



BOARD OF DIRECTORS 2021
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EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the [Governor's Executive Orders N-25-20 and N-29-20](#).

Directors, staff and the public may participate remotely via Zoom at

<https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIzVW5VUXJMZGIxQT09> or by entering Webinar ID: # **933 8892 7360**, Passcode: **790810**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <http://www.caltrain.com/about/bod/video.html>

Public Comments: Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

January 25, 2021 - Monday

1:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call

3. Swearing in of Glenn Hendricks, Santa Clara Valley Transportation Authority (VTA) Representative

4. Public Comment on Items not on the Agenda

Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

5. Approve Meeting Minutes of December 21, 2020 MOTION

6. Finance and Ridership Updates – COVID-19 (**verbal update**) INFORMATIONAL

7. Accept Statement of Revenues and Expenses for the Period Ended December 31, 2020 MOTION

8. Authorization to Enter into Funding Agreements for the San Francisco Downtown Extension Project and Increase the Fiscal Year 2021 Capital Project Budget by \$200,000 and Amend the Total Fiscal Year 2021 Capital Budget to \$112,559,772 MOTION

9. Increase the Contract Change Order Authority for Construction of the 25th Avenue Grade Separation Project by \$12,100,000 and Amend to Increase The Fiscal Year 2021 Capital Budget to Include \$25,900,000 for the Project and Reflect a Cumulative Increase of \$26,100,000 for a New Total Budget of \$112,559,772 MOTION

10. Fuel Hedging Update INFORMATIONAL

11. Committee Member Requests

12. Date/Time of Next Regular Finance Committee Meeting:
Monday, February 22, 2021 at 1:30 pm via Zoom

13. Adjourn

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com. *Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 1:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

*Should Zoom not be operational, please check online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html. Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF DECEMBER 21, 2020

MEMBERS PRESENT: D. Davis(Chair), R. Collins, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, P. Skinner, K. Yin, G. Martinez, M. Reggiardo, L. Leung, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 1:30 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans confirmed all Board Committee members were present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on Valley Transportation Authority (VTA) surplus used to extend 32 trains to Gilroy, address equity issue, and increasing service before using Measure RR funds.

4. APPROVE MEETING MINUTES OF NOVEMBER 23, 2020

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

5. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING NOVEMBER 30, 2020

Derek Hansel, Chief Financial Officer, noted that there was no presentation and he was available to answer any questions.

Director Monique Zmuda inquired about how the current actual long-term debt expense was derived compared to the budget.

Mr. Hansel replied that it was accrued on a percentage basis, the current actual reflects actual payments made, and other factors included drawing down more on the line of credit than what was budgeted. Mr. Hansel stated that he could provide more information at the next meeting.

Motion/Second: Zmuda/ Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

6. AUTHORIZING EXECUTION OF AMENDMENT FIVE TO THE CONTRACT FOR PROVISION OF RAIL OPERATIONS, MAINTENANCE AND SUPPORT SERVICES WITH TRANSITAMERICA SERVICES, INC. TO EXTEND THE CONTRACT FOR FIVE YEARS THROUGH JUNE 30, 2027

Michelle Bouchard, Chief Operating Officer, provided the presentation, which included background on the agreement and the proposed contract extension, objectives, performance of TransitAmerica Services, Inc. (TASI), and negotiated terms. She spoke about promoting a smooth transition to electrified service, fully incorporating all Positive Train Control (PTC) system requirements, and how the terms eliminated the third conductor requirement. She noted that staff recommended that the JPB execute an operations and maintenance contract for 5 years concluding in Fiscal Year 2027.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following:

- Improved ticket checking with Clipper machines
- Existing contract expiration and increased and existing costs
- TICI (offshoot of American Railroad, assessment of maintenance program)
- FTA PMO overseeing the electrification program
- Reduced GNA (general and administration) costs
- Train and engine crew books
- Performance metrics (quarterly, annually, points, etc.)
- Safety oversight (certified, training, incident reports) versus security
- Third conductor requirement (plans to go over 8 cars) and impact on personnel
- Contract bundling (scope of work allowing flexibility to move personnel from operations to capital without negotiating with multiple vendors) provides single management organization to manage everything

Public comment

Roland Lebrun, San Jose, inquired about the amounts for maintenance, bundled contracts, 16-car trains, and duplicate security. Mr. Lebrun commented on TASI customer experiences and requested listing the contract and monthly governance negotiation reports. He also suggested five one-year extensions.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES

Grace Martinez, Deputy CFO, noted that the Board directed staff in August to procure an accounting firm independent of the one used by the District. She stated that a request for proposal (RFP) was set out in September, three firms were invited for interviews, and it was determined that Brown Armstrong was most responsive to the RFP. Staff recommended award of contract for five-year base term not to exceed \$330,909 and one term five-year renewal.

The Board members had a discussion and staff provided further clarification in response to the Board comments, which included the following: costs, start date and the size of the new firm, and if any applicants were small business enterprises (SBE).

Chair Davis requested this item go to the full Board agenda as it was discussed as part of governance.

Motion/Second: Zmuda/Collins
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

8. AWARD A SOLE SOURCE AGREEMENT TO HOWARD PERMUT LLC TO PROVIDE GOVERNANCE ADVISORY SERVICES IN THE NOT-TO-EXCEED AMOUNT OF \$200,000

Michelle Bouchard, Chief Operating Officer, noted that as part of working with the Governance Process Ad Hoc committee to make a recommendation on governance to the Joint Powers Board by the end of this year, they would like to bring Howard Permut, LLC in to participate in board workshops toward making a recommendation.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions, which included the following: if the firm was local, did the contract include travel expenses, and would the firm be available on Zoom during the next Board meeting should there be questions.

Public comment

Roland Lebrun, San Jose, commented on whether ad hoc committees are subjected to the Brown Act and referred this matter to the new legal counsel.

Motion/Second: Collins/Zmuda
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

9. AUTHORIZATION TO RECEIVE FUNDING FOR THE ATHERTON CALTRAIN STATION CLOSURE PROJECT AND AMEND TO INCREASE THE FISCAL YEAR 2021 CAPITAL BUDGET FROM \$82,334,772 TO \$86,459,772

Peter Skinner, Director of Grants & Fund Management, stated that this would provide the executive director the authority to help fund the Atherton Station closure project. He explained that the funds would be used for installing permanent fencing, design of the quad gates at Watkins Avenue, and contributing to the town for access and site improvement studies.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding using non-constant warning at Atherton.

Public comment

Roland Lebrun, San Jose, commented on budgeting for initial planning and outreach for potential future stations with collaboration with Redwood City and Atherton.

Adrian Brandt, San Mateo County, commented on the non-constant warning time at Fair Oaks Lane for electrification disrupting the quiet zoning in Atherton.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

10. BACKGROUND ON GRADE SEPARATION PROJECTS AND PROCESS

Sebastian Petty, Deputy Chief of Planning, provided the presentation and noted a gap between the regulatory requirement for grade separation and the desires of communities along the corridor. He stated that over the last 30 years, grade separation projects have occurred exclusively in San Mateo County because they set aside a dedicated source of funding (Measure A sales tax) specifically for grade separation projects. Mr. Petty stated that the desired 24 grade separations would take cost \$10 billion and this was included in the Plan Bay Area 2050 submittals. Mr. Petty walked through the purpose, background, regulation, safety, usage, existing gate downtimes, funding (section 190 and section 130 program), city-led closure plans, and corridor wide strategies.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following: whether the 25th Ave grade separation was included in the corridor wide cost estimates, whether Caltrain is asking for Federal funding, raising profiles, fatalities statistics, differentiating between improvements and separations, and high speed rail funding grade separations in the future.

Public comment

Roland Lebrun, San Jose, commented on Section 190, the Broadway grade separation, the 25th Ave grade separation being done first, and the design of the adjacent stations being a problem due to no passing tracks.

Adrian Brandt, San Mateo County, commented on the Redwood City grade separation designs for passing of local trains by express trains needing a four-track approach, and 90 percent of deaths at crossings are suicides and should be excluded as a safety issue.

Aleta Dupree, Oakland, commented on having a completely grade separated corridor and making each project expandable to four tracks.

11. ON-CALL TRANSPORTATION PLANNING AND CONSULTANT SUPPORT SERVICES UPDATE

Melissa Reggiardo, Caltrain Planning Manager, stated that this was started two years ago to address Caltrain's evolving needs, six firms were selected in response to the November 2019 RFP and the contracts would be effective July 2020. Ms. Reggiardo noted that updates would occur quarterly and they are making a concerted effort to spread work across all six primes.

Lawrence Leung, Rail Contracts & Budget Manager, provided details on the quarterly report including information on new work directives or amendments.

Public comment

Roland Lebrun, San Jose, commented on working on a \$12 million spread on a \$15 million contract and previous management.

The Board members thanked staff for their efforts and expressed appreciation for the transparency in the report.

12. COMMITTEE MEMBER REQUESTS

Chair Davis requested an amendment to the TASI contract staff report to mention capital costs for the full board.

Chair Davis requested the following:

- More information on the TASI contract performance metrics and line item savings with current TASI contract from previous TASI contract
- The Award of Contract for Financial Audit Services on the full Board agenda.

13. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, January 25, 2021 at 1:30 pm via Zoom

14. ADJOURN

The meeting adjourned at 3:30 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?> Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
DECEMBER 31, 2020**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of December 2020.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 31, 2020. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Annual Forecast: The annual forecast was updated based on actual revenue and expense trends through December 2020. The forecast was derived by analyzing trends and reviewing details with cost center managers.

Forecast Revenues: Total revenue (page 1, line 17) is forecast \$0.3 million lower than budget. This is driven by lower Shuttles Revenue (page 1, line 3) which is \$0.3 million lower than budget due to lower shuttle service as routes have been reduced or suspended due to low ridership.

Forecast Expenses: Total Expense (page 1, line 48) is \$3.0 million lower than budget. The variance is primarily due to lower expense trends. Shuttles Services (page 1, line 25) is \$0.5 million lower than budget due to reduction or suspended service as result of low ridership. Facilities & Equipment Maintenance (page 1, line 30) is lower than budget by \$0.8 million due to lower Clipper Operator Charges as a result of lower ridership. Managing Agency OH (page 1, line 38) is lower than budget by \$1.6M due to the change in the cost allocation methodology effective January 1, 2021. This included an update to the basis for the cost allocations. As a result, the managing agency overhead costs to the JPB is expected to decrease. Professional Services (page 1, line 40) is lower than budget by \$0.1 million as a result of under-runs in various planning studies.

Year to Date Revenues: As of December year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$0.5 million higher than the approved budget. This is

primarily driven by Farebox Revenue (page 1, line 1) which is partially offset by less revenues in Shuttles (page 1, line 3) and JPB Member Agencies (page 1, line 12).

Year to Date Expenses: As of December year-to-date actual, the Grand Total Expense (page 1, line 48) is \$6.1 million lower than the approved budget. This is primarily driven by Facilities and Equipment Maintenance (page 1, line 30), Maint & Services-Bldg & Other (page 1, line 32), Professional Services (page 1, line 40) and Other Office Expenses and Services (page 1, line 42).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) in the monthly financial statements. Due to the impact of Covid-19 pandemic, the variance between the current year actual and the budget shows noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of December 2020.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By : Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Manager, General Ledger

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2021
December 2020

	% OF YEAR ELAPSED						50.0%
	JULY - DECEMBER				ANNUAL		
	CURRENT ACTUAL	APPROVED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE
REVENUE							
OPERATIONS:							
1 Farebox Revenue	17,938,465	16,415,496	1,522,969	9.3%	32,029,149	32,029,149	-
2 Parking Revenue	184,067	253,564	(69,498)	(27.4%)	372,718	372,718	-
3 Shuttles	766,312	922,415	(156,103)	(16.9%)	2,031,246	1,773,647	(257,599)
4 Rental Income	571,904	563,452	8,452	1.5%	1,111,804	1,111,804	-
5 Other Income	812,956	812,757	199	0.0%	1,764,000	1,764,000	-
6							
7 TOTAL OPERATING REVENUE	20,273,705	18,967,684	1,306,021	6.9%	37,308,917	37,051,318	(257,599)
8							
CONTRIBUTIONS:							
9 AB434 Peninsula & TA Shuttle Funding	1,200,737	866,849	333,888	38.5%	1,737,950	1,737,950	-
10 Operating Grants	2,400,135	2,353,128	47,007	2.0%	12,808,500	12,808,500	-
11 JPB Member Agencies	16,425,767	17,616,569	(1,190,802)	(6.8%)	28,809,434	28,809,434	-
12 CARES ACT Fund	41,509,536	41,507,983	1,553	0.0%	41,507,983	41,507,983	-
13							
14 TOTAL CONTRIBUTED REVENUE	61,536,175	62,344,529	(808,354)	(1.3%)	84,863,867	84,863,867	-
15							
16 GRAND TOTAL REVENUE	81,809,880	81,312,213	497,667	0.6%	122,172,784	121,915,185	(257,599)
17							
EXPENSE							
OPERATING EXPENSE:							
19 Rail Operator Service	46,506,889	46,319,462	187,427	0.4%	85,109,942	85,109,942	-
20 Security Services	3,149,492	3,385,954	(236,462)	(7.0%)	6,746,908	6,746,908	-
21 Shuttle Services	1,701,258	1,815,082	(113,824)	(6.3%)	4,057,249	3,542,715	(514,534)
22 Fuel and Lubricants	2,670,405	3,077,019	(406,614)	(13.2%)	5,930,523	5,930,523	-
23 Timetables and Tickets	-	51,666	(51,666)	(100.0%)	110,000	110,000	-
24 Insurance	5,168,031	5,203,333	(35,302)	(7%)	5,410,000	5,410,000	-
25 Claims, Payments, and Reserves	265,811	478,635	(212,824)	(44.5%)	960,000	960,000	-
26 Facilities and Equipment Maintenance	768,200	2,373,608	(1,605,408)	(67.6%)	4,813,563	4,063,563	(750,000)
27 Utilities	891,802	1,359,579	(467,777)	(34.4%)	2,731,385	2,731,385	-
28 Maint & Services-Bldg & Other	96,579	814,491	(717,912)	(88.1%)	1,590,000	1,590,000	-
29							
30 TOTAL OPERATING EXPENSE	61,218,467	64,878,829	(3,660,362)	(5.6%)	117,459,570	116,195,036	(1,264,534)
31							
ADMINISTRATIVE EXPENSE							
32 Wages and Benefits	5,228,302	5,839,537	(611,235)	(10.5%)	10,926,318	10,926,318	-
33 Managing Agency Admin OH Cost	1,922,306	2,569,676	(647,370)	(25.2%)	5,139,352	3,583,761	(1,555,591)
34 Board of Directors	7,114	11,025	(3,911)	(35.5%)	11,025	11,025	-
35 Professional Services	1,502,014	2,229,754	(727,740)	(32.6%)	5,400,000	5,255,000	(145,000)
36 Communications and Marketing	37,516	95,583	(58,067)	(60.8%)	136,000	136,000	-
37 Other Office Expenses and Services	459,114	1,246,962	(787,848)	(63.2%)	3,034,254	3,034,254	-
38							
39 TOTAL ADMINISTRATIVE EXPENSE	9,156,365	11,992,537	(2,836,172)	(23.6%)	24,646,949	22,946,358	(1,700,591)
40							
41 Long Term Debt Expense	1,633,263	1,190,876	442,387	37.1%	2,381,752	2,381,752	-
42							
43 GRAND TOTAL EXPENSE	72,008,095	78,062,242	(6,054,147)	(7.8%)	144,488,271	141,523,146	(2,965,125)
44							
45 NET SURPLUS / (DEFICIT)	9,801,785	3,249,971	6,551,814	201.6%	(22,315,487)	(19,607,961)	2,707,526
46							
47							
48							
49							
50							
51							



BOARD OF DIRECTORS 2020

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DEVORA "DEV" DAVIS, VICE
CHAIR
STEVE HEMINGER
JENNIE BRUINS
RON COLLINS
CINDY CHAVEZ
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CHARLES STONE
MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF DECEMBER 31, 2020

JIM HARTNETT
EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.540%	10,036,765	10,036,765
County Pool (Unrestricted)		Liquid Cash	0.998%	553,344	553,344
Other (Unrestricted)		Liquid Cash	0.050%	49,955,936	49,955,936
Other (Restricted)	**	Liquid Cash	0.050%	13,653,924	13,653,924
				\$ 74,199,969	\$ 74,199,969

Interest Earnings for December 2020 \$ 1,719.54
Cumulative Earnings FY2021 \$ 16,660.13

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and
Transportation Authority

Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZATION TO ENTER INTO FUNDING AGREEMENTS FOR THE SAN FRANCISCO DOWNTOWN EXTENSION PROJECT AND AMEND TO INCREASE THE FISCAL YEAR 2021 CAPITAL BUDGET TO INCLUDE \$200,000 FOR THE PROJECT AND REFLECT A CUMULATIVE INCREASE OF \$26,100,000 FOR A NEW TOTAL BUDGET OF \$112,559,772**

ACTION

Staff Coordinating Council recommends the Board:

1. Authorize the Executive Director, or his designee, to enter into funding agreements with the Transbay Joint Powers Authority (TJPA) and San Francisco County Transportation Authority (SFCTA) to receive up to \$260,000 in funds for planning work associated with the San Francisco Downtown Extension Project (DTX), in forms approved by legal counsel; and
2. Increase the DTX project Budget by \$200,000, from \$60,000 to \$260,000, and amend to increase the total Fiscal Year 2020-21 (FY2021) Capital Budget to \$112,559,772; and
3. Authorize the Executive Director, or his designee, to file any other required documentation and to take any other actions necessary to give effect to the resolution.

SIGNIFICANCE

The Peninsula Corridor Joint Powers Board (JPB) has been working cooperatively with SFCTA, TJPA, and other external stakeholders including the Metropolitan Transportation Commission (MTC) and the California High Speed Rail Authority (CHSRA) to assess the operational impacts of various service and infrastructure configurations (Operations Analysis) as part of DTX, which would extend Caltrain and high speed rail to the new Salesforce Transit Center.

SFCTA initially planned to provide \$60,000 toward the Operations Analysis; these funds were included in the adopted FY2021 Capital Budget to allow the planning activities to proceed while the JPB developed a more refined scope and budget for this effort.

The total cost of the Operations Analysis is now estimated at \$260,000, and SFCTA and TJPA have agreed to provide an additional \$200,000 to complete the Operations Analysis, comprised of an additional \$15,000 from SFCTA and \$185,000 from TJPA. The Operations Analysis is anticipated to be completed this spring.

The proposed Board action would authorize the Executive Director, or his designee, to enter into a funding agreements (1) with SFCTA for up to \$75,000, and (2) with TJPA for up to \$185,000, to complete the Operations Analysis.

BUDGET IMPACT

In adopting the FY2021 Capital Budget, the Board approved \$60,000 for the DTX project. This request includes an increase in DTX funds in the FY2021 Capital Budget by \$200,000, of which \$185,000 will be provided by TJPA and \$15,000 will be provided by SFCTA. Funds provided by SFCTA are in addition to the JPB member agencies' \$6,000,000 per partner commitments toward the FY2021 Capital Budget.

The Board of Directors is also being asked to add \$25,900,000 to the FY2021 Capital Budget for the 25th Avenue Grade Separation Project at this February 4 Board meeting. Attachment B shows both of the proposed increases, cumulatively increasing the Capital Budget by \$26,100,000 from \$86,459,772 to \$112,559,772.

BACKGROUND

The JPB and DTX stakeholders are leading the Operations Analysis portion of the overall project planning of the \$4 billion DTX project. The analysis will include operational requirements at different points in the future based on Caltrain's and CHSRA's respective business plans and will identify the infrastructure needed by both agencies for operating scenarios ranging from 6 trains per hour per day (tphpd) to 12 tphpd.

Prepared by: Peter Skinner, Director, Grants and Fund Management 650.622.7818

RESOLUTION NO. 2021-

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

*** * ***

**AUTHORIZING FUNDING AGREEMENTS FOR THE SAN FRANCISCO DOWNTOWN EXTENSION
PROJECT AND AMENDING THE FISCAL YEAR 2020-21 CAPITAL BUDGET TO ADD \$200,000
FOR THIS PROJECT**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) has been working cooperatively with the San Francisco County Transportation Authority (SFCTA) and the Transbay Joint Powers Authority (TJPA) to assess the operational impacts of various service and infrastructure configurations (Operations Analysis) as part of the Downtown Extension Project (DTX); and

WHEREAS, DTX would extend Caltrain and high speed rail to the new Salesforce Transit Center in San Francisco; and

WHEREAS, the Operations Analysis will identify the infrastructure needed by both agencies for operating scenarios ranging from 6 trains per hour per day (tphpd) to 12 tphpd; and

WHEREAS, the Fiscal Year 2020-21 (FY2021) Capital Budget previously adopted by the JPB included \$60,000 from SFCTA to support the Operations Analysis; and

WHEREAS, the work required to complete the Operations Analysis has now been fully scoped and the cost estimate to complete the study is \$260,000; and

WHEREAS, SFCTA and TJPA have agreed to provide an additional \$200,000 to complete the project, comprised of an additional \$15,000 coming from SFCTA and \$185,000 from TJPA; and

WHEREAS, the Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors:

1. Authorize the Executive Director, or his designee, to enter into funding agreements with (1) SFCTA for up to \$75,000 and (2) TJPA for up to \$185,000, to complete the Operations Analysis, in forms approved by legal counsel; and
2. Amend to increase funds in the Fiscal Year 2020-21 (FY2021) Capital Project Budget for the Operations Analysis by \$200,000, as reflected in Attachment B, for a new total FY2021 Capital Budget of \$112,559,772; and
3. Authorize the Executive Director, or his designee, to file any other required documentation and to take any other actions necessary to give effect to this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Peninsula Corridor Joint Powers Board hereby:

1. Authorizes the Executive Director, or his designee, to enter into funding agreements with the Transbay Joint Powers Authority and the San Francisco County Transportation Authority to receive up to \$260,000 in funds to complete the Operations Analysis associated with the San Francisco Downtown Extension Project; and
2. Amends to increase the budget for the Operations Analysis by \$200,000, for a new budget of \$260,000; and
3. Amends the Fiscal Year 2020-21 Capital Budget for a cumulative increase of \$26.1 million, as reflected in Attachment A and representing the requested increase from two capital projects, namely the 25th Avenue Grade Separation Project and the Caltrain Downtown Rail Extension Project, both presented for consideration at this February 4, 2021 Board of Directors meeting; and

4. Authorizes the Executive Director, or his designee, to file any other required documentation and to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 4th day of February, 2021 by the following

vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTESTS:

Secretary



FY2020-2021 CAPITAL BUDGET

Item #	PROJECT NAME	Activity	PRIOR YEARS APPROVED	FY21 ADOPTED JUNE BOARD	AMENDMENT #1	AMENDMENT #2	AMENDMENT #3	AMENDMENT #4	Proposed FY21 CAPITAL BUDGET	Federal Funds	Federal De-allocate to Operating	State Funds	STA SOGR Funds	Member Funds Total	Other					Other Funds Total	Transfers from CCF	Proposed Amended FY21 CAPITAL BUDGET	
															Project Savings	AB664	SF Prop K other	Regional Funds	San Mateo County Transportation Authority				Other
III. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS																							
4	Positive Train Control Litigation ³	16	-	6,600,000					6,600,000	-	-	-	-	-	-	-	-	-	-	-	6,600,000	6,600,000	6,600,000
5	Wayside Bike Parking Improvements ⁴	16	4,000,000	349,322	1,040,000				1,389,322	-	-	-	-	-	-	-	-	-	-	-	1,389,322	1,389,322	1,389,322
27	Grade Crossing Hazard Analysis Data Collection	16	-		200,000				200,000	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000
28	FY21 Grade Crossing Safety Improvements Design	13	-		500,000				500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000
29	EAM – Enterprise Asset Management software system	16	-		750,000				750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	-	750,000
30	Update and Upgrade GIS system	16	-		500,000				500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000
31	San Mateo Grade Crossing Improvements	13	-		1,600,000	400,000			2,000,000	-	-	2,000,000	-	-	-	-	-	-	-	-	-	-	2,000,000
32	Broadway Burlingame Grade Separation ⁹	13	4,550,000		19,838,000				19,838,000	-	-	-	-	-	-	-	-	-	-	-	18,338,000	1,500,000	19,838,000
				6,949,322	24,428,000	400,000			31,777,322	-	-	2,000,000	-	1,950,000	-	-	-	1,240,000	18,338,000	8,249,322	27,827,322	-	31,777,322
IV. PLANNING/STUDIES																							
6	22nd St. ADA Feasibility Study ⁵	11	300,000	50,000	-				50,000	-	-	-	-	-	50,000	-	-	-	-	-	-	50,000	50,000
7	Business Plan ⁶	11	5,537,118	509,157	-				509,157	-	-	-	-	-	-	-	-	-	-	-	509,157	509,157	509,157
33	Capital Planning (CIP)	11	750,000		1,250,000				1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	-	1,250,000
34	San Francisco Station and Terminal Planning	11	-		1,000,000				1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
35	Diridon and South Terminal Area	11	-		1,000,000				1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
36	Rail Network and Operations Planning	11	-		1,250,000				1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	-	1,250,000
37	Redwood City Station Planning	11	-		750,000				750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	-	750,000
38	Caltrain Downtown Rail Extension (DTX) ¹¹	11	-		60,000			200,000	260,000	-	-	-	-	-	-	-	75,000	-	-	185,000	260,000	-	260,000
39	System-wide Planning and Policy & Org. Design	11	-		1,168,468				1,168,468	-	-	-	-	967,175	-	-	201,293	-	-	-	201,293	-	1,168,468
40	Capital Contingency Funds - Engineering		-		330,000				330,000	-	-	-	-	330,000	-	-	-	-	-	-	-	-	330,000
41	Capital Contingency Funds - Rail		-		660,000				660,000	-	-	-	-	660,000	-	-	-	-	-	-	-	-	660,000
42	Capital Program Management		-		335,000				335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	-	335,000
43	Capital Project Development		-		335,000				335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	-	335,000
44	Transfers from Prior Year Capital Contingency Funds		-				(1,250,000)	200,000	(1,250,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,250,000)	(1,250,000)
				559,157	8,138,468	-	(1,250,000)	200,000	7,647,625	-	-	-	-	7,877,175	50,000	-	276,293	-	-	694,157	1,020,450	(1,250,000)	7,647,625
	TOTAL			19,119,479	65,035,293	(1,820,000)	4,125,000	26,100,000	112,559,772	18,261,021	(2,220,000)	2,915,000	1,350,915	18,000,000	2,790,064	640,000	276,293	1,240,000	46,263,000	23,043,479	74,252,836	-	112,559,772

¹ Other funds includes project savings from the Los Gatos Bridge Replacement project (\$2,102,558) and from the San Mateo Bridge Replacement project (\$456,881) made up of Federal Section 5337 funds (\$1,421,946), prior years VTA funds (\$901,073) and SM funds (\$236,402) and deobligated Prop K funds (\$180,624)

² Insurance proceeds and/or Operating funds

³ Litigation costs funded by operating funds

⁴ San Carlos Transit Village LLC (\$149,322) and Bay Area Air Quality Management District (BAAQMD \$1,240,000)

⁵ Prior year SF member funds

⁶ Unspent funds from Project 100337 Mega Regional Rail Planning (FY19 \$75k) and from Project 100458 Service & Access Planning (FY20 \$434,157)

⁷ Request only for board authority; funding will begin upon commencement of the electrified service from designated operational savings

⁸ Section 130

⁹ SMCTA and City of Burlingame(\$1.5 million)

¹⁰ identifies the projects that will be funded by VTA Measure B funds of \$2.5 million

¹¹ Transfer of prior years balances from CCF Rail (FY19 & FY20) to the Marin Napoleon Bridge Replacement project.

¹² DTX - Other funds: Trans Bay Joint Powers Authority (TJPA) will provide \$185k.

¹³ 25th Grade Sep - Other funds: \$2.1M from City of San Mateo

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **INCREASE THE CONTRACT CHANGE ORDER AUTHORITY FOR CONSTRUCTION OF THE 25TH AVENUE GRADE SEPARATION PROJECT BY \$12,100,000 AND AMEND TO INCREASE THE FISCAL YEAR 2021 CAPITAL BUDGET TO INCLUDE \$25,900,000 FOR THE PROJECT AND REFLECT A CUMULATIVE INCREASE OF \$26,100,000 FOR A NEW TOTAL BUDGET OF \$112,559,772**

ACTION

Staff Coordinating Council recommends that the Board of Directors (Board):

1. Increase the Executive Director's contract change order authority for the 25th Avenue Grade Separation Project (Project) in an amount not to exceed \$12.1 million;
2. Increase the Project budget by \$25.9 million, from \$180.0 million to \$205.9 million, and amend to increase the total Fiscal Year 2020-21 (FY2021) Capital Budget to \$112,559,772; and
3. Authorize the Executive Director or his designee to take any actions necessary to give effect to the above actions, including the execution of amendments to funding agreements with the City of San Mateo (City) and San Mateo County Transportation Authority (TA) to provide funding to complete the Project.

This item is presented to the Finance Committee for concurrence and to the Work Program - Legislative - Planning Committee as an informational Project update.

SIGNIFICANCE

The Peninsula Corridor Joint Powers Board (JPB) awarded a contract to Shimmick/Disney Joint Venture for construction of the Project in 2017 at a cost not to exceed \$82.89 million (Contract), with a Contract contingency of \$16.578 million. The Contract change order authority was increased by \$7 million in 2019. When the Contract was initially awarded, the total Project budget was \$180 million.

Several significant and unforeseen circumstances have occurred since 2017, resulting in the Contract and Project requiring increases to their budget capacities by \$12.1 million

and \$25.9 million, respectively, to complete the Project. These circumstances were largely related to utility coordination and relocation that was not accounted for in the original Project scope. Some of the resulting costs are being paid for out of the existing Project contingency. A more detailed description of these circumstances is provided below.

- Union Pacific Third Party Fiber Optic line (TPFOC) and AT&T lines: These underground communications facilities were in conflict with the Project and needed to be relocated, which resulted in approximately 500 days of delay. While the utility relocation work is complete, this delay increased Project costs by \$14 million.
- PG&E High Pressure Gas (HPG) Pipeline: This pipeline was in conflict with the Project construction and needed to be relocated outside the Project area. PG&E had obtained permanent easement rights to place their gas line within the railroad right of way when the railroad was owned by Southern Pacific, prior to purchase of the railroad by the Peninsula Corridor Joint Powers Board (JPB). There were no provisions in the easements requiring PG&E to bear the cost of relocation. The cost of this pipeline relocation is \$18 million.
- Additional administrative, materials, and labor escalation costs due to the overall delay in completion of the Project.
- Re-design of affected Project elements to accommodate the newly-relocated TPFOC and AT&T lines.
- Utility connections to new Caltrain facilities: The design of these utilities was finalized after the original Contract award, causing an increase in the overall construction cost.
- Costs for removing contaminated soil and improving ground conditions related to unsuitable and unforeseen subsurface issues.
- Contingency for ongoing field adjustments to various structural components, roadways, the Hillsdale station, and the station parking lot.
- Contingency for upcoming change order work and open risk register items, including: COVID-19 related claims and differing site conditions.
- Costs associated with modifying the design and eventual construction of a set-out track to address nearby community concerns.

The following table provides a comparison of the original and revised Project costs. While some of the cost increases can be covered by the existing Contract contingency, additional funding will be needed to fully fund the cost increases. Additional information on Project cost increases, challenges, and status will be provided via a PowerPoint presentation at the January 2021 Finance Committee meeting and February 2021 Board of Directors (Board) meeting.

Project Phase/Component	Original Cost Estimate	Updated Costs
Pre-Construction Costs	\$14.7 M	\$15.0 M
Construction Contract	\$84.9	\$117.3
Utilities and Right of Way	\$12.0	\$31.9
Construction management	\$28.6	\$38.2
Contingency	\$39.8	\$5.3
Repayment from JPB*		(\$1.8)
Total	\$180.0 M	\$205.9 M

**Repayment of costs associated with installation of overhead centenary system foundations from the Peninsula Corridor Electrification Project*

At the City's request, the TA has allocated \$23.8 million in additional Measure A funding for the Project, which will be supplemented by \$2.1 million from the City, to cover cost increases in the Project budget from \$180.0 million to \$205.9 million.

The revised funding plan for the Project is as follows:

Fund Source	Original Contribution	Additional	Updated
Measure A	\$ 74.0M	\$23.8M	\$97.8M
City of San Mateo	\$ 12.0	\$ 2.1	\$14.1
California High Speed Rail	\$ 84.0		\$84.0
<u>Caltrans Section 190</u>			<u>\$ 10.0</u>
	\$180.0 M	\$25.9 M	\$205.9 M

BUDGET IMPACT

In 2017, the Board of Directors budgeted \$180.0 million for the Project. The additional budget request of \$25.9 million will be funded as follows: \$23.8 million from the TA and \$2.1 million from the City.

The Board of Directors is also being asked to add \$200,000 to the FY2021 Capital Budget for the San Francisco Downtown Extension Project at this February 4 Board meeting. Attachment B shows both of the proposed increases, cumulatively increasing the Capital Budget by \$26,100,000 from \$86,459,772 to \$112,559,772.

BACKGROUND

The 25th Avenue Grade Separation Project will raise the tracks and slightly lower the road (grade separate) at E. 25th Avenue in San Mateo. In addition to separating the tracks and road at E. 25th Avenue, the Project will complete east-west street connections at 28th and 31st Avenues. The Project will also construct a new elevated Hillsdale Station located at E. 28th Avenue. The new station will offer updated amenities and will improve safety and reduced traffic. The City is the sponsor of this Project, with JPB as the lead implementing agency for Project design and construction.

The Project scope and associated funding plan were developed based on the assumption that the Project would incorporate certain scope elements that would enable the Peninsula Corridor Electrification Program (PCEP) and would be completed in time to avoid conflicts with construction of PCEP. It was determined that waiting until after PCEP to complete the Project would greatly increase the Project's complexity and

costs. As a result, the City and JPB opted to award the construction contract by mid-2017, while working in parallel on the relocation of several utilities and the resolution of other right-of-way issues. While it is unfortunate that resolving these issues took longer than anticipated, the construction of this Project before completion of PCEP is still economically more advantageous for all of the public agencies involved, and less disruptive to the local community, than waiting to implement the Project until after the completion of PCEP.

Prepared by: Joy Sharma, Project Manager

650.489.8161

RESOLUTION NO. 2021 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**INCREASING THE CONTRACT CHANGE ORDER AUTHORITY FOR CONSTRUCTION OF
THE 25TH AVENUE GRADE SEPARATION PROJECT BY \$12,100,000 AND AMENDING THE FISCAL
YEAR 2020-21 CAPITAL PROJECT BUDGET TO ADD \$25,900,000 FOR THIS PROJECT**

WHEREAS, on July 6, 2017, pursuant to Resolution No. 2017-32, the Peninsula Corridor Joint Powers Board (JPB) awarded a contract to Shimmick/Disney Joint Venture (Contract) to construct the 25th Avenue Grade Separation Project (Project), in an amount not to exceed \$82,890,000; and

WHEREAS, the Executive Director's original Contract change order authority was established at 20 percent of the total Contract amount, or \$16,578,000; and

WHEREAS, pursuant to Resolution 2019-25, adopted on July 11, 2019, the Executive Director's original Contract change order authority was increased by \$7,000,000 to \$23,578,000; and

WHEREAS, additional change orders in the amount of \$12,100,000 are needed to address work associated with third-party utilities and for design changes, time, and time-related costs associated with a delay in relocating third-party fiber optic utilities, and additional changes due to differing site conditions; and

WHEREAS, the above-referenced Contract change orders, as well as third-party costs including utility relocations, require that the Project budget be increased by \$25,900,000, from \$180,000,000 to \$205,900,000; and

WHEREAS, Project funders the San Mateo County Transportation Authority (TA) and

the City of San Mateo (City) have authorized increases to their contributions to the Project;
and

WHEREAS, the Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors (Board):

1. Increase the Executive Director's Contract change order authority in an amount not to exceed \$12,100,000, which will permit execution of essential change orders required for the Project;
2. Amend to increase funds in the Fiscal Year 2020-21 (FY2021) Capital Budget for the Project by \$25,900,000, as reflected in Attachment B, for a new total FY2021 Capital Budget of \$112,559,772
3. Authorize the Executive Director, or his designee, to take whatever actions may be necessary, including executing amendments to funding agreements with the City and the TA, to provide funding to complete the Project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Increases the Executive Director's change order authority for the Contract with Shimmick/Disney Joint Venture for the 25th Avenue Grade Separation Project in an amount not to exceed \$12,100,000, for a total not-to-exceed revised Contract authority amount of \$118,568,000; and
2. Increases the overall Project budget by \$25,900,000, from \$180,000,000 to \$205,900,000; and
3. Amends the Fiscal Year 2020-21 Capital Budget for a cumulative increase of \$26.1 million, as reflected in Attachment A and representing the requested

increase from two capital projects, namely the 25th Avenue Grade Separation Project and the Caltrain Downtown Rail Extension Project, both presented for consideration at this February 4, 2021 Board of Directors meeting; and

4. Authorizes the Executive Director or his designee to take any actions necessary to give effect to this Resolution and to receive the requisite funding from the City of San Mateo and San Mateo County Transportation Authority to complete the Project.

Regularly passed and adopted this 4th day of February, 2021 by the following

vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTESTS:

JPB Secretary



FY2020-2021 CAPITAL BUDGET

Item #	PROJECT NAME	Activity	PRIOR YEARS APPROVED	FY21 ADOPTED JUNE BOARD	AMENDMENT #1	AMENDMENT #2	AMENDMENT #3	AMENDMENT #4	Proposed FY21 CAPITAL BUDGET	Federal Funds	Federal De-allocate to Operating	State Funds	STA SOGR Funds	Member Funds Total	Other					Other Funds Total	Transfers from CCF	Proposed Amended FY21 CAPITAL BUDGET		
															Project Savings	AB664	SF Prop K other	Regional Funds	San Mateo County Transportation Authority				Other	
III. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS																								
4	Positive Train Control Litigation ³	16	-	6,600,000					6,600,000	-	-	-	-	-	-	-	-	-	-	-	6,600,000	6,600,000	6,600,000	
5	Wayside Bike Parking Improvements ⁴	16	4,000,000	349,322	1,040,000				1,389,322	-	-	-	-	-	-	-	-	-	-	-	1,389,322	1,389,322	1,389,322	
27	Grade Crossing Hazard Analysis Data Collection	16	-		200,000				200,000	-	-	-	-	200,000	-	-	-	-	-	-	-	-	200,000	
28	FY21 Grade Crossing Safety Improvements Design	13	-		500,000				500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000	
29	EAM – Enterprise Asset Management software system	16	-		750,000				750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	-	750,000	
30	Update and Upgrade GIS system	16	-		500,000				500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	-	500,000	
31	San Mateo Grade Crossing Improvements	13	-		1,600,000	400,000			2,000,000	-	-	2,000,000	-	-	-	-	-	-	-	-	-	-	2,000,000	
32	Broadway Burlingame Grade Separation ⁹	13	4,550,000		19,838,000				19,838,000	-	-	-	-	-	-	-	-	-	-	-	18,338,000	1,500,000	19,838,000	
				6,949,322	24,428,000	400,000			31,777,322	-	-	2,000,000	-	1,950,000	-	-	-	1,240,000	18,338,000	8,249,322	27,827,322	-	31,777,322	
IV. PLANNING/STUDIES																								
6	22nd St. ADA Feasibility Study ⁵	11	300,000	50,000	-				50,000	-	-	-	-	-	50,000	-	-	-	-	-	-	50,000	-	50,000
7	Business Plan ⁶	11	5,537,118	509,157	-				509,157	-	-	-	-	-	-	-	-	-	-	-	509,157	509,157	509,157	
33	Capital Planning (CIP)	11	750,000		1,250,000				1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	-	-	1,250,000
34	San Francisco Station and Terminal Planning	11	-		1,000,000				1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
35	Diridon and South Terminal Area	11	-		1,000,000				1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
36	Rail Network and Operations Planning	11	-		1,250,000				1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	-	-	1,250,000
37	Redwood City Station Planning	11	-		750,000				750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	-	-	750,000
38	Caltrain Downtown Rail Extension (DTX) ¹¹	11	-		60,000			200,000	260,000	-	-	-	-	-	-	-	75,000	-	-	185,000	260,000	-	260,000	
39	System-wide Planning and Policy & Org. Design	11	-		1,168,468				1,168,468	-	-	-	-	967,175	-	-	201,293	-	-	-	201,293	-	1,168,468	
40	Capital Contingency Funds - Engineering		-		330,000				330,000	-	-	-	-	330,000	-	-	-	-	-	-	-	-	-	330,000
41	Capital Contingency Funds - Rail		-		660,000				660,000	-	-	-	-	660,000	-	-	-	-	-	-	-	-	-	660,000
42	Capital Program Management		-		335,000				335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	-	-	335,000
43	Capital Project Development		-		335,000				335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	-	-	335,000
44	Transfers from Prior Year Capital Contingency Funds		-				(1,250,000)	200,000	(1,250,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,250,000)	(1,250,000)	
				559,157	8,138,468	-	(1,250,000)	200,000	7,647,625	-	-	-	-	7,877,175	50,000	-	276,293	-	-	694,157	1,020,450	(1,250,000)	7,647,625	
	TOTAL			19,119,479	65,035,293	(1,820,000)	4,125,000	26,100,000	112,559,772	18,261,021	(2,220,000)	2,915,000	1,350,915	18,000,000	2,790,064	640,000	276,293	1,240,000	46,263,000	23,043,479	74,252,836	-	112,559,772	

¹ Other funds includes project savings from the Los Gatos Bridge Replacement project (\$2,102,558) and from the San Mateo Bridge Replacement project (\$456,881) made up of Federal Section 5337 funds (\$1,421,946), prior years VTA funds (\$901,073) and SM funds (\$236,402) and deobligated Prop K funds (\$180,624)

² Insurance proceeds and/or Operating funds

³ Litigation costs funded by operating funds

⁴ San Carlos Transit Village LLC (\$149,322) and Bay Area Air Quality Management District (BAAQMD \$1,240,000)

⁵ Prior year SF member funds

⁶ Unspent funds from Project 100337 Mega Regional Rail Planning (FY19 \$75k) and from Project 100458 Service & Access Planning (FY20 \$434,157)

⁷ Request only for board authority; funding will begin upon commencement of the electrified service from designated operational savings

⁸ Section 130

⁹ SMCTA and City of Burlingame(\$1.5 million)

¹⁰ identifies the projects that will be funded by VTA Measure B funds of \$2.5 million

¹¹ Transfer of prior years balances from CCF Rail (FY19 & FY20) to the Marin Napoleon Bridge Replacement project.

¹² DTX - Other funds: Trans Bay Joint Powers Authority (TJPA) will provide \$185k.

¹³ 25th Grade Sep - Other funds: \$2.1M from City of San Mateo



25th Avenue Grade Separation Update and Request for Additional Funds

Agenda Slide

- The Project
- Project Background
- Project Status Update
 - Budget and Schedule Update
- Requested Board Action

Project Location



Project Benefits

- East West Access
- Economic Development
- Roadway/Railroad Safety
- Benefit of Completing Project Pre-Electrification

Project Background

- Project developed by City of San Mateo
- Final \$180 Funding Secured in 2016-2017
 - SMCTA-\$74
 - CPUC-\$10
 - CSM-\$12
 - CHSRA-\$84
- Only project to receive CHSRA (High Speed Rail Authority) Grade Separation funding

Project Background (cont'd)

- Timing of project construction is to precede Caltrain electrification
 - If project were to delay until after electrification, will likely lose CHSRA funding
 - Completing project post-electrification would cost \$250M (in 2027)
- Project is complex and much has been completed
 - Construction contract was awarded concurrent with utility relocation and permitting. Delays in utility relocation due to UP negotiation has caused cost and delay to the project since Dec 2017 to April 2019.

Project Update

- Project is 85% complete
- Track is completely separated from vehicular traffic
 - Train service on the berm and bridges since July 2020
- Hillsdale Station work is ongoing-projected opening Spring 2021
- Road work progressing with phased completions
 - 28th Avenue-January 2021
 - 25th Avenue- June 2021
 - 31st Avenue-September 2021

Project Update (Photos)



28th Ave



28th Ave

Project Update (Photos)



31st Ave



31st Ave

Project Update (Photos)



New Hillsdale Station



Pedestrian Underpass Bridge

Project Update (Photos)



South Parking Lot



North Parking Lot

Project Schedule Overview

- Contract Award-July 2017
- NTP-December 2017
- Original Contract Completion-January 2020
- Current Contract Completion-September 2021

Construction Challenges

- Project is to precede Caltrain electrification; as a result, construction contract needs to be advertised and awarded in 2017
 - Permits pursued in parallel
 - Major utility relocation pursued in parallel
 - UPRR negotiations impact ability to move fiber optic – Caused delay of more than 500 days
 - PGE not originally budgeted for relocation of high pressure gas line
 - Contaminated soil
 - Additional associated soft costs
 - Last Update to JPB Board was provided in July 2019, which indicated an year delay in construction schedule due to UP FOC Issue
- Additional challenges in 2020: COVID

Construction Challenges (cont'd)

- A detailed project analysis was performed between July – Oct 2020
- Deep dive program review establishes new cost to complete

Project Cost Summary

Description	Post Bid (2017)	Estimate at Completion
Pre-Construction Costs	\$ 14.7	\$ 15.0
Construction Costs	\$ 82.9	\$ 113.2
Parking Track	\$ 2.0	\$ 4.1
Right of way and Utilities	\$ 12.0	\$ 31.9
Construction Management	\$ 28.6	\$ 38.2
Contingency	\$ 39.8	\$ 5.3
PCEP Reimbursable		\$ (1.8)
Total	\$ 180.0	\$ 205.9

- **Additional Funds Request = \$25.9M**

Additional Funds Request

- City Council of San Mateo approved \$2.1M funds request on Jan 4, 2021
- SMCTA Board of Directors approved \$23.8M funds request on Jan 7, 2021

Remaining Major Risks

- Still digging at 25th and 31st
 - Advanced location of remaining utilities
 - Potential soil contamination
 - Unknown ground conditions/unknown utilities
 - Conformance Issues/Traffic Control at El Camino Real and Delaware
 - Covid-19 Impacts
- Program cash flow
 - \$8M left in project budget, project delays and cost escalation if funding not granted

Board Request

Increase the Total Project Authority By \$25.9M for the 25th Ave Grade Separation Project

Increase the Executive Director's Contract Change Order Authority by \$12.1M

Questions

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **FUEL HEDGING UPDATE**

ACTION

Staff proposes the Board to review, accept, and enter into the record the presentation providing an update on the implementation of a fuel hedging strategy for Caltrain.

SIGNIFICANCE

The purpose of this presentation is to provide an update on the implementation and performance status of the Fuel Hedging Program (Program) established for Caltrain.

Under this program, the staff will continue to work with Linwood Capital, LLC in order to:

- Accumulate new fuel hedge contracts for the upcoming fiscal year as market conditions allow
- Maintain the size of the hedge in order to protect Caltrain's fuels budget against volatile price movements in the diesel fuel market.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

The Program implemented for Caltrain is designed to minimize large budget variances resulting from the volatility of diesel fuel prices. An effective hedging strategy can increase budget certainty and facilitate more effective utilization of budgetary resources. The purpose of the Program is not to speculate on the price of fuel but to manage risk, particularly as that relates to Caltrain's annual budget.

- As of December 31st, the hedge program realized net gains of \$81,502.50 for the time period July, 2020 through December, 2020
- Additionally the hedge currently reflects unrealized gains of \$134,954.40 (+0.0843/gallon on all gallons through June 2021). This assumes projected consumption of 266,666 gallons per month through June 2021.
- Approximately 33.78% of the anticipated fuel usage through June 2021 is hedged at an average price of \$1.30/gallon, excluding taxes and fees (versus a budget estimate of \$1.30/gallon, excluding taxes and fees) (based on a 70 train/day schedule.
- The remaining un-hedged gallons have a projected cost of \$1.53/gallon as of 12/31/2020.
- Weighted average projected cost of all gallons net of hedging as of 12/31/2020 is \$1.45/gallon.

Prepared by: Jayden Sangha, Treasury Manager

650-508-6405



Fuel Hedging Update for Peninsula Corridor Joint Powers Board



Linwood Capital, LLC

4316 Eton Place

Edina, Minnesota 55424

Telephone: 612.333.1673

E-mail: jeff@linwoodcapital.com

Website: www.linwoodcapital.com

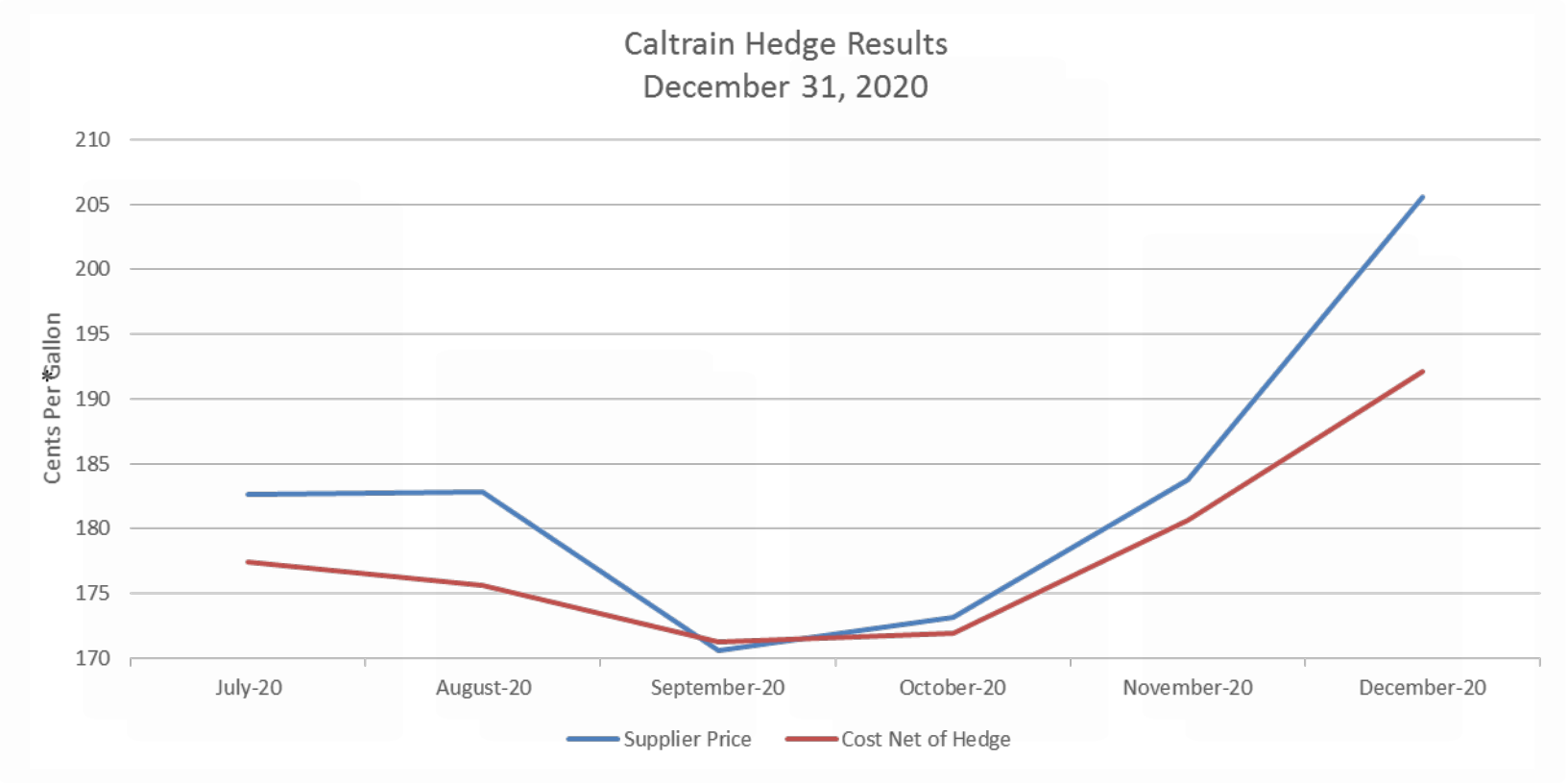
Caltrain Fuel Hedge Forecast

As of December 31, 2020

- Percentage Hedge = Approximately 34% of the anticipated diesel usage through June 2021
- Average hedged diesel fuel price = \$1.30/gallon (excluding taxes and fees)
- Unhedged diesel price estimate = \$1.53/gallon, excluding taxes and fees (based on a 70 train/day schedule) as of 12/31/20.

Caltrain Historical FY 2021 As of December 31st

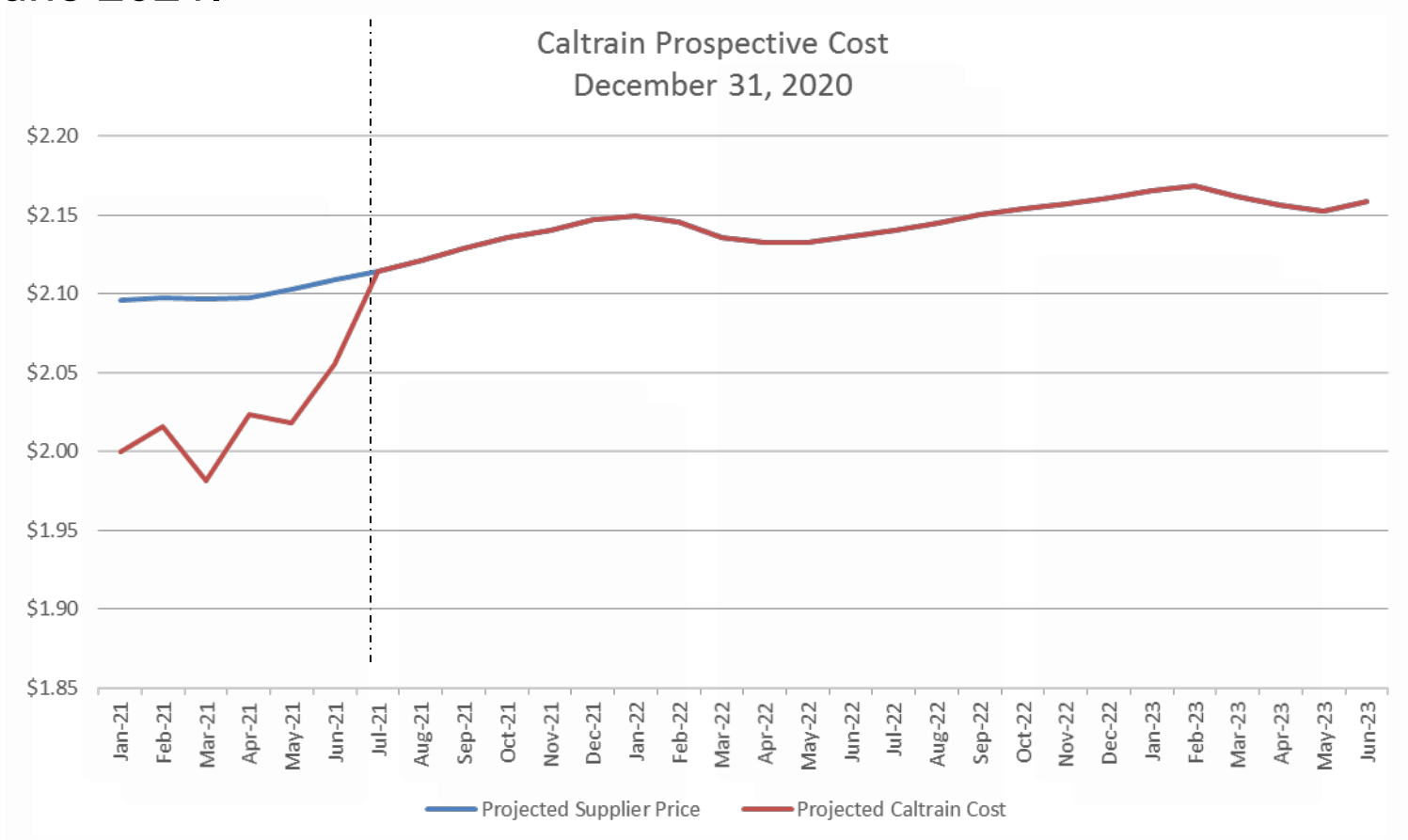
■ Realized Gains: \$81,502.50 since July.



* Taxes and Fees included in the Fuel Price Figures

Caltrain Prospective As of December 31st.

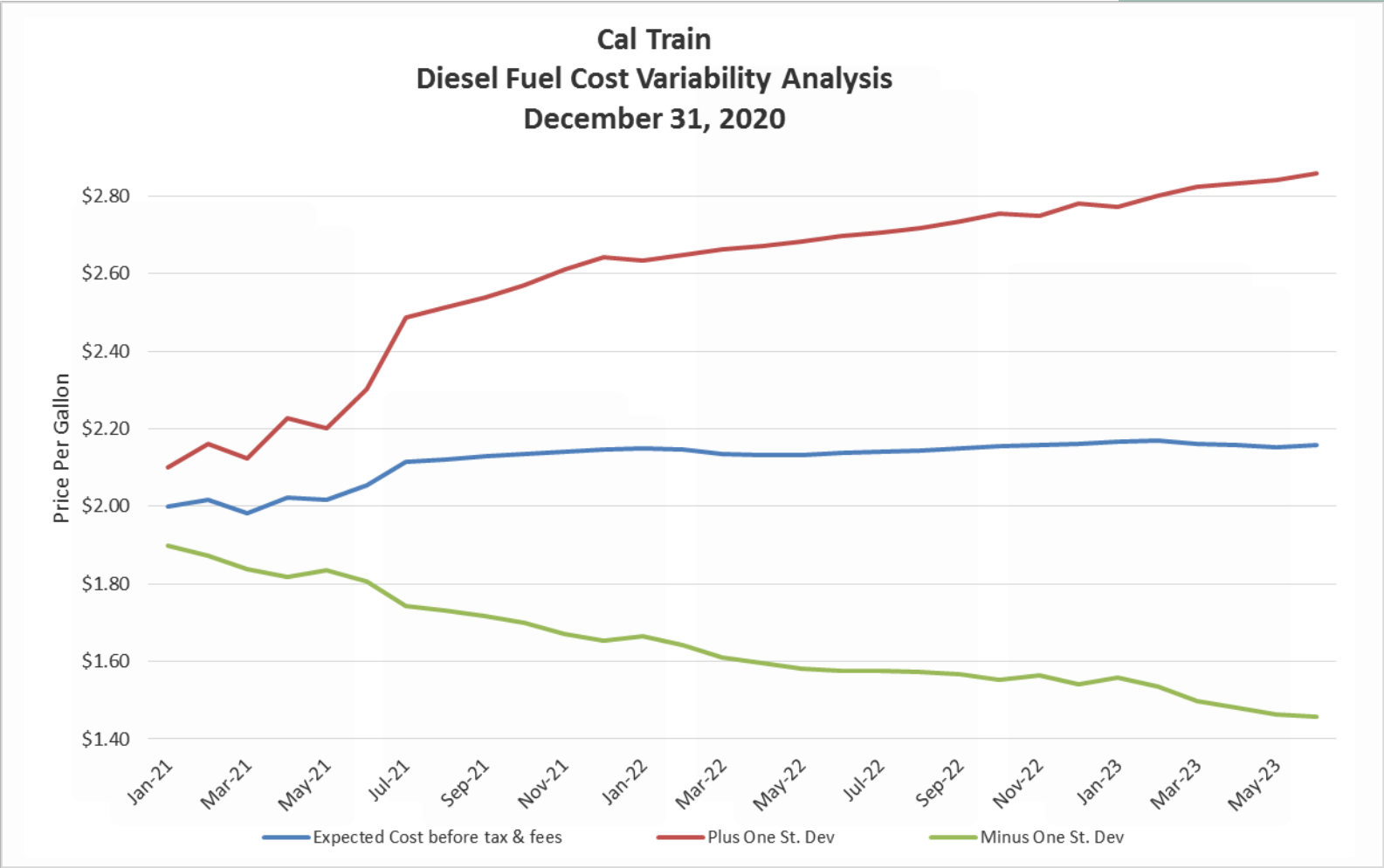
- Unrealized Gains: +\$134,954.40 (+\$0.0843/gallon) through June 2021.



* Taxes and Fees included in the Fuel Price Figures

Caltrain Prospective Variability Analysis

As of December 31st.



* Taxes and Fees included in the Fuel Price Figures

The Future of Caltrain's Fuel Hedge Strategy

- Caltrain will continue accumulating new fuel hedge contracts as market conditions allow
- Also, continue to maintain the size of the hedge in order to protect Caltrain's fuel hedge budget against adverse price movement