

**Peninsula Corridor Joint Powers Board  
Finance Committee Meeting  
1250 San Carlos Avenue, San Carlos CA 94070  
MINUTES OF JANUARY 24, 2022**

**MEMBERS PRESENT:** Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

**MEMBERS ABSENT:** None

**STAFF PRESENT:** M. Bouchard, D. Hansel, D. Santoro, J. Harrison, S. Petty, K. Yin, C. Mobley-Ritter, P. Shrestha, S. Wong

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Chair Monique Zmuda called the meeting to order at 2:31 pm and led the Pledge of Allegiance.

**2. ROLL CALL**

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

**3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

There were no public comments.

**4. CONSENT CALENDAR**

- a. **Approve Meeting Minutes of November 22, 2021**
- b. **Award of Contract for Clipper Next Generation Validator Site Preparation Project**
- c. **Increase Staff's Authority to Execute Contracts for Information Technology Licenses, Maintenance Services, and Professional Services under Resolution 2021-28 by an Aggregate Not-To-Exceed Amount of \$1 Million for Fiscal Year 2022**

Motion/Second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

Director Hendricks pointed out customer Clipper Card experiences where people were required to request funds transferred back into their inactive cards.

**5. ACCEPT REPORT OF THE CHIEF FINANCIAL OFFICER (CFO)**

**A. Statement of Revenues and Expenses for the Period Ended December 31, 2021**

Derek Hansel, Chief Financial Officer, stated this item was available in the packet.

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None  
Absent: None

## **6. APPROVE MEASURE RR BOND FINANCING TRANSACTIONS AND RELATED DOCUMENTS**

Derek Hansel, Chief Financial Officer, provided a presentation that included the following:

- Seeking final approval for sale of Measure RR bonds
- Projected high debt coverage and reviewed indebtedness, liquidity and reserves
- PCEP (Peninsula Corridor Electrification Project) project funding sources and uses
- Financing objective, security structure, preliminary sources, uses and debt service
- 2022 Series A Bonds will include a green designation
- Risk factors and review of preliminary statements prior to submittal to the Securities Exchange Commission (SEC)

The Board members had a discussion and staff provided further clarification which included the following:

- Presenting information in the same format each time with more numbers
- \$150 million used for interest payments and interest rates
- Project completion date
- Adjusting repayments and how much of the two lines of credit is reserved
- Direct advantages of having green bonds

Motion/Second: Gee/Hendricks  
Ayes: Gee, Hendricks, Zmuda  
Noes: None  
Absent: None

## **7. MANAGING AGENCY COST ALLOCATION**

Derek Hansel, Chief Financial Officer, provided a presentation that included the following:

- Purpose of full costing in public agencies and services provided by Caltrain
- How managing agency costs get charged to Caltrain
- Shared services cost allocations and how they are actually paid by Caltrain
- ICAP – Internal Cost Allocation Plan and calculation of charges and direct costs
- FY (Fiscal Year) 2020 audited results used to develop FY 2022 rates
  - FY 2020 AIA costs by department and FY 2022 Annual Investment Allowance (AIA) Allocation
- Operating budget and capital budget and how things are charged and allocated

The Board members had a discussion and staff provided further clarifications which included the following:

- Caltrain paying SamTrans for shared services, such as Human Resources

- Whether there was a page dedicated to metrics/calculations and the cost allocations formula
- When the FTA (Federal Transit Administration) will review the ICAP and who from Caltrain board is reviewing underage and overage
- Communication and feedback with auditors on their view of the process and direction
- Current organizational standing from the FTA's point of view
- Interest in Triennial audit with FTA and taking another look at different governance models

## **8. PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP) PROJECT UPDATE**

Michelle Bouchard, Acting Executive Director, provided a program overview that included major milestones, legislative funding, and monitoring financial performance.

Pranaya Shrestha, CalMod Chief Officer, provided a presentation that included the following:

- December activities (Balfour Beatty, Inc. re-baselining) and upcoming milestones including the Remediation Plan
- Reset program organization with new executive leadership, legal, and new program director
- Safety and security, construction update, program management, risks, and master schedule
- Signal System and Communication (2 Speed check)
- Crossing Optimization Project
- Program budget, contingency, risk and incentive

Casey Fromson, Chief Communications Officer, provided a presentation that included the following:

- Funding Update - develop \$410 million funding plan
- Federal Update - tracking notice of funding availability, meeting federal delegation, and discussing capital investment grants funding eligibility
- State Update - Governor's budget included \$9.1 billion for transportation

The Board members had a discussion and staff provided further clarifications which included the following:

- Switching labelling from Fall/Spring to specific months
- Provide interim critical paths for the next several months
- Whether the final cost in slide 21 already occurred
- Gant chart- risk and funding
- Status of arrival of train sets and where trains would be stored
- Single phase study and if there is a deadline for it

## **9. COMMITTEE MEMBER REQUESTS**

Director Hendricks requested background on Clipper Card customers having to request their money be moved back onto their account if it is not used for more than six months.

Director Hendricks requested financial information be presented in the same format each time (e.g., slide 5 for Item 6 Measure RR bonds presentation).

Director Hendricks requested (in regards to Measure RR bonds presentation packet) incorporating the selling of the low carbon fuel service into the Board packet.

Director Gee requested a conversation with FTA auditors to get their view of the process.

Director Hendricks requested switching Fall/Spring deadlines to specific months (PCEP presentation)

Director Hendricks requested the interim critical paths (on PCEP slide) be listed for the next several months.

## **10. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING**

Monday, February 21, 2022, at 2:30 pm via Zoom (additional location, if any, to be determined)

## **11. ADJOURN**

The meeting adjourned at 4:51 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](mailto:board@caltrain.com).