

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA**

MINUTES OF JUNE 3, 2021

MEMBERS PRESENT: C. Chavez , D. Davis (Chair), J. Gee, G. Hendricks, S. Heminger (Vice Chair), D. Pine, C. Stone, S. Walton, M. Zmuda

MEMBERS ABSENT: C. Stone

STAFF PRESENT: C. Mau, J. Cassman, S. Van Hoften, M. Bouchard, D. Hansel, J. Harrison, R. Johansen, S. Petty, B. Shaw, B. Fitzpatrick, J. Funghi, R. Rios, B. Tietjen, P. Skinner, K. Yin, M. Kumar, S. Cocke, R. Barnard, T. Young, L. Leung, A. Kleiber, M. Jones, T. Burgwyn, J. Sangha, D. Seamans, S. Wong

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 9:00 am and led the pledge of allegiance.

2. ROLL CALL

District Secretary Dora Seamans called the roll and a quorum was confirmed.

Public Comment

Roland Lebrun, San Jose, commented on the legality of Valley Transportation Authority (VTA) approving a bi-annual budget approving \$2.2 billion for BART and zero dollars for Caltrain and the background of a Staff Coordinating Council member.

3. GENERAL COUNSEL REPORT – CLOSED SESSION:

a. Closed Session: Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case

*The Board convened in closed session at 9:05 am
The Board reconvened in regular session at 10:05 am*

Director Glenn Hendricks acknowledged the tragedy that occurred on May 26 at the VTA light rail yard where nine members lost their lives. He thanked AC Transit, SamTrans, and the public for their support.

4. GENERAL COUNSEL REPORT – REPORT OUT FROM ABOVE CLOSED SESSION

General Counsel James Harrison stated that there was no reportable action at this time.

5. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Marie Blankley, Gilroy Mayor, commented on improving Caltrain and bus service at the Gilroy Transit Center, VTA housing plans, and building a parking structure to accommodate parking demands.

Kaloma Smith, University AME Zion Church Pastor, commented on considering Manzanita Works for the Caltrain GoPass pilot.

Vaughn Wolffe, Pleasanton, commented on addressing climate change and a resilience plan.

Adina Levin, Friends of Caltrain, expressed condolences to VTA and commented on continuing remote public comment when restrictions are lifted.

Aleta Dupree, Oakland, commented on recognizing Pride Month and moving away from paper tickets.

Jeff Carter, Millbrae, expressed condolences to VTA and commented on adding public comment on closed sessions as an agenda item.

Roland Lebrun, San Jose, commented on enabling closed captioning on Zoom, enabling Zoom before the pledge, operating hourly Caltrain service to Gilroy, and buying the VTA-owned Caltrain parking to help Caltrain capital and operating budgets.

Doug Delong, Mountain View, commented on welcoming people with disabilities, mental health disabilities, and looking at condoning insensitive behavior among employees as a workplace safety issue.

Mila Zelkha, CEO Manzanita Works, commented on considering Manzanita Works for the Gopass pilot and addressing growing ridership and equity issues with GoPass.

Bruce England, Mountain View Coalition for Sustainable Planning, commented on the VTA tragedy and considering remote public comment for future meetings.

Adrian Brandt, San Mateo County, commented on continuing remote public participation via Zoom and increasing the number of riders.

6. CONSENT CALENDAR

- a. Approve Regular Meeting Minutes of May 6, 2021 and Special Meeting #2 minutes of May 14, 2021**
- b. Receive Key Caltrain Performance Statistics – April 2021**
- c. Authorize Execution of Contracts for Information Technology Licenses, Maintenance Services, and Professional Services**
- d. Authorize Execution of Contracts for Technology-Related Products and Services through Piggybacking Contracts and Cooperative Purchasing Programs**

- e. Authorization to Execute Master Agreement and Program Supplements for State-Funded Transit Projects**
- f. Authorize Execution of a Change Order to the Peninsula Corridor Electrification Project Contract with ARINC for Supervisory Control and Data Acquisition (SCADA) Database Changes**
- g. Authorize an Amendment to the Agreement with HDR Engineering, Inc. for Engineering Consultant Design Services**
- h. Amendment of the Caltrain Fare Structure and Approval of Associated Title VI Equity Analysis**
- i. Capital Projects/FY21 Q3 Quarterly Progress Report**
- j. Report of the Chief Financial Officer (CFO)**
- k. Accept Statement of Revenues and Expenses for the Period Ended April 30, 2021**
- l. GoPass Donation Program Update**
- m. Approve Caltrain Corridor Use Compatibility Finding for Proposed Bicycle and Pedestrian Undercrossing at Bernardo Avenue in Sunnyvale and Mountain View**
- n. Approve 10-year lease with Prometheus Real Estate Group at the San Carlos Caltrain Station**
- o. State and Federal Legislative Update**

Director Charles Stone commented on item b - increasing the amount of Caltrain ridership and moving in the right direction.

Chair Davis requested Key Caltrain Performance statistics to include 2019, 2020, and 2021 as points of reference in tables.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions on how the GoPass donation program was embedded in the overall equity program. Director Chavez requested it go through an entire committee to assess fit with the equity program.

Motion/Second: Chavez/Stone

Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis

Noes: None

Absent: None

Public Comment

Jeff Carter, Millbrae, commented on item h, hearing an update on the comprehensive fare structure, new fare products, and abandoning the zone system.

Aleta Dupree, Oakland, commented on continuing Clipper START, and having fare caps.

7. REPORTS

a. Report of the Citizens Advisory Committee (CAC)

Brian Shaw, Chair, reported on the May meeting, which included public comments on the new ticket vending machines in Millbrae, moving to Clipper START, increasing ridership, train frequency, state of good repair budgets, shuttle availability, and the 15 ride ticket system. Mr. Shaw summarized committee comments on wireless crossing technology, current schedules at stations, Measure RR fees, disappointment at member agency withdrawing budget support, implementation of a new discount, replacing zonal fares with distance based fares, drafting a distance-based fare resolution, and code of conduct update. He also reported on CAC seat openings for San Mateo and San Francisco Counties.

b. Report of the Chair

i. Report on Governance

Chair Davis announced June as Pride month and stated there would be a retroactive resolution in July recognizing Pride month. She summarized the May Special Meeting that looked at the three self-directed options, and the next Special Board Meetings are scheduled for June 25th, August 20th, and October 22nd, with action expected to be taken at the December meeting.

c. Report of the Executive Director

Michelle Bouchard, Acting Executive Director, reported on the following: support, condolences, and solidarity for the VTA; returning to work; service recovery while maintaining commitments with regional agencies; business strategy around recovery; fare structure; the upcoming MTC Blue Ribbon Task Force meeting.

i. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report – April

Ms. Bouchard stated this was included in the monthly packet.

Public Comment

Roland Lebrun, San Jose, commented on Chair Report on governance and closed captioning, monthly ridership slide starting in January 2020, ridership recovery, and the VTA contribution to BART.

Vaughn Wolffe, Pleasanton, commented on keeping paper tickets.

Aleta Dupree, Oakland, commented on public comments on Zoom, pride month, and return of riders.

Jeff Carter, Millbrae, commented on keeping a paper ticket option, performance statistics, and breakdown in revenue for GoPass and various fare products.

8. PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP) UPDATE

Michelle Bouchard, Acting Executive Director, introduced the item. She stated the project overview (electrifying 51 miles from San Francisco to San Jose), instead of 16 six-car trains, the project will have 19 seven-car trains. Ms. Bouchard said there were huge

project benefits: improved performance, reduced emissions, positive economic benefits, and reduced noise. She also cited the long term service vision.

John Funghi, CalMod Chief Officer, provided an updates on construction progress, which included the following: overhead contact system (OCS) installation, traction power facilities, electric trains; costs increases (driven by contract dispute related to signal system) with a delayed schedule; PG&E substation work; traction power system design in completion. He noted additional costs to complete the program and provided time estimates, including the escalating program and reserve costs to address unknown risks. He noted that there were contract disputes with ongoing negotiations, unknown underground site conditions, and COVID related delays. He noted next steps would include complete contract negotiations, project completion plan, funding plan agreements, and contract award authorization.

Derek Hansel, CFO, discussed the following: Federal and State funding opportunities, issuance of tax-exempt bonds, member agency funding, Four Party agreement, and project bond financing

Public Comment

Jeff Carter, Millbrae, commented on the availability of the slides presented and eventually having electric multiple units (EMUs) up to ten cars.

Roland Lebrun, San Jose, commented on Mr. Funghi being the fourth project manager, the signaling system, whether the EMU is horizontal or vertical, de-coupling, and governance familiar with rail issues.

Aleta Dupree, Oakland, commented on increasing foundations during the dry season.

Vaughn Wolffe, Pleasanton, commented on resilience planning with Caltrain and PG&E over large distances.

Adrian Brandt, San Mateo County, commented on the cost over runs, make the draft risk reports available for reading, and more information for dual speed check.

Elizabeth Alexis, Californians Advocating Responsible Rail Design (CARRD) commented on encouraging transparency, transparency with vendors, and keeping numbers up to date.

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

- Replenishing project reserves with so much uncertainty
- How long will it take to determine how much should be financed and how much Measure RR is needed
- Negotiation of payment to contractors – when will this be known
- FTA Risk Refresh Report – level of analysis for change order request & risks out there (entitlement, Unit prices, cost, scope etc.) what did FTA look at
- BBI physical construction completion date (in a year)
- The committed signal system and software for the safety systems

- Tension with contracts, vendors, & public agency – contingency is to manage risks ahead of us and not a pot of money for contractors to get and to manage this aggressively
- Hitting the new completion date
- Being transparent with potential delays and costs
- If the draft report from FTA be available on CalMod website
- When will the final report be available and posted
- Engaging with partner agencies for state and federal funding sources discussion
- Will there be future action requested of member agencies on the funding side

9. AFFIRMATION OF DEBT POLICY AND CONSIDERATION OF 2021 FINANCING PLAN

Derek Hansel provided the presentation, which included: revolving credit agreements, potential savings, "New Money" Measure RR Secured Bonds, and refinancing of 2019 farebox revenue bonds, series A. He recommended replacing credit agreements, refinancing, securing new money bond, and re-authorizing the debt policy.

Public Comment

Roland Lebrun, San Jose, commented on making the presentation available to the public and previous money not used for intended purposes.

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

- Who will get paid back first
- New money bonds sales tax bonds Caltrain pays back with fuel credit
- Credit facility support by subordinate pledge of Measure RR money
- Capital contributions from partner agencies
- Requesting through Twitter or social media

Ms. Bouchard stated that in the past, they aligned the budget with the partner least able to contribute, and currently they have a pledge from San Mateo \$5 million and San Francisco contributed \$2.5 million. She stated they would try to push forward this year to allow for differentials.

Motion/Second: Zmuda/Heminger with authorization with staff to proceed with re-adoption of the debt policy

Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis

Noes: None

Absent: None

10. UPDATE ON SERVICE RESTORATION

Sebastian Petty, Deputy Chief of Planning, introduced the item and stated that many employers and academic institutions are targeting September for resumption of in person activities.

Ted Burgwyn, Director of Rail Networks and Operations Planning, provided an update on COVID recovery planning efforts, including the following: vaccinations and reopening, scaling up regional transit service, service restoration goals, ongoing constraints, and Fall 2021 service expansion, key tradeoffs, and next steps to coordinate with BART, marketing, and fare reduction.

Public Comment

Roland Lebrun, San Jose, commented on putting the presentation online, BART, Capital Corridor, lowering and increasing fares, and increasing Caltrain's success with passing tracks.

Jeff Carter, Millbrae, commented on mixing local and express service during all periods.

Nishant Kheterpal, San Francisco, commented on restoring service to pre-pandemic levels as soon as possible.

Aleta Dupree, Oakland, commented on decreasing the intervals between trains to no longer than 30 minutes to allow for frequency and connections.

Vaughn Wolffe, Pleasanton, commented on frequency, and running fuller capacity of trains.

Adrian Brandt, San Mateo County, commented on catering to different demographics with lower frequency and bringing a regional transit type service.

Andy Chow, Redwood City, commented on restoring at least one set of baby bullets in the Fall to restore ridership.

Adina Levin, Friends of Caltrain, commented on providing robust service restoration in August or sooner, and having flexible service.

R. Bautista commented on bringing back pre-pandemic service, decreasing current service, and endorsing higher frequency on the weekend.

Remi Tan, Pacifica, commented on having a robust service throughout the day to accommodate flexible hybrid schedules, and moving along the electrification project.

Paul Wendt, Belmont, commented on returning to normal schedules, eliminating zones, matching BART's discount, the new Hillsdale station, center boarding, and 31st avenue undercrossing difficulties.

Matthew Asuncion, Sunnyvale, commented on off peak riders, electric train frequency impacts and timed connections with BART.

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

- Staff plans for ridership
- What is the impediment to running schedules next week at pre-pandemic levels
- GoPass partners regarding their return to work plan
- More discussion so we have good data on GoPass customers so we know what that reliability looks like
- Maintaining previous choice riders
- Expanding the baby bullet
- The date for coordination with BART and local buses
- Training new operators for expanded service

11. ADOPTION OF THE FISCAL YEAR 2022 PROPOSED OPERATING BUDGET AND THE FISCAL YEAR 2022 PROPOSED CAPITAL BUDGET

Derek Hansel, Chief Financial Officer, stated there were no proposed changes for member contributions and touched on the proposed budget outlook, and ARPA allocations, Measure RR funding, expenditure assumptions, two-thirds of fuel budget hedged, rail operator expenses being the largest expenditure, new full time employees (FTE), the Mountain View project being the bulk of "other" funding in capital budget, and transition and deferred capital projects from FY 2018-2022.

Public Comment

Roland Lebrun, San Jose, commented on VTA allocating \$2.2 billion to BART and \$0 to Caltrain, expenses for Caltrain administration, and decoupling rail and train operations.

Jeff Carter, Millbrae, commented on lack of member contributions, having two conductors on board trains may not be necessary,

Adina Levin, Friends of Caltrain, commented on the budget scenario, approving scenarios to bring back service, capital budget, and funding state of good repair for the Guadalupe Bridge project.

Remi Tan, Pacifica, commented on not seeing the electrification delay indicated on the budget, and driverless trains.

Aleta Dupree, Oakland, commented on focusing on Americans with Disabilities Act (ADA) work with elevators and escalators especially with 22nd street, and deferring fare increases.

Adrian Brandt, San Mateo County, commented on driverless trains, moving to one conductor per train, run more service or reduce cost, and passenger buttons to open train doors.

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

- The zeroed out number on Slide 15 – rolling stock
- The ability to meet desired state of good repair goals with the above number zeroed out
- What else is given up in the constrained budget, the pragmatic cost of the constrained budget
- The cost of delaying projects to a later date & the safety issues of putting projects off until a later date
- Impacts to service if there is less reliability/constrained budget
- History of capital contributions
- Engaging member agencies regarding budget contribution
- Prioritization of Measure RR funds
- Unconstrained budget being the value of all of capital projects the agency is recommending
- If member contributions come about, would Measure RR contributions be reduced
- Why rail service higher in FY22 than FY20, costing more to run less service
- Having a side by side comparison of the old contract and new one
- Having a follow up report on the constrained budget

- We need to take a look at lowest number while others match
- Having a breakdown of the positive train control (PTC) costs

Motion/Second: Hendricks/Zmuda

Ayes: Gee, Hendricks, Pine, Zmuda, Heminger, Davis

Noes: Stone

Absent: Chavez, Walton

12. CORRESPONDENCE

Correspondence was available online.

13. BOARD MEMBER REQUESTS

Chair Davis requested a Pride month resolution

Chair Davis requested including the 2019 and 2020 tables in addition to the 2021 table to have a point of reference for the Key Caltrain Performance Statistics for rider numbers.

Chair Davis requested the additional costs be in the PCEP reports and to inform the Board of any potential delays and potential costs as they become known.

Director Heminger requested a comparison of the old rail contracts to the new ones to compare service

Director Gee requested a detailed report on the constrained budget; of projects not done or deferred, including deferred.

Chair Davis requested the Positive Train Control (PTC) costs broken down

13. GENERAL COUNSEL REPORT

James Harrison, General Counsel, reported transitioning with the help of Renee Marler and Joan Cassman.

14. DATE/TIME OF NEXT REGULAR MEETING:

Thursday, July 1, 2021 at 9:00 am via Zoom

15. ADJOURN

The meeting adjourned at 1:55 pm in memory of the lives lost at VTA last week and former Assistant District Secretary Cindy Gumpal who lost her battle with cancer.

An audio/video recording of this meeting is available online at www.Caltrain.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6242 or by email to Board@Caltrain.com.