

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

Minutes of September 26, 2022

Members Present: Jeff Gee, Glenn Hendricks, Monique Zmuda (Chair)
Members Absent: None
Staff Present: M. Bouchard, J. Harrison, A. Myles-Primakoff, G. Martinez,
R. Barnard, L. Millard-Olmeda, R. Hinchman, M. Reggiardo,
D. Seamans, S. Wong, K. Scribner

1. Call to Order/Pledge Of Allegiance

Chair Monique Zmuda called the meeting to order at 2:30 pm and led the Pledge of Allegiance

2. Roll Call

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

3. Public Comment For Items Not On The Agenda

There was no public comment.

4. Consent Calendar

4a. Approve Meeting Minutes of July 25, 2022

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

5. Report of the Acting Chief Financial Officer

Grace Martinez, Acting Chief Financial Officer, provided an update of fiscal year 2022 year-end activities.

6. Accept Statement of Revenues and Expenses for the Period Ending June 30, 2022

Grace Martinez, Acting Chief Financial Officer, provided an update, which included the following:

- A surplus of over \$11 million after accounting for the \$80 million transferred to capital funds that was approved by the Board November 2021
- Financial audit underway and staff reviewing the first draft of the Annual Comprehensive Financial Report (ACFR) and is on track to submit it at next Finance meeting

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- \$4 million on line 52 is related to grants

- American and AT&T expenses – some requirements that certain expenses need to qualify as made in America (for 3 roadway bridges in San Francisco) and Caltrain was working with Caltrans to get money from the Federal Highway Administration (FHWA) for the components that had to do with the water system/fire hydrant
- \$11 million surplus anticipated for the Fiscal Year 2022 budget is due to operating grants and Measure RR
- Preliminary numbers indicate \$3 million surplus for Fiscal Year 2023 (FY23), will go into the fund balance, and no plans to spend reserves
- Addressing capital needs in addition to addressing reserves

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

7. Accept Statement of Revenues and Expenses for the Period Ending August 31, 2022

Grace Martinez, Acting Chief Financial Officer, provided an update, which included the following:

- Lower fare revenues due to lower Clipper revenues and Clipper receipts for July and August are not far off for pre-COVID numbers
- Ticket reports for farebox revenues for the last four years are included in the packet

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- Concerns projections may be off by ten percent and request to see an aggregate projection forward instead of month-to-month
- Have more expansive, detailed report in the future on the efforts of the ridership and revenue task force, including tracking ticket types and marketing
- Macro view of efforts and ability to target what riders are using for focusing marketing efforts
- June 22 compared to June 19 (p25 and p20) in the ballpark of total revenues without GoPass

Public Comment

Adrian Brandt, San Mateo County, commented on moving from inequitable fare zones to distance-based fare scheme drafted by the JPB CAC. He opined that it would attract more diverse and broad-based ridership, with one stop versus two fare zones, and needs to be revisited.

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

8. Approve Adding Federal Employees Liability Act (FELA) Insurance to the Rail Liability Program

Ryan Hinchman, Director of Finance Administration, provided a presentation that included the following:

- July Board approved insurance and staff are currently working on the FELA program
- FELA policy examined as an opportunity for reduction of expenses
- Completely separate from liability insurance, this is a program dedicated to railroad workers

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- Savings coming from changing policy terms and due to being the policyholder
- Confirmed with staff that as an employer of railroad workers, there was no additional liability with the changes

Director Hendricks left at 3:08 pm

Motion/second: Gee/Zmuda

Ayes: Gee, Zmuda

Noes: None

Absent: Hendricks

9. Authorize the Execution of the Necessary Agreements and Amendments to Receive Funds and Act as the Project Lead to Deliver the Final Design Phase of the Rengstorff Avenue Grade Separation Project

Rob Barnard, Deputy Chief, Rail Development, provided the presentation, which included the following:

- Project Partners and Roles - Valley Transportation Authority (VTA), Caltrain, City of Mountain View
- Existing at-grade crossing
- Project goals, elements, progress (environmental document & preliminary engineering complete), and timeline
- Costs, funding commitments totaling \$50 million, and next Steps

Director Hendricks returned at 3:13 pm

Public Comment

Adrian Brandt, San Mateo County, commented on the \$48 million spent on utility relocation being one-fifth of the project budget and recommended elevating the tracks so utilities do not have to be relocated.

The Board expressed support for the project, grade separations, and safety benefits.

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

As proposed by staff, Chair Zmuda approved hearing agenda items 10 and 11 presented together.

10. Authorize Execution of Comprehensive Agreement with the County of Santa Clara in Support of the Mountain View Transit Center Grade Separation and Access Project
(presented in conjunction with Item 11)

11. Authorize Execution of Amended Cooperative Agreement to Receive Funding for Additional Final Design Cost and the Construction Manager General Contractor (CMGC) Pre-Construction Phase for the Mountain View Transit Center Grade Separation and Access Project

Rob Barnard, Deputy Chief, Rail Development, provided the presentation, which combined agenda Items 10 and 11, and included the following:

- Project partners, roles, and goals to improve safety, improve traffic, and reduce traffic delays
- Project details included three new pedestrian underpass tunnels
- Agenda Item #10 provides for cost reimbursement
- Overall project schedule with construction to be completed in 2027
- Existing budget and proposed revised budget
- Final design, CMGC pre-construction budget breakdown, and staff recommendation

Public Comment

Adrian Brandt, San Mateo County, expressed support for this progressive project and encouraged proceeding.

Board members expressed enthusiasm for this project and other cities are looking at grade separation work.

Motion/second: Hendricks/Gee moved to approve Item 10 and 11
Ayes: Gee, Hendricks, Zmuda
Noes: None
Absent: None

12. Authorize Award of Contract for the Guadalupe River Bridge Replacement Project

Michelle Bouchard, Acting Executive Director, provided an introduction and noted that this is the first project awarded during this inflation fueled bidding climate and described current processes that would help long-term planning and budgeting.

Rob Barnard, Deputy Chief, Rail Development, provided the presentation, which included the following:

- Project location and prior February 2022 Board presentation on environmental clearance
- Bridge inspection found elements in critical condition including seismic vulnerability
- Scope to replace MT-1, remove 42 feet of MT-2, and perform interim channel widening
- Existing bridge conditions and urgent of MT-2 reconstruction for Peninsula Corridor Electrification Project (PCEP) system testing
- Bid results of the project and the lowest responsive and responsible bidder was Walsh Construction Company II, LLC.
- Updated project cost projection increase of \$11.4 million, cost increases by category, and total cost of \$63 million
- Actively managing construction, oversight cost, additional resources including a new senior project manager, and budgets now reported on a line-by-line basis
- Sufficient funds to support the first year of construction
- Plan to increase the level of funds needed for state of good repair (SOGR)

Public Comment

Adrian Brandt, San Mateo County, commented on rebidding not cutting costs, future high speed rail plans to San Jose, potentially jeopardizing the PCEP budget, and on time completion of PCEP.

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- Use the additional \$11 million on the funding table in the years needed, funding requests in Fiscal Year 2024 aligning with contractor plans
- State, federal and local partnership efforts to close the funding gap
- Minimizing damage to overhead wires and replacing in half segments if needed
- Strategies for Fiscal Year 2024-2025 funding with a \$7 million a year funding gap
- Completing Los Gatos creek bridge funding in a similar fashion
- Have a major projects committee to support staff and discuss member contributions to SOGR; have a five-year contribution so there would no longer be a need to ask annually
- Immediate problems needing immediate funding, avoiding cost escalations at the end of the project, and concerns about when FY 2024-2025 funding will occur

Motion/second: Gee/Zmuda

Ayes: Gee, Zmuda

Noes: Hendricks

Absent: None

13. Amend and Increase the Fiscal Year 2023 Caltrain Capital Budget by \$11,636,922 from \$90,956,662 to \$102,593,584

Grace Martinez, Acting Chief Financial Officer confirmed that this item combines the dollars needed for the following projects: (1) Guadalupe River Bridge Replacement and Extension Project, (2) Mountain View Transit Grade Separation Project, and (3) Downtown Extension Support Project.

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions on the source of the \$1.3 million for the Guadalupe River Project coming from Local Partnership Program (LPP) local funds.

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

14. Accept On-Call Transportation Planning and Consultant Support Services Update

Melissa Reggiardo, Caltrain Planning Manager, provided summarized quarterly information , which included the following:

- Contract capacity status
- Percentage of capacity against the percentage of time elapsed
- Board approved dates and amounts
- Aggregates the Work Directives (WD) amounts issued to each of the vendors
- Work Directives issued or amended since the last reporting periods.

15. Committee Member Requests

Director Gee requested follow up on the American made expense and reimbursement.

Director Zmuda requested a summary report for the Fiscal Year 2023 fund balance plans (to look at the reserve policy and any funding that may be available for future budgets including capital budgets).

Director Zmuda requested Guadalupe River Bridge Replacement Project be pulled off consent at the Board meeting.

16. Date/time of next regular Finance Committee meeting

Monday, October 24, 2022, at 2:30 pm via Zoom (additional location, if any, to be determined)

17. Adjourn

The meeting adjourned at 4:28 pm.

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