,345	491,378	700,992
Fund Balances (Deficit), July 1, 2009	<u>(46,989)</u>	<u>4,595,517</u>	<u>3,689,679</u>	<u>8,238,207</u>
Fund Balances, June 30, 2010	<u>\$ 139,280</u>	<u>\$ 4,618,862</u>	<u>\$ 4,181,057</u>	<u>\$ 8,939,199</u>

The accompanying notes are an integral part of the basic financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
RECONCILIATIONS OF
FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS
JUNE 30, 2010**

DRAFT

**Reconciliation of Fund Balance of Governmental Funds to Net Assets on the
Statement of Net Assets:**

Fund Balances on Governmental Funds' Balance Sheet	\$ 8,939,199
Capital assets, net of accumulated depreciation, are reported on the Statement of Net Assets but not in governmental funds	<u>329,425</u>
Net Assets on Statement of Net Assets	<u><u>\$ 9,268,624</u></u>

**Reconciliation of Net Change in Fund Balances of Governmental Funds to
Change in Net Assets on Statement of Activities:**

Net Change in Fund Balances on Governmental Funds' Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 700,992
Depreciation expense is reported in the Statement of Activities but not in governmental funds	<u>(133,180)</u>
Change in Net Assets on Statement of Activities	<u><u>\$ 567,812</u></u>

The accompanying notes are an integral part of the basic financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

DRAFT

		Budget		Variance With Final Budget - Over (Under)
REVENUES	Actual	Original	Final	
Grants:				
Metropolitan Transportation Commission	\$ 13,190,571	\$ 14,195,102	\$ 10,630,900	\$ 2,559,671
CalTrans	15,564,832	34,273,371	20,247,600	(4,682,768)
Transportation Fund for Clean Air	566,352	1,110,050		566,352
Bay Area Air Quality Management District	707,766			707,766
AC Transit	355,584	637,850	1,076,000	(720,416)
Other	3,736,510	10,014,658	11,812,800	(8,076,290)
Revenue from Member Agencies	1,004,898	1,004,898	1,004,898	-
ACTIA/ACTA	5,245,653	10,928,831	7,574,600	(2,328,947)
Revenue from Exchange Program	12,674,893	2,478,757	935,200	11,739,693
Miscellaneous		4,087,800	1,333,981	(1,333,981)
Interest	57,553			57,553
Total Revenues	<u>53,104,612</u>	<u>78,731,317</u>	<u>54,615,979</u>	<u>(1,511,367)</u>
EXPENDITURES - Current:				
Salaries & Benefits	4,035,422	4,090,000	4,183,021	(147,599)
Board Meeting Per Diem	74,916	50,000	50,000	24,916
Travel & Transportation - Special Events	58,905	75,000	75,000	(16,095)
Office Space	393,486	420,000	420,000	(26,514)
Office & Related	273,286	340,000	340,000	(66,714)
Legal Counsel	52,442	100,000	100,000	(47,558)
Annual Audit	32,517	32,000	32,000	517
Professional Services	23,639	125,000	125,000	(101,361)
Legislative Advocacy	99,032	105,000	105,000	(5,968)
Consultants & Contractors	47,861,338	73,224,146	48,986,281	(1,124,943)
Miscellaneous	13,360	15,000	15,000	(1,640)
Total Expenditures	<u>52,918,343</u>	<u>78,576,146</u>	<u>54,431,302</u>	<u>(1,512,959)</u>
Net Change in Fund Balance	<u>\$ 186,269</u>	<u>\$ 155,171</u>	<u>\$ 184,677</u>	<u>\$ 1,592</u>

The accompanying notes are an integral part of the basic financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - REPORTING ENTITY

In June 1990, California voters approved a fuel tax increase as part of Propositions 111 and 108. These propositions provide a share of the fuel tax revenues to local governments. To receive these funds, local governments must conform to a Congestion Management Program. The Alameda County Congestion Management Agency (the "Agency") was created by a Joint Powers Agreement ("JPA") dated February 20, 1991 between Alameda County, all cities in the County and four transit operators (the "Member Agencies"). The Agency is responsible for preparing, adopting, revising, amending, administering, and implementing the Congestion Management Program ("CMP") and the Countywide Transportation Plan ("CTP") for Alameda County pursuant to Section 65088 at seq. of the Government Code, and providing other transportation planning and programming functions. The JPA provides for the sharing of the costs of the Agency among the Member Agencies.

As an extension of its legislatively mandated activities, the Agency also initiates a variety of studies, programs and projects that serve to implement the CMP and CTP. Examples of special studies that have resulted in projects are:

- I-680 Smart Carpool Lane
- I-880 North County Operations and Safety Study, and
- Countywide Bicycle Plan

In addition, the Agency works closely with the California Department of Transportation, the Alameda County Transportation Improvement Authority, and other federal, state and local agencies to implement projects and programs aimed at reducing congestion and improving mobility and air quality. Examples of projects currently being sponsored by the Agency include:

- I-80 Integrated Corridor Mobility Project
- I-580 Soundwall Construction Project
- I-680 Express Lane Project, and
- Central Alameda County Freeway Study

Each of the projects and programs sponsored by the Agency is funded through one or more federal, state or local grants. The Agency is reimbursed from the grants as eligible program or project implementation costs are incurred. Administrative and staff costs associated with implementing the legislatively mandated activities, such as the CMP and CTP, as well as the programming of federal and state transportation funds through the Metropolitan Transportation Commission (MTC) and the California Transportation Commission are met through planning grants from MTC and the Member Agency annual dues.

The Agency's board is composed of one representative from each of the four transit operators, two representatives from the County of Alameda, one representative per 100,000 population from each city in the County, and one representative from the Bay Area Air Quality Management District. Each city's representation is adjusted following each national census.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Agency. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with the Agency's primary functions. Program revenues consist of grants and contributions that are restricted to meeting the operational or capital requirements of the Agency. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the Agency's governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Agency has one non-major fund, which is presented in a separate column of the fund financial statements.

The Agency uses the following major funds:

- *General Fund* is the general operating fund of the Agency. It is used to account for all financial resources and transactions except those required to be accounted for in another fund.
- *Exchange Fund* is a capital projects fund used to account for the proceeds and expenditures of the Agency's Exchange Program, which is described in note 5.

Measurement Focus and Basis of Accounting

The Agency's fund financial statements are presented on a modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they are both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Agency considers revenues to be available if they are collected within six months after fiscal year end. Expenditures are recorded when the related fund liability is incurred. The modified accrual basis of accounting uses the current financial resources measurement focus whereby the balance sheet generally presents only current assets and current liabilities and the operating statement presents sources and uses of available resources during a given period. Grant revenues, local matching revenue and investment income (including the change in the fair value of investments) associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year using the modified accrual basis of accounting.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (Continued)

The government-wide financial statements focus on governmental activities. The statement of net assets and the statement of activities are prepared using the economic resources measurement focus

and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Net Assets

Net assets are reported in the following categories:

- Invested in capital assets – This category includes all capital assets reduced by accumulated depreciation. The Agency has no capital-related debt.
- Restricted net assets – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.
- Unrestricted net assets – This category represents net assets of the Agency that are not restricted for any project or other purpose.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Investments

Investments are stated at fair value. Included in investment income is the net change in the fair value of investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments. Measurement of the fair value of investments is based upon quoted market prices, if available. The estimated fair value of investments that have no quoted market price is determined based on equivalent yields for such securities or for securities of comparable maturity, quality, and type as obtained from market makers.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits

By Agency policy, employees can carry over five weeks vacation benefits from year to year. The Agency has accrued \$240,058 for this liability at June 30, 2010. Sick leave benefits do not vest.

Budget

The Agency annually adopts a budget for its General Fund using the modified accrual basis. Expenditures that exceed the total approved budget are not permitted without Board approval. The Executive Director is authorized to approve expenditures in excess of budgeted line items within the three primary expenditure categories (personnel, consultants/contractors and other operating costs) in any amount as long as the total budget within each of the three expenditure categories is not overspent. Appropriations lapse at the end of the fiscal year. The Board decreased appropriations during the year for the General Fund by approximately \$24.1 million due to changes in the timing of projects and related funding.

NOTE 3 - CASH AND INVESTMENTS

As of June 30, 2010, the Agency's cash and investments were as follows:

Cash in banks and on hand	\$ 2,072,659
Investment in State Treasurer's investment pool	<u>21,249,116</u>
	<u>\$23,321,775</u>

Cash in banks is entirely insured or collateralized by the bank holding the deposit. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral remains with the institution, but is considered to be held in the Agency's name and places the Agency ahead of general creditors of the institution.

Oversight of the State Treasurer's investment pool (Local Agency Investment Fund) is provided by the Pooled Money Investment Board consisting of the Treasurer, Controller and Director of Finance for the State of California. The Agency's position in the pool is equal to the value of the pool shares. The income from the pooled investments is allocated between the participants based on the daily cash balance maintained.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 3 - CASH AND INVESTMENTS (continued)

The Agency mitigates its risk of investment losses as follows:

- Credit risk – This is the risk that an issuer or other counterparty of a security will not fulfill its obligations. The Agency's investment policy allows investing only in investments carrying minimum credit ratings from Standard & Poors and/or Moodys and requires diversifying the investment portfolio.
- Custodial credit risk – This is the risk that in the event a financial institution or counterparty fails, the Agency would not be able to recover the value of its deposits and investments. At June 30, 2010, the Agency's deposits were insured up to \$250,000 by federal depository insurance and the remainder was collateralized by the financial institution's trust department in the Agency's name.
- Interest rate risk – This is the risk of market value declines due to rises in the general level of interest rates. To the extent possible, the maturity dates of the Agency's investments are matched with its expected cash flow needs. Investment maturities at date of purchase can be no longer than 180 days for operating funds and three years for reserve funds.
- Concentration of credit risk – This is the risk of loss attributable to the magnitude of investment with a single issuer. The Agency's investment policy limits investments in any one issuer to 5% of the portfolio except for government agency obligations (35%) and repurchase agreements (25% to 50% depending on the length until maturity).

Investments authorized by the Agency's investment policy are:

- | | |
|---|--|
| • United States Treasury Bills and Notes | • Certificates of Deposit |
| • Alameda County Investment Pool | • Money Market Funds |
| • Federal Agency Obligations | • Medium Term Corporate Notes |
| • California Local Agency Investment Fund | • State of California and Local Agency Debt Securities |
| • Savings Accounts | • Repurchase Agreements |

NOTE 4 – CAPITAL ASSETS

Property and equipment costing \$5,000 or more is recorded in the statement of net assets at historical cost. Capital assets are depreciated using the straight line method over the following estimated useful lives: office furniture and equipment, five years; building improvements, remaining term of lease agreement; and automobile, five years.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

NOTE 4 – CAPITAL ASSETS (continued)

Capital asset balances at June 30, 2010, and activity during the year were as follows:

	<i>Balance</i> <i>6/30/2009</i>	<i>Additions</i>	<i>Balance</i> <i>6/30/2009</i>
Office Furniture/Equipment	\$ 504,103		\$ 504,103
Building Improvements	322,529		322,529
Automobile	35,246		35,246
Subtotal	861,878		861,878
Less Accumulated Depreciation	(399,273)	\$ (133,180)	(532,453)
Net Book Value	<u>\$ 462,605</u>	<u>\$ (133,180)</u>	<u>\$ 329,425</u>

NOTE 5 – EXCHANGE PROGRAM

In May 2000, the Board adopted a Local Funds Exchange Program for the purpose of providing local funds to the Agency for use in projects that either do not have the ability to make use of state or federal funds or would face unacceptable delays and/or cost increases if state or federal funds were used directly.

The Agency has entered into agreements with several local agencies to exchange the Agency's State STIP funds with the other governments' local funding for various transportation projects. Amounts received by the Agency as a result of the exchanges are treated in the fund financial statements as deferred revenue when received. In the statement of net assets, uncollected exchange amounts are also recognized as receivables and deferred revenue. Deferred revenues are recognized as revenues at the time qualifying expenditures are incurred.

Following is a list of the funds exchanged and received from other governments through June 30, 2010:

AC Transit	\$35,060,514
BART	8,100,000
Fremont	6,280,050
Berkeley	259,560
Dublin	4,230,000
Livermore	4,580,000
MTC	750,000
Altamont Commuter Express	432,445
Santa Clara Valley Transportation Authority	558,000
Union City	<u>9,314,000</u>
Total Exchanged Funds Collected and Collectible	69,564,569
Total Expenditures Incurred:	
Year ended June 30, 2010	(6,268,247)
Previous years	<u>(44,140,293)</u>
Total Deferred Revenue – Exchange Program	<u>\$ 19,156,029</u>

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 6 - EMPLOYEE RETIREMENT PLAN

Substantially all Agency employees are eligible to participate in the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Agency's employees participate in the Miscellaneous Employee Plans. Benefit provisions under the plan are established by State statute and Agency resolution. Benefits are based on years of service, age and final compensation, equal to the average of the employees' highest consecutive 12-month period.

Funding requirements for the plan are determined as of each June 30 on an actuarial basis by CalPERS and the Agency must contribute these amounts. The plan's provisions and benefits in effect at June 30, 2007 (the date of the most recent available actuarial report from CalPERS), are summarized as follows:

Benefit payments	Monthly for life
Retirement age	50
Required employee contribution rate	7%
Required employer contribution rate, year ended June 30, 2010	11.062%
Actuarially required contribution paid, year ended June 30, 2010	\$314,075

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Agency's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the Agency must pay annually to fund an employee's projected retirement benefit. The actuarial assumptions used to compute contribution requirements are also used to compute the pension benefit obligation.

CalPERS uses the 15-year smoothed market method of valuing the plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. The Agency's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a closed 20-year period.

The plan's actuarial value (which differs from market value) and funding progress over the past two years are set forth below at their actuarial valuation date of June 30 (dollars in thousands):

<i>Actuarial Valuation Date</i>	<i>Accrued Liability</i>	<i>Value of Assets</i>	<i>Unfunded Liability</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>Liability as % of Payroll</i>
June 30, 2006	\$ 912,989	\$ 787,759	\$ 125,230	86.3%	\$ 200,320	62.5%
June 30, 2007	1,315,454	1,149,247	166,207	87.4%	289,090	57.5%
June 30, 2008	1,539,910	1,337,708	200,202	87.0%	333,308	60.1%

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

NOTE 6 - EMPLOYEE RETIREMENT PLAN (continued)

Audited annual financial statements are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Operating Lease

The Agency is obligated under an operating lease through September 30, 2013 for the premises located at 1333 Broadway, Oakland. Minimum rental commitments for each year ending June 30 as follows:

2011	\$ 437,551
2012	461,494
2013	475,198
2014	121,557

Grants

The Agency participates in a number of state and federal grant programs that are subject to financial and compliance audits by the grantors. Audits of certain grant programs for or including the year ended June 30, 2010, have not yet been conducted or completed. Accordingly, the Agency's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, management does not believe that any audit disallowances would have a material effect on the financial position of the Agency.

Construction

The Agency had construction commitments of approximately \$14.9 million as of June 30, 2010.

Funding Agreements

The Agency has entered into agreements with several local governments to provide funding for transportation projects. As of June 30, 2010, the remaining project costs to be paid by the Agency totaled approximately \$11.4 million.

NOTE 8 - INTERFUND ACTIVITY

As of June 30, 2010, the General Fund's interfund liability due to the Exchange Capital Projects Fund in the amount of \$10,385,900 resulted from cash advances. This amount will be repaid from future unrestricted General Fund revenue.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Agency participates in the California Employers' Retirement Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. CERBT provides lifetime healthcare benefits to retired Agency employees and their eligible family members. The Agency has one eligible retiree as of June 30, 2010. Employees hired before January 26, 2006 are eligible for benefits if they retire from the Agency and are immediately eligible to receive a pension from CalPERS. Employees hired after January 26, 2006 are eligible for benefits if they retire from the Agency, are immediately eligible to receive a pension from CalPERS and have ten years of public service, including at least five years with the Agency.

Benefit provisions are established and may be amended through by the Agency. CERBT issues a publicly available financial report that may be obtained from CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 93811.

For retirees hired before January 26, 2006, the Agency contributed 80% of the amount it contributes on behalf of active employees during calendar year 2009. This percentage will increase each year until it reaches 100% in calendar year 2013. The funding policy is established and may be amended by the Agency. The Agency obtained an actuarial valuation as of July 1, 2009.

The Agency is required to contribute the actuarially determined annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to fund the cost of each employee's postemployment healthcare during the years that employee is working. The Agency joined CERBT during fiscal year 2007-08, and it contributed the full actuarially determined accrued liability of \$556,417 at that time plus the ARC of \$85,795, \$90,000 and \$125,353 for the years ended June 30, 2008, 2009 and 2010, respectively.

As of July 1, 2009 and 2007, the funded status of the Agency's portion of CERBT was as follows:

	<i>2009</i>	<i>2007</i>
Actuarial accrued liability (AAL)	\$972,130	\$ 652,181
Actuarial value of plan assets	<u>556,291</u>	<u>556,417</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$415,839</u>	<u>\$ 95,764</u>
Funded ratio (actuarial value of plan assets/AAL)	57.2%	85.3%

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of July 1, 2009, the entry age normal cost method was used. The actuarial assumptions included a 7.75% investment rate of return; an annual healthcare cost trend rate varying between 7.9% in calendar year 2011 to 5.5% in 2019 and thereafter; and a 3.25% annual increase in projected payroll.

NOTE 10 – SUBSEQUENT EVENT

On July 22, 2010, the Agency's Board voted to merge with the Alameda County Transportation Improvement Authority to form the new Alameda County Transportation Commission. After operations of the two entities are complete, the Agency will be dissolved.

**INDEPENDENT AUDITORS' 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***

The Board of Directors
Alameda County Congestion Management Agency:

We have audited the basic financial statements of Alameda County Congestion Management Agency (the "Agency") as of and for the year ended June 30, 2010, and have issued our report thereon dated October 27, 2010. Our report included an explanatory paragraph describing the Agency's merger with the Alameda County Transportation Improvement Authority. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Agency's financial statement that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITORS' 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 (Continued)***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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*.

This report is intended for the information of management, Board of Directors, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

October 27, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Alameda County Congestion Management Agency:

Compliance

We have audited the compliance of Alameda County Congestion Management Agency (the "Agency") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2010. The Agency's major federal program is identified in the summary of auditors' results section of the accompanying schedule of auditors' results, findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency'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. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.

Internal Control over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133* (Continued)**

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

This report is intended for the information of management, Board of Directors, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

October 27, 2010

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010**

<u><i>Federal Grantor/Pass-Through Grantor/Program Title</i></u>	<u><i>Federal CFDA Number</i></u>	<u><i>Expenditures</i></u>
U.S. Department of Transportation – Passed Through California Department of Transportation – Highway Planning and Construction:	20.205	
O&M I-880 Smart Corridor		\$ 65,327
I-80 Gilman Interchange		9,940
Grand MacArthur Corridor		269,851
I-880 SB HOV Lane		2,958,320
I-80 Integrated Corridor		750,757
I-580 Soundwall		4,771,827
I-80 Safety Improvement		1,351,105
I-680 Smart Lane		317,215
I-680 Sunol Grade		734
I-680 SB Smart Lane		39,118
N-I-580 Corridor Management		<u>167,688</u>
Total expenditures of federal awards		<u><u>\$10,701,882</u></u>

See notes to schedule of expenditures of federal awards.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010**

NOTE 1 - GENERAL

The schedule of expenditures of federal awards (the "Schedule") presents the activity of all federal award programs of the Agency. The reporting entity is defined in Note 1 of the Agency's basic financial statements. Because the Schedule presents only the federal award activity of the Agency, it is not intended to and does not present the financial position, changes in financial position or the cash flows of the Agency.

NOTE 2 - BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting. The Agency's revenue from federal awards is passed through the California Department of Transportation (CalTrans) and is reported in the basic financial statements as grant revenue from CalTrans. Expenditures of federal awards are reported in the Agency's statement of activities as consultants & contractors and salaries & benefits expenses for the year ended June 30, 2010.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
SCHEDULE OF AUDITORS' RESULTS, FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

(1) Summary of Auditors' Results

- (a) Type of report issued on the financial statements: Unqualified opinion
- (b) Significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements: None Reported Material Weaknesses: No
- (c) Noncompliance noted which is material to the financial statements: No
- (d) Significant deficiencies in internal control over major programs disclosed: None Reported
Material Weaknesses: No
- (e) Type of report issued on compliance for major programs: Unqualified opinion
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: No
- (g) Major programs: Highway Planning and Construction (CFDA# 20.205) \$10,701,882
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: Yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None

(3) Findings and Questioned Costs Relating to Federal Awards: None

(4) Status of Prior Years Findings: No prior year findings



**ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY**

MANAGEMENT LETTER

YEAR ENDED JUNE 30, 2010

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
Report to Management
Year Ended June 30, 2010

October 27, 2010

To the Executive Director,
Alameda County Congestion Management Agency:

In planning and performing our audit of the basic financial statements of the Alameda County Congestion Management Agency (the "Agency") for the year ended June 30, 2010, we considered the Agency's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. 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.

During our audit we also became aware of several other matters that are opportunities for strengthening internal controls and operating efficiency. The Findings and Recommendations section of this report summarizes our findings and recommendations. We previously reported on the Agency's internal control over financial reporting in our report dated October 27, 2010. The information contained herein does not affect our report dated October 27, 2010 on the basic financial statements of the Agency.

We will review the status of our recommendations during our next audit engagement. We have already discussed our recommendations with Agency management and would be pleased to discuss them further, to perform additional study of these matters, or to assist you in their implementation upon request.

This report includes certain matters that are required by auditing standards generally accepted in the United States of America to be communicated to the Agency's Audit Committee.

The accompanying findings and recommendations, and required communications are intended solely for the information and use of the Agency's Board of Directors, Audit Committee, management and others within the Agency and are not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
Report to Management
Year Ended June 30, 2010

REQUIRED COMMUNICATIONS

Professional auditing standards require auditors to communicate with the audit committee, or its equivalent, on a number of subjects. The following information satisfies these requirements, and is solely for use of the Agency's Audit Committee, Board of Directors and management.

I. Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated May 28, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with U.S. Office of Management and Budget (OMB) Circular A-133.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the Agency's compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the Agency's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Agency's compliance with those requirements.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the Agency in our engagement letter dated May 28, 2009.

III. Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Agency are described in the notes to the Agency's financial statements. The disclosures in the financial statements are consistent, and clear.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
Report to Management
Year Ended June 30, 2010

REQUIRED COMMUNICATIONS (Continued)

Accounting estimates are an integral part of the basic 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 depreciation estimates for capital assets and allocation of indirect costs to projects.

Management's estimate of depreciation for capital assets is based on estimated useful lives of assets and allocation of indirect costs to projects is based on methodologies required by granting agencies. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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. 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 report, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the basic financial statements or the auditors' report. No such disagreements arose during the course of our audit.

Management Representations

We have requested and received certain written representations from management in accordance with standards of the American Institute of Certified Public Accountants.

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 Agency's basic financial statements or a determination of the type of auditors' opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
Report to Management
Year Ended June 30, 2010

REQUIRED COMMUNICATIONS (Continued)

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 Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

DRAFT

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
Report to Management
Year Ended June 30, 2010

FINDINGS AND RECOMMENDATIONS

1. SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

The Agency, along with Alameda County Transportation Improvement Authority and Santa Clara Valley Transportation Authority, created the Sunol Smart Carpool Lane Joint Powers Authority (JPA) was created in February 2006 to plan, design, construct and administer a value-pricing high-occupancy vehicle program on the Sunol Grade segment of Interstate 680. The JPA is a separate legal entity and the Agency was appointed as the managing agent. Toll lane revenue collections began in September 2010. There are several items called for in the joint powers agreement and the JPA's Administrative Code that have not yet been completed, including:

- Arrange for an annual audit of the JPA
- Prepare and adopt a capital budget
- Establish traffic flow guidelines
- Appoint a Treasurer, Auditor-Controller and Secretary
- Obtain a bond for the Treasurer
- Create SunolMAC management advisory committee
- The joint powers agreement allows the Agency to charge the JPA up to 3% of its revenues for management services provided; the Agency has not yet invoiced any amount for these services
- Present financial reports to the JPA board at least quarterly

The joint powers agreement and Administrative Code were written five years ago without full knowledge of how the JPA would be organized. Therefore there are several items in those documents, including several of the items listed above, that may need to be reconsidered.

Certain equipment and infrastructure used in JPA operations was acquired with proceeds of grants awarded to the Agency. A complete list of these assets has not been prepared. It has not been determined how to account for the "transfer" of these assets from the Agency to the JPA. The amount of replacement and rehabilitation reserves that the JPA should accumulate cannot be adequately determined until this asset list is complete.

Recommendation

The Agency should either accomplish the following items called for in the joint powers agreement and Administrative Code, or revise those documents:

- Arrange for an audit of the JPA from inception through June 30, 2011, and annually thereafter
- Prepare a capital budget
- Establish traffic flow guidelines (e.g., mile-per-hour differential between toll lane and other lanes, traffic throughput, minimum and maximum tolls, hours of operation)
- Appoint a Treasurer, Secretary and Auditor-Controller
- Obtain a bond for the Treasurer
- Create SunolMAC management advisory committee
- Reimburse Agency for management services
- Present financial reports to the JPA board at least quarterly

The Agency should identify all assets owned by the JPA, including those acquired with Agency grants, and should determine the accounting entries necessary for both the Agency and JPA to appropriately record these assets.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

Report to Management
Year Ended June 30, 2010

Agency Response

- **Arrange for an audit of the JPA from inception through June 30, 2011, and annually thereafter** – The JPA will make appropriate arrangements for an audit for the period beginning September 20, 2010 and ending June 30, 2011. Prior to the September 20, 2010 date of opening of the facility, the JPA had no revenues or expenditures.
- **Prepare a capital budget** – The two-year expenditure plan adopted by the JPA Board in August 2010 showed that there are no capital funds available for expenditure during the upcoming fiscal year. When capital funds are available, the JPA will adopt the requisite budget.
- **Establish traffic flow guidelines (e.g., mile-per-hour differential between toll lane and other lanes, traffic throughput, minimum and maximum tolls, hours of operation)** – The hours of operations and toll guidelines adopted by the JPA Board and approved by Caltrans constitute the traffic flow guidelines required by statute. The JPA intends to revise the joint powers agreement and/or administrative code to clarify this issue. Revision to the joint powers agreement and the administrative code are anticipated to be complete by summer 2011.
- **Appoint a Treasurer, Secretary and Auditor-Controller** – Agreed. These positions are scheduled for appointment at the JPA Board meeting on November 8, 2010.
- **Obtain a bond for the Treasurer** – Now that the JPA has revenues and funds of its own, the JPA will take steps to ensure that its financial interests are protected through the filing of an official bond or through appropriate insurance. It is not clear whether an official bond is required, or if this requirement can be addressed through insurance. Legal counsel is researching this issue. A recommended action is anticipated to be brought to the JPA Board in January 2011.
- **Create SunolMAC management advisory committee** – Although not consistently referenced as the SunolMAC, a management steering committee consistent with the requirements of the Joint Powers Agreement and Administrative Code was formed and met during the project development stages of the project to discuss and recommend policy issues. Over the last 12 to 15 months, this group has not met primarily because we have been in the construction phase of the project and policy issues have been brought directly to the JPA Board, which has been meeting on a more frequent basis. Staff believes that now that the project is in the operational phase, it may be appropriate to establish a Technical Advisory Committee (TAC) rather than the MAC. The Joint Powers Agreement and/or Administrative Code will be revised accordingly.
- **Reimburse Agency for management services** – To date, Agency expenses have been reimbursed through existing grants. It is anticipated that these grants will be available for reimbursement for at least the first two years of operations of the Express Lane. A recommendation on the staffing level required to support the JPA/Express Lane operations and a proposed financial plan for these activities for fiscal years 2011 and 2012 will be presented to the JPA Board in April 2011 as part of the proposed fiscal year 2011-12 budget and two-year expenditure plan.
- **Present financial reports to the JPA board at least quarterly** – Now that funds are being collected, financial reports will be presented to the JPA on a quarterly basis. The first report

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

Report to Management Year Ended June 30, 2010

will be presented in February 2011 reflecting the first full quarter of operations (October – December 2010).

- **Identify and record all assets owned by the JPA, including those acquired with Agency grants** - To date, all assets acquired for operations of the Express Lane have been acquired through grants administered by the Agency. Many of the assets that will ultimately be Agency/JPA assets have not yet been “accepted” as part of the current or recently completed construction and system integration contracts. A process to transfer these assets from the Agency to the JPA or to acknowledge that the acceptance is on behalf of the JPA who will ultimately claim them as assets is being developed and will be presented to the JPA Board and ACTC Board in January 2011.

2. ACCRUAL OF EXPENSES

At the end of each fiscal year, as part of preparing the Agency’s annual financial statements, the Agency accrues expenses for contractor/consultant invoices received and for estimated amounts of services rendered for which no invoices have yet been received. The Agency also accrues grant revenue for expenditures billed to but not yet collected from granting agencies and for reimbursement-eligible expenditures incurred but not yet billed to granting agencies.

Recommendation

The Agency should improve its accrual procedures by assuring that an invoice has been received for each month from every major contractor/consultant with an open contract. This can be done by examining the dates of service on the most recent invoice for each open contract. In addition, Agency management should provide project managers with additional training and prioritization to assure they provide complete and timely estimates of project expenses for which invoices have not yet been received to the accounting department.

Agency Response

Although the Agency concurs and will comply with these recommendations, it should be noted that this is the third consecutive year this recommendation has appeared in our Management Letter. During this time, the Agency has made significant improvements in reducing the amount of accrued expenses at year end; however, it cannot compel consultants to submit timely invoices. The Agency has worked with project managers to communicate with each of their consultants to submit invoices, or estimates, of work completed prior to June 30. We have also modified contract language to include requirements that contractors submit monthly invoices. We will continue to do all that we can to minimize the amount of year end accruals, but cannot offer assurance that the issue will be completely resolved. It is also important to note that while the incomplete accrual of expenses is a concern, since the accrual of the associated grant revenues also does not occur, there is no net financial impact on the Agency’s financial statements.

3. COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Agency’s basic financial statements meet its external financial reporting requirements. These basic financial statements include a management’s discussion and analysis, government wide financial statements, fund financial statements and related note disclosures. The Agency may wish to prepare a more thorough version of its annual audited financial report, called a comprehensive annual financial report (CAFR). A CAFR would add two new sections:

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

Report to Management Year Ended June 30, 2010

- A statistical section showing multi-year trend information and non-financial data that is useful in evaluating economic condition, and
- A transmittal letter providing a profile of the government, an overview of the local economy, and the Agency's major initiatives and projects.

Governments that prepare a CAFR frequently submit it to the Government Finance Officers Association (GFOA) for consideration for a Certificate of Achievement for Excellence in Financial Reporting. The certificate from GFOA adds an additional level of credibility to the financial statements.

Recommendation

As the Alameda County Transportation Commission establishes its financial reporting procedures and reports, it should consider preparing a CAFR and participating in the GFOA's Certificate of Achievement for Excellence in Financial Reporting program.

Agency Response

The Agency has merged with the Alameda County Transportation Improvement Agency. However, during the current fiscal year, FY 2010/2011, both predecessor agencies are maintaining their own independent budgets. As a consequence, the Agency believes the decision to prepare a CAFR should be postponed until the spring of 2011 when the new agency, the Alameda County Transportation Agency, is fully implemented and has an adopted consolidated budget and combined financial operations.

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