

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

MINUTES OF NOVEMBER 4, 2021

MEMBERS PRESENT: C. Chavez (arrived at 8:36 am), D. Davis (Chair, arrived at 8:40 am), J. Gee, S. Heminger (Vice Chair), G. Hendricks, D. Pine, C. Stone, S. Walton, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, D. Hansel, J. Harrison, S. Petty, K. Yin, P. Shrestha, B. Shaw, L. Larano, D. Santoro, S. Cocke, G. Martinez, J. Ye, R. Nielsen, M. Cabezzas, R. Barnard, D. Pape, C. Fromson, D. Stewart, D. Seamans, S. Wong

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

Vice Chair Steve Heminger called the meeting to order at 8:31 am and led the pledge of allegiance.

2. ROLL CALL

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

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
- b. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1): In the Matter of Binding Arbitration, JAMS Reference No. 1100112143, *Peninsula Corridor Joint Powers Board v. Union Pacific Railroad Company*

Roland Lebrun, San Jose, commented on 3a, electrification request for proposal, undergrounding utilities, severing signaling from the PCEP contract, and Measure RR expenditure.

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

District Secretary Dora Seamans confirmed the presence of a Board quorum.

The Board convened in closed session at 8:35 am and reconvened in regular session at 11:15 am

General Counsel James Harrison stated that there were no reportable actions.

Chair Davis stated that Item 9 (Capital Budget) would be heard before Item 7 (Governance).

5. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on indicating amounts on consent items.

Aleta Dupree, Oakland, commented on fare capping, not having to think about overpaying, and Americans with Disabilities Act (ADA) work.

Adrian Brandt, San Mateo County, commented on vaccinating contractors.

6. CONSENT CALENDAR

- a. Approve Regular Meeting Minutes of October 7, 2021 and Special Meeting Minutes of September 30, 2021
- b. Renew Resolution Finding a Proclaimed State of Emergency, Recommendation for Social Distancing, and Imminent Risks to Health and Safety from In-Person Meeting and Approve Meeting Remotely for 30 Days
- c. Receive Key Caltrain Performance Statistics – September 2021
- d. Report of the Chief Financial Officer (CFO)
- e. Accept Statement of Revenues and Expenses for the Period Ended September 30, 2021
- f. Award of Cooperative Purchasing Contract to Mansfield Oil Company to Furnish Red-Dye, Ultra Low Sulfur Diesel Fuel and Fueling Services
- g. Authorize the Executive Director to Execute an Amendment to Supplemental Agreement No. 2 with Pacific Gas and Electric (PG&E) for Construction of 115 Kilovolt Interconnections for the Peninsula Corridor Electrification Project (PCEP)
- h. Authorize an Increase in Contract Change Order Authority for the Peninsula Corridor Electrification Project's Contractor ARINC for Supervisory Control and Data Acquisition Database Changes
- i. Accept Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021
- j. State and Federal Legislative Update
- k. MTC/Regional Update
- l. Deferred State of Good Repair

Public Comment

Aleta Dupree, Oakland, expressed support for virtual meetings.

Jeff Carter, Millbrae, commented on virtual meetings, monthly performance statistics, indicating whether revenue decrease is due to decrease in GoPass participation, and details regarding ticket sales.

Motion/Second: Walton/Stone

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

Noes: None

Absent: None

Item 9 was taken out of order and heard before Item 7.

9. AMENDMENT OF THE CAPITAL BUDGET

Derek Hansel, Chief Financial Officer, explained that the item was to add an \$80 million reserve to support future work and was funded from the removal of previously committed funding to the operating budget from Measure RR revenue. He stated this would facilitate application to the Federal Government for a new discretionary grant program at the Federal Transit Administration (FTA), and is intended to address revenue losses related to the COVID-19.

Public Comment

Roland Lebrun, San Jose, commented on capping at \$40 million, electric multiple units (EMUs), and transit to Gilroy.

Aleta Dupree, Oakland, commented on viewing a presentation, state of good repair, ADA, and managing fares.

Motion/Second: Zmuda/Hendricks

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

Noes: None

Absent: None

7. DRAFT GOVERNANCE RECOMMENDATION FOR DISCUSSION

Michelle Bouchard, Acting Executive Director, provided an introduction noting the objectives, review of the draft straw proposal, and Board discussion. Staff is seeking Board guidance on how to proceed for either or both to continue with refinement of the current proposal with feedback received and or development of an alternate proposal.

Sebastian Petty, Director of Caltrain Policy Development, provided the presentation, which included the following:

- JPA describes the role of the managing agency
- Overview of straw proposal, affirmations and statements, and basic recommendation
- Designation of a separate permanent Caltrain Executive Director who would remain a SMCTD (San Mateo County Transit District) employee reporting exclusively to the Joint Powers Board (JPB)
- Decision to hire/fire the Executive Director would require a supermajority vote from the JPB and an affirmative vote from one member of each county
- SMCTD staff would currently support Caltrain through a shared services arrangement, which would include with multiple supporting business units billing their time to different projects/timecodes

James Harrison, Legal Counsel, provided a presentation, which included the following:

- Right of Way Repayment, Reversion with repayment, and if repayment is not made, then the terms would be void
- Implementation and Form of Agreement through a series of actions and agreements, including a JPB resolution on governance and review/agreement by the SMCTD Board

Public Comment

Jeff Carter, Millbrae, commented on moving forward with governance to re-focus on Caltrain business and past politics.

Roland Lebrun, San Jose, commented on SamTrans as the managing agency and chief executive roles.

Aleta Dupree, Oakland, commented on supporting SamTrans, not having a preference if the check says SamTrans, care about the dollar amount, and right of way repayment.

Adina Levin, Friends of Caltrain, commented on reaching an agreement to move forward with restoring ridership, funding to complete electrification, and building toward more coordinated transit service.

Don Cecil, San Mateo County Economic Development Agency (SAMCEDA), commented on giving this serious consideration and getting on with business.

The Board members had a robust discussion on the basic framework of the straw proposal and staff provided further clarification in response to Board comments and questions, which included the following:

- Managing agency agreements, defining its roles across the Board, and holding it accountable
- Where Transit America Services, Inc. (TASI) fits in the picture and who manages TASI
- Selection of Caltrain Executive Director and veto power when hiring an Executive Director
- Completing governance and getting back to running the railroad
- The agreement structured as a Memorandum of Understanding (MOU) versus something signed by all agencies
- Including a slide that indicates the interest amount owed to SamTrans
- Commitments to Measure RR
- Auditing funds allocated between SamTrans and Caltrain
- All decision making for Caltrain needs to be made by the JPB
- Committing to repayment deadline with more clarity and criteria
- Whether this agreement is consistent with Resolution 2020-42
- Heading in the right direction and continuing the work that has been done
- Having a deadline to bring something back to JPB regarding regional rail governance
- If the money gets paid back, there is a release of claims
- Shared services

The Board members had a discussion on options to move forward and how they would want staff to proceed:

- Based on feedback from Board Members, in conjunction with general managers and other agency stakeholders, staff will bring back revisions to the straw proposal
- Alignment with the intent of Resolution 2020-42
- Auditor follow up on JPB funding information
- Work on interest calculation
- Provide specific numbered options in areas where Board consensus has not yet been reached

8. REPORTS

a. Report of the Citizens Advisory Committee (CAC)

Brian Shaw, CAC Chair, reported on the comments and participation at last month's meeting and noted there were no pressing matters today.

b. Report of the Chair - Chair Davis noted that the video for the October 22 Special Meeting on regional governance is available online.

- i. Appointment of Nominating Committee for 2022 Officers** – Chair Davis deferred this item to the next meeting, asked for those interested in serving to contact her, and noted that there is usually a representative from each county.

c. Report of the Local Policy Maker Group (LPMG)

Director Jeff Gee reported that they received a presentation on electrification (PCEP) and an update on High-Speed Rail.

d. Report of the Transbay Joint Powers Authority (TJPA)

Director Jeff Gee reported that they were able to request entry into the new START program.

e. Report of the Executive Director

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

Michelle Bouchard, Acting Executive Director, introduced Mr. Shrestha for the electrification update.

Pranaya Shrestha, CalMod Chief Officer, provided updates on long term service and projected regional growth.

Stacy Cocke, Deputy Director, Program Management & Environment Compliance, provided updates regarding the following:

- Signal system and locations overview and gate activation system
- Two Speed Check Implementation
- Segment 4 completed and status of remaining segments with city/county coordination
- Crossing optimization (wireless) solution

Public Comment

Roland Lebrun, San Jose, commented on speed check staff and duct banks.

Aleta Dupree, Oakland, commented on presenting more foundations.

Adrian Brandt, San Mateo County, commented on dual speed check, seeing graphically speed versus warning time, and gate down time.

Paul Wendt, Belmont, commented on SamTrans managing the rail corridor well.

10. CORRESPONDENCE

Correspondence was available online.

11. BOARD MEMBER REQUESTS

Director Zmuda requested the Change Management Board (CMB) presentation in December.

12. DATE/TIME OF NEXT REGULAR MEETING:

Thursday, December 2, 2021, at 9:00 am via Zoom (additional location, if any, to be determined).

13. ADJOURN

The meeting adjourned at 1:13 pm

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.