



**BOARD OF DIRECTORS 2019**

GILLIAN GILLET, CHAIR  
DAVE PINE, VICE CHAIR  
CHERYL BRINKMAN  
JEANNIE BRUINS  
CINDY CHAVEZ  
RON COLLINS  
DEVORA "DEV" DAVIS  
CHARLES STONE  
SHAMANN WALTON

JIM HARTNETT  
EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

Bacciocco Auditorium, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos CA 94070

**December 5, 2019 – Thursday**

**9:00 am**

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Public Comment For 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.

4. Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately

- |   |               |
|---|---------------|
| a. Approve Meeting Minutes of October 3, 2019                             | MOTION        |
| b. Approve 2020 Board Meeting Calendar                                    | MOTION        |
| c. Receive Key Caltrain Performance Statistics                            | INFORMATIONAL |
| d. Receive State and Federal Legislative Update                           | INFORMATIONAL |
| e. Statements of Revenues and Expenditures for September and October 2019 | MOTION        |

*Approved by the Work Program-Legislative-Planning Committee:*

- |  |               |
|--|---------------|
| f. 2020 Work Program - Legislative – Planning Committee Calendar | INFORMATIONAL |
|--|---------------|
5. Report of the Chair
    - a. Appointment of Nominating Committee for 2020 Officers
  6. Report of the Executive Director
    - a. Peninsula Corridor Electrification Project Monthly Report for October
    - b. Monthly Report on Positive Train Control System

Peninsula Corridor Joint Powers Board  
December 5, 2019 Agenda

7. Report of the Citizens Advisory Committee
  - a. Amending the By-Laws to include Alternate CAC Members RESOLUTION
8. Recommendation of the Nominating Committee for the Citizens Advisory Committee representing Santa Clara County MOTION
9. *Report of the Work Program-Legislative-Planning (WPLP) Committee*
  - a. Accept the Concept Layout for Further Development as Recommended by the Diridon Integrated Station Concept Plan MOTION
  - b. 2020 Legislative Program INFORMATIONAL
10. Accept Comprehensive Annual Financial Reports for Fiscal Year 2019 MOTION
11. Increase the Executive Director's Contract Authority for the South San Francisco Station Improvement Project and Amend to Increase the Fiscal Year 2020 Capital Budget by \$47,400,185 to \$54,500,185 RESOLUTION
12. Conclusions from Special Meeting on Organization and Governance
13. Selection/Retention of Special Counsel for Governance Matters
14. Correspondence
15. Board Member Requests
16. General Counsel Report
17. Date/Time of Next Regular Meeting: Thursday, January 9, 2020 at 9:00 a.m. San Mateo County Transit District Administrative Building, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA
18. 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](http://www.caltrain.com). Communications to the Board of Directors can be emailed to [board@caltrain.com](mailto: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

#### **Location, Date and Time of Regular Meetings**

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, 260, 295 and 398. Additional transit information can be obtained by calling 1.800.660.4287 or 511.

The JPB meets regularly on the first Thursday of the month at 9:00 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

#### **Public Comment**

If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to two minutes and items raised that require a response will be deferred for staff reply.

#### **Accessible Public Meetings/Translation**

Written materials in appropriate alternative formats, disability-related modification/accommodation, as well as sign language and foreign language interpreters are available upon request; all requests must be made 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](mailto: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  
Board of Directors Meeting  
1250 San Carlos Avenue, San Carlos CA**

**MINUTES OF OCTOBER 3, 2019**

**MEMBERS PRESENT:** G. Gillett (Chair), J. Bruins, C. Brinkman, C. Chavez (9:20 a.m.), R. Collins, D. Davis, D. Pine, C. Stone

**MEMBERS ABSENT:** S. Walton

**STAFF PRESENT:** J. Hartnett, C. Mau, T. Bartholomew, M. Bouchard, J. Brook, A. Chan, C. Fromson, J. Funghi, C. Gumpal, D. Hansel, D. Hansel, J. Lipps, S. Petty, D. Seamans

**CALL TO ORDER / PLEDGE OF ALLEGIANCE**

Chair Gillian Gillett called the meeting to order at 9:04 a.m. Director Stone led the Pledge of Allegiance.

**ROLL CALL**

District Secretary Seamans called the roll and confirmed a quorum. Director Walton was absent.

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

Adina Levin, Friends of Caltrain, expressed appreciation for the elected officials' participation in the celebration of Transit Week.

Vaughn Wolffe, Pleasanton, discussed current decisions that effects the future, including transit oriented development and climate change. He stressed the need to make decisions on how to effectively move people in the Bay Area.

Roland Lebrun, San Jose, discussed increased ridership statistics and suggested increasing trains from six to seven cars. He discussed a proposal for using the new electric multiple units when they are in operation.

Aleta Dupree, Oakland, discussed a recent trip on Caltrain, eliminating paper tickets, train frequencies to the Denver airport and encouraged the Board to increase frequencies on Caltrain.

**OVERVIEW OF FASTER BAY AREA – A REGIONAL FUNDING MEASURE**

CEO Hartnett introduced Carl Guardino, Silicon Valley Leadership Group, who provided a lengthy overview of "FASTER Bay Area," a regional funding measure proposed for a future ballot. Board members provided individual comments. Mr. Guardino responded to Board member comments.

Director Chavez arrived at 9:20 a.m.

Public Comment

Vaughn Wolfe, Pleasanton, discussed prior visionary transit projects and their associated expense but felt the wrong technology was used. He discussed transit issues in the east bay.



Aleta Dupree, Oakland, discussed the lack of connectivity between transit systems in the Bay Area and the cost of owning a vehicle and supported a potential measure.

Adina Levin, Friends of Caltrain and Seamless Bay Area, discussed the strategies used in the successful Measure W, which included stakeholder groups.

Rod Spikes, San Mateo, Youth Leadership Institute, supported a measure for seamless transportation in the Bay Area.

Jeff Carter, Millbrae, echoed Mr. Wolfe's comments and discussed the potential of Caltrain crossing the bay to move more people. He expressed concern of there being no dedicated funding for Caltrain.

### **CONSENT CALENDAR**

Chair Gillett invited public comment prior to voting on the Consent Calendar:

#### Public Comment

Rod Spikes, Youth Leadership Institute, addressed the Board regarding the Grand Jury report response and supported better connectivity between bus and train systems.

Jeff Carter, Millbrae, addressed the Board regarding responses to the Grand Jury reports regarding grade separation and connectivity issues between SamTrans and Caltrain.

Adina Levin, Friends of Caltrain, expressed appreciation for the thoughtful responses to the Grand Jury reports regarding better integration between SamTrans and Caltrain, especially the strategic approach.

Director Stone commented on Consent item "Award Contract to Xenconsult, Inc. DBA Xentrans for Broadband Wireless Communications Design and Support Services".

Director Chavez asked that release dates for upcoming Request for Proposals be included on the Consent Calendar.

Motion/Second: Bruins/Brinkman moved approval of the Consent Calendar.

Ayes: Brinkman, Bruins, Chavez, Collins, Davis, Pine, Stone, Gillett

Noes: None

Absent: Walton

- Approved Meeting Minutes of September 5, 2019
- Received Key Caltrain Performance Statistics for August 2019
- Received State and Federal Legislative Update
- Accepted Statement of Revenues and Expenditures for June and August

- Adopted Resolution 2019-35, Awarding Contracts to HDR Engineering, Inc. ICF Jones & Stokes, Inc. and Louis Berger U.S. Inc. for Provision of On-Call Environmental Planning, Permitting and Supporting Services for an Aggregate Not-To-Exceed Total Amount of \$57 Million for a Five-Year Term
- Adopted Resolution 2019-36, Awarding Contracts to Fieldman, Rolapp & Associates, Inc., PFM Financial Advisory LLC, Ross Financial, Sperry Capital, Inc. KPMG LLP and Macias Gini & O'Connell LLP to provide On-Call Financial Consulting Services for an Aggregate, Not-to-Exceed Amount of \$970,000 for a Five-Year Term
- Adopted Resolution 2019-37, Awarding Contract to Xenconsult, Inc. DBA Xentrans for Broadband Wireless Communications Design and Support Services for a Total Not-To-Exceed Amount of \$404,753 for a Three-Year Term
- Adopted Resolution 2019-39, Reaffirming the Statement of Investment Policy for the
- Adopted Resolution 2019-40, Reauthorizing Investment of Peninsula Corridor Joint Powers Board Monies the Local Agency Investment Fund
- Authorized Response to San Mateo County Grand Jury Report on Grade Separation - Bypasses to Greater Safety
- Authorized Response to San Mateo County Grand Jury Report on "Just Missed It! Fixing SamTrans "Caltrain Connection"
- Received San Jose Diridon Integrated Station Concept Plan Update

#### **REPORT OF THE CHAIR**

Chair Gillett stated the Local Policy Making Group did not meet and had no other items to report on. Director Bruins reported out on a big tent meeting held recently and they are continuing to move in parallel.

#### **REPORT OF THE WORK PROGRAM – LEGISLATIVE – PLANNING COMMITTEE**

Director Stone reported out on the Work Program-Legislative-Planning Committee held on September 25, 2019.

#### **REPORT OF THE FINANCE COMMITTEE**

Director Davis reported out on the Finance Committee held on September 23, 2019.

#### Public Comment

Roland Lebrun, San Jose, discussed farebox recovery, wages and benefits outlined in the revenue and expenditures.

#### **REPORT OF THE CITIZENS ADVISORY COMMITTEE**

Chair Davis noted the Advisory Committee report was submitted in writing.

## **REPORT OF THE EXECUTIVE DIRECTOR**

CEO Hartnett expressed appreciation of the work of the standing committee members, discussed the set out track (storage) area in San Mateo and announced he would be looking for another location.

### **Peninsula Corridor Electrification Project Monthly Report for August 2019**

John Funghi, CalMod Chief Officer, announced the first Peninsula Corridor Electrification project ad hoc committee meeting was held recently. Director Bruins added that she is chairing the meeting and provided a brief update and thanked staff for their contributions to the committee. Mr. Funghi provided a monthly progress report, noting the number of foundation and pole installations, the construction schedule, an update on the tunnel modifications and status of the electric vehicle unit construction at the Stadler's facility in Salt Lake City. He also discussed project budget and contingency balances. Mr. Funghi added that he met with the Federal Transit Administration on Sept. 24, 2019 and provided schedule documents.

### **Monthly Report on Positive Train Control System**

Michelle Bouchard, Chief Operating Officer, Rail, updated Board members on the positive train control system, noting that the project has entered the revenue-service demonstration. She reported on a positive experience and is working closely with the contractor, Wabtec, and operator Transit America. Ms. Bouchard discussed the next milestone; working with Union Pacific on interoperability by December 2019.

### **ADOPTION OF THE CALTRAIN BUSINESS PLAN LONG RANGE SERVICE VISION**

Sebastian Petty, Director of Policy Development, provided background on the planning process for the work done on the service vision and a timeline illustrating the past quarter, with the refinements made to the plan following stakeholder and Board member comments incorporated.

Mr. Petty introduced Casey Fromson, Director of Government Affairs, who discussed the extensive outreach done on the Business Plan/service vision, noting staff attended at 25 public meetings, held virtual "town halls", distributed numerous fact sheets, surveys and engaged riders in the process. Mr. Petty continued by presenting the refined recommendations in the Business Plan/Long Range Service Vision for adoption. He announced an organizational workshop/special meeting to take place on November 21, 2019 to take a comprehensive look into many issues.

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

### Public Comment

Jeff Carter, Millbrae, expressed support for the plan's high-growth scenario while utilizing four tracks as much as possible along the corridor. He commended staff for the visionary document and hoped that much of it could be implemented before 2040.

Rosanne Foust, San Mateo County Economic Development Association, representing the SAMCEDA Board of Directors, stated the plan is very transparent and complete. She commended staff for producing a document that evaluated every aspect of Caltrain service and supported the staff recommendation. Ms. Foust asked Board

members to think in terms of what the plan does regionally, not only for their respective areas of the County that they may represent.

Karyl Matsumoto, Mayor, City of South San Francisco, expressed support for the moderate growth scenario contained in the document which would mitigate the traffic gridlock in South San Francisco.

Melanie Cohn, Biocom, South San Francisco, spoke in support of Mayor Matsumoto's comments.

Lauren Bennett, Genentech, South San Francisco, supported the moderate growth business plan, increased service of eight trains per hour to South San Francisco.

Adina Levin, Friends of Caltrain, expressed support of previous speakers' comments regarding planning proactively for growth and listening to the comments regarding connectivity and expressed support to adopt the plan to move Caltrain to a regional seamless solution.

Rod Spikes, Youth Leadership Institute, San Mateo, thanked the Board for its strong service vision, especially as it relates to providing reliable transportation for youth in and outside of San Mateo County.

Aleta Dupree, Oakland, hoped the plan would be a living document and compared Caltrain to a similar train project in New Haven, Connecticut, serving New York, where growth was anticipated and investments made in the correct way so as to not deny service.

Roland Lebrun, San Jose, stated the plan is good but needs fine tuning around the South San Francisco, Hillsdale, and Diridon stations.

Laura Tolkoff, SPUR, urged the Board to adopt the 2040 service vision.

Board members provided final comments prior to a vote and thanked staff for their extensive effort.

Motion/Second: Brinkman/Bruins moved approval of Resolution 2019-38, Adopting the Caltrain 2040 Long Range Service Vision to Focus and Guide Completion of the Caltrain Business Plan.

Ayes: Brinkman, Bruins, Chavez, Collins, Davis, Pine, Stone, Gillett

Noes: None

Absent: Walton

CEO Hartnett expressed appreciation to Sebastian Petty and his team of 40 employees, who worked tirelessly on the project. He also noted the extraordinary partnership with Stanford, who provided expertise and valuable resources adding to the success of the project.

## **CORRESPONDENCE**

Correspondence to the Board of Directors was available online and at the public desk.

**BOARD MEMBER REQUESTS**

Director Stone encouraged members to read Casey Fromson's biography in Mass Transit magazine article "Forty under 40."

**GENERAL COUNSEL REPORT**

Closed Session: Conference with Real Property Negotiators (Joan L. Cassman, General Counsel, Brian Fitzpatrick and Gary Cardona, JPB Real Estate Staff) pursuant to Government Code Section 54956.8: 4000 Campbell Avenue, Menlo Park, CA (APN: 055-253-120) (Owners: Julie Del Secco Forrest, Trustee of the 2000 Julie Del Secco Revocable Trust; Jonathon Del Secco; and Clayton R. and Carol Del Secco, Trustees of the Del Secco Revocable Trust, dated December 16, 1987.

The Board recessed to a Closed Session at 12:24 p.m.

Directors Chavez and Pine departed at 12:27 p.m.

The Board reconvened open session at 12:33 p.m. and Ms. Cassman noted that there were no reportable actions from the closed session.

**DATE/TIME OF NEXT REGULAR MEETING: THURSDAY, NOVEMBER 7, 2019 AT 9:00 A.M. SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING, 2<sup>ND</sup> FLOOR, 1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

**ADJOURN**

The meeting adjourned at approximately 12:34 p.m.

**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Dora Seamans  
Executive Officer, District Secretary/Executive Administration

SUBJECT: **2020 BOARD OF DIRECTORS MEETING CALENDAR**

**ACTION**

Staff Coordinating Council recommends the Board approve the attached meeting calendar for 2020.

**SIGNIFICANCE**

The Board of Directors' regular monthly meetings are scheduled for the first Thursday of each month at 9:00 am. The exceptions for Board consideration and approval are January 9<sup>th</sup> and July 9<sup>th</sup> to avoid dates close to the New Year's Day and Independence Day holidays.

**BUDGET IMPACT**

There is no impact on the budget.



**Peninsula Corridor Joint Powers Board  
Meeting Calendar  
2020**

| <b>Thursday – 9:00 AM</b> |
|---------------------------|
| January 9*                |
| February 6                |
| March 5                   |
| April 2                   |
| May 7                     |
| June 4                    |
| July 9*                   |
| August 6                  |
| September 3               |
| October 1                 |
| November 5                |
| December 3                |

\* Second Thursday due to New Year's and July 4<sup>th</sup> holidays

The Board meets the first Thursday of the month unless otherwise noted.

All meetings are held at 1250 San Carlos Avenue, San Carlos, CA 94070.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operating Officer, Rail

SUBJECT: **KEY CALTRAIN PERFORMANCE STATISTICS – OCTOBER 2019**

**ACTION**

Staff Coordinating Council recommends that the Board receive the Performance Statistics Report for October 2019.

**SIGNIFICANCE**

Staff will provide monthly updates to Key Caltrain Performance Statistics, Caltrain Shuttle Ridership, Caltrain Promotions, Special Event Updates, Digital Metrics, Social Media Analytics and News Report Coverage.

**BUDGET IMPACT**

There is no budget impact.

**MONTHLY UPDATE**

In October 2019, Caltrain's Average Weekday Ridership (AWR) increased by 6.1 percent to 70,360 from calibrated October 2018 AWR of 66,345. The total number of passengers who rode Caltrain in October 2019 increased by 6.2 percent to 1,726,436 from 1,625,054 calibrated October 2018 ridership. The ridership increase was impacted by October 2019 special event ridership and comparison to October 2018 ridership when the SF Weekend Closure (weekend bus bridge between SF and Bayshore stations due to SF tunnel construction) was in effect through spring 2019.

This month ticket sales increased from October 2018 for:

- One Way tickets: 14.2 percent
- ED One Way tickets: 11.6 percent
- Day Passes: 10.2 percent
- ED Day Passes: 12.4 percent

This month ticket sales decreased from October 2018 for:

- Monthly Passes: 4.2 percent
- ED Monthly Passes: 6.3 percent



Caltrain Mobile Ticketing accounted for approximately 5.8 percent (99,467 rides) of October 2019 rides and 7.5 percent (\$707,987) of October 2019 Monthly Ticket Sales Revenue. The number of Eligible Go Pass Employees increased 11.6 percent to 90,659 from 81,248 from October 2018. The number of participating Go Pass Companies increased to 134 from 131 from October 2018. Total Farebox Revenue increased by 7.5 percent to \$9,345,986 from \$8,691,008 in October 2018. The increase is primarily driven by an increase in Mobile Ticketing (\$377K), and increased Go Pass revenue (\$257K) compared to prior year.

On-time performance (OTP) for October 2019 was 93.3 percent compared to 94.8 percent OTP for October 2018. In October 2019, there were 792 minutes of delay due to mechanical issues compared to 329 minutes in October 2018.

Looking at customer service statistics, there were 8.1 complaints per 100,000 passengers in October 2019 which decreased from 9.5 in October 2018.

Shuttle ridership for October 2019 increased 3.5 percent from October 2018. For station shuttles:

- Millbrae-Broadway shuttle: 209 average daily riders
- Weekend Tamien-San Jose shuttle: 25 average daily riders

When the Marguerite shuttle ridership is removed, the impact to ridership was an increase of 9.9 percent. Due to ongoing service issues with the Shuttle Contractor (MV Transportation) as a result of staffing shortage, there were a total of 302 DNOs (Did Not Operate) trips for Caltrain shuttles in October 2019. Although DNOs have decreased in recent months for Caltrain, there are still service losses beyond previously implemented service reductions and suspensions to match available operator counts. The Menlo Park Midday Shuttle, one of the two Twin Dolphin and one of the two Belle Haven vehicles remain temporarily discontinued. Effective October 1, 2019 the Belmont-Hillsdale Shuttle returned to service. The Belmont-Hillsdale Shuttle ridership will be monitored.

**Table A**  
**October 2019**

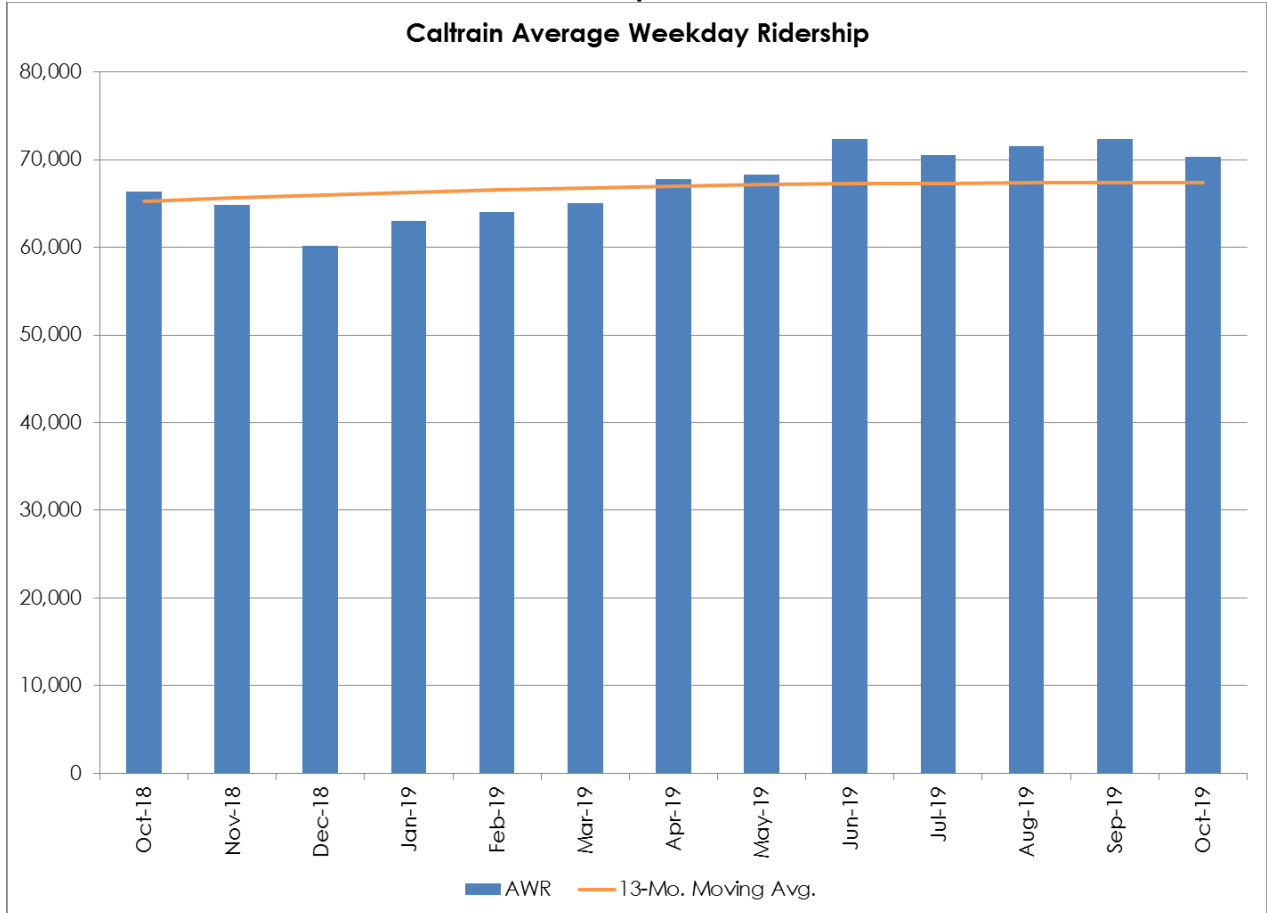
|  | <b>FY2019</b> | <b>FY2020</b> | <b>% Change</b> |
|--|---------------|---------------|-----------------|
| Total Ridership                            | 1,625,054*    | 1,726,436     | 6.2%            |
| Average Weekday Ridership                  | 66,345*       | 70,360        | 6.1%            |
| Total Farebox Revenue                      | \$ 8,691,008  | \$ 9,345,986  | 7.5%            |
| On-time Performance                        | 94.8%         | 93.3%         | -1.6%           |
| Average Weekday Caltrain Shuttle Ridership | 9,147         | 9,469         | 3.5%            |

**Fiscal Year to Date**

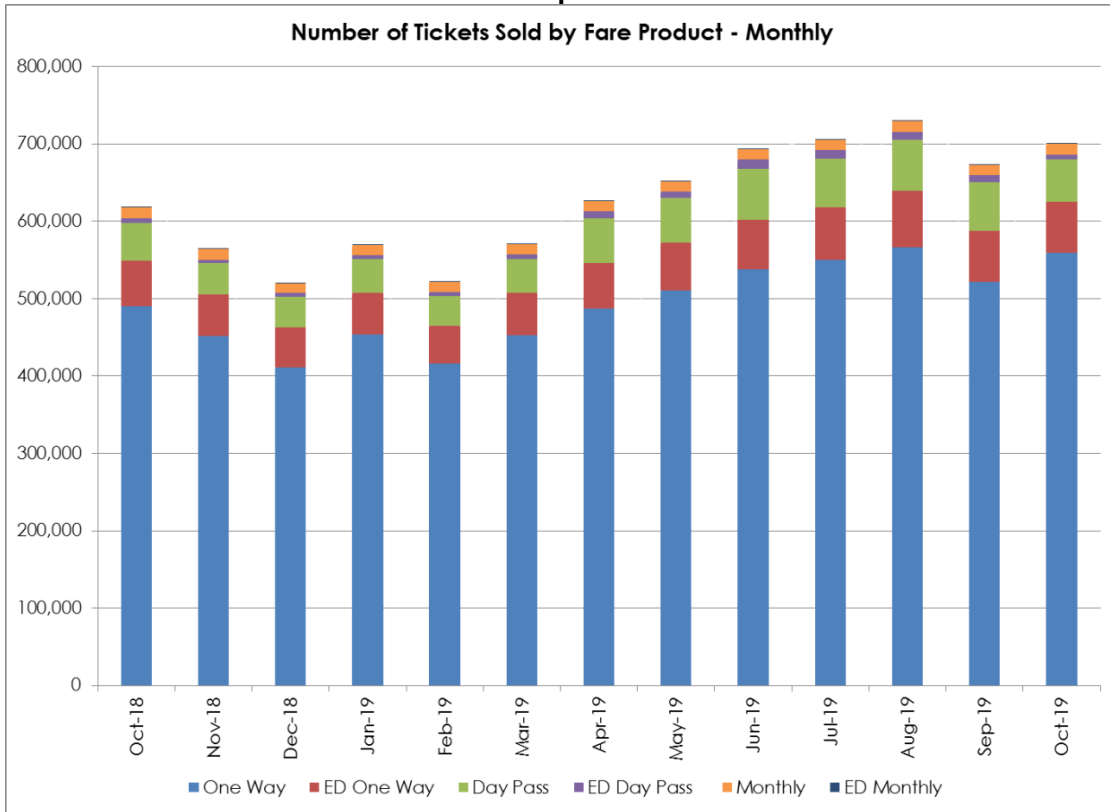
|  | <b>FY2019</b> | <b>FY2020</b> | <b>% Change</b> |
|--|---------------|---------------|-----------------|
| Total Ridership                            | 6,498,112*    | 6,687,275*    | 2.9%            |
| Average Weekday Ridership                  | 69,901*       | 71,199*       | 1.9%            |
| Total Farebox Revenue                      | \$ 35,374,191 | \$ 36,615,652 | 3.5%            |
| On-time Performance                        | 92.8%         | 93.5%         | 0.8%            |
| Average Weekday Caltrain Shuttle Ridership | 8,498         | 8,899         | 4.7%            |

\* = Items revised due to calibration to the ridership model

**Graph A**

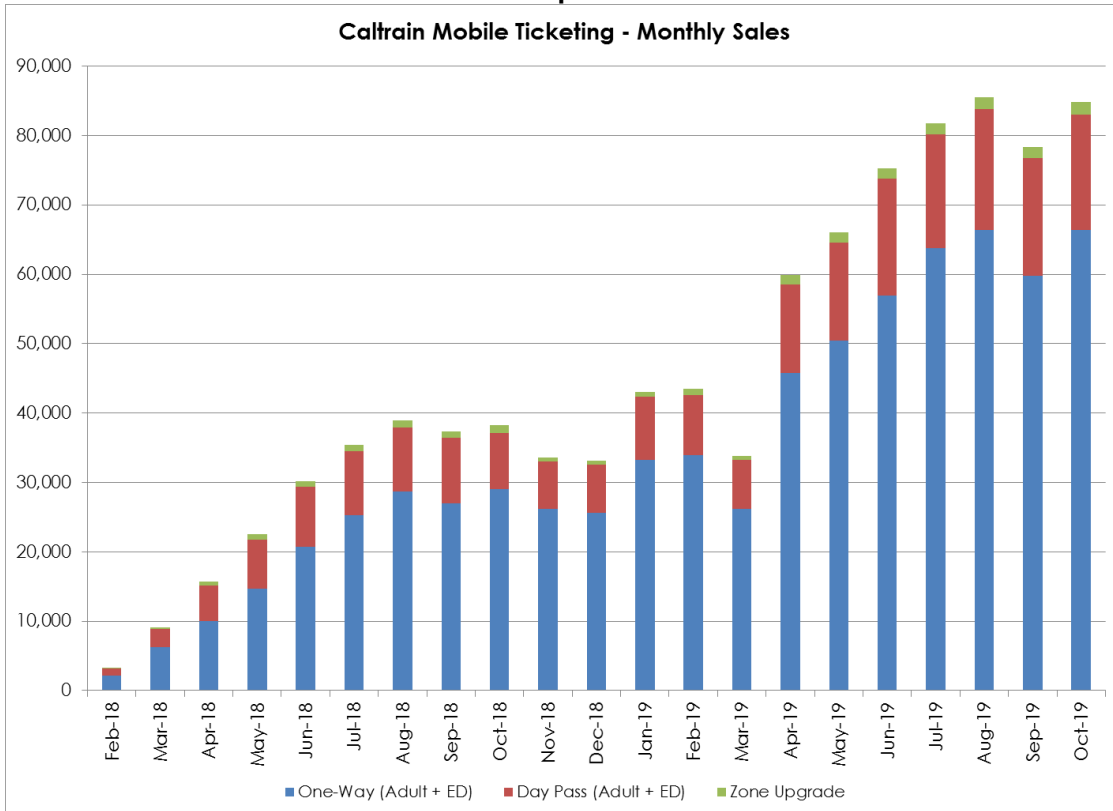


**Graph B**



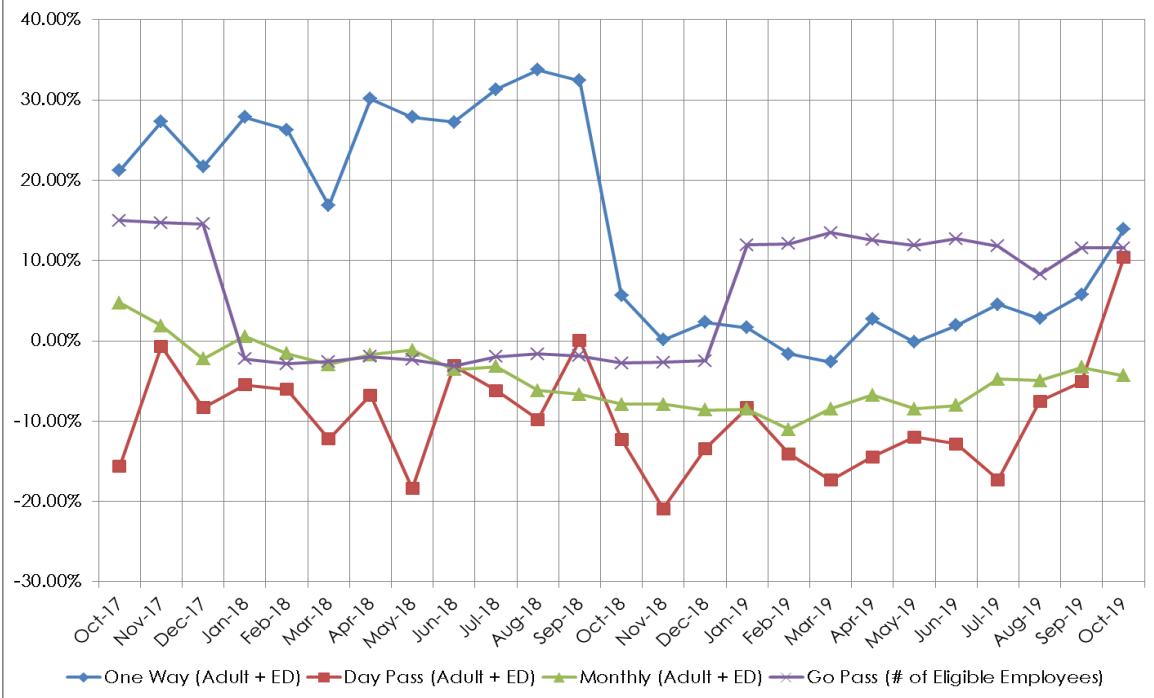
\*Go Passes tracked by Monthly Number of Eligible Employees (not by Sales)

**Graph C**



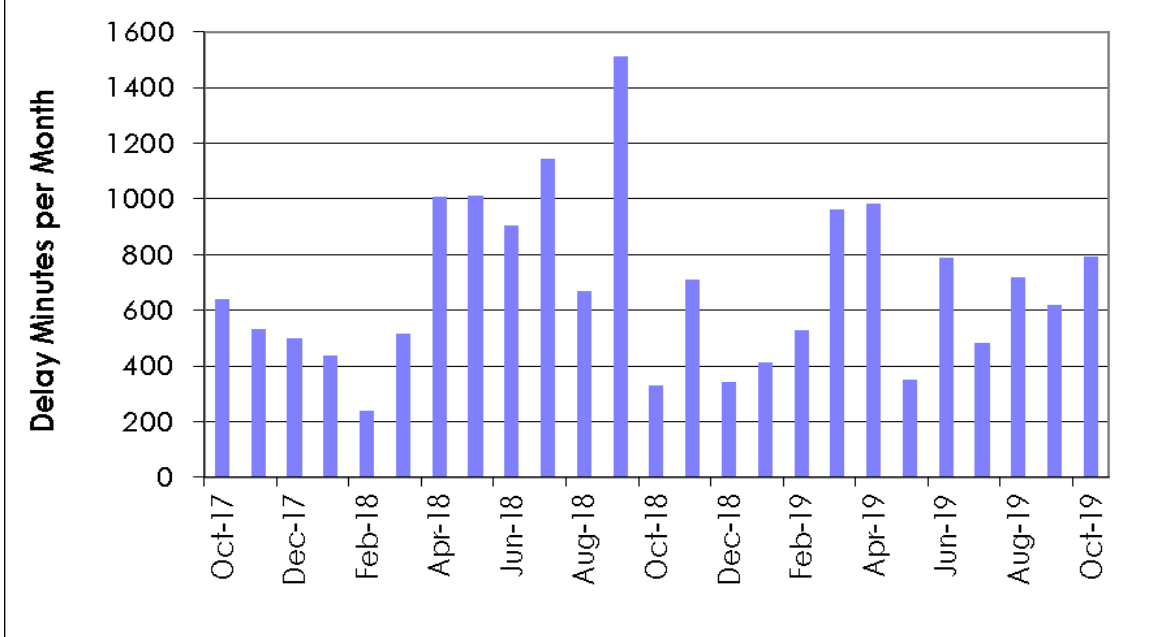
**Graph D**

**Number of Tickets Sold:  
Year to Year (Same Month Last Year) % Change**

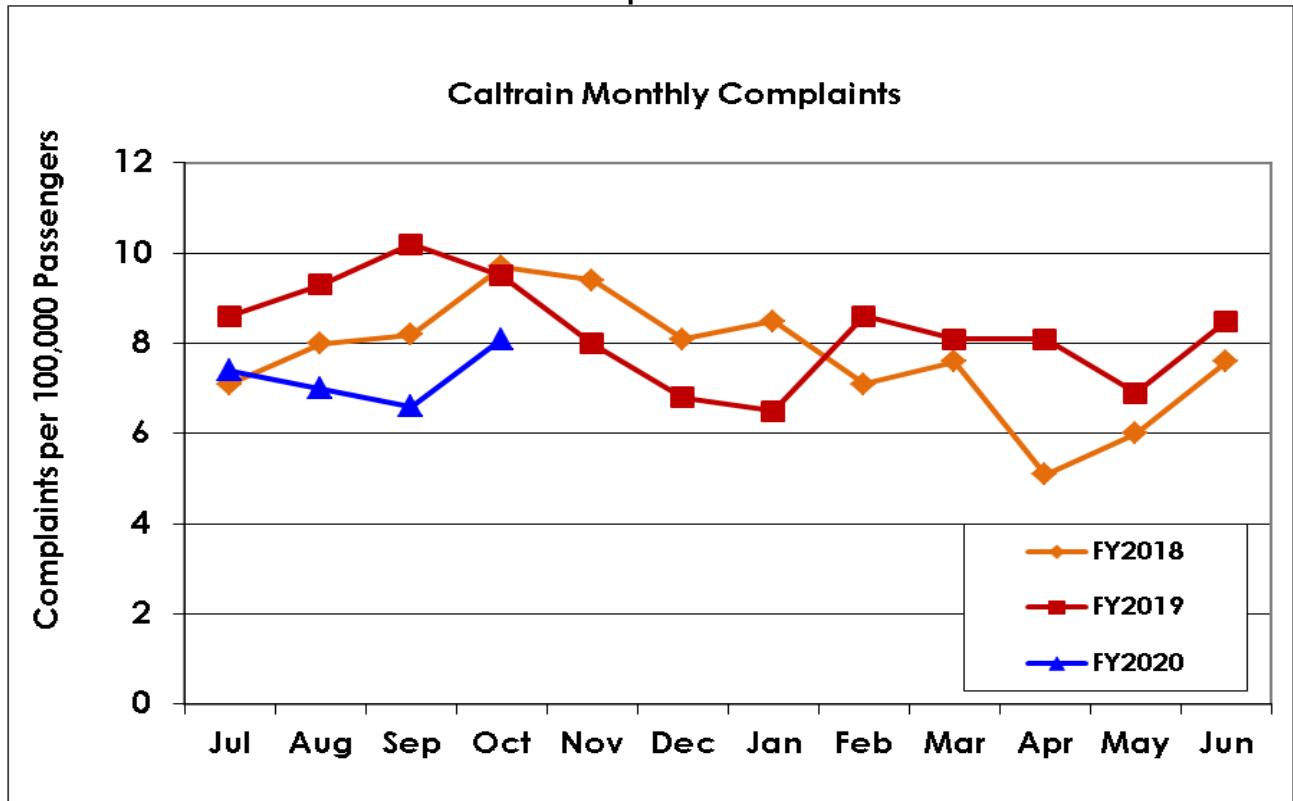


**Graph E**

**Monthly Mechanical Delays**



Graph F



### Caltrain Promotions – October 2019

**Golden State Warriors at Chase Center** – The Golden State Warriors have a new home at Chase Center in San Francisco and Caltrain offers the most convenient option for fans in Santa Clara and San Mateo counties to get there. Rail Operations is coordinating with Chase Center to monitor post-game service and ridership. Caltrain service was promoted through paid geo-targeted Facebook/Instagram video ads, a keyword search campaign and digital display ads on premium sports websites. Staff also partnered with local sports icon, DanceCam Mom, and the Warriors Dance Team to produce a series of video promos to be used for social media and a television spot for broadcast on all sporting networks through Comcast Spotlight. The ad campaign will run through March 2020. Communications also hosted a live video stream on Twitter for the first home game. The Caltrain website and a news release also highlight transit information and directions for Chase Center attendees.

**San Jose Sharks at SAP Center** – The regular 2019/20 San Jose Sharks season kicked off on October 4 bringing exciting hockey action to the SAP Center, just one block from the San Jose Diridon Station. Caltrain service was promoted through a paid geo-targeted Facebook ad campaign, paid search AdWords campaign and digital display ads on premium sports websites. The campaign also included social media content,

Caltrain's Special Events website and a news release. Caltrain's Sharks service campaign will run throughout the season.

**South County Gilroy Promo** – On October 7, Caltrain adjusted its southbound Gilroy evening service based on feedback provided by south county riders in collaboration with the communities of Gilroy, Morgan Hill, San Jose and representatives from Santa Clara Valley Transportation Authority. The adjusted Gilroy service was heavily promoted through Caltrain communications and third-party advertising channels. Paid advertising included print in local publications, geo-targeted digital display ads, sponsored Facebook/Instagram ads and a Google keyword search campaign. Other paid channels included airing targeted: 30 second television commercials using Comcast Spotlight networks/digital video in the Gilroy area markets. Communications and Digital Communications outreach included a news release, a Peninsula Moves Newsletter article, a Caltrain Connections article, social media content and a dedicated Caltrain website landing page. Other outreach tactics included seat drops & take-ones onboard all morning commute trains, temporary signage placed at stations, posters in information cases at all stations, Conductor/VMS messages and coordination with Government and Community based organizations. Staff was located at select stations to assist with questions and distribute new printed schedules.

## Caltrain Digital Metrics - OCT 2019



### *New Followers*

**+576**

**Oct 19 - 180,956**

Sept 19 - 180,380

Oct 18 - 175,279

### *Top Tagged Issues*

**1. Delay** (61)

**2. Bikes** (35)

**3. Gilroy** (21)

**4. Clipper** (20)

**5. Bathroom** (10)

### *Caltrain.com Sessions*

**Oct 19 - 921,326**

Sept 19 - 908,100

Oct 18 - 808,837

### *Social Engagement*

#### **Video Views**

437,090 (Sept - 277,551)

#### **Content Impressions**

3,557,524 (Sept - 3.99M)

#### **Interactions**

37,120 (Sept - 50,096)

### *Monthly Yelp & FB Rating*



( 5 Sept reviews: 3.8/5)



@caltrain, @gocaltrain



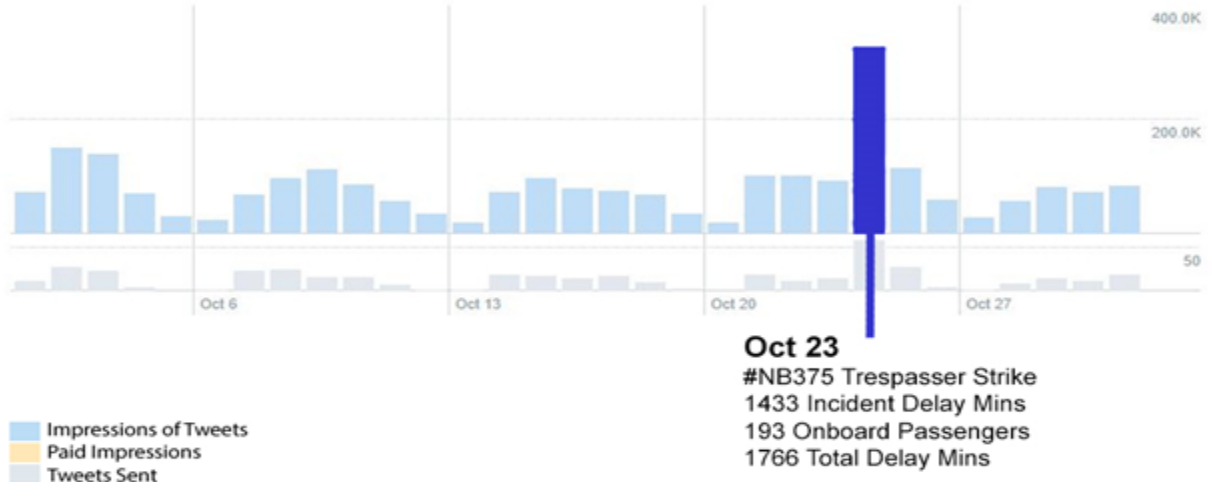
@gocaltrain



@caltrain

# Twitter Impression Spikes Oct, 2019

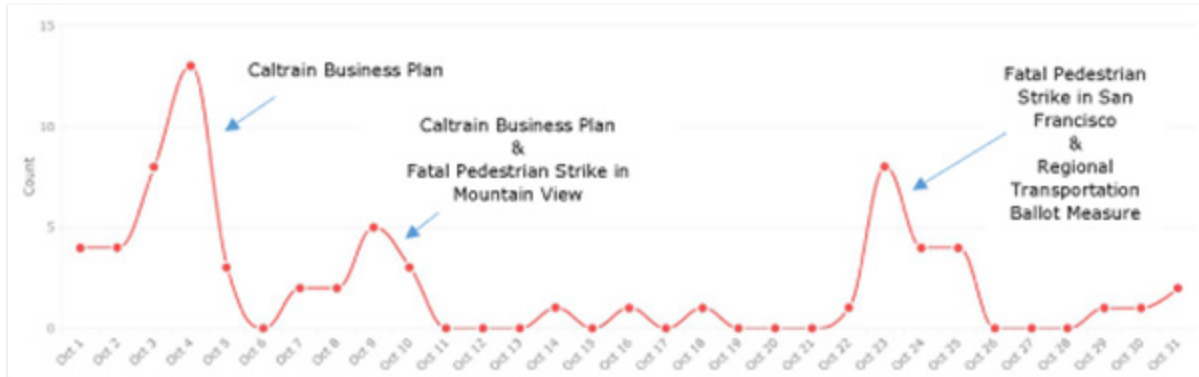
Your Tweets earned 2.5M impressions over this 31 day period



**Oct 23**  
**#NB375 Trespasser Strike**  
 1433 Incident Delay Mins  
 193 Onboard Passengers  
 1766 Total Delay Mins

Impressions sometimes appear the day after an incident as Twitter users view the post the next day.

## Caltrain News Coverage Report – October 2019



Total # of articles: 68 (compared to 124 in September)

Prepared by:

Patrice Givens, Data Specialist  
 James Namba, Marketing Specialist  
 Jeremy Lipps, Social Media Officer

650.508.6347  
 650.508.7924  
 650.622.7845

**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

Staff Coordinating Council recommends the Board receive the attached memos. Staff will provide regular updates to the Board in accordance with Legislative Program.

**SIGNIFICANCE**

The 2019 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Casey Fromson, Government and  
Community Affairs Director

650-508-6493



November 18, 2019

TO: Peninsula Corridor Joint Powers Board Members

FROM: Mike Robson and Trent Smith, Edelstein Gilbert Robson & Smith, LLC  
Joshua W. Shaw and Matt Robinson, Shaw / Yoder / Antwih, Inc.

RE: **STATE LEGISLATIVE UPDATE – November 2019**

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### **Overview**

The Legislature wrapped up the first year of the legislative session in mid-September. The legislators will work from their districts until January 6, when the second year of session begins. When they return next year, the legislators will introduce a new series of bills and continue to work on the remaining 2-year bills that they seek to move forward.

### **High Speed Rail**

The Assembly Transportation Committee held a High Speed Rail oversight hearing on November 12 in Fresno. The purpose of the hearing was to hear an update from the High Speed Rail Authority on construction progress and funding needed to complete the Central Valley segment of the proposed system.

However, the hearing comes on the heels of Assembly Speaker Rendon publicly stating in the summer that limited funding should possibly be redirected to other segments of the system that can deliver better rail service more quickly.

The hearing illustrated the fact that legislative leadership, the Governor, and the High Speed Rail Authority are not all on the same page as to the future of how funding to complete high speed rail will be achieved. This hearing is likely a foreshadowing of funding debates that will take place in the 2020 budget cycle.

### **Status of State Grant Opportunities**

At the request of staff, we have included in this report a list of major competitive grant programs administered by the State from which transit and rail projects are eligible/can be funded.

### **Transit and Intercity Rail Capital Program (TIRCP)**

The TIRCP was created to fund capital improvements to modernize California's intercity rail, bus, ferry, and rail transit systems to reduce emissions, expand and improve transit

service and ridership, integrate rail services and improve transit safety. Funds available are estimated at \$450-500 million for Cycle 4 but could change on auction proceeds and changing cash flow requirements of already awarded projects.

Important Dates:

January 2020 – Applications Due

April 2020 – CalSTA Award Announcement

### **Solutions for Congested Corridors Program (SCCP)**

The SCCP provides funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state. The program makes \$250 million available annually (programmed in 2-year increments) for projects that implement specific transportation performance improvements.

Important Dates:

October 2019 – Guidelines Adopted

January 2020 – Applications Due

June 2020 – Program Adoption

### **Local Partnership Program (LPP)**

The LPP is intended to provide local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually from the Road Maintenance and Rehabilitation Account to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects. The Competitive program is funded at \$100 million annually.

Important Dates:

October 2019 – Guidelines Adopted

January 2020 – Applications Due

June 2020 – Program Adoption

### **Trade Corridor Enhancement Program (TCEP)**

The TCEP provides funding for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network as identified in California Freight Mobility Plan, and along other corridors that have a high volume of freight movement. There is approximately \$300 million provided per year (programmed in 2-year increments) for the competitive program.

Important Dates:

January 2020 – Guidelines Adopted

March 2020 – Applications Due

June 2020 – Program Adoption

### **Grade Separation Funding**

Below is a list of the funding sources that we are aware of and/or that have been used to fund grade separations in the recent years. The funding sources below are managed across various state agencies and departments, including the Public Utilities Commission (PUC), the California State Transportation Agency (CalSTA), the California Transportation Commission (CTC), and Caltrans.

**PUC Section 190 Grade Separation Program** – The Program is a [state funding program](#) to grade separate crossings between roadways and railroad tracks and provides approximately \$15 million annually, transferred from Caltrans. Agencies apply to the PUC for project funding.

**State Transportation Improvement Program** – The STIP, managed by Caltrans and programmed by the CTC, is primarily used to fund highway expansion projects throughout the state, but also supports grade separations. The STIP is programmed every two years (currently the 2018 STIP added \$2.2 billion in new funding). Local agencies receive a share of STIP funding, as does the State. The STIP is funded with gasoline excise tax revenues.

**Transit and Intercity Rail Capital Program** – The TIRCP is managed by CalSTA and is available to fund rail and transit projects that reduce greenhouse gas emissions. The program receives funding from Cap and Trade and the recently created Transportation Improvement Fee to the tune of approximately \$500 million per year. The TIRCP is programmed over 5 years, with the most recent cycle beginning in May 2018. Caltrain received \$160 million for the CalMod project.

**Proposition 1A** – This \$9.9 billion Bond Act is the primary funding source for the high-speed rail project and has been used to fund a very limited number of grade separation projects in the past, including in the City of San Mateo.

## Caltrain As of October 15, 2019 Federal Report

### FY 2020 Appropriations

On September 27, President Donald Trump, signed a continuing resolution (CR) into law to provide funding for the federal government through November 21. The day before the president's signature, the Senate approved the CR that had already passed in the House by a vote of [301-123](#), and Reps. Speier, Eshoo, and Lofgren voted in support. [H.R. 4378](#) passed the Senate by an [81-16 vote](#), and Senators Feinstein and Harris voted in support. The CR also extends programs set to expire on September 30, including the National Flood Insurance Program, the Export-Import Bank, and several health programs. The CR gives lawmakers until November 21, to negotiate their versions of the 12 FY 2020 appropriations bills, and either reach an agreement for full-year funding, pass another short-term measure, or face the prospect of a government shutdown.

The Senate Appropriations Committee has advanced 10 of its 12 FY 2020 appropriations bills out of committee, including Department of Transportation/HUD (THUD), but none have reached the floor. Democrats blocked a motion to proceed on the floor for the Defense Appropriations bill because of disagreements over the southern border wall spending.

Appropriations Chairman Richard Shelby (R-Ala.) and Vice Chairman Patrick Leahy (D-Vt.) have said that they think the Senate should go ahead and consider the less controversial spending bills (including THUD) if they cannot find consensus on the Labor-HHS-Education and Defense Appropriations bills.

### **\$43.4 Billion in FY 2020 Highway Funding Apportioned to States**

The Federal Highway Administration (FHWA), with FY 2020 beginning on October 1, was required to apportion \$43.4 billion in highway contract authority to states via formula as the final installment of funding under the FAST Act. The apportionment notice was dated October 1 & was distributed to states on September 30. As FHWA spending is mandatory, \$639 million of which is subject to sequestration, each state's share of the \$639 million gets reduced, totaling \$37.701 million.

The table (on the next page), shows the actual dollar amounts for each state of their share of the \$639 million in exempt NHPP money and the amount that is being reduced by budget sequestration. The state of California will receive \$51,557,129.

**FY 2020 Sequestration of the Portion of National Highway  
Performance Program Contract Authority Which Is Exempt from  
Annual Obligation Limitations**

From FHWA Notice N4510.838

|                | Pre-Sequester<br><u>Exempt NHPP</u> | 5.9 Percent<br><u>Sequestration</u> | Post-Sequest.<br><u>Exempt NHPP</u> |
|----------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Alabama        | 12,974,712                          | -765,508                            | 12,209,204                          |
| Alaska         | 8,211,099                           | -484,455                            | 7,726,644                           |
| Arizona        | 11,726,017                          | -691,835                            | 11,034,182                          |
| Arkansas       | 8,779,339                           | -517,981                            | 8,261,358                           |
| California     | 54,789,723                          | -3,232,594                          | 51,557,129                          |
| Colorado       | 8,473,363                           | -499,928                            | 7,973,435                           |
| Connecticut    | 7,883,668                           | -465,136                            | 7,418,532                           |
| Delaware       | 2,709,521                           | -159,862                            | 2,549,659                           |
| Dist. of Col.  | 2,570,290                           | -151,647                            | 2,418,643                           |
| Florida        | 32,442,500                          | -1,914,108                          | 30,528,392                          |
| Georgia        | 21,163,304                          | -1,248,635                          | 19,914,669                          |
| Hawaii         | 2,733,136                           | -161,255                            | 2,571,881                           |
| Idaho          | 4,730,085                           | -279,075                            | 4,451,010                           |
| Illinois       | 22,518,916                          | -1,328,616                          | 21,190,300                          |
| Indiana        | 15,680,826                          | -925,169                            | 14,755,657                          |
| Iowa           | 8,334,571                           | -491,740                            | 7,842,831                           |
| Kansas         | 6,386,334                           | -376,794                            | 6,009,540                           |
| Kentucky       | 11,298,833                          | -666,631                            | 10,632,202                          |
| Louisiana      | 11,961,345                          | -705,719                            | 11,255,626                          |
| Maine          | 3,002,283                           | -177,135                            | 2,825,148                           |
| Maryland       | 9,394,054                           | -554,249                            | 8,839,805                           |
| Massachusetts  | 9,294,790                           | -548,393                            | 8,746,397                           |
| Michigan       | 16,851,778                          | -994,255                            | 15,857,523                          |
| Minnesota      | 10,714,140                          | -632,134                            | 10,082,006                          |
| Mississippi    | 8,204,591                           | -484,071                            | 7,720,520                           |
| Missouri       | 15,997,955                          | -943,879                            | 15,054,076                          |
| Montana        | 6,857,356                           | -404,584                            | 6,452,772                           |
| Nebraska       | 4,827,591                           | -284,828                            | 4,542,763                           |
| Nevada         | 5,690,036                           | -335,712                            | 5,354,324                           |
| New Hampshire  | 2,668,030                           | -157,414                            | 2,510,616                           |
| New Jersey     | 15,324,085                          | -904,121                            | 14,419,964                          |
| New Mexico     | 6,171,974                           | -364,146                            | 5,807,828                           |
| New York       | 25,543,680                          | -1,507,077                          | 24,036,603                          |
| North Carolina | 17,167,766                          | -1,012,898                          | 16,154,868                          |
| North Dakota   | 4,111,787                           | -242,595                            | 3,869,192                           |
| Ohio           | 21,454,298                          | -1,265,804                          | 20,188,494                          |
| Oklahoma       | 10,805,850                          | -637,545                            | 10,168,305                          |
| Oregon         | 8,306,002                           | -490,054                            | 7,815,948                           |
| Pennsylvania   | 26,511,187                          | -1,564,160                          | 24,947,027                          |
| Rhode Island   | 3,594,506                           | -212,076                            | 3,382,430                           |
| South Carolina | 11,389,483                          | -671,980                            | 10,717,503                          |
| South Dakota   | 4,667,397                           | -275,376                            | 4,392,021                           |
| Tennessee      | 13,989,001                          | -825,351                            | 13,163,650                          |
| Texas          | 60,233,752                          | -3,553,791                          | 56,679,961                          |
| Utah           | 5,767,707                           | -340,295                            | 5,427,412                           |
| Vermont        | 3,290,217                           | -194,123                            | 3,096,094                           |
| Virginia       | 16,629,381                          | -981,133                            | 15,648,248                          |
| Washington     | 11,031,563                          | -650,862                            | 10,380,701                          |
| West Virginia  | 7,335,286                           | -432,782                            | 6,902,504                           |
| Wisconsin      | 12,551,504                          | -740,539                            | 11,810,965                          |
| Wyoming        | 4,253,388                           | -250,950                            | 4,002,438                           |
| <b>TOTAL</b>   | <b>639,000,000</b>                  | <b>-37,701,000</b>                  | <b>601,299,000</b>                  |

## **The Subcommittee on Railroads, Pipelines, and Hazardous Materials Hearing on “Challenges and Opportunities for Commuter Railroads”**

The House Transportation & Infrastructure’s Railroads, Pipelines, and Hazardous Materials Subcommittee held a [hearing](#) on September 24 to examine the state of commuter rail in America. The witnesses were:

- Paul Skoutelas, American Public Transportation Association (written testimony [here](#))
- Jim Derwinski, Chicago Metra (written testimony [here](#))
- Peter Rogoff, Seattle-area Sound Transit (written testimony [here](#))
- Stephanie Wiggins, Southern California Metrolink (written testimony [here](#))

Subcommittee Chairman Dan Lipinski (D-IL) emphasized that it was important that the FAST Act of 2015 included a railroad title and that he hopes to also include a rail title in the next reauthorization bill. The first issue discussed was interconnectivity, specifically how freight railroads and Amtrak can cause delays for commuter rail. The hearing also reaffirmed that the biggest remaining holdup in full implementation of positive train control (PTC) technology is interoperability between railroads.

## Caltrain Federal Report as of November 13, 2019

### FY 2020 Appropriations Update

The Senate passed its first four-bill appropriations minibuss on October 31, 2019 by a vote of [84-9](#). The measure, [H.R. 3055](#), included Agriculture-Food and Drug Administration (FDA), Commerce-Justice-Science, Interior-Environment and Transportation-Housing and Urban Development (HUD) appropriations bills.

Senators also voted 82-11 to adopt an amendment by Senators Doug Jones (D-Ala.) and Martha McSally (R-Ariz.) that would block an automatic 12 percent cut to public transit funding under a formula funding test called the Rostenkowski Test, effectively preventing a reduction of \$1.2 billion. According to the American Public Transportation Association (APTA), this massive cut would impact transit agencies' ability to maintain and replace buses, or move forward on capital and planning projects. If the language isn't signed into law, the cut will occur on November 21, 2019.

Additionally, over 40 other amendments were adopted by unanimous consent, including five related to transportation:

- An amendment submitted by Senator Jeanne Shaheen (D-N.H.) would require the FAA to ensure the inclusion of opioid antagonists in emergency medical kits carried on board aircraft.
- An amendment submitted by Senator Tim Kaine (D-Va.) would set aside \$9.5 million of the appropriation for FAA Operations for the remote tower pilot program.
- An amendment submitted by Senator Catherine Cortez Masto (D-Nev.) would require a report on engagement with local interests relating to intelligent transportation systems technologies and smart cities solutions.
- Another amendment submitted by Senator Cortez Masto would prohibit the Department of Transportation (DOT) from terminating the ITS program advisory committee.
- An amendment submitted by Senator John Hoeven (R-N.D.) would aside \$5 million of the FAA Operations appropriation for a veterans pilot training competitive grant program.

Both the House and Senate must agree on the set of funding allocations for all 12 spending bills before work on final versions of any bills can move forward. The CR runs out on November 21, 2019. During the week of November 11, the Senate and House Appropriations Committee

leadership announced that Congress will consider a CR until December 20. The White House has said the president will sign the CR as long as it does not interfere on border wall spending.

### **National Highway Traffic Safety Administration (NHTSA) Releases Highway Crash Fatality Data**

On October 22, 2019, the National Highway Traffic Safety Administration (NHTSA) released its [highway crash fatality data for 2018](#), that revealed a 2.4 percent decline in fatalities, 913 fewer than in 2017. The report showed that there was a decrease in fatalities among children, alcohol impaired driving, speeding related accidents, and motorcyclist accidents. NHTSA Acting Administrator James Owens credited the decrease in fatalities to the collaboration of work between the federal, state, and local governments, along with public safety officials and advocates. Additionally, vehicles are continuing to include more safety features and technologies to prevent or reduce the severity of crashes. However, NHTSA is shifting its focus to reducing fatalities among pedestrians and cyclists since that number increased by 3.4 percent—the highest since 1990 (6,482 fatalities). And, pedalcyclist fatalities increased by 51, a 6.3-percent increase.

### **Analysis of Nationwide Truck Vehicle Miles Traveled (VMT) Issued by Congressional Budget Office (CBO)**

The CBO on October 17, 2019 released a [report](#) titled, “Issues and Options for a Tax on Vehicle Miles Traveled by Commercial Trucks.” The biggest takeaway from the study was that a nationwide VMT tax in 2017 would have raised \$2.6 billion for each cent-per-mile of the tax rate if applied to all commercial trucks. About \$1.6 billion in revenue would have been generated that year if the VMT fee was only applied to trucks with one or more trailers

The report presents VMT as a viable revenue option for the Highway Trust Fund to assist states with paying for highway projects. The CBO listed various technologies to track VMT that would incur minimal costs for enforcement and lawmakers have voiced support of a VMT tax as an alternative to raising the gas tax. The report cautioned, however, that costs associated with implementing a VMT fee would likely would be higher for the federal government and trucking companies than raising the gas tax. House Transportation & Infrastructure Committee Chairman Peter DeFazio (D-Ore.), has indicated he intends to propose a nationwide VMT pilot program as part of the House’s highway reauthorization measure.

### **July 2020 State-by-State Cuts Released by Federal Highway Administration (FHWA)**

On November 4, 2019, the FHWA sent state DOT’s their estimated portions of the pending \$7.6 billion cut in highway funding that will take place July 1, 2020 unless repealed by law. The rescission is under section 1438 of the FAST Act and without reversal, will be a 19.2 percent reduction in non-safety highway funding. Safety-related funding and Surface Transportation Block Grant Program funding are exempt from the rescission. This week, FHWA will send states a formal notice of how the amount of the rescission announced must be applied program-by-program.



## **Subcommittee on Highways and Transit Hearing on “Examining the Future of Transportation Network Companies (TNC): Challenges and Opportunities”**

The House Transportation & Infrastructure’s Subcommittee on Highways and Transit held a [hearing](#) on October 16, 2019 to examine the state of TNC’s in American cities. The witnesses were:

### **Members**

- The Honorable Christopher H. Smith (R-NJ-4) ([Testimony](#))
- The Honorable Thomas R. Suozzi (D-NY-3) ([Testimony](#))

### **Panel I**

- The Honorable Karen Freeman-Wilson: Mayor, City of Gary, Indiana; President, National League of Cities ([Testimony](#))
- Mr. Jon W. Martz: Director of Government and Public Affairs, Commute with Enterprise ([Testimony](#))
- Mr. Paul Miller: Legislative Counsel, The Transportation Alliance ([Testimony](#))
- Mr. Larry Willis: President, Transportation Trades Department, AFL-CIO ([Testimony](#))

This panel was established to discuss safety and labor practices by TNC’s, specifically Uber and Lyft who represent 98% of the market. While the two companies did not show up for the hearing, members and panelists discussed traffic congestion, sexual assault, additional safety regulations, and minimum wage among other issues related to a regulatory framework for TNC’s.

### **Grants**

**DOT Announces BUILD Grant Awards:** On November 12, the DOT [announced](#) that 55 projects in 35 states will be receiving BUILD grants. Grants awarded totaled \$883.5 million. 68% of the funding went to road/bridge projects, 14.6% to port/maritime, 9.6% went to transit projects, 5.5% to rail projects, 2.1% to aviation, and zero to bike-ped projects. The average grant size was \$16.06 million. There were two awards in California: \$8,683,480 for Growing Regional Opportunity With Leveraged-Infrastructure Fleet Expansion Project in Lancaster and \$10,540,582 for Veterans Boulevard Interchange, Extension, and Grade Separation Project in Fresno.

**INFRA NOFO Soon:** The DOT will issue a notice of funding opportunity (NOFO) before the end of the year. No major changes to the criteria but there will be some additional guidance for large projects (\$100 million project cost). There will be 75 days to apply.

**\$396 Million Made Available for Federal-State Partnership for State of Good Repair:** On October 7, 2019, the Federal Railroad Administration (FRA) issued a Notice of Funding Opportunity (NOFO) for the Federal-State Partnership for State of Good Repair Program. The \$396 million in federal funding will go towards projects to repair, replace, or rehabilitate eligible railroad assets to reduce backlog and create a more efficient passenger rail service. All

applications are due by December 9, 2019. More information can be found in the [Funding Opportunity Announcement via Grants.gov](#).

FRA Issues NOFO for Railroad Trespassing Enforcement Grant Program: On October 22, 2019, the FRA issued a NOFO for the Railroad Trespassing Enforcement Program. This program was created by the FRA as part of its National Strategy to Prevent Trespassing on Railroad Property, to address trespassing – the leading cause of rail-related deaths in the United States. The objective of this program is to reduce trespassing along the rail right of ways (ROWs), thereby reducing trespassing safety related incidents. Funding will assist law enforcement to better investigate trespass incidents as well as issue warnings and citations to trespassers. FRA said it would give preference to law enforcement agencies in one of the 10 states with the highest incidence of rail trespass related casualties, which include California, Texas, Illinois, Florida, New York, Pennsylvania, Ohio, New Jersey, North Carolina and Georgia. All applications are due by December 23, 2019. More information can be found in the [Funding Opportunity Announcement via Grants.gov](#).

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
SEPTEMBER 30, 2019**

**ACTION**

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of September 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through September 30, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

**SIGNIFICANCE**

**Annual Forecast:** The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

**Year to Date Revenues:** As of September year-to-date actual, the Total Revenue (page 1, line 17) is \$2.4 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5), and JPB Member Agencies Contributions (page 1, line 12).

**Year to Date Expenses:** As of September year-to-date actual, the Total Expense (page 1, line 49) is \$2.3 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38). The increases are partially offset by lower expenses in Shuttle Services (page 1, line 26), Fuel and Lubricants (page 1, line 27), Claims, Payments and Reserves (page 1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page 1, line 33), Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41).

**Other Information:** Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show

noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**

There are no budget amendments for the month of September 2019.

**STRATEGIC INITIATIVE**

This item does not achieve a strategic initiative.

Prepared By : Thwe T. 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 2020**  
**September 2019**

% OF YEAR ELAPSED

25.0%

|   | YEAR TO DATE      |                   |                  |               | ANNUAL             |                    |                |             |
|---|-------------------|-------------------|------------------|---------------|--------------------|--------------------|----------------|-------------|
|   | PRIOR<br>ACTUAL   | CURRENT<br>ACTUAL | \$<br>VARIANCE   | %<br>VARIANCE | APPROVED<br>BUDGET | FORECAST           | \$<br>VARIANCE | %<br>BUDGET |
| <b>REVENUE</b>                          |                   |                   |                  |               |                    |                    |                |             |
| <b>OPERATIONS:</b>                      |                   |                   |                  |               |                    |                    |                |             |
| 1 Farebox Revenue                       | 26,683,182        | 27,269,667        | 586,484          | 2.2%          | 106,000,000        | 106,000,000        | -              | 0.0%        |
| 2 Parking Revenue                       | 1,314,160         | 1,353,703         | 39,543           | 3.0%          | 5,335,000          | 5,335,000          | -              | 0.0%        |
| 3 Shuttles                              | 521,416           | 376,744           | (144,672)        | (27.7%)       | 2,503,200          | 2,503,200          | -              | 0.0%        |
| 4 Rental Income                         | 463,024           | 507,497           | 44,473           | 9.6%          | 2,060,540          | 2,060,540          | -              | 0.0%        |
| 5 Other Income                          | 409,375           | 726,434           | 317,060          | 77.4%         | 1,753,450          | 1,753,450          | -              | 0.0%        |
| 6                                       |                   |                   |                  |               |                    |                    |                |             |
| 7 <b>TOTAL OPERATING REVENUE</b>        | <b>29,391,157</b> | <b>30,234,045</b> | <b>842,888</b>   | <b>2.9%</b>   | <b>117,652,190</b> | <b>117,652,190</b> | <b>-</b>       | <b>0.0%</b> |
| 8                                       |                   |                   |                  |               |                    |                    |                |             |
| <b>CONTRIBUTIONS:</b>                   |                   |                   |                  |               |                    |                    |                |             |
| 10 AB434 Peninsula & TA Shuttle Funding | 460,744           | 476,681           | 15,937           | 3.5%          | 1,737,950          | 1,737,950          | -              | 0.0%        |
| 11 Operating Grants                     | 1,642,652         | 1,295,555         | (347,096)        | (21.1%)       | 5,347,497          | 5,347,497          | -              | 0.0%        |
| 12 JPB Member Agencies                  | 10,674,500        | 12,594,159        | 1,919,659        | 18.0%         | 29,921,971         | 29,921,971         | -              | 0.0%        |
| 13 Use of Reserves                      |                   |                   | -                | 0.0%          | 1,064,614          | 1,064,614          | -              | 0.0%        |
| 14                                      |                   |                   |                  |               |                    |                    |                |             |
| 15 <b>TOTAL CONTRIBUTED REVENUE</b>     | <b>12,777,896</b> | <b>14,366,395</b> | <b>1,588,499</b> | <b>12.4%</b>  | <b>38,072,032</b>  | <b>38,072,032</b>  | <b>-</b>       | <b>0.0%</b> |
| 16                                      |                   |                   |                  |               |                    |                    |                |             |
| 17 <b>GRAND TOTAL REVENUE</b>           | <b>42,169,053</b> | <b>44,600,441</b> | <b>2,431,388</b> | <b>5.8%</b>   | <b>155,724,222</b> | <b>155,724,222</b> | <b>-</b>       | <b>0.0%</b> |
| 18                                      |                   |                   |                  |               |                    |                    |                |             |
| 19                                      |                   |                   |                  |               |                    |                    |                |             |
| <b>EXPENSE</b>                          |                   |                   |                  |               |                    |                    |                |             |
| <b>OPERATING EXPENSE:</b>               |                   |                   |                  |               |                    |                    |                |             |
| 23 Rail Operator Service                | 19,591,126        | 23,686,030        | 4,094,903        | 20.9%         | 90,817,696         | 90,817,696         | -              | 0.0%        |
| 24 Positive Train Control               | 20,481            | -                 | (20,481)         | (100.0%)      | 2,400,000          | 2,400,000          | -              | 0.0%        |
| 25 Security Services                    | 1,439,857         | 1,486,617         | 46,760           | 3.2%          | 6,544,183          | 6,544,183          | -              | 0.0%        |
| 26 Shuttles Services                    | 1,173,499         | 875,415           | (298,084)        | (25.4%)       | 5,290,100          | 5,290,100          | -              | 0.0%        |
| 27 Fuel and Lubricants                  | 2,901,245         | 2,488,470         | (412,775)        | (14.2%)       | 11,003,417         | 11,003,417         | -              | 0.0%        |
| 28 Timetables and Tickets               | 761               | 24,073            | 23,312           | 3062.3%       | 143,500            | 143,500            | -              | 0.0%        |
| 29 Insurance                            | 1,057,022         | 1,084,423         | 27,401           | 2.6%          | 4,506,064          | 4,506,064          | -              | 0.0%        |
| 30 Claims, Payments, and Reserves       | 92,706            | (156,391)         | (249,096)        | (268.7%)      | 951,794            | 951,794            | -              | 0.0%        |
| 31 Facilities and Equipment Maint       | 629,558           | 230,928           | (398,630)        | (63.3%)       | 3,339,391          | 3,339,391          | -              | 0.0%        |
| 32 Utilities                            | 495,207           | 410,361           | (84,846)         | (17.1%)       | 2,105,422          | 2,105,422          | -              | 0.0%        |
| 33 Maint & Services-Bldg & Other        | 333,662           | 67,431            | (266,230)        | (79.8%)       | 1,567,930          | 1,567,930          | -              | 0.0%        |
| 34                                      |                   |                   |                  |               |                    |                    |                |             |
| 35 <b>TOTAL OPERATING EXPENSE</b>       | <b>27,735,123</b> | <b>30,197,358</b> | <b>2,462,234</b> | <b>8.9%</b>   | <b>128,669,496</b> | <b>128,669,496</b> | <b>-</b>       | <b>0.0%</b> |
| 36                                      |                   |                   |                  |               |                    |                    |                |             |
| <b>ADMINISTRATIVE EXPENSE</b>           |                   |                   |                  |               |                    |                    |                |             |
| 38 Wages and Benefits                   | 3,495,508         | 4,278,534         | 783,027          | 22.4%         | 12,066,711         | 12,066,711         | -              | 0.0%        |
| 39 Managing Agency Admin OH Cost        | 1,694,163         | 1,108,016         | (586,148)        | (34.6%)       | 5,098,065          | 5,098,065          | -              | 0.0%        |
| 40 Board of Directors                   | 2,757             | 3,215             | 458              | 16.6%         | 14,600             | 14,600             | -              | 0.0%        |
| 41 Professional Services                | 1,026,554         | 417,965           | (608,589)        | (59.3%)       | 4,275,583          | 4,275,583          | -              | 0.0%        |
| 42 Communications and Marketing         | 44,169            | 10,346            | (33,823)         | (76.6%)       | 321,500            | 321,500            | -              | 0.0%        |
| 43 Other Office Expenses and Services   | 662,284           | 481,512           | (180,772)        | (27.3%)       | 2,638,494          | 2,638,494          | -              | 0.0%        |
| 44                                      |                   |                   |                  |               |                    |                    |                |             |
| 45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>  | <b>6,925,434</b>  | <b>6,299,587</b>  | <b>(625,847)</b> | <b>(9.0%)</b> | <b>24,414,953</b>  | <b>24,414,953</b>  | <b>-</b>       | <b>0.0%</b> |
| 46                                      |                   |                   |                  |               |                    |                    |                |             |
| 47 Long Term Debt Expense               | 331,544           | 770,449           | 438,905          | 132.4%        | 2,639,773          | 2,639,773          | -              | 0.0%        |
| 48                                      |                   |                   |                  |               |                    |                    |                |             |
| 49 <b>GRAND TOTAL EXPENSE</b>           | <b>34,992,101</b> | <b>37,267,394</b> | <b>2,275,293</b> | <b>6.5%</b>   | <b>155,724,222</b> | <b>155,724,222</b> | <b>-</b>       | <b>0.0%</b> |
| 50                                      |                   |                   |                  |               |                    |                    |                |             |
| 51 <b>NET SURPLUS / (DEFICIT)</b>       | <b>7,176,951</b>  | <b>7,333,046</b>  | <b>156,095</b>   | <b>2.2%</b>   | <b>(0)</b>         | <b>(0)</b>         | <b>-</b>       | <b>0.0%</b> |



PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF SEPTEMBER 30, 2019

| TYPE OF SECURITY                            |     | MATURITY DATE | INTEREST RATE | PURCHASE PRICE | MARKET RATE   |
|---|-----|---------------|---------------|----------------|---------------|
| Local Agency Investment Fund (Unrestricted) | *   | Liquid Cash   | 2.280%        | 39             | 39            |
| County Pool (Restricted)                    | **  | Liquid Cash   | 2.091%        | 804,670        | 804,670       |
| Other (Unrestricted)                        |     | Liquid Cash   | 0.000%        | 42,187,833     | 42,187,833    |
| Other (Restricted)                          | *** | Liquid Cash   | 0.200%        | 25,275,511     | 25,275,511    |
|   |     |               |               | \$ 68,268,054  | \$ 68,268,054 |
| Interest Earnings for September 2019        |     |               | \$ 45,447.92  |                |               |
| Cumulative Earnings FY2020                  |     |               | \$ 45,447.92  |                |               |

\* 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.

\*\* As of September 2019, the total cost of the County was \$4,905,092 and the fair market value per San Mateo County Treasurer's Office was \$4,939,618.

\*\*\* 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: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
OCTOBER 31, 2019**

**ACTION**

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of October 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through October 31, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

**SIGNIFICANCE**

**Annual Forecast:** The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

**Year to Date Revenues:** As of October year-to-date actual, the Total Revenue (page 1, line 17) is \$2.5 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5), and JPB Member Agencies Contributions (page 1, line 12).

**Year to Date Expenses:** As of October year-to-date actual, the Total Expense (page 1, line 49) is \$186k lower than the prior year-to-date actual. This is primarily due to decreases in Fuel and Lubricants (page 1, line 27), Claims, Payments and Reserves (page 1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page 1, line 33), Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41). The decreases are partially offset by increases in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38).

**Other Information:** Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show

noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**

There are no budget amendments for the month of October 2019.

**STRATEGIC INITIATIVE**

This item does not achieve a strategic initiative.

Prepared By : Thwe T. 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 2020**  
**October 2019**

% OF YEAR ELAPSED

33.3%

|  | YEAR TO DATE      |                   |                  |               | ANNUAL             |                    |             |             |
|--|-------------------|-------------------|------------------|---------------|--------------------|--------------------|-------------|-------------|
|  | PRIOR ACTUAL      | CURRENT ACTUAL    | \$ VARIANCE      | % VARIANCE    | APPROVED BUDGET    | FORECAST           | \$ VARIANCE | % BUDGET    |
| <b>REVENUE</b>                         |                   |                   |                  |               |                    |                    |             |             |
| <b>OPERATIONS:</b>                     |                   |                   |                  |               |                    |                    |             |             |
| 1 Farebox Revenue                      | 35,374,191        | 36,615,652        | 1,241,462        | 3.5%          | 106,000,000        | 106,000,000        | -           | 0.0%        |
| 2 Parking Revenue                      | 1,747,855         | 1,788,451         | 40,596           | 2.3%          | 5,335,000          | 5,335,000          | -           | 0.0%        |
| 3 Shuttles                             | 658,209           | 558,260           | (99,949)         | (15.2%)       | 2,503,200          | 2,503,200          | -           | 0.0%        |
| 4 Rental Income                        | 677,649           | 669,702           | (7,947)          | (1.2%)        | 2,060,540          | 2,060,540          | -           | 0.0%        |
| 5 Other Income                         | 637,938           | 1,072,136         | 434,198          | 68.1%         | 1,753,450          | 1,753,450          | -           | 0.0%        |
| 6                                      |                   |                   |                  |               |                    |                    |             |             |
| 7 <b>TOTAL OPERATING REVENUE</b>       | <b>39,095,841</b> | <b>40,704,201</b> | <b>1,608,360</b> | <b>4.1%</b>   | <b>117,652,190</b> | <b>117,652,190</b> | <b>-</b>    | <b>0.0%</b> |
| 8                                      |                   |                   |                  |               |                    |                    |             |             |
| <b>CONTRIBUTIONS:</b>                  |                   |                   |                  |               |                    |                    |             |             |
| 9 AB434 Peninsula & TA Shuttle Funding | 589,823           | 635,575           | 45,752           | 7.8%          | 1,737,950          | 1,737,950          | -           | 0.0%        |
| 10 Operating Grants                    | 2,190,202         | 1,727,407         | (462,795)        | (21.1%)       | 5,347,497          | 5,347,497          | -           | 0.0%        |
| 11 JPB Member Agencies                 | 12,316,000        | 13,612,562        | 1,296,562        | 10.5%         | 29,921,971         | 29,921,971         | -           | 0.0%        |
| 12 Use of Reserves                     | -                 | -                 | -                | 0.0%          | 1,064,614          | 1,064,614          | -           | 0.0%        |
| 13                                     |                   |                   |                  |               |                    |                    |             |             |
| 14 <b>TOTAL CONTRIBUTED REVENUE</b>    | <b>15,096,025</b> | <b>15,975,544</b> | <b>879,519</b>   | <b>5.8%</b>   | <b>38,072,032</b>  | <b>38,072,032</b>  | <b>-</b>    | <b>0.0%</b> |
| 15                                     |                   |                   |                  |               |                    |                    |             |             |
| 16 <b>GRAND TOTAL REVENUE</b>          | <b>54,191,866</b> | <b>56,679,745</b> | <b>2,487,878</b> | <b>4.6%</b>   | <b>155,724,222</b> | <b>155,724,222</b> | <b>-</b>    | <b>0.0%</b> |
| 17                                     |                   |                   |                  |               |                    |                    |             |             |
| <b>EXPENSE</b>                         |                   |                   |                  |               |                    |                    |             |             |
| <b>OPERATING EXPENSE:</b>              |                   |                   |                  |               |                    |                    |             |             |
| 22 Rail Operator Service               | 28,331,414        | 30,362,593        | 2,031,178        | 7.2%          | 90,817,696         | 90,817,696         | -           | 0.0%        |
| 23 Positive Train Control              | 20,481            | -                 | (20,481)         | (100.0%)      | 2,400,000          | 2,400,000          | -           | 0.0%        |
| 24 Security Services                   | 1,908,889         | 1,850,872         | (58,017)         | (3.0%)        | 6,544,183          | 6,544,183          | -           | 0.0%        |
| 25 Shuttles Services                   | 1,437,760         | 1,248,441         | (189,318)        | (13.2%)       | 5,290,100          | 5,290,100          | -           | 0.0%        |
| 26 Fuel and Lubricants                 | 3,988,525         | 3,436,324         | (552,201)        | (13.8%)       | 11,003,417         | 11,003,417         | -           | 0.0%        |
| 27 Timetables and Tickets              | 4,774             | 33,221            | 28,447           | 595.9%        | 143,500            | 143,500            | -           | 0.0%        |
| 28 Insurance                           | 1,404,839         | 1,444,919         | 40,080           | 2.9%          | 4,506,064          | 4,506,064          | -           | 0.0%        |
| 29 Claims, Payments, and Reserves      | 167,609           | (156,308)         | (323,917)        | (193.3%)      | 951,794            | 951,794            | -           | 0.0%        |
| 30 Facilities and Equipment Maint      | 834,923           | 300,062           | (534,861)        | (64.1%)       | 3,339,391          | 3,339,391          | -           | 0.0%        |
| 31 Utilities                           | 644,990           | 633,261           | (11,729)         | (1.8%)        | 2,105,422          | 2,105,422          | -           | 0.0%        |
| 32 Maint & Services-Bldg & Other       | 437,460           | 73,758            | (363,703)        | (83.1%)       | 1,567,930          | 1,567,930          | -           | 0.0%        |
| 33                                     |                   |                   |                  |               |                    |                    |             |             |
| 34 <b>TOTAL OPERATING EXPENSE</b>      | <b>39,181,665</b> | <b>39,227,143</b> | <b>45,478</b>    | <b>0.1%</b>   | <b>128,669,496</b> | <b>128,669,496</b> | <b>-</b>    | <b>0.0%</b> |
| 35                                     |                   |                   |                  |               |                    |                    |             |             |
| <b>ADMINISTRATIVE EXPENSE</b>          |                   |                   |                  |               |                    |                    |             |             |
| 36 Wages and Benefits                  | 4,196,099         | 4,999,267         | 803,167          | 19.1%         | 12,066,711         | 12,066,711         | -           | 0.0%        |
| 37 Managing Agency Admin OH Cost       | 2,269,108         | 1,430,058         | (839,050)        | (37.0%)       | 5,098,065          | 5,098,065          | -           | 0.0%        |
| 38 Board of Directors                  | 3,470             | 4,517             | 1,047            | 30.2%         | 14,600             | 14,600             | -           | 0.0%        |
| 39 Professional Services               | 1,423,517         | 1,002,820         | (420,697)        | (29.6%)       | 4,275,583          | 4,275,583          | -           | 0.0%        |
| 40 Communications and Marketing        | 61,956            | 27,675            | (34,282)         | (55.3%)       | 321,500            | 321,500            | -           | 0.0%        |
| 41 Other Office Expenses and Services  | 806,722           | 615,408           | (191,314)        | (23.7%)       | 2,638,494          | 2,638,494          | -           | 0.0%        |
| 42                                     |                   |                   |                  |               |                    |                    |             |             |
| 43 <b>TOTAL ADMINISTRATIVE EXPENSE</b> | <b>8,760,872</b>  | <b>8,079,744</b>  | <b>(681,128)</b> | <b>(7.8%)</b> | <b>24,414,953</b>  | <b>24,414,953</b>  | <b>-</b>    | <b>0.0%</b> |
| 44                                     |                   |                   |                  |               |                    |                    |             |             |
| 45 Long Term Debt Expense              | 462,678           | 912,250           | 449,572          | 97.2%         | 2,639,773          | 2,639,773          | -           | 0.0%        |
| 46                                     |                   |                   |                  |               |                    |                    |             |             |
| 47 <b>GRAND TOTAL EXPENSE</b>          | <b>48,405,215</b> | <b>48,219,137</b> | <b>(186,078)</b> | <b>(.4%)</b>  | <b>155,724,222</b> | <b>155,724,222</b> | <b>-</b>    | <b>0.0%</b> |
| 48                                     |                   |                   |                  |               |                    |                    |             |             |
| 49 <b>NET SURPLUS / (DEFICIT)</b>      | <b>5,786,651</b>  | <b>8,460,608</b>  | <b>2,673,956</b> | <b>46.2%</b>  | <b>(0)</b>         | <b>(0)</b>         | <b>-</b>    | <b>0.0%</b> |
| 50                                     |                   |                   |                  |               |                    |                    |             |             |
| 51                                     |                   |                   |                  |               |                    |                    |             |             |



BOARD OF DIRECTORS 2019

GILLIAN GILLET, CHAIR  
 DAVE PINE, VICE CHAIR  
 CHERYL BRINKMAN  
 JENNIE BRUNS  
 DEVORA "DEV" DAVIS  
 RON COLLINS  
 CINDY CHAVEZ  
 CHARLES STONE  
 MONIQUE ZMUDA

JIM HARTNETT  
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF OCTOBER 31, 2019

| TYPE OF SECURITY                            |    | MATURITY DATE | INTEREST RATE | PURCHASE PRICE | MARKET RATE   |
|---|----|---------------|---------------|----------------|---------------|
| Local Agency Investment Fund (Unrestricted) | *  | Liquid Cash   | 2.190%        | 39             | 39            |
| County Pool (Restricted)                    |    | Liquid Cash   | 2.010%        | 709,302        | 709,302       |
| Other (Unrestricted)                        |    | Liquid Cash   | 0.000%        | 52,746,311     | 52,746,311    |
| Other (Restricted)                          | ** | Liquid Cash   | 0.200%        | 24,843,435     | 24,843,435    |
|   |    |               |               | \$ 78,299,087  | \$ 78,299,087 |

Interest Earnings for October 2019 \$ 74,260.79  
 Cumulative Earnings FY2020 \$ 74,260.79

\* 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.

**AGENDA ITEM #4(f)  
DECEMBER 5, 2019**

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Dora Seamans  
Executive Officer, District Secretary/Executive Administration

SUBJECT: **2020 WORK - PROGRAM - LEGISLATIVE – PLANNING COMMITTEE CALENDAR**

**ACTION**

Staff Coordinating Council and WPLP Committee recommends the Board approve the attached WPLP Committee meeting calendar for 2020.

**SIGNIFICANCE**

The WPLP Committees' regular monthly meetings are scheduled for the fourth Wednesdays of each month at 3:00 pm. Possible exceptions for Committee consideration may be the November 25 and December 16 dates due to the holidays.

**BUDGET IMPACT**

There is no impact on the budget.



**Peninsula Corridor Joint Powers Board  
WORK PROGRAM-LEGISLATIVE-PLANNING COMMITTEE  
Meeting Calendar  
2020**

| <b>Wednesday – 3:00 PM</b> |
|----------------------------|
| January 22                 |
| February 26                |
| March 25                   |
| April 22                   |
| May 27                     |
| June 24                    |
| July 22                    |
| August 26                  |
| September 23               |
| October 28                 |
| November 25*               |
| December 23*               |

\* Subject to change/to be determined.

The Board meets the fourth Wednesday of the month unless otherwise noted. All meetings are held at 1250 San Carlos Avenue, San Carlos, CA.



## Memorandum

**Date:** November 25, 2019  
**To:** Board of Directors  
**From:** Jim Hartnett, Executive Director  
**Subject:** December 5, 2019 JPB Board Meeting Executive Director's Report

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- **On-time Performance –**
  - **Through November 24:** The preliminary November 2019 OTP was 92.5 percent compared to 93.9 percent for November 2018.
  - **October:** The October 2019 OTP was 93.3 percent compared to 94.8 percent for October 2018.
    - **Trespasser Strikes –** There were two trespasser strikes on October 1 and 23, resulting in fatalities.
- **Hillsdale Station Triangle Parking Lot Closure –** Effective January 1, 2020 the Hillsdale Station triangle parking lot located on the east side of the station will be closed. The JPB's lot lease is being terminated in order to develop the property. Caltrain customers will be informed of alternative parking on the east side of the station between 28<sup>th</sup> Ave and 31<sup>st</sup> Avenues. Other parking lot impacts and improvements are also being coordinated with the City of San Mateo. The lot closure will also have a significant impact on all Hillsdale Station shuttles that utilize the parking lot. Staff is also working with the City to relocate shuttle pick-up and drop-off along Pacific Avenue adjacent to the east side of the station. Customer Experience staff in coordination with other departments is in the process of finalizing and executing efforts to inform customers and shuttle operations. Additional details will be available on the Hillsdale Station webpage <http://www.caltrain.com/stations/hillsdalestation.html> in December.
- **CAC Meeting –** The Citizens Advisory Committee met on Wednesday, November 20, in San Carlos. Jenny Le, Management Analyst – Transit

Police, provided a presentation on Project 529 & Proof of Payment. Joe Navarro, Deputy Chief – Rail Operations, provided a presentation on Train Uniforms and discussed Conductor Notification / Communication Devices. Joe also provided the Staff Report. The next CAC meeting is scheduled for Wednesday, December 18, in San Carlos.

- **BAC Meeting** – The Bicycle Advisory Committee met on Thursday, November 21, in San Carlos. Jenny Le, Management Analyst – Transit Police, provided a presentation on Project 529 & Proof of Payment. Dan Provence, Principal Planner, provided a presentation on Hillsdale Station Closure & Bikes. Lori Low, Public Affairs Officer, provided the Staff Report. The next BAC meeting is scheduled for Thursday, January 16, in San Carlos.
- **Special Event Train Service**

**Services Provided:**

- **San Francisco Fleet Week** – On Saturday, October 12 and Sunday, October 13, Caltrain provided one extra pre-event train with limited stops from San Jose to San Francisco and one extra post-event local train on both days. Fleet week riders and regular riders alighting and boarding at San Francisco station was 12,046, a 74 percent increase compared to 2018.

In 2018, Fleet Week occurred on the first weekend of the SF Weekend Closure (weekend bus bridge operated between SF & Bayshore station due to SF tunnel construction), which likely impacted ridership.

- **Logic Concert at Chase Center** – On Sunday, October 13, the Logic concert was held at the new Chase Center. In coordination with Chase Center in order to accommodate the crowds, Caltrain operated one extra post-event local train. Total additional pre and post-event ridership was 443.
- **SF 49ers Regular Season** – The 49ers hosted the Seattle Seahawks on Monday, November 11, at 5:15 p.m., Arizona Cardinals on Sunday, November 17 at 1:05 p.m. and the Green Bay Packers on Sunday, November 24, at 5:20 p.m. Caltrain operated one extra pre-game train with limited stops and one extra post-game local train from Mountain View to San Francisco.

Total riders alighting and boarding at Mountain View station in October was 4,757. Total year-to-date ridership alighting and boarding at Mountain View station was 8,200, a 10 percent increase compared to the same number of games in 2018. November event ridership will be provided in January.

- **Stanford Football** – The Stanford hosted two weekend home games in October. Total riders alighting and boarding at Stanford station in October was 1,110. Year-to-date average ridership per game was 766, a decrease of 10 percent, compared with 2018 average ridership per game.

The Stanford Cardinal hosted Cal (the Big Game) on Saturday, November 23, at 1:00 p.m. Event ridership will be provided in January.

- **Warriors Pre-Season & Regular Season** – The Golden State Warriors hosted three pre-season and five home games in October. Total post-game additional riders, boarding at San Francisco station was 3,728.

The Golden State Warriors hosted seven games in November. November event ridership will be provided in January.

- **San Jose Sharks** – The Sharks hosted eleven games in November. Event ridership will be provided in December.
- **Bad Bunny Concert at Chase Center** – On Sunday, November 24, the Bad Bunny concert was held at the new Chase Center. In coordination with Chase Center in order to accommodate the crowds after regular Caltrain Sunday service, Caltrain operated one extra post-event local train. Event ridership will be provided in January.

#### **Services Scheduled:**

- **SF 49ers Regular Season** – The SF 49ers will host the Atlanta Falcons on Sunday, December 15, at 1:25 p.m., and the Los Angeles Rams on Saturday, December 21 at 5:15 p.m. For weekend 49er home games, Caltrain will operate one additional pre-game southbound train with limited stops from San Francisco to Mountain View for passengers to connect to the VTA light rail. The extra train will then express to San Jose Diridon station, the last station stop. After all 49er home games, Caltrain will operate one extra post-game local train from Mountain View to San Francisco that will depart approximately 75 minutes after the game ends, or when full.
- **Stanford Football** – The Stanford Cardinal will host Notre Dame on Saturday, November 30, start time at 1:00 p.m. For weekend home games, Caltrain will serve the Stanford Stadium station with both northbound and southbound trains before and after all weekend home games. Fans can also tag on and tag off using their clipper cards at the Stanford Stadium station for all weekend home games.

- **San Jose Sharks** – The Sharks will host eight games in December. Caltrain will track post-game ridership at SJ Diridon station for all home games. No extra special trains are planned. For weeknight and Saturday night games, the last northbound train departs SJ Diridon station at 10:30 p.m. or 15 minutes after the game ends but departs no later than 10:45 p.m.
- **Warriors Regular Season** – The Golden State Warriors will host eight games in December. In coordination with Chase Center, Caltrain will operate regular service for all home games and continues to monitor ridership as well as identify the need for additional or modified post-game service. Caltrain will track post-game service ridership at SF Station for all home games.
- **Holiday Service** – During the following Holidays, Caltrain will operate the following schedules:
  - Tuesday, December 24 – Christmas Eve (Regular Weekday schedule)
  - Wednesday, December 25 – Christmas Day (Sunday schedule)
  - Tuesday, December 31 – New Year’s Eve (Regular Weekday schedule + Pre & Post-Fireworks Special Trains)
    - Caltrain will provide **FREE** service beginning at 8:00 p.m. until the last train post-event departs SF at 2:00 a.m., making all local stops.
    - Post-event train doors open at 12:30 a.m.
  - Wednesday, January 1 – New Year’s Day (Sunday schedule)

Schedule Information is available at [www.caltrain.com/Holidays](http://www.caltrain.com/Holidays)

- **Modified Service** – The Modified Schedule is a Modified Saturday Schedule with four extra trains in each direction and includes one round trip from Gilroy to SF. The Modified Schedule will be implemented during the following Observed Holidays:
  - Monday, January 20 – Martin Luther King Day
  - Monday, February 17 – President’s Day

Schedule Information is available at [www.caltrain.com/Holidays](http://www.caltrain.com/Holidays)

- **PAC-12 College Football Championship Game** – The PAC-12 College Football Championship game will be held at Levi’s Stadium on Friday, December 6 at 5:00 p.m. The Oregon Ducks have secured a spot in the PAC-12 Championship game, while their opponent is still to be determined.



Caltrain special event service is still to be determined. Caltrain will track pre- and post-game ridership.

- **Holiday Train** – Caltrain will operate the Holiday Train in collaboration with the Silicon Valley Community Foundation (SVCF) on Saturday, December 7 and Sunday, December 8. With glittering lights and holiday decorations, the dazzling show-train will visit nine Caltrain stations between San Francisco and Santa Clara over two nights in December, providing holiday entertainment and collecting toy donations for local children who otherwise might not receive a gift during the holidays. Caltrain and SVCF also partner with local organizations to collect toys at each station for underserved children in our communities. On Saturday, December 7, the train will depart San Francisco and make stops at Burlingame, Redwood City, Mountain View, and Santa Clara. On Sunday, December 8, the train will depart San Francisco and make stops at Millbrae, San Mateo, Menlo Park, and Sunnyvale.

Due to operational changes to enhance safety at the Holiday Train stations, there will be impacts to regular train service. On Saturday, December 7 Southbound Train 434 will stop on the Northbound Platform at the Broadway, Burlingame, San Mateo, Belmont (Island Platform), San Carlos and Redwood City. Southbound Train 436 will also stop on the Northbound Platform at Santa Clara. On Sunday, December 8 Southbound Train 434 will stop on the Northbound Platform at Millbrae, Broadway, Burlingame and San Mateo. Southbound Train 436 will also stop on the Northbound Platform at Sunnyvale and Lawrence.

- **Redbox Bowl (PAC-12 vs. Big Ten Team)** – The Redbox Bowl College Football game will be held at Levi's Stadium on Monday, December 30 at 1:00 p.m. The teams are still to be determined. Caltrain will track pre- and post-game ridership.

- **Capital Projects –**

The Capital Projects information is current as of November 15, 2019 and is subject to change between November 15 and December 5, 2019 (Board Meeting).

- **San Mateo 25th Avenue Grade Separation Project:** Raise the elevation of the alignment from Hillsdale Boulevard to south of the Highway 92 Overcrossing in the city of San Mateo. The project creates a grade separation at 25th Avenue, relocates the Hillsdale Station to the north, and creates two new east-west street grade-separated connections at 28th and 31st Avenues in San Mateo. Construction of the elevated rail alignment

and the new Hillsdale Station will be phased to limit impact to the operating railroad.

In November, construction of the abutment backwalls and post tensioning of the girders of the 25<sup>th</sup> Avenue Bridge was completed. Construction of the abutment backwalls at the 28<sup>th</sup> Avenue Bridge were in progress. At the 31<sup>st</sup> Avenue Bridge, assembly of the steel bridge continued. Ramp walls for the future relocated Hillsdale Station by 28<sup>th</sup> Avenue was also in progress.

The coping, moment slab, OCS pole foundations and handrails for the MSE Wall A, between Borel and 25th Avenue, were completed and track underdrains are now in progress. The coping, moment slabs and OCS foundations in the Mechanically Stabilized Earthen (MSE) Wall B, between 25th and 28th Avenues is nearing completion which will be followed by track underdrains. Construction of the panels of MSE Wall C (between 28<sup>th</sup> Avenue and the new Pedestrian Underpass) is nearing completion which will be followed by the coping in this section. Construction of MSE Wall D (between the Pedestrian Underpass and 31<sup>st</sup> Avenue), and MSE Wall E (between 28<sup>th</sup> Avenue and 31<sup>st</sup> Avenue) continued.

Retaining walls on the west side of 28<sup>th</sup> and 31<sup>st</sup> Avenue were as also in progress. Construction of the east sides of 28<sup>th</sup> and 31<sup>st</sup> Avenues cannot proceed until the track shift associated with the temporary Hillsdale station closure is in place. PG&E completed all of their relocations within the project limits.

The temporary closure of the Hillsdale Station, to allow completion of the project, is now forecast to occur in the Spring of 2020 until Fall of 2020. The planned dates for the temporary closure were extended due to the Third Party Fiber Optic (TPFOC) utility relocation delays in early 2019. During the temporary closure, bus and shuttle service to the Belmont Station will be provided to minimize the temporary passenger inconvenience.

The original San Mateo Parking Track (i.e., Bay Meadows Set-Out track) was removed to support the construction of the grade separation. A Community Meeting was held on October 8 to discuss the feasibility analysis that was conducted for various possible future replacement locations. Staff is currently preparing follow up to comments received at the Community Meeting.

During November, grading activities for the construction of a drainage ditch along the right-of-way from 9<sup>th</sup> Avenue to 14<sup>th</sup> Avenue were conducted in order to improve the area's water runoff in anticipation of this upcoming Winter season's rains.

- **South San Francisco Station Improvements:** Replace the existing side platforms with a new centerboard platform, construction of a new connecting pedestrian underpass to the two new plazas in downtown South San Francisco to the west and the shuttle area to east. Upon completion, the hold-out rule at this station will be removed that currently impacts the overall system operational efficiency.

In November, realignment of the JPB Positive Train Control (PTC) fiber optic line and construction of stage 1 OCS foundations were completed. The station construction contractor is remobilizing from the partial suspension of work to recommence construction of the station.

Critical third-party utility relocations that were originally scheduled to begin in November 2017; however, relocation was delayed until August 2018 due to delays in obtaining Caltrans permits. Due to physical conflicts between third-party utility relocations and civil construction for critical path activities such as the pedestrian underpass, a partial suspension was issued for construction to minimize delays and inefficiencies that would be caused by the stacking of the utilities and construction work. The partial suspension was lifted in September. Critical path station related construction that was planned to resume in April 2019 was delayed to late 2019 due to delays in the relocation of existing PG&E gas and electric utilities. This project will require additional funding allocation to ensure construction can continue and key milestones can be achieved. Funding with the San Mateo County Transit Authority (TA) and City of South San Francisco have been finalized and Staff is in the process of bringing an action to the board authorizing the receipt of additional funding and increased contract authority.

- **Marin and Napoleon Bridge Rehabilitation Project:** This state of good repair project will perform repairs at the Marin St. Bridge and replace the Napoleon St. Bridge. Both bridges are in the City of San Francisco located south of the 22nd Street Station. The repairs at Marin Street are primarily for concrete spalling and cracks, and deficient walkways and handrails. The Napoleon St. bridge concrete spans will be removed and replaced with elevated soil berm structures and the main steel span will be replaced with a new concrete span. The span replacement at Napoleon Street will require a partial weekend service outage in which a bus bridge will be provided to shuttle patrons between Bayshore and 4th & King Stations during the outage. The project will install security fencing to deter encampments, and, also include track improvements in the vicinity of the bridges.

Currently, the project is completing the design phase and the project is currently performing preconstruction surveys for existing site conditions such as utilities and potentially hazardous materials, and, addressing

constructability issues such as coordination with other JPB capital projects and construction staging. Staff is also performing preconstruction coordination with other local agencies such as the City of San Francisco and Caltrans. Resolution with of the City of San Francisco's proposed requirement of a "major encroachment permit" is ongoing and may have a significant schedule impact. The advertisement of the construction contract is currently planned for early 2020 and construction to occur from the Spring of 2020 to Winter of 2021 pending favorable resolution of aforementioned permit with the City of San Francisco.

- **Ticket Vending Machine (TVM) Rehabilitation:** Upgrade the existing TVM Server and retrofit and refurbish two existing TVM machines to become prototypes for new TVM's so that the machines are capable of performing the functions planned for the current Clipper program. The new machines will be able to dispense new Clipper cards (excluding discount Clipper cards that require verification of eligibility) and have the ability of increasing the cash values of existing Clipper cards.

The mockup prototype, for the original scope of work, was assembled at JPB's San Carlos office for preliminary testing of the touchscreen. JPB has recently issued contract additions for upgrades to the credit card reader and the database that will extend the completion of the 2 prototype machines from October 2019 until April 2020. The option for retrofitting 12 additional TVM's, if executed, would follow the acceptance of the 2 prototypes. Full funding for the option is not yet secured. There is an additional phase for the rehabilitation of 28 TVM's that was partially funded in the FY20 Capital Budget.

**Mary and Evelyn Avenue Traffic Signal Preemption Project:** Perform upgrades to train approach warning systems at the Mary Avenue and Evelyn Avenue crossings in Sunnyvale. The project will improve vehicle safety at the at-grade crossings by increasing the traffic signal advance warning times for approaching trains in order to clear vehicles at the crossings. This project will mimic the previously completed traffic signal preemption project that was completed in 2014 in Redwood City, Palo Alto and Mountain View. This project is being funded through the State of California Public Utilities Commission Section 130 program to eliminate hazards at existing grade crossings.

The design for this project began in late January 2019; however, the design was placed on hold until late August 2019 due to design coordination with the Electrification project to assure that the work is coordinated, and, waiting for signal preemption timing requirements from the City of Sunnyvale in order to proceed with design. The 65% design of the

crossings from the Electrification project was received in late August. Signal preemption timing criteria has been resolved with the City of Sunnyvale. Preliminary design was restarted in September. The current schedule is for design to complete by the Spring of 2020, award the construction contract in the Fall of 2020, and conduct construction from late 2020 until mid-2021.

**FY19/FY20 Grade Crossing Improvements:** This project is a continuation of the ongoing grade crossing program to improve the safety at grade crossings in accordance with Grade Crossing Hazards Analysis for the entire corridor. This analysis prioritized the crossings and we have proceeded with the work in phases based on funding availability. 10 crossings were improved in 2018 under the FY16 budget authorization. Due to budget constraints, the FY19/FY20 scope is limited to five (5) crossings to be improved. The five crossings selected to be improved in this phase are 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Avenues in San Mateo, and, Glenwood and Oak Grove Avenues in Menlo Park. Work items that are usually included are the installation of signals, fences, gates, curbs, lighting and signs.

The preliminary (35%) design phase was received and is being reviewed. 35% design review comments from the cities of Menlo Park and San Mateo have been received and will be addressed in the final design. Advertisement of the construction contract is planned for the Summer of 2020 with construction beginning in late 2020 and lasting until late 2021.

- **Broadband Wireless Communications for Railroad Operations:** This project is to provide wireless communications system to provide enhanced capabilities for the monitoring of the railroad operations and maintenance, and, provide Wi-Fi capability for passengers. This project is funded through a grant from the Transit and Intercity Rail Capital Program (TIRCP). Currently, the project is currently only approved for the design phase. Award of the design contract was approved at the October 2019 Board meeting and the contract has been executed with a Notice to Proceed issued on November 11, 2019. The current schedule calls for the design to complete by the summer of 2020.
- **F-40 Locomotive Mid-Life Overhaul Project:** Perform mid-life overhaul of three F40PH2C locomotives. The mid-life overhaul of the locomotives includes the complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and replacement of the Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or

replaced with new material. The work will be completed off-site at contractor's (Motive Power) facility location at Boise, Idaho. The three locomotives are Locomotive #'s 920, 921 and 922.

Locomotives #'s 920 and 921 were shipped to the vendor's facility in Idaho in February and March of 2018, and, #922 was shipped in April 2019. Locomotive 920 and 921 have been released and inward facing cameras were installed in both vehicles. Locomotive #920 been returned service. Locomotive #922 is still undergoing refurbishment at the vendor's facility.

Delays to the return of the first 2 vehicles are related to: 1) locomotive component condition that was poorer than was originally anticipated; and 2) critical personnel shortages at Motive Power, the locomotive overhaul contractor.

- **MP-36 Locomotive Mid-Life Overhaul Project:** Perform mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul of the locomotives shall include complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and the replacement of the Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or replaced with new material. The project work shall be completed off-site at the contractor's facility location.

The Request for Proposal (RFP) was advertised on November 11, 2019 and proposals are due on December 31, 2019. Award of the contract is planned for March 2020.

The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 & 928. In order to maintain daily service, only 1 to 2 of these locomotives will be released at a time for overhaul that is expected to take approximately 8 months per locomotive. Due to this restriction, the overall completion of this work is expected to take approximately 4 years.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: John Funghi  
Chief Officer, Caltrain Modernization Program

SUBJECT: **PENINSULA CORRIDOR ELECTRIFICATION PROJECT MONTHLY PROGRESS  
REPORT AND QUARTERLY REPORT**

**ACTION**

Staff Coordinating Council recommends the Board receive the Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report (MPR). The MPR is available online under "Reports and Presentations" at this webpage: [http://www.caltrain.com/projectsplans/CaltrainModernization/CalMod\\_Document\\_Library.html](http://www.caltrain.com/projectsplans/CaltrainModernization/CalMod_Document_Library.html). No action required.

**SIGNIFICANCE**

Staff prepares and submits a report covering the PCEP on a monthly basis.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The MPR is intended to provide funding partners, stakeholders, and the public a PCEP overview and an overall update on project progress. This documents provides information on the scope, cost, funding, schedule, and project implementation.

Prepared by: Josh Averill, Program Management Administrator

650.508.6453



**Modernization Program**  
Peninsula Corridor Electrification Project (PCEP)



# October 2019 Monthly Progress Report

October 31, 2019



## Funding Partners



Federal Transit Administration (FTA) Core Capacity  
FTA Section 5307 (Environmental / Pre Development only)  
FTA Section 5307 (Electric Multiple Unit (EMU) only)



Prop 1B (Public Transportation Modernization & Improvement Account)  
Caltrain Low Carbon Transit Operations Cap and Trade



Proposition 1A  
California High Speed Rail Authority (CHSRA) Cap and Trade



Carl Moyer Fund



Bridge Tolls (Funds Regional Measure (RM) 1/RM2)



San Francisco County Transportation Authority (SFCTA)/San Francisco  
Municipal Transportation Agency (SFMTA)



San Mateo County Transportation Authority (SMCTA) Contribution  
SMCTA Measure A



Santa Clara Valley Transportation Authority (VTA) Measure A  
VTA Contribution



City and County of San Francisco (CCSF) Contribution

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**Peninsula Corridor Electrification Project  
Monthly Progress Report**

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**1.0 BACKGROUND**

Over the last decade, Caltrain has experienced a substantial increase in ridership and anticipates further increases in ridership demand as the San Francisco Bay Area's population grows. The Caltrain Modernization (CalMod) Program, scheduled to be implemented by 2021, will electrify and upgrade the performance, operating efficiency, capacity, safety, and reliability of Caltrain's commuter rail service.

The PCEP is a key component of the CalMod Program and consists of converting Caltrain from diesel-hauled to Electric Multiple Unit (EMU) trains for service between the San Francisco Station (at the intersection of Fourth and King Streets in San Francisco) and the Tamien Station in San Jose. Caltrain will continue Gilroy service and support existing tenants.

An electrified Caltrain will better address Peninsula commuters' vision of environmentally friendly, fast and reliable service. Electrification will modernize Caltrain and make it possible to increase service while offering several advantages in comparison with existing diesel power use, including:

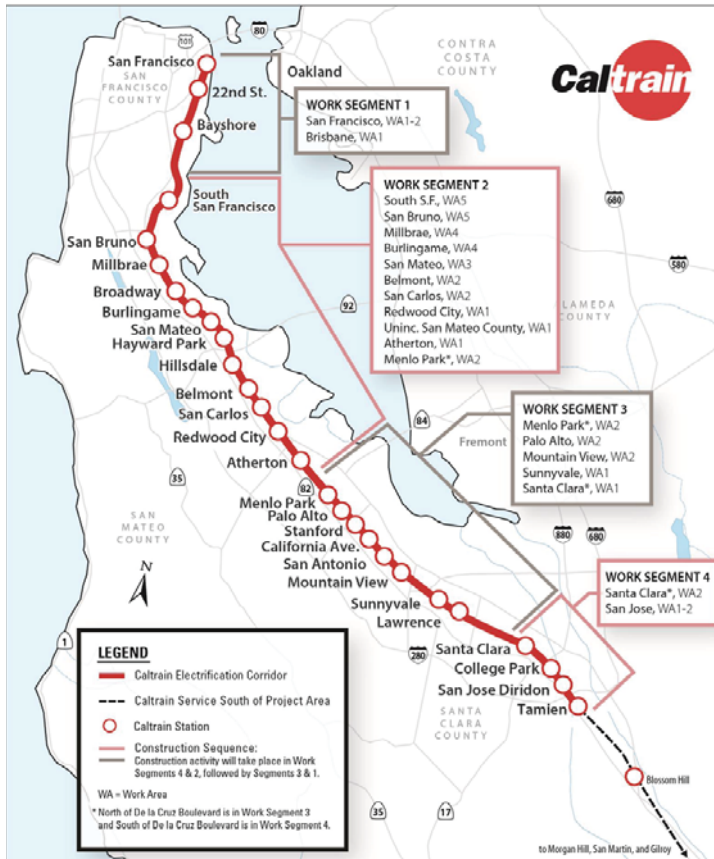
- **Improved Train Performance, Increased Ridership Capacity and Increased Service:** Electrified trains can accelerate and decelerate more quickly than diesel-powered trains, allowing Caltrain to run more efficiently. In addition, because of their performance advantages, electrified trains will enable more frequent and/or faster train service to more riders.
- **Increased Revenue and Reduced Fuel Cost:** An electrified Caltrain will increase ridership and fare revenues while decreasing fuel costs.
- **Reduced Engine Noise Emanating from Trains:** Noise from electrified train engines is measurably less than noise from diesel train engines. Train horns will continue to be required at grade crossings, adhering to current safety regulations.
- **Improved Regional Air Quality and Reduced Greenhouse Gas Emissions:** Electrified trains will produce substantially less corridor air pollution compared with diesel trains even when the indirect emissions from electrical power generation are included. Increased ridership will reduce automobile usage, resulting in additional air quality benefits. In addition, the reduction of greenhouse gas emissions will improve our regional air quality, and will also help meet the state's emission reduction goals.

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2.0 EXECUTIVE SUMMARY

The Monthly Progress Report is intended to provide an overview of the PCEP and provide funding partners, stakeholders, and the public an overall update on the progress of the project. This document provides information on the scope, cost, funding, schedule, and project implementation. Work along the Caltrain Electrification Corridor has been divided into four work segments and respective work areas (WA) as shown in Figure 2-1. PCEP activities are described and summarized by segments and work areas.

Figure 2-1 PCEP Work Segments



In October, in addition to the usual electrification construction activities, a wayside power cubicle was set at Control Point Franklin in Santa Clara, and signal cases were installed at CP Ralston in Belmont. Crews prepared the Mountain View siding for foundation installation in Segment 3 Work Area 2.

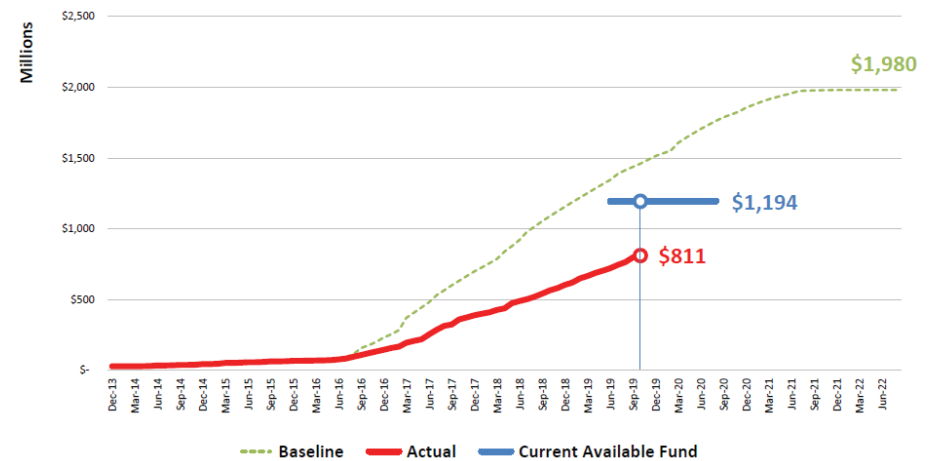
Three of seven EMU cars from Trainset 1 are in Stadler's Commissioning facility undergoing verification of electrical wiring. The Alternative Vehicle Technology package is being prepared for transmittal to the Federal Railroad Administration (FRA), which illustrates that cars meet crashworthiness standards.

Progress at the Centralized Equipment Maintenance and Operations Facility includes potholes, formwork for the maintenance inspection pit, and removal of asphalt, rail, and ties.

2.1. Monthly Dashboards

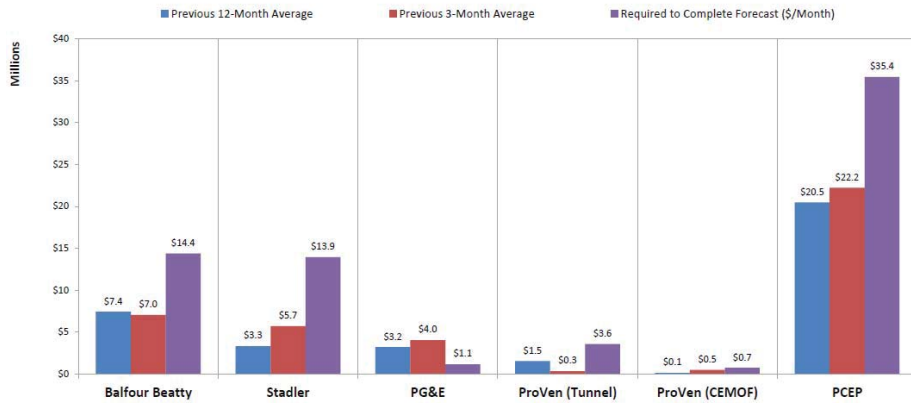
Dashboard progress charts are included below to summarize construction progress.

Figure 2-2 Expenditure – Planned vs. Actual

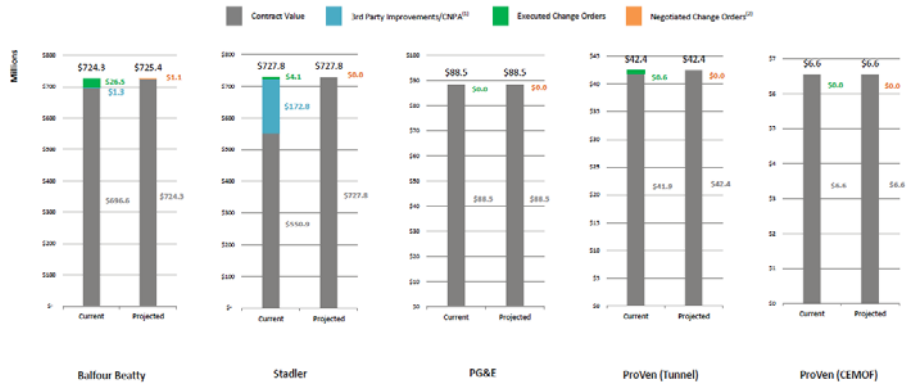


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**Figure 2-3 Spending Rate vs Required**



**Figure 2-4 Construction Contract Budgets**



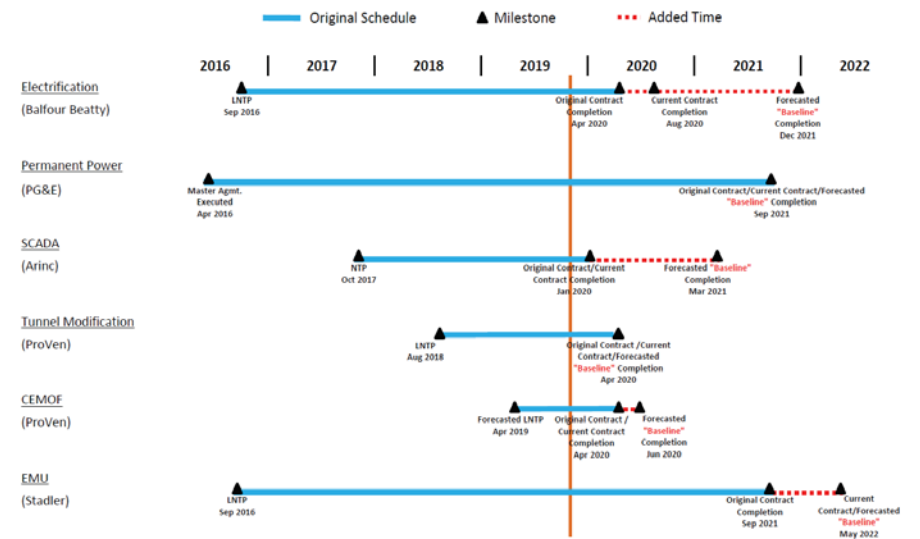
**Notes:**  
 (1) 3rd Party Improvements/CNPA consists of the following "below-the-line" projects:  
 Balfour Beatty: (\$1,286,000 Total):  
 - CHS&A Early Pole Relocation (Design Only): \$625,000  
 - TP&S-2 VTA/BART Pole Relocation (Design Only): \$110,000  
 - TP&S-2 VTA/PCEP Pole Height (Re-design): \$51,000  
 - Relocation of PS-3 (Burlingame): \$500,000  
 Stadler (\$172,800,047 Total):  
 - EMU Options Cart: \$172,800,047  
 (2) Includes only negotiated change orders not yet executed

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**Figure 2-5 OCS Foundation Production**



**Figure 2-6 Contractor Completion Schedule**



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**2.2. Funding Partners Participation in PCEP**

The PCEP has a series of weekly, biweekly, monthly and quarterly meetings to coordinate all aspects of the program. The meetings are attended by project staff with participation by our funding partners in accordance with the Funding Partners Oversight Protocol. A summary of funding partner meetings and invitees can be found in Appendix B.

This section of the report provides a summary of the discussions and decisions made at the meetings and a list of funding partners who attended the meetings.

**Electrification – Engineering Meeting – Weekly**

Purpose: To discuss status, resolution and tracking of Balfour Beatty Infrastructure, Inc. (BBI) and electrification design-related issues, to discuss Supervisory Control and Data Acquisition (SCADA), the Tunnel Modification Project, and monitor the progress of utility relocation compared to schedule, and to discuss third-party coordination activities with Pacific Gas and Electric (PG&E), CHSRA, Union Pacific Rail Road (UPRR), Bay Area Rapid Transit, California State Department of Transportation (Caltrans), Positive Train Control (PTC) and others.

Activity this Month

Funding Partners: CHSRA: Ian Ferrier

Continued discussions on resolution of outstanding issues for the Design-Build (DB) contract, such as:

- Grade crossing designs, including progress of design and ongoing meetings with key stakeholders such as the Federal Railroad Administration (FRA), California Public Utilities Commission (CPUC) and local jurisdictions
- Potholing status and foundation installation sequencing
- Key right of way acquisition issues as related to construction activities
- Review of key actions from weekly BBI progress meetings, status of critical submittals or Requests for Information (RFI), open non-conformance reports, and open critical issues from the Design Build (DB) contract
- The progression of the PG&E interconnections design and material procurement status, including interface with VTA on the design of TPS-2 interconnection into PG&E's FMC Substation
- The progression of the PG&E single phase study including next steps to resolve comments from PG&E and Silicon Valley Power (SVP), which will be required for the energization of the system
- Key interface points (foundation installation, signal design, etc.) between the PCEP and other major Peninsula Corridor Joint Powers Board (JPB) projects such as South San Francisco Station Project, 25<sup>th</sup> Avenue Grade Separation Project, and Broadway Grade Separation Project
- The utility relocation status
- Status of the Tunnel Modification construction and the upcoming work for the Tunnel OCS

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- Updates on DB and program schedule, including key foundation and traction power facility milestones, PG&E Infrastructure buildout and power quality study status
- Upcoming changes to the contract in preparation for the Change Management Board (CMB) and specific contract change orders that require technical review and input

**PCEP Delivery Coordination Meeting – Bi-Weekly**

Purpose: To facilitate high-level coordination and information sharing between cross-functional groups regarding the status of the work for which they are responsible.

Activity this Month

Funding Partners: CHSRA: Ian Ferrier and Wai-on Siu; SFCTA: Luis Zurinaga; Metropolitan Transportation Commission (MTC): Trish Stoops

In response to the recent Federal Transit Administration (FTA) triennial review, although no deficiencies were identified for PCEP, Independent Cost Estimate (ICE) and Cost or Price Analysis training is being planned for early December in San Carlos. The Pantograph Inspection and Monitoring System Request for Proposal is still presented on the procurement website as an upcoming solicitation. The annual emergency drill will be held on Monday, November 18 in Menlo Park from 8am-4pm. In EMU design and manufacturing, 14 of 18 Final Design Reviews (FDRs) have been conducted and are nearing closure. The remaining four FDRs are scheduled for late 2019-early 2020. The final floor fire endurance test passed on October 8, and the propulsion gearbox redesign has been approved and the test is scheduled for later this month. An FRA train inspection is planned for early 2020 in Salt Lake City and a sample car inspection is planned to take place in Pueblo, CO. For construction and field activities, mobilization to Segment (S) S3 Work Area (WA) WA2 for foundation work is projected to occur the week of November 4 and on-track foundations to start the week of November 11. The installation of steel protective plates continued in S3WA2 and S4 during the weeks of October 14 and October 21. TransitAmerica Services, Inc. (TASI) crews have started utility relocation in S2 and potholing to support foundation installation continues in all areas of S3 and S4. At Traction Power Substation (TPS) TPS-2, the installation of form/rebar work and high voltage cable is ongoing and the final blast wall installation is to be completed by early November. Manhole and ductbank installation continues in TPS-1, Switching Station (SWS) SWS-1, and Paralleling Station (PS) PS-6.

**Systems Integration Meeting – Bi-Weekly**

Purpose: To discuss and resolve issues with inter-system interfaces and to identify and assign Action Item Owners for interface points that have yet to be addressed.

Activity this Month

Funding Partners: CHSRA: Ian Ferrier

Bi-weekly PCEP interface meetings are held to monitor and determine appropriate resolution for systems integration issues. The systems integration database is updated as issues are resolved or new items arise. A spreadsheet for keeping track of Action Items and the individual(s) assigned to these items is the primary tracking method while issues relating to access to the System Integration database are resolved. Meetings with the electrification contractor to discuss design and construction integration issues

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are being scheduled as needed. The Systems Integration Lead also maintains contact with the EMU procurement team. The Traction Power SCADA team also holds bi-weekly status meetings. Coordination with the EMU procurement, PTC and Caltrain Capital Project managers responsible for delivery of the 25<sup>th</sup> Avenue Grade Separation Project, Marin Napoleon Bridge Rehabilitation Project, and the South San Francisco Station Project is ongoing. There is coordination with the Tunnel Modification Project and the CEMOF upgrades as well. Progress on activities including systems integration testing activities, FRA, FTA and safety certification are being tracked. Systems Integration is working with a JPB Rail Activation Committee.

**Master Program Schedule (MPS) Meeting – Monthly**

Purpose: To review the status of the MPS and discuss the status of major milestones, critical and near critical paths, upcoming Board review items, and progress with the contracts, among others.

Activity this Month

Funding Partners: CHSRA: Ian Ferrier and Wai-On Su, VTA: Manolo Gonzalez-Estay, SFCTA: Luis Zurinaga

The overall schedule remains unchanged from last month. The forecasted Revenue Service Date (RSD) remains May 2022. The addition of approximately three and a half months of contingency yields an RSD of August 2022. The program critical path runs through the manufacturing and testing of EMU trainsets.

**Risk Assessment Meeting – Monthly**

Purpose: To identify risks and corresponding mitigation measures. For each risk on the risk register, mitigation measures have been identified and are being implemented. Progress in mitigating these risks is confirmed at the ongoing risk monitoring and monthly risk assessment meetings.

Activity this Month

Funding Partners: CHSRA: Ian Ferrier, SFCTA: Luis Zurinaga

One risk was added, two were retired, and one was regraded.

**Change Management Board (CMB) – Monthly**

Purpose: To review, evaluate and authorize proposed changes to PCEP over \$200,000.

Activity this Month

There was no CMB meeting in October.

The CMB discusses major topics including potential changes to PCEP contracts, contingency usage, track access delays and Differing Site Conditions (DSC) field order updates.

Potential contract changes will follow the PCEP Change Order Procedure. Once approved changes are executed, they will be reported in the Change Management section (Section 9) of this report.

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BBII Contract

No changes were identified for consideration.

CEMOF Contract

No changes were identified for consideration.

Stadler Contract

No changes were identified for consideration.

SCADA Contract

No changes were identified for consideration.

Tunnel Modification Contract

No changes were identified for consideration.

Amtrak Contract

No changes were identified for consideration.

**2.3. Schedule**

The overall schedule remains unchanged from last month. The forecasted Revenue Service Date (RSD) remains May 2022. The program critical path runs through the manufacturing and testing of EMU trainsets.

BBII continues to report an overall delay to substantial completion, which is primarily due to the time it has taken to finalize the modifications required for the signal system. JPB is working with BBII on the issue and is urging BBII to accelerate resolution. The anticipated revenue service date is unchanged. Though delays have been reported with the Stadler contract and the arrival of the first trainset at JPB, there is no anticipated effect on the overall vehicle schedule.

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Table 2-1 indicates major milestone dates for the MPS.

**Table 2-1 Schedule Status**

| Milestones  | Program Plan | Progress Schedule (October 2019) <sup>1</sup> |
|---|--------------|---|
| Segment 4 Completion  | 11/21/2019   | 05/22/2020                                    |
| o Interconnection from PG&E Substation to Traction Power Substation (TPS) | N/A          | 04/27/2020                                    |
| Arrival of First Vehicle in Pueblo, CO                                    | N/A          | 05/29/2020 <sup>2</sup>                       |
| Arrival of First Vehicle at JPB   | 07/29/2019   | 02/26/2021 <sup>2</sup>                       |
| PG&E Provides Permanent Power   | 09/09/2021   | 09/09/2021                                    |
| Electrification Substantial Completion                                    | 08/10/2020   | 12/31/2021 <sup>2</sup>                       |
| Start Phased Revenue Service  | N/A          | 01/03/2022 <sup>2</sup>                       |
| RSD (w/o Risk Contingency)  | 12/09/2021   | 05/06/2022                                    |
| FFGA RSD (w/ Risk Contingency)  | 08/22/2022   | 08/22/2022                                    |

Note:

<sup>1</sup> Dates may shift slightly as the update of this month's Progress Schedule is still in process.

<sup>2</sup> See "Notable Variances" in Section 7 for explanation on date shift.

**2.4. Budget**

A summary of the overall budget and expenditure status for the PCEP is provided in Table 2-2 below.

**Table 2-2 Budget and Expenditure Status**

| Description of Work      | Budget<br>(A)          | Current Budget<br>(B) <sup>1</sup> | Cost This Month<br>(C) <sup>2</sup> | Cost To Date<br>(D) <sup>3</sup> | Estimate To Complete<br>(E) | Estimate At Completion<br>(F) = (D) + (E) |
|--------------------------|------------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------|---|
| Electrification Subtotal | \$1,316,125,208        | \$1,316,125,208                    | \$12,442,391                        | \$630,023,393                    | \$686,101,815               | \$1,316,125,208                           |
| EMU Subtotal             | \$664,127,325          | \$664,127,325                      | \$1,204,963                         | \$180,525,330                    | \$483,601,995               | \$664,127,325                             |
| <b>PCEP TOTAL</b>        | <b>\$1,980,252,533</b> | <b>\$1,980,252,533</b>             | <b>\$13,647,354</b>                 | <b>\$810,548,723</b>             | <b>\$1,169,703,810</b>      | <b>\$1,980,252,533</b>                    |

Notes regarding tables above:

<sup>1</sup> Column B "Current Budget" includes executed change orders and awarded contracts.

<sup>2</sup> Column C "Cost This Month" represents the cost of work performed this month.

<sup>3</sup> Column D "Cost To Date" includes actuals (amount paid) and accruals (amount of work performed) to date.

**2.5. Board Actions**

- None

**Future anticipated board actions include:**

- Shunt wire construction
- PG&E interconnect construction

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- EMU Pantograph Inspection & Monitoring System contract

**2.6. Government and Community Affairs**

There were five outreach events this month.



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**3.0 ELECTRIFICATION – INFRASTRUCTURE**

This section reports on the progress of the Electrification, SCADA, and Tunnel Modification components. A brief description on each of the components is provided below.

**3.1. Electrification**

The Electrification component of the PCEP includes installation of 138 miles of wire and overhead catenary system (OCS) for the distribution of electrical power to the EMUs. The OCS will be powered from a 25 kilovolt (kV), 60-Hertz, single phase, alternating current supply system consisting of two traction power substations (TPS), one switching station (SWS), and seven paralleling stations (PS). Electrification infrastructure will be constructed using a DB delivery method.

**Activity This Month**

- Continued to install OCS foundations in Segment 4.
- Continued to install OCS poles, down guys, and balance weights in Segment 4.
- Potholed at proposed OCS locations and utility locations in Segments 3 and 4 in advance of foundation installation. BBII and PCEP also continued to resolve conflicts found during the potholing process, such as loose concrete, asphalt, and other debris, and continued designing solutions for those conflicts that cannot be avoided. The conflicts must be resolved before installation of foundations at those locations.
- Relocated signal cables and remove abandoned facilities found in conflict with planned OCS foundations as conflicts were identified.
- Continued to installed form and rebar and high-voltage cable at TPS-2.
- Continued to install ductbank and manholes, gantries, drainage, ground grid, and form and rebar work at TPS-1.
- Continued to install ductbank and manholes at PS-6.
- Continued grading work at PS-7.
- Continued to install ductbanks and manholes at SWS-1.
- Set Wayside Power Cubicle (WPC) 20 at Control Point (CP) Franklin.
- Continued to install signal ductbank and conduits at CP Shark in Segment 4.
- Installed signal cases are CP Ralston remote and CP Ralston main.
- Continued drilling of rails for impedance bond connections in Segments 1, 2, 3 and 4 at various control points and crossings.
- Continued installation of insulated joints (IJs) corridor wide.
- Continued installation of bridge attachments in Segment 2.
- Progressed the OCS design with BBII in all segments, which included submittal and review of Design Change Notices for revised foundation locations.

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- Coordinated design review with local jurisdictions for the OCS, traction power facilities, and bridge attachments design, including responses to comments from jurisdictions.
- Continued to review and coordinate signal and communication design submittals with BBII.
- Continued discussions with FRA and CPUC on grade crossing design.
- Received CPUC approvals on General Order 88B for grade crossing modifications in Segment 3 regarding the distance of foundations and poles from the crossings.
- Continued to progress on the TPS interconnection design for TPS-1 and TPS-2. The interconnection is between the PG&E substations and future Caltrain main substations.
- Worked with BBII through Site Specific Work Plans (SSWP) for upcoming field work.
- Continued to work with PG&E and Silicon Valley Power (SVP) for the finalization of single phase studies.
- PG&E continued work at East Grand and FMC substations.
- Prepared Mountain View Siding for installation of foundations in Segment 3 Work Area 2

A summary of the work progress by segment is provided in Table 3-1 below.

**Table 3-1 Work Progress by Segment**

| Segment      | Work Area | Foundations             |                      |                   | Poles                  |                      |                   |
|--------------|-----------|-------------------------|----------------------|-------------------|------------------------|----------------------|-------------------|
|              |           | Required <sup>abc</sup> | Completed this Month | Completed to Date | Required <sup>ab</sup> | Completed this Month | Completed to Date |
| 1            | Tunnels   | 32                      | 0                    | 32                | 32                     | 0                    | 0                 |
|              | A         | 309                     | 0                    | 0                 | 259                    | 0                    | 0                 |
|              | B         | 237                     | 0                    | 0                 | 177                    | 0                    | 0                 |
| 2            | 5         | 243                     | 0                    | 184               | 208                    | 0                    | 160               |
|              | 4         | 314                     | 0                    | 243               | 253                    | 0                    | 186               |
|              | 3         | 174                     | 0                    | 60                | 140                    | 0                    | 36                |
|              | 2         | 248                     | 0                    | 78                | 205                    | 6                    | 60                |
|              | 1         | 206                     | 0                    | 79                | 154                    | 7                    | 33                |
| 3            | 2         | 514                     | 0                    | 0                 | 442                    | 0                    | 0                 |
|              | 1         | 390                     | 0                    | 353               | 311                    | 0                    | 0                 |
| 4            | A         | 244                     | 4                    | 155               | 180                    | 41                   | 87                |
|              | B         | 131                     | 15                   | 85                | 124                    | 13                   | 60                |
|              | CEMOF     | 112                     | 0                    | 0                 | 102                    | 0                    | 0                 |
| <b>Total</b> |           | <b>3,154</b>            | <b>19</b>            | <b>1,269</b>      | <b>2,587</b>           | <b>67</b>            | <b>622</b>        |

Note:

<sup>a</sup> Foundations required do not match poles required as guy foundations are needed in some locations for extra support.  
<sup>b</sup> The number of required poles and foundations fluctuate due to design changes.

<sup>c</sup> 55 foundations in S2WA5 will be installed by South San Francisco and 64 foundations in S2WA3 will be installed by 25<sup>th</sup> Avenue.

**Activity Next Month**

- Begin installation of foundations in Segment 3 Work Area 2.

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- Continue resolution of DSCs.
- Continue to install protective steel plates for protection of utilities during foundation installation.
- Continue to install OCS poles in Segment 4.
- Continue work with BBII on field investigation activities and designs, which will include the progression of the OCS, traction power, bonding and grounding, signal systems, and other civil infrastructure such as overhead bridge protections.
- Pothole and clear obstructions at proposed OCS locations. Potholing will concentrate in Segments 3 and 4.
- Continue construction at TPS-1 and TPS-2.
- Continue construction at PS-7, PS-4, PS-6, and the Switching Station.
- Continue to install conduit and foundations for signal and wayside power cubicle units in Segments 2 and 4.
- Continue to install impedance bond connections.
- Continue to install IJs.
- Continue to install bridge attachments.
- Continue to coordinate with stakeholders on the consistent warning time solution and advance location-specific design.
- Continue to progress location-specific design for grade crossing system.
- Review BBII work plans for upcoming construction activities.
- Continue to progress design for PG&E interconnection at TPS-1 towards 95% and work on long-lead material procurement in advance of construction.
- Review 95% TPS-2 Interconnection Design.
- Coordinate with PG&E on final design and construction for PG&E infrastructure.
- Coordinate with local jurisdictions to review designs.
- Continue tree pruning and removals.

**3.2. Supervisory Control and Data Acquisition**

SCADA is a system that monitors and controls field devices for electrification, including traction power substations (TPS), wayside power cubicles (WPC), and the OCS. SCADA will be integrated with the base operating system for Caltrain Operations and Control, which is the Rail Operations Center System. A separate control console will be established for the Power Director.

**Activity This Month**

- Submitted formal schedule for review and Monthly Progress Report.
- Worked on development of test procedures (ongoing).
- JPB reviewed a number of the 23 test procedures submitted last month. Comments were returned to the contractor on 10 of these procedures.

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**Activity Next Month**

- Prepare and deliver the Monthly Report and the Monthly Schedule Update.
- Attend project status meetings.
- Support ongoing discussions concerning RFIs.
- When final Points List is received, complete the database and display to 100% for all locations.
- Continue development of Test Procedures and respond to comments received from JPB.
- JPB has scheduled a Quality Systems Audit of ARINC.

**3.3. Tunnel Modification**

Tunnel modifications will be required on the four tunnels located in San Francisco. This effort is needed to accommodate the required clearance for the OCS to support electrification of the corridor. Outside of the PCEP scope, Caltrain Engineering has requested the PCEP team to manage completion of design and construction for the Tunnel 1 and Tunnel 4 Drainage and Track Rehabilitation Project. The Tunnel Drainage and Track Rehabilitation Project is funded separately from PCEP.

**Activity This Month**

- Tunnel 4 Historic South Portal reconstruction completed with fabrication of archstone blocks and relocate the blocks from Pier 50 to Visitacion Avenue.
- Continued review of and prepared responses for submittals and RFIs.
- Met with ProVen to discuss the weekend closures schedule for Tunnel OCS work.

**Activity Next Month**

- Continue procuring and fabrication of OCS termination structures from steel shop drawings based on as-built survey of foundations and shop drawing approval.
- Review and respond to submittals, RFIs, and SSWPs as needed.
- Prepare and plan for OCS Option Scope, scheduled to begin in December 2019 with the installation of the Drop Tubes at Tunnel 1.

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**4.0 ELECTRIC MULTIPLE UNITS**

This section reports on the progress of the Electric Multiple Units (EMU) procurement and the Centralized Equipment Maintenance and Operations Facility (CEMOF) modifications.

**4.1. Electric Multiple Units**

The procurement of EMUs, or trainsets, from Stadler consists of a Base Order of 96 railcars, plus an Option Order of an additional 37 railcars, for a total of 133 railcars. The cars from these two orders will be combined and delivered as 19 seven-car Trainsets. The Base Order is funded from PCEP, and Option Order funded by a Transit and Intercity Rail Capital Program (TIRCP) grant. One more Option for additional cars is available.

**Activity This Month**

- System Level Final Design Reviews continue to have open items addressed and closed.
- First Article Inspections continue to be conducted and closed.
- Last of the four floor fire endurance tests conducted successfully.
- Production of cars from component level to car level is progressing steadily, but with some delays due to part shortages.
- Three of seven Trainset No 1 cars are in Stadler's Commissioning facility undergoing verification of electrical wiring.
- 21 car shells have been shipped from Stadler - Switzerland and 19 are onsite in Stadler's Salt Lake City facility.
- Alternative Vehicle Technology (AVT) package being prepared for transmittal to the FRA. Submittal illustrates cars meet crashworthiness standards.
- Change order executed to plug high-level passenger doors until they are needed.

**Activity Next Month**

- Complete truck (bogie) structural and lifecycle testing.
- Submit AVT compliance (crashworthiness) validation analysis to the FRA.
- Conduct propulsion gearbox endurance test and teardown inspection.

**4.2. Centralized Equipment Maintenance and Operations Facility Modifications**

The CEMOF Modifications Project will provide work areas to perform maintenance on new EMUs.

**Activity This Month**

- Potholed utilities.
- Continued processing submittals, RFIs, and SSWPs.
- Built some of the formwork for the maintenance inspection pit.

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- Completed removal of asphalt at maintenance pit.
- Completed clearing and grubbing.
- Completed cutting and removal of existing rails.
- Completed removal/demolition of concrete ties.
- Removed 2 electrical receptacles at the Component Test Room.

**Activity Next Month**

- Continue to build formwork for the Maintenance Inspection Pit.

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**5.0 SAFETY**

Safety and Security requirements and plans are necessary to comply with applicable laws and regulations related to safety, security, and emergency response activities. Safety staff coordinates with contractors to review and plan the implementation of contract program safety requirements. Safety project coordination meetings continue to be conducted on a monthly basis to promote a clear understanding of project safety requirements as defined in contract provisions and program safety documents.

**Activity This Month**

- Project staff provided input and continued its participation in the BBII contractor workforce safety meetings. Project incidents continue to be reviewed with project staff to reinforce the application of recommended safety mitigation measures.
- Continued to provide input and oversight of the contractor SSWP safety provisions and ongoing safety construction oversight and inspections.
- Conducted the monthly project Safety and Security Certification and Fire/Life Safety Meetings.
- Participated in FTA PCEP Quarterly Meeting.
- Reviewed SSWPs and safety requirements for the pending CEMOF project work.
- Finalized results of the Safety and Security Management Plan internal audit of requirements with the BBII contractor safety staff and finalized recommendations to support ongoing compliance.
- Investigated project incident occurrences and worked with the BBII contractor to identify incident root causes and develop safety and security mitigation measures.
- Conducted ongoing safety inspections of contractor field activities and performed pre-work site hazards assessment walks with BBII and subcontractor staff.
- Conducted safety orientation training for new PCEP staff.
- Provided project safety status updates to PMOC staff.
- Participated in weekly project coordination meetings with the contractor to review open issues and recommended action items.

**Activity Next Month**

- Monthly safety communication meetings continue to be scheduled for the Project Safety and Security Certification Committee, Fire/Life Safety Committee, Rail Activation Committee, and other project-related contractor and JPB safety meetings to discuss safety priorities.
- Continue focus on performing site safety inspections on the OCS foundation, pole installations, potholing, and CEMOF work to assess safety work practices and identify additional opportunities for improvement. Conduct contractor equipment inspections as needed.
- Continue to meet with the PCEP contractors, JPB safety, and TASI to identify opportunities to further improve project safety performance and continue to reinforce lessons learned safety mitigation recommendations resulting from prior project incidents.

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**6.0 QUALITY ASSURANCE**

The Quality Assurance (QA) staff performs technical reviews for planning, implementing, evaluating, and maintaining an effective program to verify that all equipment, structures, components, systems, and facilities are designed, procured, constructed, installed, and maintained in accordance with established criteria and applicable codes and standards throughout the design, construction, startup and commissioning of the PCEP.

**Activity This Month**

- Staff meetings with BBII QA/Quality Control (QC) management representatives continue weekly.
- Continued review of BBII-generated Nonconformance Reports (NCR) and Construction Discrepancy Reports for proper discrepancy condition, cause, disposition, corrective and preventive action and verification of closure.
- Continued review and approval of Design Variance Requests for BBII and PGH Wong for QA/QC and inspection issues/concerns.
- Continued review of BBII QC Inspectors Daily Reports, Construction QC Reports and Surveillance Reports for work scope, performance of required duties, adequacy, non-conformances, test/inspection results, follow-up on unresolved issues, and preciseness.
- Continued review of BBII Material Receipt Reports, Certificates of Conformance, Certified Tests Reports, and Certificates of Analysis to ensure delivered project materials conform to specifications, and that contractually required quality and test support documents are adequate and reflect concise conditions per the purchase order requirements.
- Continued regularly scheduled design reviews and surveillances on project design packages.
- A Corrective Action Request (CAR) was written against BBII for continuing NCRs without sufficient corrective action for issues concerning BBII field personnel working to designs/drawings that don't match the latest from the designer, PGH Wong. A response is required within 30 days, and staff anticipates agreeing to a corrective process next month.
- Conducted an audit of cable troughs in Segments 2 and 4.
- Conducted an audit of WPC-20 installation.

Table 6-1 below provides details on the status of audits performed through the reporting period.

**Table 6-1 Quality Assurance Audit Summary**

| Quality Assurance Activity | This Reporting Period | Total to Date |
|----------------------------|-----------------------|---------------|
| Audits Conducted           | 2                     | 100           |
| <b>Audit Findings</b>      |                       |               |
| Audit Findings Issued      | 0                     | 62            |
| Audit Findings Open        | 0                     | 0             |
| Audit Findings Closed      | 0                     | 62            |
| <b>Non-Conformances</b>    |                       |               |
| Non-Conformances Issued    | 0                     | 10            |
| Non-Conformances Open      | 0                     | 1             |
| Non-Conformances Closed    | 1                     | 9             |

**Activity Next Month**

- Conduct audit of signaling contractor, Modern Railway Systems.
- Conduct audit of SCADA contractor, Collins Aerospace.

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**7.0 SCHEDULE**

The overall schedule remains unchanged from last month. The forecasted Revenue Service Date (RSD) remains May 2022. The program critical path runs through the manufacturing and testing of EMU trainsets.

Shown below, Table 7-1 indicates major milestone dates for the MPS.

**Table 7-1 Schedule Status**

| Milestones  | Program Plan | Progress Schedule (October 2019) <sup>1</sup> |
|---|--------------|---|
| Segment 4 Completion  | 11/21/2019   | 05/22/2020 <sup>2</sup>                       |
| o Interconnection from PG&E Substation to Traction Power Substation (TPS) | N/A          | 04/27/2020                                    |
| Arrival of First Vehicle in Pueblo, CO                                    | N/A          | 05/29/2020 <sup>2</sup>                       |
| Arrival of First Vehicle at JPB   | 07/29/2019   | 02/26/2021 <sup>2</sup>                       |
| PG&E Provides Permanent Power   | 09/09/2021   | 09/09/2021                                    |
| Electrification Substantial Completion                                    | 08/10/2020   | 12/31/2021 <sup>2</sup>                       |
| Start Phased Revenue Service  | N/A          | 01/03/2022 <sup>2</sup>                       |
| RSD (w/o Risk Contingency)  | 12/09/2021   | 05/06/2022                                    |
| FFGA RSD (w/ Risk Contingency)  | 08/22/2022   | 08/22/2022                                    |

Note:  
<sup>1</sup> Dates may shift slightly as the update of this month's Progress Schedule is still in process.  
<sup>2</sup> See "Notable Variances" for explanation on date shift.

**Notable Variances**

During this monthly progress reporting period, BBII is currently reporting an overall delay to substantial completion, including the intermediate milestone of Segment 4/Test Track completion. The delay is primarily due to the time it has taken to finalize the modifications required for the signal system, the effect that differing site conditions (DSCs) are having on OCS foundation installation and design completion of the Traction Power Substation (TPS) interconnect.

JPB continues to work with and is urging BBII to accelerate resolution of these issues. In the meantime, the JPB forecasted date for BBII's completion has been updated to reflect the inclusion of the signal system work which has been impacted by CWT.

Additional delays have been experienced by Stadler during assembly of the first trainset. The resulting effect is a delay to arrival of the first trainset at JPB, however there is no anticipated effect on the overall vehicle schedule at this time.

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Items listed in Table 7-2 reflect the critical path activities/milestones for the PCEP.

**Table 7-2 Critical Path Summary**

| Activity  | Start      | Finish     |
|---|------------|------------|
| Manufacturing, Testing & Acceptance of Trainsets 1 - 14 | 08/13/2018 | 05/06/2022 |
| RSD w/out Risk Contingency                              | 05/06/2022 | 05/06/2022 |
| FFGA RSD w/ Risk Contingency                            | 08/22/2022 | 08/22/2022 |

**Schedule Hold Points**

Schedule Hold Points (SHP) represent key milestones on or near a schedule's critical path that are used as measurement points with respect to contingency drawdown. Delays to these key milestones have the potential to require a program to utilize available contingency. Table 7-3 below reflects the SHPs for the PCEP program schedule. The dates indicated reflect the planned completion dates for each SHP.

**Table 7-3 Schedule Hold Points**

| Schedule Hold Point (SHP)                             | Date           |
|---|----------------|
| FTA/PMOC Risk Refresh                                 | 08/30/2016 (A) |
| Begin EMU Manufacturing                               | 12/04/2017 (A) |
| Arrival of 1 <sup>st</sup> Trainset in Salt Lake City | 02/04/2019 (A) |
| Segment 4 Completion                                  | 05/22/2020     |
| Arrival of 1 <sup>st</sup> Trainset in Pueblo, CO     | 05/29/2020     |
| Arrival of 1 <sup>st</sup> Trainset at JPB            | 02/26/2021     |
| Conditional Acceptance of 1 <sup>st</sup> Trainset    | 04/09/2021     |
| System Electrified                                    | 12/31/2021     |
| Begin Phased Revenue Service                          | 01/03/2022     |
| Conditional Acceptance of 14th Trainset               | 05/06/2022     |
| FFGA RSD w/ Risk Contingency                          | 08/22/2022     |

Note: "(A)" denotes an actual completion

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**8.0 BUDGET AND EXPENDITURES**

The summary of overall budget and expenditure status for the PCEP and Third Party Improvements is shown in the following tables. Table 8-1 reflects the Electrification budget, Table 8-2 the EMU budget, Table 8-3 the overall PCEP budget, and Table 8-4 Third Party Improvements budget. Table 8-5 summarizes the budget transfers of contingency completed this month.

**Table 8-1 Electrification Budget & Expenditure Status**

| Description of Work                 | Budget<br>(A)          | Current Budget<br>(B) <sup>1</sup> | Cost This Month<br>(C) <sup>2</sup> | Cost To Date<br>(D) <sup>3</sup> | Estimate To Complete<br>(E) | Estimate At Completion<br>(F) = (D) + (E) |
|-------------------------------------|------------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------|---|
| <b>ELECTRIFICATION</b>              |                        |                                    |                                     |                                  |                             |   |
| Electrification <sup>(4)</sup>      | \$696,610,558          | \$723,062,830                      | \$5,864,932                         | \$349,544,154                    | \$373,518,676               | \$723,062,830                             |
| SCADA                               | \$0                    | \$3,446,917                        | \$0                                 | \$1,934,371                      | \$1,512,546                 | \$3,446,917                               |
| Tunnel Modifications                | \$11,029,649           | \$42,438,753                       | \$299,064                           | \$24,633,015                     | \$17,805,738                | \$42,438,753                              |
| Real Estate                         | \$28,503,369           | \$28,503,369                       | \$28,490                            | \$20,556,383                     | \$7,946,986                 | \$28,503,369                              |
| Private Utilities                   | \$63,515,298           | \$92,451,380                       | \$3,106,131                         | \$67,231,126                     | \$25,220,254                | \$92,451,380                              |
| Management Oversight <sup>(5)</sup> | \$141,506,257          | \$144,957,684                      | \$2,043,596                         | \$125,257,629                    | \$19,700,055                | \$144,957,684                             |
| Executive Management                | \$7,452,866            | \$6,214,226                        | \$163,657                           | \$7,444,058                      | (\$1,229,832)               | \$6,214,226                               |
| Planning                            | \$7,281,997            | \$7,281,997                        | \$17,431                            | \$5,704,004                      | \$1,577,992                 | \$7,281,997                               |
| Community Relations                 | \$2,789,663            | \$2,789,663                        | \$18,648                            | \$1,507,980                      | \$1,281,683                 | \$2,789,663                               |
| Safety & Security                   | \$2,421,783            | \$3,691,387                        | \$88,700                            | \$2,759,681                      | \$931,706                   | \$3,691,387                               |
| Project Management Services         | \$19,807,994           | \$19,807,994                       | \$144,629                           | \$11,918,693                     | \$7,889,301                 | \$19,807,994                              |
| Engineering & Construction          | \$11,805,793           | \$11,805,793                       | \$310,772                           | \$8,987,514                      | \$2,818,280                 | \$11,805,793                              |
| Electrification Eng & Mgmt          | \$50,461,707           | \$50,461,707                       | \$513,788                           | \$43,834,519                     | \$6,627,188                 | \$50,461,707                              |
| Construction Management             | \$0                    | \$2,790,608                        | \$351,113                           | \$1,181,363                      | \$1,609,245                 | \$2,790,608                               |
| IT Support                          | \$312,080              | \$407,170                          | \$0                                 | \$407,170                        | \$0                         | \$407,170                                 |
| Operations Support                  | \$1,445,867            | \$1,980,632                        | \$20,713                            | \$2,231,161                      | (\$250,529)                 | \$1,980,632                               |
| General Support                     | \$4,166,577            | \$4,166,577                        | \$127,447                           | \$4,958,610                      | (\$792,033)                 | \$4,166,577                               |
| Budget / Grants / Finance           | \$1,229,345            | \$1,229,345                        | \$1,351                             | \$1,343,096                      | (\$113,751)                 | \$1,229,345                               |
| Legal                               | \$2,445,646            | \$2,445,646                        | \$206,654                           | \$4,382,212                      | (\$1,936,566)               | \$2,445,646                               |
| Other Direct Costs                  | \$5,177,060            | \$5,177,060                        | \$78,694                            | \$3,889,690                      | \$1,287,370                 | \$5,177,060                               |
| Prior Costs 2002 - 2013             | \$24,707,878           | \$24,707,878                       | \$0                                 | \$24,707,878                     | \$0                         | \$24,707,878                              |
| TASI Support                        | \$55,275,084           | \$55,275,084                       | \$1,101,994                         | \$31,141,254                     | \$24,133,829                | \$55,275,084                              |
| Insurance                           | \$3,500,000            | \$4,543,588                        | \$0                                 | \$4,543,588                      | \$0                         | \$4,543,588                               |
| Environmental Mitigations           | \$15,798,320           | \$14,972,644                       | \$0                                 | \$690,411                        | \$14,282,234                | \$14,972,644                              |
| Required Projects                   | \$17,337,378           | \$14,253,335                       | (\$1,816)                           | \$821,018                        | \$13,432,317                | \$14,253,335                              |
| Maintenance Training                | \$1,021,808            | \$1,021,808                        | \$0                                 | \$0                              | \$1,021,808                 | \$1,021,808                               |
| Finance Charges                     | \$5,056,838            | \$6,137,156                        | \$0                                 | \$3,670,444                      | \$2,466,712                 | \$6,137,156                               |
| Contingency                         | \$276,970,649          | \$185,060,658                      | N/A                                 | N/A                              | \$140,195,471               | \$140,195,471                             |
| Forecasted Costs and Changes        | \$0                    | \$0                                | N/A                                 | N/A                              | \$44,865,187                | \$44,865,187                              |
| <b>ELECTRIFICATION SUBTOTAL</b>     | <b>\$1,316,125,208</b> | <b>\$1,316,125,208</b>             | <b>\$12,442,391</b>                 | <b>\$630,023,393</b>             | <b>\$686,101,815</b>        | <b>\$1,316,125,208</b>                    |

Notes regarding tables above:

- Column B "Current Budget" includes executed change orders and awarded contracts.
- Column C "Cost This Month" represents the cost of work performed this month.
- Column D "Cost To Date" includes actuals (amount paid) and accruals (amount of work performed) to date.
- Cost To Date for "Electrification" includes 5% for Contractor's retention until authorization of retention release.
- The agency labor is actual through September 2019 and accrued for October 2019.

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**Table 8-2 EMU Budget & Expenditure Status**

| Description of Work                 | Budget<br>(A)        | Current Budget<br>(B) <sup>1</sup> | Cost This Month<br>(C) <sup>2</sup> | Cost To Date<br>(D) <sup>3</sup> | Estimate To Complete<br>(E) | Estimate At Completion<br>(F) = (D) + (E) |
|-------------------------------------|----------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------|---|
| <b>EMU</b>                          |                      |                                    |                                     |                                  |                             |   |
| EMU                                 | \$550,899,459        | \$555,034,909                      | \$0                                 | \$136,880,433                    | \$418,154,476               | \$555,034,909                             |
| CEMOP Modifications                 | \$1,344,000          | \$6,550,777                        | \$332,729                           | \$1,471,640                      | \$5,079,137                 | \$6,550,777                               |
| Management Oversight <sup>(4)</sup> | \$64,139,103         | \$63,113,984                       | \$806,211                           | \$39,331,025                     | \$23,782,959                | \$63,113,984                              |
| Executive Management                | \$5,022,302          | \$4,263,136                        | \$90,504                            | \$4,642,212                      | (\$379,076)                 | \$4,263,136                               |
| Community Relations                 | \$1,685,614          | \$1,285,614                        | \$11,413                            | \$610,401                        | \$675,214                   | \$1,285,614                               |
| Safety & Security                   | \$556,067            | \$765,296                          | \$12,338                            | \$487,244                        | \$278,052                   | \$765,296                                 |
| Project Mgmt Services               | \$13,275,280         | \$13,275,280                       | \$88,644                            | \$7,710,295                      | \$5,564,986                 | \$13,275,280                              |
| Eng & Construction                  | \$89,113             | \$89,113                           | \$0                                 | \$23,817                         | \$65,296                    | \$89,113                                  |
| EMU Eng & Mgmt                      | \$32,082,556         | \$30,581,014                       | \$398,353                           | \$18,138,473                     | \$12,442,540                | \$30,581,014                              |
| Construction Management             | \$0                  | \$1,501,543                        | \$83,214                            | \$258,037                        | \$1,243,506                 | \$1,501,543                               |
| IT Support                          | \$1,027,272          | \$952,089                          | \$10,918                            | \$541,906                        | \$410,183                   | \$952,089                                 |
| Operations Support                  | \$1,878,589          | \$1,878,589                        | \$15,496                            | \$310,062                        | \$1,568,527                 | \$1,878,589                               |
| General Support                     | \$2,599,547          | \$2,599,547                        | \$46,956                            | \$2,139,966                      | \$459,581                   | \$2,599,547                               |
| Budget / Grants / Finance           | \$712,123            | \$712,123                          | \$1,847                             | \$891,933                        | (\$179,810)                 | \$712,123                                 |
| Legal                               | \$1,207,500          | \$1,207,500                        | (\$1,212)                           | \$1,220,287                      | (\$12,787)                  | \$1,207,500                               |
| Other Direct Costs                  | \$4,003,139          | \$4,003,139                        | \$47,741                            | \$2,356,393                      | \$1,646,747                 | \$4,003,139                               |
| TASI Support                        | \$2,740,000          | \$2,740,000                        | \$18,993                            | \$54,325                         | \$2,685,676                 | \$2,740,000                               |
| Required Projects                   | \$4,500,000          | \$4,427,821                        | \$47,030                            | \$538,280                        | \$3,889,541                 | \$4,427,821                               |
| Finance Charges                     | \$1,941,800          | \$3,761,482                        | \$0                                 | \$2,249,627                      | \$1,511,855                 | \$3,761,482                               |
| Contingency                         | \$38,562,962         | \$28,498,352                       | N/A                                 | N/A                              | \$29,320,440                | \$29,320,440                              |
| Forecasted Costs and Changes        | \$0                  | \$0                                | N/A                                 | N/A                              | (\$822,088)                 | (\$822,088)                               |
| <b>EMU SUBTOTAL</b>                 | <b>\$664,127,325</b> | <b>\$664,127,325</b>               | <b>\$1,204,963</b>                  | <b>\$180,525,330</b>             | <b>\$483,601,995</b>        | <b>\$664,127,325</b>                      |

Notes regarding tables above:

- Column B "Current Budget" includes executed change orders and awarded contracts.
- Column C "Cost This Month" represents the cost of work performed this month.
- Column D "Cost To Date" includes actuals (amount paid) and accruals (amount of work performed) to date.
- The agency labor is actual through September 2019 and accrued for October 2019.

**Table 8-3 PCEP Budget & Expenditure Status**

| Description of Work      | Budget<br>(A)          | Current Budget<br>(B) <sup>1</sup> | Cost This Month<br>(C) <sup>2</sup> | Cost To Date<br>(D) <sup>3</sup> | Estimate To Complete<br>(E) | Estimate At Completion<br>(F) = (D) + (E) |
|--------------------------|------------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------|---|
| Electrification Subtotal | \$1,316,125,208        | \$1,316,125,208                    | \$12,442,391                        | \$630,023,393                    | \$686,101,815               | \$1,316,125,208                           |
| EMU Subtotal             | \$664,127,325          | \$664,127,325                      | \$1,204,963                         | \$180,525,330                    | \$483,601,995               | \$664,127,325                             |
| <b>PCEP TOTAL</b>        | <b>\$1,980,252,533</b> | <b>\$1,980,252,533</b>             | <b>\$13,647,354</b>                 | <b>\$810,548,723</b>             | <b>\$1,169,703,810</b>      | <b>\$1,980,252,533</b>                    |

Notes regarding tables above:

- Column B "Current Budget" includes executed change orders and awarded contracts.
- Column C "Cost This Month" represents the cost of work performed this month.
- Column D "Cost To Date" includes actuals (amount paid) and accruals (amount of work performed) to date.

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**Table 8-4 Third Party Improvements/CNPA Budget & Expenditure Status**

| Description of Work                      | Budget<br>(A)        | Current Budget<br>(B) <sup>1</sup> | Cost This Month<br>(C) <sup>2</sup> | Cost To Date<br>(D) <sup>3</sup> | Estimate To Complete<br>(E) | Estimate At Completion<br>(F) = (D) + (E) |
|--|----------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------------|---|
| CHSRA Early Pole Relocation              | \$1,000,000          | \$1,000,000                        | \$0                                 | \$687,776                        | \$312,224                   | \$1,000,000                               |
| PS-3 Relocation (Design)                 | \$500,000            | \$500,000                          | \$0                                 | \$150,000                        | \$350,000                   | \$500,000                                 |
| TPSS-2 VTA/PCEP Pole Relocation (Design) | \$110,000            | \$110,000                          | \$0                                 | \$88,000                         | \$22,000                    | \$110,000                                 |
| TPSS-2 VTA/PCEP Pole Height (Redesign)   | \$31,000             | \$31,000                           | \$0                                 | \$0                              | \$31,000                    | \$31,000                                  |
| EMU Option Cars                          | \$172,800,047        | \$172,800,047                      | \$0                                 | \$52,359,370                     | \$120,440,677               | \$172,800,047                             |
| <b>CNPA TOTAL</b>                        | <b>\$174,441,047</b> | <b>\$174,441,047</b>               | <b>\$0</b>                          | <b>\$53,285,146</b>              | <b>\$121,155,901</b>        | <b>\$174,441,047</b>                      |

Notes regarding tables above:

- <sup>1</sup> Column B "Current Budget" includes executed change orders and awarded contracts.
- <sup>2</sup> Column C "Cost This Month" represents the cost of work paid this month.
- <sup>3</sup> Column D "Cost To Date" includes actuals (amount paid) to date.

Table 8-4 shows improvements outside of the scope of PCEP that are funded with non-PCEP funds. These improvements are implemented through the PCEP contracts. In FTA terminology, these efforts are categorized as Concurrent Non-Project Activities (CNPA).

- CHSRA Early Pole Relocation: Relocation of 196 OCS poles as part of PCEP. Implementing these pole relocations minimizes future cost and construction impacts. This scope is funded by the CHSRA.
- PS-3 Relocation (Design): Relocate PS-3 (Burlingame) as part of PCEP to avoid a future conflict with the Broadway Grade Separation Project (BGSP). This scope is funded by the BGSP.
- TPSS-2 VTA/PCEP Pole Relocation and Height (Design): Design changes due to the relocation of VTA/BART Pole at TPSS-2 location and pole height redesign for live line clearances. This scope is funded by the VTA.
- EMU Option Cars: Exercise Stadler Contract Option for 37 additional EMUs. This scope is funded with a combination of TIRCP and matching local funds.

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**Table 8-5 Budget Transfers of Contingency**

| Transfer               | Description   | Contingency <sup>1</sup> |
|------------------------|---|--------------------------|
| <b>ELECTRIFICATION</b> |   |                          |
| BBI-CCO-054            | Change Design Sequence for OCS Foundations              | \$37,500                 |
| PRO-CCO-007            | Canopy Tube Drilling                                    | \$89,787                 |
| PRO-CCO-029            | Additional DryFix Pins                                  | \$105,000                |
|                        | <b>ELECTRIFICATION SUBTOTAL</b>                         | <b>\$232,287</b>         |
| <b>EMU</b>             |   |                          |
| Stadler-CCO-021        | Plugging of High-Level Doorways                         | \$736,013                |
| AMTK-CCO-001           | Change to Amtrak Contract for Test Locomotives (Credit) | (\$72,179)               |
|                        | <b>EMU SUBTOTAL</b>                                     | <b>\$663,833</b>         |
|                        | <b>PCEP TOTAL</b>                                       | <b>\$896,120</b>         |

Notes regarding tables above:

- <sup>1</sup> Budget amount transferred from project contingency. A negative amount represents a credit to contingency.

Table 8-5 shows budget transfers of project contingency implemented during the current monthly reporting period. This table includes contingency transfers for both executed contract change orders as covered under Section 9.0 and uses of contingency for Program budget line items outside the five PCEP contracts.

Appendix D includes costs broken down by Standard Cost Code (SCC) format. This format is required for reporting of costs to the FTA. The overall project total in the SCC format is lower than the project costs in table 8-3. This is due to the exclusion of costs incurred prior to the project entering the Project Development phase.



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**9.0 CHANGE MANAGEMENT**

The change management process establishes a formal administrative work process associated with the initiation, documentation, coordination, review, approval and implementation of changes that occur during the design, construction or manufacturing of the PCEP. The change management process accounts for impacts of the changes and ensures prudent use of contingency.

Currently the PCEP contracts are BBII, CEMOF, Stadler, SCADA, Tunnel Modifications, and Amtrak.

A log of all executed change orders can be found in Appendix E.

**Executed Contract Change Orders (CCO) This Month**

Electrification Contract

|   |                      |  |                                     |
|---|----------------------|--|-------------------------------------|
| <b>Change Order Authority (5% of BBII Contract)</b> |                      | <b>5% x \$696,610,558 = \$34,830,528</b> |                                     |
| <b>Date</b>   | <b>Change Number</b> | <b>Description</b>                       | <b>Change Order Authority Usage</b> |
|   | None                 |  |                                     |
| <b>Total</b>  |                      | <b>\$0</b>                               | <b>\$0</b>                          |

<sup>1</sup> (When indicated) Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

EMU Contract

|  |                      |  |                                     |
|--|----------------------|--|-------------------------------------|
| <b>Change Order Authority (5% of Stadler Contract)</b> |                      | <b>5% x \$550,899,459 = \$27,544,973</b> |                                     |
| <b>Date</b>  | <b>Change Number</b> | <b>Description</b>                       | <b>Change Order Authority Usage</b> |
| 10/28/2019   | STA-056-CCO-021      | Plugging High Level Doors                | \$736,012.50                        |
| <b>Total</b>   |                      | <b>\$736,012.50</b>                      | <b>\$736,012.50</b>                 |

<sup>1</sup> (When indicated) Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

CEMOF Contract

|  |                      |                                      |                                     |
|--|----------------------|--------------------------------------|-------------------------------------|
| <b>Change Order Authority (10% of ProVen Contract)</b> |                      | <b>10% x \$6,550,777 = \$655,078</b> |                                     |
| <b>Date</b>  | <b>Change Number</b> | <b>Description</b>                   | <b>Change Order Authority Usage</b> |
|  | None                 |                                      |                                     |
| <b>Total</b>   |                      | <b>\$0</b>                           | <b>\$0</b>                          |

<sup>1</sup> (When indicated) Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

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SCADA Contract

|   |                      |                    |                                      |                                     |
|---|----------------------|--------------------|--------------------------------------|-------------------------------------|
| <b>Change Order Authority (15% of ARINC Contract)</b> |                      |                    | <b>15% x \$3,446,917 = \$517,038</b> |                                     |
| <b>Date</b>   | <b>Change Number</b> | <b>Description</b> | <b>CCO Amount</b>                    | <b>Change Order Authority Usage</b> |
|   | None                 |                    | \$0                                  | \$0                                 |
| <b>Total</b>  |                      |                    | <b>\$0</b>                           | <b>\$0</b>                          |

<sup>1</sup> (When indicated) Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

Tunnel Modification Contract

|  |                      |  |   |                                     |
|--|----------------------|--|---|-------------------------------------|
| <b>Change Order Authority (10% of ProVen Contract)<sup>2</sup></b> |                      |  | <b>10% x \$38,477,777 = \$3,847,778</b> |                                     |
| <b>Date</b>  | <b>Change Number</b> | <b>Description</b>   | <b>CCO Amount</b>                       | <b>Change Order Authority Usage</b> |
| 9/26/2019  | PROV-070-CCO-007     | Canopy Tube Drilling   | \$89,787                                | \$89,787                            |
| 9/26/2019  | PROV-070-CCO-023     | Over-excavate Trapezoidal Ditch at T-1N (CNPA - Drainage \$46,914.00) <sup>3</sup> | \$46,914                                | \$46,914                            |
| 10/4/2019  | PROV-070-CCO-029     | Additional DryFix Pins   | \$105,000                               | \$105,000                           |
| <b>Total</b>   |                      |  | <b>\$241,701</b>                        | <b>\$241,701</b>                    |

<sup>1</sup> (When indicated) Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

<sup>2</sup> Tunnel modification contract (\$38,477,777) includes: Notching (\$25,281,170) and Drainage (\$13,196,607).

<sup>3</sup> Third Party Improvements/CNPA Projects that are funded with non-PCEP funds.

Amtrak AEM-7 Contract

|  |                      |  |                        |   |                            |
|--|----------------------|--|------------------------|---|----------------------------|
| <b>Change Order Authority (Lump Sum)</b> |                      |  | <b>Up to \$150,000</b> |   |                            |
| <b>Date</b>                              | <b>Change Number</b> | <b>Description</b>                             | <b>CCO Amount</b>      | <b>Change Order Authority Usage<sup>1</sup></b> | <b>Remaining Authority</b> |
| 10/25/2019                               | AMTK-066-CCO-001     | Change to Amtrak Contract for Test Locomotives | (72,179)               | (48.12%)  | 222,179                    |
| <b>Total</b>                             |                      |  | <b>(72,179)</b>        | <b>(48.12%)</b>                                 | <b>\$222,179</b>           |

Notes:

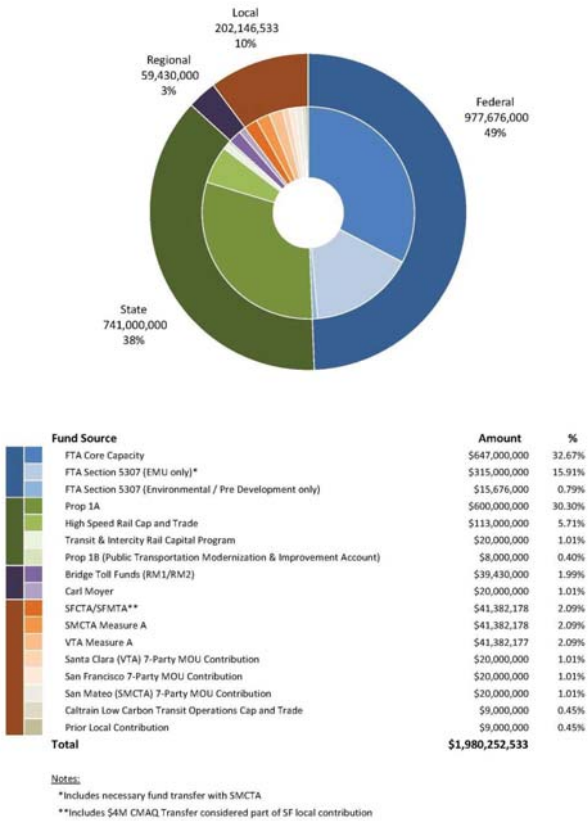
<sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.

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**10.0 FUNDING**

Figure 10-1 depicts a summary of the funding plan for the PCEP. It provides a breakdown of the funding partners as well as the allocated funds. As previously reported, FTA awarded amendments to include \$67 million in Fiscal Year 2019 Section 5307 formula funds, and the next \$100 million in Core Capacity funds, in the existing grants for the project.

**Figure 10-1 Funding Plan**



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### 11.0 RISK MANAGEMENT

The risk management process is conducted in an iterative fashion throughout the life of the project. During this process, new risks are identified, other risks are resolved or managed, and potential impacts and severity modified based on the current situation. The Risk Management team's progress report includes a summary on the effectiveness of the Risk Management Plan, any unanticipated effects, and any correction needed to handle the risk appropriately.

The Risk Management team meets monthly to identify risks and corresponding mitigation measures. Each risk is graded based on the potential cost and schedule impacts they could have on the project. This collection of risks has the greatest potential to affect the outcome of the project and consequently is monitored most closely. For each of the noted risks, as well as for all risks on the risk register, mitigation measures have been identified and are being implemented. Progress in mitigating these risks is confirmed at monthly risk assessment meetings attended by project team management and through continuous monitoring of the Risk Management Lead.

The team has identified the following items as top risks for the project (see Appendix F for the complete Risk Table):

1. Contractor incorrect sequencing of early utility locations, preliminary design, final design, and foundation construction may result in inefficiencies in construction, redesign, and reduced production rates.
2. Extent of differing site conditions and delays in resolving differing site conditions result in delays to the completion of Electrification contract and increases program costs.
3. The contractor may not complete and install signal design including CWT modifications within budget and schedule.
4. Track access does not comply with contractor-stipulated work windows.
5. Major program elements may not be successfully integrated with existing operations and infrastructure in advance of revenue service.
6. Potential that modifications to the PTC database and signal software are not completed in time for cutover and testing.
7. Additional property acquisition is necessitated by change in design.
8. Contractor generates hazardous materials that necessitate proper removal and disposal in excess of contract allowances and expectations.
9. Rejection of Design Variance Request (DVR) for Auto Transformer Feeder (ATF) and static wires results in cost and schedule impacts to PCEP.
10. Changes to PTC implementation schedule could delay completion of electrification work.

#### Activity This Month

- Updated risk descriptions, effects, and mitigations based upon weekly input from risk owners. Monthly cycle of risk updating was completed based on schedules established in the Risk Identification and Mitigation Plan.

- Updated risk retirement dates based upon revisions to the project schedule and input from risk owners.
- Updated contractor-owned risks with JPB and consultant staff and forwarded to BBII for comment.
- Continued weekly monitoring of risk mitigation actions and publishing of the risk register.
- The Risk Management team attended Project Delivery, Electrification, and Systems Integration meetings to monitor developments associated with risks and to identify new risks.

Figures 11-1 and 11-2 show the risks identified for the program. Risks are categorized as top risk, upcoming risk, and all other risks. The categories are based on a rating scale composed of schedule and cost factors. Top risks are considered to have a significantly higher than average risk grade. Upcoming risks are risks for which mitigating action must be taken within 60 days. All other risks are risks not falling into other categories.

Figure 11-1 Monthly Status of Risks

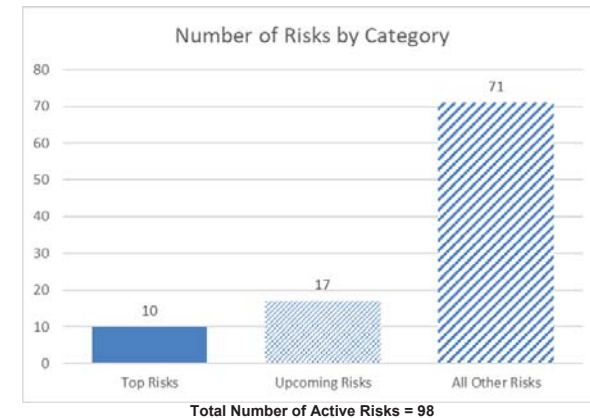
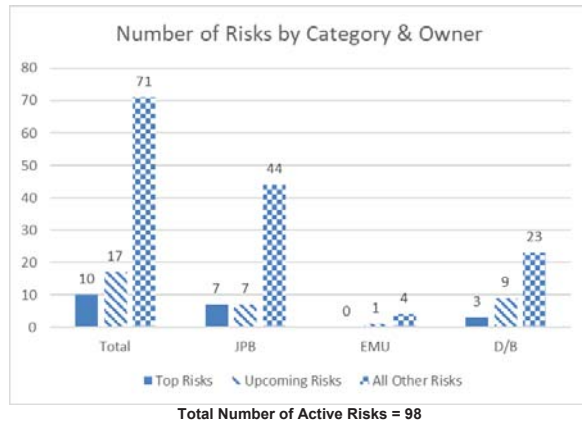


Figure 11-2 Risk Classification



**Activity Next Month**

- Conduct weekly monitoring of risk mitigation actions and continue publishing risk register.
- Update risk descriptions, effects, mitigations and retirement dates based on weekly monitoring and attendance at key project meetings.
- Convene Risk Assessment Committee meeting.
- Finalize risk analysis report for cost and schedule impacts based on updated risk register with Project Management and PMOC.

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**12.0 ENVIRONMENTAL**

**12.1. Permits**

The PCEP has obtained the required environmental permits from the following agencies/federal regulations: Section 106 of the National Historic Preservation Act of 1966 (NHPA), Section 7 of the Endangered Species Act (ESA), United States Army Corps of Engineers, San Francisco Bay Regional Water Quality Control Board (SFWQCB), the California Department of Fish and Wildlife, and the San Francisco Bay Conservation Development Commission.

**Activity This Month**

- None

**Activity Next Month**

- None

**12.2. Mitigation Monitoring and Reporting Program (MMRP)**

The California Environmental Quality Act (CEQA) requires that a Lead Agency establish a program to monitor and report on mitigation measures that it has adopted as part of the environmental review process. The PCEP team has prepared a MMRP to ensure that mitigation measures identified in the PCEP Environmental Impact Report are fully implemented during project implementation. PCEP will implement the mitigation measures through its own actions, those of the DB contractor and actions taken in cooperation with other agencies and entities. The status of each mitigation measure in the MMRP is included in Appendix G.

**Activity This Month**

- Environmental compliance monitors were present during project activities (OCS pole foundation installation, potholing for utility location, duct bank and manhole installation, tree trimming/removal, conduit installation, grading, abandoned signal cable removal, traction power station drainage installation, relocation and/or removal of existing power/light pole, etc.) occurring in areas that required environmental compliance monitoring. The monitoring was conducted in accordance with measures in the MMRP in an effort to minimize potential impacts on sensitive environmental resources.
- Noise and vibration monitoring also occurred during project activities, and non-hazardous soil was removed from the right of way (ROW).
- Environmentally Sensitive Area (ESA) delineation (staking and/or fencing) occurred to delineate jurisdictional waterways and other potentially sensitive areas that should be avoided during upcoming construction activities. Wildlife exclusion fencing installation and monitoring occurred adjacent to portions of the alignment designated for wildlife exclusion fencing.

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- Best management practices (BMP) installation (e.g., silt fencing, straw wattles, soil covers) occurred at equipment staging areas and other work areas throughout the alignment in accordance with the project-specific Stormwater Pollution Prevention Plan (SWPPP). An assessment of two existing subsurface pipes by a certified Asbestos Consultant occurred during this reporting period, and a specification describing the methods for removal and disposal is currently in progress.

**Activity Next Month**

- Environmental compliance monitors will continue to monitor project activities (OCS pole foundation installation, pot holing for utility location, duct bank and manhole installation, tree trimming/removal, conduit installation, traction power station drainage installation, abandoned signal cable removal, existing pole relocation, etc.) occurring in areas that require environmental compliance monitoring in an effort to minimize potential impacts on sensitive environmental resources in accordance with the MMRP.
- Noise and vibration monitoring of project activities will continue to occur and non-hazardous soil will continue to be removed.
- Biological surveyors will continue to conduct pre-construction surveys for sensitive wildlife species ahead of project activities.
- Pre-construction nesting bird surveys during the nesting bird season will continue (nesting bird season is defined as February 1 through September 15).
- BMPs installation will continue in accordance with the project-specific SWPPP, and ESA staking and fencing will continue to occur, to delineate jurisdictional waterways, and other potentially sensitive areas, that should be avoided during upcoming project activities.
- Wildlife exclusion fencing will continue to be installed prior to upcoming construction activities adjacent to potentially suitable habitat for sensitive wildlife species.
- Two existing subsurface pipes will be removed by a certified Asbestos Contractor, after the removal and disposal specification is finalized by the certified Asbestos Consultant.

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**13.0 UTILITY RELOCATION**

Implementation of the PCEP requires relocation or rerouting of both public and private utility lines and/or facilities. Utility relocation will require coordination with many entities, including regulatory agencies, public safety agencies, federal, state, and local government agencies, private and public utilities, and other transportation agencies and companies. This section describes the progress specific to the utility relocation process.

**Activity This Month**

- Worked with all utilities on review of overhead utility line relocations based on the current design.
- Coordinated with individual utility companies on relocation plans and schedule for incorporation with Master Program Schedule.
- Coordinated work with communications utilities on review of relocation design.
- Continued to coordinate relocation work for SVP and Palo Alto Power facilities.
- Continued to coordinate relocation by communication cable owners such as AT&T and Comcast.
- Coordinated with PG&E and SVP on relocation and de-energization of parallel power facilities to enable foundation construction and future pole installation.
- Conducted utility coordination meeting to discuss overall status and areas of potential concern from the utilities.

**Activity Next Month**

- Coordinate with utility owners on the next steps of relocations, including support of any required design information.
- Update the relocation schedule as information becomes available from the utility owners.
- Continue to review relocation design SVP, Palo Alto Power, and communications companies and coordinate relocation field work.
- Continue communication relocations in all Segments.
- Continue SVP and Palo Alto Power relocations in Segment 3.
- Continue to coordinate de-energization and relocation of parallel power facilities with PG&E and SVP to enable foundation construction.
- Conduct monthly and weekly utility meeting with utility owners.

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**14.0 REAL ESTATE**

The PCEP requires the acquisition of a limited amount of real estate. In general, Caltrain uses existing Right of Way (ROW) for the PCEP, but in certain locations, will need to acquire small portions of additional real estate to expand the ROW to accommodate installation of OCS supports (fee acquisitions or railroad easements) and associated Electrical Safety Zones (easements). There are two larger full acquisition areas required for wayside facilities. The PCEP Real Estate team manages the acquisition of all property rights. Caltrain does not need to acquire real estate to complete the EMU procurement portion of the PCEP.

Of the parcels identified at the beginning of the project, there remain only five owners from whom the agency requires possession:

- One for which the appraisal has been completed and the offer is pending.
  - BBII need date is October 2019.
- One in Segment 3 for which we are applying for a permit from Santa Clara Valley Water District (SCVWD).
- One parcel in Segment 2.
  - The site is owned by UPRR, which has issued a permit.
- Four that are in redesign.
  - SWS-1, needed in February 2019.
    - Owned by SamTrans, which has agreed to issue a permit upon approval of design.
  - One parcel in Segment 4, needed in February 2019.

The Real Estate team's current focus is working to identify new parcels and acquire them in conjunction with the project schedule.

- Staff has defined a process to ensure that BBII conveys new needs as soon as possible.
  - BBII must justify and JPB must approve all new parcels.
- Design needs to progress to enable BBII to identify exact acquisition areas.
- Staff is conducting pre-acquisition activities as appropriate.
- JPB has approved four new parcels to date.

**Activity This Month**

- Negotiations with Willowbend Apartments are ongoing.
- Staff reviewing potential new pole locations and providing feedback to the design team.
- Preparation of First Written Offer package for KB Homes.
- Working with property owners for Segment 3 and 4 to enable potholing.
- Reviewing parcel acquisition options for Marchese parcel with SCVWD.

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- Working with City of San Jose and Diridon Hospitality to finalize design. Met with Diridon Hospitality and we are moving forward with redesign. Follow up conference calls with Diridon Hospitality.
- Actively working with SVP to de-energize and install foundations.
- Resolved encroachment issue and installed foundations on the Tripp parcel.
- Staff is actively working with PG&E and VTA to gain access to their properties for potholing. Finalizing appraisal map for PG&E property.
- Finalizing appraisal map for Britannia Gateway.
- Working with UPRR on encroachment permit and/or easement.

**Activity Next Month**

- Continue to negotiate for all open parcels.
- Review the acquisition of the Marchese parcel with SCVWD.
- Confirm new acquisition associated with the Stephens parcel. The Design Builder identified a potential modified acquisition.
- Continue to coordinate with SVP, VTA and SCVWD options for foundation installations.
- Finalize design for Diridon Hospitality.
- Work with City of San Jose to resolve underlying street interests.
- Present updated appraisal maps to PG&E for their approval regarding the Britannia Gateway parcel.
- Continue to work with Segment 3 and 4 owners for early access to pothole.
- Make offers on the parcel for which appraisals have been completed.
- Actively participate in Foundation/Pothole and Gannett Fleming weekly meetings.
- Continue to work with project team to identify and analyze new potential parcels.
- Map newly identified parcels.

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**15.0 THIRD PARTY AGREEMENTS**

Third-party coordination is necessary for work impacting public infrastructure, utilities, ROW acquisitions, and others. Table 15-1 below outlines the status of necessary agreements for the PCEP.

**Table 15-1 Third-Party Agreement Status**

| Type                       | Agreement                               | Third-Party                                   | Status                  |
|----------------------------|---|---|-------------------------|
| Governmental Jurisdictions | Construction & Maintenance <sup>1</sup> | City & County of San Francisco                | Executed                |
|                            |   | City of Brisbane                              | Executed                |
|                            |   | City of South San Francisco                   | Executed                |
|                            |   | City of San Bruno                             | Executed                |
|                            |   | City of Millbrae                              | Executed                |
|                            |   | City of Burlingame                            | Executed                |
|                            |   | City of San Mateo                             | Executed                |
|                            |   | City of Belmont                               | Executed                |
|                            |   | City of San Carlos                            | Executed                |
|                            |   | City of Redwood City                          | Executed                |
|                            |   | City of Atherton                              | In Process              |
|                            |   | County of San Mateo                           | Executed                |
|                            |   | City of Menlo Park                            | Executed                |
|                            |   | City of Palo Alto                             | Executed                |
|                            |   | City of Mountain View                         | Executed                |
|                            |   | City of Sunnyvale                             | Executed                |
|                            |   | City of Santa Clara                           | Executed                |
|                            | County of Santa Clara                   | Executed                                      |                         |
|                            | City of San Jose                        | Executed                                      |                         |
|                            | Condemnation Authority                  | San Francisco                                 | In Process              |
| San Mateo                  |   | Executed                                      |                         |
| Santa Clara                |   | Executed                                      |                         |
| Utilities                  | Infrastructure                          | PG&E  | Executed                |
|                            | Operating Rules                         | CPUC  | Executed                |
| Transportation & Railroad  | Construction & Maintenance              | Bay Area Rapid Transit                        | Executed <sup>2</sup>   |
|                            | Construction & Maintenance              | California Dept. of Transportation (Caltrans) | Not needed <sup>3</sup> |
|                            | Trackage Rights                         | UPRR  | Executed <sup>2</sup>   |

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Notes regarding table above:

<sup>1</sup> Agreements memorialize the parties' consultation and cooperation, designate respective rights and obligations and ensure cooperation between the JPB and the 17 cities and three counties along the Caltrain ROW and within the PCEP limits in connection with the design and construction of the PCEP.

<sup>2</sup> Utilizing existing agreements.

<sup>3</sup> Caltrans Peer Process utilized. Formal agreement not needed.



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**16.0 GOVERNMENT AND COMMUNITY AFFAIRS**

The Community Relations and Outreach team coordinates all issues with all jurisdictions, partner agencies, government organizations, businesses, labor organizations, local agencies, residents, community members, other interested parties, and the media. In addition, the team oversees the BBII's effectiveness in implementing its Public Involvement Program. The following PCEP-related external affairs meetings took place this month:

**Presentations/Meetings**

- Sunnyvale Community Meeting
- Back to School Health Fair – Model Roadshow Event
- Silver SPUR Awards Ceremony – Model Roadshow Event
- Facebook Fall Fest – Model Roadshow Event
- Mountain View City Hall – Model Roadshow Event

**Third Party/Stakeholder Actions**

- Mountain View Foundation and Pole Locations – Issued for Construction Drawings
- Menlo Park Foundation and Pole Locations – Issued for Construction Drawings
- Palo Alto Foundation and Pole Locations – Issued for Construction Drawings
- San Francisco Paralleling Station 1 & 2 – Issued for Construction Drawings

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**17.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION AND LABOR STATISTICS**

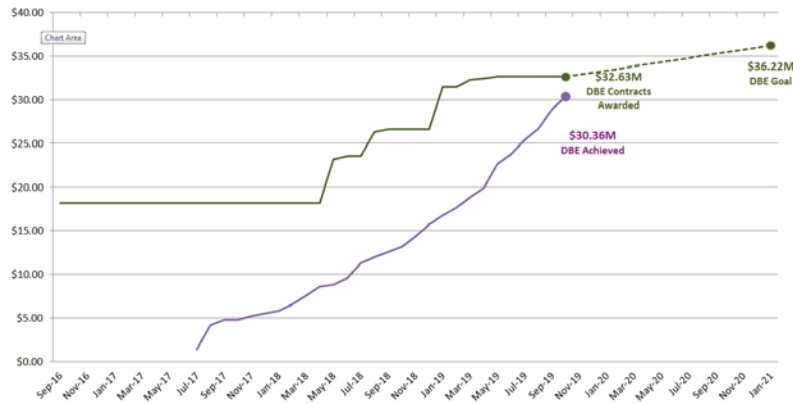
BBII proposed that 5.2% (\$36,223,749) of the total DB base contract value (\$696,610,558) would be subcontracted to DBEs.

**Activity This Month**

As expressed in Figure 17-1 below, to date:

- **\$30,364,038** has been paid to DBE subcontractors.
- **4.4%** has been achieved.

**Figure 17-1 DBE Participation**



**Activity Next Month**

In order to reach the 5.2% DBE participation goal, BBII has proposed the following key actions:

“In the month of November, 2019, we continue to anticipate increasing our DBE commitments to firms who we are currently negotiating pricing on proposed work or Professional Services Agreements. We are optimistic about the prospect of making future awards to DBE firms. We also anticipate that the existing project work will increase resulting in expanded work for current DBE subcontractors.”

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**18.0 PROCUREMENT**

**Invitation for Bids (IFB)/Request for Quotes (RFQ)/ Request for Proposals (RFP)  
Issued this Month:**

- None

**Bids, Quotes, Proposals in Response to IFB/RFQ/RFP Received this Month:**

- None

**Contract Awards this Month:**

- None

**Work Directive (WD)/Purchase Order (PO) Awards & Amendments this Month:**

- Multiple WDs & POs issued to support the program needs

**In Process IFB/RFQ/RFP/Contract Amendments:**

- None

**Upcoming Contract Awards/Contract Amendments:**

- None

**Upcoming IFB/RFQ/RFP to be Issued:**

- RFP – Pantograph Monitoring and Inspection System
- RFQ – Scissor Lift Work Platform

**Existing Contracts Amendments Issued:**

- None

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**19.0 TIMELINE OF MAJOR PROJECT ACCOMPLISHMENTS**

Below is a timeline showing major project accomplishments from 2001 to 2017:

| <b>Date</b> | <b>Milestone</b>  |
|-------------|---|
| 2001        | Began federal National Environmental Policy Act (NEPA) Environmental Assessment (EA) / state EIR clearance process  |
| 2002        | Conceptual Design completed   |
| 2004        | Draft NEPA EA/EIR   |
| 2008        | 35% design complete   |
| 2009        | Final NEPA EA/EIR and Finding of No Significant Impact (FONSI)  |
| 2014        | RFQ for electrification<br>RFI for EMU  |
| 2015        | JPB approves final CEQA EIR<br>JPB approves issuance of RFP for electrification<br>JPB approves issuance of RFP for EMU<br>Receipt of proposal for electrification<br>FTA approval of Core Capacity Project Development   |
| 2016        | JPB approves EIR Addendum #1: PS-7<br>FTA re-evaluation of 2009 FONSI<br>Receipt of electrification best and final offers<br>Receipt of EMU proposal<br>Application for entry to engineering to FTA<br>Completed the EMU Buy America Pre-Award Audit and Certification<br>Negotiations completed with Stadler for EMU vehicles<br>Negotiations completed with BBII, the apparent best-value electrification firm<br>JPB approves contract award (LNTP) to BBII<br>JPB approves contract award (LNTP) to Stadler<br>FTA approval of entry into engineering for the Core Capacity Program<br>Application for FFGA |
| 2017        | FTA finalized the FFGA for \$647 million in Core Capacity funding, met all regulatory requirements including end of Congressional Review Period (February)<br>FTA FFGA executed, committing \$647 million to the project (May)<br>JPB approves \$1.98 billion budget for PCEP (June)<br>Issued NTP for EMUs to Stadler (June 1)<br>Issued NTP for electrification contract to BBII (June 19)<br>Construction began (August)<br>EMU manufacturing began (October)<br>Issued NTP for SCADA to Rockwell Collins (ARINC) (October)<br>Issued NTP for CEMOF Facility Upgrades to HNTB (November)                     |

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| <b>Date</b> | <b>Milestone</b>   |
|-------------|--|
| 2018        | Completed all PG&E agreements<br>JPB approves contract award to Mitsui for the purchase of electric locomotives and Amtrak for overhaul services, storage, acceptance testing, training, and shipment of locomotive to CEMOF<br>JPB approves authorization for the Executive Director to negotiate final contract award to ProVen for tunnel modifications and track rehabilitation project<br>JPB approves contract award (LNTP) to ProVen for tunnel modifications<br>Issued NTP to ProVen for tunnel modifications (October)<br>Amended contract with ProVen to include OCS in the tunnels (November) |
| 2019        | JPB approves contract award to ProVen for CEMOF modifications (February)<br>JPB approves LNTP to ProVen for CEMOF modifications (April)<br>JPB approves NTP to ProVen for CEMOF modifications (September)  |

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**APPENDICES**

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Appendix A – Acronyms

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|          |   |       |                                       |
|----------|---|-------|---------------------------------------|
| AIM      | Advanced Information Management                           | EA    | Environmental Assessment              |
| ARINC    | Aeronautical Radio, Inc.                                  | EAC   | Estimate at Completion                |
| BAAQMD   | Bay Area Air Quality Management District                  | EIR   | Environmental Impact Report           |
| BBII     | Balfour Beatty Infrastructure, Inc.                       | EOR   | Engineer of Record                    |
| CAISO    | California Independent System Operator                    | EMU   | Electric Multiple Unit                |
| CalMod   | Caltrain Modernization Program                            | ESA   | Endangered Species Act                |
| Caltrans | California Department of Transportation                   | ESA   | Environmental Site Assessments        |
| CDFW     | California Department of Fish and Wildlife                | FAI   | First Article Inspection              |
| CEMOF    | Centralized Equipment Maintenance and Operations Facility | FEIR  | Final Environmental Impact Report     |
| CEQA     | California Environmental Quality Act (State)              | FENTP | Full Notice to Proceed                |
| CHSRA    | California High-Speed Rail Authority                      | FFGA  | Full Funding Grant Agreement          |
| CIP      | Capital Improvement Plan                                  | FONSI | Finding of No Significant Impact      |
| CNPA     | Concurrent Non-Project Activity                           | FRA   | Federal Railroad Administration       |
| CPUC     | California Public Utilities Commission                    | FTA   | Federal Transit Administration        |
| CTC      | Centralized Traffic Control                               | GO    | General Order                         |
| DB       | Design-Build  | HSR   | High Speed Rail                       |
| DBB      | Design-Bid-Build  | ICD   | Interface Control Document            |
| DBE      | Disadvantaged Business Enterprise                         | IFC   | Issued for Construction               |
| DEMP     | Design, Engineering, and Management Planning              | ITS   | Intelligent Transportation System     |
|          |   | JPB   | Peninsula Corridor Joint Powers Board |
|          |   | LNTP  | Limited Notice to Proceed             |

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|       |   |          |  |
|-------|---|----------|--|
| MMRP  | Mitigation, Monitoring, and Reporting Program | RFI      | Request for Information  |
| MOU   | Memorandum of Understanding                   | RFP      | Request for Proposals  |
| MPS   | Master Program Schedule                       | RFQ      | Request for Qualifications                                     |
| NCR   | Non Conformance Report                        | ROCS     | Rail Operations Center System                                  |
| NEPA  | National Environmental Policy Act (Federal)   | ROW      | Right of Way   |
| NHPA  | National Historic Preservation Act            | RRP      | Railroad Protective Liability                                  |
| NMFS  | National Marine Fisheries Service             | RSD      | Revenue Service Date   |
| NTP   | Notice to Proceed                             | RWP      | Roadway Worker Protection                                      |
| OCS   | Overhead Contact System                       | SamTrans | San Mateo County Transit District                              |
| PCEP  | Peninsula Corridor Electrification Project    | SCADA    | Supervisory Control and Data Acquisition                       |
| PCJPB | Peninsula Corridor Joint Powers Board         | SCC      | Standard Cost Code   |
| PG&E  | Pacific Gas and Electric                      | SPUR     | San Francisco Bay Area Planning and Urban Research Association |
| PHA   | Preliminary Hazard Analysis                   | SFBCDC   | San Francisco Bay Conservation Development Commission          |
| PMOC  | Project Management Oversight Contractor       | SFCTA    | San Francisco County Transportation Authority                  |
| PS    | Paralleling Station                           | SFMTA    | San Francisco Municipal Transportation Authority               |
| PTC   | Positive Train Control                        | SFRWQCB  | San Francisco Regional Water Quality Control Board             |
| QA    | Quality Assurance                             | SOGR     | State of Good Repair   |
| QC    | Quality Control                               | SSCP     | Safety and Security Certification Plan                         |
| QMP   | Quality Management Plan                       | SSMP     | Safety and Security Management Plan                            |
| QMS   | Quality Management System                     | SSWP     | Site Specific Work Plan  |
| RAMP  | Real Estate Acquisition Management Plan       |          |  |
| RE    | Real Estate                                   |          |  |

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|              |  |
|--------------|--|
| <b>SWS</b>   | <b>Switching Station</b>                               |
| <b>TASI</b>  | <b>TransitAmerica Services<br/>Inc.</b>                |
| <b>TBD</b>   | <b>To Be Determined</b>                                |
| <b>TPS</b>   | <b>Traction Power Substation</b>                       |
| <b>TVA</b>   | <b>Threat and Vulnerability<br/>Assessment</b>         |
| <b>UPRR</b>  | <b>Union Pacific Railroad</b>                          |
| <b>USACE</b> | <b>United States Army Corp of<br/>Engineers</b>        |
| <b>USFWS</b> | <b>U.S. Fish and Wildlife<br/>Service</b>              |
| <b>VTA</b>   | <b>Santa Clara Valley<br/>Transportation Authority</b> |

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Appendix B – Funding Partner Meetings

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Funding Partner Meeting Representatives  
Updated October 31, 2019

| Agency  | CHSRA   | MTC   | SFCTA/SFMTA/CCSF   | SMCTA   | VTA  |
|---|---|---|--|---|--|
| <b>FTA Quarterly Meeting</b>                          | <ul style="list-style-type: none"> <li>• Bruce Armistead</li> <li>• Boris Lipkin</li> <li>• Simon Whitehorn</li> <li>• Ian Ferrier (info only)</li> <li>• Wai Su (info only)</li> </ul> | <ul style="list-style-type: none"> <li>• Anne Richman</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• April Chan</li> <li>• Peter Skinner</li> </ul> | <ul style="list-style-type: none"> <li>• Jim Lawson</li> </ul>   |
| <b>Funding Partners Quarterly Meeting</b>             | <ul style="list-style-type: none"> <li>• Bruce Armistead</li> <li>• Boris Lipkin</li> <li>• Simon Whitehorn</li> <li>• John Popoff</li> </ul>   | <ul style="list-style-type: none"> <li>• Trish Stoops</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• April Chan</li> <li>• Peter Skinner</li> </ul> | <ul style="list-style-type: none"> <li>• Krishna Davey</li> </ul>  |
| <b>Funding Oversight (monthly)</b>                    | <ul style="list-style-type: none"> <li>• Kelly Doyle</li> </ul>   | <ul style="list-style-type: none"> <li>• Anne Richman</li> <li>• Kenneth Folan</li> </ul> | <ul style="list-style-type: none"> <li>• Anna LaForte</li> <li>• Maria Lombardo</li> <li>• Luis Zurinaga</li> <li>• Monique Webster</li> <li>• Ariel Espiritu Santo</li> </ul> | <ul style="list-style-type: none"> <li>• April Chan</li> <li>• Peter Skinner</li> </ul> | <ul style="list-style-type: none"> <li>• Jim Lawson</li> <li>• Marcela Rensi</li> <li>• Michael Smith</li> </ul>               |
| <b>Change Management Board (monthly)</b>              | <ul style="list-style-type: none"> <li>• Bruce Armistead</li> <li>• Boris Lipkin</li> <li>• Simon Whitehorn</li> </ul>  | <ul style="list-style-type: none"> <li>• Trish Stoops</li> <li>• Kenneth Folan</li> </ul> | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> <li>• Tilly Chang (info only)</li> </ul>   | <ul style="list-style-type: none"> <li>• Joe Hurley</li> </ul>                          | <ul style="list-style-type: none"> <li>• Krishna Davey</li> <li>• Jim Lawson</li> <li>• Nuria Fernandez (info only)</li> </ul> |
| <b>Master Program Schedule Update (monthly)</b>       | <ul style="list-style-type: none"> <li>• Ian Ferrier</li> <li>• Wai Su</li> </ul>   | <ul style="list-style-type: none"> <li>• Trish Stoops</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• Joe Hurley</li> </ul>                          | <ul style="list-style-type: none"> <li>• Jim Lawson</li> </ul>   |
| <b>Risk Assessment Committee (monthly)</b>            | <ul style="list-style-type: none"> <li>• Ian Ferrier</li> <li>• Wai Su</li> </ul>   | <ul style="list-style-type: none"> <li>• Trish Stoops</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• Joe Hurley</li> </ul>                          | <ul style="list-style-type: none"> <li>• Krishna Davey</li> </ul>  |
| <b>PCEP Delivery Coordination Meeting (bi-weekly)</b> | <ul style="list-style-type: none"> <li>• Ian Ferrier</li> </ul>   | <ul style="list-style-type: none"> <li>• Trish Stoops</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• Joe Hurley</li> </ul>                          | <ul style="list-style-type: none"> <li>• Krishna Davey</li> </ul>  |
| <b>Systems Integration Meeting (bi-weekly)</b>        | <ul style="list-style-type: none"> <li>• Ian Ferrier</li> <li>• Wai Su</li> </ul>   | <ul style="list-style-type: none"> <li>• Trish Stoops</li> </ul>                          | <ul style="list-style-type: none"> <li>• Luis Zurinaga</li> </ul>  | <ul style="list-style-type: none"> <li>• Joe Hurley</li> </ul>                          | <ul style="list-style-type: none"> <li>• Krishna Davey</li> </ul>  |

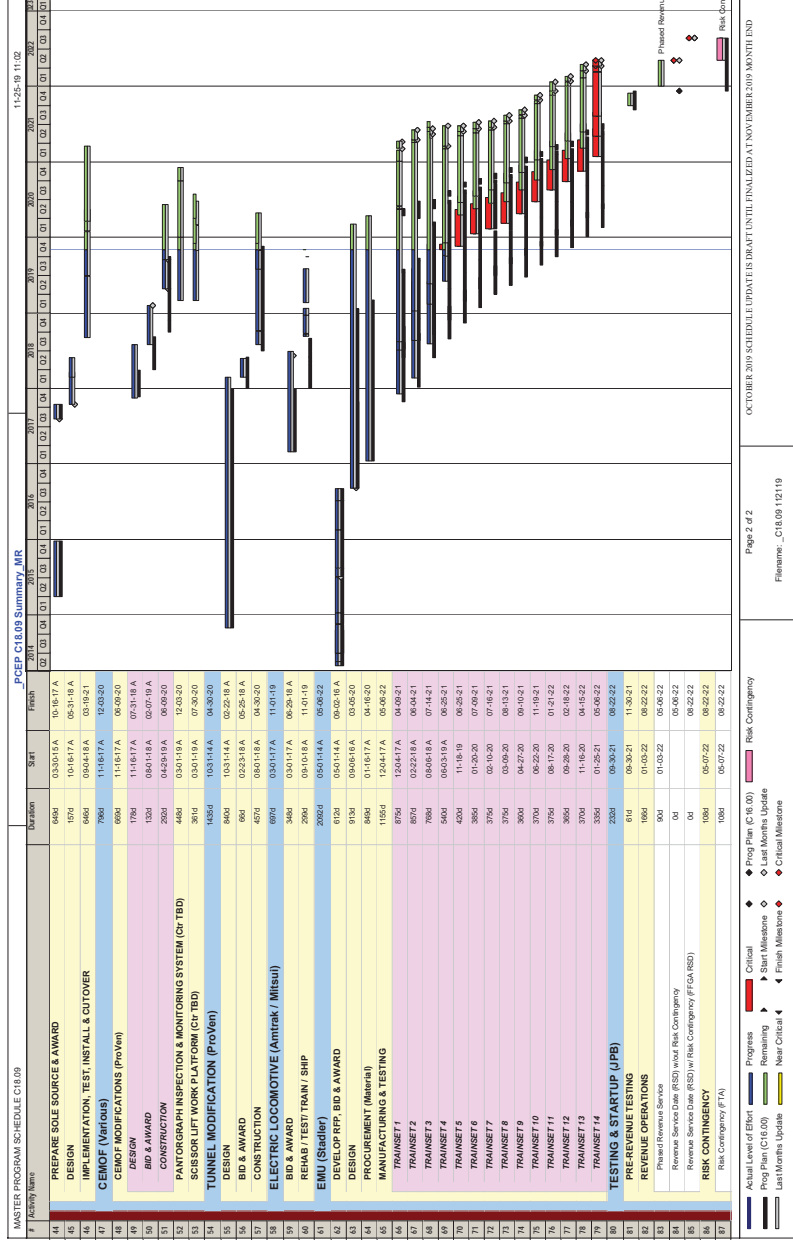
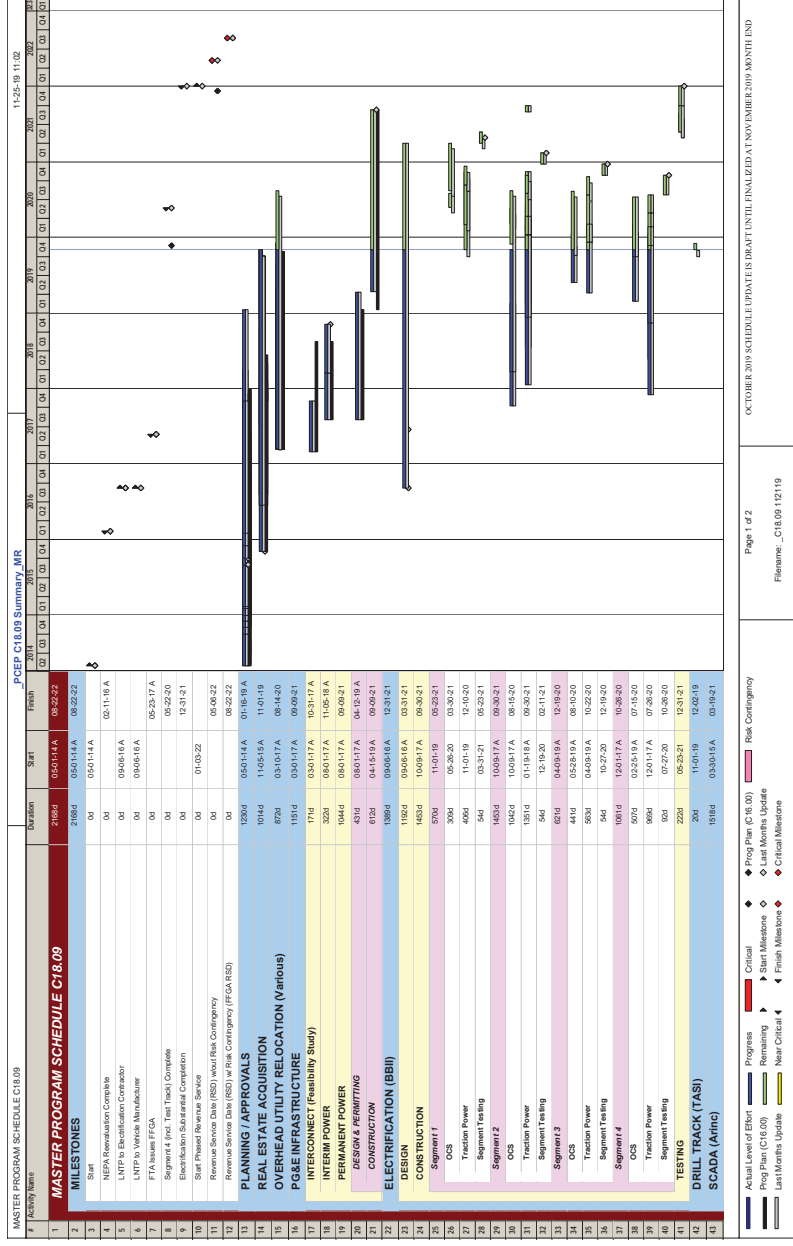
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**Peninsula Corridor Electrification Project**  
**Monthly Progress Report**

Appendix C – Schedule

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**Peninsula Corridor Electrification Project**  
**Monthly Progress Report**

Appendix D – Standard Cost Codes

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**Peninsula Corridor Electrification Project  
Monthly Progress Report**

| Description of Work   | Approved Budget (A)    | Cost This Month <sup>(1)</sup> (B) | Cost To Date (C)     | Estimate To Complete (D) | Estimate At Completion (E) = (C) + (D) |
|---|------------------------|------------------------------------|----------------------|--------------------------|--|
| <b>10 - GUIDEWAY &amp; TRACK ELEMENTS</b>                                   | <b>\$28,338,753</b>    | <b>\$151,687</b>                   | <b>\$23,009,375</b>  | <b>\$5,429,378</b>       | <b>\$28,438,753</b>                    |
| 10.02 Guideway: At-grade semi-exclusive (allows cross-traffic)              | \$2,500,000            | \$0                                | \$66,807             | \$2,533,193              | \$2,600,000                            |
| 10.07 Guideway: Underground tunnel  | \$25,838,753           | \$151,687                          | \$22,942,568         | \$2,896,185              | \$25,838,753                           |
| 10.07 Allocated Contingency   | \$0                    | \$0                                | \$0                  | \$0                      | \$0                                    |
| <b>30 - SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS</b>                  | <b>\$7,050,777</b>     | <b>\$332,725</b>                   | <b>\$1,471,640</b>   | <b>\$5,579,137</b>       | <b>\$7,050,777</b>                     |
| 30.03 Heavy Maintenance Facility  | \$6,550,777            | \$332,725                          | \$1,471,640          | \$5,079,137              | \$6,550,777                            |
| 30.03 Allocated Contingency   | \$0                    | \$0                                | \$0                  | \$0                      | \$0                                    |
| 30.05 Yard and Yard Track   | \$500,000              | \$0                                | \$0                  | \$500,000                | \$500,000                              |
| <b>40 - SITEWORK &amp; SPECIAL CONDITIONS</b>                               | <b>\$265,429,560</b>   | <b>\$4,255,236</b>                 | <b>\$144,444,213</b> | <b>\$121,406,819</b>     | <b>\$265,851,032</b>                   |
| 40.01 Demolition, Clearing, Earthwork                                       | \$3,077,685            | (\$20,000)                         | \$3,901,000          | (\$823,315)              | \$3,077,685                            |
| 40.02 Site Utilities, Utility Relocation                                    | \$91,128,599           | \$3,335,771                        | \$65,016,220         | \$23,939,379             | \$88,955,599                           |
| 40.02 Allocated Contingency   | (\$0)                  | \$0                                | \$0                  | (\$0)                    | (\$0)                                  |
| 40.03 Haz. mat'l, contam'd soil removal/mitigation, ground water treatments | \$2,200,000            | \$0                                | \$3,800,000          | \$994,473                | \$4,794,473                            |
| 40.04 Environmental mitigation, e.g. wetlands, historic/archeologic, parks  | \$32,579,208           | \$157,100                          | \$1,650,145          | \$30,929,063             | \$32,579,208                           |
| 40.05 Site structures including retaining walls, sound walls                | \$568,188              | \$0                                | \$0                  | \$568,188                | \$568,188                              |
| 40.06 Pedestrian / bike access and accommodation, landscaping               | \$764,933              | \$0                                | \$0                  | \$764,933                | \$764,933                              |
| 40.07 Automobile, bus, van accessways including roads, parking lots         | \$284,094              | \$0                                | \$0                  | \$284,094                | \$284,094                              |
| 40.08 Temporary Facilities and other indirect costs during construction     | \$114,216,852          | \$782,365                          | \$70,076,849         | \$44,340,004             | \$114,416,852                          |
| 40.08 Allocated Contingency   | \$0                    | \$0                                | \$0                  | \$20,410,003             | \$20,410,003                           |
| <b>50 - SYSTEMS</b>   | <b>\$521,476,559</b>   | <b>\$7,376,828</b>                 | <b>\$113,081,589</b> | <b>\$404,460,958</b>     | <b>\$537,542,541</b>                   |
| 50.01 Train control and signals   | \$99,483,668           | \$3,742,544                        | \$20,496,417         | \$80,724,113             | \$101,220,530                          |
| 50.01 Allocated Contingency   | \$0                    | \$0                                | \$0                  | \$0                      | \$0                                    |
| 50.02 Traffic signals and crossing protection                               | \$23,879,905           | \$0                                | \$0                  | \$23,879,905             | \$23,879,905                           |
| 50.02 Allocated Contingency   | \$1,140,000            | \$0                                | \$0                  | \$1,140,000              | \$1,140,000                            |
| 50.03 Traction power supply: substations                                    | \$72,744,787           | \$2,868,853                        | \$28,547,337         | \$56,482,764             | \$85,030,104                           |
| 50.03 Allocated Contingency   | \$27,990,893           | \$0                                | \$0                  | \$27,990,893             | \$27,990,893                           |
| 50.04 Traction power distribution: catenary and third rail                  | \$274,335,624          | \$765,433                          | \$63,979,845         | \$226,737,963            | \$290,717,807                          |
| 50.04 Allocated Contingency   | \$14,338,381           | \$0                                | \$0                  | (\$0)                    | (\$0)                                  |
| 50.05 Communications  | \$5,455,000            | \$0                                | \$57,989             | \$5,397,011              | \$5,455,000                            |
| 50.07 Central Control   | \$2,090,298            | \$0                                | \$0                  | \$2,090,298              | \$2,090,298                            |
| 50.07 Allocated Contingency   | \$18,000               | \$0                                | \$0                  | \$18,000                 | \$18,000                               |
| <b>60 - ROW, LAND, EXISTING IMPROVEMENTS</b>                                | <b>\$35,675,084</b>    | <b>\$28,490</b>                    | <b>\$18,397,048</b>  | <b>\$17,278,037</b>      | <b>\$35,675,084</b>                    |
| 60.01 Purchase or lease of real estate                                      | \$25,927,074           | \$28,490                           | \$18,268,474         | \$7,658,601              | \$25,927,074                           |
| 60.01 Allocated Contingency   | \$8,748,010            | \$0                                | \$0                  | \$8,748,010              | \$8,748,010                            |
| 60.02 Relocation of existing households and businesses                      | \$1,000,000            | \$0                                | \$128,574            | \$871,426                | \$1,000,000                            |
| <b>70 - VEHICLES (96)</b>   | <b>\$625,608,443</b>   | <b>\$727,983</b>                   | <b>\$170,142,203</b> | <b>\$454,009,588</b>     | <b>\$624,151,792</b>                   |
| 70.03 Commuter Rail   | \$592,277,622          | \$680,955                          | \$169,603,924        | \$421,851,610            | \$591,455,534                          |
| 70.03 Allocated Contingency   | \$6,499,071            | \$0                                | \$0                  | \$5,864,506              | \$5,864,506                            |
| 70.06 Non-revenue vehicles  | \$8,067,821            | \$47,030                           | \$538,280            | \$7,529,541              | \$8,067,821                            |
| 70.07 Spare parts   | \$18,763,931           | \$0                                | \$0                  | \$18,763,931             | \$18,763,931                           |
| <b>80 - PROFESSIONAL SERVICES (applies to Cats. 10-50)</b>                  | <b>\$330,222,946</b>   | <b>\$774,399</b>                   | <b>\$284,500,985</b> | <b>\$33,908,231</b>      | <b>\$338,409,216</b>                   |
| 80.01 Project Development   | \$130,354              | \$0                                | \$380,180            | (\$149,830)              | \$130,354                              |
| 80.02 Engineering (not applicable to Small Starts)                          | \$187,096,330          | (\$1,307,213)                      | \$194,099,731        | (\$1,794,262)            | \$192,305,469                          |
| 80.02 Allocated Contingency   | \$192,808              | \$0                                | \$0                  | \$549,119                | \$549,119                              |
| 80.03 Project Management for Design and Construction                        | \$74,332,188           | \$1,388,872                        | \$67,221,736         | \$9,731,272              | \$76,953,008                           |
| 80.03 Allocated Contingency   | \$8,000,390            | \$0                                | \$0                  | \$8,000,390              | \$8,000,390                            |
| 80.04 Construction Administration & Management                              | \$25,347,671           | \$450,983                          | \$13,411,176         | \$17,845,887             | \$31,257,063                           |
| 80.04 Allocated Contingency   | \$17,867,277           | \$0                                | \$0                  | \$11,957,888             | \$11,957,888                           |
| 80.05 Professional Liability and other Non-Construction Insurance           | \$4,543,588            | \$0                                | \$4,543,588          | \$0                      | \$4,543,588                            |
| 80.06 Legal, Permits, Review Fees by other agencies, cities, etc.           | \$6,341,599            | \$241,759                          | \$4,912,551          | \$1,429,048              | \$6,341,599                            |
| 80.06 Allocated Contingency   | \$556,000              | \$0                                | \$0                  | \$556,000                | \$556,000                              |
| 80.07 Surveys, Testing, Investigation, Inspection                           | \$3,388,781            | \$0                                | \$32,022             | \$3,356,759              | \$3,388,781                            |
| 80.08 Start up  | \$1,797,957            | \$0                                | \$0                  | \$1,797,957              | \$1,797,957                            |
| 80.08 Allocated Contingency   | \$628,000              | \$0                                | \$0                  | \$628,000                | \$628,000                              |
| <b>Subtotal (10 - 80)</b>   | <b>\$1,813,802,124</b> | <b>\$13,647,354</b>                | <b>\$755,047,054</b> | <b>\$1,082,072,142</b>   | <b>\$1,837,119,196</b>                 |
| <b>89 - UNALLOCATED CONTINGENCY</b>   | <b>\$106,970,172</b>   | <b>\$0</b>                         | <b>\$0</b>           | <b>\$83,653,100</b>      | <b>\$83,653,100</b>                    |
| <b>Subtotal (10 - 90)</b>   | <b>\$1,920,772,296</b> | <b>\$13,647,354</b>                | <b>\$755,047,054</b> | <b>\$1,165,725,242</b>   | <b>\$1,920,772,296</b>                 |
| <b>100 - FINANCE CHARGES</b>  | <b>\$9,898,638</b>     | <b>\$0</b>                         | <b>\$5,920,070</b>   | <b>\$3,978,568</b>       | <b>\$9,898,638</b>                     |
| <b>Total Project Cost (10 - 100)</b>  | <b>\$1,930,670,934</b> | <b>\$13,647,354</b>                | <b>\$760,967,124</b> | <b>\$1,169,703,810</b>   | <b>\$1,930,670,934</b>                 |

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**Peninsula Corridor Electrification Project**  
**Monthly Progress Report**

Appendix E – Change Order Logs

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**Peninsula Corridor Electrification Project  
Monthly Progress Report**

Change Order Logs

Electrification Contract

| Change Order Authority (5% of BBII Contract) |                  |  |             | 5% x \$696,610,558 = \$34,830,528         |                     |
|--|------------------|--|-------------|---|---------------------|
| Date   | Change Number    | Description  | CCO Amount  | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
| 08/31/17                                     | BBI-053-CCO-001  | Track Access Delays Q4 2016  | \$85,472    | 0.25%                                     | \$34,745,056        |
| 02/28/18                                     | BBI-053-CCO-003  | Deletion of Signal Cable Meggering (Testing)                             | (\$800,000) | (2.30%)                                   | \$35,545,056        |
| 02/21/18                                     | BBI-053-CCO-004  | Field Order for Differing Site Condition Work Performed on 6/19/17       | \$59,965    | 0.17%                                     | \$35,485,091        |
| 03/12/18                                     | BBI-053-CCO-006  | Track Access Delays for Calendar Quarter 1 2017                          | \$288,741   | 0.83%                                     | \$35,196,350        |
| 04/24/18                                     | BBI-053-CCO-002  | Time Impact 01 Associated with Delayed NTP                               | \$9,702,667 | 0.00% <sup>2</sup>                        | -                   |
| 04/24/18                                     | BBI-053-CCO-008  | 2016 Incentives (Safety, Quality, and Public Outreach)                   | \$750,000   | 0.00% <sup>2</sup>                        | -                   |
| 05/31/18                                     | BBI-053-CCO-009  | 16th St. Grade Crossing Work Removal from BBII Contract                  | (\$685,198) | (1.97%)                                   | \$35,881,548        |
| 05/31/18                                     | BBI-053-CCO-012  | 2017 Incentives (Safety, Quality, and Public Outreach)                   | \$1,025,000 | 0.00% <sup>2</sup>                        | -                   |
| 06/25/18                                     | BBI-053-CCO-010  | Pothole Change Of Shift  | \$300,000   | 0.86%                                     | \$35,581,548        |
| 06/25/18                                     | BBI-053-CCO-013  | Field Order for Signal Cable Relocation (FO# 31)                         | \$95,892    | 0.28%                                     | \$35,485,656        |
| 06/25/18                                     | BBI-053-CCO-015  | TASI Pilot Transportation 2017   | \$67,345    | 0.19%                                     | \$35,418,311        |
| 06/26/18                                     | BBI-053-CCO-005  | Field Orders for Signal Cable Relocation (FO#s 26, 30)                   | \$191,836   | 0.55%                                     | \$35,226,475        |
| 06/28/18                                     | BBI-053-CCO-014  | Field Orders for Signal Cable Relocation (FO-36 & FO-38)                 | \$145,694   | 0.42%                                     | \$35,080,781        |
| 06/29/18                                     | BBI-053-CCO-007  | Track Access Delays for Calendar Quarter 2 2017                          | \$297,512   | 0.85%                                     | \$34,783,269        |
| 06/29/18                                     | BBI-053-CCO-011  | Field Orders for Differing Site Condition (FO#s Partial 07A, 08-14)      | \$181,013   | 0.52%                                     | \$34,602,256        |
| 06/29/18                                     | BBI-053-CCO-017  | Field Order for NorCal Utility Potholing (FO# 27)                        | \$93,073    | 0.27%                                     | \$34,509,183        |
| 06/29/18                                     | BBI-053-CCO-018  | Field Order for NorCal Utility Potholing (FO# 29)                        | \$76,197    | 0.22%                                     | \$34,432,986        |
| 06/29/18                                     | BBI-053-CCO-020  | Field Orders for Differing Site Condition (FO#s 15-19)                   | \$118,364   | 0.34%                                     | \$34,314,622        |
| 7/19/2018                                    | BBI-053-CCO-019  | Field Order for NorCal Utility Potholing (FO-032)                        | \$88,956    | 0.26 %                                    | \$34,225,666        |
| 7/19/2018                                    | BBI-053-CCO-021  | As In-Service (AIS) Drawings for Segment 2 and 4 Signal Design (CN-009)  | \$105,000   | 0.30 %                                    | \$34,120,666        |
| 7/25/2018                                    | BBI-053-CCO-022  | CEMOM Yard Traction Power Feed (CN-008)                                  | \$332,700   | 0.96 %                                    | \$33,787,966        |
| 7/31/2018                                    | BBI-053-CCO-028  | Sonic Echo Impulse Testing   | \$4,541     | 0.01 %                                    | \$33,783,425        |
| 7/31/2018                                    | BBI-053-CCO-026  | TASI Pilot Transportation 2018 (CNC-0022)                                | \$50,409    | 0.14%                                     | \$33,733,016        |
| 7/31/2018                                    | BBI-053-CCO-027  | Signal Cable Relocation (FOs-040 & 051)                                  | \$196,114   | 0.56%                                     | \$33,536,902        |
| 9/27/2018                                    | BBI-053-CCO-030  | Delete Spare 115k Disconnect Switches                                    | (\$19,000)  | (0.05%)                                   | \$33,555,902        |
| 9/28/2018                                    | BBI-053-CCO-031  | Bldg A HVAC and FOB Card Reader Systems                                  | \$76,500    | 0.22 %                                    | \$33,479,402        |
| 9/28/2018                                    | BBI-053-CCO-025A | Addition of Shunt Wire at Transverse Utility Crossing Locations - Design | \$925,000   | 2.66 %                                    | \$32,554,402        |
| 9/28/2018                                    | BBI-053-CCO-016A | UPRR MT-1 Pole Relocation - Design Changes                               | \$903,000   | 0.00% <sup>2</sup>                        | -                   |
| 9/28/2018                                    | BBI-053-CCO-024A | PG&E Utility Feed Connection to TPS#1 and TPS#2 (Design Only)            | \$727,000   | 0.00% <sup>2</sup>                        | -                   |
| 12/17/2018                                   | BBI-053-CCO-032  | PS-2 Site Relocation (Design Only)                                       | \$291,446   | 0.84%                                     | \$32,262,956        |
| 1/17/2019                                    | BBI-053-CCO-023  | Insulated Rail Joints  | \$2,694,519 | 0.00% <sup>2</sup>                        | -                   |
| 1/17/2019                                    | BBI-053-CCO-029  | CHSRA Early Pole Relocation (Design Only)                                | \$625,000   | 0.00% <sup>2,3</sup>                      | -                   |
| 2/5/2019                                     | BBI-053-CCO-040A | Increase in Potholing Quantity (unit price contract bid item by 25%)     | \$1,662,500 | 4.77 %                                    | \$30,600,456        |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

Change Order Authority (5% of BBII Contract)

5% x \$696,610,558 = \$34,830,528

| Date         | Change Number    | Description  | CCO Amount          | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
|--------------|------------------|--|---------------------|---|---------------------|
| 3/5/2019     | BBI-053-CCO-042A | TPSS-2 VTA/BART Pole Relocation (Design Only) (CNPA funded by VTA)   | \$110,000           | 0.32% <sup>3</sup>                        | \$30,490,456        |
| 3/11/2019    | BBI-053-CCO-036  | Field Order for Signal Cable Relocation (FO-064)                     | \$86,538            | 0.25%                                     | \$30,403,918        |
| 3/20/2019    | BBI-053-CCO-035  | Millbrae Avenue Existing Overhead Barrier                            | (\$40,000)          | (0.11)%                                   | \$30,443,918        |
| 3/19/2019    | BBI-053-CCO-046  | Training in Design Software and Potholing                            | \$136,611           | 0.39%                                     | \$30,307,307        |
| 4/8/2019     | BBI-053-CCO-041  | Grade Crossing Warning System (CN59) – 5 mph Speed Check             | \$446,982           | 1.28%                                     | \$29,860,325        |
| 5/30/2019    | BBI-053-CCO-044  | Additional Daytime Potholing (Increase Quantity by 500 in Segment 4) | \$150,000           | 0.43 %                                    | \$29,710,325        |
| 6/6/2019     | BBI-053-CCO-048  | Power Metering Devices   | \$101,908           | 0.29 %                                    | \$29,608,417        |
| 6/13/2019    | BBI-053-CCO-045  | Incentive Payment for 2018   | \$1,025,000         | 0.00% <sup>2</sup>                        | -                   |
| 6/13/2019    | BBI-053-CCO-024B | PG&E Utility Feed Connection to TPS #1 and TPS#2 (Material On Hand)  | \$1,600,000         | 4.59 %                                    | \$28,008,417        |
| 6/24/2019    | BBI-053-CCO-043  | PS-5 Site Relocation (Design Only)                                   | \$348,000           | 1.00 %                                    | \$27,660,417        |
| 6/24/2019    | BBI-053-CCO-054  | Change Design Sequence for OCS Foundations                           | \$37,500            | 0.11%                                     | \$24,595,443        |
| 7/1/2019     | BBI-053-CCO-040B | Increase Quantity for Utilities Potholing (Bid Item #9)              | \$1,867,700         | 5.36 %                                    | \$25,792,717        |
| 7/10/2019    | BBI-053-CCO-033A | Relocation of PS3 (Design) (CNPA funded by BGSP)                     | \$500,000           | 1.44 % <sup>3</sup>                       | \$25,292,717        |
| 8/15/2019    | BBI-053-CCO-047  | CEMOM Slot Drains (Design Only)                                      | \$69,000            | 0.20%                                     | \$25,223,717        |
| 8/16/2019    | BBI-053-CCO-055  | Sheriff's Deputy in Segment 4B                                       | \$4,644             | 0.01%                                     | \$25,219,073        |
| 9/3/2019     | BBI-053-CCO-037  | Field Orders for Signal Cable Relocation (FO-053 & FO-059)           | \$184,576           | 0.53%                                     | \$25,034,497        |
| 9/7/2019     | BBI-053-CCO-057  | Mediator with Technical Expertise                                    | \$0                 | 0.00%                                     | \$25,034,497        |
| 9/27/2019    | BBI-053-CCO-061  | Interconnect Renaming of Circuit Numbers                             | \$58,058            | 0.17%                                     | \$24,976,439        |
| 9/27/2019    | BBI-053-CCO-063A | Track Access Delays - Quarter 1 2018 (Partial)                       | \$343,496           | 0.99%                                     | \$24,632,943        |
| 10/21/2019   | BBI-053-CCO-064  | TPS-2 VTA Pole Height Redesign (CNPA funded by VTA)                  | \$31,000            | 0.09% <sup>3</sup>                        | \$24,564,443        |
| <b>Total</b> |                  |  | <b>\$27,718,270</b> | <b>29.47 %</b>                            | <b>\$24,564,443</b> |

Notes:

- <sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.
- <sup>2</sup> Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.
- <sup>3</sup> Third party improvements/CNPA projects that are funded with non-PCEP funds.

EMU Contract

Change Order Authority (5% of Stadler Contract)

5% x \$550,899,459 = \$27,544,973

| Date       | Change Number   | Description   | CCO Amount | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
|------------|-----------------|---|------------|---|---------------------|
| 09/22/2017 | STA-056-CCO 001 | Contract General Specification and Special Provision Clean-up | \$0        | 0.00%                                     | -                   |
| 10/27/2017 | STA-056-CCO 002 | Prototype Seats and Special Colors                            | \$55,000   | 0.20%                                     | \$27,489,973        |
| 11/02/2017 | STA-056-CCO 003 | Car Level Water Tightness Test                                | \$0        | 0.00%                                     | -                   |
| 12/05/2017 | STA-056-CCO-004 | Onboard Wheelchair Lift 800 Pound Capacity Provisions         | \$848,000  | 3.08%                                     | \$26,641,973        |
| 11/03/2017 | STA-056-CCO 005 | Design Progression (multiple)                                 | \$0        | 0.00%                                     | -                   |
| 12/12/2017 | STA-056-CCO 006 | Prototype Seats and Special Colors                            | (\$27,500) | (0.10%)                                   | \$26,669,473        |
| 01/17/2018 | STA-056-CCO 007 | Multi-Color Destination Signs                                 | \$130,760  | 0.47%                                     | \$26,538,713        |
| 02/09/2018 | STA-056-CCO-008 | Adjustment to Delivery and LDs due to delayed FNTP            | \$490,000  | 0.00% <sup>2</sup>                        | -                   |



**Peninsula Corridor Electrification Project  
Monthly Progress Report**

| Change Order Authority (5% of Stadler Contract) |                 |   |                      | 5% x \$550,899,459 = \$27,544,973         |                     |
|---|-----------------|---|----------------------|---|---------------------|
| Date  | Change Number   | Description   | CCO Amount           | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
| 02/12/2018                                      | STA-056-CCO-009 | Ship Cab Mock-up to Caltrain                        | \$53,400             | 0.19%                                     | \$26,485,313        |
| 04/17/2018                                      | STA-056-CCO-010 | Onboard Wheelchair Lift Locations                   | (\$1,885,050)        | (6.84%)                                   | \$28,370,363        |
| 04/17/2018                                      | STA-056-CCO-011 | Multiple Change Group 3 and Scale Models            | \$0                  | 0.00%                                     | -                   |
| 10/29/2018                                      | STA-056-CCO-012 | Multiple Change Group 4                             | \$0                  | 0.00%                                     | -                   |
| 10/29/2018                                      | STA-056-CCO-013 | Wheelchair Lift Installation Redesign               | \$228,400            | 0.83%                                     | \$28,141,963        |
| 12/14/2018                                      | STA-056-CCO-014 | PTC System Change                                   | \$0                  | 0.00%                                     | -                   |
| 12/22/2018                                      | STA-056-CCO-015 | EMU Option Cars                                     | \$172,800,047        | 0.00% <sup>2,3</sup>                      | -                   |
| 6/26/2019                                       | STA-056-CCO-016 | Testing at TTCI (Pueblo Facility) - First Trainset  | \$3,106,428          | 11.28 %                                   | \$25,035,535        |
| 8/27/2019                                       | STA-056-CCO-017 | Virtual Reality Experience                          | \$400,000            | 1.45 %                                    | \$24,635,535        |
| 8/21/2019                                       | STA-056-CCO-018 | EMI Conducted Emissions Limits                      | \$0                  | 0.00%                                     | \$24,635,535        |
| 8/8/2019  | STA-056-CCO-019 | Option Car Payment Milestones                       | \$0                  | 0.00%                                     | \$24,635,535        |
| 8/21/2019                                       | STA-056-CCO-020 | Multiple No Cost No Schedule Impact Changes Group 5 | \$0                  | 0.00%                                     | \$24,635,535        |
| 10/28/2019                                      | STA-056-CCO-021 | Plugging of High-Level Doorways                     | \$736,013            | 2.67%                                     | \$23,899,523        |
| <b>Total</b>                                    |                 |   | <b>\$176,935,497</b> | <b>13.23 %</b>                            | <b>\$23,899,523</b> |

Notes:

- <sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.
- <sup>2</sup> Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.
- <sup>3</sup> Third party improvements/CNPA projects that are funded with non-PCEP funds.

SCADA Contract

| Change Order Authority (15% of ARINC Contract) |               |             |            | 15% x \$3,446,917 = \$517,038             |                     |
|--|---------------|-------------|------------|---|---------------------|
| Date   | Change Number | Description | CCO Amount | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
| None to date                                   |               |             |            |   |                     |
| <b>Total</b>                                   |               |             | <b>\$0</b> | <b>0.00%</b>                              | <b>\$517,038</b>    |

Notes:

- <sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.
- <sup>2</sup> Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

Tunnel Modifications Contract

| Change Order Authority (10% of ProVen Contract <sup>1</sup> ) |                  |  |            | 10% x \$55,077,777 = \$5,507,778          |                     |
|---|------------------|--|------------|---|---------------------|
| Date  | Change Number    | Description  | CCO Amount | Change Order Authority Usage <sup>2</sup> | Remaining Authority |
| 3/27/2019   | PROV-070-CCO-003 | Track Access Delay   | \$25,350   | 0.46 %                                    | \$5,482,428         |
| 3/27/2019   | PROV-070-CCO-004 | Additional OCS Potholing Due to Conflict with Existing Utilities | \$70,935   | 1.29 %                                    | \$5,411,493         |
| 3/27/2019   | PROV-070-CCO-005 | Install Tie Backs and Piles in Boulders at Tunnel 4              | \$29,478   | 0.54 %                                    | \$5,382,015         |
| 3/28/2019   | PROV-070-CCO-001 | Partnering Meetings (50% PCEP)                                   | \$14,443   | 0.26 %                                    | \$5,367,572         |
| 4/25/2019   | PROV-070-CCO-002 | Furnish Galvanized E-clips                                       | \$37,239   | 0.68 %                                    | \$5,330,333         |
| 4/30/2019   | PROV-070-CCO-006 | Additional Rock Bolts and Testing                                | \$22,549   | 0.41 %                                    | \$5,307,784         |

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| Change Order Authority (10% of ProVen Contract <sup>1</sup> ) |                   |   |                  | 10% x \$55,077,777 = \$5,507,778          |                     |
|---|-------------------|---|------------------|---|---------------------|
| Date  | Change Number     | Description   | CCO Amount       | Change Order Authority Usage <sup>2</sup> | Remaining Authority |
| 5/23/2019   | PROV-070-CCO-013  | Late Removal of Leaky Feeder Tunnel 4 (T-4 )                              | \$21,225         | 0.39 %                                    | \$5,286,559         |
| 5/28/2019   | PROV-070-CCO-014  | OCS Piles Utility Conflict at Tunnel-1 South (T-1S)                       | \$16,275         | 0.30 %                                    | \$5,270,284         |
| 5/29/2019   | PROV-070-CCO-012  | OCS Piles Utility Conflict at T-4S  | \$6,871          | 0.12 %                                    | \$5,263,413         |
| 5/31/2019   | PROV-070-CCO-016A | Portal Structure Detailing Changes  | \$84,331         | 1.53 %                                    | \$5,179,082         |
| 6/18/2019   | PROV-070-CCO-009  | Creosote Ties Covering (CNPA - Drainage \$3,116.00)                       | \$3,116          | 0.06 %                                    | \$5,175,966         |
| 6/28/2019   | PROV-070-CCO-008  | Micropiles at South Tunnel-2 South (T-2S)                                 | \$41,322         | 0.75 %                                    | \$5,134,644         |
| 6/28/2019   | PROV-070-CCO-010  | Salvage Transition Panels (CNPA - Drainage \$6,144.00)                    | \$6,144          | 0.11 % <sup>4</sup>                       | \$5,128,500         |
| 6/28/2019   | PROV-070-CCO-011  | Demo PVC and Plug Tunnel-1 South (T-1S) (CNPA - Drainage \$4,035.00)      | \$4,035          | 0.07 % <sup>4</sup>                       | \$5,124,465         |
| 6/28/2019   | PROV-070-CCO-020  | Unidentified SD Conflict with Junction Inlet (CNPA - Drainage \$1,976.00) | \$1,976          | 0.04 % <sup>4</sup>                       | \$5,122,489         |
| 9/26/2019   | PROV-070-CCO-007  | Canopy Tube Drilling  | \$89,787         | 1.63%                                     | \$5,032,702         |
| 9/26/2019   | PROV-070-CCO-023  | Over-excavate Trapezoidal Ditch at T-1N (CNPA - Drainage \$46,914.00)     | \$46,914         | 0.85% <sup>4</sup>                        | \$4,985,788         |
| 10/4/2019   | PROV-070-CCO-029  | Additional DryFix Pins  | \$105,000        | 1.91%                                     | \$4,880,788         |
| <b>Total</b>  |                   |   | <b>\$626,990</b> | <b>11.38 %</b>                            | <b>\$4,880,788</b>  |

Notes:

- <sup>1</sup> Tunnel modifications contract (\$55,077,777) includes: Notching (\$25,281,170), Drainage (\$13,196,607) and OCS Installation (\$16,600,000).
- <sup>2</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.
- <sup>3</sup> Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.
- <sup>4</sup> Third Party Improvements/CNPA Projects that are funded with non-PCEP funds.

CEMOF Modifications Contract

| Change Order Authority (10% of ProVen Contract) |               |             |            | 10% x \$6,550,777 = \$655,078             |                     |
|---|---------------|-------------|------------|---|---------------------|
| Date  | Change Number | Description | CCO Amount | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
| None to date                                    |               |             |            |   |                     |
| <b>Total</b>                                    |               |             | <b>\$0</b> | <b>0.00%</b>                              | <b>\$655,078</b>    |

Notes:

- <sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.
- <sup>2</sup> Change approved by the Board of Directors – not counted against the Executive Director's Change Order Authority.

AMTRAK AEM-7 Contract

| Change Order Authority (Lump Sum) |                  |  |                 | Up to \$150,000                           |                     |
|-----------------------------------|------------------|--|-----------------|---|---------------------|
| Date                              | Change Number    | Description                                    | CCO Amount      | Change Order Authority Usage <sup>1</sup> | Remaining Authority |
| 10/25/2019                        | AMTK-066-CCO-001 | Change to Amtrak Contract for Test Locomotives | (72,179)        | (48.12%)                                  | 222,179             |
| <b>Total</b>                      |                  |  | <b>(72,179)</b> | <b>(48.12%)</b>                           | <b>\$222,179</b>    |

Notes:

- <sup>1</sup> When the threshold of 75% is reached, staff may return to the Board to request additional authority.

Appendix F – Risk Table

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**Listing of PCEP Risks and Effects in Order of Severity**

| ID  | RISK DESCRIPTION  | EFFECT(S)   |
|-----|---|---|
| 313 | Contractor incorrect sequencing of utility locates, preliminary design, final design, and foundation construction may result in inefficiencies in construction, redesign, and reduced production rates. | Delay and additional cost for rework.   |
| 303 | Extent of differing site conditions and associated redesign efforts results in delays to the completion of the electrification contract and increases program costs.                                    | More differing site conditions and longer to resolve.<br><br>Extends construction of foundations and the OCS system and results in less efficient construction of foundations.  |
| 314 | The contractor may not complete and install signal design including CWT modifications within budget and schedule.   | Delay and additional cost for rework.   |
| 242 | Track access does not comply with contract-stipulated work windows.   | Contractor claims for delays, schedule delays and associated costs to owner's representative staff.   |
| 223 | Major program elements may not be successfully integrated with existing operations and infrastructure in advance of revenue service.  | Proposed changes resulting from electrification may not be fully and properly integrated into existing system.<br><br>Rework resulting in cost increases and schedule delays  |
| 257 | Potential that modifications to the PTC database and signal software are not completed in time for cutover and testing.   | Failure to follow the Configuration Management process will result in delays to completing PCEP signal cutovers. This could delay milestone completion as well as project substantial completion.   |
| 267 | Additional property acquisition is necessitated by change in design.  | New project costs and delays to schedule.   |
| 273 | Contractor generates hazardous materials, that necessitates proper removal and disposal in excess of contract allowances and expectations.  | Delay to construction while removing and disposing of hazardous materials resulting in schedule delay, increased construction costs, and schedule delay costs.  |
| 308 | Rejection of DVR for ATF and static wires results in cost and schedule impacts to PCEP.   | Delay and delay claims  |
| 298 | Changes to PTC implementation schedule could delay completion of the electrification work. Cost and schedule of BBII contract could increase as a result of change in PTC system                        | 1. Changes in datafiles could affect what Balfour provides; could delay timing for testing; could change books that FRA had to review.<br>2. Full integrated testing between EMU and wayside cannot be conducted without PTC in place.<br>3. Delays to completion of signal system could result in conflicts with PTC testing |

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| ID  | RISK DESCRIPTION   | EFFECT(S)   |
|-----|--|---|
|     |  | and PCEP construction and integrated testing.<br>4. Potential for track access impacts due to PTC testing.  |
| 309 | Potential that vehicles will not receive timely notification from FRA of compliance with acceptable alternate crash management standards   | Delays to completion of construction and additional cost to changes in design.  |
| 209 | TASI may not have sufficient number of signal maintainers for testing.   | <ul style="list-style-type: none"> <li>• Delays to construction/testing.</li> <li>• Delays to completion of infrastructure may delay acceptance of vehicles</li> </ul>  |
| 10  | Potential for Stadler's sub-suppliers to fall behind schedule or delays in parts supply chain result in late completion of vehicles.   | <ul style="list-style-type: none"> <li>• Delay in obtaining parts / components.</li> <li>• Cost increases. (See Owner for allocation of costs)</li> <li>• Schedule increase - 3 months (See Owner for allocation of damages associated with this Risk)</li> </ul> |
| 240 | Property not acquired in time for contractor to do work.<br><br>Property Acquisition not complete per contractor availability date<br><>Fee<br><>Easement<br><>Contract stipulates that if parcels are not available by contract date, there is only a delay if parcels are not available by the time contractor completes the Segment | <ul style="list-style-type: none"> <li>• Potential delays in construction schedule</li> </ul>   |
| 263 | Collaboration across multiple disciplines to develop a customized rail activation program may fail to comprehensively address the full scope of issues required to operate and maintain an electrified railroad and decommission the current diesel fleet.   | Delay in testing of EMUs. Delay in Revenue Service Date. Additional costs for Stadler and BBII due to overall schedule delays.  |
| 312 | Project executed the OCS Option; increase in procurement durations for necessary OCS Parts (Conductor Rail) has led to an associated increase in costs and schedule duration for the overall project   | Additional cost to project, primarily from additional bus bridges.  |
| 302 | May not have a 110-mph electrified section of track that will be ready for testing for final acceptance of vehicle.  | Contract with Stadler implies readiness of Electrification Project and track upgrades for EMU testing Delays in testing may increase Caltrain costs.  |
| 315 | Increased oversight and schedule risk associated with Stadler plan to move car shell manufacturing to a new Switzerland facility. And to implement second shift of sub-assembly production in  | Increased PCEP oversight costs possible trainset delivery schedule slippage   |

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| ID  | RISK DESCRIPTION  | EFFECT(S)  |
|-----|---|--|
|     | Altenrhein.AC106  |  |
| 67  | Relocation of overhead utilities must precede installation of catenary wire and connections to TPSs. Relocation work will be performed by others and may not be completed to meet BBII's construction schedule. | Delay in progress of catenary installation resulting in claims and schedule delay  |
| 115 | Other capital improvement program projects compete with PCEP for track access allocation and requires design coordination (design, coordination, integration).  | Schedule delay as resources are allocated elsewhere, won't get track time, sequencing requirements may delay PCEP construction, track access requirements must be coordinated. |
| 136 | UP reviews of BBI design may extend project duration.   | Delays to completion of design and claims for delay.   |
| 261 | EMU electromechanical emissions and track circuit susceptibility are incompatible.  | Changes on the EMU and/or signal system require additional design and installation time and expense.   |
| 277 | Inadequate D-B labor to support multiple work segments  | Additional cost and time   |
| 281 | BBII's ability to complete base scope for signal/pole adjustments may be required to remedy sight distance impediments arising from modifications to original design.   | Add repeater signals, design duct bank would result in increased design and construction costs.  |
| 285 | Potential for inflation, (except with respect to Maintenance Option) to increase contractor costs.  | Higher cost  |
| 286 | Potential for wage escalation, (except for Maintenance Option) to increase contractor costs.  | Higher cost  |
| 287 | Design changes may necessitate additional implementation of environmental mitigations not previously budgeted.  | Increased cost for environmental measures and delays to construct and overall delay in construction schedule   |
| 295 | ProVen may not be able to complete termination structures prior to Balfour completing Segment 1.  | Delays to completion of construction and associated claims costs.  |
| 296 | BBII needs to complete interconnection and traction power substations be sufficiently complete to accept interim power  | Delay in testing and increased costs   |
| 304 | Solution to FRA concerns over bike storage impeding path to emergency exit windows path results in increased costs and potential rework.  | Protracted negotiations with FRA to achieve original design  |
| 13  | Vehicle manufacturer could default.   | Prolonged delay to resolve issues (up to 12 months)<br><br>Increase in legal expenses  |

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| ID  | RISK DESCRIPTION  | EFFECT(S)   |
|-----|---|---|
|     |   | Potential price increase to resolve contract issue  |
| 12  | Potential for electromagnetic interference (EMI) to private facilities with sensitive electronic equipment caused by vehicles.  | <ul style="list-style-type: none"> <li>• Increased cost due to mitigation</li> <li>• Potential delay due to public protests or environmental challenge.</li> </ul>  |
| 56  | Lack of operations personnel for testing.   | <ul style="list-style-type: none"> <li>• Testing delayed.</li> <li>• Change order for extended vehicle acceptance.</li> </ul>   |
| 88  | Construction safety program fails to sufficiently maintain safe performance.  | Work stoppages due to safety incidents resulting in schedule delay and additional labor costs.  |
| 161 | Unanticipated costs to provide alternate service (bus bridges, etc.) during rail service disruptions.   | Cost increase.  |
| 183 | Installation and design of new duct bank takes longer because of UP coordination  | <u>Schedule</u> - Delay. May need to use condemnation authority to acquire easement.<br><br><u>Cost</u> - Additional cost for PG&E to make connections increasing project costs   |
| 247 | Timely resolution of 3rd party design review comments to achieve timely approvals   | Delay to completion of design and associated additional labor costs.  |
| 270 | OCS poles or structures as designed by Contractor fall outside of JPB row   | Additional ROW Take, additional cost and time   |
| 294 | UP does not accept catenary pole offsets from centerline of track necessitating further negotiation or relocation of poles  | Delay to construction and additional costs for redesign and ROW acquisition.  |
| 82  | Unexpected restrictions could affect construction progress:<br><> night work<br><> noise<br><> local roads<br><> local ordinances   | <ul style="list-style-type: none"> <li>• Reduced production rates.</li> <li>• Delay</li> </ul>  |
| 241 | Segment 4 substantially complete (Segment 4, TPS-2, Interconnect) may not be installed prior to scheduled exercising of EMUs  | Inability to exercise EMUs  |
| 253 | Risk that existing conditions of Caltrans-owned bridges will not support bridge barriers. The existing bridge conditions and structural systems are unknown and may not support mounting new work<br><br>Design will need to prove new barriers will not impact existing capacity of the bridges prior to Caltrans's approval for | Delays to issuance of permit for construction while negotiating and executing an operation and maintenance agreement for equipment installed on bridges; existing bridge deficiencies could result in additional costs to PCEP. |

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| ID  | RISK DESCRIPTION   | EFFECT(S)  |
|-----|--|--|
|     | construction. Without approval of design and issuance of permit, there is risk to the schedule for the work and also budget if during design existing bridge will require some upgrades due to the introduction of new attachments.  |  |
| 11  | Risks in achieving acceptable vehicle operations performance:<br><> software problems<br><> electrical system problems<br><> mechanical problems<br><> systems integration problems<br><br>Increased issues lately with vehicles regarding system integration and compatibility. | Cost increase.<br><br>Delays vehicle acceptance<br><br>Potential spill-over to other program elements  |
| 16  | Inter-operability issues with diesel equipment.  | Cost increase.   |
| 31  | New cars possibly not reliable enough to be put into service as scheduled  | Operating plan negatively impacted   |
| 78  | Need for unanticipated, additional ROW for new signal enclosures.  | Delay while procuring ROW and additional ROW costs.  |
| 171 | Electrification facilities could be damaged during testing.  | Delay in commencing electrified operations.  |
| 190 | Track roughness and cant could present problems for European vehicles which are accustomed to a higher class of track bed maintenance.<br><br>Becomes problematic with concept of specifying "off-the-shelf" design.   | Vehicle cost increase.<br><br>Vehicle delivery delay.  |
| 244 | Determine that there is sufficient storage for both EMU and Diesel fleets while maintaining Yard/Vehicle operability.  | Potential delay in completion of Test & Commissioning due to vehicle movements & logistics   |
| 251 | Subcontractor and supplier performance to meet aggressive schedule<br><>Potential issue meeting Buy America requirements   | Delay to production schedule resulting in increased soft costs and overall project schedule delay.   |
| 259 | Work on 25th Avenue Grade Separation Project could delay Balfour construction schedule.  | <ul style="list-style-type: none"> <li>• Increased cost for BBI as catenary construction in this section was anticipated to be constructed under the 25th Avenue Grade Separation Project.</li> <li>• Potential delays in construction schedule</li> <li>• Risk is delay to BBI</li> </ul> |
| 271 | Need for additional construction easements beyond that which has been  | Additional cost and time   |

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| ID  | RISK DESCRIPTION  | EFFECT(S)  |
|-----|---|--|
|     | provided for Contractor proposed access and staging   |  |
| 272 | Final design based upon actual Geotech conditions   | Could require changes  |
| 288 | Independent checker finds errors in signal design and technical submittals  | Additional cost and time   |
| 289 | Coordination and delivery of permanent power for power drops for everything except traction power substations along alignment   | Can't test resulting in delays to schedule and associated additional project costs.  |
| 291 | Order/manufacture of long lead items prior to 100% IFC design document that proves to be incorrect  | Design change and/or delays  |
| 292 | Potential that UPS will not fit in the spaces allotted to communications work within the buildings.   | Requisite backup capacity units under design criteria could result in the need for larger unit than originally planned resulting in design and fabrication changes and associated schedule delays and costs. |
| 311 | Although project recordable injuries remain below the industry average, there have been numerous small impact incidents occurring that could potentially lead to a more serious event occurring.  | The occurrence of a high impact safety event could result in project rework, construction delays, and increased project costs.   |
| 316 | PTC system "freeze periods" during revenue service demonstration periods may delay Balfour activities including: cutovers at new locations, taking signals out of service, making software changes in a location, and spicing into fiber. | Delays and additional costs associated with interruption of efficient workflow.  |
| 317 | JPB may not make timely acquisition of resources to staff rail activation plan with key personnel.  | Delay in operating electrified railroad - delay of RSD.  |
| 19  | Potential for vehicle delivery to be hampered by international conflict; market disruption; labor strikes at production facility.   | Delay in production of vehicle with associated cost implications.  |
| 21  | EMU production delay. Possible that there are quality issues, failed factory tests, poor integration / control of suppliers.  | Schedule Increase - up to 6 months (6 months float already built into 36 month schedule)   |
| 27  | Vehicle power consumption may not meet requirements.<br><br><>System impact study and load flow show no issues  | Issue with PG&E. Can't run full acceleration.  |
| 42  | Full complement of EMUs not available upon initiation of electrified revenue service  | Late delivery impacts revenue service date.  |

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| ID  | RISK DESCRIPTION   | EFFECT(S)   |
|-----|--|---|
| 55  | Failure to pass Qualification Testing.   | Cost Increase - minimal<br>Schedule delay   |
| 61  | Latent defects in EMU vehicles.  | Unbudgeted costs incurred from legal actions.<br>Repairs take trains out-of-service.  |
| 101 | PG&E may not be able to deliver permanent power for the project within the existing budget and in accordance with the project schedule   | Additional project costs; potential delay to revenue service date   |
| 150 | Number of OCS pole installation is significant. Any breakdown in sequencing of operations or coordination during multiple crews will have a substantial effect on the project. | Delay.  |
| 245 | Failure of BBI to submit quality design and technical submittals in accordance with contract requirements<br>• \$3-\$5M/month burn rate for Owner's team during peak           | Delays to project schedule and additional costs for preparation and review of submittals.   |
| 252 | Failure of BBI to order/manufacture long lead items prior to 100% IFC design document approval by JPB  | Delays to project schedule and additional cost for contractor and JPB staff time.   |
| 306 | Possible legal challenge and injunction to any changes in PCEP requiring subsequent CEQA or NEPA environmental clearance documentation/actions.                                | Worst case: a judge issues an injunction, which would prohibit any work ONLY on the project scope of the environmental document. Impact to the project from cost and schedule impact depends on if work is on the critical or becomes on the critical path. |
| 8   | Requests for change orders after vehicles are in production  | Delays to manufacturing of vehicles and additional design and manufacturing costs.  |
| 23  | Manufacturer cannot control vehicle weight to meet specifications.   | Increased operating cost.   |
| 25  | Potential that vehicles cannot meet requirements for "Mean Time to Repair" (MTTR).   | Increased maintenance cost.   |
| 32  | Failure to come up to speed on stakeholder safety requirements:<br><> FTA<br><> FRA<br><> CPUC   | Takes longer than expected to gain FRA/FTA concurrence on waiver and/or level boarding requirements.  |
| 51  | Damage during delivery of first six EMUs.  | Schedule delay  |
| 53  | Failure to meet Buy America requirements.  | Potential need for negotiations that might  |

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| ID  | RISK DESCRIPTION  | EFFECT(S)   |
|-----|---|---|
|     | (Contractor definition of component v. sub-component may not be accepted by Caltrain / FTA.)  | lead to delay of project award.<br>(BA is not negotiable)   |
| 54  | Infrastructure not ready for vehicles (OCS, TPS, Commissioning site / facility).  | Increases cost if done off property   |
| 69  | Potential need for additional construction easements. Especially for access and laydown areas.<br><br>Contractor could claim project is not constructible and needs more easements after award.   | Increased cost<br>Delay   |
| 87  | Unanticipated HazMat or contaminated hot spots encountered during foundation excavations for poles, TPSS, work at the yards.  | Increased cost for clean-up and handling of materials and delay to schedule due to HazMat procedures. |
| 106 | Potential that DB contractor will have insufficient field resources (personnel or equipment) to maintain aggressive schedule.<br><br>Multiple segments will need to be under design simultaneously.<br><br>Labor pool issue. 32 qualified linemen will be needed. Potential there is not enough available. Big storm damage anywhere in US will draw from the pool to make line repairs.<br><br>Possible shortages with other specialty crafts as well. | Delay.  |
| 151 | Public could raise negative concerns regarding wheel/rail noise.  | Increased cost to mitigate:<br><> grind rails<br><> reprofile wheels<br><> sound walls                |
| 182 | Compliance with Buy America requirements for 3rd party utility relocations.<br><br><>Utility relocations covered under existing Caltrain agreements that require utilities to move that will not have effect on project cost - will not be Buy America<br><>Installation of new equipment inside PG&E substations that will provide all PG&E customers, about 1/6 of that   | • Increased cost<br>• Delay   |

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| ID  | RISK DESCRIPTION  | EFFECT(S)  |
|-----|---|--|
|     | provides power to our system - is upgrade that benefits all customers subject to Buy America requirements, is it 1/6th, or 100% <>Risk is substation not relocations <>Substation equipment is available domestically, has 6 month longer lead time and increased cost of 20%   |  |
| 192 | Environmental compliance during construction.<br>- Potential impact to advancing construction within the vicinity of any cultural finds that are excavated.<br>- Failure to meet the commitments contained within the PCEP EA, FEIR and permit conditions   | <ul style="list-style-type: none"> <li>• Delay</li> <li>• Cost increase</li> </ul>   |
| 195 | Introduction of electrified train service will require training of first responders in working in and around the rail corridor. The new vehicles will be considerably quieter than the existing fleet and the presence of high voltage power lines will require new procedures for emergency response. A new training program will need to be developed and disseminated for:<br><ul style="list-style-type: none"> <li>• Fire, police, and first responders</li> <li>• Local communities</li> <li>• Schools</li> </ul> | Safety hazards resulting in incidents that delay construction and increase labor cost. Delays in RSD until training is completed as requirement of safety certification process.                   |
| 237 | JPB needs an agreement with each city in which catenary will be strung over an existing grade crossing (17 in all) under GO 88 (grade crossings). These agreements must be executed subsequent to installing overhead catenary. JPB is preparing a response to CPUC while working with the cities. Delays in reaching agreement could have impacts on schedule and budget.  | Not completing the grade crossing diagnostics and getting agreement from the cities on the results can result in delays to necessary approvals for the project and revenue service.                |
| 248 | 3rd party coordination<br><>Jurisdictions, Utilities, UP, Contractors<br><>D/B needs to provide timely information to facilitate 3rd party coordination<br><>Risk is for construction   | Delays in approvals resulting in project schedule delays and associated costs.   |
| 250 | Potential for municipalities to request betterments as part of the electrification project.   | Delay to project schedule in negotiating betterments as part of the construction within municipalities and associated increased cost to the project as no betterments were included in the project |

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| ID  | RISK DESCRIPTION  | EFFECT(S)   |
|-----|---|---|
|     |   | budget.   |
| 254 | Potential that bridge clearance data are inaccurate and that clearances are not sufficient for installation of catenary.                        | Results in additional design and construction to create sufficient clearance.   |
| 266 | Verizon poles in conflict with OCS may not be removed in advance of OCS installation.   | Delay in progress of catenary installation resulting in claims and schedule delay   |
| 274 | JPB as-built drawings and existing infrastructure to be used as basis of final design and construction is not correct                           | Additional cleanup of as-builts after PCEP construction   |
| 275 | DB fails to verify as-built drawings and existing infrastructure  | Additional cleanup of as-builts after PCEP construction   |
| 278 | Failure of D/B contractor and subcontractors and suppliers to meet Buy America requirements   | Delays while acceptable materials are procured and additional costs for delays and purchase of duplicative equipment.   |
| 282 | Failure to maintain dynamic envelope and existing track clearances consistent with requirements.  | Redesign entailing cost and schedule impacts.   |
| 283 | Fluctuation in foreign currency v US dollar   | Increase in costs   |
| 284 | Compliance with project labor agreement could result in inefficiencies in staffing of construction.   | Increase in labor costs and less efficient construction resulting in schedule delays.   |
| 290 | Delays in agreement and acceptance of initial VVSC requirements database.   | Delay to design acceptance  |
| 293 | Readiness of 115kV interconnect for temporary power to support testing  | Delay in testing  |
| 297 | Cost and schedule of Stadler contract could increase as a result of this change in PTC system<br><br>Delay of PTC may delay acceptance of EMUs. | 1) Full integrated testing between EMU and wayside cannot be conducted without PTC in place.<br><br>2) Delay in EMU final design for PTC and potential PTC interfaces. Need to finalize braking system sequence priority. |

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Appendix G – MMRP Status Log

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**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|----------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>AES-2a: Minimize OCS construction activity on residential and park areas outside the Caltrain ROW.</b>                  | X                 | X            |                   |           | Ongoing  | The OCS proposed construction schedule has been provided to the JPB. OCS construction began the week of October 2, 2017. The D-B has utilized the potholing process to assist in locating conflicts in the 35% design and attempting to relocate OCS pole locations within the ROW.                                   |
| <b>AES-2b: Aesthetic treatments for OCS poles, TPFs in sensitive visual locations, and Overbridge Protection Barriers.</b> | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure have been implemented as described, and coordination with the specific jurisdictions regarding pole colors and design is ongoing. Coordination with the JPB & local jurisdiction regarding Overbridge Protection Barriers and TPFs is ongoing.                       |
| <b>AES-4a: Minimize spillover light during nighttime construction.</b>   |                   | X            |                   |           | Ongoing  | OCS construction began the week of October 2, 2017; and the BBI community relations lead has notified nearby residents of upcoming construction. During construction, lighting is faced inward, towards the railroad tracks, and any complaints will be documented and addressed by the BBI community relations lead. |
| <b>AES-4b: Minimize light spillover at TPFs.</b>   | X                 |              |                   |           | Upcoming | The design requirements indicated in the measure are being utilized in the design and construction process.   |
| <b>AQ-2a: Implement BAAQMD basic and additional construction mitigation measures to reduce construction-related dust.</b>  | X                 | X            |                   |           | Ongoing  | The Dust Mitigation Plan was submitted to the JPB and approved. The requirements in the Dust Mitigation Plan will be implemented throughout the construction period and documented in daily reports.  |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|----------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>AQ-2b: Implement BAAQMD basic and additional construction mitigation measures to control construction-related ROG and NOX emissions.</b> | X                 | X            |                   |           | Ongoing  | The Equipment Emissions Control Plan was submitted to the JPB and approved. The requirements in the Equipment Emissions Control Plan will be implemented throughout the construction period and documented in daily reports.            |
| <b>AQ-2c: Utilize clean diesel-powered equipment during construction to control construction-related ROG and NOX emissions.</b>             | X                 | X            |                   |           | Ongoing  | The Equipment Emissions Control Plan was submitted to the JPB and approved. The requirements in the Equipment Emissions Control Plan will be implemented throughout the construction period and documented in daily reports.            |
| <b>BIO-1a: Implement general biological impact avoidance measures.</b>  | X                 | X            |                   |           | Ongoing  | Worker Environmental Awareness Training is provided to all project-related personnel before they work on the project. All measures as described will be implemented throughout the construction period and documented in daily reports. |
| <b>BIO-1b: Implement special-status plant species avoidance and revegetation measures.</b>  | X                 | X            | X                 |           | Complete | Not applicable. Subsequent habitat assessment and avoidance of Communication Hill eliminated any potential to affect special-status plant species. The measure is not needed.   |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>BIO-1c: Implement California red-legged frog and San Francisco garter snake avoidance measures.</b>           | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities nearby/adjacent to potential habitat for CRLF and SFGS. The Wildlife Exclusion Fencing Plans for Segments 1 and 4 were submitted and approved by the wildlife agencies, and installation and monitoring of wildlife exclusion fencing is ongoing. No CRLF / SFGS or sign of each species has been observed to date on the Project. |
| <b>BIO-1d: Implement western pond turtle avoidance measures.</b>   | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities nearby/adjacent to potential habitat for WPT. No WPT or WPT sign have been observed to date on the Project.  |
| <b>BIO-1e: Implement Townsend's big-eared bat, pallid bat, hoary bat, and fringed myotis avoidance measures.</b> | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities with the potential to disturb bats or their habitat. No special-status bats or sign have been observed to date on the Project.   |
| <b>BIO-1f: Implement western burrowing owl avoidance measures.</b>   | X                 | X            |                   |           | Ongoing | Protocol surveys for Western Burrowing Owl (BUOW) have been conducted from April through July, in 2017, 2018, and 2019, at previously identified potentially suitable habitat locations. Note that all of these locations are in Construction Segment 4 (southern Santa Clara and San Jose). No Burrowing Owls have been observed during the surveys conducted to date. Survey reports for the 2017, 2018, and 2019                              |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
|   |                   |              |                   |           |         | surveys have been submitted to the JPB for the project record. In addition, pre-construction surveys of the potential BUOW habitat areas in Segment 4 are ongoing, and they occur no more than 7 days prior to the onset of construction activities.  |
| <b>BIO-1g: Implement northern harrier, white-tailed kite, American peregrine falcon, saltmarsh common yellowthroat, purple martin, and other nesting bird avoidance measures.</b> | X                 | X            |                   |           | Ongoing | Nesting Bird surveys were conducted from February 1 through September 15, in 2017, 2018 and 2019, prior to project-related activities with the potential to impact nesting birds. No Nesting Bird Surveys occurred during this reporting period. Nesting Bird Surveys will recommence at the beginning of the 2020 nesting season (February 1, 2020). As of the end of the reporting period, there are no active nests observed on the Project. |
| <b>BIO-1h: Conduct biological resource survey of future contractor-determined staging areas.</b>  | X                 | X            |                   |           | Ongoing | The agency-approved Qualified Biologist has conducted surveys of the staging areas currently being used for construction activities. No special-status species or other potentially sensitive biological resources were observed. The agency-approved Qualified Biologist will continue to survey ahead of the initiation of activities at planned staging areas as the Project moves into new construction areas.                              |
| <b>BIO-1i: Minimize impacts on Monarch butterfly overwintering sites.</b>   | X                 | X            |                   |           | Ongoing | The agency-approved Qualified Biologist has periodically monitored the project limits to evaluate the presence of Monarch butterfly overwintering sites. No Monarch butterfly overwintering sites have been observed on the Project to date.  |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|----------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>BIO-1j: Avoid nesting birds and bats during vegetation maintenance.</b>                |                   |              |                   | X         | Upcoming | To be completed during Project operation.   |
| <b>BIO-2: Implement serpentine bunchgrass avoidance and revegetation measures.</b>        | X                 | X            | X                 |           | Complete | Not applicable. Subsequent habitat assessment and avoidance of Communication Hill eliminated any potential to affect serpentine bunchgrass. This measure is no longer needed.   |
| <b>BIO-3: Avoid or compensate for impacts on wetlands and waters.</b>                     | X                 | X            | X                 |           | Complete | The JPB has compensated for unavoidable wetland impacts by purchasing adequate credits from a wetlands mitigation bank approved by USACE and SFRWQCB.   |
| <b>BIO-5: Implement Tree Avoidance, Minimization, and Replacement Plan.</b>               | X                 | X            | X                 |           | Ongoing  | Tree removal and pruning activities were initiated in August 2017, and are ongoing, under the guidance of the BBI Arborist, and in accordance with the Tree Avoidance, Minimization, and Replacement Plan. Tree Removal and Pruning status is provided to the JPB on a regular basis. |
| <b>BIO-6: Pay Santa Clara Valley Habitat Plan land cover fee (if necessary).</b>          | X                 |              |                   |           | Complete | Not applicable. The SCVHP does not apply to the Project because TPS2, Option 1 was not selected and OCS does not extend to Communication Hill. This measure is not needed.  |
| <b>CUL-1a: Evaluate and minimize impacts on structural integrity of historic tunnels.</b> | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels.   |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|----------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>CUL-1b: Minimize impacts on historic decorative tunnel material.</b>  | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels. Historic American Engineering Record (HAER) documentation was completed in October 2018, pursuant to this measure.  |
| <b>CUL-1c: Install project facilities in a way that minimizes impacts on historic tunnel interiors.</b>  | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels.   |
| <b>CUL-1d: Implement design commitments at historic railroad stations</b>  | X                 |              |                   |           | Complete | The Qualified Architectural Historian completed and submitted the HABS Level III documents to the JPB for all seven of the historic stations. Pole placement has been designed to minimize the visual impact to historic stations and all design changes are reviewed by the Environmental Compliance Lead to ensure the mitigation measure is being implemented as the design of the project progresses. |
| <b>CUL-1e: Implement specific tree mitigation considerations at two potentially historic properties and landscape recordation, as necessary.</b> | X                 | X            |                   |           | Complete | It was determined that the project is not acquiring any ROW at either of the subject properties so all tree effects would be within the JPB ROW. Therefore, the APE does not include these two historic properties. This measure is no longer needed.   |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
| <b>CUL-1f: Implement historic bridge and underpass design requirements.</b>   | X                 |              |                   |           | Ongoing | This measure is being implemented as described during the design process and will be incorporated into the final design. The four bridges that are included in the MMRP are rail bridges crossing over another feature. Design of the OCS system is taking into account that there are requirements that restrict the design. Thus far, the designs for Construction Segments 2 & 4 are in process and designs are not yet complete. The D-B will forward to the Architectural Historian once complete. |
| <b>CUL-2a: Conduct an archaeological resource survey and/or monitoring of the removal of pavement or other obstructions to determine if historical resources under CEQA or unique archaeological resources under PRC 21083.2 are present.</b> | X                 |              |                   |           | Ongoing | Periodic inspections of ground surface areas along the alignment, in conjunction with cultural monitoring as-needed of project activities in culturally sensitive areas are ongoing. The Archaeological Final Report will be provided at the conclusion of construction activities.   |
| <b>CUL-2b: Conduct exploratory trenching or coring of areas where subsurface project disturbance is planned in those areas with "high" or "very high" potential for buried site.</b>  | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work.  |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>CUL-2c: Conduct limited subsurface testing before performing ground-disturbing work within 50 meters of a known archaeological site.</b>                    | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work. |
| <b>CUL-2d: Conduct exploratory trenching or coring of areas within the three zones of special sensitivity where subsurface project disturbance is planned.</b> | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work. |
| <b>CUL-2e: Stop work if cultural resources are encountered during ground-disturbing activities.</b>  | X                 | X            |                   |           | Ongoing | No prehistoric or historic-period cultural materials have been observed during cultural monitoring.  |
| <b>CUL-2f: Conduct archaeological monitoring of ground-disturbing activities in areas as determined by JPB and SHPO.</b>                                       |                   | X            |                   |           | Ongoing | Cultural monitoring as-needed of project activities in culturally sensitive areas is ongoing. The Archaeological Final Report will be provided at the conclusion of construction activities.   |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|---------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
| <b>CUL-3: Comply with state and county procedures for the treatment of human remains discoveries.</b>  |                   | X            |                   |           | Ongoing | No human remains have been observed to date on the Project.   |
| <b>EMF-2: Minimize EMI effects during final design, Monitor EMI effects during testing, commission and operations, and Remediate Substantial Disruption of Sensitive Electrical Equipment.</b> | X                 | X            | X                 |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Designs are submitted and reviewed/commented on by JPB. Monitoring EMI effects will occur post construction.  |
| <b>GEO-1: Perform a site-specific geotechnical study for traction power facilities.</b>  | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Geotechnical studies are being conducted by Parikh under subcontract with PGH Wong. Studies and results are submitted to JPB as completed.            |
| <b>GEO-4a: Identification of expansive soils.</b>  | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design by the D-B as described. Geotechnical studies are being conducted by Parikh under subcontract with PGH Wong. Studies and results are submitted to JPB as completed. |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|---|-------------------|--------------|-------------------|-----------|----------|--|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
| <b>GEO-4b: Mitigation of expansive soils.</b>   | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure are being implemented through the final design by the D-B as described. Geotechnical studies are being conducted by Parikh under subcontract with PGH Wong. Studies and results are submitted to JPB as completed.  |
| <b>HAZ-2a: Conduct a Phase II Environmental Site Assessment prior to construction.</b>                                | X                 |              |                   |           | Complete | A Phase II Environmental Assessment was completed prior to construction by the JPB consultant, and the results were provided to BBI, and the required mitigation is being implemented prior to the initiation of construction activities.  |
| <b>HAZ-2b: Implement engineering controls and best management practices during construction.</b>                      | X                 | X            |                   |           | Ongoing  | Field activities are being monitored daily for significant color changes or odors which may indicate contamination. In addition, an assessment of the two existing subsurface pipes by certified Asbestos Consultant occurred during this reporting period, and a specification describing the methods of removal and disposal is currently in progress. |
| <b>HYD-1: Implement construction dewatering treatment, if necessary.</b>  | X                 | X            |                   |           | Ongoing  | Facilities & BMPs are in place to deal with this requirement should it arise in the OCS foundations.   |
| <b>HYD-4: Minimize floodplain impacts by minimizing new impervious areas for TPFs or relocating these facilities.</b> | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure are being implemented through the final design as described. The TPFs in Construction Segments 2 & 4 are currently in final design and design for TPFs in Construction Segments 1 & 3 has begun. The design minimizes   |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
|   |                   |              |                   |           |         | hardscape only to required structure foundations; yard areas are to receive a pervious material.  |
| <b>HYD-5: Provide for electrical safety at TPFs subject to periodic or potential flooding.</b>  | X                 |              |                   | X         | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. The TPFs in Construction Segments 2 & 4 are currently in final design and design for TPFs in Construction Segments 1 & 3 has begun. The design plan currently raises the TPFs above the floodplain. |
| <b>HYD-7: Implement sea level rise vulnerability assessment and adaptation plan.</b>  |                   |              |                   | X         | Ongoing | The JPB has initiated this measure and preparation of the sea level rise vulnerability assessment and adaptation plan is underway.  |
| <b>NOI-1a: Implement Construction Noise Control Plan.</b>   | X                 | X            |                   |           | Ongoing | The Noise and Vibration Control Plan has been submitted and is being implemented. Field activity is monitored per the Plan. If allowable noise levels are near or exceed allowable noise levels, mitigation such as blankets are used from that point forward.  |
| <b>NOI-1b: Conduct site-specific acoustical analysis of ancillary facilities based on the final mechanical equipment and site design and implement noise control treatments where required.</b> | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. PGH Wong has completed analysis and design and issued for JPB review.   |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>NOI-2a: Implement Construction Vibration Control Plan.</b>  | X                 | X            |                   |           | Ongoing | The Noise and Vibration Control Plan has been submitted and is being implemented. Field activity is monitored per the Plan.  |
| <b>PSU-8a: Provide continuous coordination with all utility providers.</b>   | X                 | X            |                   |           | Ongoing | The design requirements indicated in the measure will be implemented through the final design as described. Coordination with utility providers is ongoing and there have not been any service interruptions thus far. |
| <b>PSU-8b: Adjust OCS pole foundation locations.</b>   | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described.  |
| <b>PSU-8c: Schedule and notify users about potential service interruptions.</b>  | X                 | X            |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. There have not been any service interruptions thus far.  |
| <b>PSU-9: Require application of relevant construction mitigation measures to utility relocation and transmission line construction by others.</b> | X                 | X            |                   |           | Ongoing | JPB has initiated coordination with PG&E regarding transmission line construction. PG&E is currently raising overcrossing lines in Segment 2.  |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|----------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
| <b>TRA-1a: Implement Construction Road Traffic Control Plan.</b>   | X                 | X            |                   |           | Ongoing  | The D-B has begun traffic control design and permit applications with the City of Millbrae, Burlingame and San Mateo. Other communities will follow. Designs have been completed for all cross-over bridges in Segments 2 & 4 and submitted. |
| <b>TRA-1c: Implement signal optimization and roadway geometry improvements at impacted intersections for the 2020 Project Condition.</b>   | X                 | X            |                   |           | Upcoming | This measure has not started   |
| <b>TRA-2a: Implement construction railway disruption control plan.</b>   | X                 | X            |                   |           | Ongoing  | Minimization of railway disruption is being coordinated by the Site Specific Work Plan. A Construction Railway Disruption Control Plan was prepared to document the measures that are being implemented.                                     |
| <b>TRA-3b: In cooperation with the City and County of San Francisco, implement surface pedestrian facility improvements to address the Proposed Project's additional pedestrian movements at and immediately adjacent to the San Francisco 4th and King Station.</b> | X                 | X            | X                 |           | Upcoming | This measure has not started.  |
| <b>TRA-4b: Continue to improve bicycle facilities at Caltrain stations and partner with bike share programs where available</b>  |                   |              |                   | X         | Ongoing  | The JPB adopted the Caltrain Bicycle Parking Management Plan in November 2017, and staff have been working to implement the Plan's recommendations to improve  |

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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status      | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|-------------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |             |  |
| <b>following guidance in Caltrain's Bicycle Access and Parking Plan.</b>   |                   |              |                   |           |             | wayside bike parking facilities along the corridor. Staff have also been coordinating with local jurisdictions that have launched bikeshare pilot programs to safely site bicycles near Caltrain stations. |
| <b>NOI-CUMUL-1: Implement a phased program to reduce cumulative train noise along the Caltrain corridor as necessary to address future cumulative noise increases over FTA thresholds</b>    |                   |              |                   | X         | Upcoming    | This measure will be implemented during project operation.   |
| <b>NOI-CUMUL-2: Conduct project-level vibration analysis for Blended System operations and implement vibration reduction measures as necessary and appropriate for the Caltrain corridor</b> |                   |              |                   | X         | In Progress | CHSRA is conducting this analysis as part of the EIR/EIS for the San Francisco to San Jose section.  |
| <b>TRA-CUMUL-1: Implement a phased program to provide traffic improvements to reduce traffic delays near at-grade crossings and Caltrain stations</b>  |                   |              |                   | X         | Upcoming    | This measure will be implemented during project operation.   |
| <b>TRA-CUMUL-2: Implement technical solution to allow electric trolley bus transit across 16<sup>th</sup> Street without OCS conflicts in cooperation with SFMTA.</b>                        | X                 |              |                   |           | Complete    | Not applicable. SFMTA has elected to not electrify the 16 <sup>th</sup> Street crossing. This measure no longer applies.   |



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| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|----------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>Mitigation Measure TRA-CUMUL-3: As warranted, Caltrain and freight operators will partner to provide Plate H clearance as feasible between San Jose and Bayshore.</b> |                   |              |                   | X         | Upcoming | This measure will be implemented during project operation.  |
| <b>AES-2a: Minimize OCS construction activity on residential and park areas outside the Caltrain ROW.</b>  | X                 | X            |                   |           | Ongoing  | The OCS proposed construction schedule has been provided to the JPB. OCS construction began the week of October 2, 2017. The D-B has used the potholing process to assist in locating conflicts in the 35% design and attempting to relocate OCS pole locations within the ROW, thereby avoiding parks and residential areas. |
| <b>AES-2b: Aesthetic treatments for OCS poles, TPFs in sensitive visual locations, and Overbridge Protection Barriers.</b>   | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure have been implemented as described, and coordination with the specific jurisdictions regarding pole colors and design, TPFs, and Overbridge Protection Barriers, is ongoing.   |
| <b>AES-4a: Minimize spillover light during nighttime construction.</b>   |                   | X            |                   |           | Ongoing  | OCS construction began the week of October 2, 2017. The BBI community relations lead has notified nearby residents of upcoming construction. During construction, lighting is faced inward, towards the railroad tracks, and any complaints will be documented and addressed by the BBI community relations lead.             |
| <b>AES-4b: Minimize light spillover at TPFs.</b>   | X                 |              |                   |           | Upcoming | The design requirements indicated in the measure are being used in the design process of the TPFs.  |

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| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|----------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>AQ-2a: Implement BAAQMD basic and additional construction mitigation measures to reduce construction-related dust.</b>                   | X                 | X            |                   |           | Ongoing  | The Dust Mitigation Plan was submitted to the JPB. The requirements in the Dust Mitigation Plan will be implemented throughout the construction period and documented in daily reports.   |
| <b>AQ-2b: Implement BAAQMD basic and additional construction mitigation measures to control construction-related ROG and NOX emissions.</b> | X                 | X            |                   |           | Ongoing  | The Equipment Emissions Control Plan was submitted to the JPB. The requirements in the Equipment Emissions Control Plan will be implemented throughout the construction period and documented in daily reports.                         |
| <b>AQ-2c: Utilize clean diesel-powered equipment during construction to control construction-related ROG and NOX emissions.</b>             | X                 | X            |                   |           | Ongoing  | The Equipment Emissions Control Plan was submitted to the JPB. The requirements in the Equipment Emissions Control Plan will be implemented throughout the construction period and documented in daily reports.                         |
| <b>BIO-1a: Implement general biological impact avoidance measures.</b>  | X                 | X            |                   |           | Ongoing  | Worker Environmental Awareness Training is provided to all project-related personnel before they work on the project. All measures as described will be implemented throughout the construction period and documented in daily reports. |
| <b>BIO-1b: Implement special-status plant species avoidance and revegetation measures.</b>  | X                 | X            | X                 |           | Complete | Not applicable. Subsequent habitat assessment and avoidance of Communication Hill eliminated any potential to affect special-status plant species. The measure is not needed.   |



**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|---------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
| <b>BIO-1c: Implement California red-legged frog and San Francisco garter snake avoidance measures.</b>           | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities nearby/adjacent to potential habitat for CRLF and SFGS. The Wildlife Exclusion Fencing Plan for Segments 2 and 4 was submitted and approved by the wildlife agencies, and installation and monitoring of wildlife exclusion fencing is ongoing. No CRLF / SFGS or sign of each species has been observed to date on the Project. A separate Wildlife Exclusion Fencing Plan will be submitted for Segments 1 and 3, prior to initiation of construction activities in those segments. |
| <b>BIO-1d: Implement western pond turtle avoidance measures.</b>   | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities nearby/adjacent to potential habitat for WPT. No WPT or WPT sign have been observed to date on the Project.   |
| <b>BIO-1e: Implement Townsend's big-eared bat, pallid bat, hoary bat, and fringed myotis avoidance measures.</b> | X                 | X            |                   |           | Ongoing | Pre-construction surveys are occurring no more than 7 days prior to the initiation of construction activities with the potential to disturb bats or their habitat. No special-status bats or sign have been observed to date on the Project.  |

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Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
| <b>BIO-1f: Implement western burrowing owl avoidance measures.</b>  | X                 | X            |                   |           | Ongoing | Protocol surveys for Western Burrowing Owl were conducted from April 2017 through July 2017 at previously identified potentially suitable habitat locations. Note that all of these locations are in Construction Segment 4 (southern Santa Clara and San Jose). No Burrowing Owls were observed during the surveys. Construction in Segment 4 is anticipated to occur in 2018. Prior to construction activities in Segment 4, pre-construction surveys of the potential habitat areas will occur no more than 7 days prior to the onset of construction activities. In addition, protocol surveys were initiated in March 2018, and were completed in June 2018, at the previously identified potentially suitable habitat locations, which will allow work to occur during the 2019 breeding season, if necessary. No Burrowing Owls were observed during the 2018 surveys. |
| <b>BIO-1g: Implement northern harrier, white-tailed kite, American peregrine falcon, saltmarsh common yellowthroat, purple martin, and other nesting bird avoidance measures.</b> | X                 | X            |                   |           | Ongoing | Nesting Bird surveys were conducted from February 1 through September 15, 2017 prior to project-related activities with the potential to impact nesting birds. No active nests were observed during this reporting period. Nesting Bird surveys were initiated on February 1, 2018 and continued throughout the reporting period. Active nests were observed during this reporting period, and no-disturbance buffers were implemented to avoid any impacts to active nests, and all project activities which occurred nearby active nests were monitored by agency-approved  |

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Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|----------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
|  |                   |              |                   |           |          | biological monitors.   |
| <b>BIO-1h: Conduct biological resource survey of future contractor-determined staging areas.</b> | X                 | X            |                   |           | Ongoing  | The agency-approved Qualified Biologist has conducted surveys of the staging areas currently being used for construction activities. No special-status species or other potentially sensitive biological resources were observed. The agency-approved Qualified Biologist will continue to survey ahead of the initiation of activities at planned staging areas as the Project moves into new construction areas. |
| <b>BIO-1i: Minimize impacts on Monarch butterfly overwintering sites.</b>                        | X                 | X            |                   |           | Ongoing  | The agency-approved Qualified Biologist has periodically monitored the project limits to evaluate the presence of Monarch butterfly overwintering sites. No Monarch butterfly overwintering sites have been observed on the Project to date.   |
| <b>BIO-1j: Avoid nesting birds and bats during vegetation maintenance.</b>                       |                   |              |                   | X         | Upcoming | To be completed during Project operation.  |
| <b>BIO-2: Implement serpentine bunchgrass avoidance and revegetation measures.</b>               | X                 | X            | X                 |           | Complete | Not applicable. Subsequent habitat assessment and avoidance of Communication Hill eliminated any potential to affect serpentine bunchgrass. This measure is no longer needed.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|---|-------------------|--------------|-------------------|-----------|----------|--|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
| <b>BIO-3: Avoid or compensate for impacts on wetlands and waters.</b>                     | X                 | X            | X                 |           | Complete | The JPB has compensated for unavoidable wetland impacts by purchasing adequate credits from a wetlands mitigation bank approved by USACE and SFRWQCB.  |
| <b>BIO-5: Implement Tree Avoidance, Minimization, and Replacement Plan.</b>               | X                 | X            | X                 |           | Ongoing  | Tree removal and pruning activities were initiated in August 2017, and are ongoing, under the guidance of the BBI Arborist, and in accordance with the Tree Avoidance, Minimization, and Replacement Plan. Tree Removal and Pruning status is provided to the JPB on a weekly basis. |
| <b>BIO-6: Pay Santa Clara Valley Habitat Plan land cover fee (if necessary).</b>          | X                 |              |                   |           | Complete | Not applicable. The SCVHP does not apply to the Project because TPS2, Option 1 was not selected and OCS does not extend to Communication Hill. This measure is not needed.   |
| <b>CUL-1a: Evaluate and minimize impacts on structural integrity of historic tunnels.</b> | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels.  |
| <b>CUL-1b: Minimize impacts on historic decorative tunnel material.</b>                   | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|--|-------------------|--------------|-------------------|-----------|----------|---|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>CUL-1c: Install project facilities in a way that minimizes impacts on historic tunnel interiors.</b>  | X                 |              |                   |           | Upcoming | To be implemented prior to construction in tunnels.   |
| <b>CUL-1d: Implement design commitments at historic railroad stations</b>  | X                 |              |                   |           | Complete | The Qualified Architectural Historian completed and submitted the HABS Level III documents to the JPB for all seven of the historic stations. Pole placement has been designed to minimize the visual impact to historic stations and all design changes are reviewed by the Environmental Compliance Lead to ensure the mitigation measure is being implemented as the design of the project progresses. |
| <b>CUL-1e: Implement specific tree mitigation considerations at two potentially historic properties and landscape recordation, as necessary.</b> | X                 | X            |                   |           | Complete | It was determined that the project is not acquiring any ROW at either of the subject properties so all tree effects would be within the JPB ROW. Therefore, the APE does not include these two historic properties. This measure is no longer needed.   |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
| <b>CUL-1f: Implement historic bridge and underpass design requirements.</b>   | X                 |              |                   |           | Ongoing | This measure is being implemented as described during the design process and will be incorporated into the final design. The four bridges that are included in the MMRP are rail bridges crossing over another feature. Design of the OCS system is taking into account that there are requirements that restrict the design. Thus far, the designs for Construction Segments 2 & 4 are in process and designs are not yet complete. The D-B will forward to the Architectural Historian once complete. |
| <b>CUL-2a: Conduct an archaeological resource survey and/or monitoring of the removal of pavement or other obstructions to determine if historical resources under CEQA or unique archaeological resources under PRC 21083.2 are present.</b> | X                 |              |                   |           | Ongoing | Periodic inspections of ground surface areas along the alignment, in conjunction with cultural monitoring as-needed of project activities in culturally sensitive areas are ongoing. The Archaeological Final Report will be provided at the conclusion of construction activities.   |
| <b>CUL-2b: Conduct exploratory trenching or coring of areas where subsurface project disturbance is planned in those areas with "high" or "very high" potential for buried site.</b>  | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>CUL-2c: Conduct limited subsurface testing before performing ground-disturbing work within 50 meters of a known archaeological site.</b>                    | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work. |
| <b>CUL-2d: Conduct exploratory trenching or coring of areas within the three zones of special sensitivity where subsurface project disturbance is planned.</b> | X                 |              |                   |           | Ongoing | Exploratory trenching and subsurface testing of all potentially culturally sensitive areas occurred prior to the initiation of construction activities in those areas. The results will be included in the Archaeological Final Report. No cultural resources requiring the development of a treatment plan were observed. A Native American monitor has been present for all exploratory trenching and subsurface testing work. |
| <b>CUL-2e: Stop work if cultural resources are encountered during ground-disturbing activities.</b>  | X                 | X            |                   |           | Ongoing | No prehistoric or historic-period cultural materials have been observed during cultural monitoring.  |
| <b>CUL-2f: Conduct archaeological monitoring of ground-disturbing activities in areas as determined by JPB and SHPO.</b>                                       |                   | X            |                   |           | Ongoing | Cultural monitoring as-needed of project activities in culturally sensitive areas is ongoing. The Archaeological Final Report will be provided at the conclusion of construction activities.   |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>CUL-3: Comply with state and county procedures for the treatment of human remains discoveries.</b>  |                   | X            |                   |           | Ongoing | No human remains have been observed to date on the Project.  |
| <b>EMF-2: Minimize EMI effects during final design, Monitor EMI effects during testing, commission and operations, and Remediate Substantial Disruption of Sensitive Electrical Equipment.</b> | X                 | X            | X                 |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Designs are submitted and reviewed/commented on by JPB. Monitoring EMI effects will occur post construction. |
| <b>GEO-1: Perform a site-specific geotechnical study for traction power facilities.</b>  | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Geotechnical studies and results are submitted to JPB as completed.  |
| <b>GEO-4a: Identification of expansive soils.</b>  | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Geotechnical studies and results are submitted to JPB as completed.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status   | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|----------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |          |   |
| <b>GEO-4b: Mitigation of expansive soils.</b>   | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure are being implemented through the final design as described. Geotechnical studies and results are submitted to JPB as completed.   |
| <b>HAZ-2a: Conduct a Phase II Environmental Site Assessment prior to construction.</b>                                | X                 |              |                   |           | Complete | A Phase II Environmental Assessment was completed prior to construction by the JPB consultant, and the results were provided to BBI, and the required mitigation is being implemented prior to the initiation of construction activities.   |
| <b>HAZ-2b: Implement engineering controls and best management practices during construction.</b>                      | X                 | X            |                   |           | Ongoing  | Field activities are being monitored daily for significant color changes or odors which may indicate contamination. In addition, an assessment of two existing subsurface pipes by a certified Asbestos Consultant occurred during this reporting period, and a specification describing the methods for removal and disposal is currently in progress. |
| <b>HYD-1: Implement construction dewatering treatment, if necessary.</b>  | X                 | X            |                   |           | Ongoing  | Facilities & BMPs are in place to deal with this requirement should it arise in the OCS foundations.  |
| <b>HYD-4: Minimize floodplain impacts by minimizing new impervious areas for TPFs or relocating these facilities.</b> | X                 |              |                   |           | Ongoing  | The design requirements indicated in the measure are being implemented through the final design as described. The TPFs in Construction Segments 2 & 4 are currently in final design and design for TPFs in Construction Segments 1 & 3 has begun. The design minimizes  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status  | Status Notes  |
|---|-------------------|--------------|-------------------|-----------|---------|---|
|   | Pre-Construction  | Construction | Post-Construction | Operation |         |   |
|   |                   |              |                   |           |         | hardscape only to required structure foundations; yard areas are to receive a pervious material.  |
| <b>HYD-5: Provide for electrical safety at TPFs subject to periodic or potential flooding.</b>  | X                 |              |                   | X         | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. The TPFs in Construction Segments 2 & 4 are currently in final design and design for TPFs in Construction Segments 1 & 3 has begun. The design plan currently raises the TPFs above the floodplain. |
| <b>HYD-7: Implement sea level rise vulnerability assessment and adaptation plan.</b>  |                   |              |                   | X         | Ongoing | The JPB has initiated this measure and preparation of the sea level rise vulnerability assessment and adaptation plan is underway.  |
| <b>NOI-1a: Implement Construction Noise Control Plan.</b>   | X                 | X            |                   |           | Ongoing | The Noise and Vibration Control Plan has been submitted and is being implemented. Field activity is monitored per the Plan. If allowable noise levels are near or exceed allowable noise levels, mitigation such as blankets are used from that point forward.  |
| <b>NOI-1b: Conduct site-specific acoustical analysis of ancillary facilities based on the final mechanical equipment and site design and implement noise control treatments where required.</b> | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. Design is still in process and a noise study is currently being performed.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status  | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|---------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |         |  |
| <b>NOI-2a: Implement Construction Vibration Control Plan.</b>  | X                 | X            |                   |           | Ongoing | The Noise and Vibration Control Plan has been submitted and is being implemented. Field activity is monitored per the Plan.  |
| <b>PSU-8a: Provide continuous coordination with all utility providers.</b>   | X                 | X            |                   |           | Ongoing | The design requirements indicated in the measure will be implemented through the final design as described. Coordination with utility providers is ongoing and there have not been any service interruptions thus far. |
| <b>PSU-8b: Adjust OCS pole foundation locations.</b>   | X                 |              |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described.  |
| <b>PSU-8c: Schedule and notify users about potential service interruptions.</b>  | X                 | X            |                   |           | Ongoing | The design requirements indicated in the measure are being implemented through the final design as described. There have not been any service interruptions thus far.  |
| <b>PSU-9: Require application of relevant construction mitigation measures to utility relocation and transmission line construction by others.</b> | X                 | X            |                   |           | Ongoing | JPB has initiated coordination with PG&E regarding transmission line construction. PG&E is currently raising overcrossing lines in Segment 2.  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|----------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
| <b>TRA-1a: Implement Construction Road Traffic Control Plan.</b>   | X                 | X            |                   |           | Ongoing  | The D-B has begun traffic control design and permit applications with cities in Segments 2 and 4. Designs have been completed and approved for all cross-over bridges in Segments 2 and 4.               |
| <b>TRA-1c: Implement signal optimization and roadway geometry improvements at impacted intersections for the 2020 Project Condition.</b>   | X                 | X            |                   |           | Upcoming | This measure has not started   |
| <b>TRA-2a: Implement construction railway disruption control plan.</b>   | X                 | X            |                   |           | Ongoing  | Minimization of railway disruption is being coordinated by the Site Specific Work Plan. A Construction Railway Disruption Control Plan was prepared to document the measures that are being implemented. |
| <b>TRA-3b: In cooperation with the City and County of San Francisco, implement surface pedestrian facility improvements to address the Proposed Project's additional pedestrian movements at and immediately adjacent to the San Francisco 4th and King Station.</b> | X                 | X            | X                 |           | Upcoming | This measure has not started.  |
| <b>TRA-4b: Continue to improve bicycle facilities at Caltrain stations and partner with bike share programs where available</b>  |                   |              |                   | X         | Ongoing  | The JPB adopted the Caltrain Bicycle Parking Management Plan in November 2017, and staff have been working to implement the Plan's recommendations to improve  |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure  | Mitigation Timing |              |                   |           | Status      | Status Notes   |
|---|-------------------|--------------|-------------------|-----------|-------------|--|
|   | Pre-Construction  | Construction | Post-Construction | Operation |             |  |
| following guidance in Caltrain's Bicycle Access and Parking Plan.   |                   |              |                   |           |             | wayside bike parking facilities along the corridor. Staff have also been coordinating with local jurisdictions that have launched bikeshare pilot programs to safely site bicycles near Caltrain stations. |
| NOI-CUMUL-1: Implement a phased program to reduce cumulative train noise along the Caltrain corridor as necessary to address future cumulative noise increases over FTA thresholds    |                   |              |                   | X         | Upcoming    | This measure will be implemented during project operation.   |
| NOI-CUMUL-2: Conduct project-level vibration analysis for Blended System operations and implement vibration reduction measures as necessary and appropriate for the Caltrain corridor |                   |              |                   | X         | In Progress | CHSRA is conducting this analysis as part of the EIR/EIS for the San Francisco to San Jose section.  |
| TRA-CUMUL-1: Implement a phased program to provide traffic improvements to reduce traffic delays near at-grade crossings and Caltrain stations  |                   |              |                   | X         | Upcoming    | This measure will be implemented during project operation.   |
| TRA-CUMUL-2: Implement technical solution to allow electric trolley bus transit across 16 <sup>th</sup> Street without OCS conflicts in cooperation with SFMTA.                       | X                 |              |                   |           | Complete    | Not applicable. SFMTA has elected to not electrify the 16 <sup>th</sup> Street crossing. This measure no longer applies.   |

**Peninsula Corridor Electrification Project  
Monthly Progress Report**

**Mitigation Monitoring and Reporting**

| Mitigation Measure   | Mitigation Timing |              |                   |           | Status   | Status Notes   |
|--|-------------------|--------------|-------------------|-----------|----------|--|
|  | Pre-Construction  | Construction | Post-Construction | Operation |          |  |
| <b>Mitigation Measure TRA-CUMUL-3: As warranted, Caltrain and freight operators will partner to provide Plate H clearance as feasible between San Jose and Bayshore.</b> |                   |              |                   | X         | Upcoming | This measure will be implemented during project operation. |

**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operating Officer, Rail

SUBJECT: **CALTRAIN POSITIVE TRAIN CONTROL PROJECT UPDATE – November 2019**

**ACTION**

Staff Coordinating Council recommends that the Board receive the Positive Train Control (PTC) report for November 2019.

**SIGNIFICANCE**

Staff will provide monthly updates covering PTC related activities during the previous month and provide a preview of activities anticipated to take place during the current month.

**BUDGET IMPACT**

There is no budget impact.

**MONTHLY UPDATE**

**1. Project Schedule - Major Milestones for Caltrain PTC Implementation:**

| <u>Key Project Activity</u>   | <u>Expected Completion</u> | <u>Progress as of 10/23/19</u> | <u>Progress On Track?</u> | <u>Mitigation Required or Approvals Needed</u>   |
|---|----------------------------|--------------------------------|---------------------------|--|
| Approval of Designated Revenue Service Demonstration (RSD) Test Request                     | May 31 <sup>st</sup>       | Completed                      | Completed                 | Formal conditional approval received on September 10. Team incorporating FRA conditions in test plan to ensure compliance to approval. |
| Approval of revised project PTC Implementation Plan (PTCIP) and Request for Amendment (RFA) | May 31 <sup>st</sup>       | Completed                      | Completed                 | Formal approval received on May 16, 2019 for PTCIP and RFA Rev. 10.  |
| Pilot Installations (4) Completed   | June 20 <sup>th</sup>      | Completed                      | Completed                 | All pilots completed   |
| Submit Designated RSD Application   | Oct 15 <sup>th</sup>       | Completed                      | Completed                 | RSD Application submitted and in review by FRA.  |
| Submit Full Track RSD Application   | June 7 <sup>th</sup>       | Completed                      | Completed                 | Formal RSD request for full track was submitted to the FRA on June 14, 2019  |
| Complete Critical Feature Verification & Validation (V&V) for Designated Track RSD          | Oct 30 <sup>th</sup>       | Completed                      | Completed                 |  |
| Complete Designated RSD Training  | Nov 14 <sup>th</sup>       | Completed                      | Completed                 | Training for designated RSD personnel completed  |
| Complete Required Vehicle Installations   | Dec 3 <sup>rd</sup>        | Completed                      | Completed                 | (44) Installs required for RSD completed, punch list items being addressed by Wabtec.  |
| Meet FRA Statutory Requirements and Substitute Criteria                                     | Dec 31                     | Completed                      | Completed                 | Met FRA December 31, 2018 deadline   |
| Obtain Alternative Schedule approval from FRA   | Mar 15 <sup>th</sup> 2019  | Completed                      | Completed                 | Received FRA's approval on February 6, 2019.   |
| Completion of Remaining Vehicle Installation (all 67 units)                                 | April 30, 2019             | Completed (63 Units )          | Completed (63 Units )     | Except three F40PH 3Cs Rehab vehicles that are going through overhaul and one wrecked vehicle.   |
| Full RSD - Complete Remaining Critical Feature V&V  | Jan 2019                   | Completed                      | Completed                 |  |
| Full RSD – Complete Wayside Interface Unit (WIU) V&V  | March 15, 2019             | Completed                      | Completed                 | Completed on March 15, 2019  |



| Key Project Activity   | Expected Completion | Progress as of 10/23/19 | Progress On Track? | Mitigation Required or Approvals Needed   |
|--|---------------------|-------------------------|--------------------|---|
| Full RSD – Complete Lab Integrated End to End Testing (LIEE)                       | June 30, 2019       | Completed               | Completed          | LIEE Cycle 3 was completed ahead of schedule on June 12, 2019                                 |
| Full RSD – Complete Field Integrated Testing (FIT)                                 | August 2019         | Completed               | Completed          | Full track FIT has completed on June 30, 2019   |
| Full RSD – Complete Field Qualification Testing (FQT)                              | September 2019      | Completed               | Completed          | Full track FQT has completed on July 14, 2019   |
| *Commence Full RSD – Caltrain ROW  | October 2019        | Completed               | Completed          | Caltrain has successfully entered RSD on September 07, 2019.                                  |
| Complete Lab Integrated End to End Testing for Interoperability with UPRR (LIEE-I) | October 2019        | Completed               | Completed          | LIEE-I with UPRR was completed on October 15.   |
| *Complete Interoperability Testing with UPRR - Both ROW                            | December 2019       | Completed               | Completed          | Interoperable Test with UPRR on both territories were completed on Nov 5 <sup>th</sup> , 2019 |
| *Complete Interoperability Testing with Tenant Railroads - ACE                     | April 30 2020       | Completed               | Completed          | Interoperable Test with ACE was completed on Nov 17, 2019.                                    |
| *Complete Interoperability Testing with Tenant Railroads - AMTRAK                  | April 30 2020       | Plan                    | Yes                |   |
| Submit Caltrain PTC Safety Plan to the FRA   | June 01, 2020       | Plan                    | Yes                |   |
| Complete Caltrain PTC Implementation   | December 2020       | Plan                    | Yes                |   |

\*Key project milestones for 2019/2020 have incentive payments as part of a contract negotiation concluded on May 7, 2020.

## 1. Major Wabtec activities for November 2019:

- o Caltrain has commenced Revenue Service Demonstration (RSD) on September 7, 2019.
- o Continued to provide technical support for RSD runs and addressed defect items with support from WABTEC PTC help-desk.
- o Finalized Field Interoperability Test Plan for ACE and AMTRAK and received FRA approval.
- o Completed Interoperable Test with UPRR for UP equipped train on Caltrain and Caltrain PTC equipped train on UP.
- o Completed Interoperable Test with ACE.
- o ITCM Test Federation and Production Federation effort with UP, BNSF, HTIX (ACE) and KCS were achieved. Team is continuing 8-Tunnel configuration effort to achieve Federation with Amtrak and the remaining railroads for PTC Interoperability testing and implementation.
- o Completed KES production testing with ACE and KES lab testing with AMTRAK.
- o Completed updating and testing of Corys Simulator and "Train the Trainer" training for the Corys Simulator.
- o Continued BCCF/CCF Cutover planning effort and technical discussion to finalize cutover plan and procedure.
- o Submitted Interoperability End-to-End Testing (LIEE-I) Test Results.
- o Submitted Field Interoperability with UPRR Test Results.
- o Commence lab and field regression testing planning effort for the next subdiv file and software release.
- o Continued RSD commencement acceptance close out effort.

## 2. Vehicle Installation:

Wabtec completed installation of (44) I-ETMS modules on the Caltrain locomotives and cab cars as required in Caltrain's Implementation Plan and statutory criteria requirements in early November of 2018. Wabtec has completed installations on the remaining Caltrain fleet (23 additional locomotives and cab cars) on April 8, 2019. This excludes three locomotives that are off property for overhaul, or have just recently completed overhaul, and one damaged cab car. Table below provides the overall status of 67-vehicle

installation as of April 17, 2019. No additional update this month. Two off property locomotives are back and PTC equipment installation for these two is scheduled in January 2020.

| <b>I-ETMS On-Board Installation Progress (As of 4/17/19)</b> |                  |                    |                |
|--|------------------|--------------------|----------------|
| <b>Equipment</b>   | <b>Completed</b> | <b>In Progress</b> | <b>Pending</b> |
| F40  | 20               | 0                  | 3              |
| MP36   | 6                | 0                  | 0              |
| Bombardier Cab   | 9                | 0                  | 0              |
| NS Gallery Cab   | 26               | 0                  | 1              |
| MP1500   | 2                | 0                  | 0              |
| <b>Total</b>   | <b>63</b>        | <b>0</b>           | <b>4</b>       |
| <b>%</b>   | <b>94%</b>       | <b>0%</b>          | <b>6%</b>      |

### 3. Other Key Activities for November of 2019:

This section reports on PTC project general progress and issues being performed and tracked in addition to the Wabtec contract during the current reporting month.

- o Caltrain continued incremental Revenue Service Demonstration (RSD) roll out since September 7<sup>th</sup>, 2019. Since all Engineers have been trained, RSD roll out is increasing significantly. The goal is to have all trains running with PTC active before the Holiday Season.
- o Herzog Technology Incorporated (HTI) Data collection team and PTC project team are producing PTC daily, weekly and monthly reporting to the FRA per the RSD conditional approval requirements.
- o PTC helpdesk is continuing support PTC operation since commencement of RSD with support from Tier 1 and Tier 2 support staff for PTC Operations. Post RSD weekly meetings and defect-tracking meetings are held to continue monitoring PTC system roll out and address any critical anomalies and defects by system engineering (Tier 2) and WABTEC/ARINC as needed.
- o Caltrain Project team and Caltrain Operations including TASI are working with UPRR on Operational readiness for both railroads to commence PTC interoperable Revenue Service by Mid-December.
- o Caltrain Project team and Operations are coordinating with ACE on Operational readiness for ACE PTC Operation on Caltrain the same time as UPRR by Mid-December.
- o Continued working with ARINC under newly established long-term maintenance and support service agreement for Rail Operations Control System (ROCS), Passenger Predictive Train Arrival/Departure System (PADS) and Voice Radio Dispatching System (RDS), the three major systems residing in the CCF and BCCF that support Rail Operations.
- o The PTC project continues its coordination efforts with the Electrification and EMU programs via regularly scheduled status meetings. Ad hoc meetings to discuss topics requiring in-depth or immediate decisions are held as needed. Data sharing of fiber audit results and testing schedules (sharing of track and time) is ongoing to ensure both teams coordinate needs.
- o Caltrain Configuration Management (CM) process and Configuration Control Board have been established to review and approve configuration changes for the Rail Operational systems. Staff has recommended Talon as the CM tool.
- o Caltrain has issued the Work Directive to TASI to perform maintenance of PTC infrastructure and equipment to support PTC operations.

**4. Change Order Log:**

The additional scope items negotiated with Wabtec totaling \$1.42 M are needed to support the new milestone schedule approved by FRA in December. They relate to interoperability and the communications system. The funds for this scope will be taken from the board approved \$4.5M contingency. This is the only change order for this contract. This change order was reviewed and approved by the Change Management Board in May. The contract amendment one (1) that reflects this change order is executed. There are no new change orders in November 2019.

**5. Risk Management:**

Caltrain and Wabtec have agreed to share the management of an identified list of risk items that were identified during the contract negotiations. The total cost allocated to these risks is \$1.9M to be shared amongst both parties. Unrealized risks will result in cost savings to Caltrain.

To date no risks have been identified requiring use of the risk funds. Caltrain and Wabtec jointly review the shared risk register as the project progresses.

There are also risks to be monitored outside the Wabtec specific contract that the project team monitors and mitigates as necessary. The following table captures the top risks both external (outside the Wabtec contract) and internal (specific to the Wabtec contract):

| <b>Risk Item</b>  | <b>Type</b> | <b>Mitigation Action</b>  |
|---|-------------|---|
| FRA process changes   | External    | Maintain close and open relationship with key FRA contacts to ensure all submittals are done correctly and within required time frame to achieve approvals required to achieve full system certification.                               |
| Interoperability delays   | External    | Caltrain is working with UPRR and tenants to ensure agreed to interoperability schedule dates are maintained.   |
| Track access delays   | Internal    | Ensure field test schedule is maintained by coordinating all fieldwork in combination with other capital project's needs, particularly the PCEP project.  |
| Back Office Server (BOS) documentation scope creep  | Internal    | Ensure standard documentation supplied by Wabtec meets requirements of Caltrain specification criteria  |
| Key Exchange Server Solution  | Internal    | Implementation of Caltrain Key Exchange Server timely to support Interoperability Testing with UPRR. KES production test is completed in October 2019.  |
| Maintenance of existing Assets Data Communications, Wayside Infrastructure and on-board equipment | Internal    | Coordinate with Operations and TASI to ensure all assets transfer is done timely including all documentation to be handed off to Operations/TASI, so assets are maintained properly and be reliable for PTC Revenue Service Operations. |

## **6. FRA Coordination Status:**

- Continued weekly calls with FRA review team
- The FRA Test Monitor Participated field interoperable test with UPRR
- Received approval of Final Interoperability Test Plan with ACE/AMTRAK
- Continued RSD daily, Weekly and Monthly Report to the Test Monitor

## **7. Caltrain Roadmap to Full RSD and Interoperability:**

- Caltrain has achieved Full Track commencement of Revenue Service Demonstration (RSD). Completing interoperability is the next big milestone in order to achieve overall system certification.
  1. Alternative Schedule was approved on February 6, 2019.
  2. Caltrain completed all field validation by the 1<sup>st</sup> quarter of 2019.
  3. Caltrain completed Laboratory Integrated Testing for full track in April of 2019.
  4. Caltrain submitted the full track RSD application in June 2019 and received conditional approval of RSD in July 2019.
  5. Caltrain completed Field Integrated Testing (FIT) and Field Qualification Testing (FQT) for full track and has commenced RSD on September 7, 2019.
  6. Caltrain completed training TASI personnel to support full track RSD and PTC operations.
  7. Caltrain continues to roll out PTC trains until all 92 trains are under PTC before the end of 2019.
  8. Caltrain completed Interoperability Laboratory Testing with UPRR on August 12, 2019 for cycle one and subsequently cycle two on October 15, 2019.
  9. Caltrain has received Interoperability Test Request Conditional Approval from the FRA.
  10. Caltrain completed Interoperability Field Testing with UPRR on November 5 2019 and plan to achieve Interoperability with UPRR by mid-December of 2019.
  11. Caltrain has completed Interoperability Testing with ACE and will commence Interoperability Testing with Amtrak by first quarter of 2020. Caltrain will achieve interoperability requirements with other tenants and commence PTC governed operation by May 2020.
  12. Caltrain will complete submission of the final PTC Safety Plan by June 2020 and receive full system certification by December 2020.

## 8. Cost – Spend vs Budget with Actuals and Accruals through October 2019:

|   | (A)                         | (B)  | (C)                                   | (D)  | (E)   | (F) = (C - E)                         | (G) = ( D / E)       |
|---|-----------------------------|--|---------------------------------------|--|---|---------------------------------------|----------------------|
| Project Cost Analysis   | Original Budget<br>(US\$MM) | Approved Changes<br>(Contractor)<br>(US\$MM) | Project Current<br>Budget<br>(US\$MM) | Expended and<br>Accruals To-<br>Date<br>(US\$MM) | Estimated at<br>Completion<br>(EAC)<br>(US\$MM) | Variance at<br>Completion<br>(US\$MM) | % Expended<br>of EAC |
| <b>CBOSS PTC Project<br/>(Jan 2008 - Feb 2018)</b>  | \$ 231.00                   |  | \$ 239.88                             | \$ 202.26  | \$ 202.26                                       |                                       |                      |
| Caltain PTC Project (March 1, 2018 - June 30,2020):   |                             |  |                                       |  |   |                                       |                      |
| Integrator WABTEC Contract  | \$ 43.01                    | \$ 1.42                                      | \$ 44.44                              | \$ 28.51   | \$ 44.44  | \$ -                                  | 64.16%               |
| Other Contractors   | \$ 6.00                     | \$ -   | \$ 6.00                               | \$ 1.72  | \$ 6.00   | \$ -                                  | 28.73%               |
| Potential Changes   | \$ 2.00                     | \$ (1.42)                                    | \$ 0.58                               |  | \$ 0.58   | \$ -                                  |                      |
| Potential Incentive - WABTEC  | \$ 2.00                     | \$ -   | \$ 2.00                               | \$ 0.50  | \$ 2.00   | \$ -                                  | 25.00%               |
| Other Program Costs   | \$ 30.34                    | \$ -   | \$ 30.34                              | \$ 13.65   | \$ 29.03  | \$ 1.32                               | 47.01%               |
| Project Contingency   | \$ 6.06                     | \$ -   | \$ 6.06                               |  | \$ 6.06   | \$ -                                  |                      |
| <b>Total PTC Project</b>  | \$ 89.41                    | \$ -   | \$ 89.41                              | \$ 44.38   | \$ 88.10  | \$ 1.32                               | 50.38%               |
| Note:   |                             |  |                                       |  |   |                                       |                      |
| 1). Expended and Accruals To-Date is through October 31, 2019;  |                             |  |                                       |  |   |                                       |                      |
| 2). Integrator Wabtec Contract Value includes Shared Risk with Not to Exceed Total of \$1.91MM;   |                             |  |                                       |  |   |                                       |                      |
| 3). Other Contractors amount includes ROCS Modification and potential fiber fixes;  |                             |  |                                       |  |   |                                       |                      |
| 4). Potential Changes amount is set for future project change orders as result of WABTEC assessment and survey for the communications and office subsystems;  |                             |  |                                       |  |   |                                       |                      |
| 5). Potential incentive amount reflects what is in the WABTEC conformed agreement;  |                             |  |                                       |  |   |                                       |                      |
| 6). Other Program Costs includes JPB project oversight costs, TASI support and Other Direct Cost for PTC project delivery;  |                             |  |                                       |  |   |                                       |                      |
| 7). Project contingency includes a) contingencies for WABTEC contract per Board Staff Report; b) JPB project team cost contingency;   |                             |  |                                       |  |   |                                       |                      |
| 8). CBOSS PTC project budget and actual cost are highlighted to reflect prior March 1st, 2018 CBOSS project financial data.   |                             |  |                                       |  |   |                                       |                      |
| 9). Negotiated additional scope items are included in WABTEC's contract amendment 1. There is no budget impact since project has budgeted adequate potential change for the amount of \$2MM (note no. 4 above) for added scope items. Current Project budget for WABTEC contract is updated to reflect added scope items. |                             |  |                                       |  |   |                                       |                      |

## 9. Upcoming Key Activities in December 2019:

- o Submit Field Interoperability Test (ACE) Results to the FRA.
- o Notify FRA on Interoperability Revenue Service with UPRR and ACE.
- o Continue ITCM Test and production Federation with remaining railroads.
- o Complete RSD acceptance close out effort including all punch list items for onboard installs.
- o Continue PTC RSD Roll out with Operations and TASI.
- o Continue BCCF readiness activities and BCCF/CCF cutover effort.
- o Continue Data Collection and PTC log analysis for PTC RSD daily and weekly reports to the FRA following RSD conditional approval requirements.
- o Continue to work closely with the FRA regional and national representatives to ensure all aspects of documentation and testing requirements are maintained and approvals (by FRA) granted.
- o Continue to provide Tier 2 PTC System Engineering support for tracking anomalies and addressing defect resolutions with Tier 3.
- o Continue Interoperability coordination with UPRR, ACE for December Interoperable Revenue Service Effort.
- o Continue Interoperability coordination with Amtrak for next year LIEE-I and field test planning.
- o Continue MP1500 locomotive Brake Testing effort that will conclude Brake Testing.
- o Continue 8 tunnel Federation effort, Physical Separation of Cell Network, PTC Virtualization and ATCS work.
- o Finalize network core switches installation and configuration test implementation and cutover plan.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Officer, Rail

SUBJECT: **AMENDMENT OF CITIZENS ADVISORY COMMITTEE BYLAWS**

**ACTION**

Staff Coordinating Council recommends the Board amend the Citizens Advisory Committee (CAC) Bylaws to provide for alternate members and to slightly adjust the order of agenda items.

**SIGNIFICANCE**

As a result of periodic vacancies and absences, several CAC meetings have had to be canceled over the past few years due to lack of a quorum. The CAC has requested that the CAC be expanded by adding alternates to help minimize the risk of such cancellations.

The proposal provides that each County served by Caltrain will have one alternate member on the CAC, and that alternates will be seated on the CAC only when a CAC member from the same jurisdiction is absent or when there is a vacancy on the CAC from the same jurisdiction.

Under the proposed amendments, alternate members would be subject to removal for repetitive absences, and the Peninsula Corridor Joint Powers Board (JPB) would retain authority to appoint new CAC members, though alternates could apply for such open positions.

The CAC reviewed and discussed several options related to draft changes to the Bylaws at its September 18, 2019 meeting. The CAC approved the proposed changes, shown in Attachment 1, at its November 20 meeting.

During these meetings, the CAC also requested a slight adjustment to the order of business at CAC meetings to allow public comment to be heard before the Chairperson's Report.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The CAC was established as a JPB advisory group by Resolution No. 1992-28, dated June 3, 1992. The CAC serves as a forum for conveying community information, ideas and comments to the Board. The Board adopted a set of Bylaws under Resolution No. 2002-13, dated May 2, 2002, to formalize the rules of procedure governing the manner in which the CAC functions.

Prepared by: Joe Navarro, Deputy Chief, Rail Operations  
Shayna van Hoften, Legal Counsel

650.508.7792  
415.995.5880

**RESOLUTION NO. 2019 –**

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

**\* \* \***

**AMENDING THE BYLAWS OF THE CITIZENS ADVISORY COMMITTEE TO ADD ALTERNATE MEMBERS AND TO SLIGHTLY ADJUST THE ORDER OF ITEMS ON MEETING AGENDAS**

**WHEREAS**, pursuant to Resolution No. 1992-28, dated June 3, 1992, the Peninsula Corridor Joint Powers Board (Board) established a Citizens Advisory Committee (CAC) to provide an organized forum for conveying community information, ideas and comments to the Board; and

**WHEREAS**, pursuant to Resolution No. 2002-13, dated May 2, 2002, the Board adopted Bylaws to govern CAC proceedings; and

**WHEREAS**, Article I – Membership, Section 1 of the CAC Bylaws provides that the CAC is comprised of three members each from Santa Clara, San Mateo and San Francisco Counties; and

**WHEREAS**, the CAC has requested that the Board amend the Bylaws to add one alternate member from each of the Counties to help ensure presence of a quorum in case of periodic CAC member absences and vacancies; and

**WHEREAS**, the CAC also has requested that the Board amend Article IX – Order of Business to place Public Comment before the Chairperson's Report on CAC meeting agendas.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby amends the Citizens Advisory Committee Bylaws as reflected in Attachment 1 to add alternate members to the CAC and to slightly adjust the order of agenda items for CAC meetings.

Regularly passed and adopted this 5<sup>th</sup> day of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board



ATTEST:

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JPB Secretary

RESOLUTION NO. 2019 –

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

\* \* \*

**AMENDING THE BYLAWS OF THE  
CITIZENS ADVISORY COMMITTEE TO ADD ALTERNATE MEMBERS AND TO SLIGHTLY ADJUST  
THE ORDER OF ITEMS ON MEETING AGENDAS**

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**WHEREAS**, pursuant to Resolution No. 1992-28, dated June 3, 1992, the Peninsula Corridor Joint Powers Board (Board) established a Citizens Advisory Committee (CAC) to provide an organized forum for conveying community information, ideas and comments to the Board; and

**WHEREAS**, pursuant to Resolution No. 2002-13, dated May 2, 2002, the Board adopted Bylaws to govern CAC proceedings; and

**WHEREAS**, Article I – Membership, Section 1 of the CAC Bylaws provides that the CAC is comprised of three members each from Santa Clara, San Mateo and San Francisco Counties; and

**WHEREAS**, the CAC has requested that the Board amend the Bylaws to add one alternate member from each of the Counties to help ensure presence of a quorum in case of periodic CAC member absences and vacancies; and

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Regularly passed and adopted this 5<sup>th</sup> day of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

---

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Dora Seamans  
JPB Secretary  
SUBJECT: **REAPPOINTMENT AND APPOINTMENT OF THE CITIZENS ADVISORY  
COMMITTEE (CAC) REPRESENTATIVES**

**ACTION**

The Board of Directors representing San Francisco and Santa Clara Valley Transportation Authority (VTA), recommend:

- Appoint a new CAC member, representing Santa Clara County, term ending June 30, 2022.

Information on the appointee will be made available in the Board's reading file.

**SIGNIFICANCE**

The CAC Bylaws state:

1. Article 1 – Membership, Section 1: As prescribed by the Peninsula Corridor Joint Powers Board (“JPB” or “Board”), the Citizens Advisory Committee (“CAC” or “Committee”) shall consist of nine (9) members, three appointed from each constituent county (San Francisco County, San Mateo County, Santa Clara County). Each county will select its county committee members and the JPB will affirm these appointments. CAC members should reflect the demographics of Caltrain riders. The Citizens Advisory Committee shall act in an advisory capacity to the JPB. Its activities shall include seeking the views of various groups of users and potential users of Caltrain and ancillary transit facilities; develop proposals and recommendations for meeting the needs of the various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate.
2. Article 1 – Membership, Section 2: CAC members shall serve three (3) year terms.

**BACKGROUND**

The CAC was established as a JPB advisory group by Resolution No. 1992-28, dated June 3, 1992. The CAC serves as a forum for conveying community information, ideas and comments to the Board. The Board adopted a set of Bylaws under Resolution No. 2002-13, dated May 2, 2002, to formalize the rules of procedure governing the manner in which the CAC functions.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operating Officer, Rail

SUBJECT: **ACCEPTANCE OF THE CONCEPT LAYOUT FOR FURTHER DEVELOPMENT AS  
RECOMMENDED BY THE DIRIDON INTEGRATED STATION CONCEPT PLAN**

**ACTION**

Staff Coordinating Council recommends the Board receive the attached joint Partner memo and presentation regarding the Diridon Integrated Station Concept Plan (Plan) and accept the Concept Layout for further development in coordination with the related Partner Agency planning processes and projects.

**SIGNIFICANCE**

Since September 2018 Caltrain staff have been engaged in co-creating the Plan, which has developed a vision for the future of San Jose Diridon Station in partnership with the Santa Clara Valley Transportation Authority (VTA), the California High Speed Rail Authority (CAHSR) and the City of San Jose (City) (together, the "Partners").

The Plan was developed with the assistance Arcadis/Bentham Crowell (ABC), a consultant team solicited and managed by the Partners. ABC was tasked with developing three spatial layouts for a future Diridon Station. Spatial layouts are made up of "big moves" including the vertical configuration of the tracks, the location of the station platforms and concourse in addition to the rail alignment to the north and south of the station.

The three spatial layouts and big moves are as follows:

- **San Fernando Street** – At-grade station on San Fernando Street, which is most similar to today's station layout. It utilizes the existing northern and southern track alignment.
- **Santa Clara Street** – Elevated station on Santa Clara Street, which locates the station closer to BART, introduces an optimized northern track alignment and presents the opportunity to relocate the Caltrain Central Equipment and Maintenance Facility (CEMOF). This layout also provides an option to operate some rail service over a new southern rail alignment on a viaduct over Interstate 280/State Route 87.

- **Stover Street** – Elevated station on Stover Street (between San Fernando Street and Santa Clara Street), which locates the station closer to BART, introduces an optimized northern track alignment and presents the opportunity to relocate CEMOF.

Aside from big moves, the spatial layouts are also made up from a “kit of parts” as they include a variety of station facilities and elements that facilitate access to and from the station and integration with the surrounding community and private development. Such elements include pedestrian, bike, local bus, intercity bus, light rail, taxi/transit network company, private vehicle and parking access.

ABC and the Partners took a “transit first” or “design from the tracks out” approach where rail infrastructure needs were established first to ensure sufficient space was set aside to accommodate future rail service as rail infrastructure is a less flexible, long-lasting and significant investment. ABC coordinated with the Business Plan team to ensure the spatial layouts were reflective of the adopted service vision.

Over the summer, ABC and the Partners weighed tradeoffs and benefits of the three spatial layouts and developed a fourth optimized layout with a combination of favored elements. The optimized layout is responsive to community feedback and attempts to preserve as much adjacent property as possible for development:

- **Elevated Dual Concourse** – Elevated station with platforms south of San Carlos Street and concourses located at Santa Clara Street (to connect with BART) and San Fernando Street. The layout utilizes the existing rail alignment to the north and could utilize either the existing alignment or Interstate 280/State Route 87 alignment to the south. The relocation of CEMOF would be necessary.

After the completion of additional technical work and outreach in the fall, the Partners recommend discontinuing the examination of the Interstate 280/State Route 87 alignment option. It was determined that the viaduct would spread impacts to additional communities while only partially reducing rail traffic on the existing southern corridor. The Partners believe that community concerns relating to safety, noise, vibration, and visual impacts, among others, would be better addressed through tangible improvements to the existing southern corridor.

Thus, the Partners recommend further studying the optimized layout with the use of the existing southern corridor, and officially dub this layout the recommended Concept Layout.

In summary, the Partners are looking for concurrence on the following big moves of the Concept Layout:

- **Decision #1:** Elevated Station Platforms
- **Decision #2:** Station Entrances at Santa Clara Street and San Fernando Street
- **Decision #3:** Existing Track Approaches into the Future Station

The next step to advance the Concept Layout is to continue planning, analysis of rail operations, and conceptual design work on the rail corridor and station facilities. Over the next year, a critical planning focus will be on studying the best options to organize the Partner Agencies and technical expert teams, building a viable financial plan, developing environmental strategies, and designing an implementation path to build and govern the future station. The design and implementation strategy work will be conducted in close coordination with interdependent project efforts happening around the station area.

The Partner Agencies continue to be committed to the partnership set forth by the Cooperative Agreement. The Partners have agreed to jointly contribute and pursue funding for the next phase of study.

### **BUDGET IMPACT**

There is no impact on the budget.

### **BACKGROUND**

San Jose Diridon Station is a major transit hub located within downtown San Jose, the nation's 10th largest city. It is a historic train depot with not only Caltrain service, but also train service provided by Amtrak, Capitol Corridor Joint Powers Authority (CCJPA), and Altamont Commuter Express (ACE), as well as VTA light rail and bus service. The JPB owns the historic station depot, the Caltrain parking lots, the bus loop area, and the tracks and platforms. As the landowner, the JPB has a vested stake in the planning process not just for potential shaping of the Station itself, but also as it relates to development in the surrounding area.

With the planned addition of Bay Area Rapid Transit (BART) and California High Speed Rail service at the Station, as well as expanded Caltrain, ACE, Capitol Corridor and Amtrak service, the Station is expected to become one of the busiest intermodal stations in North America. To effectively accommodate such planned activity and future capacity needs, the Station must be reconfigured in an integrated fashion that connects all transit services with each other and with the surrounding urban environment.

Private development of the surrounding area in conjunction with the City of San Jose is accelerating, providing opportunities to fully integrate development with the Station itself. In recent months, Google has publically revealed concepts for development near the Station.

By the Partners working together to prepare the Plan, they hope to maximize funding to implement the Plan and deliver a world-class destination and transportation hub that provides seamless customer experience for movement between transit modes within the Station and into the surrounding neighborhoods and Downtown.

Prepared by: Melissa Reggiardo, Manager, Caltrain Planning

650.508.6283

## **SUBJECT**

This memo presents the Staff Recommendation of a spatial layout for the San José Diridon Station.

## **BACKGROUND**

When BART, commuter rail, high-speed rail, light rail, and supporting bus services converge, Diridon Station will support more high-capacity transit connections than any other place in the Bay Area. In order to plan for the substantial growth of Diridon Station, the City of San José, the Peninsula Corridor Joint Powers Board (PCJPB), Santa Clara Valley Transportation Authority (VTA), and the California High-Speed Rail Authority (the “Partner Agencies”) formed a public agency partnership via a Cooperative Agreement in July 2018. The Partner Agencies hired a consultant team led by Arcadis and Bentham Crouwel Architects (“Team ABC”) to aid in preparing of the Diridon Integrated Station Concept Plan (“Concept Plan”).

The eventual outcome of the Concept Plan process will be a project description for the future intermodal hub and an organizational framework for carrying the project forward toward implementation. Over the past year, the Partner Agencies worked to develop the spatial layout for the future station that included completing supporting analyses. Staff is presenting a recommended spatial layout to the Diridon Joint Policy Advisory Board for input and advice. Staff is recommending that the policy boards and/or executive management of the four Partner Agencies accept the Concept Layout for further development in coordination with the related Partner Agency planning processes and projects.

The Concept Layout is preliminary and subject to further station design development and rail operations analysis. This memo summarizes the Layout Development Report prepared by the Partner Agencies that describes the process for developing the staff-recommended Concept Layout. For the Layout Development Report and additional background information, please refer to the project website: [www.diridonsj.org/disc](http://www.diridonsj.org/disc).

## **INTEGRATED CONCEPT PLAN TOPICS**

The Concept Plan spatial layout planning process thus far addresses the following topics:

- Alignment and vertical profile of the heavy rail tracks at the station, as well as track approaches into the station from the north and the south.
- Location of passenger rail concourse(s) and heavy rail passenger platforms.
- Integration of all high-capacity modes at the station, including commuter and intercity rail, BART, light rail, local bus, and a future airport connector.
- Pedestrian and bicycle access to and through the station, as well as facilities for emerging modes of “micro-mobility” such as e-scooters.
- Facilities for other access modes and private vehicles, including long-distance bus, private shuttles, taxi, transportation network companies (TNC), kiss-and-ride, and park-and-ride.



- Urban integration (i.e., the connection between the station, track infrastructure, and surrounding neighborhoods and potential for amenities, such as plazas and community gathering space).

## **SUMMARY OF THE PROCESS**

Team ABC began work on the Concept Plan with a series of interviews with the Partner Agencies. In these interviews, ABC learned about the existing context, history related to the Diridon Station area (including many years of public involvement), and each agency's project goals, design criteria, and operational requirements. This information set an important foundation in the concept planning process. Based on work, the Partner Agencies developed eight key objectives:

- A Multi-Modal, Integrated, and Human-centered Station
- The Station as Catalyst for the Urban Environment
- The Station as a Destination
- A Futureproof, Flexible, Adaptive, and Innovative Station
- Organizational Partnership
- Internal & External Stakeholder engagement
- Funding Objectives and Risk Management

Subsequently, Team ABC facilitated a series of interdisciplinary, interactive workshops with technical experts from each Partner Agency. The workshops occurred on a monthly basis. During this process, Team ABC and the Partner Agencies developed an iterative series of work products - going from a wide range of ideas for each of the station elements to ultimately the staff-recommended layout. Along the way there were many potential combinations of station elements, three possible layouts, and a fourth layout that was based on optimizing the design to maximize benefits and reduce impacts to the community and developable land based on the feedback received from engaged stakeholders and the public.

An important component of this process focused on the Big Moves of the station layout: a) vertical configurations for the heavy rail corridor and station platforms; b) the location of the future station concourse; and c) the track approaches from the north and the south into the future station. These three Big Moves have been the focus because they are the least flexible and the way in which these heavy infrastructure elements are configured will have profound effects on urban integration. These moves create an infrastructure solution to support the next 100 years of rail service.

### *Community Engagement*

Concurrent with the workshops led by Team ABC, the Partner Agencies conducted four rounds of public outreach to share information and gather community input for consideration as part of the technical process. Community engagement is of utmost importance to the Partner Agencies to ensure that the future station realizes the ambitions of the community members and station

users while also meeting regional and statewide transportation goals. The outreach rounds corresponded to major milestones in the process. The purpose of each outreach round was as follows:

1. **Introduce** the project and gather feedback on the initial vision for the station and key objectives for the process.
2. **Present and obtain feedback** on preliminary concepts related to the vertical position of the platforms and station location as well as a draft evaluation framework for assessing design options under development.
3. **Present and obtain feedback** on three possible layouts for the station.
4. **Further explore** the Big Moves and present a fourth possible, optimized layout.

The Partner Agencies have conducted five community meetings, including a Spanish-language meeting, three presentations to the City's Station Area Advisory Group (SAAG), three pop-up booths at Diridon Station and community events, an online survey, and additional meetings with stakeholder groups and neighborhood associations. In addition, the Partner Agencies have presented and received important feedback from the JPAB at four meetings.

Based on this outreach, the top priority voiced by community members is designing the station to foster easy, convenient, well-timed connections between modes, particularly a short, direct, and intuitive connection between the BART platforms and the platforms for the other heavy rail services. Other general themes that are important to the community relate to:

- Identity as a local and regional destination
- Station access, both easy connections within the station as well as getting to the station from around San Jose
- Transit service improvements
- Street, pedestrian, and bicycle connectivity
- Activity center oriented near Santa Clara Street
- Create neighborhood quality of life
- Vibrant indoor and outdoor public spaces
- Effects on the historic depot building
- Concerns around the use of the existing southern corridor
- Potential for future transit-oriented development
- Parking and traffic
- Environmental sustainability
- Social equity
- Fiscal responsibility

These themes and the specific community input informed the Partner Agencies' work throughout the concept design process and have been reflected in the staff-recommended Concept Layout. The following section describes the Concept Layout that staff is recommending for advancement. For additional information about the community engagement process and the themes from input received, please refer to Chapter 6 of the Layout Development Report.

## **THE CONCEPT LAYOUT**

Stakeholder and community input and ongoing technical work led to the creation of an optimized fourth layout that attempted to take some of the best features of each of the other layouts and respond to much of the feedback received. The recommended Concept Layout creates two concourses – one facing Santa Clara Street and one facing San Fernando Street. The platforms and tracks are elevated, and it utilizes the existing northern and southern track alignments.

### **Decision #1: Elevated Station Platforms**

The Partner Agencies included an elevated station concept in the Concept Layout. Elevating the tracks and platforms brings significant benefits in the station area in terms of urban integration and allows pedestrians, cyclists, and vehicles to pass underneath the tracks at street-level. This will knit together the neighborhoods to the east and west of the tracks. It also creates a significant amount of street-level space that can be used to house station facilities as well as storefronts and workspace to enliven the street in the station area. Elevating the tracks may present construction and phasing challenges and also requires complex trackwork both north and south of the station to reconnect to the rail network. While complicated, the Partner Agencies believe elevating the station will be worth the benefits derived from connecting neighborhoods, improving the streetscapes around the station, and improving safety through new grade separations. The Layout Development Report offers further details regarding the technical analysis and conclusions for the vertical configuration of tracks and platforms.

### **Decision #2: Station Entrances at Santa Clara Street and San Fernando Street**

The Partner Agencies recommend two main concourses with four station entrance locations in the Concept Layout. One concourse is oriented toward Santa Clara Street with entrances both on the east and west sides of the station, and one concourse is oriented toward San Fernando Street with entrances both on the east and west sides of the station. It is estimated that more than 60 percent of passengers will use the northern entrance, while as many as 40 percent will use the southern entrance. The northern station hall will create a center of gravity that would promote pedestrian activity and reinforce Santa Clara Street's role as the main route to and through downtown San José. The southern station hall will allow for easy connections to the bike network and creeks and trails. This layout places BART, light rail, and VTA buses close to each other near the core of the station, which allows for efficient transfers between modes. Finally, both station halls are envisioned to feature iconic design and outdoor public space to provide increased visibility, intuitive wayfinding, and a dynamic public realm. The Layout Development Report offers further details regarding the technical analysis and preliminary conclusions for station entrances, plazas, and intermodal hub elements.

### **Decision #3: Existing Track Approaches into the Future Station**

The Partner Agencies recommend maintaining the track approaches that generally stay within the existing northern and southern corridors. This will leverage existing rail corridor infrastructure, minimize overall community impact, and minimize the need to acquire significant land. However, in making this recommendation, the Partner Agencies want to maintain the quality of life in the neighborhoods along the tracks. Specifically, the Partner Agencies commit to work to develop a design that results in noise, vibration, and visual conditions that are no worse and

ideally better than today, even with higher future train volumes. The Layout Development Report provides additional technical analysis that underpins this recommendation.

#### Northern Track Approach

Layout configurations explored early in the concept plan process showed significant property impacts to land intended for transit-oriented development north of Santa Clara Street. In response, the Partner Agencies asked Team ABC to develop an alignment north of the station that would support expanded future rail service while minimizing the need to acquire land. In order to accomplish these goals, ABC shifted the station platforms to the south and developed a northern track approach that impacts less property. The resulting alignment supports related Partner Agency planning projects, including the Caltrain Business Plan and implementation of the Diridon Station Area Plan (DSAP).

#### Southern Track Approach

Early in the Concept Plan process, the Partner Agencies asked Team ABC to develop a track alignment south of the station that would include a rail viaduct structure over the I-280/87 interchange. Team ABC designed a viaduct option determined to be constructible and operationally viable. However, upon further study, it became clear that this option would not address as many issues as the Partner Agencies and community hoped and would actually create new concerns. First, the viaduct would create a second rail corridor in the Gardner area without reducing the overall volume of train traffic along the existing rail corridor. This would spread visual and noise impacts over a larger area and affect many more people. It would also introduce substantial track infrastructure to previously unaffected neighborhoods, particularly those on the east side of SR-87. Second, the I-280 viaduct infrastructure would have a sizable footprint, decrease the amount of developable land available within the station area, and would affect the Guadalupe River corridor.

The Partner Agencies believe that community concerns relating to safety, noise, vibration, and visual impacts, among others, would be better addressed through tangible improvements to the existing southern corridor rather than by creating an additional new rail corridor that would be expensive to build and maintain. With these tangible improvements, the Partner Agencies believe that with proper design and investment the rail corridor can coexist with the communities along the corridor, including Gregory, Gardner, and North Willow Glen, and accommodate increasing train traffic without having a negative impact on the quality of life in those neighborhoods. To this end, the Partner Agencies recommend working on and evaluating the following strategies, plans and associated measurements, in close consultation with the affected communities, in the next phases of planning:

- Grade separations keeping people and vehicles away from train traffic while maintaining good local connectivity and access;
- Sound and vibration dampening treatments for tracks;
- Aesthetic and functional treatments like sound walls with added landscaping (“green walls”) or other attractive, maintainable coverings;

- Optimize design to minimize the need to demolish existing buildings and/or acquire land; and
- Fuller Park as a permanent, city-owned park with high-quality landscaping and other amenities to be determined through a community-based process.

In addition, the Partner Agencies will work to develop appropriate metrics that will enable tracking and monitoring of these goals and conditions over time.

### **DECISION SUMMARY**

In summary, the Concept Layout reflects overall community preferences for elevated platforms, major station entrances near Santa Clara Street as well as easy access to the south via San Fernando Street, and short transfer times between transit modes (including BART). It also creates the opportunity for grade-separated light rail through the station area and conveniently located bus stops. The layout prioritizes pedestrian, bicyclist, light rail, and local bus access, while accommodating intercity bus and vehicle drop-off and pick-up zones adjacent to the core station area. These elements will continue to be studied and refined in the next phases of the process. The layout places entrances in visible locations to support an iconic station design and “natural” wayfinding, and also includes space for a future airport connection. The Concept Layout optimizes future transit needs, while supporting future development potential. The Partner Agencies believe that this Concept Layout combines the station elements with the most promise to meet the project objectives and should be advanced to the next stage of analysis and definition.

### **NEXT STEPS OF THE CONCEPT PLAN**

A key focus of this phase of work was to organize the necessary elements for an iconic, integrated intermodal transit center into a spatial layout. The Partner Agencies first had to organize the elements physically to understand potential impacts to the functionality of the station. This is a foundation for the Partner Agencies to now build on. The next step to advance the Concept Layout is to continue planning, analysis of rail operations, and conceptual design work on the rail corridor and station facilities to better understand and refine the benefits and tradeoffs of each component of the layout. Some elements, including but not limited to, the bus and VTA light rail layouts, may evolve during the continued planning and design process. The Partner Agencies recognize that the development of the future Diridon Station is a long-term, multi-year program.

Over the next year, a critical planning focus will be on studying the best options to organize the Partner Agencies and technical expert teams, building a viable financial plan, developing environmental strategies, and designing an implementation path to build and govern the future station. The conceptual design work will result in updated conceptual engineering drawings to define the Concept Layout, capital cost estimates, conceptual construction sequencing passenger flow analysis, and refined station footprint. There are many critical decisions ahead and the next course of work will focus on how to take the spatial vision of the Concept Layout forward through project development sufficient for environmental evaluation, and eventually implementation.

In addition to the technical work on the layout, the Partner Agencies plan to continue community and stakeholder engagement. The design and implementation strategy work will be conducted in close coordination with interdependent project efforts happening around the station area, including the Diridon Station Area Plan (DSAP) and Google’s proposed “Downtown West” mixed-use development project.

The Partner Agencies continue to be committed to the partnership set forth by the Cooperative Agreement.

### **ADDITIONAL INFORMATION**

Additional information on the Concept Plan, including the Layout Development Report and Frequently Asked Questions, can be found on the project website at [www.diridonsj.org](http://www.diridonsj.org).

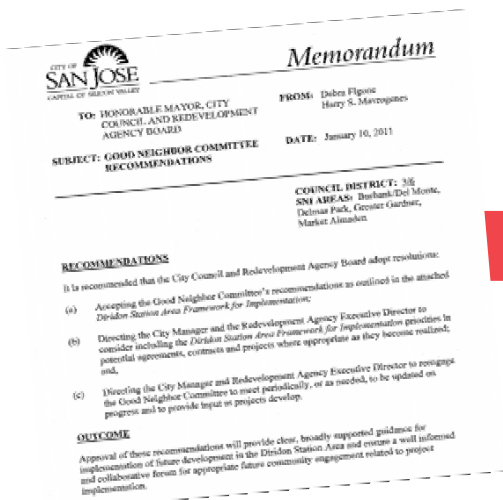


December 5, 2019

# INTEGRATED CONCEPT PLAN BOARD MEETING



## Community Interest in Diridon Station's Future



2011



2014

# 2016 Caltrain Customer Survey



”  
Need to step up your game at Diridon Station.

”  
I think we can do better with connectivity at Diridon to make transfers easy and help passengers find their way around.

”  
Better signage would help first time riders.

”  
Needs to coordinate with VTA.

# Major Land Development on the Horizon



## The Mercury News Q

Business > Economy

Google, San Jose plan search giant's downtown expansion; up to 20,000 jobs possible

283

June 6, 2017



Google Plans Massive Office Expansion In San Jose

### GOOGLE'S AREAS OF INTEREST

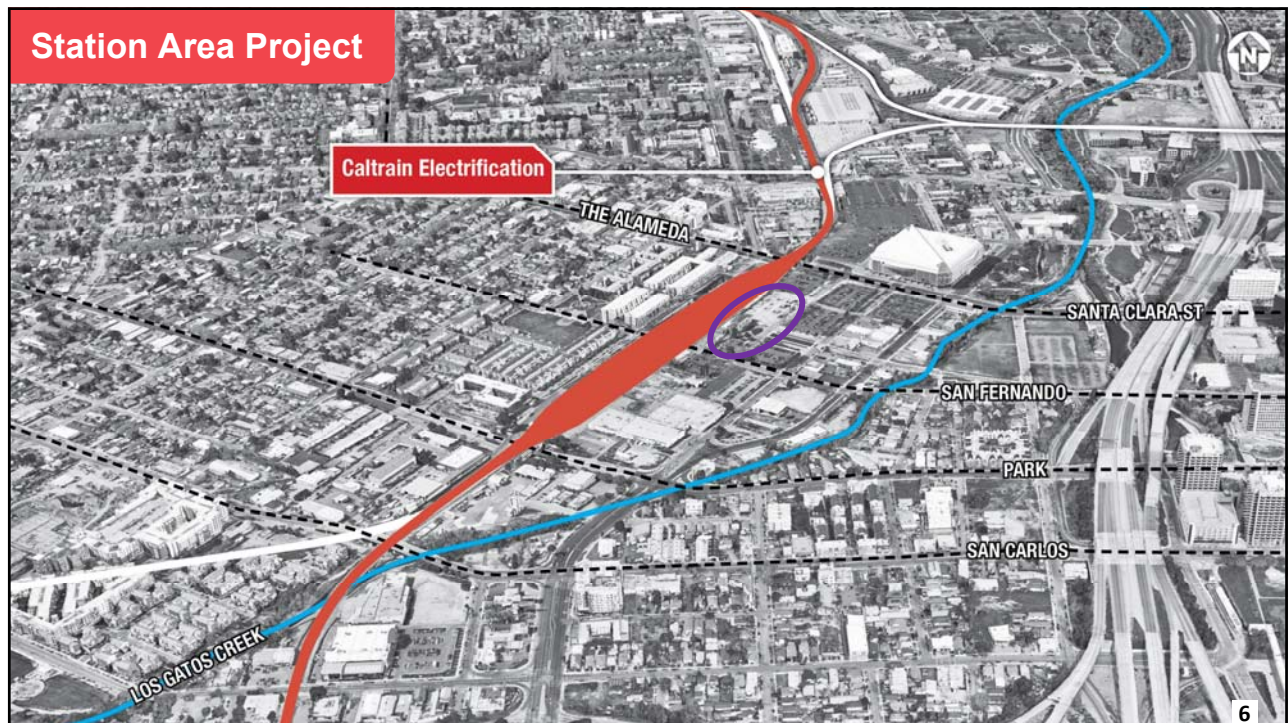
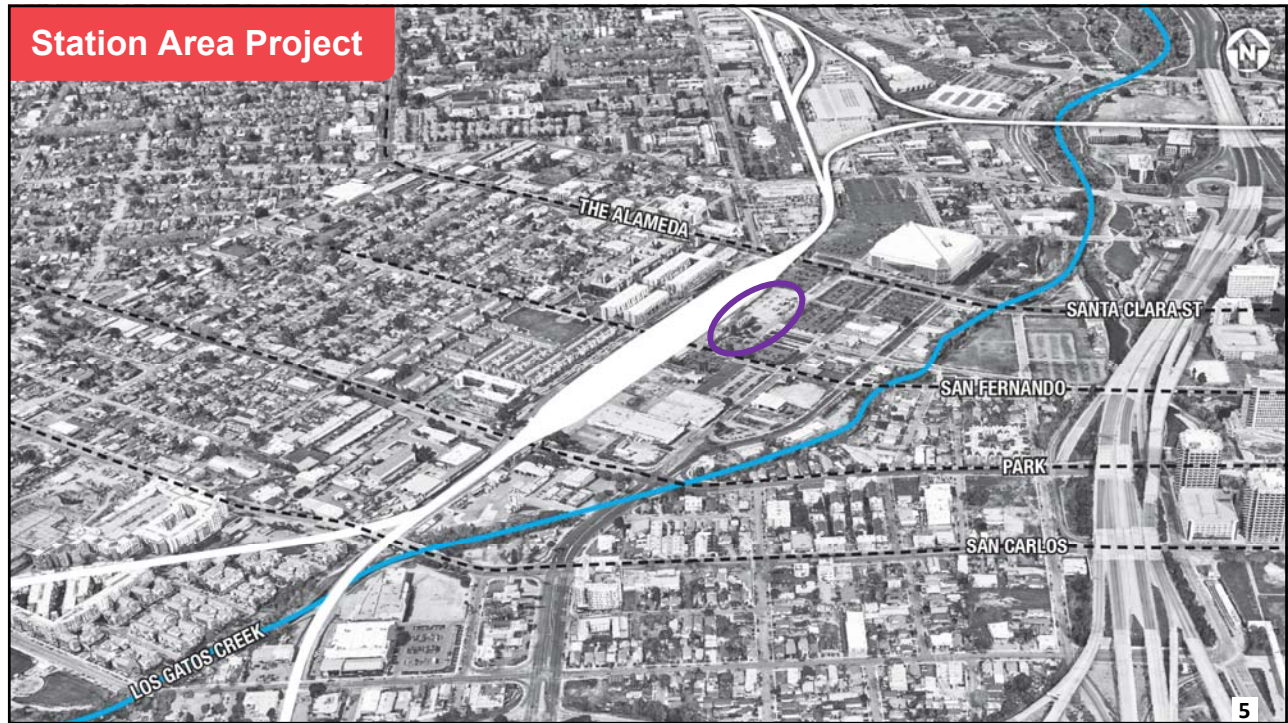
The company has been eyeing and buying properties with a plan to create a transit-oriented Google village in downtown San Jose.



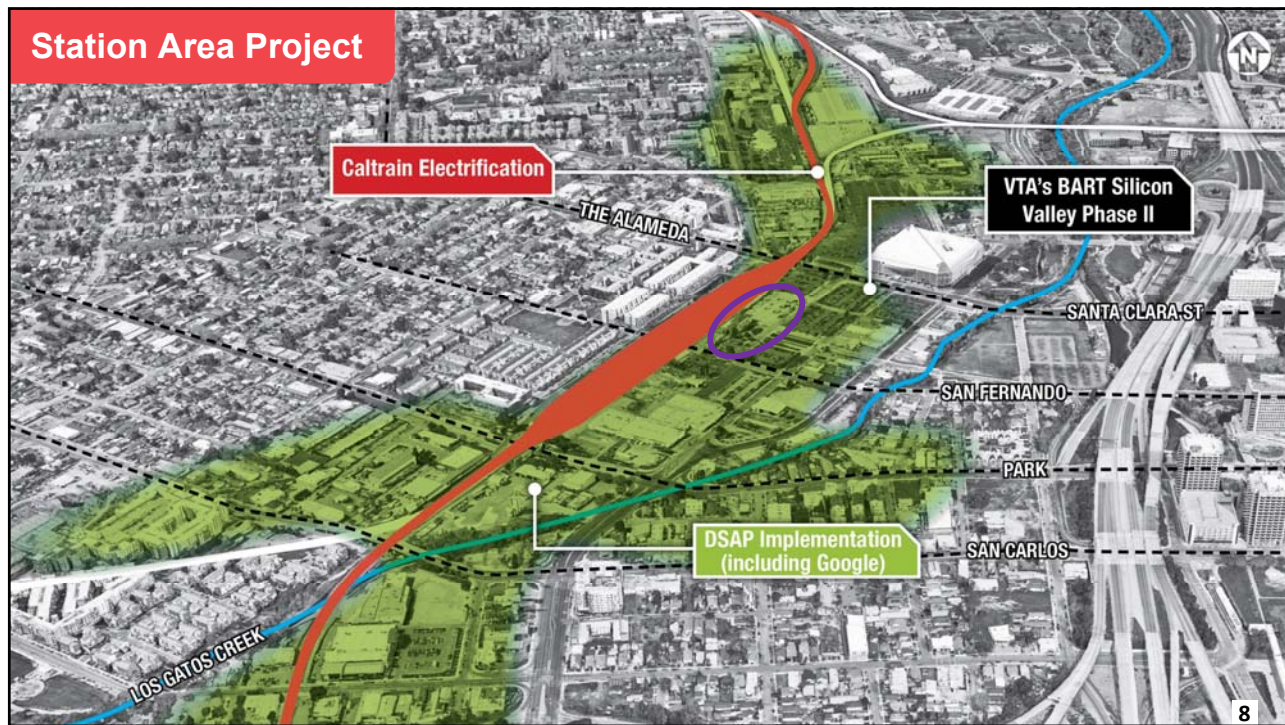
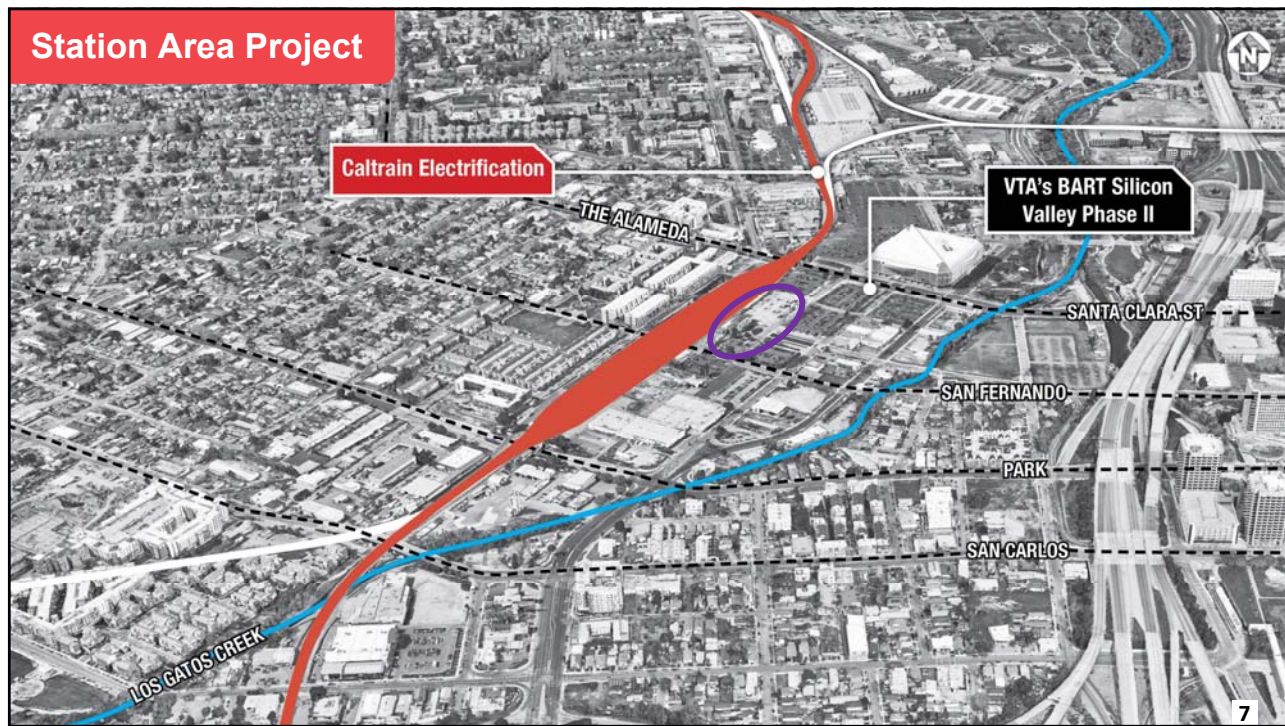
- Parcels bought by Google/Trammel Crow team
- City agency parcel sales being negotiated

Source: Santa Clara County property records, City of San Jose memos  
BAY AREA NEWS GROUP

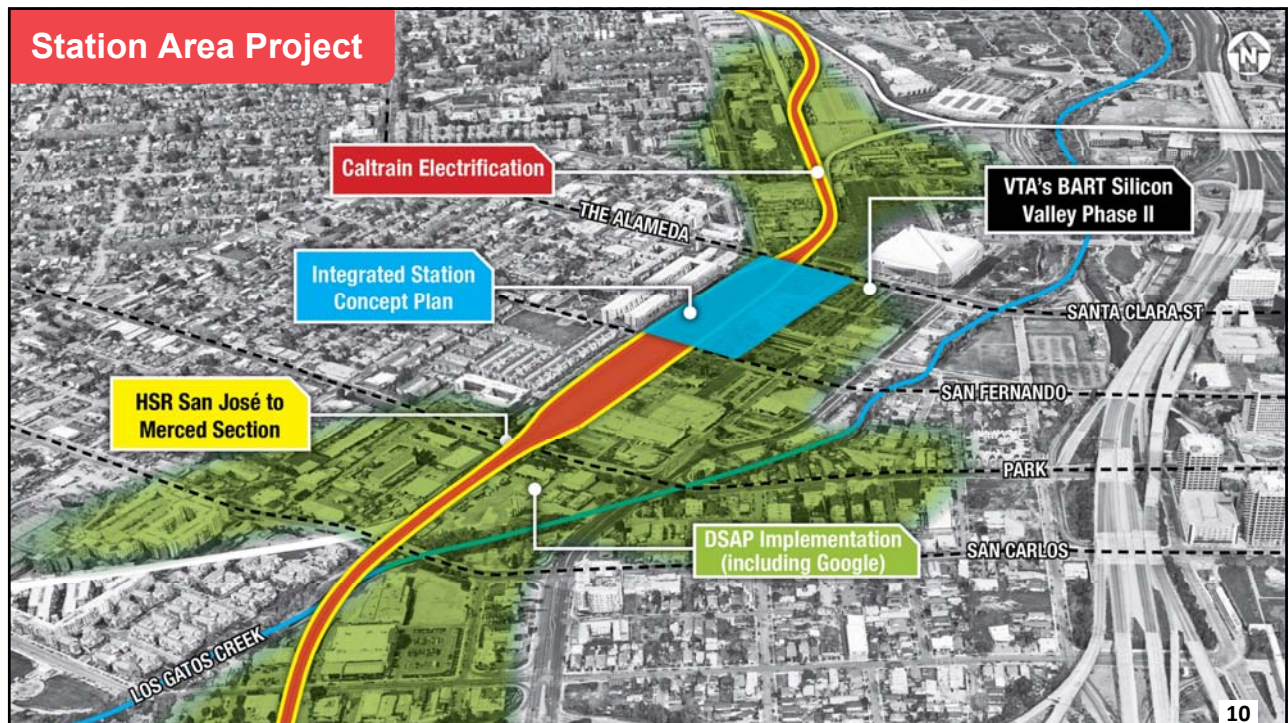
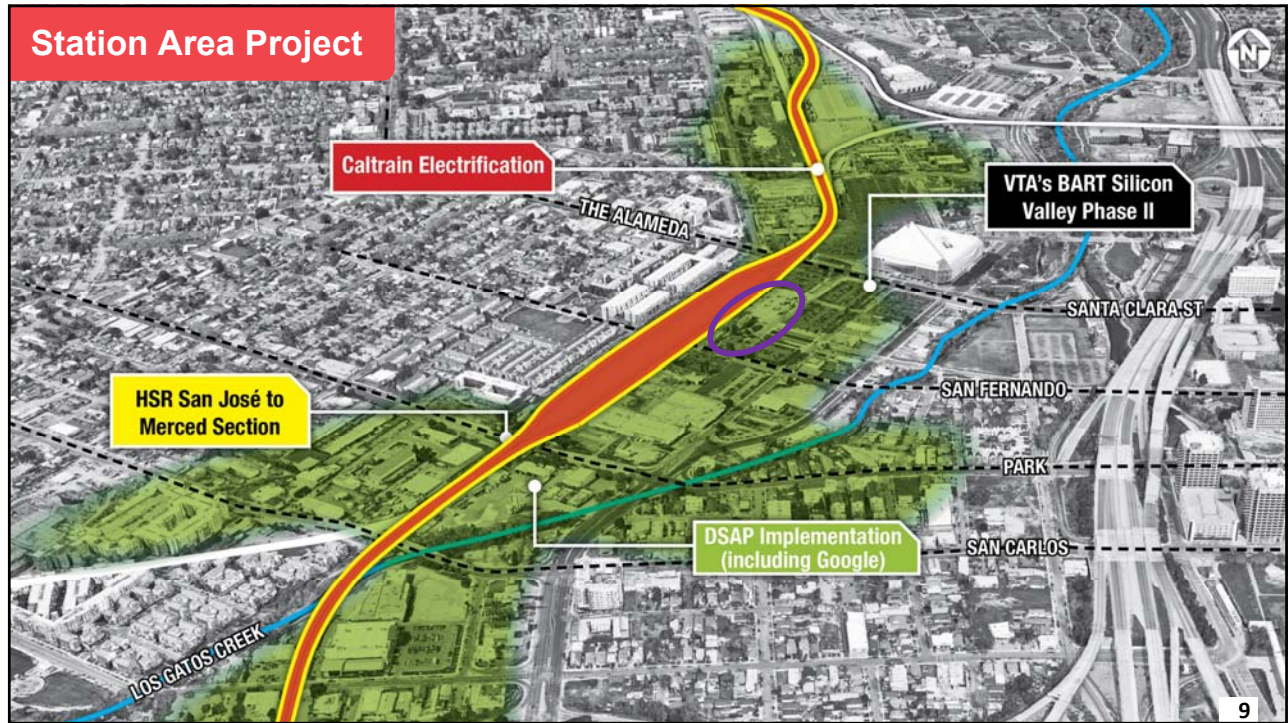
















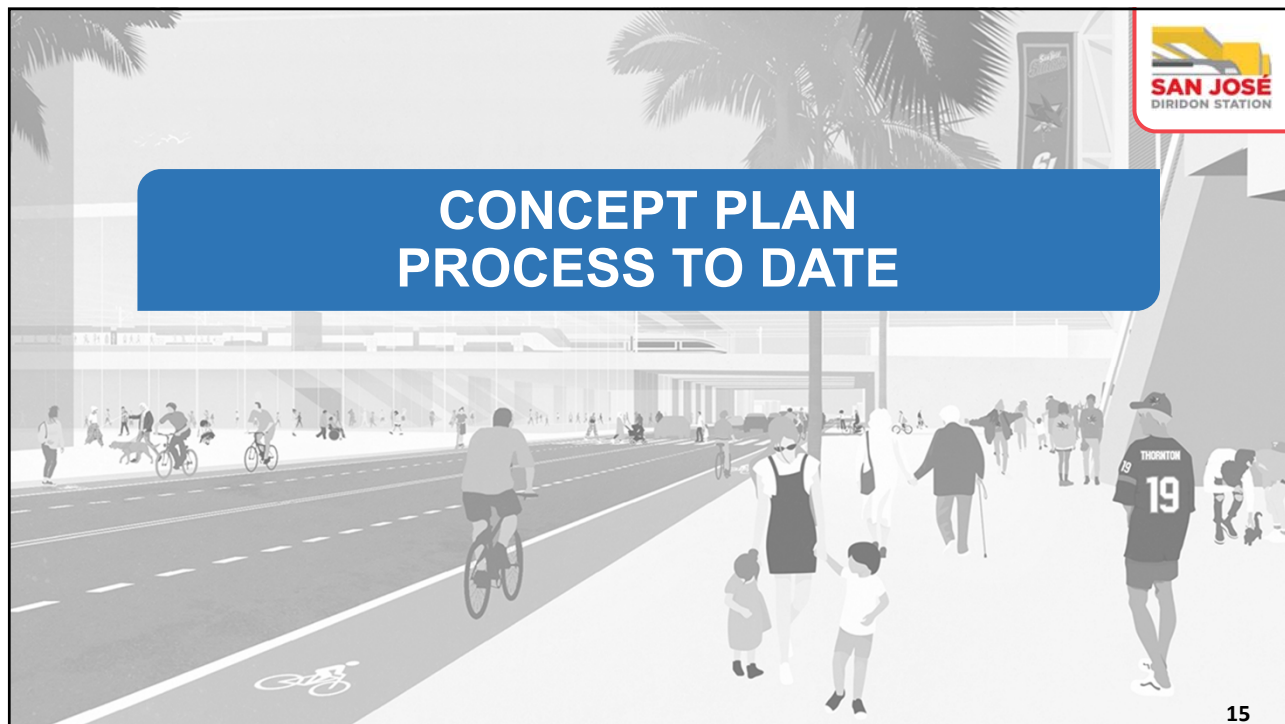
## Four Agencies Enter a Cooperative Agreement



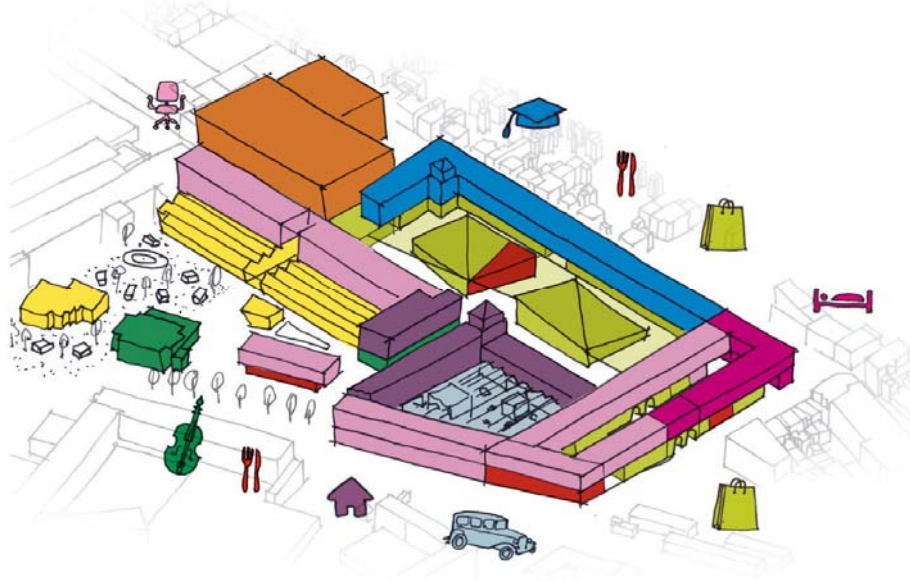
## Key Objectives for the Concept Plan



|  |  |  |  |
|--|--|--|--|
|  <p>A Multi-Modal, Integrated, and Human-Centered Station</p>     |  <p>The Station as Catalyst for the Urban Environment</p> |  <p>The Station as a Destination</p>        |  <p>A Compelling Vision for the Future of the Diridon Station</p> |
|  <p>A Futureproof, Flexible, Adaptive, and Innovative Station</p> |  <p>Partnership Organization</p>                          |  <p>Internal &amp; External Stakeholder</p> |  <p>Funding Objectives and Risk Management</p>                    |



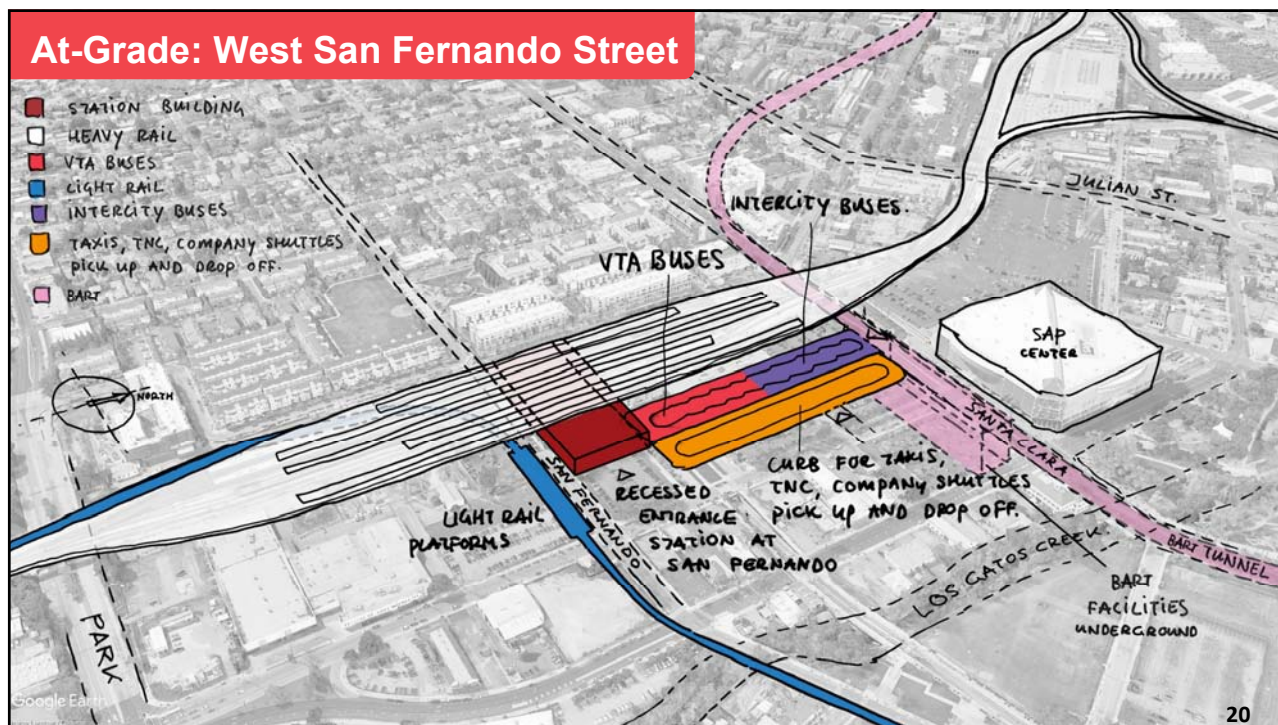
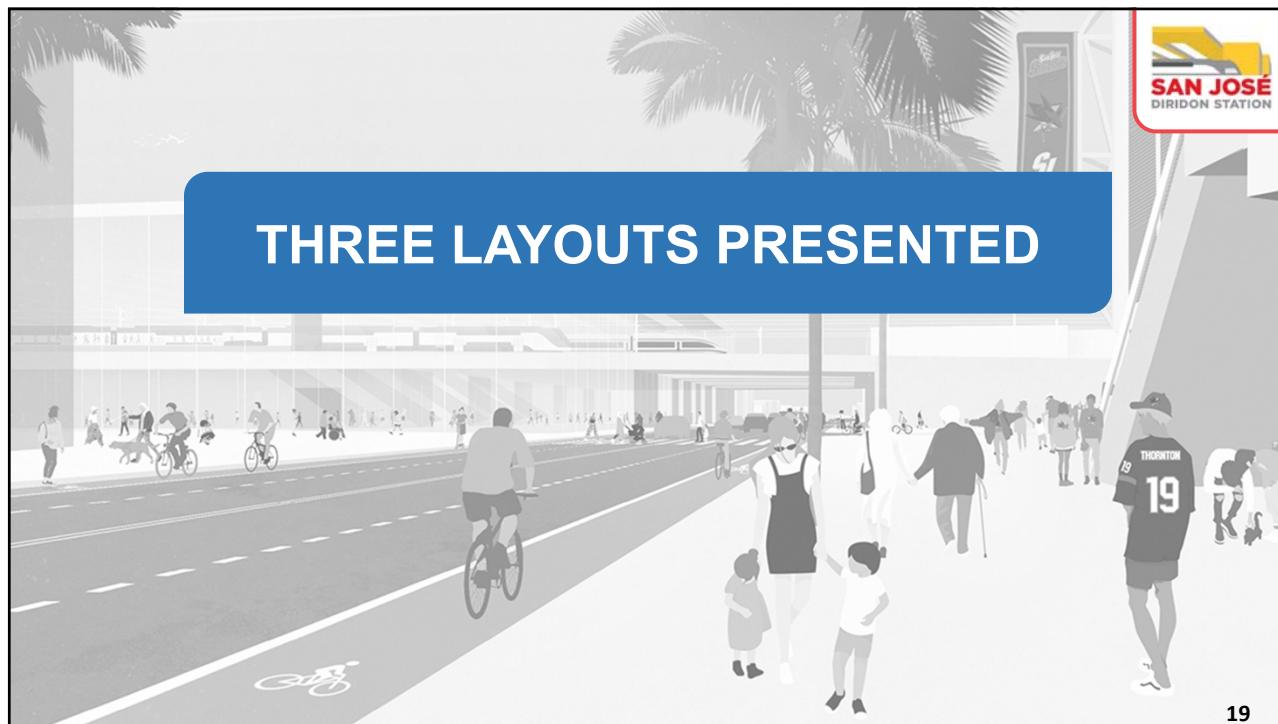
# What Is a Concept Plan?



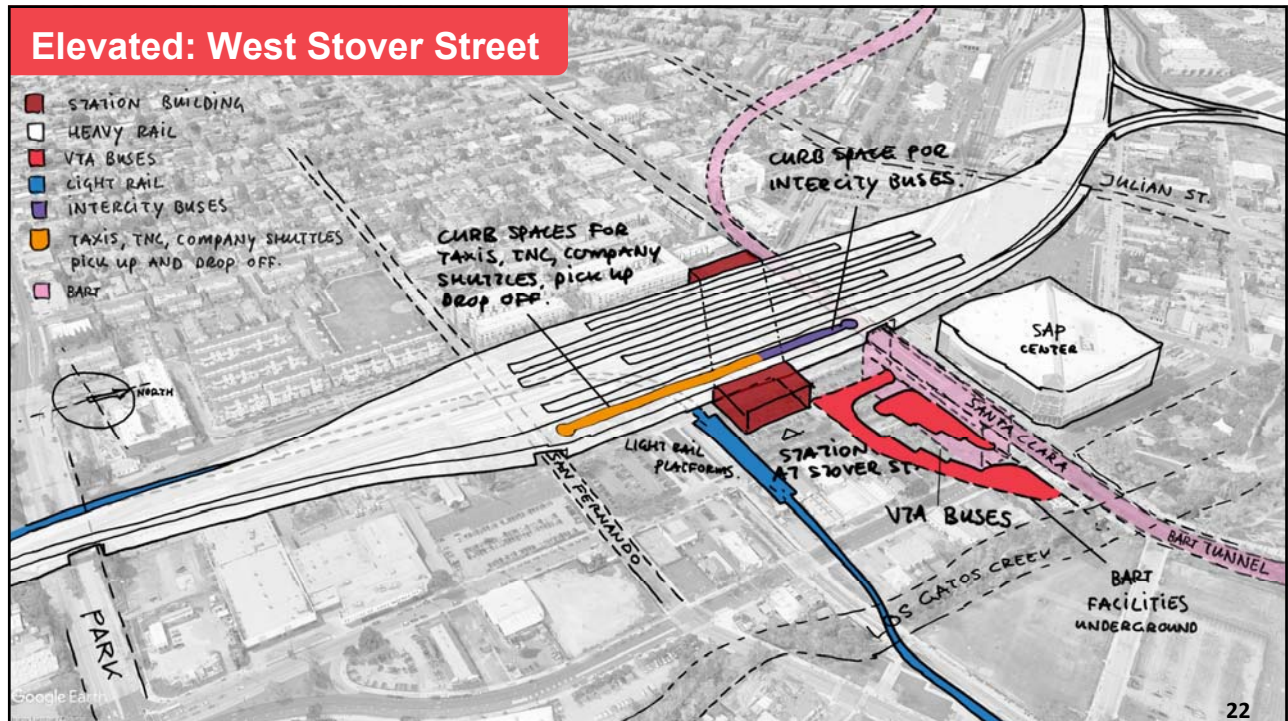
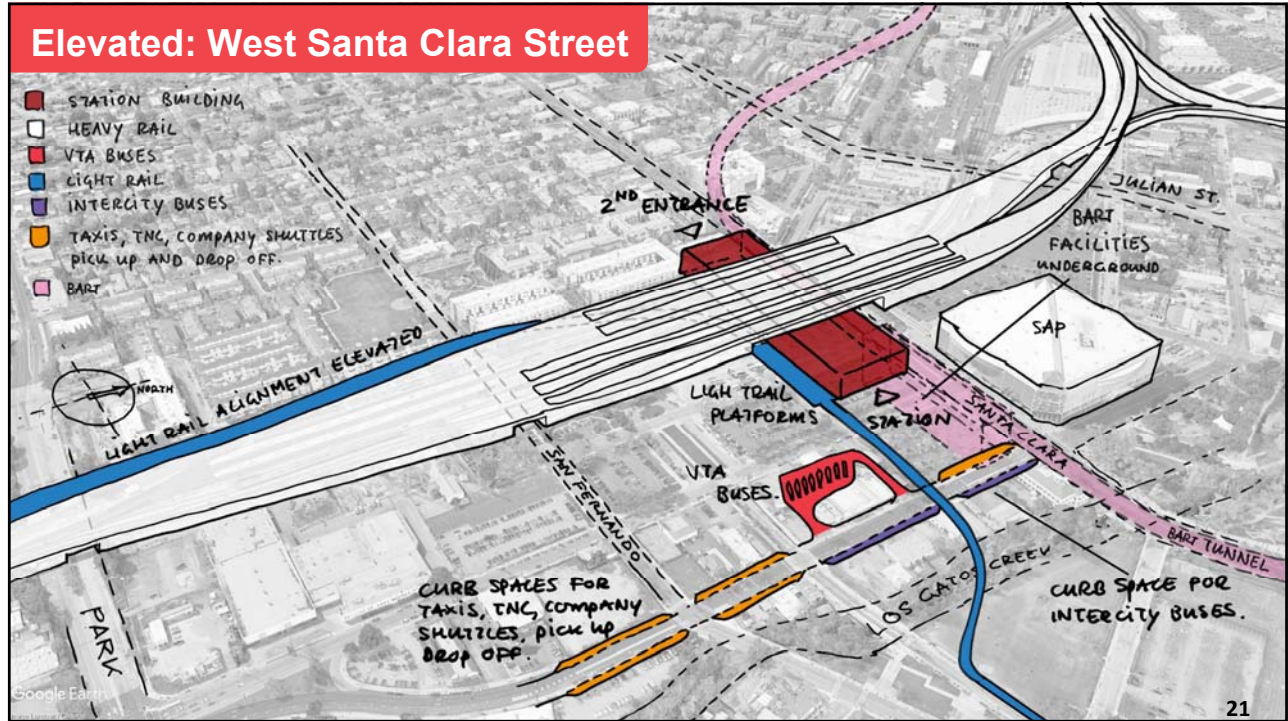
# Big Moves & Kit of Parts

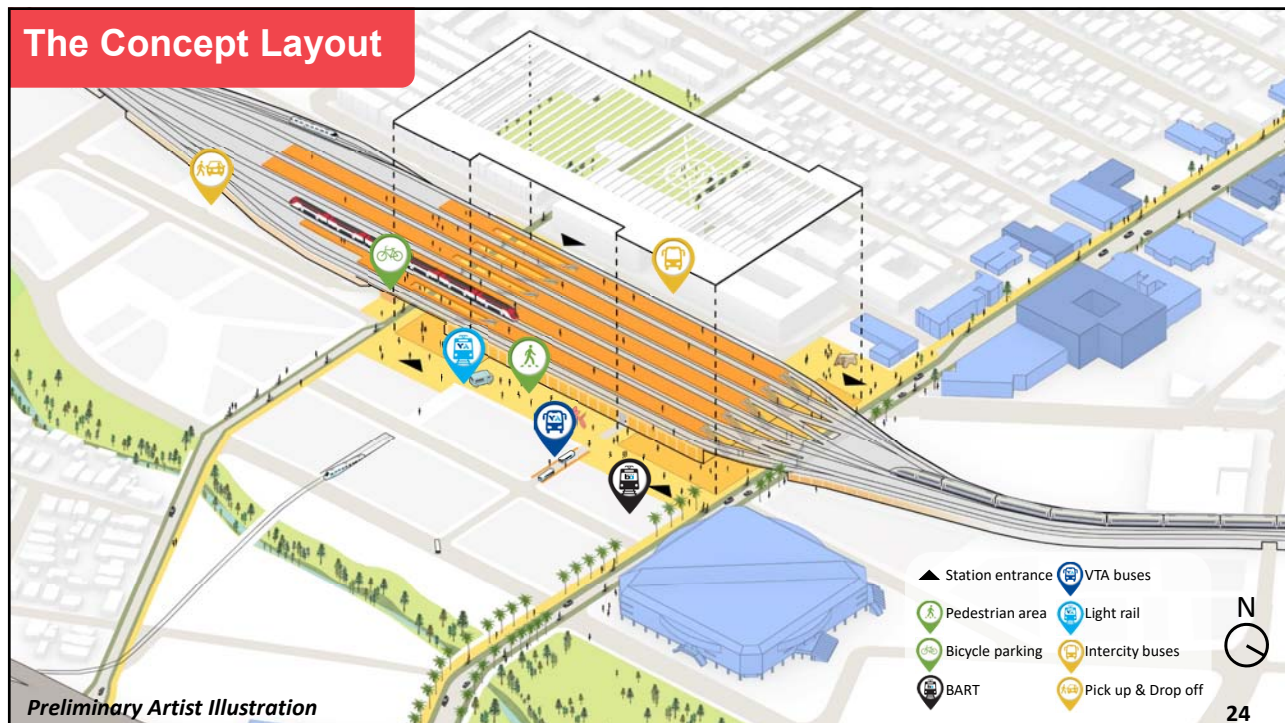




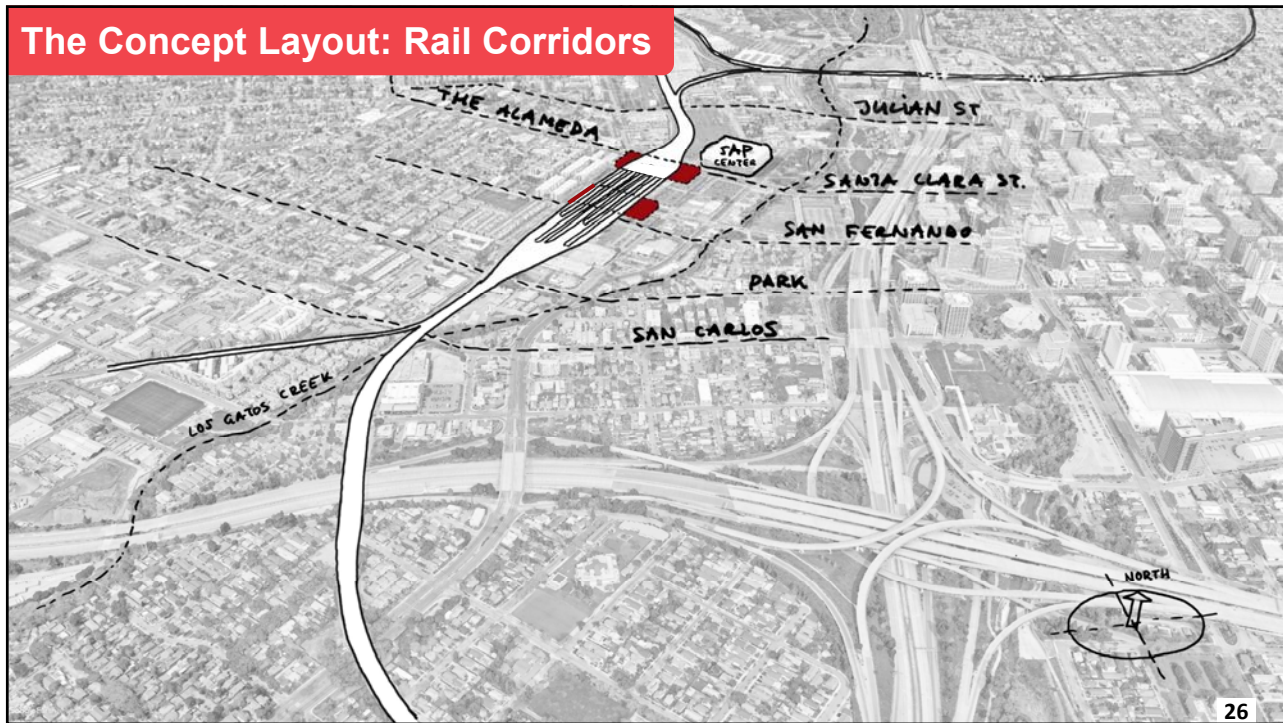
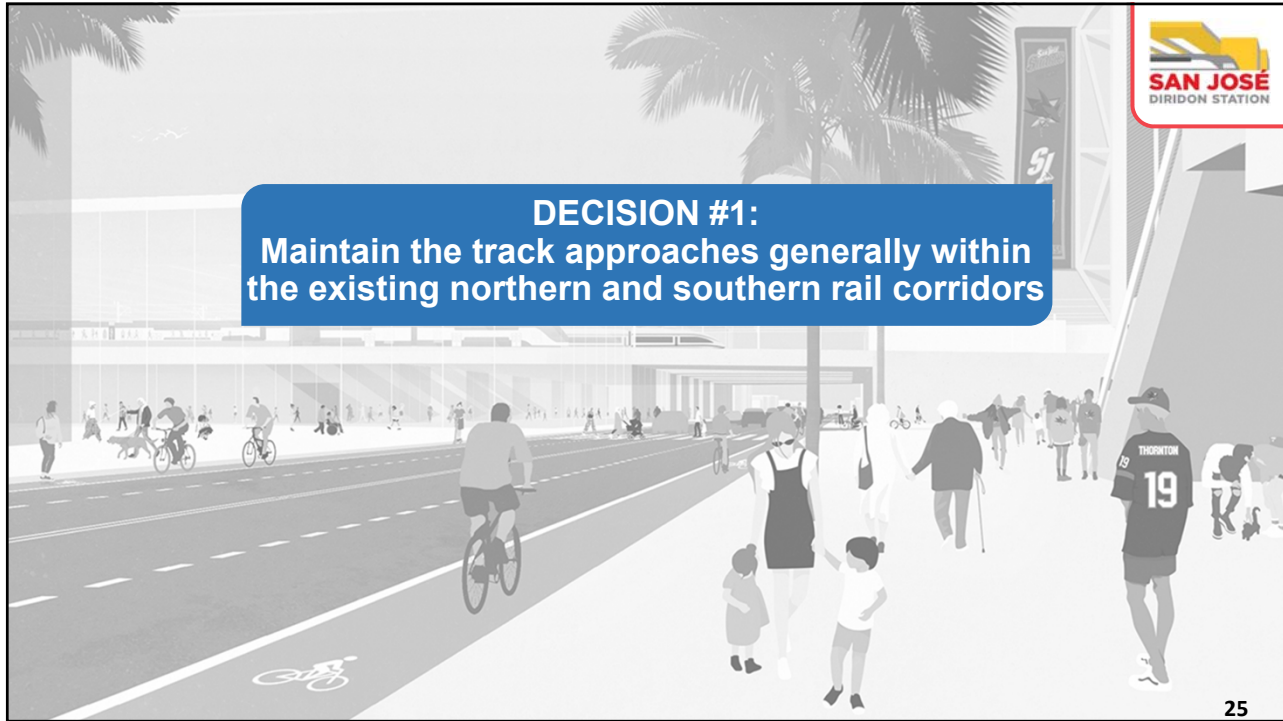


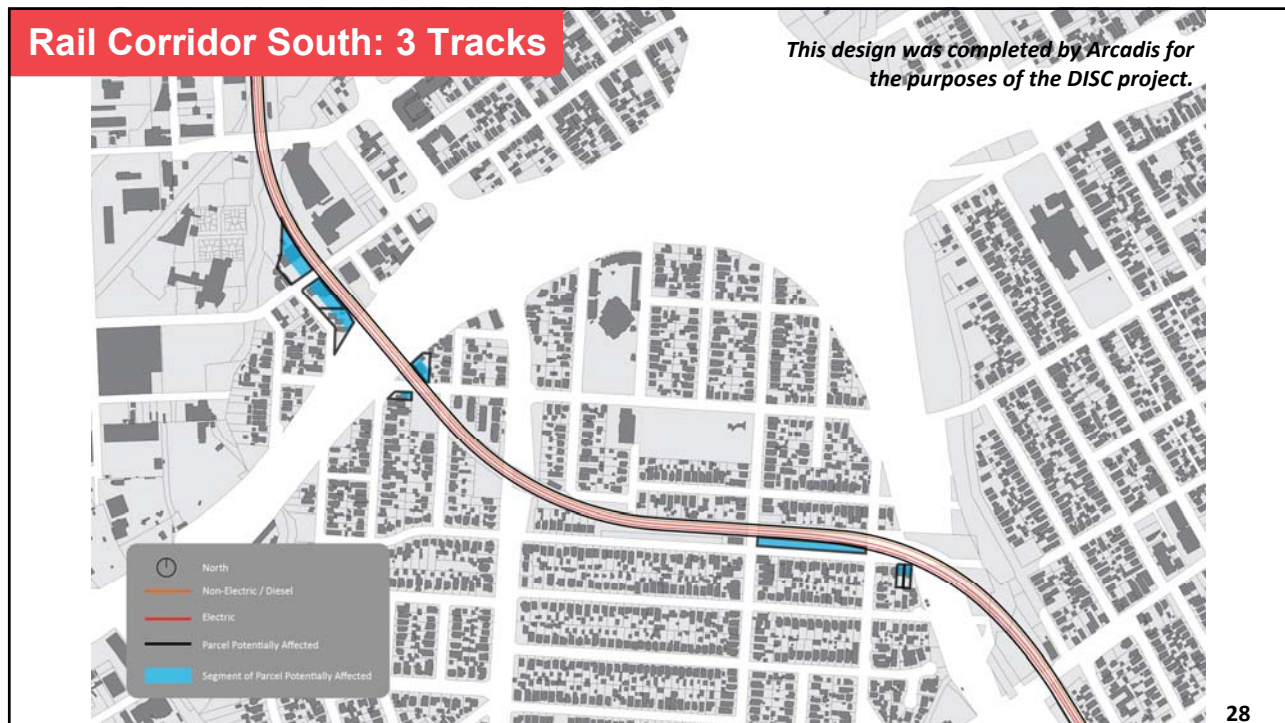
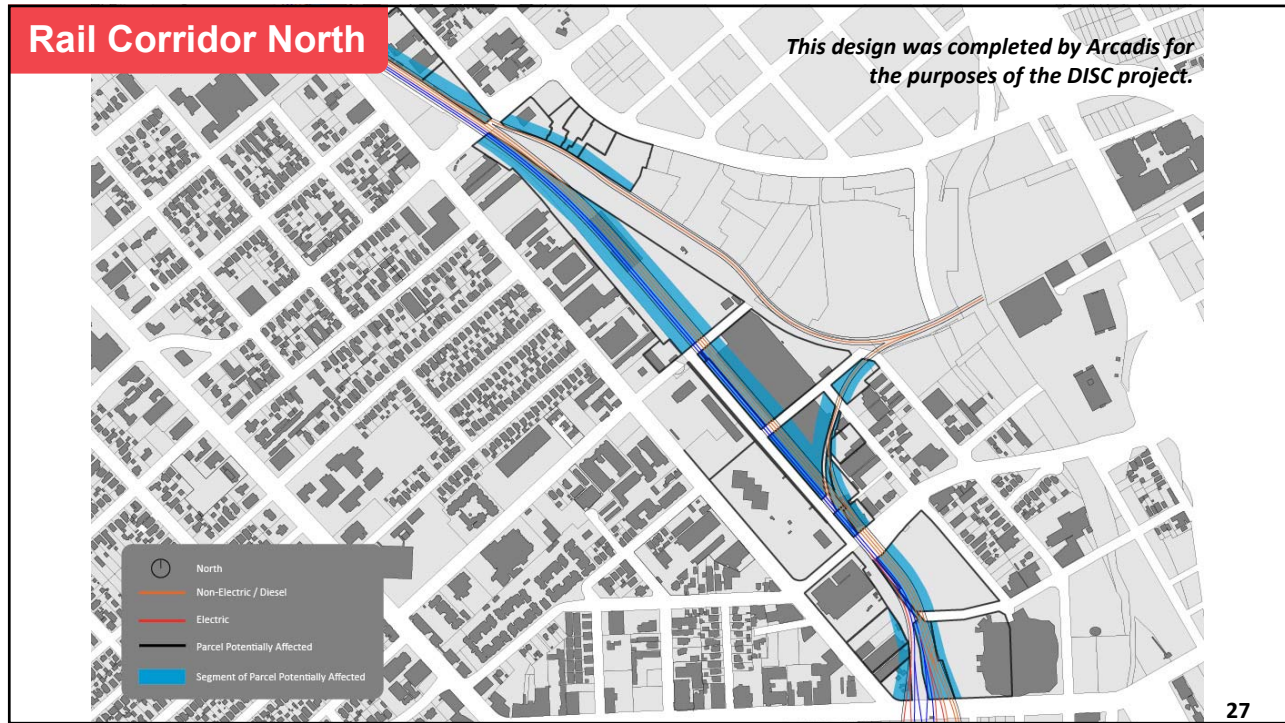




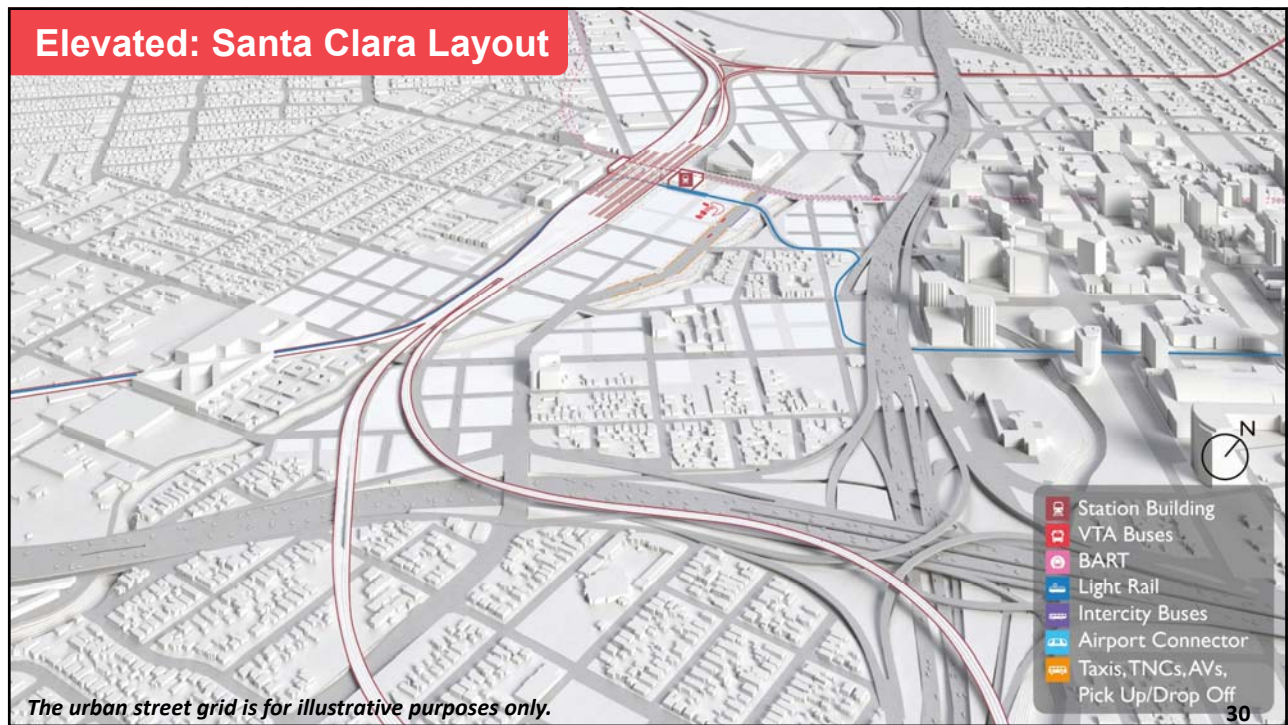
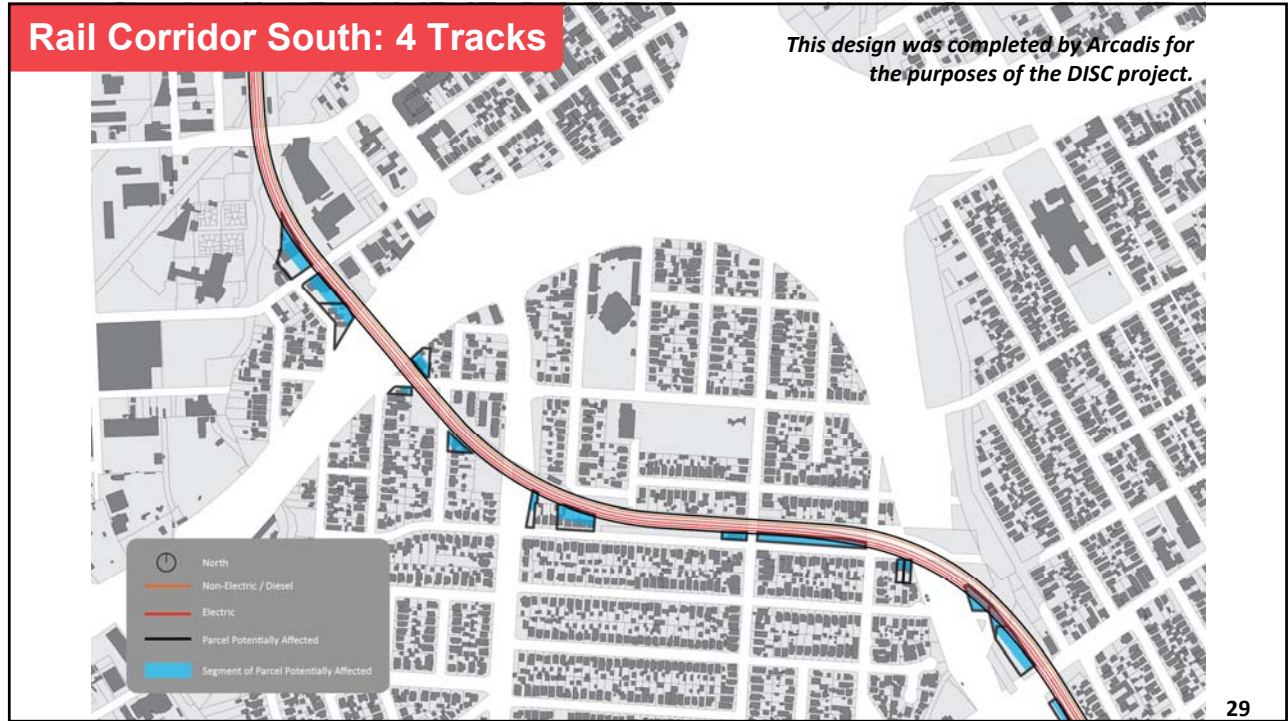




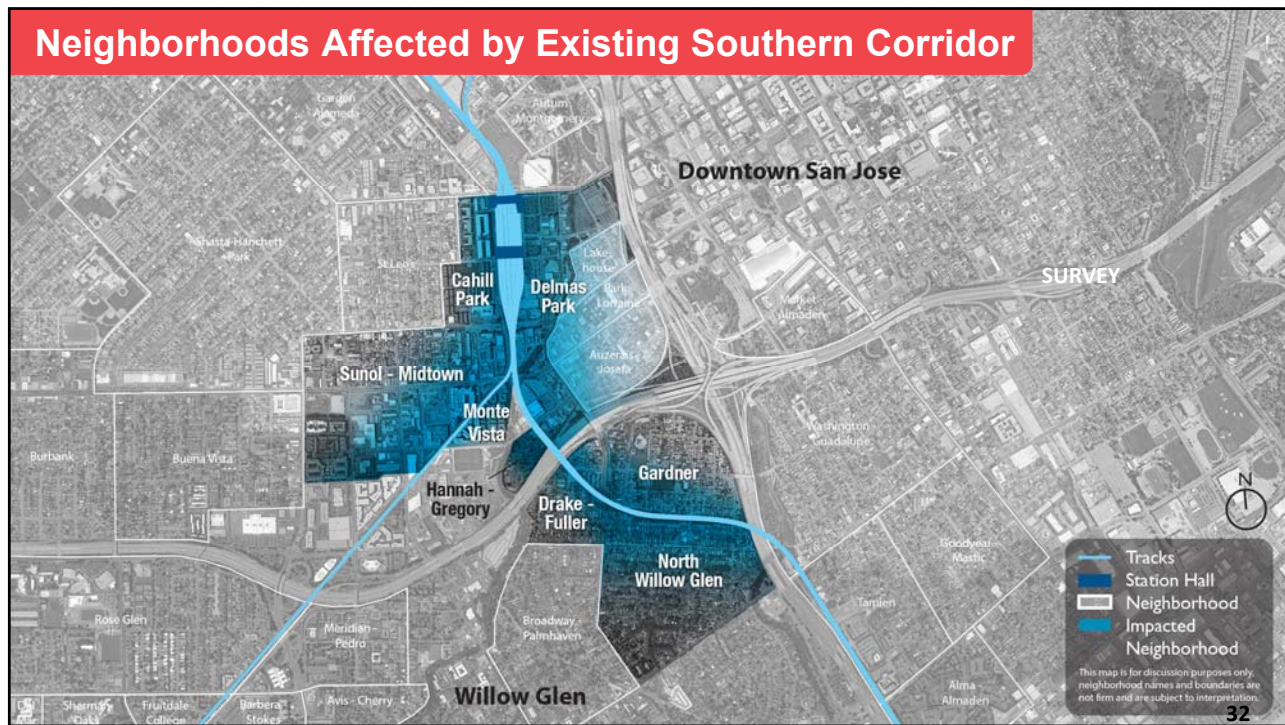
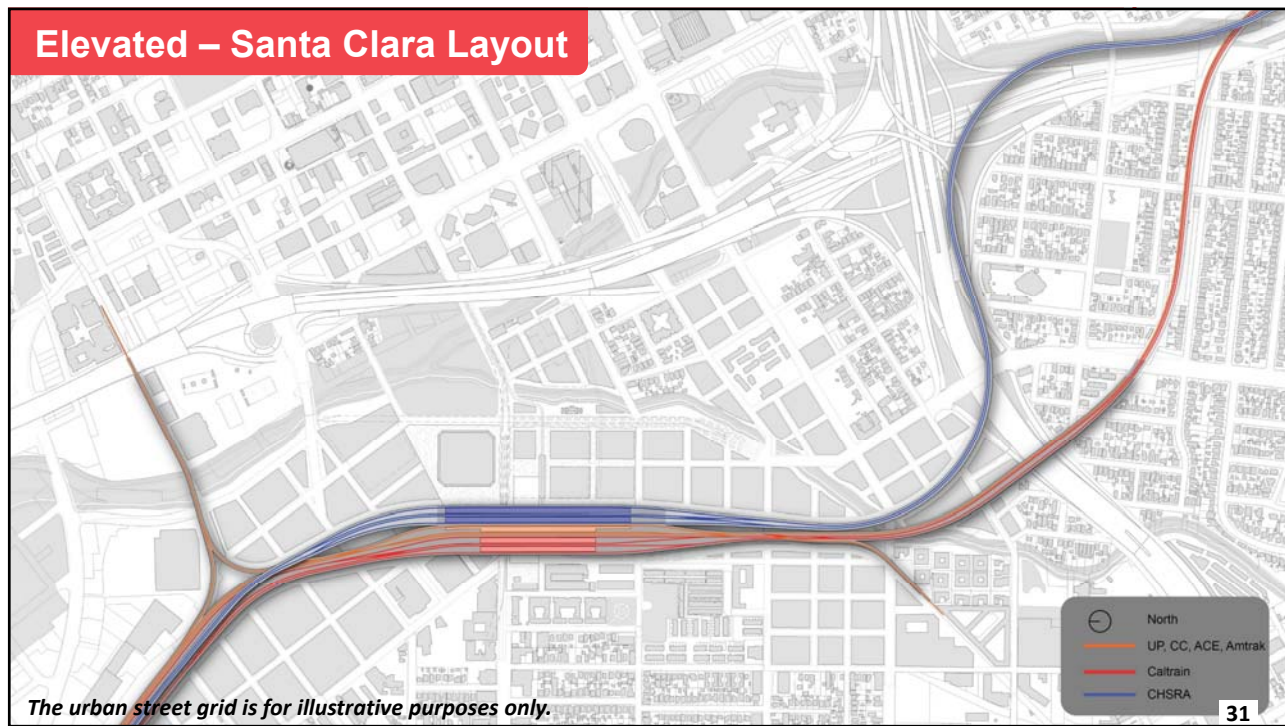




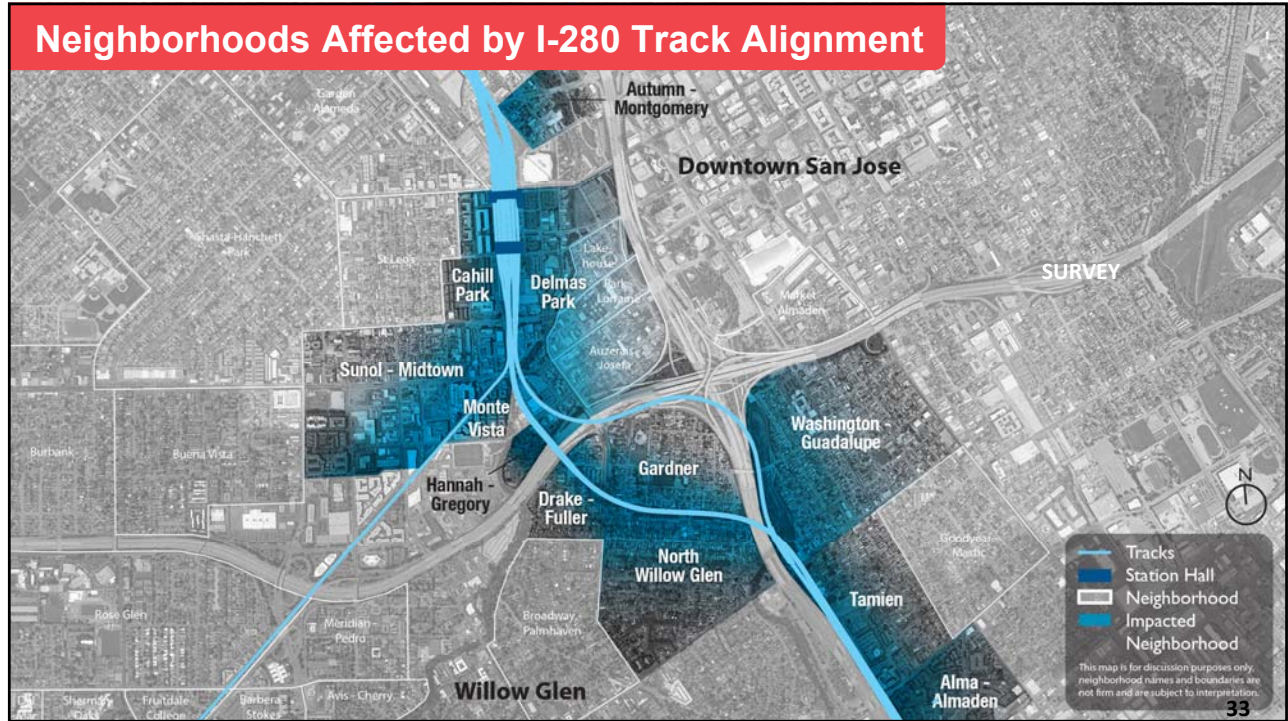














**West William Street looking northeast**

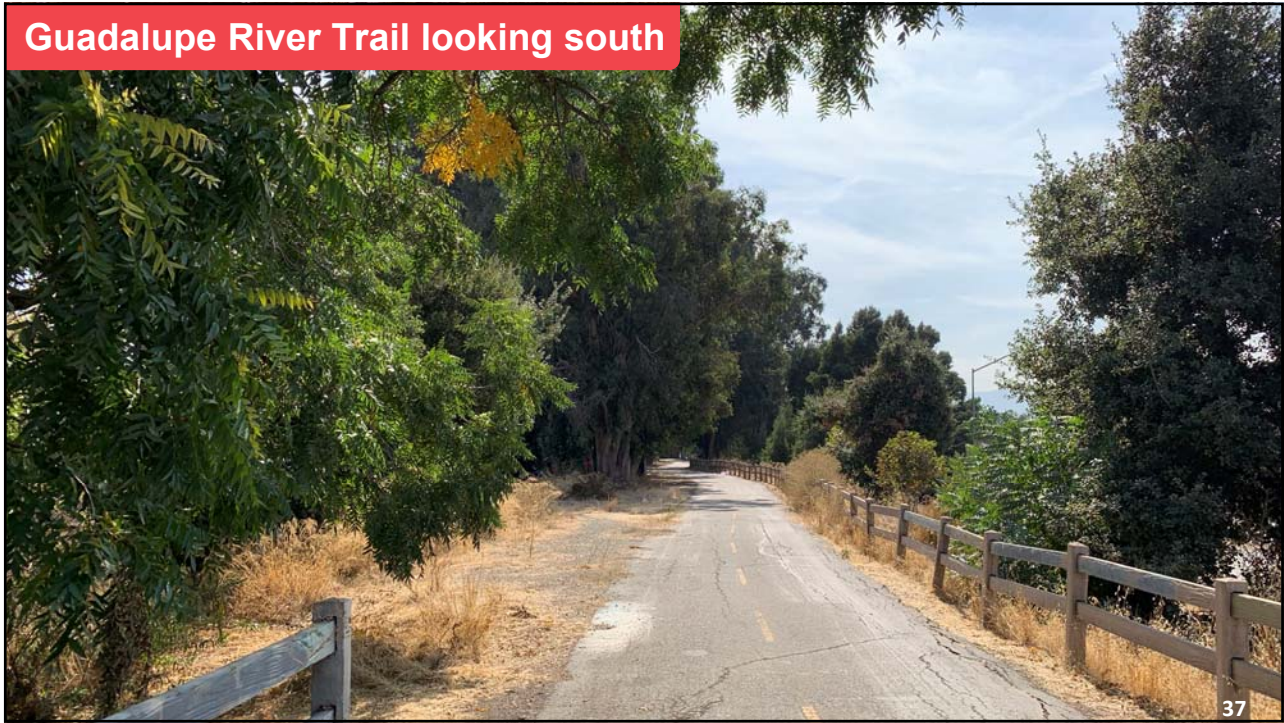


**Possible View of I280 Viaduct –  
*West William Street looking northeast***





**Guadalupe River Trail looking south**



**Possible View of I280 Viaduct –  
Guadalupe River Trail looking south**



## Summary of Benefits and Trade-Offs

Existing Rail Alignment vs. the Addition of the I-280 Rail Viaduct



| Area of Concern          | Existing Rail Alignment in 2040 | Existing Rail Alignment Plus I-280 Rail Viaduct Addition in 2040 |
|--------------------------|---------------------------------|--|
| Train Volumes            | Overall Increase                | Overall Increase   |
| Neighborhoods Affected   | Same as Today                   | Same as Today Plus Additional Neighborhoods                      |
| Infrastructure Footprint | Modest Increase                 | Significantly More   |
| Noise and Vibration      | Expected to Increase            | More Overall Affecting Larger Groups of Population               |
| Visual                   | Modest                          | Significant Change to Visual Landscape                           |
| Environmental            | Some                            | Significantly More (Incl. Guadalupe River)                       |
| Maintenance              | Modest                          | High   |



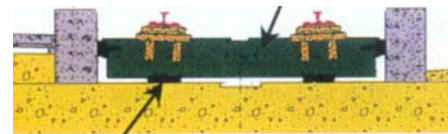


## Possible Improvements: Sound & Visibility



41

## Possible Improvements: Sound & Visibility

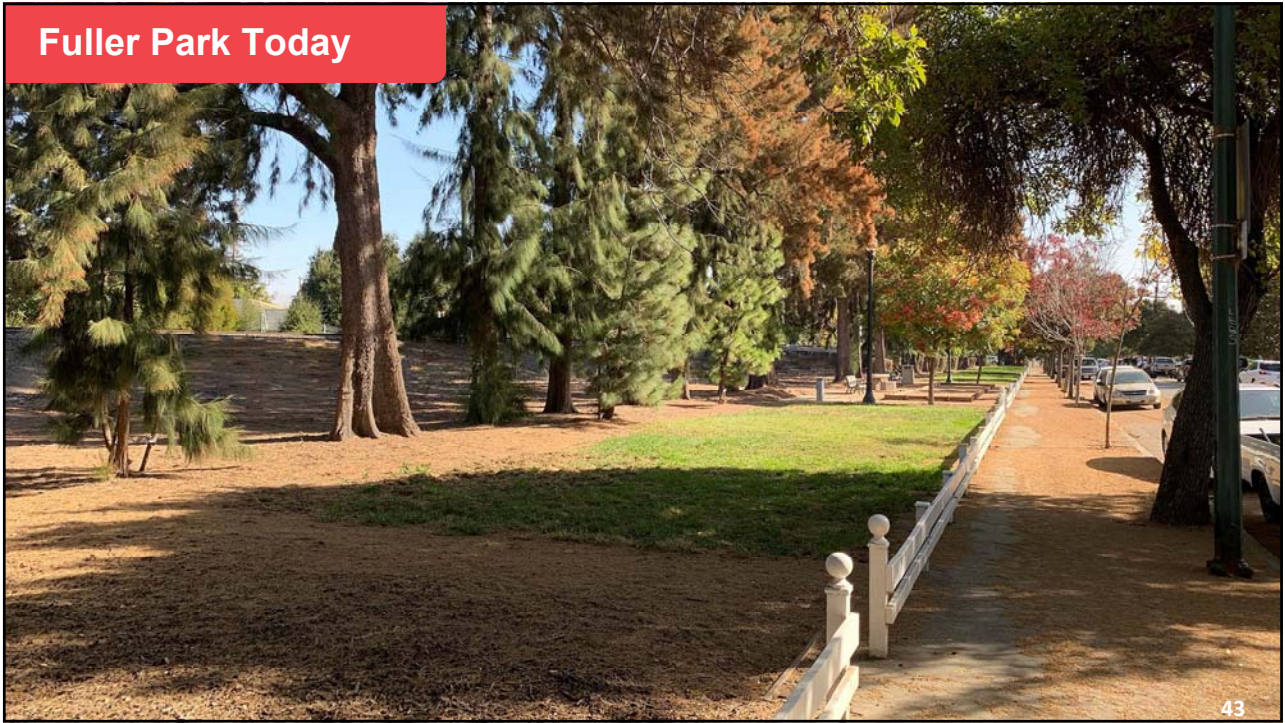


Rubber Bearing

42



Fuller Park Today



43

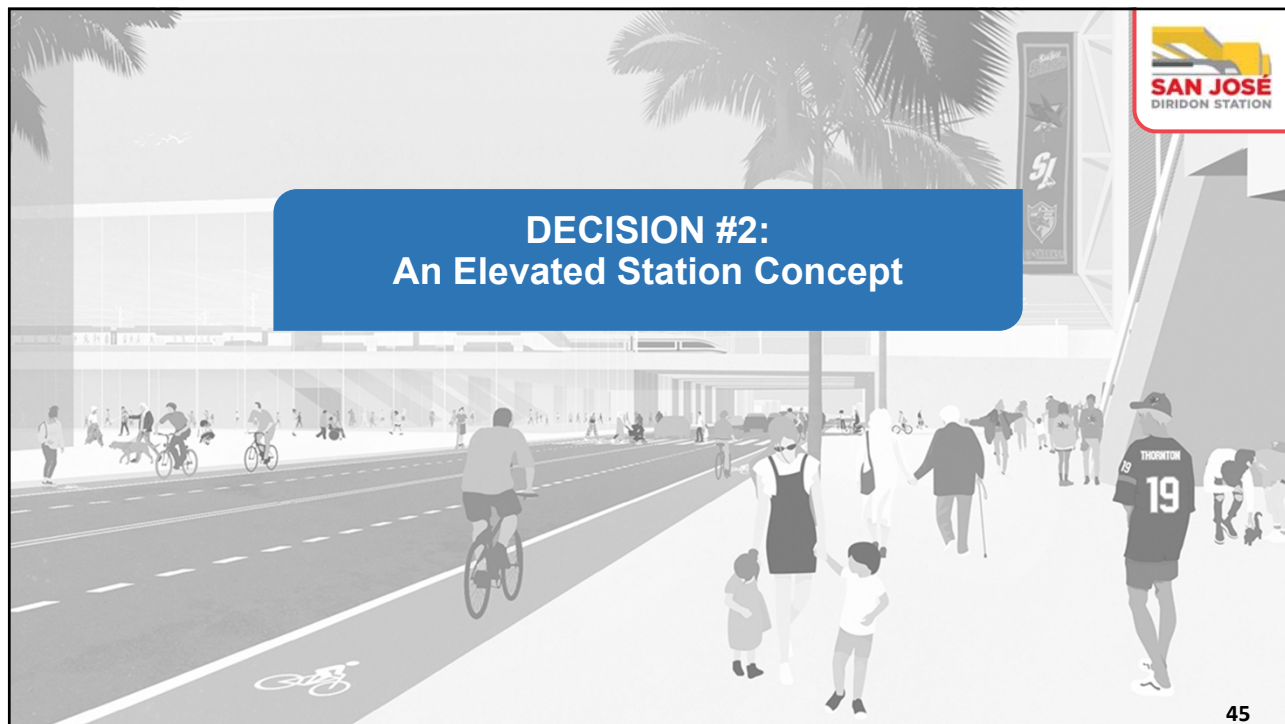
Fuller Park Idea #1



Preliminary Artist Illustration

44







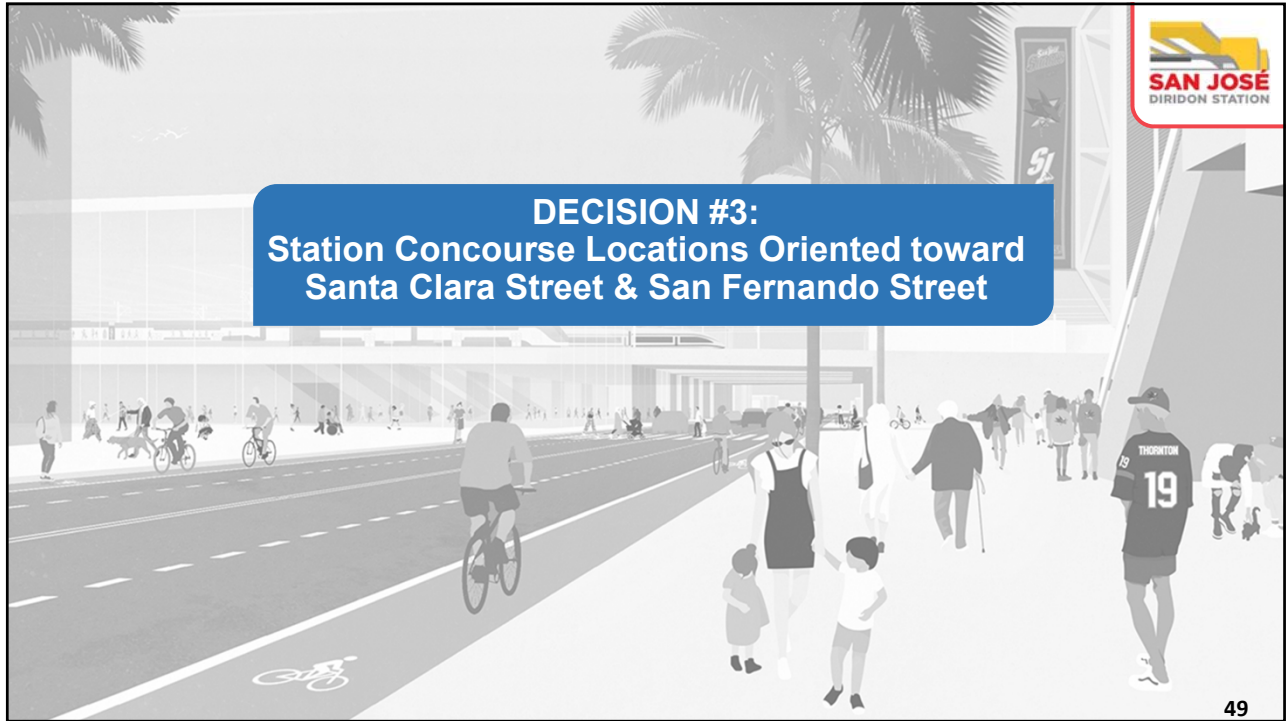
**Example of elevated tracks:**  
*Rotterdam*

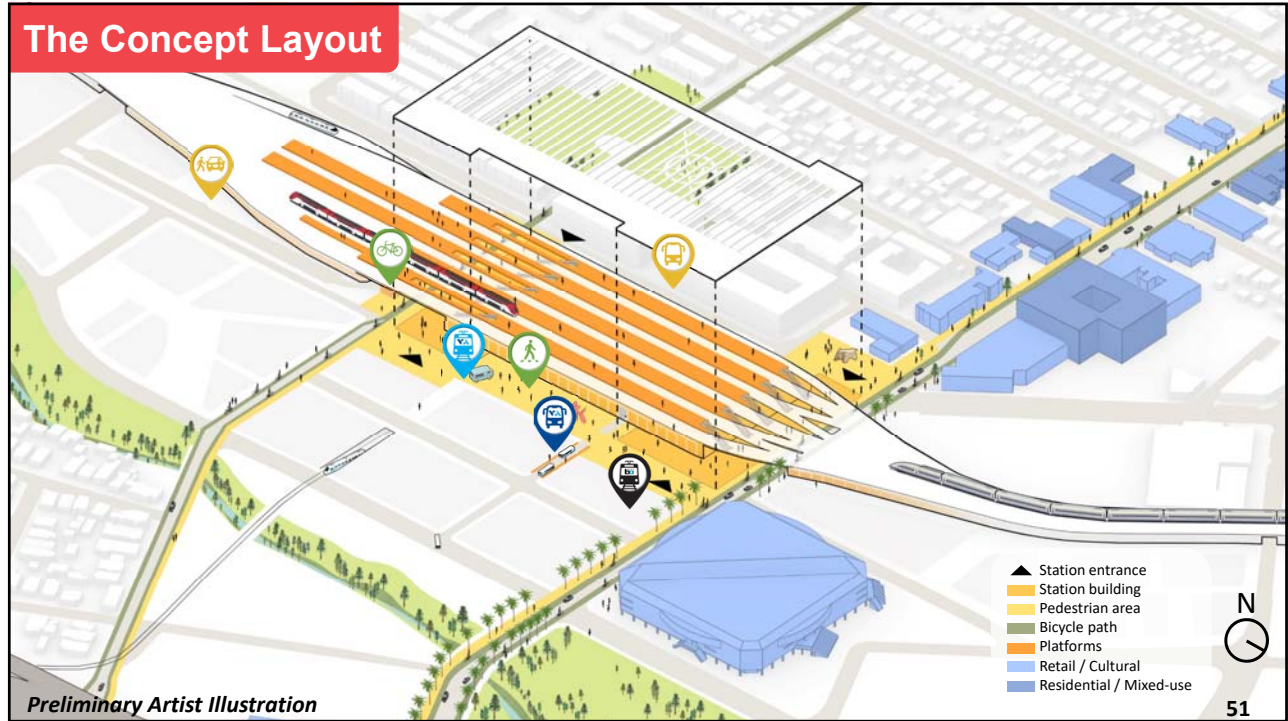


**Example of elevated station:**  
*Rotterdam*











**TODAY: West Santa Clara St – Looking to the west**



53

**West Santa Clara St – Looking to the west**



Preliminary Artist Illustration

54

**TODAY: West Santa Clara St – Looking to the south**



**W Santa Clara St – Looking to the south**



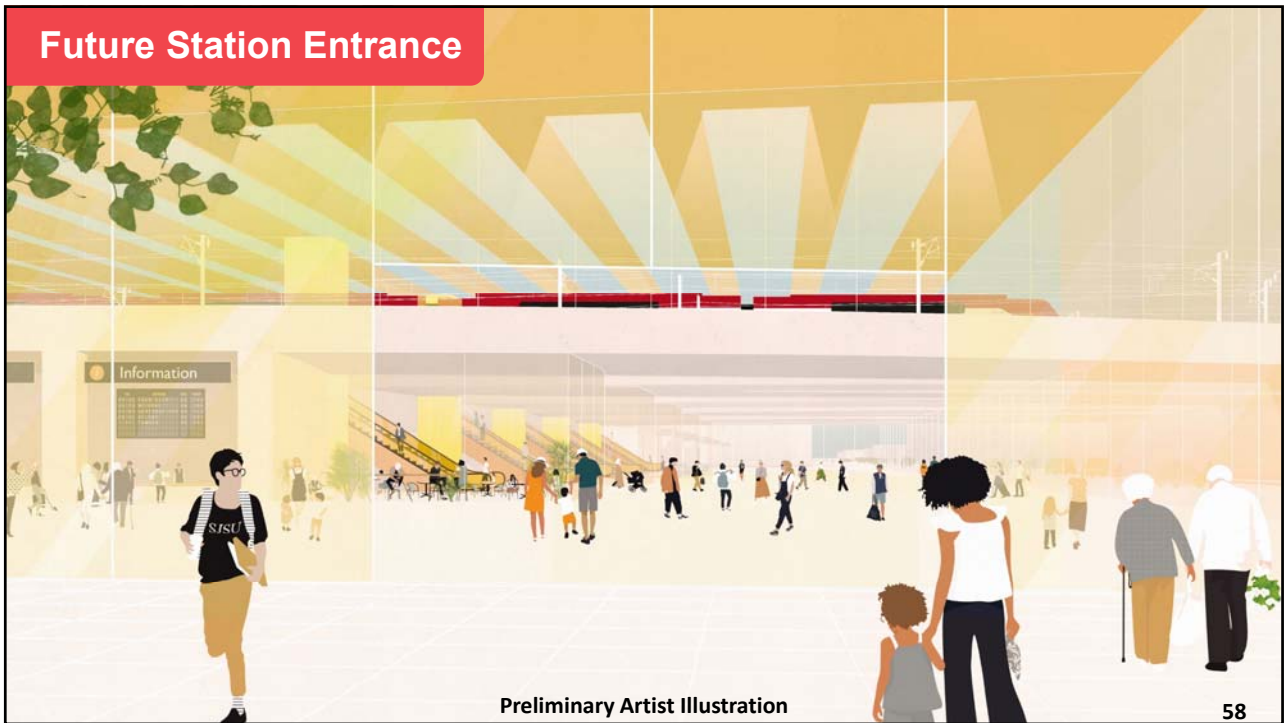


**TODAY: Cahill St looking to the west**



57

**Future Station Entrance**



Preliminary Artist Illustration

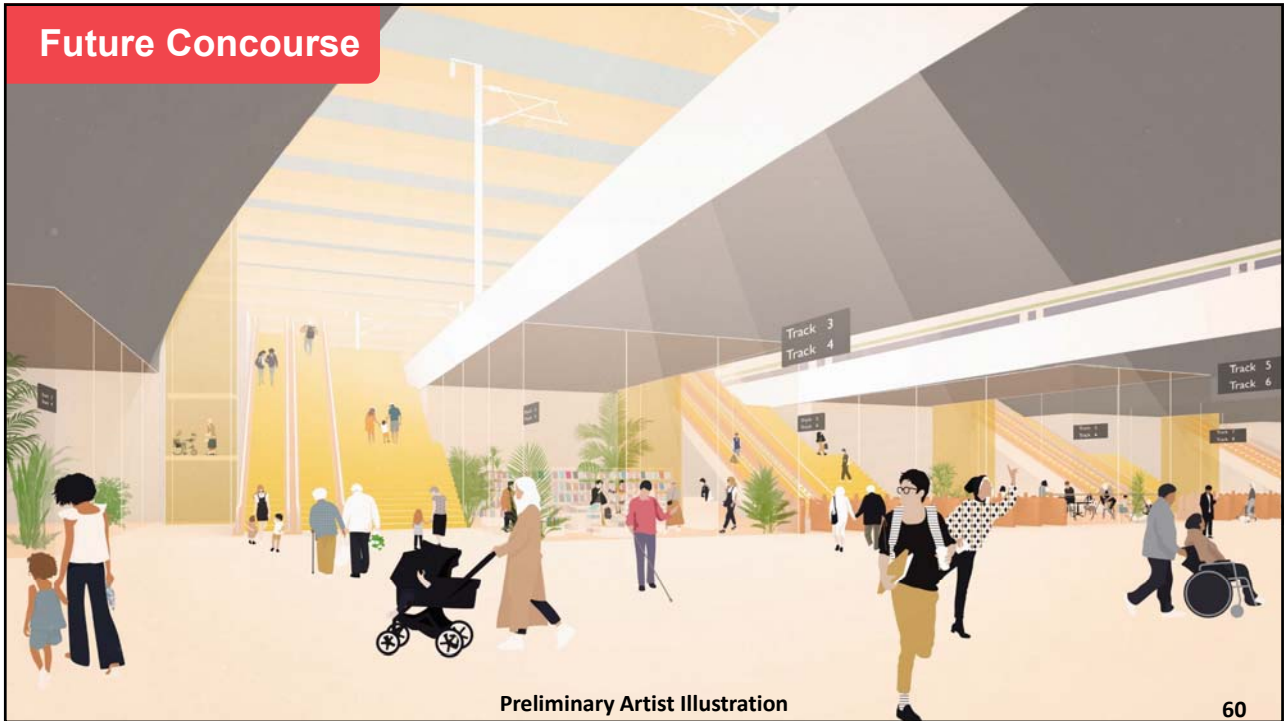
58

**TODAY: Inside the Concourse**



59

**Future Concourse**



Preliminary Artist Illustration

60

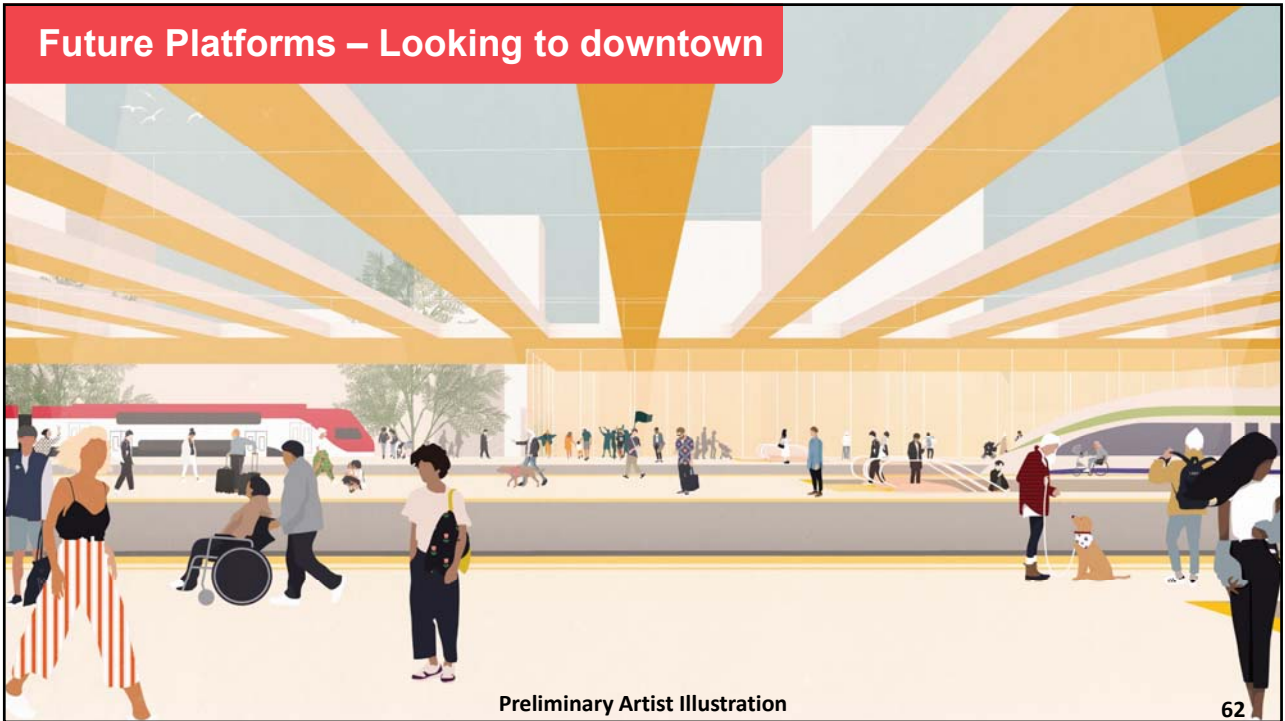


**TODAY: Platforms – Looking to downtown**



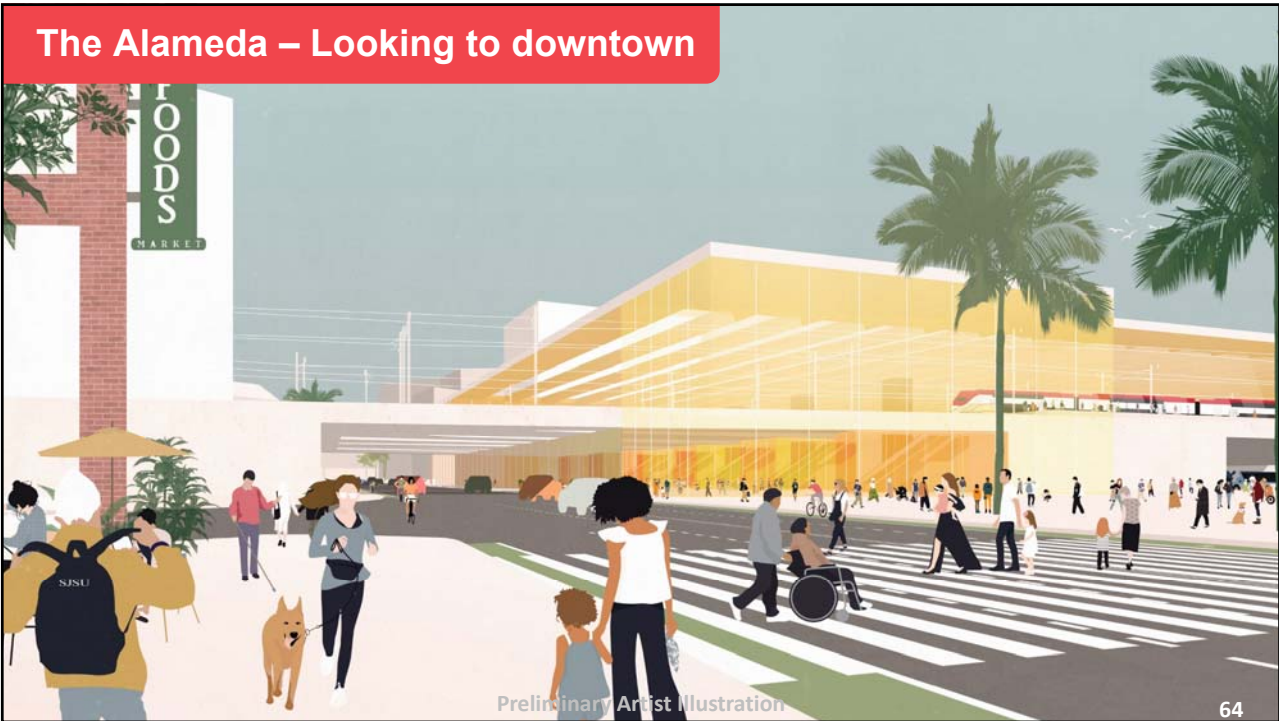
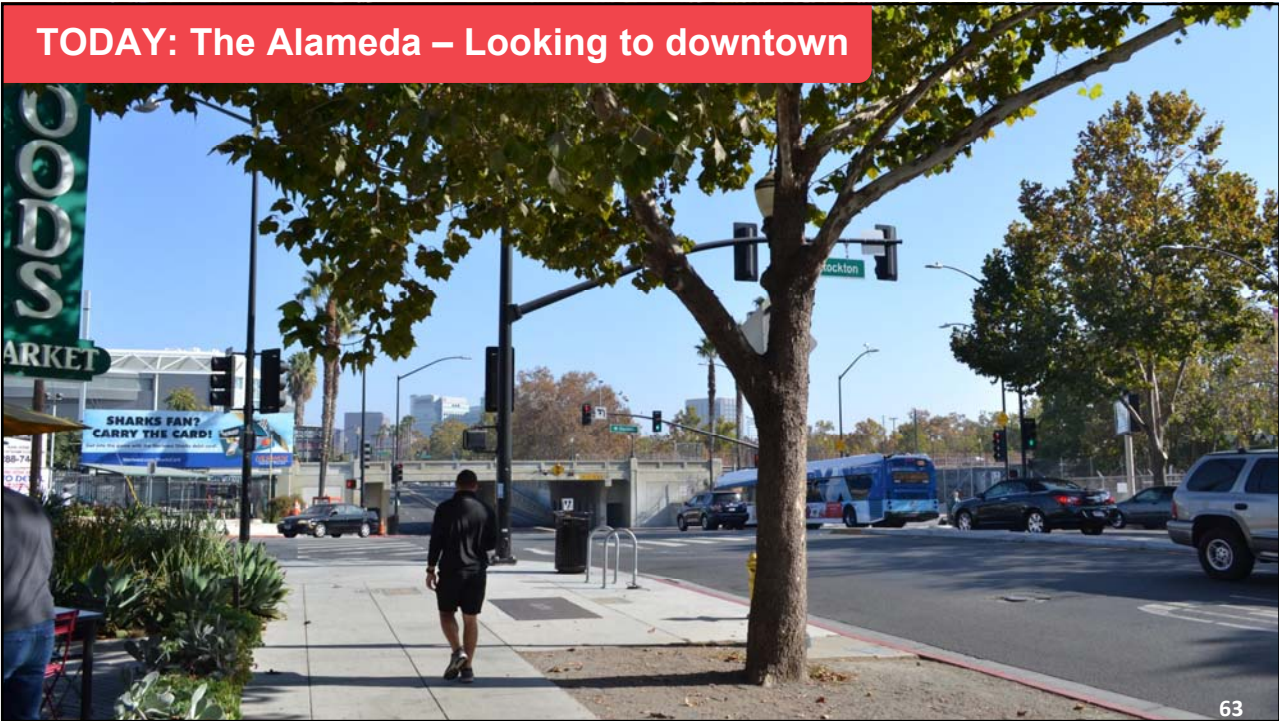
61

**Future Platforms – Looking to downtown**



Preliminary Artist Illustration

62





**TODAY: West San Fernando St – Looking to downtown**



65

**West San Fernando St – Looking to downtown**



Preliminary Artist Illustration

66

## Next Steps in the Concept Plan



Advancement of additional planning and conceptual design work over the next year including:

- **Continue** planning of the multimodal hub;
- **Advance** conceptual design of track alignment and rail operations;
- **Study** the best options to organize and govern the future station;
- **Build** a viable financial plan;
- **Develop** a roadmap for implementation including environmental clearance strategy;
- Plus, ongoing community and stakeholder **engagement**.

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## QUESTIONS & COMMENTS

For more information, visit: [www.diridonsj.org/disc](http://www.diridonsj.org/disc)



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**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**STAFF REPORT**

TO: Work Program- Legislative-Planning Committee and Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **2020 LEGISLATIVE PROGRAM**

**ACTION**

This report is for information only. No Board action is required. At the January 9, 2020, meeting, staff will present the final 2020 Legislative Program for Board adoption.

**SIGNIFICANCE**

The 2020 Program establishes the principles that will guide Caltrain's legislative and regulatory advocacy efforts through the 2020 calendar year, including the second half of the 2019-20 State legislative session and second session of the 116th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow Caltrain to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of Caltrain's priorities.

The 2020 Program is organized to guide Caltrain's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support Caltrain's programs, projects, and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes Caltrain's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

The Program is structured to apply these core objectives to a series of issues detailed in the 2020 Legislative Program.

Should other issues surface that require Caltrain's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to Caltrain's Board of Directors for

consideration.

Caltrain and its legislative consultants will employ a variety of engagement tools to support the 2020 Legislative Program, including:

1. Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances Caltrain's legislative priorities and positions.

2. Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2020 Program.

3. Media Engagement

Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and through the use of social media and other electronic media.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further Caltrain's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

Prepared By: Casey Fromson,  
Government and Community Affairs Director

650.508.6493

# Peninsula Corridor Joint Powers Board

## 2020 Legislative Program

### Purpose

Legislative and regulatory actions have the potential to significantly benefit Peninsula Corridor Joint Powers Board (JPB) programs and services. They also have potential to present serious challenges that threaten the JPB's ability to meet Caltrain's most critical transportation demands.

The 2020 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2020 calendar year, including the second half of the 2019-2020 State legislative session and the second session of the 116<sup>th</sup> Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments.

### Objectives

The 2020 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support the Agency's programs and services;
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands; and
- Reinforce and expand programs that build and incentivize public transportation ridership and improve quality transportation choices.

### Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Projects - Funding Requests and Needs
- Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the JPB's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board of Directors for consideration.

### **Advocacy Process**

Staff will indicate on each monthly legislative update recommended positions for pending bills. Once the board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a board meeting, staff will confer with the Board Chair. If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the agency taking a position.

### **Public Engagement Strategies**

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2020 Legislative Program, including:

- Direct Engagement  
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.
- Coalition-based Engagement  
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2020 Legislative Program.
- Media Engagement  
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

The adopted legislative program will guide the agency's legislative advocacy efforts until approval of the next program.

**State and Regional**

**Funding Opportunities and Challenges**

| <i>Issue / Background</i>   | <i>Strategy</i>   |
|---|---|
| <p><b>General Funding</b> In 2017, the State enacted SB 1, which provides \$5.2 billion to maintain local streets and roads and highways, ease traffic congestion, and provide mobility options through investments in public transportation and bicycle and pedestrian programs.</p> <p>In 2014, the Legislature called for, via SB 1077, a pilot program to study a road charge model as an alternative to the gas tax. The nine-month pilot began in July 2016, with over 5,000 participating vehicles statewide. The California State Transportation Agency (CalSTA) reported its findings from the Legislature to the CTC and the Legislature in 2018.</p> | <ul style="list-style-type: none"> <li>● Protect against the elimination or diversion of any State or regional funds that support the agency’s transportation needs.</li> <li>● Support State funding allocation requests for investments that benefit the agency’s transportation programs and services.</li> <li>● Work with statewide transit coalitions to identify and advance opportunities for funding that would support the agency’s transportation priorities.</li> <li>● Support efforts to provide funding for the deployment of zero emission transit vehicles and infrastructure.</li> <li>● Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA).</li> <li>● Monitor efforts to implement a mileage-based user fee as a potential revenue source.</li> </ul> |
| <p><b>Formula Funding</b> After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion and adhere to the State’s mandate of reducing greenhouse gas emissions, and creating livable communities.</p>   | <ul style="list-style-type: none"> <li>● Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation.</li> <li>● Advocate for the regularly scheduled issuance of State infrastructure bonds that support the Agency’s services and programs.</li> <li>● Support full and timely allocation of the Agency’s STIP share.</li> <li>● Support CTA efforts to engage the Legislature on TDA reform and the review of performance measures for transit.</li> </ul>   |

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| <p>In 2019, the California Transit Association convened a working group, at the request of the Senate and Assembly Transportation Committees to review and provide potential changes to the Transportation Development Act (TDA). The Agency is part of the working group.</p>   |   |
| <p><b>Cap-and-Trade Revenues</b> In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). Since the program began selling allowances, the program has generated billions of dollars. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030.</p> <p>Caltrain is eligible for funding through the Low Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, and the Affordable Housing Sustainable Communities Program. Each program’s requirements, oversight, and competitiveness vary.</p> <p>The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in</p> | <ul style="list-style-type: none"> <li>• Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support the Agency’s transportation needs.</li> <li>• Support legislation and regional action that makes a broad array of the Agency’s emissions-reducing transportation projects, programs and services eligible for investment.</li> <li>• Protect existing cap-and-trade appropriations for transit operations, capital projects and sustainable communities strategy implementation.</li> <li>• Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project.</li> <li>• Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula.</li> </ul> |



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| <p>jurisdictions with a small number of disadvantaged communities.</p>  |   |
| <p><b>Voter Threshold</b> Legislation has been considered in recent years that provide a framework for lowering the thresholds for the State or a city, county, special JPB or regional public agency to impose a special tax.</p>  | <ul style="list-style-type: none"> <li>• Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.</li> </ul>   |
| <p><b>Other State or Local Funding Options</b> Local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods such as managed lanes and local ballot measures.</p> <p>In 2017, SB797 gave Caltrain the authority to place a three county, 1/8 sales tax measure on the ballot. There is no sunset date for the measure to be enacted.</p> <p>A potential regional transportation measure (called FASTER) is being led by the Bay Area Council, Silicon Valley Leadership Group and SPUR. They are working towards a November 2020 ballot and many details about the expenditure plan are still being discussed.</p> | <ul style="list-style-type: none"> <li>• Advocate for legislation that would create new local funding tools to support transportation infrastructure and services.</li> <li>• Support innovative local and regional funding options that will provide financial support for the agency.</li> <li>• Support legislation that works to ensure revenues generated through express lane projects remain in the County of origin.</li> <li>• Advocate for funding sources that would assist transit agencies in obtaining funds for sustainability initiatives including water conservation, waste reduction, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions.</li> <li>• Support funding for workforce development, retention and housing to attract and retain quality personnel.</li> <li>• Support efforts to implement SB797.</li> <li>• Support efforts that allow for public private partnerships that benefit the implementation of capital projects, efficient operation of transit services, or enhanced access to a broad range of mobility options that reduce traffic congestion.</li> <li>• Work to ensure the agency is at the table and appropriately funded as part of any “FASTER” regional funding measure.</li> </ul> |
| <p><b>Transportation &amp; Housing Connection</b> Given the housing shortage crisis, there have been efforts at the State and regional level to link housing and zoning with transportation funding</p>   | <ul style="list-style-type: none"> <li>• Evaluate state or regional efforts that directly link transportation funding to housing</li> <li>• Advocate for solutions that appropriately match decision making authority with funding (i.e – An agency shouldn’t be financially penalized for decisions that are outside the authority of the agency)</li> </ul>   |

**Transportation Projects**

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| <p><b>General</b> As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.</p>   | <ul style="list-style-type: none"> <li>• Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area.</li> </ul>  |
| <p><b>Caltrain Modernization (CalMod) Program</b> In 2012, the State Legislature appropriated \$705m in Prop 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment was matched with a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose. The CalMod program is a transformational first step in the realization of a larger future for Caltrain that will be guided by the Caltrain 2040 Business Plan efforts.</p> <p><b>Caltrain 2040 Business Plan</b> In October 2019, the Caltrain Board adopted a long-term 2040 Service Vision, defining an ambitious plan for growing service over the next 20-plus years. The service vision outlines the capital and operating needs to achieve the this vision and includes projects such as longer EMU fleet, longer platforms, level</p> | <ul style="list-style-type: none"> <li>• Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor and work to include funding for Caltrain in any future Proposition 1A appropriations.</li> <li>• Support the allocation of cap-and-trade funding to advance implementation of the CalMod Program.</li> <li>• Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local, regional and state commitments to the CalMod Program.</li> <li>• Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits.</li> <li>• Support the allocation of cap-and-trade or other state / regional funding to advance implementation of Caltrain projects.</li> <li>• Work to address regulatory actions or policies that negatively impact Caltrain future capacity or service improvements.</li> <li>• Support the implementation of the Caltrain Business Plan associated projects and policies. Continue to educate the Caltrain legislative delegation and key members of the Administration on the Plan.</li> <li>• Ensure relevant state and regional agencies incorporate relevant elements of the Caltrain business plan in their long-term plans.</li> <li>• Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.</li> </ul> |

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| <p>boarding, passing tracks, grade separations and station upgrades. It also identified needs to prepare the railroad to expand and integrate into a regional rail network. The plan is expected to be complete in 2020.</p> <p><b>High-Speed Rail Blended System</b> In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates releasing a Draft EIR in 2020. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service. HSR may ask for another Prop 1A allocation in 2020. HSR will also release a 2020 Business Plan.</p> | <ul style="list-style-type: none"> <li>• Ensure Caltrain is positioned to receive funding if there is an appropriation of Cap and Trade funds and/or bond funds in support of the state’s rail modernization efforts.</li> </ul>   |
| <p><b>Transit Oriented Development / First and Last Mile</b> First and last mile projects, as well as transit oriented development projects are an important part of the broad transit ecosystem that will help support robust ridership in the corridor.</p>  | <ul style="list-style-type: none"> <li>• Support efforts to provide commuters with easy and convenient options to travel to and from major transit centers to their final destination.</li> <li>• Support the development of new and innovative first and last mile options.</li> <li>• Support increased funding opportunities for first and last mile projects.</li> <li>• Advocate for policies that promote transit-oriented developments in ways that with compliment transit services.</li> <li>• Support the State’s GHG reduction goals by supporting transit oriented developments.</li> <li>• Support state funding incentives and streamlining processes for transit oriented development.</li> </ul> |
| <p><b>Transportation Demand Management (TDM)</b><br/>TDM is the application of strategies and policies to reduce travel demand of single-occupancy vehicles or to redistribute this demand in space or time.</p>   | <ul style="list-style-type: none"> <li>• Support efforts that provide more TDM tools and funding opportunities.</li> <li>• Support policies that encourage use of TDM.</li> </ul>  |

| Regulatory and Administrative Issues   |   |
|--|---|
| <p><b>General</b> Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p>  | <ul style="list-style-type: none"> <li>• Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency.</li> <li>• Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Agency’s ability to conduct efficient transportation operations, administration, planning and project delivery efforts.</li> </ul> |
| <p><b>California Environmental Quality Act (CEQA)</b><br/>Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p>  | <ul style="list-style-type: none"> <li>• Closely monitor efforts to modernize CEQA. Without compromising CEQA’s effectiveness as an environmental protection policy, support proposals that advantage transportation projects, such as transit expansion, pedestrian / bicycle improvements, and transit oriented development.</li> </ul>   |
| <p><b>Sustainable Communities Strategies</b><br/>Implementation In conjunction with AB 32 and SB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2017, regional authorities in the Bay Area approved the update to Plan Bay Area (PBA 2040). Currently, MTC and ABAG are in the process of updating the Plan. The final Plan Bay Area 2050 is expected to be adopted in 2021.</p> | <ul style="list-style-type: none"> <li>• Advocate for policies that provide adequate and equitable funding to support increased demand and dependence the Agency’s transportation services associated with the implementation of SB 375 and Plan Bay Area.</li> <li>• Ensure any planning, development, or policy proposals are consistent with the Agency’s policies and planning, especially the Caltrain Business Plan.</li> </ul>   |
| <p><b>State Rail Plan</b> Caltrans released the 2018 California State Rail Plan which will provide a framework for planning and implementing</p>   | <ul style="list-style-type: none"> <li>• Closely monitor the State Rail Plan for potential opportunities to leverage resources for the Caltrain corridor.</li> </ul>  |

California's rail network for the next 20 years and beyond.

- Ensure the State Rail Plan appropriately characterizes the Caltrain system and future plans.
- Ensure any planning, development, or policy proposals for a second bay crossing are consistent with Caltrain policies and planning.

DRAFT

Federal

Funding Opportunities and Challenges

Issue / Background

Strategy

**Federal Appropriations** Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.

In September 2019, Congress passed a continuing resolution (CR) to keep federal agencies funded at the same level as the previous fiscal year, through November 21, 2019. Congress is expected to pass a CR or omnibus appropriations bill to fund the government for the fiscal year 2020.

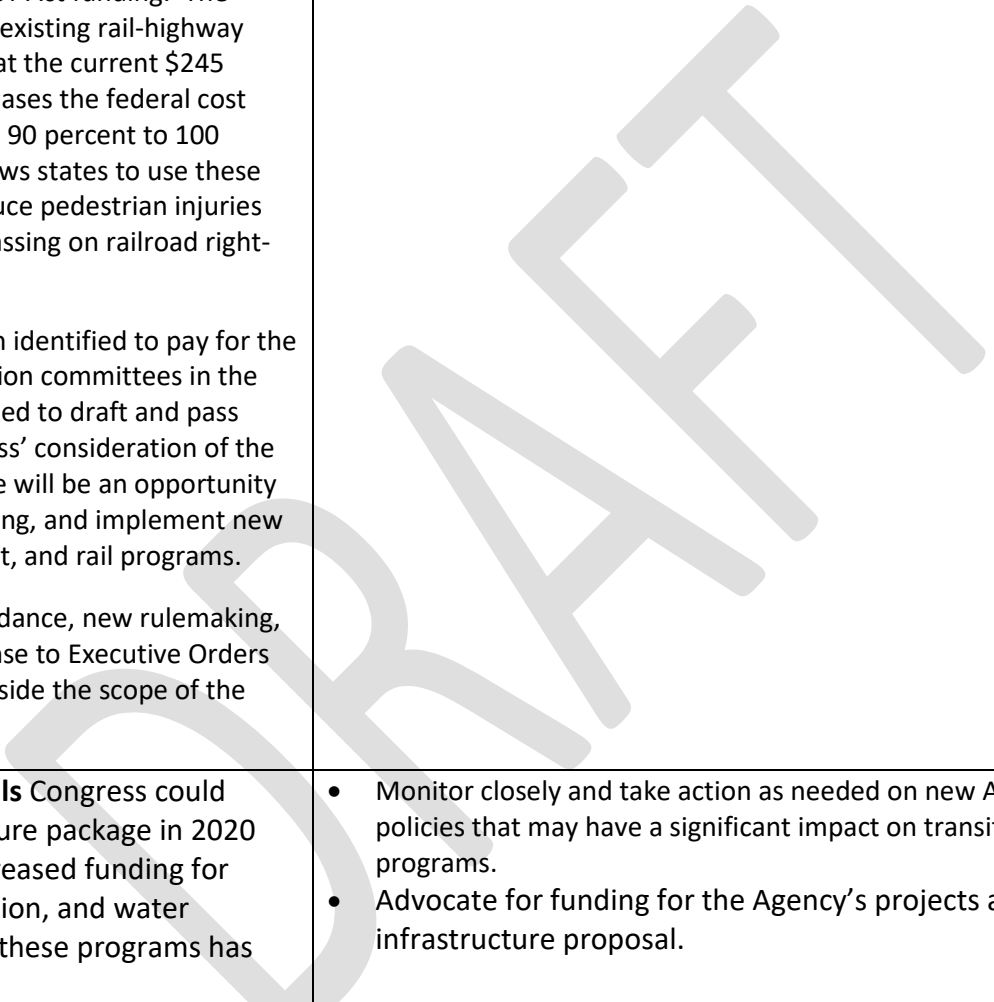
The President and the Department of Transportation (DOT) have proposed phasing out the Capital Investment Grant program (New Starts/Small Starts/Core Capacity) in the annual budget request. However, Congress continues to provide funding for the program and has include language in the annual Transportation/HUD Appropriations bills requiring the Federal Transit Administration (FTA) to allocate funding for projects and to continue to sign full funding grant agreements.

- Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit the agency's transportation services and needs.
- Work with local and regional coalitions to support requests for funding from discretionary programs, including the Capital Investment Grant program.
- Communicate frequently with the agency's federal delegation and key appropriators on the needs or concerns of pending appropriation bills.



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| <p><b>Tax and Finance</b> Congress considers legislation that governs tax and finance issues that impact transit agencies.</p>  | <ul style="list-style-type: none"> <li>• Support efforts to ensure tax provisions that benefit the agency’s priorities are included in any tax or finance proposal.</li> <li>• Protect against the elimination or diversion of any tax policies that support the agency’s transportation needs.</li> </ul>  |
| <p><b>Transportation Projects</b></p>   |   |
| <p><b>General</b> Support the efforts of partnering agencies to obtain federal funding for Agency related transit projects.</p>   | <ul style="list-style-type: none"> <li>• Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies on projects that provide complimentary services for the agency.</li> </ul>   |
| <p><b>Caltrain Modernization (CalMod) Program</b> The current Caltrain Electrification Project funding plan includes funding from several federal funding sources including the FTA Core Capacity Program.</p> <p>Positive Train Control (PTC) is a federal mandate. The current Caltrain Positive Train Control (PTC) project includes funding from the Federal Railroad Administration (FRA).</p> <p>The CalMod program is a transformational first step in the realization of a larger future for Caltrain that will be guided by the Caltrain 2040 Business Plan efforts.</p> <p><b>Caltrain 2040 Business Plan</b> In October 2019, the Caltrain Board adopted a long-term 2040 Service Vision, defining an ambitious plan for growing service over the next 20-plus years. The service vision outlines the capital and operating needs to achieve the this vision and includes projects such as longer EMU fleet, longer platforms, level boarding, passing tracks, grade separations and station upgrades. It also identified needs to</p> | <ul style="list-style-type: none"> <li>• Advocate for the Caltrain Electrification Project FTA Core Capacity funding to be included in the President’s budget request and in the annual THUD Appropriations bills.</li> <li>• Work with federal delegation members, as well as local, regional, and state coalitions to support the Caltrain requests for funding.</li> <li>• Advocate for additional PTC funding for capital and operating expenses.</li> <li>• Support efforts to streamline regulatory administrative hurdles to supporting full PTC operations.</li> <li>• Support the allocation of federal funding to advance implementation of Caltrain-related projects.</li> <li>• Work to address regulatory actions or policies that negatively impact future capacity or service improvements.</li> <li>• Support the implementation of the Caltrain Business Plan associated projects and policies. Continue to educate the Caltrain legislative delegation and key members of the Administration on the Plan.</li> <li>• Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.</li> </ul> |

|   |   |
|---|---|
| <p>prepare the railroad to expand and integrate into a regional rail network.</p> <p><b>High-Speed Rail Blended System</b> In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates releasing a Draft EIR in 2020. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service. HSR may ask for another Prop 1A allocation in 2020. HSR will also release a 2020 Business Plan.</p> |   |
| <b>Regulatory and Administrative Issues</b>   |   |
| <p><b>General</b> Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p>   | <ul style="list-style-type: none"> <li>• Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the agency.</li> <li>• Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Agency’s ability to conduct efficient transportation operations, administration, planning and project delivery efforts.</li> </ul>   |
| <p><b>FAST Act Reauthorization and other Regulations</b><br/>The FAST Act expires in September 2020. Congressional authorization committees have been holding hearings throughout 2019. The Senate Environment and Public Works Committee passed its bill, America’s Transportation Infrastructure Act of 2019 (S. 2302), on July 30, 2019. The bill authorizes \$287 billion over five</p>   | <ul style="list-style-type: none"> <li>• Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximize benefits for transportation programs, services and users.</li> <li>• Collaborate with local, regional, state and national transportation advocacy groups to coordinate proposals and advocacy efforts for FAST Act reauthorization.</li> <li>• Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues.</li> </ul> |

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| <p>years, including \$259 billion for highway formula programs. The total represents an increase of over 27 percent from FAST Act funding. The legislation maintains the existing rail-highway grade crossing set-aside at the current \$245 million per year but increases the federal cost share for the grants from 90 percent to 100 percent. The bill also allows states to use these funds for projects to reduce pedestrian injuries and fatalities from trespassing on railroad right-of-way.</p> <p>Funding has still not been identified to pay for the bill. The other authorization committees in the Senate and House still need to draft and pass their bills. During Congress' consideration of the reauthorization bill, there will be an opportunity to change, increase funding, and implement new policy for highway, transit, and rail programs.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to Executive Orders on a variety of issues outside the scope of the FAST Act.</p> |    |
| <p><b>Infrastructure Proposals</b> Congress could consider an infrastructure package in 2020 that would include increased funding for highways, transit, aviation, and water programs. Funding for these programs has yet to be identified.</p>   | <ul style="list-style-type: none"> <li>• Monitor closely and take action as needed on new Administration or Congressional policies that may have a significant impact on transit / transportation projects and programs.</li> <li>• Advocate for funding for the Agency's projects and needs in a broad infrastructure proposal.</li> </ul> |

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR  
ENDING JUNE 30, 2019**

**ACTION**

Staff Coordinating Council proposes that the Board of Directors accept the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year (FY) 2019 Comprehensive Annual Financial Report (CAFR).

The FY2019 Comprehensive Annual Financial Report is available online at [http://www.caltrain.com/about/statsandreports/Comprehensive\\_Annual\\_Financial\\_Reports.html](http://www.caltrain.com/about/statsandreports/Comprehensive_Annual_Financial_Reports.html)

**SIGNIFICANCE**

The CAFR is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and is organized into four sections – Introductory, Financial, Statistical and Single Audit.

- The **Introductory** Section includes a Transmittal Letter and provides general information on the District's structure, personnel, economic outlook and finances.
- The **Financial** Section includes audited financial statements which provide detailed financial information as well as comparative financial data. The Management Discussion & Analysis (MD&A) is also found in the Financial Section. Along with the Transmittal Letter, the MD&A is of most interest to those looking for a narrative annual review of the District's finances.
- The **Statistical** Section provides a broad range of data covering key financial trends including revenue and debt capacity, economic and demographic data and operating information.
- The **Single Audit** Section provides the Independent Auditor's Report on Internal controls and compliance, and the Schedule of Expenditures of Federal Awards and Findings and Recommendations from the Auditors.

Together, all sections of the CAFR provide the detail as well as the perspective with which to assess the JPB's financial condition.

**BUDGET IMPACT**

There is no impact on the Budget.

**BACKGROUND**

The JPB contracts with an independent auditor, Eide Bailly LLP to conduct yearly audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The introductory section and the statistical section presented in the CAFR are not required by California Government Code to be reported as part of the audited financial statements of the JPB. These sections are required when producing a CAFR which the JPB chooses to do in order to provide detailed information about the financial condition of the JPB in a form that is understandable to our customers and constituents.

The CAFR is prepared and presented to the Government Finance Officers Association for their review, evaluation and to apply for the certificate of Achievement for Excellence in Financial Reporting. The JPB has received an award for every year that the report was submitted.

Prepared by: Jennifer Ye, Manager, Financial Reporting & General Ledger 650-622-7890

# Peninsula Corridor Joint Powers Board

San Carlos, California

A Joint Powers Authority Established by Agreement among:

City and County of San Francisco

San Mateo County Transit District

Santa Clara Valley Transportation Authority



# Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2019 and 2018





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**PENINSULA CORRIDOR  
JOINT POWERS BOARD**

*San Carlos, California*

*Comprehensive Annual Financial Report*  
Fiscal Years Ended June 30, 2019 and 2018

**Prepared by the Finance Division**

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# *Section I*

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## **INTRODUCTORY**

Letter of Transmittal

GFOA Certificate of Achievement

Board of Directors

Executive Management

Organization Chart

Map

Table of Credits



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# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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**October 31, 2019**

**To the Board of Directors of the Peninsula Corridor Joint Powers Board and the Citizens of San Francisco, San Mateo and Santa Clara Counties San Carlos, California**

**Comprehensive Annual Financial Report  
Year Ended June 30, 2019**

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Peninsula Corridor Joint Powers Board (JPB) for the fiscal year July 1, 2018 through June 30, 2019. This transmittal letter provides a summary of the JPB's finances, services, achievements and economic prospects for readers without a technical background in accounting or finance. Readers desiring a more detailed discussion of the JPB's financial results may refer to the Management's Discussion and Analysis in the Financial Section.

Management assumes sole responsibility for all the information contained in this report, including its presentation and the adequacy of its disclosures. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the JPB's assets from loss, to identify and record transactions accurately and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed the likely benefits, the JPB's internal control system intends to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

To test the performance of the internal control system, the JPB contracted for independent auditing services from Eide Bailly LLP, a certified public accounting firm licensed to practice in the State of California. The auditor expressed an opinion that the JPB's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most favorable kind and is commonly known as an "unmodified" or "clean" opinion.

### **PROFILE OF THE ORGANIZATION**

#### ***Purpose***

The JPB is responsible for the Caltrain passenger rail service on the San Francisco Peninsula and south into Santa Clara County. Caltrain owns and operates the rail system that has been a central part of Peninsula communities since 1865. The rail line on which service is operated currently extends from San Francisco 77 miles south to Gilroy, serving 32 stations. Spanning San Francisco, San Mateo and Santa Clara counties, Caltrain provides vital links to multiple transit properties in 20 cities. The JPB owns 51 miles of the rail line and operates on Union Pacific owned track for the remaining 26 miles.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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### *Entity*

The JPB is a Joint Powers Authority that is legally separate and financially independent from its three member agencies, namely the San Mateo County Transit District (District), the Santa Clara Valley Transportation Authority (VTA) and the City and County of San Francisco (CCSF) and is not a component unit of any other organization. Furthermore, the JPB has no component unit organizations under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions and status of the JPB.

### *History*

In 1980, after two years of negotiations, the California Department of Transportation (Caltrans) and the Southern Pacific Transportation Company (Southern Pacific) executed a purchase-of-service agreement for maintaining passenger rail service between San Francisco and San Jose. Service under this agreement began in 1980 with Southern Pacific operating the trains while receiving subsidies to cover its operating costs from Caltrans and the three member agencies and with Caltrans providing contract administration, service planning, marketing, engineering, scheduling, fare management, customer support and performance monitoring.

In 1988, CCSF, District and VTA commissioned a study that recommended transferring responsibility for the rail service from the state to the local level. The three member agencies accomplished this objective in October 1991, executing a new joint powers agreement that formed the current JPB. Two months later, the JPB purchased the rail right of way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific.

The JPB Member Agencies and the California Transportation Commission funded this acquisition. The JPB holds title to all right of way property located in the County of San Francisco and the County of Santa Clara. The JPB holds title to all right of way property in the County of San Mateo as tenants in common with the District, each to an undivided 50% share. In addition, the JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five two-way train pairs. In addition, the Santa Clara Valley Transportation holds the rights to operate five additional train pairs to Gilroy.

The JPB assumed responsibility for the operation of Caltrain service from the Southern Pacific in 1992. Amtrak served as the JPB's contract operator until May 2012. The Caltrain Board of Directors, at its September 2011 meeting, authorized the award of a new operating contract to Transit America Services, Inc. The contract carried a 5-year base term with the ability to execute 5 additional one year options. This operating contract was extended in 2017 and is currently scheduled to expire June 30, 2022.

### *Governance*

The joint powers agreement establishes a nine-person board of directors that governs the operations, maintenance, repair, improvements and expansion of Caltrain. Each of the three Member Agencies appoints three persons to serve on the Board. The JPB also created a nine-person Citizens Advisory Committee (CAC) composed of three citizens from each JPB county. The principal objective of the CAC is to articulate the interests and needs of current and future customers.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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### *Administration*

The joint powers agreement as first executed in 1988 and as amended and restated in 1996 designates the District as the Managing Agency to provide management, administrative and staff services for Caltrain under the direction and oversight of the JPB Board of Directors. The JPB reimburses the District for the direct and administrative costs incurred in providing the Managing Agency services. Some administrative costs are determined by overhead rates approved by the Federal Transportation Administration (FTA). Currently, the District provides the following services:

The *Executive Office* is responsible for directing and overseeing all activities and for providing support to the Board of Directors.

The *Finance Division* is responsible for financial accounting and reporting, capital budgeting, operational budgeting, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, risk management, and information technology.

The *Bus Division* is responsible for some functions related to the railroad including managing employer and other shuttles, paratransit service pursuant to the requirements of the Americans with Disabilities Act (ADA) and maintenance of revenue collection equipment.

The *Rail Division* is responsible for Caltrain operations and maintenance oversight (including administration of the rail service operating contract), operations and long-term planning, capital project engineering and construction, state of good repair, signalization and positive train control.

The *Communications Division* is responsible for fare media, customer service, marketing, sales, advertising, distribution services, public information, media relations, legislative activities and community outreach.

The *Caltrain Modernization Program (CalMod)* is responsible for the implementation of the electrification project that will upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service.

The *Planning, Grants and Transportation Authority Division* is responsible for oversight of voter-approved Transportation Expenditure Plans, and performance, grant administration, and property management.

The *Administrative Division* provides management assistance to executive divisions and is responsible for human resources and safety and security.

### *Budgetary Control*

State law requires the JPB to adopt an annual budget by resolution of the Board of Directors. In the spring preceding the start of each fiscal year, staff presents an annual budget based on established agency goals, objectives and performance measures to the Board of Directors. The Board of Directors monitors budget-to-actual performance through monthly staff reports. The Financial Section of this report includes a supplemental schedule that compares actual results on a budgetary basis of accounting to the final adopted budgets.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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Once adopted, the Board of Directors has the authority to amend the budget. While the legal level of budgetary control is at the entity level, the JPB maintains stricter control at division, departmental and line item levels to serve various needs. Cost center managers monitor budget-to-actual performance on an monthly basis. The Board has delegated the authority to transfer budget amounts between divisions and departments to the Executive Director or his designee. However, any increase to the expenditure budget as a whole requires the approval of the Board. In addition, the JPB uses an encumbrance system to reduce budget balances by issuing purchase orders to avoid over-commitment of resources.

The JPB employs the same basis and principles of accounting for both budgeted and actual revenues and expenses, except that actual proceeds from the sale of capital assets, unrealized investment gains and losses, depreciation and amortization and inter-fund transfers are not included in the budget. As a special purpose organization established pursuant to joint powers legislation, the JPB is not subject to the State of California's Gann Act requiring adherence to an annual appropriation limit.

### FINANCIAL AND ECONOMIC OUTLOOK

#### *Local Economy*

The Bay Area had the fastest rates of population and economic growth in the most current economic cycle of California's statewide growth in 2018 and during the first half of 2019. However this trend has started to change as the Central Valley became the region with faster job creation and faster growing population due to comparatively affordable homes and improving job prospects. Economic forecasts estimate income gains will still be especially rapid in the Bay Area, where a large number of jobs in the technology and business services sectors will be generated. This, combined with meaningful in-migration, will generate estimated income growth of 3.3 percent per year from 2017 to 2020.

The San Mateo County economy is expanding very rapidly. In 2017 the county gained 11,100 jobs, representing a growth rate of 2.8 percent. By comparison, statewide growth was observed at 2.0 percent. The San Mateo County unemployment rate was exceptionally low in 2017, falling to 2.7 percent, which is near its lowest sustainable level. The economy has now reached a "full employment" scenario, meaning that almost everyone who wants a job already has a job. Despite a recent construction boom and building activity, housing production has not kept pace with population growth. Home prices are now 48 percent above their bubble-era peak, and housing affordability is becoming a major problem. High home prices are reducing migration to San Mateo County. Population growth has decelerated, and is now below the statewide average. Because home prices are expected to rise faster than incomes, worsening the housing affordability problem, net migration will be low for the foreseeable future.

The San Mateo County technology sector continues to expand rapidly. Venture capital funding to technology companies has been very high for most of the current business cycle, allowing new startups to form and existing firms to expand. The county now has 24,700 workers at software firms, 15,000 workers at Internet publishing and search companies, 3,800 workers in data services and hosting companies, and 2,800 workers at computer systems design firms. Inflation-adjusted salaries are projected to rise by an average of 2.7 percent per year between 2018 and 2023, which will be faster than statewide growth. Real per capita income is expected to increase at a rate of 2.3 percent per year, surpassing \$126,000 by 2023, and population is expected to increase by 0.6 percent per year from 2018 to 2023, which will be similar to the statewide average.

#### *Long-term Financial and Strategic Planning*

Caltrain's vision as identified in its 2014 Strategic Plan is to provide a safe, reliable, sustainable modern rail system that meets the growing mobility needs of the San Francisco Bay Area region. The Caltrain Strategic Plan goes on to identify seven focus areas where Caltrain will make critical policy and business choices over the coming decade.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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Caltrain's overarching vision is supported by focus areas, goals and objectives with each level of policy providing a greater degree of specificity and intent. Caltrain's focus areas include: safety, service, infrastructure and rolling stock, finance, transportation and land use, partners and stakeholders and social responsibility. The strategic plan was adopted in 2014 and covers a 10-year timeframe. The policy framework articulated by the Strategic Plan was reflected in Caltrain's 2018 Short Range Transit Plan. That plan outlined Caltrain's operating plan and Capital Improvement Program for the coming 10-years and forms the current basis for decisions related to service adjustments and capital project coordination. Caltrain updates its Short Range Transit Plan on a regular basis as requested by the Metropolitan Transportation Commission.

In 2017, Caltrain launched a Business Plan process that is intended to run through the early of calendar year 2020. The Caltrain Business Plan is intended to be a major update to Caltrain's plans, policies and financial projections. When complete, the Business Plan will constitute a wholesale update of Caltrain's current Strategic Plan and will form the basis for future Short Range Transit Plan updates, will generate a long-term Capital Improvement plan and a financial model to guide the long-term sustainability and development of the Caltrain service. Similarly, the Business Plan will update and inform all of the service, financial and policy issues described below.

Today, Caltrain operates a total of 92 diesel locomotive-hauled trains per day on weekdays between San Francisco and San Jose with limited service further south to Gilroy. In the peak period it operates 5 trains per peak hour per direction. After the completion of electrification, Caltrain plans to expand its service to 114 trains per weekday using a mixed fleet of diesel locomotive-hauled rolling stock and new Electric Multiple Units (EMU) trains. This shift poses both a tremendous opportunity and challenge that underlies the agency's operational planning.

Caltrain has experienced rapid ridership growth and many of its peak-hour trains currently operate near, at, or above their seated capacity. Meeting growing customer demand while maintaining a high standard of safe, reliable and comfortable service is the preeminent operational challenge faced by the agency. It is anticipated that this challenge will be especially acute during the primary electrification construction period when Caltrain will need to maintain reliable revenue service in the midst of a corridor-wide construction project. Caltrain will also need to insure its operational integrity by evolving its organization to operate and maintain an expanded, electrified system.

Caltrain does not have a dedicated source of funding and continues to have challenges in funding its operating budget. Caltrain is currently developing strategies to address these budget issues and will comprehensively evaluate a variety of factors that influence the system's operating results including: fare policy and pass programs; incremental impacts of added service on operating revenues and costs; potential for securing dedicated operating funds through voter-approved funding measures; cost containment strategies and other solutions.

Caltrain's 10-year Capital Improvement Plan (CIP) is a \$3 billion program focused on maintaining the JPB's assets in a state-of-good repair, enhancing the reliability of the system, and delivering electrified service from San Francisco to San Jose by 2022. The CIP also reflects Caltrain's ongoing planning for the next generation of system improvements that are needed through the fiscal year 2024 timeframe to expand system capacity and continue preparations for Caltrain/High Speed Rail (HSR) blended system.

Revenue sources included in the CIP reflect Caltrain's reasonable expectation of funding levels. Caltrain will continue to work with its funding partners to solidify the Caltrain 10-year CIP funding plan and identify additional funding to implement the CIP in total. Among other options, Caltrain will explore both traditional (e.g. grants) and innovative funding strategies, including the possibility of new public and private partnerships.



# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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### MAJOR INITIATIVES

#### *Caltrain Electrification*

The Peninsula Corridor Electrification Project (PCEP) is a key component of the Caltrain Modernization program. The PCEP is intended to electrify the Caltrain Corridor from San Francisco's 4th and King Caltrain Station to approximately the Tamien Caltrain Station, convert diesel-hauled to Electric Multiple Unit (EMU) trains, and increase service up to six Caltrain trains per peak hour per direction. The CalMod Program includes electrification and other projects that will upgrade the performance, efficiency, capacity, safety and reliability of Caltrain's service. Electrification provides the foundation for future improvements, including full conversion to an electric fleet, platform and station improvements, the extension of service to Downtown San Francisco, and other projects that allow Caltrain to grow and evolve with the Bay Area.

#### *Positive Train Control*

The Positive Train Control (PTC) Project is an advanced signal system that will equip the corridor with federally-mandated safety technology and increase system capacity to help accommodate future increases in ridership demand. PTC will be interoperable with all other rail systems that access the Caltrain corridor, including commuter rail, freight rail and, in the future, high-speed rail. The Caltrain PTC system is planned to be operable by the 4th Quarter of 2019 and to receive PTC Safety Certification by December 2020. PTC is a key component of the Caltrain Modernization Program that will electrify and upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service, providing a modernized rail service that will help meet growing ridership demand between San Francisco and San Jose.

#### *Regional Service Coordination*

Caltrain is at the heart of the Peninsula transportation network and collaborates with other Bay Area transit agencies to provide connections between systems. These connections are with the District, the San Francisco Municipal Transportation Agency (SFMTA/Muni), the Bay Area Rapid Transit District (BART), VTA, Capitol Corridor, Altamont Commuter Express (ACE), Dumbarton Express and the Alameda-Contra Costa Transit District (AC Transit) as follows:

- SamTrans Bus Service: Passengers may connect to SamTrans at most stations in San Mateo County.
- Muni Light Rail and Muni Bus: Passengers may connect to the Muni Light Rail N-Judah and T-Third lines and the Muni Bus lines 30 and 45 across from the San Francisco Caltrain Station.
- BART: Passengers may connect to BART at the Millbrae Transit Center.
- VTA Light Rail: Caltrain passengers may connect to the VTA system at the Mountain View station and the Diridon and Tamien stations in San Jose.
- VTA Bus Service: Passengers may connect to VTA buses at most stations in Santa Clara County.
- Amtrak's Capitol Corridor: Passengers may connect to Caltrain at the San Jose Diridon station.
- ACE: Passengers may connect to Caltrain at the Santa Clara and San Jose Diridon stations.
- Dumbarton Express: Passengers may connect to the DB Express at the Palo Alto station.
- AC Transit: Passengers may connect to the M-line at the Caltrain Hillsdale station.

In addition to service connectivity, Caltrain is one of seven Bay Area transit agencies that are partners in Clipper, an electronic fare payment card. The program is coordinated by the Metropolitan Transportation Commission, which is the region's planning organization.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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### *Caltrain Bicycle Program*

Caltrain offers a comprehensive bicycle program that helps provide options for the last-mile connection to the train station, as well as onboard the train. Caltrain offers a range of bicycle options at stations, including more than 400 rack spaces, 1,100 lockers and a staffed parking facility. Caltrain maintains the most generous onboard bicycle program of all U.S. commuter rail operators. Every train has a guaranteed 72-bike space capacity, with some trains having as many as 80. There are no peak-hour or direction restrictions, other than capacity. According to the Caltrain 2019 Annual Passenger Counts, Caltrain had 5,506 bike boardings on an average weekday. This represents a 7.0% decrease from fiscal year 2018.

In September 2008, Caltrain adopted a Bicycle Access and Parking Plan, which identified bicycle programs and innovative strategies to improve bicycle access to the stations. The strategy was focused and refined in 2014 through the development of a Bicycle Access and Parking Plan Implementation Strategy. In general, Caltrain's strategy is to encourage and promote bicycle access to stations by increasing and improving bicycle parking and pursuing innovative approaches to managing demand of the onboard bicycle program. Caltrain has a dedicated Bicycle Advisory Committee that serves as the primary venue for the interests of bicyclists to be integrated into Caltrain's planning processes. The JPB Board adopted a Bicycle Parking Management Plan in 2018 to provide a blueprint for improved bicycle facilities, customer service and administrative of those facilities at stations.

### *State-of-Good-Repair Program*

This program includes system-wide, scheduled improvements on infrastructure, tracks, bridges, signal and communication equipment, ticket vending equipment, and preventative maintenance and strategic replacement of the Caltrain rolling stock. In order to ensure these assets are kept in a state of good repair, replacement and rehabilitation of these assets must be done at intervals recommended by industry or manufacturer standards. Failure to maintain this program could lead to higher costs of operating these assets due to higher maintenance costs and operational delays that occur when these assets are out of service or in a state of disrepair. Projects that are currently underway include the replacement of the Guadalupe River Bridge in San Jose, the upgrade of the bridge structures at the Napoleon Street Bridge in San Francisco, the South San Francisco Station rebuild project, the retrofitting of existing Ticket Vending Machines (TVM) to accommodate the region's Clipper card ticketing operations, renovation of the bathrooms at the 4th and King Station in San Francisco, and development of a broadband wireless communications systems to improve railroad operations and maintenance.

Projects completed in fiscal year 2019 include the rehabilitation of the trackwork and drainage structures in Tunnels #'s 1 and 4 in San Francisco, and, the retrofitting of crossing gate mechanisms that include LED lighting at 16 crossings.

Rolling Stock activities completed in fiscal year 2019 include: On our locomotives: (3) In-Frame overhaul of F40 PH-2 locomotives, improving efficiency and reducing pollutants. This brings the total of F40 PH2 locomotives completed to (12) out of the (12) scheduled. The refurbishment of the F40PH-2 controller, cab and toilets systems on the 902 was also completed. The replacement of batteries in (9) F40 locomotives, water hoses and couplings on (3) MP36 locomotives and (8) critical contactors on F40PH-2, improved the reliability of the locomotives. On our passenger cars: replacement of Cables/Receptacles, Carpet/Flooring, Vestibule Stair Tread Anti-Skid surfaces, over-haul of Door Systems and Toilet Systems, Suspension, HVAC refrigerant upgrade, Wheel Chair lift upgrade, replacement of exterior signage and batteries. This work improved (52) Gallery and (22) Bombardier Passenger cars for the safety and comfort of our passengers and reliability of our equipment.

# **PENINSULA CORRIDOR JOINT POWERS BOARD**

## **LETTER OF TRANSMITTAL**

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### ***Caltrain Station Safety Improvement Program***

The Caltrain Safety Improvement Program includes station redesign, grade crossing improvements, construction of grade separations, right of way fencing, and closed circuit camera systems (CCTV).

Improvements to station will include demolition of existing narrow center platforms and construction of new platforms, installation of center fencing between the existing mainline tracks through the platform area, and installation of new pedestrian underpasses and/or signalized pedestrian at-grade crossings with pedestrian gates. The South San Francisco Station, currently underway, is an example of such a station project. In fiscal year 2019, Caltrain completed rehabilitating the station platforms at the Sunnyvale Station, including relocating the north pedestrian crossing to accommodate 6-car trains at the station.

The grade crossing improvement program was developed to make grade crossings in San Francisco, San Mateo and Santa Clara Counties safer for both vehicular and pedestrian traffic. Grade crossing projects that were completed in the fiscal year including the Redwood City Grade Crossing improvements project that upgraded safety features at Whipple Avenue, Brewster Street, Main Street and Broadway, an improvement project to add safety features at 15 crossings from San Francisco through Santa Clara counties, and the Santa Clara County Grade Crossing Medians that installed medians to discourage drivers from crossing over to go around down crossing gates. Ongoing projects include traffic signal preemption at Mary and Evelyn Avenues in Sunnyvale to improve vehicle crossing safety, and, a project to make improvements to safety features at five grade crossings in the cities of San Mateo, Menlo Park and Atherton.

Grade separation projects aim to improve safety by separating vehicle traffic from rail crossings. The San Mateo Grade Separation Project currently underway will construct grade separations at 31st, 28th, and 25th Avenues in the City of San Mateo. Caltrain is also working with numerous other cities to help plan, design and eventually construct grade separations at some of the busiest intersections along the rail line, including the Broadway crossing in the City of Burlingame and Rengstorff Avenue in Mountain View.

The safety fencing project is an ongoing annual project to install high security fencing along the right-of-way to deter trespassing as well as illegal dumping.

### **FUTURE OF CALTRAIN – SYSTEM EXPANSION AND CONNECTIONS**

Prior to high speed rail's anticipated arrival, additional system upgrades must also be planned, funded and constructed. These include including high-speed rail stations and the rail extension from the Caltrain 4th and King station to the new Transbay Transit Center in downtown San Francisco. The blended system may also include passing tracks that allow high-speed rail trains to bypass the Caltrain trains; grade crossing upgrades, including potential grade separations; a storage and maintenance facility and other system upgrades such as expanded platforms that allow for longer trains and level boarding.

# **PENINSULA CORRIDOR JOINT POWERS BOARD**

## **LETTER OF TRANSMITTAL**

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The 2040 Long Range Service Vision (Vision) was adopted by the JPB to guide the long-range development of the Caltrain rail service and supporting plans, policies and projects. The Vision was based on detailed technical analysis undertaken by Caltrain and its partner agencies as part of the Caltrain Business Plan process during 2018 and 2019. The Vision directs the railroad to plan for substantially expanded rail service that, by 2040, will address the local and regional mobility needs of the corridor while supporting local economic development activities. When fully realized, this service will provide:

- A mixture of express and local services operated in an evenly spaced, bidirectional pattern.
- Provide minimum peak and off-peak hour frequencies of trains per hour.
- Accommodation of California High Speed Rail, Capitol Corridor, Altamont Corridor Express and freight services in accordance with the terms of existing agreements.
- Incremental development of corridor projects and infrastructure.
- Continued planning for a potential “higher” growth level of service as well as potential new regional and mega-regional connections.

The Vision will be periodically reaffirmed to ensure that it continues to provide relevant and useful guidance to the railroad. Such reaffirmations will occur in regular intervals of no less than 5 years and in response to significant changes to JPB or partner projects that materially influence the substance of the Long Range Service Vision.

## **FINANCIAL POLICIES**

The JPB uses a comprehensive set of internal and board adopted financial policies. These policies address items such as cash management, reserves, and debt management. The policies are reviewed regularly by staff and are brought to the JPB Board for amendment and/or re-adoption as necessary.

## **AWARDS AND ACKNOWLEDGMENTS**

The JPB staff and its contracted service providers bring an effective combination of skill, experience and dedication to carrying out the agency's mission. Together, they plan, develop and finance the creation of a modern, coordinated multimodal transportation system offering convenient access to the many attributes of the Bay Area and beyond.

The Government Finance Officers Association (GFOA) recognized the JPB's 2018 Comprehensive Annual Financial Report for excellence in financial reporting and the Certificate of Achievement appears immediately following this transmittal letter. To be awarded a certificate, a report must be easy to read and efficiently organized, while satisfying both generally accepted accounting principles and applicable legal requirements. We believe our 2019 Comprehensive Annual Financial Report also meets the requirements for a Certificate of Achievement and have submitted it to the GFOA for evaluation. We would like to thank our independent audit firm, Eide Bailly LLP, for its timely and expert guidance in this matter.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## LETTER OF TRANSMITTAL

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A comprehensive annual financial report requires the dedicated effort of many individuals working together as a team. We would like to extend our grateful recognition to all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the fiscal year. Finally, we wish to thank the Board of Directors for their interest and support in the development of a reliable financial management and reporting system.

Respectfully submitted,



**Jim Martnett**  
Executive Director



**Derek Hansel**  
Chief Financial Officer/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Peninsula Corridor Joint Powers Board  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



**PENINSULA CORRIDOR JOINT POWERS BOARD**

**BOARD OF DIRECTORS**

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***Representing City and County of San Francisco:***

Gillian Gillett, Chair  
Cheryl Brinkman  
Shamann Walton

***Representing San Mateo County Transit District:***

Dave Pine, Vice Chair  
Ron Collins  
Charles Stone

***Representing Santa Clara Valley Transportation Authority:***

Jeannie Bruins  
Cindy Chavez  
Devora “Dev” Davis

# **PENINSULA CORRIDOR JOINT POWERS BOARD**

## **EXECUTIVE MANAGEMENT**

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### **EXECUTIVE DIRECTOR**

Jim Hartnett

### **EXECUTIVE OFFICERS**

Carter Mau – Deputy Chief Executive Officer

Michelle Bouchard – Chief Operating Officer, Rail

John Funghi – Chief Officer, CalMod Program

April Chan – Chief Officer, Planning, Grants, and the Transportation Authority

Derek Hansel – Chief Financial Officer

Dora Seamans – Executive Officer District Secretary/Executive Administration

Seamus Murphy – Chief Communications Officer

David Olmeda – Chief Operating Officer, Bus

### **GENERAL COUNSEL**

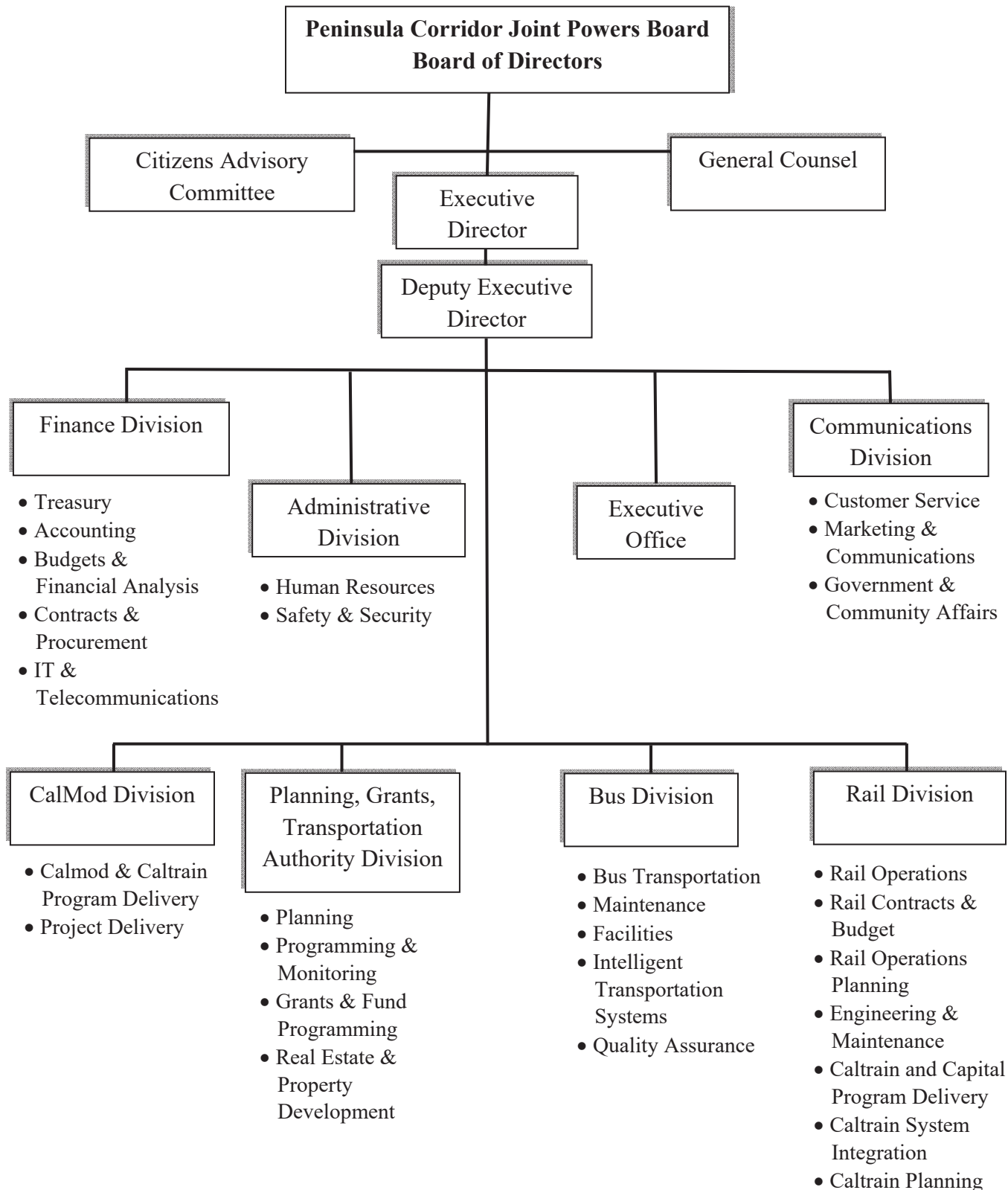
Hanson Bridgett, LLP

Joan Cassman, Esq.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## ORGANIZATION CHART

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# PENINSULA CORRIDOR JOINT POWERS BOARD

## MAP



# PENINSULA CORRIDOR JOINT POWERS BOARD

## TABLE OF CREDITS

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The following individuals contributed to the production of the fiscal year 2019 Comprehensive Annual Financial Report:

### **Finance:**

|   |                      |
|---|----------------------|
| Director, Accounting                            | Grace Martinez, CPA  |
| Director, Treasury                              | Connie Mobley-Ritter |
| Director, Budget and Financial Analysis         | Ladi Millard-Olmeda  |
| Manager, Financial Reporting and General Ledger | Jennifer Ye, CPA     |
| Manager, Finance Planning and Analysis          | Ryan Hinchman        |
| Manager, Grants and Capital Accounting          | Brian Lee            |

### **Audit Firm:**

|         |                      |
|---------|----------------------|
| Partner | Ahmad Gharaibeh, CPA |
| Manager | Tomohito Oku, CPA    |

# *Section II*

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## **FINANCIAL**

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to the Financial Statements

Supplementary Information

- Supplementary Schedule of Revenues and Expenses - Comparison of Budget to Actual (Budgetary Basis)
- Notes to Supplementary Schedule



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Peninsula Corridor Joint Powers Board  
San Carlos, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Peninsula Corridor Joint Powers Board (JPB) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the JPB's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the JPB, as of June 30, 2019 and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the JPB's basic financial statements. The introductory section, supplementary schedule of revenues and expenses - comparison of budget to actual, the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedule of revenues and expenses - comparison of budget to actual and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of revenues and expenses - comparison of budget to actual and the schedule of expenditures of federal awards, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### ***Prior Year Financial Statements***

The financial statements of the JPB as of and for the year ended June 30, 2019, were audited by Vavrinek, Trine, Day and Co. LLP, who joined Eide Bailly LLP on July 22, 2019, and whose report dated November 5, 2018, expressed an unmodified opinion on those statements.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019 on our consideration of the JPB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JPB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPB's internal control over financial reporting and compliance.

Handwritten signature of Eide Sully LLP in cursive script.

Palo Alto, California  
October 31, 2019

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***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

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### MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the JPB's financial performance provides an overview of the JPB's activities for the fiscal year ended June 30, 2019 with comparisons to prior fiscal years ended June 30, 2017 and June 30, 2018. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Financial Section.

#### ***FINANCIAL HIGHLIGHTS***

- At June 30, 2019, the JPB's assets exceeded its liabilities by \$2,071.3 million (net position). Of this amount, \$41.0 million represents unrestricted net position, which may be used to meet the JPB's ongoing obligations. At June 30, 2018, the JPB's assets exceeded its liabilities by \$1,741.9 million. Of this amount, \$34.6 million represents unrestricted net position.
- The JPB's total net position increased by \$329.4 million and \$222.5 million in the fiscal year 2019 and 2018 respectively mainly because of capital contributions.

#### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

The Financial Section of this report presents the JPB's financial statements as two components: basic financial statements and notes to the financial statements. It also includes supplemental information.

##### **Basic Financial Statements**

The *Statement of Net Position* presents information on assets and liabilities, with the difference between the two reported as *net position*. Changes in net position over time may provide an indicator as to whether the financial position of the JPB is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* reports how net position has changed during the year. It compares related operating revenues and operating expenses connected with the JPB's principal business of providing rail service. Operating expenses include the cost of direct services to passengers, administrative expenses, contracted services and depreciation on capital assets. All other revenues and expenses are reported as non-operating.

The *Statement of Cash Flows* reports inflows and outflows of cash, classified into four major categories:

- *Cash flows from operating activities* include transactions and events reported as components of operating income in the statement of revenues, expenses and changes in net position.
- *Cash flows from non-capital financing activities* include operating grant proceeds as well as operating subsidy payments from third parties as well as other non-operating items.
- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt, the acquisition and construction of capital assets, and the proceeds of capital grants and contributions.
- *Cash flows from investing activities* include proceeds from sale of investments, receipt of interest and changes in the fair value of investments subject to reporting as cash equivalents. Outflows in this category include the purchase of investments.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

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### Notes to the Financial Statements

Various notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are found immediately following the financial statements to which they refer.

### Other Information

This report also presents certain *supplementary* information concerning compliance with the JPB's annual budget. This *supplementary* information, as well as associated notes can be found immediately following the *basic financial statements* and the accompanying notes.

### Analysis of Basic Financial Statements

Total assets increased by \$309.3 million or 15.7% to \$2,277.9 million at June 30, 2019 compared to June 30, 2018, and increased by \$205.1 million or 11.6% at June 30, 2018 compared to June 30, 2017. The increases for fiscal year 2019 and fiscal year 2018 were mainly due to activities in construction in progress and right of way improvement projects. Current assets decreased by \$25.1 million or 11.1% to \$201.9 million in 2019. In 2018, current assets decreased by \$17.3 million or 7.1% compared to 2017. The decrease for fiscal year 2019 was due to decreases in receivables from member agencies and accounts receivables. The decrease for fiscal year 2018 was due to a decrease in receivables from member agencies.

Total capital assets, net of accumulated depreciation and amortization increased by \$334.4 million or 19.2% at June 30, 2019 to \$2,076.0 million from \$1,741.6 million on June 30, 2018, and increased by \$222.3 million or 14.6% from \$1,519.2 million in fiscal year 2018 compared to fiscal year 2017. Investments in capital assets, before depreciation, consist of acquisitions and improvements to the right of way (\$1,417.3 million or 46.9%), rail vehicles (\$333.8 million or 11.1%), facilities and equipment (\$136.6 million or 4.5%), intangible asset – trackage rights (\$8.0 million or 0.3%) and construction in progress (\$1,124.6 million or 37.2%) in fiscal year 2019. In fiscal year 2018, investments in capital assets, before depreciation, consist of acquisitions and improvements to the right of way (\$1,397.0 million or 53.7%), rail vehicles (\$333.6 million or 12.8%), facilities and equipment (\$130.2 million or 5.0%), intangible asset – trackage rights (\$8.0 million or 0.3%) and construction in progress (\$735.0 million or 28.2%).

Total liabilities decreased by \$20.1 million or 8.9% to \$206.6 million at June 30, 2019 compared to June 30, 2018 and decreased by \$17.5 million or 7.2% to \$226.7 million at June 30, 2018 compared to June 30, 2017. The fiscal year 2019 decrease was mainly due to decreases in accounts payable and accrued liabilities, unearned member contributions and revolving line of credit, partially offset by increases in farebox revenue bonds payables. The fiscal year 2018 decrease was mainly due to decreases in accounts payables, partially offset by increases in revolving credit facility.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

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Total net position was \$2,071.3 million at June 30, 2019 which represents an increase of \$329.4 million or 18.9% from June 30, 2018 and \$1,741.9 million at June 30, 2018, which represents an increase of \$222.5 million or 14.6% from June 30, 2017. The increase was largely due to additional capital contributions received associated with the Caltrain electrification project. Net investment in capital asset was \$2,030.3 million at June 30, 2019, representing 98.0% of the total net position, \$1,707.2 million at June 30, 2018, representing 98.0% of total net position and \$1,484.7 million at June 30, 2017 representing 97.7% of total net position. The JPB's net investment in capital assets represents right of way improvements, rail vehicles, and facilities and equipment, less any related outstanding debt that was used to acquire those assets. The JPB uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although the JPB's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balances of \$41.0 million, \$34.6 million and \$34.6 million are unrestricted at June 30, 2019, 2018 and 2017 respectively and may be used to meet the JPB's ongoing obligations to its citizens and creditors.

### NET POSITION (in thousands)

|  | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|---------------------|
| <b>Assets:</b>                                   |                     |                     |                     |
| Current assets                                   | \$ 201,944          | \$ 227,036          | \$ 244,294          |
| Capital assets, net of depreciation/amortization | 2,075,977           | 1,741,558           | 1,519,244           |
| <b>Total assets</b>                              | <u>2,277,921</u>    | <u>1,968,594</u>    | <u>1,763,538</u>    |
| <b>Liabilities:</b>                              |                     |                     |                     |
| Current liabilities                              | 150,498             | 191,376             | 206,895             |
| Long-term liabilities                            | 56,140              | 35,330              | 37,278              |
| <b>Total liabilities</b>                         | <u>206,638</u>      | <u>226,706</u>      | <u>244,173</u>      |
| <b>Net Position:</b>                             |                     |                     |                     |
| Net investment in capital assets                 | 2,030,255           | 1,707,243           | 1,484,730           |
| Unrestricted                                     | 41,027              | 34,646              | 34,636              |
| <b>Total net position</b>                        | <u>\$ 2,071,282</u> | <u>\$ 1,741,889</u> | <u>\$ 1,519,366</u> |

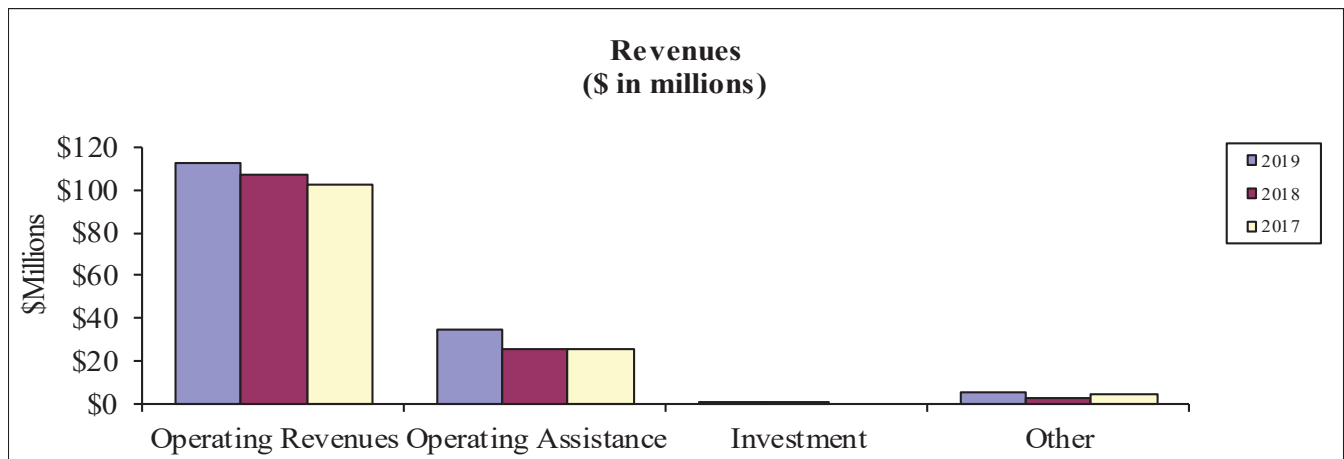
# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

### Revenue Highlights

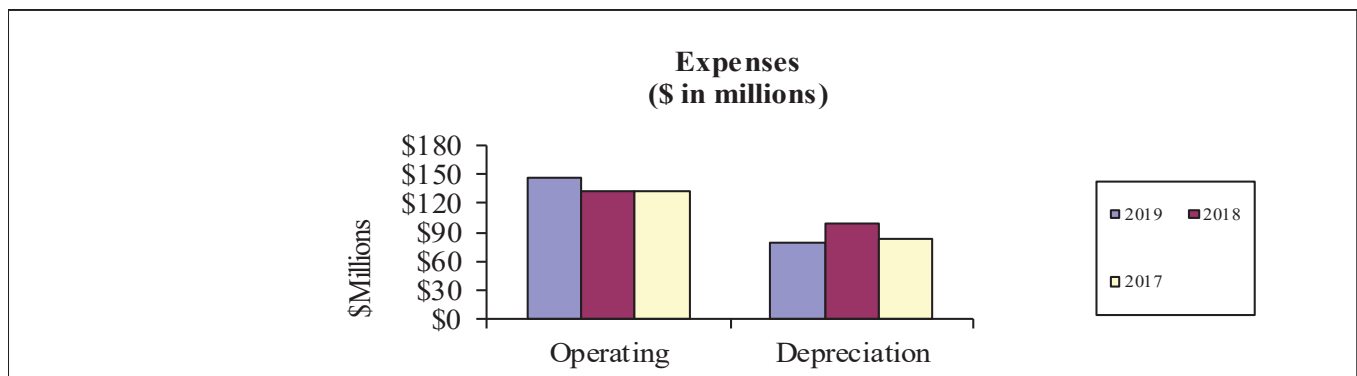
Operating revenues increased to \$112.8 million in fiscal year 2019, an \$5.7 million or 5.4% increase from fiscal year 2018 and increased to \$107.0 million in fiscal year 2018, a \$5.0 million or 4.9% increase from fiscal year 2017. Increases for both years were due to increases in passenger fares and/or ridership.

Non-operating revenues increased by \$12.2 million or 42.5% to \$40.9 million at June 30, 2019 compared to June 30, 2018 and decreased by \$1.1 million or 3.6% in fiscal year 2018 compared to fiscal year 2017. The increase in 2019 was due to increases in Federal, State and Local operating grant revenues and other incomes. The decrease in 2018 was due to decrease in shared track maintenance revenues.



### Expense Highlights

Total operating expenses of \$147.3 million in fiscal year 2019 were \$14.4 million or 10.8% higher than fiscal year 2018, and in fiscal year 2018, \$0.3 million or 0.2% higher than fiscal year 2017. Total expense increases in fiscal year 2019 and 2018 are mostly due to increases in contract services, wages and benefits, and temporary services. Depreciation and amortization for fiscal year 2019 was \$78.9 million, a \$21.2 million or 21.2% decrease over fiscal year 2018. In fiscal year 2018, depreciation and amortization was \$100.1 million, a \$16.2 million or 19.3% increase over fiscal year 2017. The decrease in depreciation and amortization expenses in fiscal year 2019 was due to a change to the estimated lives of some assets and less capital assets acquired and put into operation.



# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

|  | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
|--|---------------------|---------------------|---------------------|
| Operating revenues:                                    |                     |                     |                     |
| Passenger fares  | \$ 102,668          | \$ 97,050           | \$ 92,429           |
| Parking, shuttle and pass revenues                     | 7,894               | 7,790               | 7,911               |
| Advertising  | 1,050               | 1,016               | 370                 |
| Other  | 1,165               | 1,180               | 1,321               |
| <b>Total operating revenues</b>                        | <b>112,777</b>      | <b>107,036</b>      | <b>102,031</b>      |
| Operating expenses:                                    |                     |                     |                     |
| Contract services                                      | 99,541              | 92,899              | 89,639              |
| Insurance  | 4,129               | 1,188               | 7,105               |
| Fuel   | 11,184              | 10,322              | 8,613               |
| Parking, shuttle and pass revenues                     | 5,280               | 5,916               | 5,629               |
| Professional services                                  | 2,068               | 2,178               | 1,514               |
| Wages and benefits                                     | 16,765              | 13,911              | 13,561              |
| Utilities and supplies                                 | 2,189               | 2,063               | 2,179               |
| Maintenance services                                   | 1,643               | 1,667               | 1,508               |
| Temporary services, rent and other                     | 4,528               | 2,781               | 2,886               |
| <b>Total operating expenses</b>                        | <b>147,327</b>      | <b>132,925</b>      | <b>132,634</b>      |
| Operating loss before depreciation<br>and amortization | (34,550)            | (25,889)            | (30,603)            |
| Depreciation and amortization                          | (78,890)            | (100,097)           | (83,922)            |
| Operating loss   | <b>(113,440)</b>    | <b>(125,986)</b>    | <b>(114,525)</b>    |
| Nonoperating revenues                                  |                     |                     |                     |
| Federal, state and local operating assistance          | 35,070              | 25,346              | 25,489              |
| Rental income  | 1,901               | 2,070               | 1,861               |
| Investment income (loss)                               | 714                 | 93                  | 28                  |
| Other income (expense)                                 | 3,211               | 1,198               | 2,413               |
| <b>Total nonoperating revenues</b>                     | <b>40,895</b>       | <b>28,706</b>       | <b>29,790</b>       |
| Nonoperating expenses                                  | (3,222)             | (1,500)             | (1,301)             |
| Net loss before capital contributions                  | (75,767)            | (98,780)            | (86,036)            |
| Capital contributions                                  | 405,162             | 321,303             | 246,767             |
| Change in net position                                 | 329,394             | 222,523             | 160,731             |
| Net position - beginning of year                       | 1,741,889           | 1,519,366           | 1,358,635           |
| <b>Net position - end of year</b>                      | <b>\$ 2,071,283</b> | <b>\$ 1,741,889</b> | <b>\$ 1,519,366</b> |

# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS

JUNE 30, 2019 AND 2018

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### Capital Program

The JPB incurred capital expenses of \$420.0 million and recognized related revenue in the form of capital contributions of \$405.2 million in fiscal year 2019, which is an \$83.9 million or 26.1% increase in capital contributions in fiscal year 2019 over fiscal year 2018. The fiscal year 2019 capital sources consisted of federal grants (\$153.0 million or 36.4%), state grants (\$183.9 million or 43.8%), local assistance including the three member agencies (\$68.3 million or 16.3%) and debt refinancing (\$1.1 million or 0.3%).

The JPB incurred capital expenses of \$322.4 million and recognized related revenue in the form of capital contributions of \$321.3 million in fiscal year 2018, which is a \$74.5 million or 30.2% increase in capital contributions in fiscal year 2018 over fiscal year 2017. The JPB's capital contributions are comprised of federal grants, state grants and local assistance including member agencies which are on a reimbursement basis and therefore tied to the related capital expenses. The reason for the increase in both fiscal year 2019 and 2018 is due to more activities on right of way improvement projects.

Following is a summary of the JPB's major capital expenses for fiscal year 2019:

- Caltrain modernization program (\$306.3 million).
- Grade Separation and Grade Crossing (\$59.7 million).
- System-wide track improvement (\$16.6 million).
- Station improvements and repairs (\$15.0 million).
- Facility improvements and repairs (\$10.8 million).
- Other - safety, planning and development, and other miscellaneous (\$3.6 million).

Additional information about the JPB's capital activities appear in Note #6 – Capital Assets in the Notes to the Financial Statements.

### Debt

At the end of fiscal year 2019, the JPB had \$55.4 million in outstanding farebox revenue bonds, \$20.9 million more than the bonds outstanding at the end of fiscal year 2018. During fiscal year 2008, the JPB issued \$23.1 million of farebox revenue bonds (2007 Series A Farebox Revenue Bonds) to finance the purchase of eight new passenger railcars and refinance the outstanding balance of the JPB's 1999 Series A Farebox Revenue Bonds. Principal payments are not scheduled to begin on the 2007 Series A Farebox Revenue Bonds until October 1, 2018. On January 14, 2015, the JPB issued an additional series of Farebox Revenue Bonds (2015 Series A Farebox Revenue Bonds) to finance a portion of the costs of the acquisition and rehabilitation of sixteen passenger rail cars and related capital improvements. Principal payments are not scheduled to begin on the 2015 Series A Farebox Revenue Bonds until October 1, 2019. In February, 2019, the JPB issued \$56,218,000 in 2019 Series A Farebox Revenue Bonds; this issuance used \$24,087,000 of the proceeds to fully pay and legally defease the 2007 Series A Bonds and \$11,363,000 used to fully payoff the 2015 Series A Revenue Bonds. In addition, \$20,768,000 of the proceeds were used for a building acquisition. Principal on the 20019 Series A Bonds is payable on October 1, 2021 and annually thereafter on October 1 of each year through 2049. More information regarding the JPB's long-term debt activity can be found in Note 9 – Farebox Revenue Bonds Payable in the notes to the financial statements.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2019 AND 2018

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### **Economic Factors and Next Year's Budget**

The JPB Board approved the fiscal year 2020 Operating Budget on June 6, 2019. The fiscal year 2020 Operating Budget continues to support the high level of service and reliability that the community has come to expect from Caltrain, as it makes every effort to control costs.

The fiscal year 2020 Revised Operating Budget consists of \$154.6 and \$155.7 million in revenues and expenditures. The major components of revenue include operating revenue of \$117.7 million, primarily from farebox, and \$37.0 million in contributed revenue, which includes Assembly Bill 434 and San Mateo County Transportation Authority shuttle funding, State Transit Assistance formula funds, and JPB Member contributions. Operating expenses are projected to be \$128.7 million with the Rail Operator Contract, insurance costs, security service costs, shuttle costs, and fuel costs making up a significant part of the budget. Administrative expenses are projected to be \$24.4 million.

The fiscal year 2020 Capital Budget was also approved on June 6, 2019. The \$47.4 million capital budget consists primarily of critical infrastructure and equipment state of good repair, legal mandates, and operational improvements. The fiscal year 2020 Capital Budget will be funded by Federal, State, regional and local grants as well as funds provided by the JPB Member Agencies.

Some of the highlights of the capital budget include:

- Churchill Avenue Grade Crossing.
- Guadalupe River Bridge Replacement.
- Marin Street and Napoleon Avenue Bridges Rehabilitation.
- System-wide Track Rehabilitation - SOGR 2020.
- Bayshore Station Overpass Pedestrian Bridge Rehabilitation.
- Major Initiatives Corridor-wide Grade Separation Study.

### ***Requests for Information***

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the JPB's finances and to demonstrate accountability for the funds it manages. Please direct any questions about this report or requests for additional information about JPB finances to: Peninsula Corridor Joint Powers Board, attn: Chief Financial Officer, 1250 San Carlos Avenue, San Carlos, California, 94070-1306.



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***BASIC FINANCIAL STATEMENTS***

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# PENINSULA CORRIDOR JOINT POWERS BOARD

## STATEMENTS OF NET POSITION JUNE 30, 2019 AND 2018

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| <b>ASSETS:</b>                                    |                      |                      |
| Current Assets:                                   |                      |                      |
| Cash and cash equivalents (Note 3)                | \$ 50,338,170        | \$ 50,057,619        |
| Restricted cash (Note 3)                          | 12,937,261           | 16,471,285           |
| Total cash and cash equivalents                   | <u>63,275,431</u>    | <u>66,528,904</u>    |
| Due from other governmental agencies              | 98,156,519           | 96,368,830           |
| Receivables from member agencies (Note 14)        | 15,792,272           | 33,387,717           |
| Accounts receivable - other, net of allowance     | 4,643,147            | 18,603,269           |
| Inventory   | 7,360,578            | 6,634,599            |
| Prepaid items                                     | 8,049                | 1,521,338            |
| Restricted investment with fiscal agents (Note 3) | 12,707,925           | 3,991,501            |
| Total current assets                              | <u>201,943,921</u>   | <u>227,036,158</u>   |
| Noncurrent Assets:                                |                      |                      |
| Capital assets (Note 6)                           |                      |                      |
| Right-of-way improvements                         | 1,183,600,090        | 1,170,024,646        |
| Rail vehicles                                     | 333,787,351          | 333,571,854          |
| Facilities and equipment                          | 136,598,945          | 130,231,371          |
| Office equipment                                  | 14,528,800           | 18,129,393           |
| Capital assets, gross                             | <u>1,668,515,186</u> | <u>1,651,957,264</u> |
| Less accumulated depreciation                     | (958,867,149)        | (880,396,852)        |
| Construction in progress (Note 2L)                | 1,124,617,573        | 735,025,437          |
| Right of way                                      | 233,711,000          | 226,972,189          |
| Intangible assets - trackage rights (Note 6)      | 8,000,000            | 8,000,000            |
| Total capital assets, net                         | <u>2,075,976,610</u> | <u>1,741,558,038</u> |
| Total noncurrent assets                           | <u>2,075,976,610</u> | <u>1,741,558,038</u> |
| Total assets                                      | <u>2,277,920,531</u> | <u>1,968,594,196</u> |

The accompanying notes are an integral part of the financial statements.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## STATEMENTS OF NET POSITION (Continued) JUNE 30, 2019 AND 2018

|   | <u>2019</u>                    | <u>2018</u>                    |
|---|--------------------------------|--------------------------------|
| <b>LIABILITIES:</b>                                     |                                |                                |
| Current Liabilities:                                    |                                |                                |
| Accounts payable and accrued liabilities                | \$ 80,748,934                  | \$ 94,329,612                  |
| Interest payable  | 1,246,340                      | 511,432                        |
| Self-insurance claims liabilities (Note 10)             | 887,433                        | 1,202,626                      |
| Unearned member contributions (Note 14)                 | 14,575,936                     | 17,807,567                     |
| Unearned revenue  | 27,885,470                     | 26,520,610                     |
| Revolving credit facility (Note 15)                     | 25,000,000                     | 50,686,000                     |
| Current portion of long-term debt (Note 9)              | -                              | 180,000                        |
| Other   | 153,522                        | 137,700                        |
| Total current liabilities                               | <u>150,497,635</u>             | <u>191,375,547</u>             |
| Noncurrent Liabilities:                                 |                                |                                |
| Self-insurance claims liabilities - long-term (Note 10) | 723,244                        | 1,014,375                      |
| Farebox revenue bonds payable - long-term (Note 9)      | 55,416,971                     | 34,315,517                     |
| Total noncurrent liabilities                            | <u>56,140,215</u>              | <u>35,329,892</u>              |
| Total liabilities                                       | <u>206,637,850</u>             | <u>226,705,439</u>             |
| <b>NET POSITION:</b>                                    |                                |                                |
| Net investment in capital assets                        | 2,030,255,347                  | 1,707,242,521                  |
| Unrestricted  | 41,027,334                     | 34,646,236                     |
| <b>Total Net Position</b>                               | <u><u>\$ 2,071,282,681</u></u> | <u><u>\$ 1,741,888,757</u></u> |

The accompanying notes are an integral part of the financial statements.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|   | <b>2019</b>                    | <b>2018</b>                    |
|---|--------------------------------|--------------------------------|
| <b>OPERATING REVENUES:</b>                                    |                                |                                |
| Passenger fares   | \$ 102,668,115                 | \$ 97,050,194                  |
| Parking, shuttle and pass revenues                            | 7,894,269                      | 7,789,967                      |
| Advertising   | 1,050,303                      | 1,016,385                      |
| Other   | 1,164,453                      | 1,179,197                      |
| Total operating revenues                                      | <u>112,777,140</u>             | <u>107,035,743</u>             |
| <b>OPERATING EXPENSES:</b>                                    |                                |                                |
| Contract services (Note 12A)                                  | 99,540,498                     | 92,897,791                     |
| Insurance   | 4,128,561                      | 1,187,905                      |
| Fuel  | 11,183,949                     | 10,321,844                     |
| Parking, shuttle and pass expenses                            | 5,279,764                      | 5,915,897                      |
| Professional services   | 2,067,909                      | 2,177,630                      |
| Wages and benefits  | 16,765,377                     | 13,910,813                     |
| Utilities and supplies  | 2,188,809                      | 2,062,999                      |
| Maintenance services  | 1,644,021                      | 1,667,732                      |
| Temporary services, rent and other                            | 4,528,724                      | 2,782,384                      |
| Total operating expenses before depreciation and amortization | <u>147,327,612</u>             | <u>132,924,995</u>             |
| Depreciation and amortization                                 | 78,889,501                     | 100,096,767                    |
| Total operating expenses                                      | <u>226,217,113</u>             | <u>233,021,762</u>             |
| Operating Loss  | <u>(113,439,973)</u>           | <u>(125,986,019)</u>           |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>                     |                                |                                |
| Federal, state and local operating assistance (Note 7)        | 35,070,203                     | 25,345,689                     |
| Rental income   | 1,901,052                      | 2,070,135                      |
| Investment income   | 713,502                        | 92,644                         |
| Interest expense  | (3,222,955)                    | (1,500,521)                    |
| Other income  | 3,210,552                      | 1,197,911                      |
| Total non-operating revenues, net                             | <u>37,672,354</u>              | <u>27,205,858</u>              |
| Loss before capital contributions                             | <u>(75,767,619)</u>            | <u>(98,780,161)</u>            |
| Capital contributions (Note 11)                               | 405,161,543                    | 321,302,870                    |
| Change in net position  | 329,393,924                    | 222,522,709                    |
| <b>NET POSITION:</b>  |                                |                                |
| Beginning of year   | 1,741,888,757                  | 1,519,366,048                  |
| End of year   | <u><u>\$ 2,071,282,681</u></u> | <u><u>\$ 1,741,888,757</u></u> |

The accompanying notes are an integral part of the financial statements.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

|  | <u>2019</u>            | <u>2018</u>            |
|--|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                        |                        |
| Cash received from customers   | \$ 126,737,262         | \$ 106,526,077         |
| Rent and other cash receipts   | 5,111,604              | 3,268,046              |
| Payments to vendors for services   | (130,365,427)          | (118,246,484)          |
| Payments to employees  | (16,765,377)           | (13,910,813)           |
| Net cash used for operating activities   | <u>(15,281,938)</u>    | <u>(22,363,174)</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |                        |                        |
| Operating grants received  | 35,070,203             | 25,345,689             |
| Net cash provided by noncapital and financing activities   | <u>35,070,203</u>      | <u>25,345,689</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                 |                        |                        |
| Acquisition and construction of capital assets   | (426,888,751)          | (353,824,123)          |
| Capital contributions from grants  | 419,102,528            | 342,689,706            |
| Proceeds from (payments of) the revolving credit facility  | (25,686,000)           | 23,648,000             |
| Payment of capital debt  | (34,293,818)           | -                      |
| Proceed from refunding of capital debt   | 55,746,446             | -                      |
| Interest paid on capital debt  | (3,019,221)            | (1,333,105)            |
| Net cash provided by capital and related financing activities                                    | <u>(15,038,816)</u>    | <u>11,180,478</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                        |                        |
| Purchase of investment   | (8,716,424)            | (211,612)              |
| Investment income received   | 713,502                | 92,644                 |
| Net cash used for investing activities   | <u>(8,002,922)</u>     | <u>(118,968)</u>       |
| Net increase in cash and cash equivalents  | (3,253,473)            | 14,044,025             |
| Cash and cash equivalents, beginning of year   | 66,528,904             | 52,484,879             |
| Cash and cash equivalents, end of year   | <u>\$ 63,275,431</u>   | <u>\$ 66,528,904</u>   |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>                |                        |                        |
| Operating loss   | \$ (113,439,973)       | \$ (125,986,019)       |
| Adjustments to reconcile operating loss to net cash provided by (used for) operating activities: |                        |                        |
| Depreciation and amortization  | 78,889,501             | 100,096,767            |
| Rent and other cash receipts   | 5,111,604              | 3,268,046              |
| Effect of changes in:  |                        |                        |
| Receivables  | 13,960,122             | (509,666)              |
| Prepaid items  | 1,513,289              | 4,441,711              |
| Accounts payable, accrued liabilities  | 15,822                 | 73,169                 |
| Claims liabilities   | (606,324)              | (3,747,182)            |
| Net cash provided by (used for) operating activities   | <u>\$ (15,281,938)</u> | <u>\$ (22,363,174)</u> |
| <b>NONCASH INVESTING AND CAPITAL ACTIVITIES:</b>   |                        |                        |
| Change in fair value of investments  | \$ 15,586              | \$ (10,615)            |
| Noncash capital contributions  | (13,940,985)           | (21,386,836)           |
| Net noncash investing and capital activities   | <u>\$ (13,925,399)</u> | <u>\$ (21,397,451)</u> |

The accompanying notes are an integral part of the financial statements.

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# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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Notes are essential to present fairly the information contained in the overview level of the basic financial statements. Narrative explanations are intended to communicate information that is not readily apparent or cannot be included in the statements and schedules themselves, and to provide additional disclosures as required by the Governmental Accounting Standards Board.



# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### NOTE 1 – ORGANIZATION

In 1987, representatives of the City and County of San Francisco (CCSF), the San Mateo County Transit District (District) and the Santa Clara Valley Transportation Authority (VTA) formed the Peninsula Corridor Joint Powers Board (JPB) to plan for the full transfer of administrative and financial responsibility for the Caltrain rail service from the State of California to the local level. In October 1991, a Joint Powers Agreement (Agreement) signed by the three parties (Member Agencies) stipulated the JPB membership and powers, specified financial commitments for each member, and detailed other administrative procedures, including designating the District as the Managing Agency.

The JPB acquired the rail corridor right of way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific Transportation Company in December 1991, with contributions provided by the District, the San Mateo County Transportation Authority, VTA for Gilroy trackage right only, and the California Transportation Commission. The JPB holds title to the Mainline located in all 3 counties. Because the District advanced the initial contribution in the amount of \$8,294,000 and \$34,652,000 on behalf of the CCSF and VTA, respectively, to complete the funding package to acquire the right of way, the JPB and the District are tenants in common as to all right of way property located in San Mateo County.

On October 31, 2008, all three of the JPB Member Agencies, together with the Metropolitan Transportation Commission (MTC), signed an agreement to fully resolve all outstanding financial issues related to the acquisition of the right of way. Both CCSF and VTA have agreed to reimburse the District using gasoline tax “spillover” funds. Population based “spillover” funds are to be paid directly to the District from the MTC and the revenue based “spillover” funds are to be paid to the District from the San Francisco Municipal Transportation Agency (SFMTA) and VTA. The parties have agreed to make best efforts to allocate the funds in full within two to four years and, in no event, later than 10 years. When all payments have been received by the District, the District will reconvey to the JPB all of its interests in the title to the right of way in San Mateo County. This October 31, 2008 Agreement also designates the District as the Managing Agency of the JPB and further states that the District “will serve in that capacity unless and until it no longer chooses to do so”.

The JPB assumed an expanded role in July 1992 as the State of California Department of Transportation (Caltrans) and the District coordinated the transfer of Caltrain operations and administration to the JPB. The JPB selected the National Railroad Passenger Corporation (Amtrak) as the contract operator, and Amtrak operated the rail service from July 1, 1992 through May 25, 2012. TransitAmerica Services, Inc. (TASI) assumed operations and maintenance of the service on May 26, 2012.

The JPB is governed by a nine-member Board representing the three Member Agencies. The base term of the Agreement establishing the JPB expired in 2001, but the Agreement provides that it continues on a year-to-year basis, with a Member Agency's withdrawal requiring a minimum one-year advance written notice to the JPB and the other Member Agencies.

To enhance public involvement, the JPB established a Citizen Advisory Committee (CAC) comprised of three representatives from each of the JPB counties. The CAC's principal function is to assist the JPB by articulating the interests and needs of transit users and potential customers.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Financial Reporting Entity

The accompanying financial statements include the financial activities of the JPB only.

#### B. Implementation of Governmental Accounting Standards Board Statements

##### *Effective this Fiscal Year*

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the FY 2018/2019. This statement did not have an impact on the JPB's financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. This Statement is effective for reporting periods beginning after June 15, 2018 or FY 2018/2019. The JPB implemented the provisions of this Statement.

##### *Effective in Future Fiscal Years*

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objectives of this Statement are to improve guidance related to fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the FY 2019/2020. The JPB has is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or FY 2020/2021. The JPB is evaluating the impact of this Statement on the financial statements.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 or FY 2020/2021. The JPB is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 60*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 or FY 2019/2020. The JPB is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 or FY 2021/2022. The JPB is evaluating the impact of this Statement on the financial statements.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### C. Basis of Accounting

The JPB accounts for its transactions in a single enterprise fund and maintains its records using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### D. Cash and Cash Equivalents

For purpose of the statement of cash flows, the JPB considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and equivalents also include amounts invested in Local Agency Investment Fund (LAIF) (see Note 3).

### E. Accounts Receivable – Other

During the course of normal operations, the JPB carries various receivable balances for services and rent. At June 30, 2019 and 2018, the allowance for doubtful accounts included in Accounts receivable – other, remains unchanged at \$413,499.

### F. Inventories

Inventories consist principally of spare parts that are recorded when purchased and expensed when used. Inventories are stated at average cost which approximates market and are maintained by TransitAmerica Services, Inc. as part of its contractual agreement.

### G. Investments

Investment transactions are recorded on the trade date at fair value. Fair value is defined as the amount that the JPB could reasonably expect to receive for an investment in a current sale from a willing buyer and is based on current market prices.

### H. Restricted Investments with Fiscal Agents

Provisions of the JPB's trust agreements related to its farebox revenue bonds require that certain restricted investments accounts be established. These accounts are held by the fiscal agent and include funds for payment of principal and interest.

### I. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for the same purpose (e.g. construction projects), the JPB's policy is to use all available restricted resources first before unrestricted resources are utilized.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### J. Capital Assets

Capital assets are recorded at historical cost or appraised value. However, donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. The JPB defines capital assets as assets with a cost greater than \$5,000 and an estimated useful life in excess of one year. Donated assets are recorded at acquisition value on the date donated. Major additions and replacements are capitalized. Maintenance repairs and additions of a minor nature are expensed as incurred.

### K. Depreciation and Amortization

Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

- Right of way improvements – 3 to 40 years
- Rail vehicles – 10 to 36 years
- Facilities and equipment – 4 to 35 years
- Office equipment – 3 to 5 year

### L. Construction in Progress

|                                       | <u>2019</u>             | <u>2018</u>           |
|---------------------------------------|-------------------------|-----------------------|
| Caltrain Modernization program        | \$ 925,929,563          | \$ 655,027,641        |
| Bridge improvements                   | 2,402,293               | 1,280,636             |
| Rolling stock-purchase/improvements   | 37,193,554              | 4,962,992             |
| Grade crossing and separations        | 104,493,455             | 48,132,081            |
| System-wide track improvements        | 18,435,765              | 3,510,603             |
| Station improvements                  | 31,202,217              | 19,999,525            |
| Safety                                | 3,213,413               | 1,276,667             |
| Communications                        | 1,747,313               | 835,292               |
| <b>Total Construction in Progress</b> | <b>\$ 1,124,617,573</b> | <b>\$ 735,025,437</b> |

### M. Bond Issuance Costs

Bond issuance costs are expensed upon the issuance of related debt.

### N. Unearned Member Contributions

Unearned member contributions are the result of advances from the Member Agencies. To the extent that these amounts exceed committed funds (see Note 14), they may be refunded to the Member Agencies or used to offset future required contributions.

### O. Unearned Revenue

Unearned revenue represents fares, rents, and State assistance amounts received which have not yet been earned. Advance ticket sales are included as unearned revenue until earned.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### **P. Member Agency Assistance**

Amounts received from member agencies for operations are recognized as revenues when operating and administrative expenses are incurred. Amounts received from member agencies for acquisition of assets or matching grants are recognized as capital contributions when capital expenses are incurred.

### **Q. Federal, State and Local Operating Assistance**

Federal, State and local operating assistance are recorded as revenue when operating expenses are incurred.

### **R. Wages and Benefits**

Personnel costs of the JPB represent the allocated costs of District employees addressing JPB functions in the District's capacity as Managing Agency. Participation in pension plans, compensated absences, and postretirement health care benefits for these employees is administered by the San Mateo County Transit District.

### **S. Operating/Nonoperating Revenues and Expenses**

The JPB distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from directly providing services in connection with the JPB's principal operations of commuter rail service. These revenues are primarily passenger fares, parking, shuttle, and pass revenues. Operating expenses include the cost of sales and services, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses (including member contributions) not meeting this definition are reported as nonoperating revenues and expenses.

### **T. Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements.

### **U. Deferred Outflows and Deferred Inflows**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### V. Fair Value Measurement

Generally Accepted Accounting Principles (GAAP) provide guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to a hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs include inputs that are directly observable for the investment including quoted price for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; Level 3 inputs are significant unobservable inputs.

### W. Reclassification

For the year ended June 30, 2019, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the fiscal year 2019 presentation.

### NOTE 3 – CASH AND INVESTMENTS

The JPB's investments are carried at fair value, as required by GAAP. The JPB adjusts the carrying value of its investments to reflect their fair value at each fiscal year end and includes the effects of these adjustments in income for that fiscal year.

The JPB is in compliance with the Board approved Investment Policy and California Government Code requirements.

The JPB's cash and investments as of June 30 are classified in the statement of net position as follows:

|   | <u>2019</u>                 | <u>2018</u>                 |
|---|-----------------------------|-----------------------------|
| Cash and cash equivalents                 | \$ 50,338,170               | \$ 50,057,619               |
| Restricted cash                           | 12,937,261                  | 16,471,285                  |
| Restricted investments with fiscal agents | 12,707,925                  | 3,991,501                   |
| <b>Total Cash and Investments</b>         | <b><u>\$ 75,983,356</u></b> | <b><u>\$ 70,520,405</u></b> |

The JPB's cash and investments consist of the following at June 30:

|                                      | <u>2019</u>                 | <u>2018</u>                 |
|--------------------------------------|-----------------------------|-----------------------------|
| Cash on hand                         | \$ 36,453                   | \$ 262,073                  |
| Deposits with financial institutions | 62,192,815                  | 62,217,623                  |
| Investments                          | 13,754,088                  | 8,040,709                   |
| <b>Total Cash and Investments</b>    | <b><u>\$ 75,983,356</u></b> | <b><u>\$ 70,520,405</u></b> |



# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### *Investments Authorized by the California Government Code and the JPB's Investment Policy*

The table below identifies the investment types that are authorized for the JPB by the California Government Code or the JPB's investment policy, when more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the JPB, rather than the general provisions of the JPB's investment policy.

| <b>Authorized<br/>Investment Type</b>                                       | <b>Minimum<br/>Credit<br/>Rating</b> | <b>Maximum<br/>Maturity</b> | <b>Maximum<br/>Percentage<br/>of Portfolio</b> | <b>Maximum<br/>Investment<br/>in One Issuer</b> |
|---|--------------------------------------|-----------------------------|--|---|
| U.S. Treasury Obligations   |                                      | 15 years                    | 100%   | 100%  |
| U.S. Agency Securities  |                                      | 15 years                    | 100%   | 100%  |
| Banker's Acceptances  | A1/P1/F1                             | 180 days                    | 15%  | 5%  |
| Commercial Paper (\$500 Mil. Min. Assets)                                   | A1/P1/F1                             | 270 days                    | 15%  | 10%   |
| Commercial Paper  |                                      | 31 days                     | 10%  | 10%   |
| Negotiable Certificates of Deposit  |                                      | 5 years                     | 10%  | 5%  |
| Repurchase Agreements   |                                      | 1 year                      | 100%   | 50%   |
| Reverse Repurchase Agreements   |                                      | 92 days                     | 20% of base value                              | 20%   |
| Medium-term Notes   |                                      | 5 years                     | 30%  | 10%   |
| Shares of Beneficial Interest Issued by<br>Diversified Management Companies |                                      | 30 days                     | 10%  | 5%  |
| Mortgage Pass-through Securities  | AA                                   | 5 years                     | 20%  | 5%  |
| Obligations of California Local Agencies                                    |                                      | 10 years                    | 50%  | 50%   |
| Local Agency Investment Fund (LAIF)   |                                      | N/A                         | None   | \$65M   |
| San Mateo County Investment Fund  |                                      | N/A                         | None   | None  |

### *Investments Authorized by Debt Agreements*

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California government code or the JPB's investment policy. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years and money market funds.

### *Disclosure Relating to Interest Rate Risk*

Interest rate risk is the risk incurred when changes in market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the JPB manages its exposure to interest rate risk is by purchasing a combination of short and long term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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The JPB's weighted average maturity of its investment portfolio at June 30, 2019 was as follows:

| <u>Investment Type</u>                  | <u>Amount</u>                      | <u>Weighted<br/>Average Maturity<br/>(in years)</u> |
|---|------------------------------------|---|
| San Mateo County Investment Pool        | 1,046,163                          | 0.84  |
| Held by bond trustee:                   |                                    |   |
| Money Market Mutual Fund                | 12,707,925                         | 0   |
| <b>Total Investment Portfolio</b>       | <b><u><u>\$ 13,754,088</u></u></b> |   |
| <br>Portfolio Weighted Average Maturity |                                    | <br>0.06  |

The JPB's weighted average maturity of its investment portfolio at June 30, 2018 was as follows:

| <u>Investment Type</u>                  | <u>Amount</u>                     | <u>Weighted<br/>Average Maturity<br/>(in years)</u> |
|---|-----------------------------------|---|
| Local Agency Investment Fund (LAIF)     | \$ 2,069,516                      | 0.53  |
| San Mateo County Investment Pool        | 1,979,692                         | 0.91  |
| Held by bond trustee:                   |                                   |   |
| Money Market Mutual Fund                | 3,991,501                         | 0   |
| <b>Total Investment Portfolio</b>       | <b><u><u>\$ 8,040,709</u></u></b> |   |
| <br>Portfolio Weighted Average Maturity |                                   | <br>0.36  |

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### *Disclosures Relating to Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the JPB's investment policy, or debt agreements, and the actual rating as of fiscal years ended June 30, 2019 and 2018 for each investment type:

| Investment Type           | Amount               | Rating as of June 30, 2019 |                     |
|---------------------------|----------------------|----------------------------|---------------------|
|                           |                      | S & P Rating<br>AAA        | Not<br>Rated        |
| San Mateo County Pool     | \$ 1,046,163         | \$ -                       | \$ 1,046,163        |
| Held by bond trustee:     |                      |                            |                     |
| Money Market Mutual Funds | 12,707,925           | 12,707,925                 | -                   |
| <b>Total</b>              | <b>\$ 13,754,088</b> | <b>\$ 12,707,925</b>       | <b>\$ 1,046,163</b> |

| Investment Type                     | Amount              | Rating as of June 30, 2018 |                     |
|-------------------------------------|---------------------|----------------------------|---------------------|
|                                     |                     | S & P Rating<br>AAA        | Not<br>Rated        |
| Local Agency Investment Fund (LAIF) | \$ 2,069,516        | \$ -                       | \$ 2,069,516        |
| San Mateo County Pool               | 1,979,692           | -                          | 1,979,692           |
| Held by bond trustee:               |                     |                            |                     |
| Money Market Mutual Funds           | 3,991,501           | 3,991,501                  | -                   |
| <b>Total</b>                        | <b>\$ 8,040,709</b> | <b>\$ 3,991,501</b>        | <b>\$ 4,049,208</b> |

### *Concentration of Credit Risk*

The investment policy of the JPB contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The JPB does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent five percent or more of the JPB's total investments at June 30, 2019 or June 30, 2018.

### *Fair Value Measurements*

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs include inputs that are directly observable for the investment including quoted price for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; Level 3 inputs are significant unobservable inputs. Investments in LAIF and the San Mateo County Investment Pool are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

The following is the JPB's fair value hierarchy table as of June 30, 2019:

| <b>Investment Type</b>                      | <b>Total</b>         | <b>Level 2 Inputs</b> | <b>Uncategorized</b> |
|---|----------------------|-----------------------|----------------------|
| San Mateo County Investment Pool            | \$ 1,046,163         | \$ -                  | \$ 1,046,163         |
| Money Market Mutual Fund                    | 12,707,925           | 12,707,925            | -                    |
| <b>Total Investments by Fair Value Type</b> | <b>\$ 13,754,088</b> | <b>\$ 12,707,925</b>  | <b>\$ 1,046,163</b>  |

The following is the JPB's fair value hierarchy table as of June 30, 2018:

| <b>Investment Type</b>                      | <b>Total</b>        | <b>Level 2 Inputs</b> | <b>Uncategorized</b> |
|---|---------------------|-----------------------|----------------------|
| Local Agency Investment Fund (LAIF)         | \$ 2,069,516        | \$ -                  | \$ 2,069,516         |
| San Mateo County Investment Pool            | 1,979,692           | -                     | 1,979,692            |
| Money Market Mutual Fund                    | 3,991,501           | 3,991,501             | -                    |
| <b>Total Investments by Fair Value Type</b> | <b>\$ 8,040,709</b> | <b>\$ 3,991,501</b>   | <b>\$ 4,049,208</b>  |

***Custodial Credit Risk***

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the JPB will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investment is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the JPB will not be able to recover the value of its investment or collateral securities that are in possession of another party. California Government Code and the JPB's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the JPB's deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2019 and 2018, the JPB had \$62,192,815 and \$62,217,623, respectively, of deposits with financial institutions. Additionally, the JPB is required to hold certain capital fund amounts in interest bearing accounts. These balances are in excess of the \$250,000 FDIC limit; however due to California State Law, the excess balances are collateralized with pledged securities by the financial institutions holding the JPB's deposits.

***Investment in San Mateo County Investment Pool***

The JPB is a voluntary participant that invested in the San Mateo County Treasurer's Investment Pool (County Pool) at June 30, 2019 and 2018 in the amount of \$1,046,163 and \$1,979,692, respectively.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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The County Pool is a governmental investment pool managed and directed by the elected San Mateo County Treasurer. It is not registered with the Securities and Exchange Commission. The fair value of JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon JPB's pro-rata share of the fair value provided by the County Pool for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

### *Investment in State Investment Pool*

The JPB is a voluntary participant in LAIF which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPB's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2019, the JPB had no contractual withdrawal value in the pool. As of June 30, 2018, the JPB had a contractual withdrawal value of \$2,073,400, that is recorded at \$2,069,516 on the statement of net position after the adjustment for unrealized gains/losses.

### **NOTE 4 – GILROY EXTENSION**

The JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five two-way train pairs. In addition, the Santa Clara Valley Transportation holds the rights to operate five additional train pairs to Gilroy.

### **NOTE 5 – CONTRIBUTED ASSETS FROM CALTRANS**

In order to facilitate the purchase of the Mainline and the Gilroy Extension on a timely basis, and to provide for an orderly transition to local administration in a manner that would assure no service interruption, Caltrans and the JPB executed an agreement memorializing various commitments. Caltrans granted the JPB the right to use and control various real and personal property. These properties included: stations, locomotives, and passenger cars (“rolling stock”), inventories and other property associated with Caltrain service. The agreement required that Caltrans transfer all of its rights, titles and interests in these properties to the JPB, in accordance with Public Utilities Code Section 99234.7.

On April 4, 1996, the JPB's Board approved a resolution accepting transfer of rolling stock and station sites subject to certain terms and conditions outlined in the resolution. The transfer of rolling stock to the JPB was completed in December 1996, and the transfer of station sites was completed in May 1997. The rolling stock and station sites transferred were recorded at their appraised value as contributed capital in the amount of \$106,710,000 and \$60,432,365, respectively. Station sites consist principally of land and were capitalized as right-of-way.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

|  | <b>Balance at<br/>June 30, 2018</b> | <b>Additions<br/>and Transfers</b> | <b>Deletions<br/>and Transfers</b> | <b>Balance at<br/>June 30, 2019</b> |
|--|-------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Depreciable and amortized capital assets:      |                                     |                                    |                                    |                                     |
| Right of way improvements                      | \$ 1,170,024,646                    | \$ 13,706,452                      | \$ (131,008)                       | \$ 1,183,600,090                    |
| Rail vehicles                                  | 333,571,854                         | 215,497                            | -                                  | 333,787,351                         |
| Facilities and equipment                       | 130,231,371                         | 6,655,770                          | (288,196)                          | 136,598,945                         |
| Office equipment                               | 18,129,393                          | -                                  | (3,600,593)                        | 14,528,800                          |
| Total depreciable and amortized capital assets | <u>1,651,957,264</u>                | <u>20,577,719</u>                  | <u>(4,019,797)</u>                 | <u>1,668,515,186</u>                |
| Accumulated depreciation for:                  |                                     |                                    |                                    |                                     |
| Right of way improvements                      | 579,397,732                         | 53,165,901                         | (131,008)                          | 632,432,625                         |
| Rail vehicles                                  | 230,536,907                         | 15,698,692                         | -                                  | 246,235,599                         |
| Facilities and equipment                       | 61,356,601                          | 5,202,828                          | (288,196)                          | 66,271,233                          |
| Office equipment                               | 9,105,612                           | 4,822,080                          | -                                  | 13,927,692                          |
| Total accumulated depreciation                 | <u>880,396,852</u>                  | <u>78,889,501</u>                  | <u>(419,204)</u>                   | <u>958,867,149</u>                  |
| Capital assets nondepreciable:                 |                                     |                                    |                                    |                                     |
| Right of way                                   | 226,972,189                         | 6,738,811                          | -                                  | 233,711,000                         |
| Construction in progress                       | 735,025,437                         | 413,308,074                        | (23,715,938)                       | 1,124,617,573                       |
| Intangible Asset - Trackage Rights             | 8,000,000                           | -                                  | -                                  | 8,000,000                           |
| Total nondepreciable capital assets            | <u>969,997,626</u>                  | <u>420,046,885</u>                 | <u>(23,715,938)</u>                | <u>1,366,328,573</u>                |
| <b>Capital assets, net</b>                     | <u><b>\$ 1,741,558,038</b></u>      | <u><b>\$ 361,735,103</b></u>       | <u><b>\$ (27,316,531)</b></u>      | <u><b>\$ 2,075,976,610</b></u>      |

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

Capital asset activity for the year ended June 30, 2018, was as follows:

|  | <b>Balance at<br/>June 30, 2017</b> | <b>Additions<br/>and Transfers</b> | <b>Deletions<br/>and Transfers</b> | <b>Balance at<br/>June 30, 2018</b> |
|--|-------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Depreciable and amortized capital assets:      |                                     |                                    |                                    |                                     |
| Right of way improvements                      | \$ 1,131,890,455                    | \$ 38,134,191                      | \$ -                               | \$ 1,170,024,646                    |
| Rail vehicles                                  | 312,738,241                         | 20,833,613                         | -                                  | 333,571,854                         |
| Facilities and equipment                       | 130,941,630                         | -                                  | (710,259)                          | 130,231,371                         |
| Office equipment                               | 2,669,104                           | 15,460,289                         | -                                  | 18,129,393                          |
| Total depreciable and amortized capital assets | <u>1,578,239,430</u>                | <u>74,428,093</u>                  | <u>(710,259)</u>                   | <u>1,651,957,264</u>                |
| Accumulated depreciation for:                  |                                     |                                    |                                    |                                     |
| Right of way improvements                      | 515,275,165                         | 64,122,567                         | -                                  | 579,397,732                         |
| Rail vehicles                                  | 206,161,355                         | 24,375,552                         | -                                  | 230,536,907                         |
| Facilities and equipment                       | 57,522,083                          | 3,834,518                          | -                                  | 61,356,601                          |
| Office equipment                               | 1,341,482                           | 7,764,130                          | -                                  | 9,105,612                           |
| Total accumulated depreciation                 | <u>780,300,085</u>                  | <u>100,096,767</u>                 | <u>-</u>                           | <u>880,396,852</u>                  |
| Capital assets nondepreciable:                 |                                     |                                    |                                    |                                     |
| Right of way                                   | 226,972,189                         | -                                  | -                                  | 226,972,189                         |
| Construction in progress                       | 486,332,631                         | 322,410,638                        | (73,717,832)                       | 735,025,437                         |
| Intangible Asset - Trackage Rights             | 8,000,000                           | -                                  | -                                  | 8,000,000                           |
| Total nondepreciable capital assets            | <u>721,304,820</u>                  | <u>322,410,638</u>                 | <u>(73,717,832)</u>                | <u>969,997,626</u>                  |
| <b>Capital assets, net</b>                     | <b><u>\$ 1,519,244,165</u></b>      | <b><u>\$ 296,741,964</u></b>       | <b><u>\$ (74,428,091)</u></b>      | <b><u>\$ 1,741,558,038</u></b>      |

### NOTE 7 – OPERATING ASSISTANCE

Member Agencies provide funding to the JPB. Net operating and administrative costs are apportioned on the basis of mutually agreed contribution rates, updated on an annual basis. Funding allocations for the years ended June 30, were:

|                      | <b>2019</b> | <b>2018</b> |
|----------------------|-------------|-------------|
| District - Operating | 30.00%      | 30.18%      |
| VTA - Operating      | 42.40%      | 43.85%      |
| CCSF - Operating     | 27.60%      | 25.97%      |



# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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Federal, state, and local operating assistance revenue amounts included in the statements of revenues, expenses, and changes in net position for the years ended June 30, were:

|  | <u>2019</u>                 | <u>2018</u>                 |
|--|-----------------------------|-----------------------------|
| Member agency local funds              | \$ 25,448,000               | \$ 20,448,014               |
| Assembly Bill 434 operating assistance | 632,350                     | 632,025                     |
| State transit assistance               | 8,989,853                   | 4,265,650                   |
| <b>Total</b>                           | <b><u>\$ 35,070,203</u></b> | <b><u>\$ 25,345,689</u></b> |

### NOTE 8 – CAPITAL ASSISTANCE

Capital expenses are primarily funded by federal and State grants, equal annual contributions from all three Member Agencies, and proceeds from Farebox Revenue Bonds (See Note 9 – Farebox Revenue Bonds Payable). Costs of capital replacement and enhancement projects that are not covered by outside funding sources are allocated to the Member Agencies based upon the terms of the Joint Powers Agreement.

#### A. Member Agencies

On an annual basis, the Board determines the amount to be contributed to a Capital Contingency Fund (CCF) to cover unanticipated necessary capital improvements. The total amount contributed to the CCF was \$990,000 for each of the years ended June 30, 2019 and 2018.

In fiscal years 2019 and 2018, the JPB received capital reimbursements and capital advances from the member agencies totaling \$103,117,351 and \$73,191,414, respectively. The unexpended amounts at June 30, 2019 and 2018 are shown as Unearned Member Contributions. (See Note 14 – Related Parties).

#### B. Federal and State Grants

At June 30, 2019, the JPB had 30 federal, 25 state and 46 local grants/allocations that provide funding for Caltrain capital projects. Capital additions for the years ended June 30, 2019 and 2018 applicable to these projects are \$405,161,543 and \$321,302,870, respectively. The related federal participation was \$152,959,885 and \$170,576,897 for fiscal year ended 2019 and 2018, respectively.

The JPB had receivables of \$49,876,000 and \$47,484,863 at June 30, 2019 and 2018, respectively, for qualifying capital project expenditures under FTA grant contracts in excess of reimbursements, which is reported as due from other governmental agencies. In addition, the JPB has receivables of \$45,473,759 and \$28,089,588 at June 30, 2019 and 2018, respectively, for qualifying capital project expenditures under various state grants, which also is reported as due from other governmental agencies.

Under the terms of the grants, proceeds from equipment sold during its useful life are refundable to the federal government in proportion to the related capital grant funds received, unless the net book value or proceeds from sale is under grant-prescribed limits.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 9 – FAREBOX REVENUE BONDS PAYABLE

#### Composition and Changes

The JPB generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The JPB's debt issues and transactions are summarized below and discussed in detail thereafter.

Long-term debt activity for the year ended June 30, 2019 is as follows (in thousands):

|                               | <u>Balance at<br/>July 1, 2018</u> | <u>Additions</u>            | <u>Retirements</u>          | <u>Balance<br/>June 30, 2019</u> | <u>Current<br/>Portion</u> |
|-------------------------------|------------------------------------|-----------------------------|-----------------------------|----------------------------------|----------------------------|
| 2007 Series A                 |                                    |                             |                             |                                  |                            |
| Revenue Bonds                 | \$ 23,140,000                      | \$ -                        | \$ 23,140,000               | \$ -                             | \$ -                       |
| 2015 Series A                 |                                    |                             |                             |                                  |                            |
| Revenue Bonds                 | 11,000,000                         | -                           | 11,000,000                  | -                                | -                          |
| 2019 Series A                 |                                    |                             |                             |                                  |                            |
| Revenue Bonds                 | -                                  | 47,635,000                  | -                           | 47,635,000                       | -                          |
| Add: Unamortized premium, net | 355,517                            | 8,111,446                   | 684,992                     | 7,781,971                        | -                          |
| <b>Total long-term debt</b>   | <b><u>\$ 34,495,517</u></b>        | <b><u>\$ 55,746,446</u></b> | <b><u>\$ 34,824,992</u></b> | <b><u>\$ 55,416,971</u></b>      | <b><u>\$ -</u></b>         |

Long-term debt activity for the year ended June 30, 2018 is as follows (in thousands):

|                               | <u>Balance at<br/>July 1, 2017</u> | <u>Additions</u>   | <u>Retirements</u>      | <u>Balance<br/>June 30, 2018</u> | <u>Current<br/>Portion</u> |
|-------------------------------|------------------------------------|--------------------|-------------------------|----------------------------------|----------------------------|
| 2007 Series A                 |                                    |                    |                         |                                  |                            |
| Revenue Bonds                 | \$ 23,140,000                      | \$ -               | \$ -                    | \$ 23,140,000                    | \$ 180,000                 |
| 2015 Series A                 |                                    |                    |                         |                                  |                            |
| Revenue Bonds                 | 11,000,000                         | -                  | -                       | 11,000,000                       | -                          |
| Add: Unamortized premium, net | 373,906                            | -                  | 18,389                  | 355,517                          | -                          |
| <b>Total long-term debt</b>   | <b><u>\$ 34,513,906</u></b>        | <b><u>\$ -</u></b> | <b><u>\$ 18,389</u></b> | <b><u>\$ 34,495,517</u></b>      | <b><u>\$ 180,000</u></b>   |

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### Description of the JPB's Long-Term Debt Issues

#### A. 2007 Series A Bonds

In October 2007, the JPB issued \$23,140,000 in 2007 Series A Farebox Revenue Bonds with \$2,117,000 used to fully pay and legally defease the 1999 Series A Bonds the balance, net of cost of issuance, was used to finance the acquisition of eight new rail cars. The refinancing of the 1999 Series A Bonds extended the length of the existing debt service obligations by 12 years, from 2016 to 2028.

The 2007 Series A Bonds carry coupon rates ranging from 4.0 to 5.0 percent with interest due on April 1 and October 1 of each year through October 1, 2037. Principal on the 2007 Series A Bonds is payable on October 1, 2018 and annually thereafter on October 1 of each year through 2037.

The 2007 Series Bonds are special obligations of the JPB payable from and secured by a pledge of farebox revenues, which also secures the 2015 Series A Farebox Revenue Bonds. For pledge purposes, the term "farebox revenues" means the amounts generated and collected in connection with the operation of Caltrain, including passenger fares, parking, shuttle and pass revenues, and other revenues from operations. The term excludes grants from the state or the federal government or any member agency. The 2007 Series A Bonds were refunded by the 2019 Series A Bonds in February 2019.

#### B. 2015 Series A Bonds

On January 14, 2015, the JPB issued \$11,000,000 in 2015 Series A Farebox Revenue Bonds to finance a portion of the costs of the acquisition and rehabilitation of sixteen passenger railcars. The 2015 Series A Farebox Revenue Bonds were issued in a bank term rate which is subject to adjustment from time to time as provided in the trust agreement (Trust Agreement) pursuant to which the Series 2015 Series A Farebox Revenue Bonds were issued. Interest payments are due on April 1 and October 1 of each year. Annual principal payments commence on October 1, 2019 and continue through the maturity date of October 1, 2033 (19 years repayment).

The 2015 Series A Farebox Revenue Bonds are special obligations of the JPB payable from and secured by a pledge of farebox revenues which also secures the 2007 Series A Farebox Revenue Bonds. For pledge purposes, the term "farebox revenues" means the amounts generated and collected in connection with the operation of Caltrain, including passenger fares, parking, shuttle and pass revenues, and other revenues from operations. Farebox revenues does not include grants from the state or the federal government. The amount and terms of pledged revenue is the outstanding secured debt service as noted on the debt service requirement schedule in the following paragraph. The 2015 Series A Bonds were refunded by the 2019 Series A Bonds in February 2019.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### C. 2019 Series A Bonds

In February 2019, the JPB issued \$47,635,000 in 2019 Series A Farebox Revenue Bonds along with a premium of \$8,111,446 and other sources related to the defeasance of prior bond issuances netted proceeds of \$56,217,759; \$24,087,000 of the proceeds were used to fully pay and legally defease the 2007 Series A Bonds and \$11,363,000 used to fully payoff 2015 Series A Revenue Bonds. \$20,768,000 of the proceeds are allocated for building acquisitions or to finance other improvements to Caltrain. The 2019 Series A Bonds carry a fixed coupon of 5.0 percent with interest due on April 1 and October 1 of each year through October 1, 2037. Principal on the 2019 Series A Bonds is payable on October 1, 2021 and annually thereafter on October 1 of each year through 2049.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$84,342. The JPB completed the refunding to reduce its total debt service payments over the next 11.9 years (average life of the refunded 2007 A Revenue Bonds) by \$3.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.6 million (present value of prior debt and net present value savings).

The 2019 Series A Farebox Revenue Bonds are special obligations of the JPB payable from and secured by a pledge of farebox revenues. For pledge purposes, the term “farebox revenues” means the amounts generated and collected in connection with the operation of Caltrain, including passenger fares, parking, shuttle and pass revenues, and other revenues from operations. Farebox revenues does not include grants from the state or the federal government. The amount and terms of pledged revenue is the outstanding secured debt service as noted on the debt service requirement schedule in the following paragraph.

### D. Pledged Revenues and Annual Debt Service Payments

The amount of farebox pledged revenues recognized during the fiscal years ended June 30, 2019 and 2018 were \$112,777,140 and \$107,035,743. The total debt services requirements for the 2007 Series A bonds for the fiscal years ended June 30, 2019 were \$1,612,713; the first payment on 2019 Series A debt, that was issued to fully pay and legally defease the 2007 Series A bonds, is scheduled for October 1, 2019. Annual principal and interest payments for the 2019 Series A are as follows:

| <u>Year Ending June 30:</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|-----------------------------|----------------------|----------------------|----------------------|
| 2020                        | \$ -                 | \$ 2,639,773         | \$ 2,639,773         |
| 2021                        | -                    | 2,381,750            | 2,381,750            |
| 2022                        | 1,120,000            | 2,353,750            | 3,473,750            |
| 2023                        | 1,175,000            | 2,296,375            | 3,471,375            |
| 2024                        | 1,235,000            | 2,236,125            | 3,471,125            |
| 2025-2029                   | 7,195,000            | 10,162,625           | 17,357,625           |
| 2030-2034                   | 9,240,000            | 8,118,000            | 17,358,000           |
| 2035-2039                   | 10,390,000           | 5,531,500            | 15,921,500           |
| 2040-2044                   | 6,695,000            | 3,516,375            | 10,211,375           |
| 2045-2050                   | 10,585,000           | 1,664,875            | 12,249,875           |
| <b>Total</b>                | <b>\$ 47,635,000</b> | <b>\$ 40,901,148</b> | <b>\$ 88,536,148</b> |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 10 – INSURANCE PROGRAMS**

The JPB is exposed to various risks of loss including but not limited to those related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The JPB is self-insured for a portion of its public liability and damage to property. As of June 30, 2019, coverage provided by self-insurance and excess coverage (purchased by or for the JPB) is generally summarized as follows:

| <u>Type of Coverage</u>                      | <u>Self-Insured Retention</u>                     | <u>Excess Insurance</u>   |
|--|---|---|
| Railroad Liability and Property<br>of Others | \$2,000,000 Self Insured Retention                | \$300,000,000 Per Occurrence/<br>Annual Aggregate \$200,000,000<br>carried by the JPB and \$100,000,000<br>carried by the Caltrain operator, TASI |
| Real and Personal Property                   | \$100,000 Maximum Self-Insured<br>Retention       | \$400,000,000   |
| Public Official Liability                    | \$75,000 Self-Insured Retention                   | \$15,000,000 Aggregate  |
| Special Events                               | \$25,000 Self-Insured Retention Per<br>Occurrence | \$2,000,000 Per Occurrence /<br>\$4,000,000 Aggregate   |
| Environmental Liability                      | \$50,000 Self-Insured Retention                   | \$10,000,000 2-Year Policy Aggregate<br>(FY19-FY20)   |

All rolling stock is insured at full replacement value. Total insurable values (TIV) covering all rolling stock, real and personal property, tunnels, bridges and stations exceeds \$1 billion. The JPB carries a \$400,000,000 loss limit per occurrence. Terrorism coverage is included. JPB owns four parcels of vacant property that do not require flood insurance. Earthquake coverage remains cost prohibitive; as such it is not procured. To date, there have been no significant reductions in any of the JPB's insurance coverage. Settlements have not exceeded coverages for each of the past three fiscal years.

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Annual expense is charged using various allocation methods that include actual costs, trends in claims experience and number of participants. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. It is the JPB's practice to obtain full actuarial studies annually. Changes in the balances of self-insured claims liabilities for public liability and property damage for the years ended June 30, 2019 and 2018 are as follows:

|  | <u>2019</u>       | <u>2018</u>         |
|--|-------------------|---------------------|
| Self-insured claims liabilities, beginning of year | \$ 2,217,001      | \$ 5,964,183        |
| Incurred claims and changes in estimates           | (181,873)         | (2,590,980)         |
| Claim payments and related costs                   | (424,451)         | (1,156,202)         |
| Total self-insured claims liabilities              | <u>1,610,677</u>  | <u>2,217,001</u>    |
| Less current portion                               | 887,433           | 1,202,626           |
| Noncurrent portion                                 | <u>\$ 723,244</u> | <u>\$ 1,014,375</u> |

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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### NOTE 11 – CAPITAL CONTRIBUTIONS

The JPB receives capital grants and contributions from the federal, state, and local governments for the acquisition and improvement of capital assets. Capital grants and contributions used for capital purposes are recorded as capital contributions and the cost of the related assets is included in capital assets.

Depreciation on assets acquired with capital contributions is included in the Statement of Revenues, Expenses, and Changes in Net Position. Capital contributions earned for the years ended June 30, are as follows:

|   | <u>2019</u>                  | <u>2018</u>                  |
|---|------------------------------|------------------------------|
| Contributions from the Federal government | \$ 152,959,885               | \$ 170,576,898               |
| Contributions from the State              | 183,897,588                  | 27,323,468                   |
| Contributions from local governments      | 68,304,070                   | 123,402,504                  |
| <b>Total</b>                              | <b><u>\$ 405,161,543</u></b> | <b><u>\$ 321,302,870</u></b> |

### NOTE 12 – COMMITMENT AND CONTINGENCIES

#### A. *Operating Contract*

The JPB Board of Directors awarded a contract to Transit America Services, Inc. (TASI) of St. Joseph, MO, at the September 1, 2011 board meeting. TASI provides Rail Operations, Maintenance and Support services for a base term of five years plus five months of mobilization, with five, one-year option terms. Mobilization efforts began on October 1, 2011 and TASI began its service on May 26, 2012. Amtrak continued to provide services through the mobilization period.

This is a Cost Plus Performance Fee based contract. All direct costs are reimbursable and TASI has the opportunity to earn up to \$4.5 million per year as a performance fee. The first year budget plus mobilization costs were negotiated prior to contract award. A performance fee program and quantifiable metrics are discussed and agreed upon annually by the parties in key areas such as safety and on-time performance. These metrics are measured quarterly with the exception of adherence to the budget which will be measured annually. TASI's reported results are also independently verified and validated by a third party consultant. The expenses billed to the JPB by TASI for providing rail operation services for the years ended June 30, 2019 and 2018 are recorded as Contract Services in the Statement of Revenues, Expenses, and Changes in Net Position.

#### B. *Litigation*

As of June 30, 2019 and 2018, the JPB had accrued amounts that management believes are adequate to provide for claims and litigation which arose during the normal course of business. Other claims and litigations are outstanding for which the JPB cannot determine the ultimate and resulting liability, if any. However, the JPB's management believes the ultimate outcome of these claims and lawsuits will not significantly impact the JPB's financial position.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

***C. Lawsuit between Peninsula Corridor Joint Powers Board v. Parsons Transportation Group, Inc., Zurich American Insurance Company, Federal Insurance Company, Fidelity and Deposit Company America Maryland***

The JPB and Parsons Transportation have each sued each other for breach of contract, among other claims, related to Parsons' provision of the JPB's Positive Train Control System. The JPB has also sued Parsons' surety for failing to comply with its obligations under the contract's performance bond. In addition, Parsons has sued two of its subcontractors, Alstom Signaling Operation LLC and Golden State Utility Company, which have also sued Parsons. These actions have been consolidated with the main action between Parsons and JPB. The lawsuit is presently in the discovery/pre-trial motion phase of the litigation. The contract underlying these actions is valued at \$159 million. Parsons is seeking damages of approximately \$59 million, whereas the JPB is seeking damages of approximately \$113 million. The JPB is vigorously pursuing its claims, and defending against Parsons', and the out-of-court settlement process has been unsuccessful to date. The likelihood of an unfavorable outcome or range of potential loss/gain cannot be determined.

***D. PTMISEA Grants***

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of \$4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion in the PTMISEA is available to project sponsors in California for allocation to eligible public transportation projects. The following table shows the changes in activity related to the PTMISEA grant funds during the fiscal year as well as the remaining commitment as of June 30, 2019 (in thousands):

|   | <b>PTMISEA<br/>South Terminal<br/>Project<br/>(Fund 3605)</b> | <b>PTMISEA<br/>Community Based<br/>Overlay Signal<br/>System<br/>(Fund 3607)</b> | <b>PTMISEA<br/>Rolling Stock<br/>State of Good<br/>Repair<br/>(Fund 3623)</b> | <b>PTMISEA<br/>Rolling Stock<br/>State of Good<br/>Repair<br/>(Fund 3634)</b> |
|---|---|--|---|---|
| Total Allocations as of June 30, 2018   | \$ 1,196,298  | \$ 523,207   | \$ 909,413  | \$ 1,059,666  |
| Adjustments                             | (4)   | -  | -   | -   |
| Interest Earned, Net of Bank Charges    | -   | -  | -   | -   |
| Net Expenditures                        | (199,193)   | (44,771)   | (87,340)  | (188,281)   |
| <b>Unspent balance at June 30, 2019</b> | <b>\$ 997,101</b>   | <b>\$ 478,436</b>  | <b>\$ 822,073</b>   | <b>\$ 871,385</b>   |

|   | <b>PTMISEA<br/>Electrification<br/>Improvements<br/>(Fund 3638)</b> | <b>PTMISEA<br/>Community Based<br/>Overlay Signal<br/>System<br/>(Fund 3647)</b> | <b>PTMISEA<br/>Interest<br/>Earned<br/>(Fund 3636)</b> |
|---|---|--|--|
| Total Allocations as of June 30, 2017   | \$ 34,941   | \$ 6,277,761   | \$ 188,798   |
| Adjustments                             | (3)   | -  | -  |
| Interest Earned, Net of Bank Charges    | -   | -  | 78,066   |
| Net Expenditures                        | -   | (2,320,323)  | -  |
| <b>Unspent balance at June 30, 2018</b> | <b>\$ 34,938</b>  | <b>\$ 3,957,438</b>  | <b>\$ 266,864</b>                                      |



**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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**NOTE 13 – LEASING TRANSACTIONS**

In February 2002, the JPB entered into a leasing transaction (the 2002 Lease Transaction) with respect to 38 Nippon Sharyo trailer cars, 14 Nippon Sharyo cab cars, and 13 GM F40PH-2 locomotives (collectively, the “Equipment”). The JPB leased the Equipment to a statutory trust under a Head Lease and simultaneously leased back the Equipment under a Sublease. The leasing transaction terminated and restructured a portion of the “1996 transaction” that had not been previously terminated. The JPB received net proceeds in the amount of \$2,392,510 which represents the difference between the appraised value of the Equipment and termination costs associated with the remaining portion of the 1996 Transaction, certain required deposits and expenses. Title to the Equipment remains on the books of the JPB at its original cost and is being depreciated over the original useful life determined at the date of acquisition. The net proceeds have been recorded as Lease-Leaseback income for the year ended June 30, 2002. The JPB has an option to purchase the Equipment for an agreed upon purchase price in January 2026.

**NOTE 14 – RELATED PARTIES**

**A. Operating Expenses Paid to District**

The District serves as the Managing Agency of the JPB, providing management and administrative personnel and facilities (see Note 1). The District is compensated based on actual costs incurred and administrative overhead. Amounts due to the District as Managing Agency at June 30, 2019 and 2018 total \$12,494,593 and \$12,335,642, respectively, and are included in accrued liabilities.

Total expenses billed to the JPB by the District which are included as operating expenses in the accompanying statements of revenues, expenses, and changes in net position are as follows:

|                                 | <u>2019</u>                 | <u>2018</u>                 |
|---------------------------------|-----------------------------|-----------------------------|
| Wages and fringe                | \$ 10,254,439               | \$ 8,024,767                |
| Overhead                        | 6,510,938                   | 5,886,046                   |
| <b>Total wages and benefits</b> | <b><u>\$ 16,765,377</u></b> | <b><u>\$ 13,910,813</u></b> |

**B. Receivables from Member Agencies**

The JPB is owed amounts from Member Agencies for grants and prior obligations. The balances at June 30 are as follows:

|              | <u>2019</u>                 | <u>2018</u>                 |
|--------------|-----------------------------|-----------------------------|
| District     | \$ 5,485,167                | \$ 9,863,944                |
| VTA          | 3,936,795                   | 3,859,112                   |
| CCSF         | 6,370,310                   | 19,664,661                  |
| <b>Total</b> | <b><u>\$ 15,792,272</u></b> | <b><u>\$ 33,387,717</u></b> |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**C. Unearned Member Contributions**

The JPB recognizes Member Agencies' advances as operating assistance or contributed capital when expenses are incurred or assets are purchased. Accordingly, some Member Agencies' payments are classified as Unearned Member Contributions. The balances at June 30, are as follows:

|  | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|
| District                                   | \$4,494,399          | \$ 10,054,085        |
| VTA  | 9,370,096            | 6,804,879            |
| CCSF                                       | 711,441              | 948,603              |
| <b>Total</b>                               | <b>\$ 14,575,936</b> | <b>\$ 17,807,567</b> |
| Committed for:                             |                      |                      |
| Centralized traffic control system         | \$ 840               | \$ 840               |
| Farebox capital                            | 919                  | 919                  |
| Capital contingency fund                   | 1,405,628            | 3,699,314            |
| Capital contribution, Member's local match | 13,168,549           | 13,906,655           |
| Total Committed                            | 14,575,936           | 17,607,728           |
| Uncommitted funds:                         |                      |                      |
| District                                   | -                    | 100,000              |
| VTA  | -                    | (17,249)             |
| CCSF                                       | -                    | 117,088              |
| <b>Total Uncommitted</b>                   | <b>-</b>             | <b>199,839</b>       |
| <b>Total</b>                               | <b>\$ 14,575,936</b> | <b>\$ 17,807,567</b> |

**NOTE 15 – REVOLVING CREDIT FACILITY**

Cash flow projections for the Peninsula Corridor Electrification Project (PCEP) forecast funding gaps between the time payments are due for work performed and the timing of receipts from the funding sources associated with such work, most of which are available on a reimbursement basis. At its highest point, the funding gap is currently projected to be approximately \$120 million.

In December 2016, the JPB secured the 2016 Credit Facility to assist the JPB in meeting its cash flow needs in connection with the PCEP Project. The amount outstanding under the 2016 Credit Facility may not exceed \$170 million at any one time. This Credit Facility commitment was reduced March 31, 2019 to a level not to exceed \$120 million. Funds drawn will be applied to fund cash flow mismatch with respect to the PCEP Project and the 2018 TIRCP Grant Projects and/or to enable the JPB to access the 2018 TIRCP Grant awarded to the JPB to fund a portion of the 2018 TIRCP Grant Projects. Funds drawn by the JPB pursuant to the 2016 Credit Facility constitute loans made to the JPB by the provider of the 2016 Credit Facility. Such loans are secured by funds received by the JPB from funding sources identified in the 2017 Funding Plan and from the 2018 TIRCP Grant to reimburse the JPB for its prior payment of PCEP Project expenditures and 2018 TIRCP Grant Projects expenditures and by a pledge of farebox revenues subordinate to the pledge which will secure the 2019 Series A Bonds, any other Bonds issued pursuant to the Trust Agreement and any Parity Obligations.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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In January 2019, the JPB secured the Additional Credit Facility to provide interim funding for a portion of the PTC Project, including cash flow mismatch, and to provide for working capital needs for the Caltrain system. The amount outstanding under the Additional Credit Facility may not exceed \$30 million at any one time. Funds drawn by the JPB pursuant to the Additional Credit Facility constitute loans made to the JPB by the provider of the Additional Credit Facility. Such loans are secured by a pledge of farebox revenues on a parity with the pledge of farebox revenues which secures the 2016 Credit Facility and subordinate to the pledge which will secure the 2019 Series A Bonds, any other Bonds issued pursuant to the Trust Agreement and any Parity Obligations.

Any funds drawn by JPB pursuant to the 2016 Credit Facility and/or the Additional Credit Facility are due and payable on December 31, 2022. In the event any funds drawn under the 2016 Credit Facility and/or the Additional Credit Facility have not been repaid prior to December 31, 2022, the JPB may issue additional Bonds or incur other debt in order to refinance any obligations incurred and outstanding under the 2016 Credit Facility and/or the Additional Credit Facility. At the present time, the JPB anticipates that the amount of debt, if any, to be issued to refinance any obligations incurred and outstanding under the 2016 Credit Facility and/or the Additional Credit Facility will not exceed \$30 million.

Fees are set forth in the Fee and Pricing Agreement. There are two ongoing fees associated with the revolving credit facility: an undrawn and a draw fee. For those amounts available to the JPB but undrawn and not used at a particular time, the Lender will charge a fee equal to 0.60 percent times the undrawn amount. For those amounts drawn and used under the revolving credit facility, the Lender will charge a draw fee (i.e., and interest rate). The draw fee is equal to the following formula: 0.70 percent times one month London Interbank Offered Rate (LIBOR), plus 2.20 percent. Taking 70 percent of the LIBOR approximately converts that taxable index to a tax-exempt rate. The one-month LIBOR resets on a daily basis. Under current rates (as of 10/1/2019), the one month LIBOR is equal to 2.01 percent, which translates to a total draw fee—or revolving credit facility interest rate— increase/decrease with the LIBOR index. The Fee and Pricing Agreement also specifies closing costs payable to the Lender and Lender's Counsel. As of June 30, 2019, \$25,000,000 of the revolving credit facilities balance was outstanding.

Pursuant to California Government Code Section 6586.5, each of the three JPB member agencies held a public hearing and, subsequent to conducting the public hearing, adopted a resolution approving the interim financing of the PCEP and making a finding of significant public benefit in accordance with the criteria specified in Section 6586.5.

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***SUPPLEMENTARY INFORMATION***

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**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES –  
COMPARISON OF BUDGET TO ACTUAL (BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2019**

|   | <b>Budget<br/>(Unaudited)</b> | <b>Actual</b>              | <b>Variance<br/>Positive/<br/>(Negative)</b> |
|---|-------------------------------|----------------------------|--|
| <b>OPERATING REVENUES:</b>  |                               |                            |  |
| Passenger fares   | \$107,795,329                 | \$ 102,668,115             | \$ (5,127,214)                               |
| Parking, shuttle and pass revenues  | 8,529,300                     | 7,894,269                  | (635,031)                                    |
| Advertising   | 400,000                       | 1,050,303                  | -  |
| Other   | 422,000                       | 1,164,453                  | 742,453                                      |
| Total operating revenues  | <u>117,146,629</u>            | <u>112,777,140</u>         | <u>(4,369,489)</u>                           |
| <b>OPERATING EXPENSES:</b>  |                               |                            |  |
| Contract services   | 98,089,583                    | 99,540,498                 | (1,450,915)                                  |
| Insurance   | 5,750,000                     | 4,128,561                  | 1,621,439                                    |
| Fuel  | 11,101,557                    | 11,183,949                 | (82,392)                                     |
| Parking, shuttle and pass expenses  | 6,665,330                     | 5,279,764                  | 1,385,566                                    |
| Professional services   | 1,644,140                     | 2,067,909                  | (423,769)                                    |
| Wages and benefits  | 17,400,722                    | 16,765,377                 | 635,345                                      |
| Utilities and supplies  | 2,495,870                     | 2,188,809                  | 307,061                                      |
| Maintenance services  | 1,847,358                     | 1,644,021                  | 203,337                                      |
| Temporary services, rent and other  | 5,221,587                     | 4,528,724                  | 692,863                                      |
| Total operating expenses  | <u>150,216,147</u>            | <u>147,327,612</u>         | <u>2,888,535</u>                             |
| Operating loss  | <u>(33,069,518)</u>           | <u>(34,550,472)</u>        | <u>(1,480,954)</u>                           |
| <b>NONOPERATING REVENUES (EXPENSES):</b>  |                               |                            |  |
| State and local operating assistance  | 30,916,321                    | 35,070,203                 | 4,153,882                                    |
| Rental income   | 1,873,000                     | 1,901,052                  | 28,052                                       |
| Interest income   | 20,000                        | 12,924                     | (7,076)                                      |
| Interest expense  | (1,298,675)                   | (3,222,955)                | (1,924,280)                                  |
| Other income  | 350,000                       | 3,210,552                  | 2,860,552                                    |
| Total nonoperating revenues, net  | <u>31,860,646</u>             | <u>36,971,776</u>          | <u>5,111,130</u>                             |
| Net Income (loss)   | <u>(1,208,872)</u>            | <u>2,421,304</u>           | <u>3,630,176</u>                             |
| <b>CAPITAL OUTLAY:</b>  |                               |                            |  |
| Capital assistance  | 301,946,255                   | 405,161,543                | 103,215,288                                  |
| Capital debt financing  | -                             | 14,885,342                 | 14,885,342                                   |
| Capital expenditures  | <u>(301,946,255)</u>          | <u>(420,046,885)</u>       | <u>(118,100,630)</u>                         |
| Net capital outlay  | <u>-</u>                      | <u>-</u>                   | <u>-</u>                                     |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND<br/>NONOPERATING INCOME OVER EXPENSES,<br/>CAPITAL OUTLAY AND DEBT PRINCIPAL<br/>PAYMENT</b> |                               |                            |  |
|   | <u><u>\$ (1,208,872)</u></u>  | <u><u>\$ 2,421,304</u></u> | <u><u>\$ 3,630,176</u></u>                   |



**PENINSULA CORRIDOR JOINT POWERS BOARD**

**NOTES TO SUPPLEMENTARY SCHEDULE  
YEAR ENDED JUNE 30, 2019**

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**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The JPB prepares its budget on a basis of accounting that differs from generally accepted accounting principles ("GAAP"). The actual results of operations are presented in the Supplementary Schedule on the budgetary basis to provide a meaningful comparison of actual results with budget. In addition, certain budget amounts have been reclassified to conform to the presentation of actual amounts in the Supplemental Schedule. Budgeted amounts presented are the final adopted budget. The primary difference between the budgetary basis of accounting and GAAP concerns capital assets. Depreciation and amortization expense per GAAP is not budgeted and budgeted capital expenses are not recorded as an expense per GAAP. In addition, unrealized gains and losses under GASB Statement No. 31 are not recognized on a budgetary basis as well as some long-term expenses such as bond related payments. The capital expense budget does not include the carry-over budget from 2018.

**NOTE 2 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS**

|  |                |                                     |
|--|----------------|-------------------------------------|
| Excess of operating revenues and nonoperating<br>revenues over expenses and capital outlay |                | \$ 2,421,304                        |
| <b>Reconciling Items</b>   |                |                                     |
| Capital expenditures   | \$ 420,046,885 |                                     |
| Depreciation and amortization  | (78,889,501)   |                                     |
| Capital debt financing   | (14,885,342)   |                                     |
| GASB 31 unrealized gain/loss   | 15,586         |                                     |
| Bond premium amortization  | 684,992        |                                     |
| Sub-total reconciling items  |                | <u>326,972,620</u>                  |
| <b>Change in net position, GAAP basis</b>  |                | <b><u><u>\$ 329,393,924</u></u></b> |

# *Section III*

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## **STATISTICAL**

### Financial Trends

- Net Position and Changes in Net Position

### Revenue Capacity

- Revenue Base and Revenue Rate
- Principal Revenue Payers

### Debt Capacity

- Ratio of Outstanding Debt
- Bonded Debt
- Direct and Overlapping Debt
- Debt Limitations
- Pledged Revenue Coverage

### Demographics and Economic Information

- Population, Income and Unemployment Rates
- Principal Employers

### Operating Information

- Farebox Recovery and Miles
- Employees (Full – Time Equivalents)
- Capital Assets

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## STATISTICAL SECTION

The Statistical Section of JPB's CAFR represents detailed information as a context for understanding the information in the financial statements, notes disclosure and supplementary information for assessing the JPB's economic condition.

### **Financial Trends**

These schedules contain trend information to assist readers in understanding and assessing how the JPB's financial position has changed over time.

### **Revenue Capacity**

These schedules contain information to assist readers in understanding and assessing the factors affecting the JPB's ability to generate passenger fares.

### **Debt Capacity**

These schedules assist readers in understanding and assessing the JPB's debt burden and its capacity to issue future debt.

### **Demographic and Economic Information**

These schedules present socioeconomic indicators to assist readers in understanding the environment within which the JPB's financial activities take place.

### **Operating Information**

These schedules contain contextual information about the JPB's operations and resources to assist readers in using financial statement information as a tool to understand and assess the JPB's economic condition.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**FINANCIAL TRENDS - NET POSITION AND CHANGES IN NET POSITION  
FISCAL YEARS 2010 THROUGH 2019 (in thousands)**

|  | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         |
|--|---------------------|---------------------|---------------------|---------------------|
| Operating revenues:                                    |                     |                     |                     |                     |
| Passenger fares  | \$ 102,668          | \$ 97,050           | \$ 92,429           | \$ 86,959           |
| Parking, shuttle and pass revenues                     | 7,894               | 7,790               | 7,911               | 7,226               |
| Advertising  | 1,050               | 1,016               | 370                 | 190                 |
| Other  | 1,165               | 1,180               | 1,321               | 1,057               |
| <b>Total operating revenues</b>                        | <b>112,777</b>      | <b>107,036</b>      | <b>102,031</b>      | <b>95,432</b>       |
| Operating expenses:                                    |                     |                     |                     |                     |
| Contract services                                      | 99,541              | 92,899              | 89,639              | 82,942              |
| Insurance  | 4,129               | 1,188               | 7,105               | 35                  |
| Fuel   | 11,184              | 10,322              | 8,613               | 8,312               |
| Parking, shuttle and pass expenses                     | 5,280               | 5,916               | 5,629               | 6,104               |
| Professional service                                   | 2,068               | 2,178               | 1,514               | 1,618               |
| Wages and benefits                                     | 16,765              | 13,911              | 13,561              | 12,943              |
| Utilities and supplies                                 | 2,189               | 2,063               | 2,179               | 2,172               |
| Maintenance services                                   | 1,644               | 1,668               | 1,508               | 1,054               |
| Temporary services, rent and other                     | 4,529               | 2,782               | 2,886               | 2,664               |
| <b>Total operating expenses</b>                        | <b>147,329</b>      | <b>132,927</b>      | <b>132,634</b>      | <b>117,844</b>      |
| Operating loss before depreciation<br>and amortization | (34,552)            | (25,891)            | (30,603)            | (22,412)            |
| Depreciation and amortization                          | (78,890)            | (100,097)           | (83,922)            | (93,540)            |
| Operating loss   | (113,442)           | (125,988)           | (114,525)           | (115,952)           |
| Nonoperating revenues                                  |                     |                     |                     |                     |
| Federal, state and local operating assistance          | 35,070              | 25,346              | 25,489              | 25,078              |
| Rental income  | 1,901               | 2,070               | 1,861               | 1,781               |
| Investment income (loss)                               | 714                 | 93                  | 28                  | 111                 |
| Other income (expense)                                 | 3,211               | 1,198               | 2,413               | 613                 |
| <b>Total nonoperating revenues</b>                     | <b>40,896</b>       | <b>28,707</b>       | <b>29,791</b>       | <b>27,583</b>       |
| Nonoperating expenses                                  | (3,223)             | (1,501)             | (1,302)             | (1,301)             |
| Net loss before capital contributions                  | (75,769)            | (98,782)            | (86,036)            | (89,670)            |
| Capital contributions                                  | 405,162             | 321,303             | 246,767             | 131,329             |
| Change in net position                                 | 329,393             | 222,521             | 160,731             | 41,659              |
| Net position - beginning of year                       | 1,519,366           | 1,519,366           | 1,358,635           | 1,316,975           |
| Prior period adjustment per GASB 65 [1]                | -                   | -                   | -                   | -                   |
| Components of net position                             |                     |                     |                     |                     |
| Net investment in capital assets                       | 2,030,255           | 1,707,243           | 1,484,730           | 1,323,485           |
| Restricted   | -                   | -                   | -                   | -                   |
| Unrestricted   | 41,027              | 34,646              | 34,636              | 35,150              |
| <b>Net position - end of year</b>                      | <b>\$ 2,071,282</b> | <b>\$ 1,741,889</b> | <b>\$ 1,519,366</b> | <b>\$ 1,358,635</b> |

[1] Per GASB 65 effective as of fiscal year 2012 certain items deferred outflows/inflows of resources were reclassified from assets and liabilities. Deferred bond issuance costs previously recognized were restated to reflect the change.

Source: Current and prior years' CAFRs.

This table presents revenues and expenses, contributions, depreciation and amortization and net position components.

|    | 2015                | 2014                | 2013                | 2012                | 2011                | 2010                |
|----|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | 83,351              | \$ 74,846           | \$ 68,767           | \$ 59,891           | \$ 49,026           | \$42,732            |
|    | 5,990               | 5,859               | 5,275               | 4,411               | 3,576               | 3,452               |
|    | 227                 | 86                  | 308                 | 176                 | 196                 | 72                  |
|    | 1,194               | 1,354               | 1,196               | 206                 | 498                 | 206                 |
|    | <u>90,762</u>       | <u>82,145</u>       | <u>75,546</u>       | <u>64,684</u>       | <u>53,296</u>       | <u>46,462</u>       |
|    | 78,240              | 75,238              | 65,485              | 65,882              | 60,637              | 59,404              |
|    | 6,593               | 3,874               | 5,186               | 4,783               | 7,310               | 5,035               |
|    | 12,118              | 14,797              | 15,350              | 15,288              | 12,937              | 10,309              |
|    | 5,316               | 5,476               | 5,756               | 4,183               | 3,912               | 3,850               |
|    | 1,255               | 1,322               | 1,098               | 885                 | 1,046               | 826                 |
|    | 11,501              | 10,668              | 9,322               | 5,731               | 6,026               | 5,928               |
|    | 2,068               | 1,524               | 1,726               | 1,520               | 1,599               | 1,268               |
|    | 1,039               | 1,007               | 1,011               | 1,070               | 382                 | 268                 |
|    | 1,981               | 1,854               | 2,117               | 1,833               | 1,779               | 1,721               |
|    | <u>120,110</u>      | <u>115,760</u>      | <u>107,051</u>      | <u>101,175</u>      | <u>95,628</u>       | <u>88,609</u>       |
|    | (29,348)            | (33,616)            | (31,506)            | (36,490)            | (42,332)            | (42,147)            |
|    | (75,300)            | (73,452)            | (59,968)            | (62,724)            | (62,119)            | (57,374)            |
|    | <u>(104,648)</u>    | <u>(107,068)</u>    | <u>(91,474)</u>     | <u>(99,214)</u>     | <u>(104,451)</u>    | <u>(99,521)</u>     |
|    | 27,578              | 29,522              | 39,165              | 35,282              | 43,142              | 41,556              |
|    | 1,764               | 1,728               | 1,783               | 1,760               | 1,733               | 1,729               |
|    | 242                 | 206                 | 128                 | 193                 | 143                 | 291                 |
|    | 1,007               | 4,044               | 2,137               | 2,555               | 1,907               | 2,099               |
|    | <u>30,590</u>       | <u>35,500</u>       | <u>43,213</u>       | <u>39,790</u>       | <u>46,925</u>       | <u>45,675</u>       |
|    | (1,192)             | (1,120)             | (1,120)             | (1,123)             | (1,123)             | (1,140)             |
|    | <u>(75,250)</u>     | <u>(72,688)</u>     | <u>(49,383)</u>     | <u>(60,549)</u>     | <u>(58,648)</u>     | <u>(54,986)</u>     |
|    | 115,225             | 111,349             | 87,385              | 81,375              | 91,834              | 71,579              |
|    | 39,975              | 38,661              | 38,002              | 20,827              | 33,186              | 16,593              |
|    | <u>1,277,001</u>    | <u>1,238,339</u>    | <u>1,200,336</u>    | <u>1,180,185</u>    | <u>1,146,999</u>    | <u>1,130,406</u>    |
|    | -                   | -                   | -                   | (676)               | -                   | -                   |
|    | 1,282,932           | 1,246,218           | 1,208,591           | 1,181,995           | 1,163,379           | 1,133,772           |
|    | -                   | -                   | -                   | -                   | 11,664              | 11,098              |
|    | 34,043              | 30,783              | 29,748              | 18,341              | 5,121               | 2,129               |
|    | <u>\$ 1,316,975</u> | <u>\$ 1,277,001</u> | <u>\$ 1,238,339</u> | <u>\$ 1,200,336</u> | <u>\$ 1,180,184</u> | <u>\$ 1,146,999</u> |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE  
FISCAL YEARS 2010 THROUGH 2019**

|   | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|-------------|
| Passenger fares (in thousands)          | \$ 102,668  | \$ 97,050   | \$ 92,429   | \$ 86,959   |
| <br><u>Revenue Base</u>                 |             |             |             |             |
| Number of passengers (in thousands)     | 17,797      | 18,944      | 18,743      | 19,233      |
| Source: National Transit Database (NTD) |             |             |             |             |
| Four-zone fare structure                |             |             |             |             |
| Full adult fare:                        |             |             |             |             |
| One-way                                 | 10.50       | 10.50       | 9.75        | 9.75        |
| Day Pass                                | 21.00       | 21.00       | 19.50       | 19.50       |
| 8-ride                                  | -           | -           | 68.10       | 68.10       |
| Monthly Pass                            | 298.50      | 278.60      | 243.80      | 243.80      |
| <br>Eligible discount fare:             |             |             |             |             |
| One-way                                 | 4.75        | 4.75        | 4.75        | 4.75        |
| Day Pass                                | 10.50       | 10.50       | 9.75        | 9.75        |
| 8-ride                                  | -           | -           | 34.05       | 34.05       |
| Monthly Pass                            | 138.00      | 128.80      | 121.90      | 121.90      |

Source: Current and prior years' CAFRs and National Transit Database.

This table presents passenger fares, number of passengers and four-zone revenue fare structure.



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| <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 83,351   | \$ 74,846   | \$ 68,767   | \$ 59,891   | \$ 49,026   | \$ 42,732   |
| 18,567      | 17,029      | 15,596      | 14,134      | 12,673      | 10,611      |
| 9.25        | 9.25        | 8.75        | 8.75        | 8.75        | 7.75        |
| 18.50       | 18.50       | 17.50       | 17.50       | 17.50       | 15.50       |
| 64.75       | 64.75       | 59.50       | 59.50       | 59.50       | 52.75       |
| 232.00      | 232.00      | 232.00      | 232.00      | 232.00      | 205.50      |
| 4.50        | 4.50        | 4.25        | 4.25        | 4.25        | 3.75        |
| 9.25        | 9.25        | 8.75        | 8.75        | 8.75        | 7.75        |
| 32.25       | 32.25       | 29.75       | 29.75       | 29.75       | 26.25       |
| 116.00      | 116.00      | 116.00      | 116.00      | 116.00      | 102.75      |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS  
FISCAL YEAR ENDED JUNE 30, 2019**

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The JPB does not have major revenue payers as most of the operating revenues are derived from passenger fares.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEBT CAPACITY - RATIO OF OUTSTANDING DEBT  
FISCAL YEARS 2010 THROUGH 2019 (in thousands)**

| <b>Fiscal Year</b> | <b>Farebox Revenue<br/>Bonds for JPB<br/>(in thousands)<sup>[1]</sup></b> | <b>Personal Income for<br/>San Mateo County<sup>[2]</sup></b> | <b>As a Percent of<br/>Personal Income</b> |
|--------------------|---|---|--|
| 2019               | \$ 55,417   | \$ 88,352,503   | 0.063%                                     |
| 2018               | 34,496  | 85,779,129  | 0.040%                                     |
| 2017               | 34,514  | 83,280,708  | 0.041%                                     |
| 2016               | 34,532  | 80,855,056  | 0.043%                                     |
| 2015               | 34,551  | 77,283,538  | 0.045%                                     |
| 2014               | 23,564  | 70,201,626  | 0.034%                                     |
| 2013               | 23,569  | 65,192,835  | 0.036%                                     |
| 2012               | 23,140  | 64,765,189  | 0.036%                                     |
| 2011               | 23,140  | 57,964,665  | 0.040%                                     |
| 2010               | 23,140  | 52,889,544  | 0.044%                                     |

<sup>[1]</sup> Source: Current and prior years' CAFRs.

<sup>[2]</sup> U.S. Department of Commerce, Bureau of Economic Analysis and calendar year figures. Personal Income data for 2017, 2018, and 2019 are based on an estimated three percent annual increase over 2016.

This table presents the capacity of the JPB to issue Farebox Revenue Bonds based on the total personal income for San Mateo County.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEBT CAPACITY - BONDED DEBT  
FISCAL YEARS 2010 THROUGH 2019 (in thousands)**

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| <b>Fiscal Year</b> | <b>Farebox Revenue<br/>Bonds</b> | <b>Member Agency<br/>Operating<br/>Contributions</b> | <b>As a Percent of<br/>Member Agency<br/>Contributions</b> |
|--------------------|----------------------------------|--|--|
| 2019               | \$ 55,417                        | \$ 25,448  | 217.8%   |
| 2018               | 34,496                           | 20,448   | 168.7%   |
| 2017               | 34,514                           | 20,448   | 168.8%   |
| 2016               | 34,532                           | 19,727   | 175.0%   |
| 2015               | 34,551                           | 19,829   | 174.2%   |
| 2014               | 23,564                           | 17,236   | 136.7%   |
| 2013               | 23,140                           | 33,500   | 69.1%  |
| 2012               | 23,140                           | 25,030   | 92.4%  |
| 2011               | 23,140                           | 35,093   | 65.9%  |
| 2010               | 23,140                           | 39,424   | 58.7%  |

Source: Current and prior years' CAFRs.

This table presents the capacity of the JPB to issue Farebox Revenue Bonds based on the total member contributions from the District, VTA and CCSF.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEBT CAPACITY - DIRECT AND OVERLAPPING DEBT  
FISCAL YEAR ENDED JUNE 30, 2019**

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The JPB does not have overlapping debt with other governmental agencies.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEBT CAPACITY - DEBT LIMITATIONS  
FISCAL YEAR ENDED JUNE 30, 2019**

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The JPB does not have a legal debt limit.

## PENINSULA CORRIDOR JOINT POWERS BOARD

### DEBT CAPACITY - PLEDGED REVENUE COVERAGE FISCAL YEARS 2010 THROUGH 2019 (in thousands)

| Year | Pledged<br>Revenue | Debt Service |          |          | Debt<br>Coverage |
|------|--------------------|--------------|----------|----------|------------------|
|      |                    | Principal    | Interest | Total    |                  |
| 2019 | \$ 112,777         | \$ -         | \$ 1,451 | \$ 1,451 | 78               |
| 2018 | 107,036            | -            | 1,282    | 1,282    | 83               |
| 2017 | 102,031            | -            | 1,292    | 1,292    | 79               |
| 2016 | 95,433             | -            | 1,282    | 1,282    | 74               |
| 2015 | 90,763             | -            | 1,148    | 1,148    | 79               |
| 2014 | 82,145             | -            | 1,103    | 1,103    | 74               |
| 2013 | 75,546             | -            | 1,103    | 1,103    | 68               |
| 2012 | 64,684             | -            | 1,103    | 1,103    | 59               |
| 2011 | 53,296             | -            | 1,103    | 1,103    | 48               |
| 2010 | 46,461             | -            | 1,103    | 1,103    | 42               |

Source: Current and prior years' CAFRs.

This table presents the relationship between total farebox revenue and total principal and interest payments, as well as the JPB's ability to meet its debt obligations.

Note: Refer to Note 9 in the Financial Section for specifics of the JPB's debt and pledged farebox revenues.



**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - POPULATION, INCOME  
AND UNEMPLOYMENT RATES - COUNTY OF SAN MATEO  
FISCAL YEARS 2010 THROUGH 2019**

| <b>Year</b> | <b>Population</b> | <b>Total Personal<br/>Income<br/>(in thousands)</b> | <b>Per Capita<br/>Personal Income</b> | <b>Average<br/>Unemployment<br/>Rates</b> |
|-------------|-------------------|---|---------------------------------------|---|
| 2019        | 774,485           | \$ 88,352,503 *                                     | \$ 115,524 *                          | 2.2%                                      |
| 2018        | 772,372           | 85,779,129 *  | 112,159 *                             | 2.5%                                      |
| 2017        | 770,256           | 83,280,708 *  | 108,893 *                             | 2.9%                                      |
| 2016        | 765,895           | 80,855,056  | 105,721                               | 3.3%                                      |
| 2015        | 759,155           | 77,283,538  | 101,264                               | 3.3%                                      |
| 2014        | 758,581           | 70,201,626  | 92,759                                | 4.2%                                      |
| 2013        | 750,489           | 65,192,835  | 87,045                                | 5.7%                                      |
| 2012        | 740,738           | 64,765,189  | 87,523                                | 7.0%                                      |
| 2011        | 729,425           | 57,964,665  | 79,465                                | 8.3%                                      |
| 2010        | 719,951           | 51,264,000  | 71,204                                | 8.9%                                      |

<sup>[1]</sup> Data includes retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

<sup>[2]</sup> Data includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

<sup>[3]</sup> Data includes retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

\*Personal Income and Per Capital Personal Income data for 2017, 2018, and 2019 is based on an estimated three percent annual increase over 2016. Source data for table is FY 18 San Mateo County CAFR.

This table highlights San Mateo County's total population, total personal and per capita income, and percentage of unemployed residents.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - POPULATION, INCOME,  
AND UNEMPLOYMENT RATES - CITY AND COUNTY OF SAN FRANCISCO  
FISCAL YEARS 2010 THROUGH 2019**

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| <b>Year</b> | <b>Population</b> <sup>[1]</sup> | <b>Total Personal Income (in thousands)</b> <sup>[2]</sup> | <b>Per Capita Personal Income</b> <sup>[2]</sup> | <b>Average Unemployment Rates</b> <sup>[3]</sup> |
|-------------|----------------------------------|--|--|--|
| 2019        | 883,869                          | \$ 106,041,213 *   | \$ 120,367 *                                     | 2.30%  |
| 2018        | 880,980                          | 102,952,634  | 116,861  | 2.6%   |
| 2017        | 884,363                          | 100,123,866  | 113,216  | 3.1%   |
| 2016        | 876,103                          | 96,161,308   | 109,760  | 3.4%   |
| 2015        | 862,004                          | 89,533,450   | 103,867  | 4.0%   |
| 2014        | 852,469                          | 77,233,279   | 90,600   | 5.2%   |
| 2013        | 841,138                          | 72,858,445   | 86,619   | 6.5%   |
| 2012        | 825,863                          | 70,573,974   | 85,455   | 8.1%   |
| 2011        | 812,826                          | 63,102,121   | 77,633   | 9.2%   |
| 2010        | 805,235                          | 57,619,120   | 71,556   | 9.7%   |

<sup>[1]</sup> Data includes retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

<sup>[2]</sup> Data includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

<sup>[3]</sup> Data includes retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

\*Personal Income and Per Capital Personal Income data for 2019 is based on an estimated three percent annual increase over 2018. Source data for table is FY 18 San Francisco County CAFR.

This table highlights City and County of San Francisco's total population, total personal and per capita income, and percentage of unemployed residents.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - POPULATION, INCOME,  
AND UNEMPLOYMENT RATES - COUNTY OF SANTA CLARA  
FISCAL YEARS 2010 THROUGH 2019**

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| <b>Year</b> | <b>Population</b> | <sup>[1]</sup> <b>Total Personal<br/>Income<br/>(in thousands)</b> | <sup>[2]</sup> <b>Per Capita<br/>Personal Income</b> | <sup>[2]</sup> <b>Average<br/>Unemployment Rates</b> | <sup>[3]</sup> |
|-------------|-------------------|--|--|--|----------------|
| 2019        | 1,954,286         | \$ 186,498,486 *   | \$ 97,165 *  | 2.6%   |                |
| 2018        | 1,947,798         | 181,066,491 *  | 94,335 *   | 2.9%   |                |
| 2017        | 1,938,180         | 175,792,710 *  | 91,588 *   | 3.5%   |                |
| 2016        | 1,927,888         | 170,672,534  | 88,920   | 4.0%   |                |
| 2015        | 1,889,638         | 158,728,715  | 82,756   | 4.6%   |                |
| 2014        | 1,868,558         | 141,873,705  | 74,883   | 6.1%   |                |
| 2013        | 1,842,254         | 130,624,491  | 70,151   | 7.6%   |                |
| 2012        | 1,816,486         | 122,259,021  | 66,535   | 9.0%   |                |
| 2011        | 1,797,375         | 111,880,131  | 61,833   | 10.5%  |                |
| 2010        | 1,880,876         | 103,636,350  | 58,018   | 11.6%  |                |

<sup>[1]</sup> Data includes retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

<sup>[2]</sup> Data includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

<sup>[3]</sup> Data includes retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

\*Personal Income and Per Capital Personal Income data for 2017, 2018, and 2019 is based on an estimated three percent annual increase over 2016. Source data for table is FY 18 Santa Clara County CAFR.

This table highlights Santa Clara County's total population, total personal and per capita income, and percentage of employed residents.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - PRINCIPAL EMPLOYERS  
COUNTY OF SAN MATEO  
FISCAL YEARS 2017 AND 2009**

| Employers in San Mateo County        | 2017*               |      |                                    | 2009                |      |                                    |
|--------------------------------------|---------------------|------|------------------------------------|---------------------|------|------------------------------------|
|                                      | Number of Employees | Rank | Percent of Total County Employment | Number of Employees | Rank | Percent of Total County Employment |
| United Airlines                      | 12,000              | 1    | 2.74%                              |                     |      |                                    |
| Genentech Inc.                       | 11,000              | 2    | 2.51%                              | 8,800               | 1    | 2.60%                              |
| Facebook Inc.                        | 7,091               | 3    | 1.62%                              |                     |      |                                    |
| Oracle Corp.                         | 6,781               | 4    | 1.55%                              | 5,642               | 2    | 1.66%                              |
| County of San Mateo                  | 5,485               | 5    | 1.25%                              | 5,179               | 3    | 1.53%                              |
| Gilead Sciences Inc.                 | 3,900               | 6    | 0.89%                              | 1,480               | 10   | 0.44%                              |
| Visa Inc.                            | 3,500               | 7    | 0.80%                              |                     |      |                                    |
| Electronic Arts Inc.                 | 2,367               | 8    | 0.54%                              | 2,000               | 6    | 0.59%                              |
| Robert Half International Inc.       | 1,790               | 9    | 0.41%                              |                     |      |                                    |
| YouTube LLC                          | 1,700               | 10   | 0.39%                              |                     |      |                                    |
| Kaiser Permanente                    |                     |      |                                    | 3,790               | 4    | 1.12%                              |
| Mills-Peninsula Health Services      |                     |      |                                    | 2,500               | 5    | 0.74%                              |
| United States Postal Service         |                     |      |                                    | 1,964               | 7    | 0.58%                              |
| San Mateo Community College District |                     |      |                                    | 1,800               | 8    | 0.53%                              |
| SLAC National Accelerator Laboratory |                     |      |                                    | 1,650               | 9    | 0.49%                              |
| <b>Total</b>                         | <b>55,614</b>       |      | <b>12.70%</b>                      | <b>34,805</b>       |      | <b>10.28%</b>                      |

\* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Mateo County for 2017 and 2009.

Source: San Francisco Business Times - 2018 Book of Lists; California Employment Development Department (provided by San Mateo County Controller's office) from the FY 2018 County of San Mateo CAFR.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - PRINCIPAL EMPLOYERS  
CITY AND COUNTY OF SAN FRANCISCO  
FISCAL YEARS 2017 AND 2008**

| Employers in San Francisco<br>City and County | 2017*                  |      |  | 2008                   |      |  |
|---|------------------------|------|--|------------------------|------|--|
|   | Number of<br>Employees | Rank | Percent of<br>Total City<br>Employment | Number of<br>Employees | Rank | Percent of<br>Total City<br>Employment |
| City and County of San Francisco              | 31,038                 | 1    | 5.59%                                  | 26,656                 | 1    | 6.28%                                  |
| University of California, San Francisco       | 25,522                 | 2    | 4.60%                                  | 18,200                 | 2    | 4.29%                                  |
| San Francisco Unified School District         | 10,000                 | 3    | 1.80%                                  |                        |      |  |
| Wells Fargo & Co.                             | 7,838                  | 4    | 1.41%                                  | 8,718                  | 3    | 2.05%                                  |
| Salesforce                                    | 7,000                  | 5    | 1.26%                                  |                        |      |  |
| Sutter Health                                 | 6,447                  | 6    | 1.16%                                  |                        |      |  |
| Uber Technologies Inc.                        | 5,000                  | 7    | 0.90%                                  |                        |      |  |
| Kaiser Permanente                             | 4,517                  | 8    | 0.81%                                  |                        |      |  |
| Gap, Inc.                                     | 4,050                  | 9    | 0.73%                                  | 4,172                  | 9    | 0.98%                                  |
| PG&E Corporation                              | 3,800                  | 10   | 0.68%                                  | 4,350                  | 8    | 1.03%                                  |
| California Pacific Medical Center             |                        |      |  | 6,600                  | 4    | 1.56%                                  |
| State of California                           |                        |      |  | 6,021                  | 5    | 1.42%                                  |
| Charles Swab & Co. Inc.                       |                        |      |  | 4,600                  | 6    | 1.08%                                  |
| United States Postal Service                  |                        |      |  | 4,571                  | 7    | 1.08%                                  |
| San Francisco State University                |                        |      |  | 3,831                  | 10   | 0.90%                                  |
| <b>Total</b>                                  | <b>105,212</b>         |      | <b>18.94%</b>                          | <b>87,719</b>          |      | <b>20.67%</b>                          |

\* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Francisco County for 2017 and 2008.

Source: FY 2018 County of San Francisco CAFR. Total City and County of San Francisco employee count is obtained from the State of California Employee Development Department. All other data is obtained from the San Francisco Business Times Book of Lists.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**DEMOGRAPHICS AND ECONOMIC INFORMATION - PRINCIPAL EMPLOYERS  
COUNTY OF SANTA CLARA  
FISCAL YEARS 2018 AND 2009**

| Employers in Santa Clara County                      | 2018*                         |      |                                    | 2009                          |      |                                    |
|--|-------------------------------|------|------------------------------------|-------------------------------|------|------------------------------------|
|  | Estimated Number of Employees | Rank | Percent of Total County Employment | Estimated Number of Employees | Rank | Percent of Total County Employment |
| Apple Computer, Inc.                                 | 25,000                        | 1    | 2.44%                              | 10,000                        | 3    | 1.23%                              |
| Alphabet Inc.  | 20,000                        | 2    | 1.95%                              |                               |      |                                    |
| County of Santa Clara                                | 18,806                        | 3    | 1.84%                              |                               |      |                                    |
| Stanford University                                  | 16,919                        | 4    | 1.65%                              |                               |      |                                    |
| Cisco Systems Inc.                                   | 14,120                        | 5    | 1.38%                              | 13,000                        | 1    | 1.60%                              |
| Kaiser Permanente                                    | 12,500                        | 6    | 1.22%                              | 5,000                         | 10   | 0.61%                              |
| Stanford Healthcare<br>(formerly Hospital & Clinics) | 10,034                        | 7    | 0.98%                              | 5,500                         | 8    | 0.68%                              |
| Tesla Motors Inc.                                    | 10,000                        | 8    | 0.98%                              |                               |      |                                    |
| Intel Corporation                                    | 8,450                         | 9    | 0.83%                              | 5,000                         | 9    | 0.61%                              |
| City of San Jose                                     | 6,159                         | 10   | 0.60%                              |                               |      |                                    |
| Lockheed Martin Space Systems Co.                    |                               |      |                                    | 10,400                        | 2    | 1.28%                              |
| Intuit, Inc.   |                               |      |                                    | 8,000                         | 4    | 0.98%                              |
| IBM  |                               |      |                                    | 7,650                         | 5    | 0.94%                              |
| Hewlett-Packard Co.                                  |                               |      |                                    | 7,000                         | 6    | 0.86%                              |
| KLA-Tencor Coporation                                |                               |      |                                    | 6,200                         | 7    | 0.76%                              |
| <b>Total</b>   | <b>141,988</b>                |      | <b>13.87%</b>                      | <b>77,750</b>                 |      | <b>9.55%</b>                       |

\* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in Santa Clara County for 2018 and 2009.

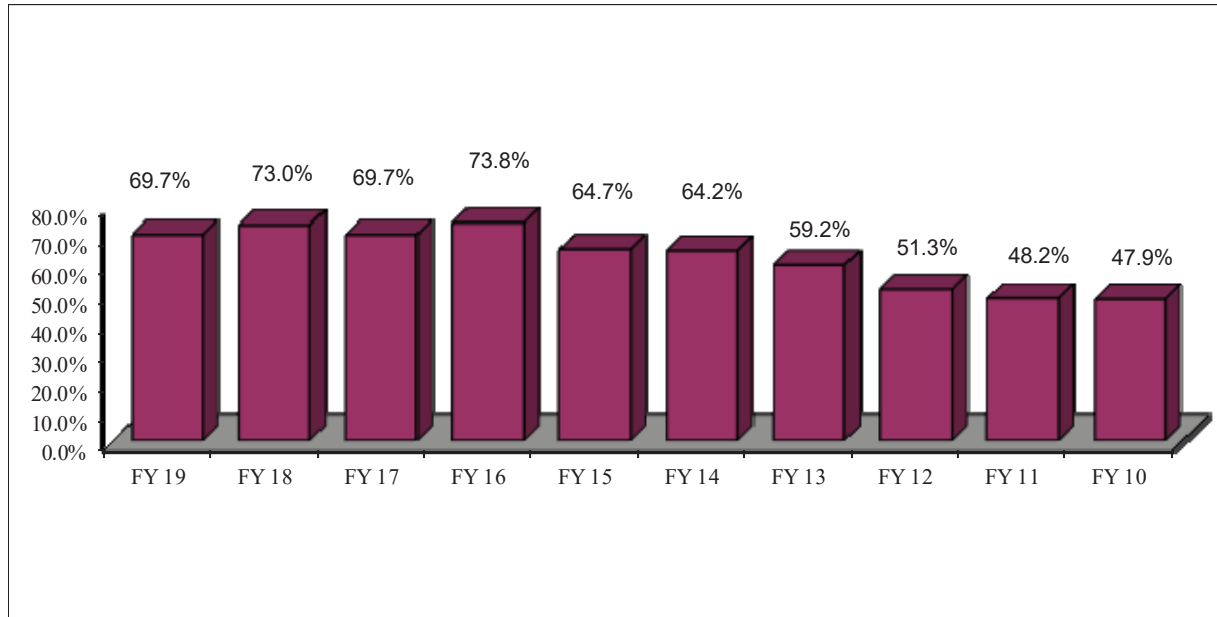
Source: (provided by Santa Clara County Controller's office) from the FY2018 County of Santa Clara CAFR.

# PENINSULA CORRIDOR JOINT POWERS BOARD

## OPERATING INFORMATION - FAREBOX RECOVERY AND PASSENGER MILES FISCAL YEARS 2010 THROUGH 2019

### FAREBOX RECOVERY

Farebox recovery table shows the relationship between total passenger fares and operating expenses. The Board adopted a farebox recovery rate goal range of 45 percent to 65 percent effective fiscal year 2014.

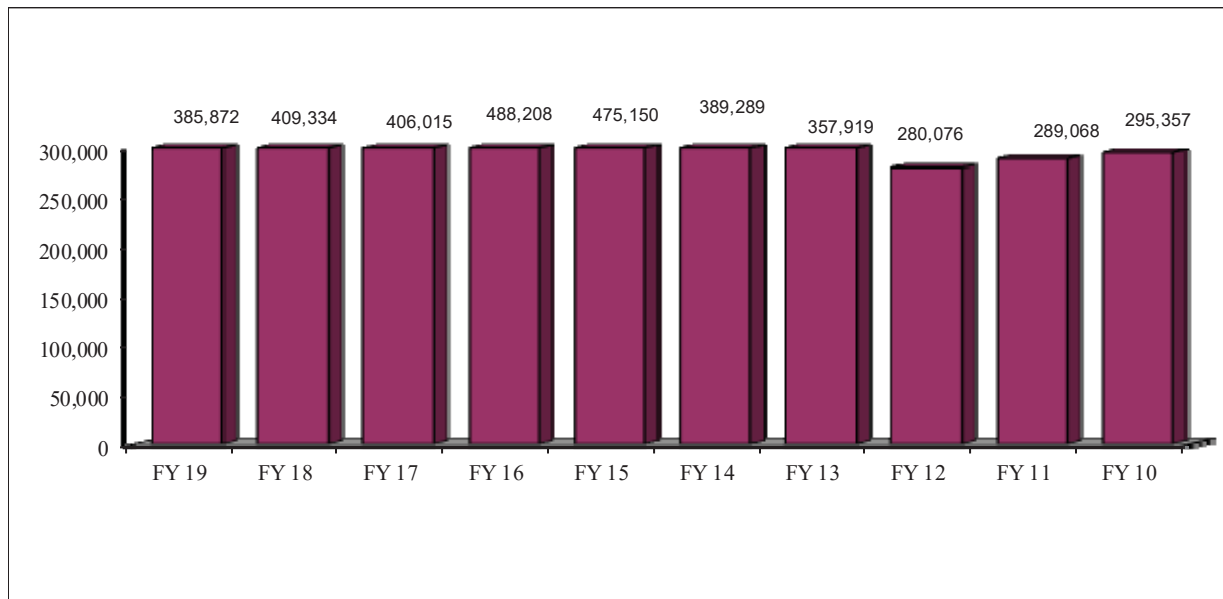


### PASSENGER MILES

*(In Thousands)*

Weekday passenger miles.

The number of weekday trains increased from 86 to 92 on October 1, 2012.



Source: JPB's National Transportation Database.



# PENINSULA CORRIDOR JOINT POWERS BOARD

## OPERATING INFORMATION - EMPLOYEES (FULL-TIME EQUIVALENTS) FISCAL YEARS 2010 THROUGH 2019

| DIVISION                                 | FULL-TIME EQUIVALENTS (FTEs) |               |               |               |               |               |               |               |
|--|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2019                         | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          |
| EXECUTIVE                                | 6.76                         | 0.52          | 0.56          | 0.70          | 0.76          | 0.85          | 0.87          | 0.91          |
| PUBLIC AFFAIRS                           | -                            | -             | -             | 5.35          | 4.80          | 4.80          | 4.00          | 4.46          |
| OPERATIONS, ENGINEERING AND CONSTRUCTION | 74.44                        | 62.60         | 42.88         | 51.64         | 49.64         | 47.81         | 43.35         | 46.75         |
| PLANNING AND DEVELOPMENT                 | 7.00                         | 6.70          | 8.45          | 6.43          | 5.95          | 6.40          | 3.04          | 5.09          |
| FINANCE AND ADMINISTRATION               | 21.34                        | 29.86         | 33.71         | 29.44         | 29.40         | 31.00         | 33.71         | 33.10         |
| CALTRAIN MODERNIZATION PROGRAM           | 9.00                         | 17.45         | 8.25          | 9.95          | 5.95          | 4.95          | 3.50          | -             |
| CUSTOMER SERVICE AND MARKETING           | 15.09                        | 16.79         | 24.01         | 11.27         | 11.14         | 14.61         | 12.56         | 11.40         |
| <b>TOTAL FTEs</b>                        | <b>133.63</b>                | <b>133.92</b> | <b>117.85</b> | <b>114.78</b> | <b>107.64</b> | <b>110.42</b> | <b>101.03</b> | <b>101.71</b> |

Note: The organization went through a reorganization in FY 2010; Caltrain Modernization Program division was added in FY 2013 as a replacement for the Peninsula Rail Department.

| DIVISION                                 | 2011         | 2010          |
|--|--------------|---------------|
| EXECUTIVE                                | 0.85         | 0.80          |
| ADMINISTRATION                           |              |               |
| COMMUNICATIONS                           |              |               |
| CUSTOMER SERVICE AND MARKETING           | 10.88        | 18.05         |
| DEVELOPMENT                              |              |               |
| FINANCE                                  |              |               |
| FINANCE AND ADMINISTRATION               | 32.17        | 33.37         |
| PLANNING AND DEVELOPMENT                 | 5.21         | 6.20          |
| PENINSULA RAIL PROGRAM                   | 2.00         | 1.00          |
| PUBLIC AFFAIRS                           | 2.80         | 3.80          |
| OPERATIONS                               |              |               |
| OPERATIONS, ENGINEERING AND CONSTRUCTION | 45.52        | 46.54         |
| <b>TOTAL FTEs</b>                        | <b>99.43</b> | <b>109.76</b> |

This table presents the total full-time equivalents (FTEs) by division.

Source: JPB's annual capital and operating budget.

Note: JPB went through a reorganization in FY 2010; Caltrain Modernization Program division was added in FY 2013 as a replacement for the Peninsula Rail department.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**OPERATING INFORMATION - CAPITAL ASSETS (in thousands)  
FISCAL YEARS 2010 THROUGH 2019**

|  | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         |
|--|---------------------|---------------------|---------------------|
| Depreciable and amortized capital assets               |                     |                     |                     |
| Right of way improvements                              | \$ 1,183,600        | \$ 1,170,025        | \$ 1,131,890        |
| Rail vehicles  | 333,787             | 333,572             | 312,738             |
| Facilities and equipment                               | 136,599             | 130,231             | 130,942             |
| Office equipment                                       | 14,529              | 18,129              | 2,669               |
| <b>Total depreciable and amortized capital assets</b>  | <b>1,668,515</b>    | <b>1,651,957</b>    | <b>1,578,239</b>    |
| Accumulated depreciation and amortization              |                     |                     |                     |
| Right of way improvements                              | (632,433)           | (579,398)           | (515,275)           |
| Rail vehicles  | (246,236)           | (230,537)           | (206,161)           |
| Facilities and equipment                               | (66,271)            | (61,357)            | (57,522)            |
| Office equipment                                       | (13,928)            | (9,106)             | (1,341)             |
| <b>Total accumulated depreciation and amortization</b> | <b>(958,867)</b>    | <b>(880,397)</b>    | <b>(780,300)</b>    |
| Nondepreciable capital assets                          |                     |                     |                     |
| Right of way   | 233,711             | 226,972             | 226,972             |
| Construction in progress                               | 1,124,618           | 735,025             | 486,333             |
| Intangible Asset - Trackage Rights*                    | 8,000               | 8,000               | 8,000               |
| <b>Total nondepreciable capital assets</b>             | <b>1,366,329</b>    | <b>969,998</b>      | <b>721,305</b>      |
| <b>Capital assets, net</b>                             | <b>\$ 2,075,977</b> | <b>\$ 1,741,558</b> | <b>\$ 1,519,244</b> |

\*Per GASB 51 effective as of FY 2009 Trackage Rights are a non-depreciable capital asset. The activity for FY 2009 has been restated to reflect the change.

Source: Current and prior years' CAFRs

This table presents the total nondepreciable capital assets, total depreciable capital assets and total accumulated depreciation and amortization.

| <b>2016</b>                | <b>2015</b>                | <b>2014</b>                | <b>2013</b>                | <b>2012</b>                | <b>2011</b>                | <b>2010</b>                |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| \$ 1,033,142               | \$ 972,866                 | \$ 804,003                 | \$739,383                  | \$719,324                  | \$677,797                  | \$652,968                  |
| 300,680                    | 284,023                    | 284,128                    | 285,040                    | 285,125                    | 284,203                    | 280,201                    |
| 128,365                    | 128,584                    | 127,653                    | 127,568                    | 128,428                    | 127,048                    | 121,037                    |
| 1,084                      | 1,084                      | 869                        | 860                        | 875                        | 855                        | 693                        |
| <u>1,463,272</u>           | <u>1,386,557</u>           | <u>1,216,653</u>           | <u>1,152,851</u>           | <u>1,133,752</u>           | <u>1,089,903</u>           | <u>1,054,899</u>           |
| (452,151)                  | (399,280)                  | (341,424)                  | (293,985)                  | (264,091)                  | (222,481)                  | (186,213)                  |
| (190,840)                  | (161,494)                  | (149,882)                  | (137,309)                  | (126,011)                  | (113,553)                  | (101,159)                  |
| (52,459)                   | (48,396)                   | (43,790)                   | (39,743)                   | (34,820)                   | (29,337)                   | (23,626)                   |
| (929)                      | (854)                      | (648)                      | (672)                      | (751)                      | (702)                      | (626)                      |
| <u>(696,378)</u>           | <u>(610,024)</u>           | <u>(535,744)</u>           | <u>-</u>                   | <u>(425,673)</u>           | <u>(366,073)</u>           | <u>(311,624)</u>           |
| 226,972                    | 226,972                    | 226,893                    | 226,893                    | 226,893                    | 226,893                    | 226,893                    |
| 356,152                    | 305,977                    | 354,256                    | 316,125                    | 261,771                    | 227,381                    | 177,959                    |
| 8,000                      | 8,000                      | 8,000                      | 8,000                      | 8,000                      | 8,000                      | 8,000                      |
| <u>591,124</u>             | <u>540,949</u>             | <u>589,149</u>             | <u>551,018</u>             | <u>496,664</u>             | <u>462,274</u>             | <u>412,852</u>             |
| <u><b>\$ 1,358,017</b></u> | <u><b>\$ 1,317,482</b></u> | <u><b>\$ 1,270,058</b></u> | <u><b>\$ 1,703,869</b></u> | <u><b>\$ 1,204,743</b></u> | <u><b>\$ 1,186,104</b></u> | <u><b>\$ 1,156,127</b></u> |

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# Section IV

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## SINGLE AUDIT

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing  
Standards* and California Government Code Section 8879.55

Independent Auditor's Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance Required by Uniform Guidance

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Summary of Auditor's Results

Financial Statement Findings

Federal Award Findings and Questioned Costs

Status of Prior Year Findings and Questioned Costs

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND CALIFORNIA GOVERNMENT CODE SECTION 8879.55**

To the Board of Directors of the  
Peninsula Corridor Joint Powers Board  
San Carlos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Peninsula Corridor Joint Powers Board (JPB) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the JPB's basic financial statements, and have issued our report thereon dated October 31, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the JPB's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JPB's internal control. Accordingly, we do not express an opinion on the effectiveness of the JPB's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the JPB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the applicable provisions of California Governmental Code Section 8879.55, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the California Government Code 8879.55 et seq.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPB's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Palo Alto, California  
October 31, 2019



CPAs & BUSINESS ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors of the  
Peninsula Corridor Joint Powers Board  
San Carlos, California

**Report on Compliance for Each Major Federal Program**

We have audited the Peninsula Corridor Joint Powers Board's (JPB) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the JPB's major federal program for the year ended June 30, 2019. The major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance of JPB's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JPB'S compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of the JPB's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the JPB complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the JPB is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the JPB's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the JPB's internal controls over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Palo Alto, California  
October 31, 2019

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**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019**

| <u>Federal Grantor/Program Title</u>            | <u>Federal<br/>CFDA<br/>Number</u> | <u>Grant<br/>Identification<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------------------|--|---------------------------------|
| <b>U.S. Department of Transportation</b>        |                                    |  |                                 |
| Federal Transit Cluster:                        |                                    |  |                                 |
| Direct Grant                                    |                                    |  |                                 |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0209                                 | \$ 16,697                       |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0218                                 | 438,813                         |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0242                                 | 10,356                          |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0251                                 | 68,881                          |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0262                                 | 312,403                         |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-2017-014                                | 97,285,554                      |
| Federal Transit Capital Investment Grants       | 20.500                             | CA-05-0276                                 | 513,588                         |
| Total Federal Transit Capital Investment Grants |                                    |  | <u>98,646,292</u>               |
| Federal Transit Formula Grants                  |                                    |  |                                 |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Y-246                                | (186)                           |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Y-312                                | (565)                           |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Y-895                                | 34,010                          |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Y-944                                | -                               |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Z-042                                | 540,776                         |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Z-159                                | 40,405                          |
| Federal Transit Formula Grants                  | 20.507                             | CA-95-X-299                                | 78,381                          |
| Federal Transit Formula Grants                  | 20.507                             | CA-90-Z-237                                | 57,640                          |
| Federal Transit Formula Grants                  | 20.507                             | CA-2016-008                                | 178,420                         |
| Federal Transit Formula Grants                  | 20.507                             | CA-2016-136                                | 51,888                          |
| Federal Transit Formula Grants                  | 20.507                             | CA-2018-005                                | 10,192,278                      |
| Total Federal Transit Formula Grants            |                                    |  | <u>11,173,047</u>               |
| State of Good Repair Grants                     |                                    |  |                                 |
| State of Good Repair Grants                     | 20.525                             | CA-54-0004                                 | 32,780                          |
| State of Good Repair Grants                     | 20.525                             | CA-54-0020                                 | 236,603                         |
| State of Good Repair Grants                     | 20.525                             | CA-54-0034                                 | (450,831)                       |
| State of Good Repair Grants                     | 20.525                             | CA-2017-003                                | 543,922                         |
| State of Good Repair Grants                     | 20.525                             | CA-2017-054                                | 12,403,844                      |
| State of Good Repair Grants                     | 20.525                             | CA-2019-007                                | 10,690,740                      |
| State of Good Repair Grants                     | 20.525                             | CA-2019-086                                | 2,206,089                       |
| Total State of Good Repair Grants               |                                    |  | <u>25,663,146</u>               |
| Total Federal Transit Cluster                   |                                    |  | <u>135,482,485</u>              |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED JUNE 30, 2019**

|   |        |                     |                              |
|---|--------|---------------------|------------------------------|
| Passed Through California Department of Transportation:                                   |        |                     |                              |
| Highway Planning and Construction Cluster:  |        |                     |                              |
| Highway Planning and Construction   | 20.205 | BRLO-6170 (023)     | 520                          |
| Highway Planning and Construction   | 20.205 | BRLO-6170 (021)     | 2,413                        |
| Highway Planning and Construction   | 20.205 | BRLO-6170 (022)     | 4,401                        |
| Total Highway Planning and Construction Cluster   |        |                     | <u>7,334</u>                 |
| Railroad Safety Technology Grants   | 20.321 | CA-2018-035         | 12,123,289                   |
| Railroad Safety Technology Grants   | 20.321 | 69A36518500020TECCA | 1,548,245                    |
| Total Railroad Safety Technology Grants   |        |                     | <u>16,656,228</u>            |
| Consolidated Rail Infrastructure and Safety Improvements                                  | 20.325 | N/A                 | 2,984,694                    |
| Federal Railroad Administration: Railroad Safety  | 20.301 | FR-SIP-0010-17      | 813,838                      |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | N/A                 | 18,084                       |
| <b>Total U.S. Department of Transportation</b>  |        |                     | <u>152,977,969</u>           |
| <b>Total Expenditures of Federal Awards</b>   |        |                     | <u><u>\$ 152,977,969</u></u> |

## **PENINSULA CORRIDOR JOINT POWERS BOARD**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019**

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#### **NOTE 1 - REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the JPB as disclosed in the notes to the Basic Financial Statements.

#### **NOTE 2 - BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. JPB has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

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



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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

|  |                      |
|--|----------------------|
| Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: | <u>Unmodified</u>    |
| Internal control over financial reporting:   |                      |
| Material weaknesses identified?  | <u>No</u>            |
| Significant deficiency identified not considered to be material weaknesses?  | <u>None Reported</u> |
| Noncompliance material to financial statements noted?  | <u>No</u>            |

**FEDERAL AWARDS**

|  |                      |
|--|----------------------|
| Internal control over major programs:  |                      |
| Material weaknesses identified?  | <u>No</u>            |
| Significant deficiency identified not considered to be material weaknesses?                        | <u>None Reported</u> |
| Type of auditor's report issued on compliance for major programs:                                  | <u>Unmodified</u>    |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u>No</u>            |
| Identification of major programs:  |                      |

| <u>CFDA Numbers</u>           | <u>Name of Federal Program or Cluster</u> |
|-------------------------------|---|
| <u>20.500, 20.507, 20.525</u> | <u>Federal Transit Cluster</u>            |
| <u>20.321</u>                 | <u>Railroad Safety Technology Grants</u>  |

|  |                     |
|--|---------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$ 3,000,000</u> |
| Auditee qualified as low-risk auditee?                                   | <u>Yes</u>          |

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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**FINANCIAL STATEMENT FINDINGS**

None reported.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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**Financial Statement Prior Year Findings**

There were no prior year financial statement findings reported.

**Federal Award Prior Year Findings and Questioned Costs**

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

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

Michelle Bouchard  
Chief Operating Officer, Rail

SUBJECT: **INCREASE THE EXECUTIVE DIRECTOR'S CONTRACT AUTHORITY BY \$1,413,894 FOR THE SOUTH SAN FRANCISCO IMPROVEMENT PROJECT, AMEND THE BUDGET AUTHORITY FOR THE SOUTH SAN FRANCISCO CALTRAIN STATION IMPROVEMENT PROJECT FROM \$64,500,000 TO \$71,600,000 AND AMEND TO INCREASE THE FISCAL YEAR 2020 CAPITAL BUDGET BY \$7,100,000 FROM \$47,400,185 TO \$54,500,185**

**ACTION**

Staff recommends the Board:

1. Approve an increase of \$1,413,894 in the Executive Director's contract authority for the South San Francisco Station Improvement Project (Project) contract with Proven Management, Inc. (Contract), resulting in total Contract authority of \$40,212,449; and
2. Amend the Project's budget authority from \$64,500,000 to \$71,600,000 and amend the Fiscal Year (FY) 2020 Capital Budget by \$7,100,000 from \$47,400,185 to \$54,500,185.

**SIGNIFICANCE**

The South San Francisco station is one of four remaining Caltrain stations, along with Atherton, Broadway, and College Park, that is subject to a safety precaution and operational constraint known as the "hold-out rule." Because the platform configurations require passengers to cross train tracks to board their trains, a train approaching the station must "hold out" if another train is in the station, and cannot enter the station until it is clear. The hold-out rule at the South San Francisco station can be eliminated with the construction of a wider platform that meets current Caltrain standards, and construction of the underpass that would connect Caltrain users to the center platform without having to cross the tracks. The Project will also serve as an important component of the City of South San Francisco's (City) plans for downtown mixed-use development.

The Project cost was originally estimated in 2015 at \$55.0 million and was funded with a combination of San Mateo County Transportation Authority (TA) Measure A program funds (\$49,100,000) and local funds from the City (\$5,900,000).

At the TA's April 2017 Board meeting, it redirected \$38,827,600 of the Measure A funds from the Project to the Peninsula Corridor Electrification Project (PCEP) as part of a funding exchange that also replaced the redirected Measure A funds with Federal Transit Administration (FTA) Section 5337 Program funds. This left a balance of \$10,272,400 of Measure A funds on the Project. This change was necessitated by conditions placed on PCEP by the FTA and was approved by both the FTA and the Metropolitan Transportation Commission.

In 2018, the Project budget was increased by \$4,100,000 due to negotiations concerning a Union Pacific Railroad (UPRR) rail yard within the Project limits and new scope added by the City. The \$4,100,000 is funded by \$1,300,000 in UPRR and \$2,800,000 in South San Francisco funds.

Since that time, due to utility relocation and permit delays, the Project budget has increased by \$12,500,000 and the total anticipated cost to complete the Project is now \$71,600,000. The additional funding, comprised of \$11,300,000 in TA Measure A funds and a City contribution of \$1,200,000, is needed to ensure construction can continue and key milestones can be achieved. Relatedly, staff recommends increasing the Executive Director's Contract authority by \$1,413,894 resulting in total Contract authority of \$40,212,449.

The following table shows funding currently secured for the Project's construction phase along with the requested FY2020 funding required to complete construction:

| <b>Funding Source</b>       | <b>FY2015</b>       | <b>FY2018</b>       | <b>FY2020</b>       |
|-----------------------------|---------------------|---------------------|---------------------|
| Measure A                   | \$49,100,000        | \$10,272,400        | \$21,572,400        |
| City of South San Francisco | \$5,900,000         | \$8,700,000         | \$9,900,000         |
| FTA Section 5337 Program    |                     | \$38,827,600        | \$38,827,600        |
| UPRR                        |                     | \$1,300,000         | \$1,300,000         |
| <b>Total</b>                | <b>\$55,000,000</b> | <b>\$59,100,000</b> | <b>\$71,600,000</b> |

**BUDGET IMPACT**

In FY2018, based on then-current cost estimates, the budget authority for the Project was increased to \$64,500,000, but funding for the Project remained at \$59,100,000. As described above, the new estimated cost to complete the Project is \$71,600,000, with funding sources shown above. The change requires the JPB to increase the total FY2020 Capital Budget by \$7,100,000, from \$47,400,185 to \$54,500,185, as reflected in Attachment A.

**BACKGROUND**

This Project has had several challenges due to decisions and assumptions that were made to expedite the advertisement of the Project; inclement weather delays impacting gas line relocation; unavailability of PG&E utility relocation subcontractors



due to PG&E's bankruptcy filing; additional costs for removing contaminated soils, and changes to materials and labor market conditions. In addition, the Project has required sequential, instead of concurrent, PG&E and Cal Water utility relocations due to work crew space limitations.

Due to coordination issues related to the timing of the PCEP, the advertisement of this Project was expedited and a construction contract was awarded in August 2017. Significant assumptions were made at that time related to requirements for receipt of an Encroachment Permit. First, the Encroachment Permit could not be issued without Right of Way (ROW) Certification by Caltrans. A ROW Certification for the Project had been issued in 2008, and the Project Management Team at the time assumed that this ROW Certification would require minimal updating; however, Caltrans required a new Certification. Second, the Encroachment Permit issuance also required the City to obtain an Air Space Lease. The unanticipated time required for receipt of the new ROW Certification and the Air Space Lease led to Project delays and cost increases.

Prepared by: Howard Beckford, Project Manager, Capital Projects 650.622.7852

**RESOLUTION NO. 2019 –**

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

**\* \* \***

**INCREASING THE CONTRACT AMOUNT FOR THE PROVEN MANAGEMENT, INC. CONTRACT FOR THE SOUTH SAN FRANCISCO CALRAIN STATION PROJECT BY \$1,413,894, AMENDING THE BUDGET AUTHORITY FOR THE SOUTH SAN FRANCISCO CALTRAIN STATION IMPROVEMENT PROJECT FROM \$64,500,000 TO \$71,600,000 AND AMENDING TO INCREASE THE FISCAL YEAR 2020 CAPITAL BUDGET FROM \$47,400,185 TO \$54,500,185**

**WHEREAS**, on December 9, 2015, the City of South San Francisco (City), the Peninsula Corridor Joint Powers Board (JPB), and the San Mateo County Transportation Authority (TA) entered into a cooperative agreement under which the JPB is undertaking the design and construction of the South San Francisco Station Improvement Project (Project), which includes an extension and reconfiguration of the station platforms and facilities, construction of a new center platform and a new pedestrian and bicycle undercrossing to eliminate the "hold-out rule," a new shuttle pick-up area and a new pedestrian and bicycle tunnel entry plaza; and

**WHEREAS**, on August 3, 2017, pursuant to Resolution No. 2017- 42, the JPB awarded a contract to Proven Management, Inc. (Contract) to perform construction for the Project, in an amount not to exceed \$32,177,777; and;

**WHEREAS**, the cost of the Project has increased and the City, JPB and TA staff has negotiated a funding plan to increase the City's additional funding in an amount not to exceed \$1,200,000 and to increase the TA's funding in an amount up to \$11,300,000; and

**WHEREAS**, Staff Coordinating Counsel recommends the Board increase the amount of the Contract by \$1,413,894 resulting in total Contract authority of \$40,212,449; and

**WHEREAS**, the Executive Director recommends and the Staff Coordinating Council concurs that the Board of Directors amend the Project budget authority from \$64,500,000 to \$71,600,000 and amend the Fiscal Year 2020 Capital Budget from \$47,400,185 to \$54,500,185 to reflect the receipt and expenditure of additional funds for the Project.

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

1. Increases the amount of the Contract with Proven Management, Inc. for the South San Francisco Caltrain Station Improvement Project by \$1,413,894 resulting in total Contract authority of \$40,212,449.

2. Amends to increase the Project budget authority from \$64,500,000 to \$71,600,000 and amends to increase the Fiscal Year 2020 Capital Budget from \$47,400,185 to \$54,500,185 to accept \$11,300,000 from the San Mateo County Transportation Authority and \$1,200,000 from the City of South San Francisco for the Project.

3. Authorize the Executive Director, or his designee, to execute any contract amendments or take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 5th day of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary



# South San Francisco Station Improvement Project

December 5, 2019  
JPB Board Meeting

The slide features a red background with a white and grey border. The Caltrain logo is in the top left. The title is centered in white text. The date and meeting name are in the bottom right. A faint image of a train is visible in the background.



## Presentation Outline

- Project Overview
- Project Schedule and Budget
- Funding Plan
- Cost Variances
- Graphics
- Ongoing Construction & Next Steps

2

The slide features a white background with a red and grey border. The Caltrain logo is in the top left. The title is in bold black text. The outline items are in a bulleted list. A small number '2' is in the bottom right. A faint image of a train is visible in the background.

**Caltrain**

## Project Overview

- New center platform
- Pedestrian underpass
- Shuttle pick-up/drop-off
- Track and signal work
- Removal of holdout rule & ADA access

3


**Caltrain**

## Project Schedule

| Activity              | Date                                     |
|-----------------------|--|
| Bid & Award           | April 2017 – August 2017                 |
| Begin Construction    | November 2017 <sup>1</sup>               |
| Partial Suspension    | April 2018 – September 2019 <sup>2</sup> |
| Complete Construction | November 2020 <sup>3</sup>               |

1) Construction started November 2017  
 2) Construction suspended April 2018, resumed construction September 2019  
 3) Construction projected to be completed November 2020


4



## Project Budget

- Original cost estimate during bid = \$55.0M
- Significant delays for required agreements, permits and utility relocations (delay approx. 1 ½ years)
- Current cost estimate November 2020 = \$71.6M

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## Funding Plan

| Source                       | 2015              | 2018              | FY2020 <span style="color: green; font-size: small;">Proposed Update</span> |
|------------------------------|-------------------|-------------------|---|
| Measure A Caltrain Program   | \$10.272 M        | \$10.272 M        | \$21.572 M  |
| City of South San Francisco  | \$5.900 M         | \$8.700 M         | \$9.900 M   |
| Federal Section 5337 Program | \$38.827 M        | \$38.827 M        | \$38.827 M  |
| Rail Ops (JPB)               | -                 | \$1.300 M         | \$1.300 M   |
| <b>Total</b>                 | <b>\$55.000 M</b> | <b>\$59.100 M</b> | <b>\$71.600 M</b>   |

Increase of \$16.6 million (2015 – 2019)

Delays/cost escalation = \$9.8M

- Agreement/permit delays & utility relocation (\$7.1M)
- Risk register Items (\$2.7 M)

Added scope = \$6.8M

- UPRR Scope (\$4.0M)
- Plaza & undercrossing enhancements (\$2.8M)

6





## Variations from 2015 Cost Estimate

- Delays/Cost Escalation
  - Delayed airspace agreement and encroachment permit under 101 freeway
  - Sequential vs concurrent utility relocation
  - Inclement weather delays impacting gas line relocation
  - PG&E Bankruptcy filing (Jan 2019)
  - Contaminated soil disposal
  - Material and labor escalation costs due to construction delay
- Added Scope
  - UPRR freight storage track relocation
  - City requested plaza and undercrossing enhancements



## Existing Project Conditions



Existing Platform – South San Francisco Station Boarding



## West Plaza – Station Access



Renderings of West Plaza - Station Access

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## Pedestrian Underpass



Renderings of Underpass - Station Access

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## Center Platform



Renderings of Center Platform – Looking North

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## Station East Access – Poletti Way



Renderings of Shuttle Drop off Area – Poletti Drive

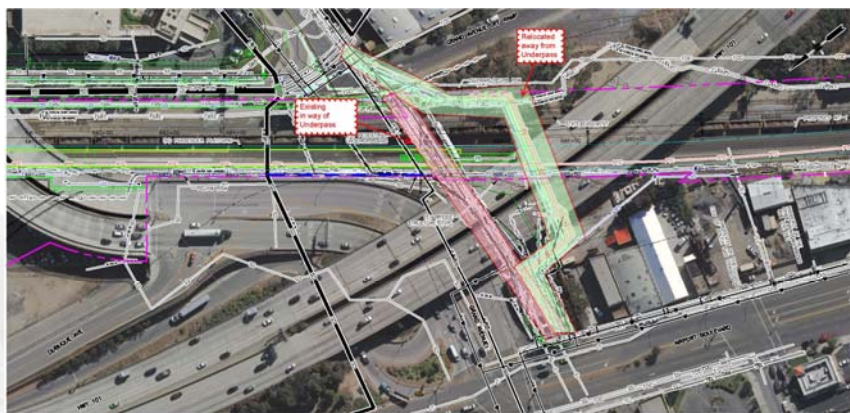
Renderings of East Station Access – Poletti Drive



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## Utility Relocation Work



Red = Existing Utility; Same location as Underpass  
Green = Relocated Utility; Away from Underpass

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## Utility Relocation Work



Shoring and Main installation - West Plaza



18 inch water main East side UPRR track



Water main tie in East Grand Ave.

CalWater Relocation – completed April 2019





## Utility Relocation Work



Routing from Splice box to termination point



Splice boxes on Grand Avenue

PG&E Electric Relocation – completed Sept. 2019



## Field Work Status

|                  |  |
|------------------|--|
| Completed Work   | <ul style="list-style-type: none"> <li>• Utility relocations</li> <li>• Shoofly construction (MT1 and MT2)</li> <li>• PTC signal cable cutover</li> <li>• Geotechnical investigations</li> <li>• Signal cable inspections</li> </ul>                             |
| Work in Progress | <ul style="list-style-type: none"> <li>• OCS foundations</li> <li>• Street improvements (Poletti Way)</li> </ul>   |
| Future Work      | <ul style="list-style-type: none"> <li>• Remobilize equipment and crews</li> <li>• Ramp &amp; pedestrian underpass</li> <li>• Center platform</li> <li>• Shuttle drop off area</li> <li>• Signal improvement</li> <li>• Additional plaza improvements</li> </ul> |



## Next Steps

- Increase FY20 Capital Budget (\$11.3M TA, \$1.2M City)
- Continue construction: *OCS foundation, street improvement work at Poletti Way*
- Remobilize equipment and crews for critical path work
- Resume construction of SSF station improvements and pedestrian underpass

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# Questions?

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**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operating Officer, Caltrain

SUBJECT: **CONCLUSIONS FROM SPECIAL MEETING ON ORGANIZATION AND GOVERNANCE**

**ACTION**

Staff Coordinating Council recommends the Board of Directors (Board) receive a staff presentation providing an informational update summarizing key discussion points and conclusions from the Board's November 21 special meeting on organization and governance.

**SIGNIFICANCE**

Peninsula Corridor Joint Powers Board (JPB) staff has prepared a presentation summarizing key discussion points and conclusions from the Board's recent meeting on organization and governance.

The November 21 special meeting was convened at the request of the JPB in response to an initial presentation on the draft organizational analysis developed through the Caltrain Business Plan process. The meeting was held off-site and was formatted as a retreat. Howard Permut of Permut Consulting LLC participated in the meeting and the discussion of organizational and governance issues was moderated by Grace Crunican.

During the meeting the Board provided input on three distinct areas analyzed and discussed in the Organizational Assessment report;

- **Service Delivery** (the manner in which Caltrain contracts and operates its service)
- **Internal Organization** (how Caltrain organizes itself)
- **Governance** (how Caltrain is overseen by a governing body)

Emerging from the November 21 meeting, staff has attempted to document consensus conclusions and next steps related to each of these areas and is seeking Board affirmation and feedback.

## **BUDGET IMPACT**

There is no budget impact associated with receiving this PowerPoint presentation.

## **BACKGROUND**

The initial concept for a Caltrain "Business Plan" was brought to the Board in April of 2017. The Board reviewed a draft scope of work for the Business Plan in December of 2017 and adopted a final Business Strategy and Scope of Work in February of 2018. Technical work on the Plan commenced in the summer of 2018. The Business Plan has been scoped to include long-range demand modeling, and service and infrastructure planning, as well as organizational analysis and an assessment of Caltrain's interface with the communities it traverses. In October of 2019, the JPB marked a major milestone in the Business Plan process with its adoption of a "2040 Service Vision" for the Caltrain system. This action sets long range policy guidance for the future of the Caltrain service and allows staff to move forward with completion of the overall plan by early 2020.

The organizational work undertaken within the Business Plan was developed by Howard Permut, of Permut Consulting LLC under contract to Stanford University. A draft Organizational Assessment report was presented to the JPB in August of 2019. At the Board's request, a special meeting was convened in November 21 to allow for a more focused and in-depth discussion of the report's findings and of related Caltrain organization and governance topics.

Prepared by: Sebastian Petty, Director of Policy Development

650.622.7831



**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Carter Mau Deputy General Manager/CEO  
Derek Hansel Chief Financial Officer

SUBJECT: **SELECTION/RETENTION OF SPECIAL COUNSEL FOR GOVERNANCE MATTERS**

**ACTION**

Staff requests that the Board direct the procurement of special counsel in accordance with the process discussed below to represent the Peninsula Corridor Joint Powers Board (JPB) (1) related to Caltrain governance matters identified in Section 7 of Chapter 4 of the Organizational Assessment prepared for the Caltrain Business Plan, and (2) for matters in which the JPB's General Counsel, Hanson Bridgett LLP, has a conflict of interest related to the San Mateo County Transit District (District) as defined under Rule 1.7 of the California Rules of Professional Conduct.

**SIGNIFICANCE**

At its November 21, 2019 workshop, the JPB Board of Directors (Board) requested, through consensus, that staff return to the Board at its December 5, 2019 meeting with an action item which would provide direction with respect to the selection and retention of special counsel on matters related to the governance of Caltrain, as well as on matters in which the JPB's existing General Counsel, Hanson Bridgett LLP, faces conflicts of interest related to the District.

Based upon the Board's request, staff proposes to assist the Board in preparing to select special counsel at either the January 2020 or February 2020 Board meeting.

For staff to appropriately structure a process for selection and retention of special counsel, there are several key factors that must be considered. These include:

- Scope of services
- Anticipated budget
- Selection process
- Management of the resulting engagement
- Integration with the Organizational Assessment as part of the Caltrain Business Plan.

### Scope of Services

In order to effectively select special counsel that will address the Board's requirements, it is essential to carefully define the general scope of services prior to the selection process. This will allow proposers to address the scope of services and allow the selection panel to evaluate (a) the degree to which respondents understand the desired services and (b) respondents' applicable qualifications.

The scope of services should include:

1. Provide guidance on Governance Options as identified in Section 7 of Chapter 4 of the Organizational Assessment prepared as part of the Caltrain Business Plan (available at <https://www.caltrain2040.org/wp-content/uploads/Caltrain-Organizational-Assessment-Full-Report.pdf>), including:
  - Develop an understanding of the history of the formation of the JPB and the shared responsibility for maintenance of the Caltrain system
  - Produce a summary of the rights and responsibilities of each of the relevant parties under the various agreements that provide the legal structure for the JPB
  - Work with the JPB staff, consultants and Board in the consideration of alternatives to the existing Caltrain governance structure as set forth in the Organizational assessment, including steps required to pursue such alternative(s).
2. Conflict Counsel  
Serve as legal counsel on matters in which Hanson Bridgett LLP has a conflict of interest under the Rule 1.7 of the California Rules of Professional Conduct (available on the website of the State Bar of California at <http://www.calbar.ca.gov/Portals/0/documents/rules/Rules-of-Professional-Conduct.pdf>), as related to Hanson Bridgett's representation of the District.

### Anticipated Budget

There will be a direct relationship between the level of work requested of the special counsel and the associated budget. The Board may desire to use a constrained budget to limit the scope of work of the special counsel. Thinking constructively about the budget in advance will help ensure staff addresses the Board's objectives when presenting a proposed contract and, most likely, a related budget amendment as this is not currently a budgeted expense.

### Selection Process

Staff recommends the development of an expedited "Letter Request for Proposals" (Letter RFP) process for the selection of the special counsel. This process would include, at a minimum:

- Development of the Letter RFP, including the desired scope of work, sample contract and evaluation criteria;
- Development of a short list of attorneys or firms, not including those currently serving as general or special counsel to any of the three JPB member agencies, to be invited to respond;

- Solicitation of proposals including:
  - Understanding of/approach to the scope of services
  - Potential conflict of interest and campaign contribution disclosures
  - Firm and team member qualifications and experience
  - Cost proposal;
- Evaluation of proposals and contract/cost negotiations;
- Board selection of special counsel and award of contract.

#### Management of the Resulting Engagement

As addressed above, staff anticipates that special counsel's work will fall within two categories, both of which will require contract management. In each case, a clear engagement management and reporting structure will be essential to a successful attorney-client relationship. For example, while the contracted scope of work will provide a certain amount of direction to the special counsel, the analysis of governance issues is likely to be highly iterative and organic. At the same time, having the special counsel take direction from individual Board members is likely to be unwieldy and lead to a substantial amount of "scope creep." As such, staff recommends that the special counsel receive regular direction and oversight from a Board ad hoc committee and from the JPB's Executive Director.

#### Integration with Organizational Assessment as part of the Caltrain Business Plan

As will be discussed separately at the December 5, 2019 Board meeting, staff believes that there was significant support expressed by the Board at its November 21, 2019 retreat for completion of a several-month-long process to build upon the Governance portion of the Organizational Assessment, focused on how the District delivers services to the JPB both for Caltrain-specific requirements and shared services and identifies improvements to enable the organization to deliver the selected future service vision. Staff believes that there are a number of natural intersections between the Organizational Assessment and the work that will be done by the special counsel and other team members in the consideration of potential governance structures. As such, special counsel could both provide support to, and its work could be informed by, the next steps of the Organizational Assessment.

#### **BUDGET IMPACT**

Providing the requested direction will not impact the budget. Ultimate selection of special counsel likely will have budget impacts, which will be addressed in the accompanying staff report.

#### **BACKGROUND**

The initial concept for a Caltrain "Business Plan" was brought to the Board in April of 2017. The Board reviewed a draft scope of work for the Business Plan in December of 2017 and adopted a final Business Strategy and Scope of Work in February of 2018. Technical work on the Plan commenced in the summer of 2018. The Business Plan has been scoped to include long-range demand modeling, and service and infrastructure planning, as well as organizational analysis and an assessment of Caltrain's interface with the communities it traverses. In October of 2019, the JPB marked a major milestone in the Business Plan process with its adoption of a "2040 Service Vision" for the Caltrain

system. This action sets long range policy guidance for the future of the Caltrain service and allows staff to move forward with completion of the overall plan by early 2020.

The organizational work undertaken within the Business Plan was developed by Howard Permut, of Permut Consulting LLC under contract to Stanford University. A draft Organizational Assessment report was presented to the JPB in August of 2019. At the Board's request, a special meeting was convened in November 21 to allow for a more focused and in-depth discussion of the report's findings and of related Caltrain organization and governance topics.

In light of Hanson Bridgett's concurrent general counsel representation of the JPB and the District, and the firm's work as special counsel for the other two member agencies of the JPB on unrelated matters, it is foreseeable that legal conflicts may interfere with Hanson Bridgett's ability to represent the JPB (or its member agencies) in the next steps of evaluating and possibly pursuing governance changes as contemplated in Section 7, Chapter 4 of the Organizational Assessment. Accordingly, staff and the Board have agreed that the JPB should obtain special counsel for work on this matter and for other matters as relate to the relationship between the JPB and the District which give rise to a conflict of interest for Hanson Bridgett under the Rules of Professional Conduct applicable to all licensed attorneys practicing in California.

Prepared by: Derek Hansel, Chief Financial Officer

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