



**BOARD OF DIRECTORS 2023**

- JEFF GEE, CHAIR
- DEV DAVIS, VICE CHAIR
- PAT BURT
- CINDY CHAVEZ
- STEVE HEMINGER
- RICO E. MEDINA
- RAY MUELLER
- SHAMANN WALTON
- MONIQUE ZMUDA

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

## Agenda

### Board of Directors Meeting

**June 01, 2023, 9:00 am**

### **Peninsula Corridor Joint Powers Board**

Members of the public may participate remotely or in-person, provided that they satisfy the safety protocols listed below.

Members of the public may participate remotely via Zoom at <https://us06web.zoom.us/j/87581188408?pwd=OFNUYTVFdExlOXRkR2tQOENXQUhhUT09> or by entering Webinar ID: **875 8118 8408**, Passcode: **033088** in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors>

Members of the public also may participate in-person at:

San Mateo County Transit District  
1250 San Carlos Avenue  
Bacciocco Auditorium - Second Floor  
San Carlos, CA 94070

San Bruno City Hall  
567 El Camino Real  
Room 101  
San Bruno, CA 94066

or any other noticed location provided they comply with the following safety protocols:

***Please Note the Following COVID-19 Protocols for In-person Attendance:***

Visitors who have been exposed to the COVID-19 virus, who have received a positive COVID-19 test results, or who are experiencing any of the following COVID-19 related symptoms should refrain from participating in person:

- Cough
- Shortness of Breath
- Fatigue
- Nausea or vomiting
- Fever or Chills
- Sore Throat
- Muscle or body aches
- Loss of taste or smell
- Headache
- Diarrhea
- Congestion or runny nose

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

Public Comments: Public comments may be submitted to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) prior to the meeting’s call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board’s weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Verbal public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial \*6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

**June 01, 2023 - Thursday**

**9:00 am**

*All items to which [Government Code section 84308](#) applies have been marked with an asterisk  
A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)((9), this relationship is considered to be a noninterest but it must be disclosed.*

**PART I OF MEETING (CALL TO ORDER): 9:00 am**

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances

**PART II OF MEETING (CLOSED SESSION): 9:05 am estimated**

4. Closed Session Conference: Public Employee Performance Evaluation (Gov. Code § 54957(b)(1)) Title: Executive Director

**PART III OF MEETING (REGULAR SESSION): 10:05 am estimated**

5. General Counsel Report – Report Out from Above Closed Session
6. 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.

7. Report of the Executive Director Informational

8. Consent Calendar

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

- |      |   |               |
|------|---|---------------|
| 8.a. | Meeting Minutes of May 4, 2023  | Motion        |
| 8.b. | Capital Projects Quarterly Status Report – 3rd Quarter Fiscal Year 2023 | Informational |

**Approved by the Finance Committee**

- |      |  |            |
|------|--|------------|
| 8.c. | Authorize the Executive Director to Execute a Service Agreement (Agreement) with the City of Palo Alto For Activities Undertaken in Support of the Connecting Palo Alto Project*   | Resolution |
| 8.d. | Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023   | Motion     |
| 8.e. | Adoption of Revisions to the JPB Procurement Policy  | Resolution |
| 8.f. | Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050*   | Resolution |
| 8.g. | Approve Exclusive Negotiating Agreement and Agreement for Comprehensive Planning and Exchange of Easements with IQHQ at the South San Francisco Caltrain Station*  | Resolution |
| 8.h. | Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement  | Resolution |
| 8.i. | Authorize Execution of Contracts and Amendments for Information Technology Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs* | Resolution |

**Technology, Planning, Operations, and Safety (TOPS) Committee May Meeting Cancelled**

**Approved by the Advocacy and Major Projects (AMP) Committee**

- |      |  |        |
|------|--|--------|
| 8.j. | State and Federal Legislative Update and Approval of Legislative Proposal: Support AB 557 (Hart)<br>Support AB 1377 (Friedman) | Motion |
|------|--|--------|

JPB Board of Directors Meeting  
June 01, 2023

- |  |                          |
|--|--------------------------|
| 8.k. Authorize Execution of Agreement with San Mateo County Transit District in Connection with Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) 2023 Weekend Closures** | Resolution               |
| 9. Recognizing Lesbian, Gay, Bisexual, Transgender and Queer Pride Month and Reaffirming a Commitment to Diversity, Equity, Access and Inclusion   | Resolution               |
| 10. Approval of Revised Settlement Authority Policy for General Liability Claims   | Resolution               |
| 11. Adopt Fiscal Year 2024 and Fiscal Year 2025 Proposed Operating and Capital Budgets   | Resolution               |
| 12. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report  | Informational            |
| 13. Update on Implementation of Governance Memorandum of Understanding   | Informational            |
| <del>14. Ridership Growth Action Plan Update</del>   | <del>Informational</del> |

~~145~~ Reports

- |   |               |
|---|---------------|
| 145.a. Report of the Citizens Advisory Committee            | Informational |
| 145.b. Report of the Chair                                  | Informational |
| 145.c. Report of the Local Policy Maker Group (LPMG)        | Informational |
| 145.d. Report of the Transbay Joint Powers Authority (TJPA) | Informational |

~~156~~ Correspondence

~~167~~ Board Member Requests

~~178~~ Date/Time of Next Regular Meeting: Thursday, August 3, 2023 at 9:00 am.

The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

~~189~~ 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 e-mailed 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*

### **Date and Time of Board and Committee Meetings**

JPB Board: First Thursday of the month, 9:00 am; JPB TOPS and AMP Committee: Two Wednesdays before the Board meeting, 1:30 pm and 3:30 pm respectively. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

### **Location of Meeting**

Members of the Public may attend this meeting in person or remotely via Zoom. \*Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

### **Public Comment\***

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

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

Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested 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 is 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.



# Executive Director's Monthly Report: May 2023

Executive Director Michelle Bouchard

*Report prepared for June Board meeting; data current through April 2023.*









## Who We Are and What We Do

**Caltrain Mission:** Caltrain is a customer-focused rail system offering safe, reliable, accessible, and sustainable transportation service that enhances quality of life for all.

**Caltrain Vision:** To be a vital link in the statewide rail network by improving connectivity to other transit systems, contributing to the region's economic vitality, and partnering with local communities to ensure that diverse constituencies receive a world-class travel experience.



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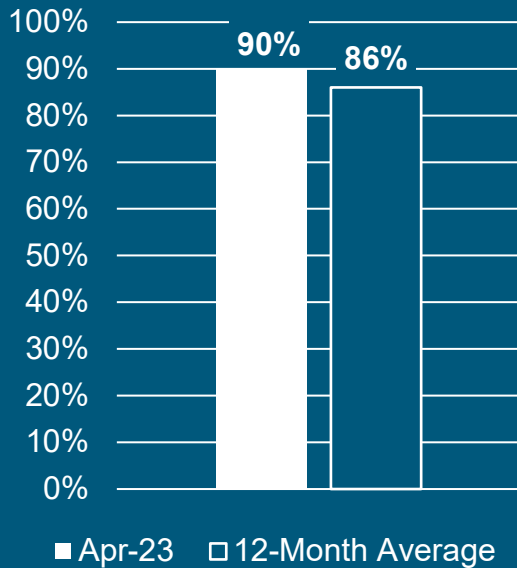




# Performance at a Glance

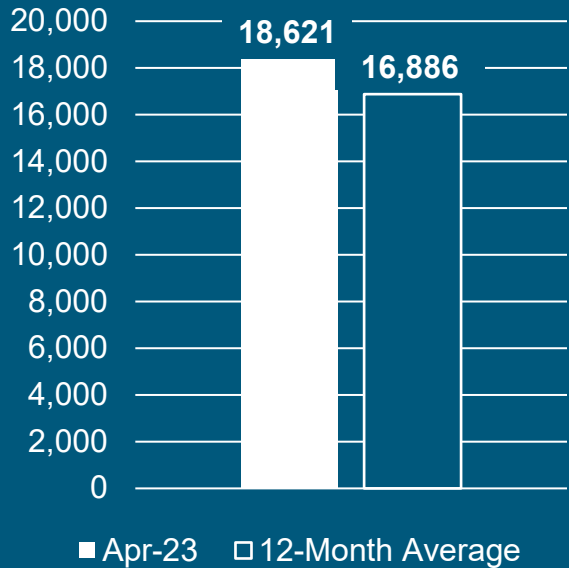
## On-Time Performance

Percentage of trains arriving within six minutes of the scheduled time



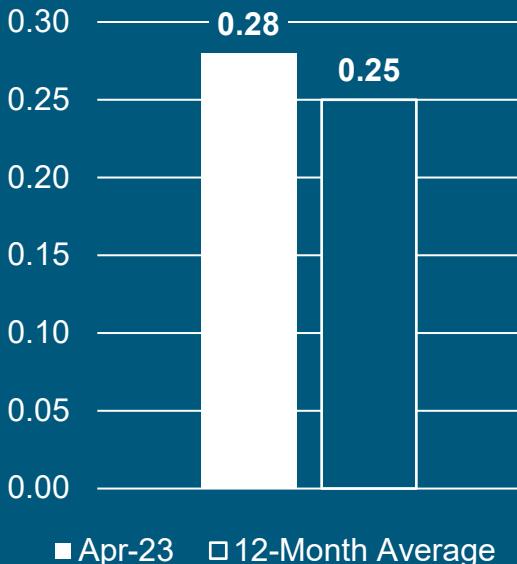
## Average Daily Ridership

Average estimated weekday ridership



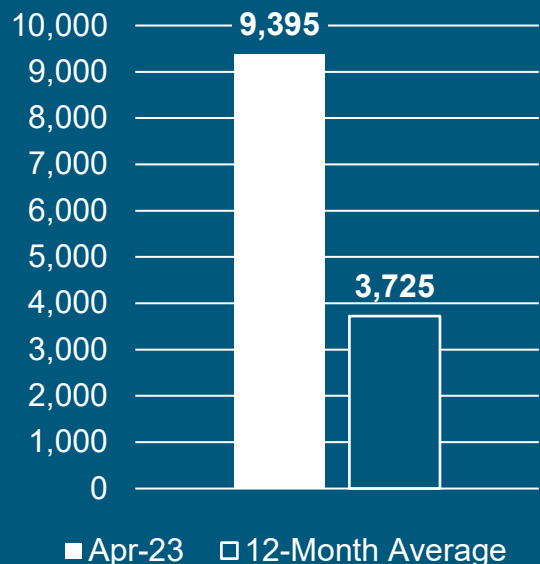
## Farebox Recovery Ratio

Ratio of fare revenue to operating costs



## Mean Distance Between Failures

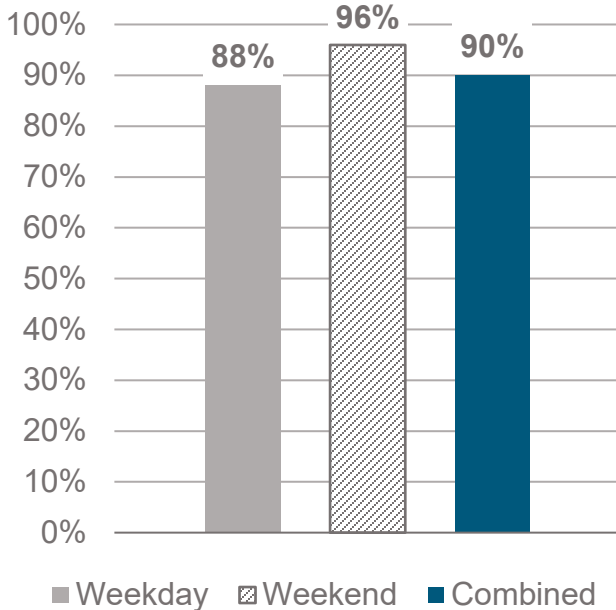
Average miles travelled by locomotives before maintenance/repair is required





# On-Time Performance

## Performance This Month (Apr-23)

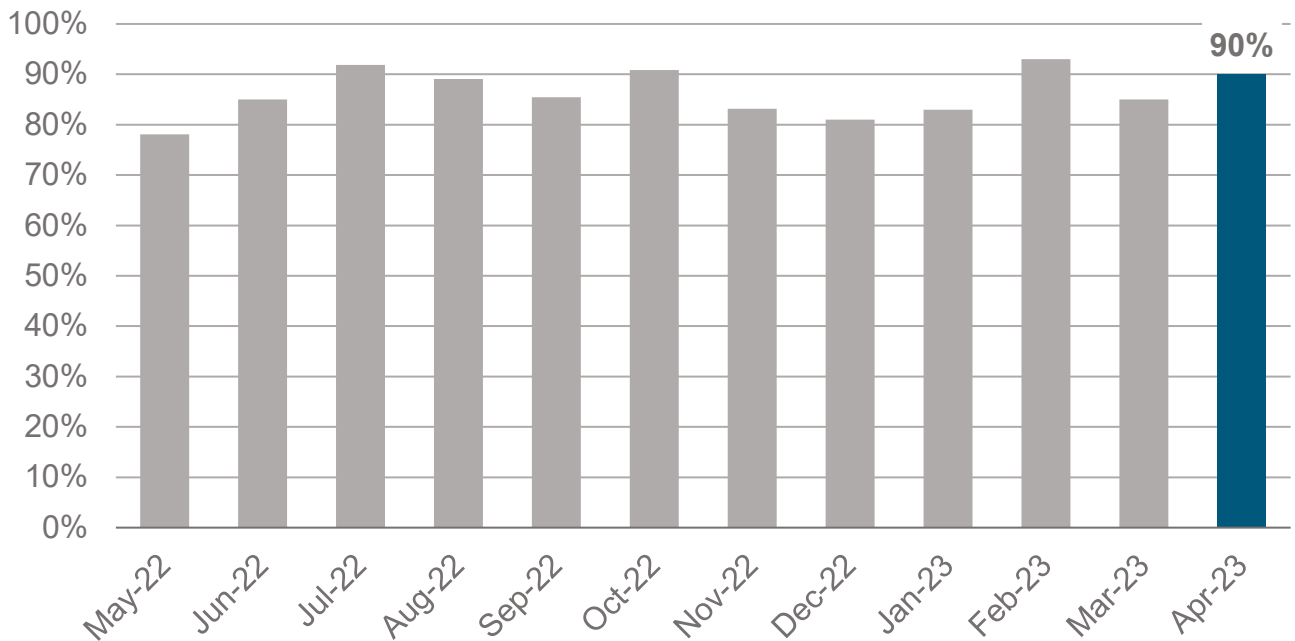


Trains are considered on-time if they arrive within six minutes of the scheduled arrival time at end-line locations (i.e. San Francisco, San Jose Diridon, Tamien, and Gilroy).

The on-time performance (OTP) goal for Caltrain is 95 percent. Combined OTP for the month of April was 90%.

Note that weekend OTP includes holidays.

## Monthly On-Time Performance in the Past Year





# Delays and Cancellations

Feb-23

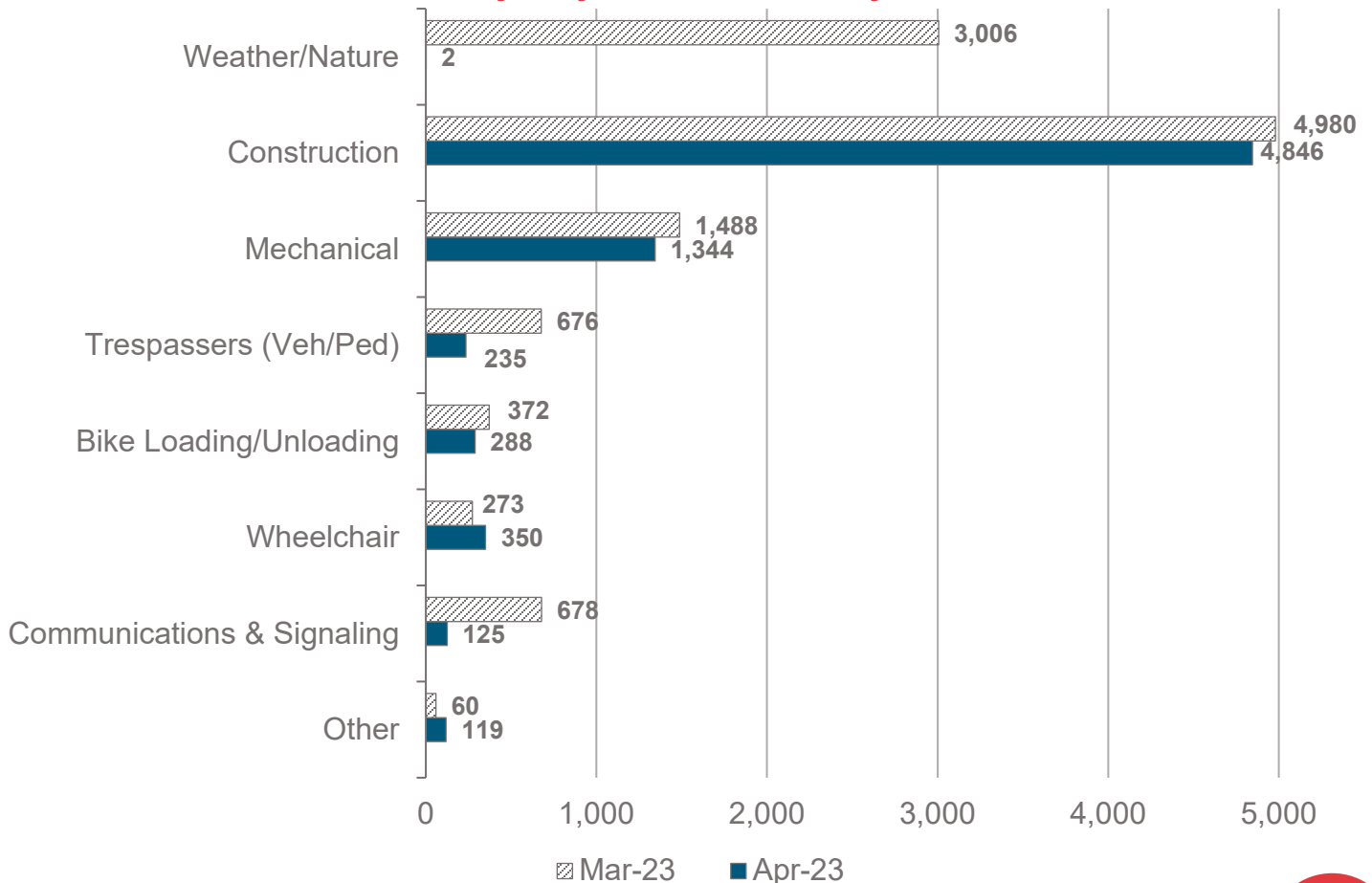
Mar-23

Apr-23

<b>Number of Late Trains</b>	157	413	245
<b>Average Minutes Late for Late Trains</b>	14	16	16
<b>Number of Cancelled Trains</b>	2	44	10

Trains are considered late if they arrive at their end-line destination six minutes or more after the scheduled time. Average Minutes Late represents the average difference in actual arrival time from the scheduled arrival time for late trains. Cancelled Trains includes trains forced to terminate mid-run, as well as those that are annulled before they begin to operate.

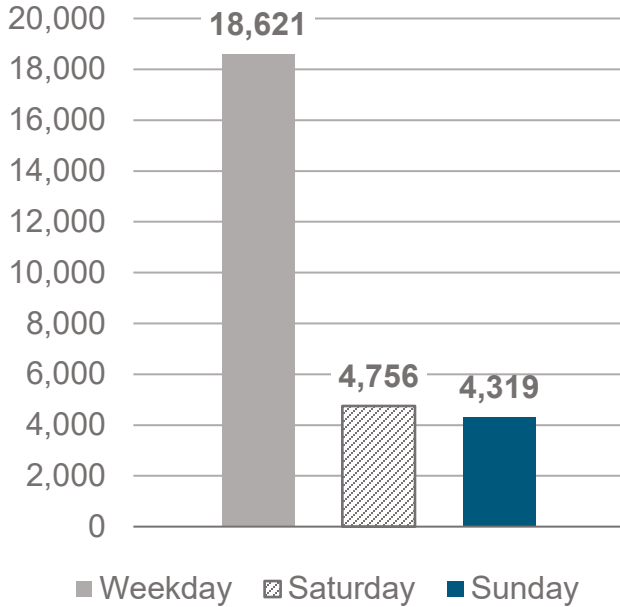
## Reasons for Train Delays, by Minutes of Delay





# Ridership and Revenue

## Average Daily Ridership (Apr-23)

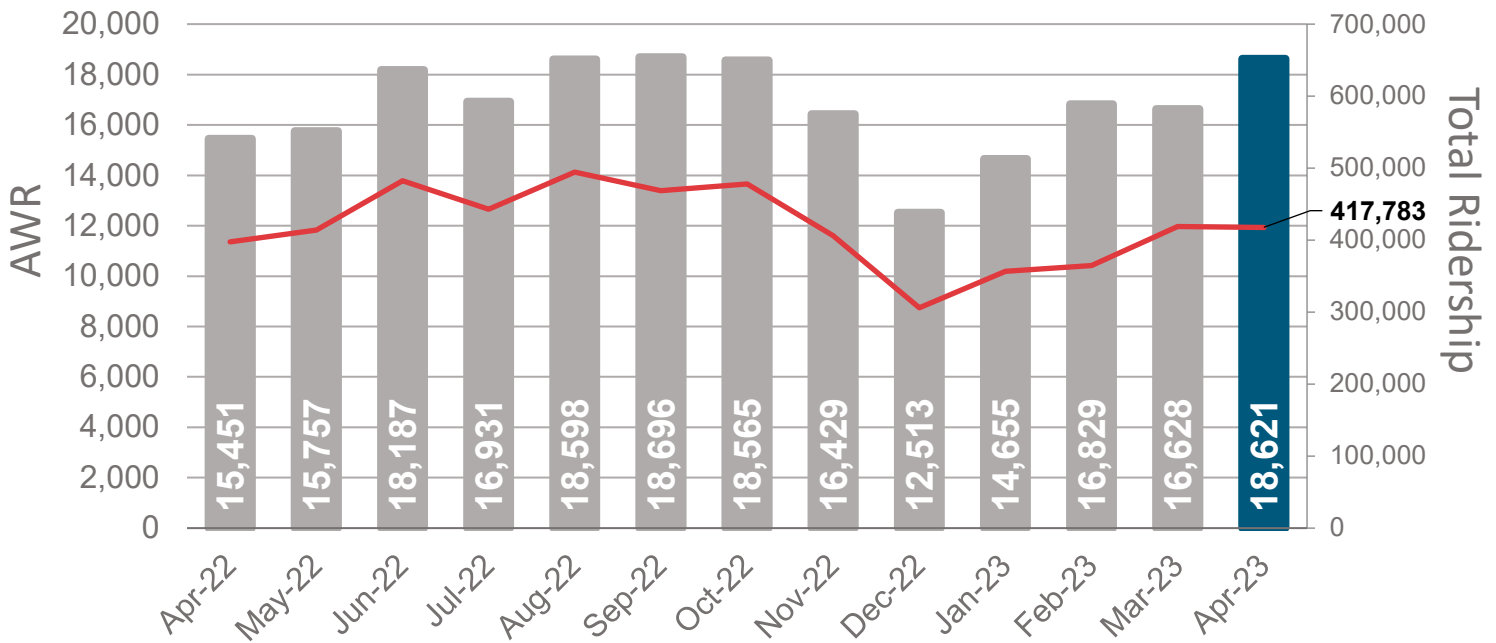


Average weekday ridership (AWR) increased by approximately 22 percent compared to the same month in the prior year as riders continue to return to the Caltrain system for increased work and leisure travel.

## Ridership in the Past Year

■ Average Weekday Ridership

— Total Monthly Ridership



Since April 2020, ridership estimates have been developed using daily conductor counts at 14 key stations and Clipper cards used at all stations due to significant impacts to ticket sales and usage patterns from the COVID-19 pandemic.





# Ridership and Revenue

## Special Service Ridership Report

### Giants

- Fourteen regular season home games in April.
- Total additional ridership boarding and alighting at San Francisco station was 47,292.
- Year-to-date additional ridership is 49,554, a 20% decrease compared to 2022 (61,720) and a 6% decrease compared to 2019 (52,995).
- *Please note, due to PCEP construction, a reduced level of service was in effect for the 4/20, 4/21, 4/24, 4/25, 4/26, and 4/27 games, and a bus bridge was in effect for the 4/8, 4/9, 4/22, and 4/23 games.*

### Sharks

- Three regular season home games in April.
- Total additional ridership boarding at San Jose Diridon station was 320.
- Season total additional ridership was 2,756, a 9% decrease compared to 2021-22 (3,027) and a 72% decrease compared to 2019 (9,878).
- *Please note, a bus bridge was in effect for the 4/8 game.*

### Warriors

#### Regular Season:

- One regular season home game in April.
- Total additional ridership boarding at San Francisco station was 217.
- Regular season additional ridership was 8,448, a 38% decrease compared to 2021-22 (13,629) and a 44% decrease compared to 2019-20 (13,629).

#### Playoffs:

- Three playoff home games in April.
- Total additional post-game ridership boarding at San Francisco station was 778.
- Regular season and playoff year-to-date additional ridership is 9,226, a 38% decrease compared to 2021-22 (14,970).
- *Please note, due to PCEP construction, a reduced level of service was in effect for the 4/20 and 4/28 games and a bus bridge was in effect for the 4/23 game.*



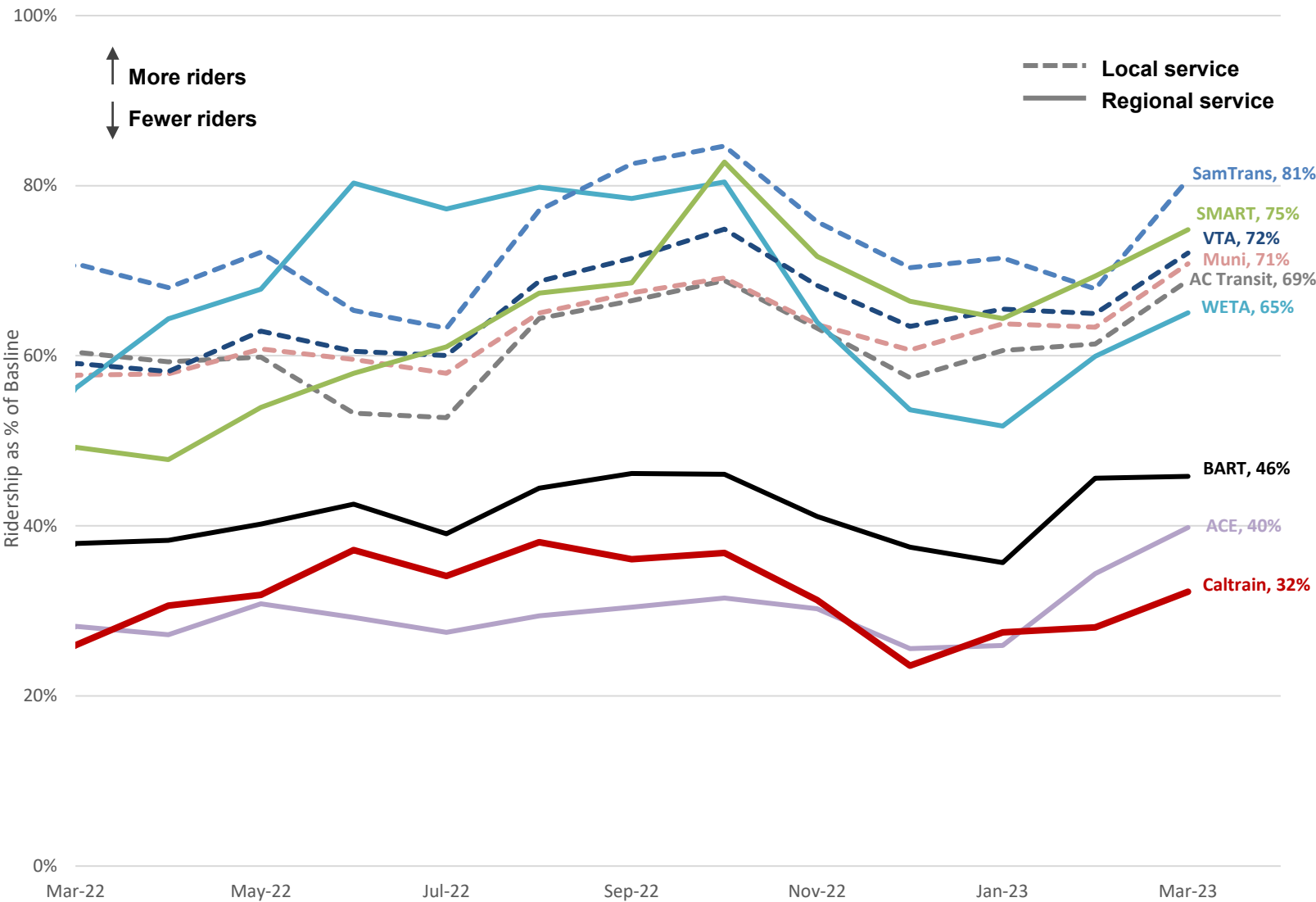


# Ridership and Revenue

## Public Transit Ridership Recovery in the Bay Area

The below chart represents total monthly ridership as a percentage of baseline (defined as total monthly ridership reported in February 2020).

### Total Monthly Ridership as a Share of Pre-Pandemic Levels



Sources:

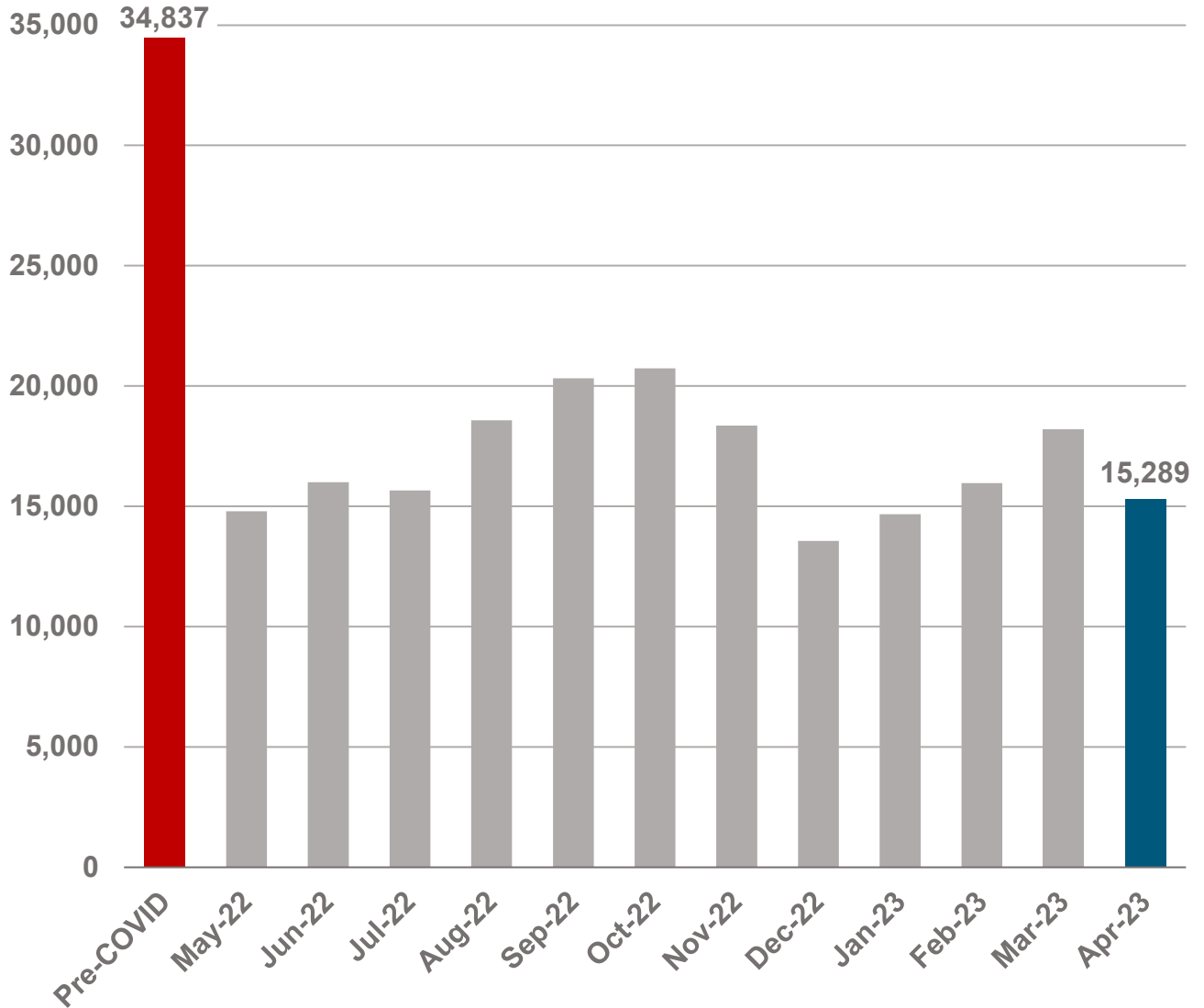
- Caltrain ridership estimates based on conductor counts & Clipper data
- Ridership data for all other agencies retrieved from the National Transit Database





# Ridership and Revenue

## Monthly BART Transfers at Millbrae in the Past Year



BART Transfers at Millbrae represents the total number of BART-to-Caltrain and Caltrain-to-BART transfers, as measured by Clipper Card data.

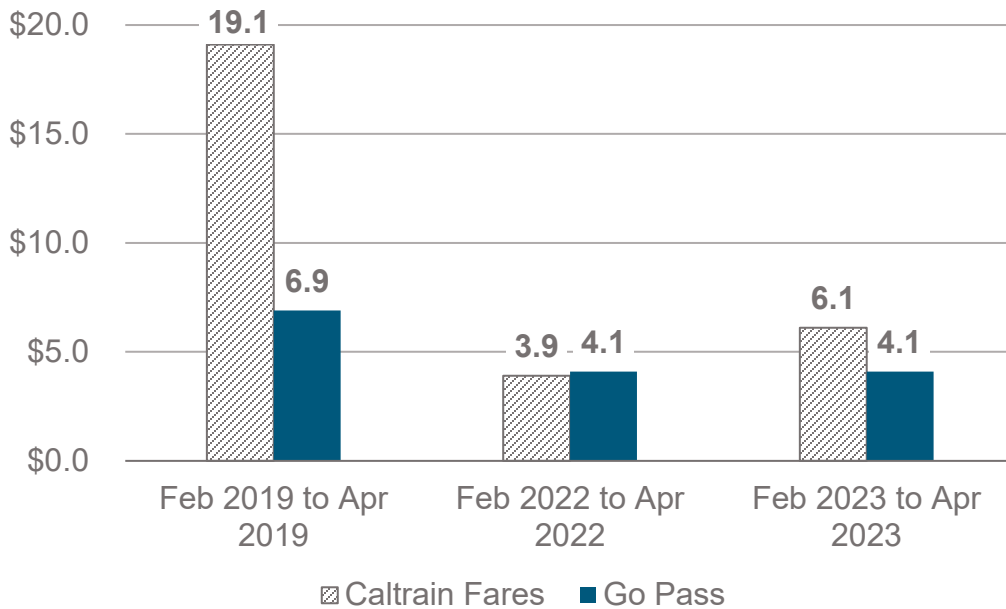
Pre-COVID data is provided for comparison purposes and represents average monthly transfers during the one-year period from March 2019 to February 2020.





# Ridership and Revenue

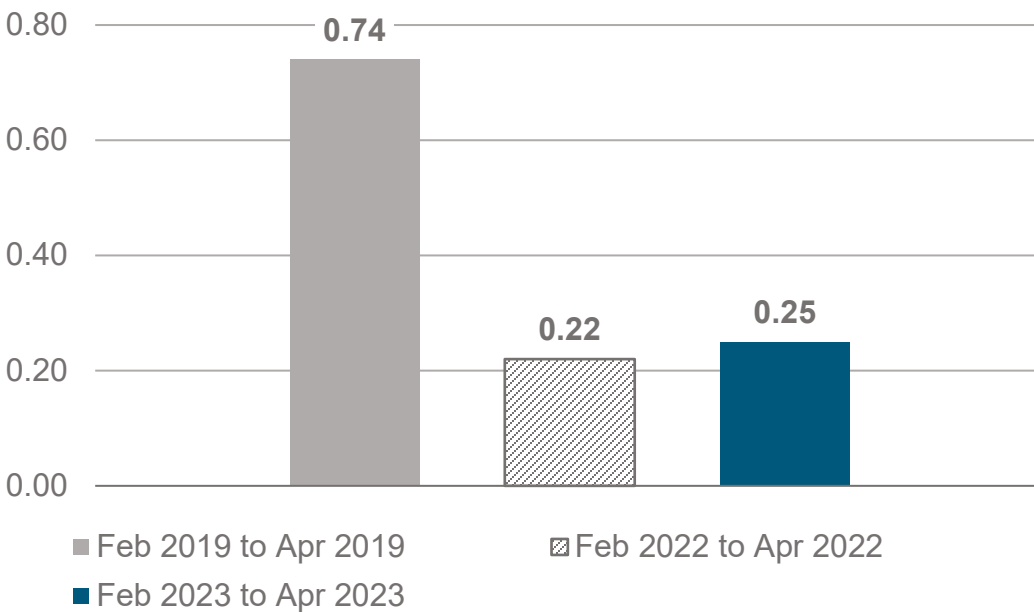
## Total Fare Revenues (\$M) - Past 3 Months Comparison



Fare revenue comes in the form of one-way tickets, daily or monthly passes (“Caltrain Fares”), and the Go Pass program.

Fare revenue is generally more stable than ridership due to many riders paying for monthly passes, which provide consistent revenue regardless of usage.

## Farebox Recovery Ratio (3-Month Rolling Average)



Farebox Recovery Ratio represents how much of the cost of providing service is covered by customer fares. A higher ratio indicates that a greater share of costs are covered by riders.

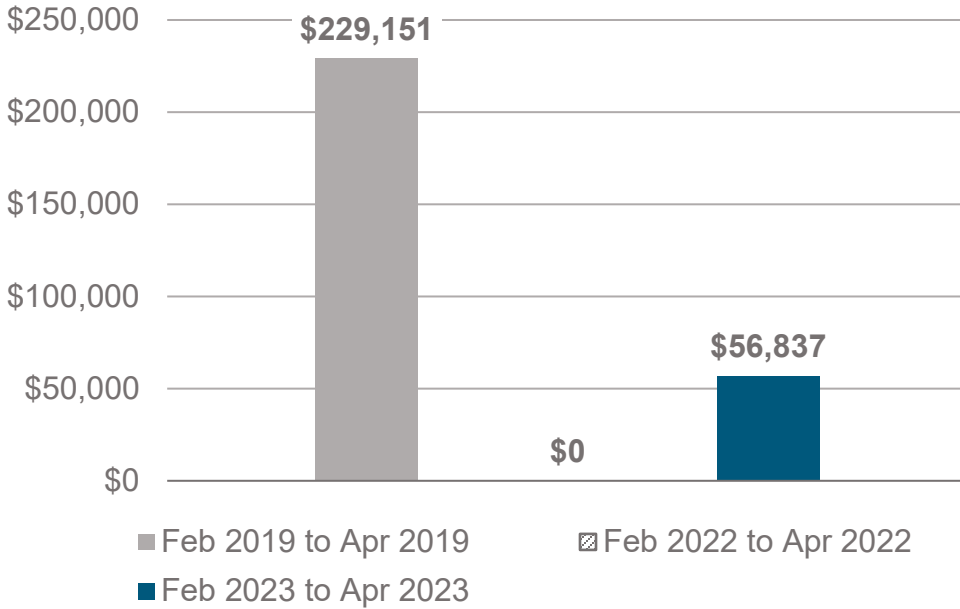






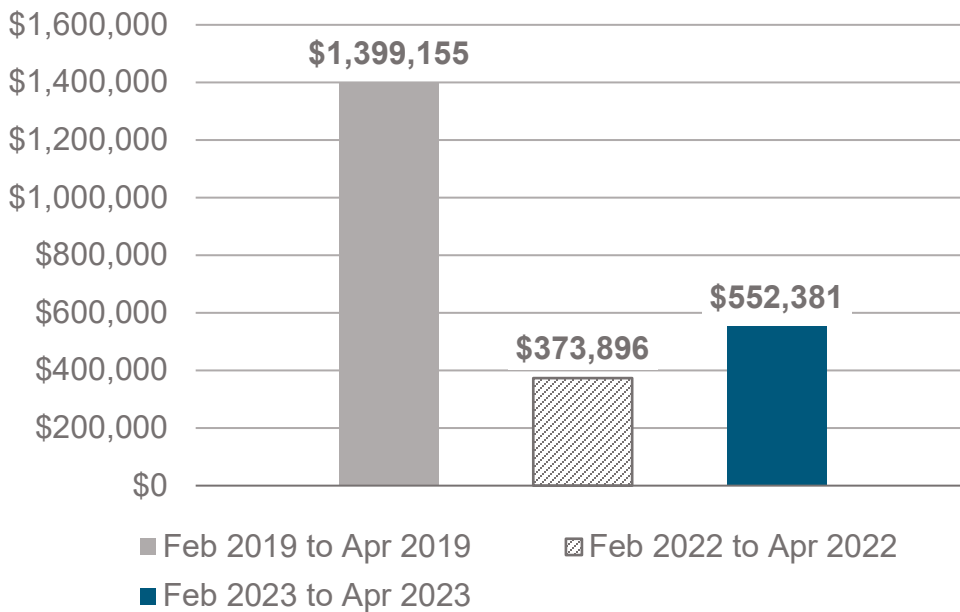
# Ridership and Revenue

## Advertising Revenue (3-Month Rolling Average)



Advertising Revenue declined substantially for transit agencies throughout the country with the onset of the COVID-19 pandemic.

## Parking Revenue (3-Month Rolling Average)



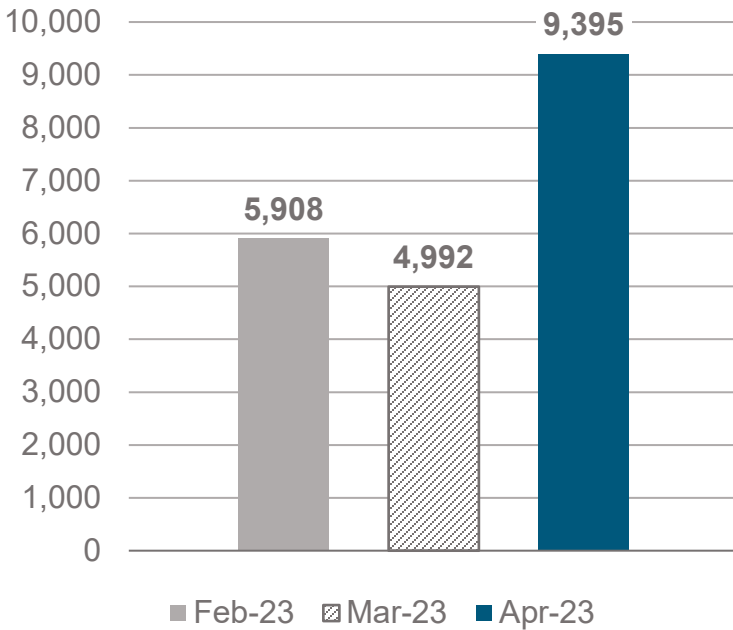
Parking Revenue is generated by purchases of daily and monthly parking permits for parking at Caltrain-owned lots.





# Maintenance Performance

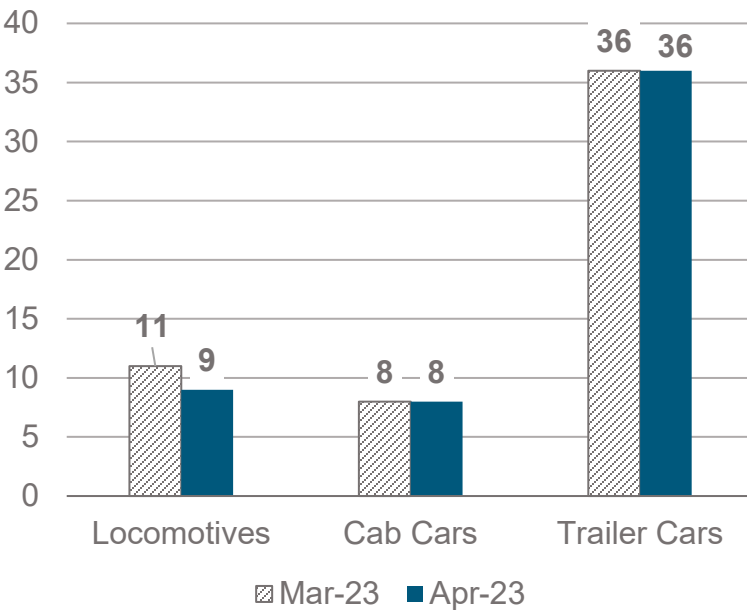
## Mean Distance Between Failure (Locomotives)



Mean Distance Between Failure (MDBF) is a measure of fleet reliability that represents the average distance traveled by train cars before maintenance or repair is required. A higher value indicates an improvement in reliability. Data is measured in miles.

The graph to the left represents MDBF for all passenger locomotives in Caltrain’s fleet.

## Equipment in Maintenance/Repair



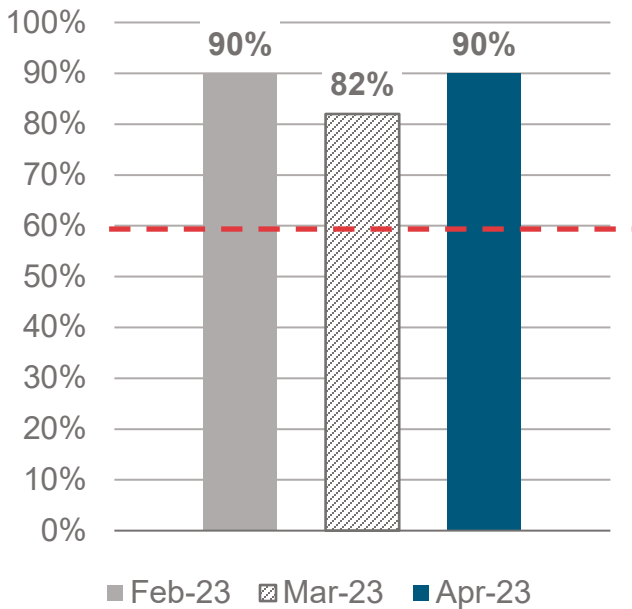
Equipment in Maintenance/Repair represents the number of locomotives and cars that are out of service on an average day each month due to routine and preventative maintenance or other repairs.





# Maintenance Performance

## Equipment Availability (Locomotives)

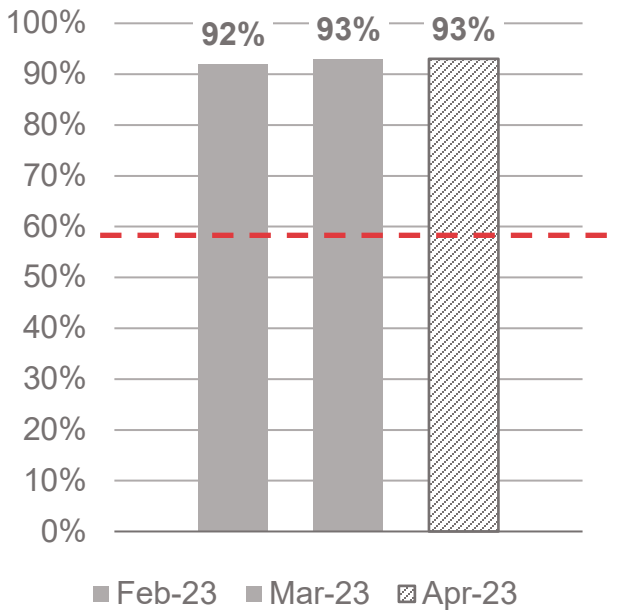


Equipment Availability is the number of cars or locomotives available for service on an average day each month as a percentage of the daily equipment required to run base service.

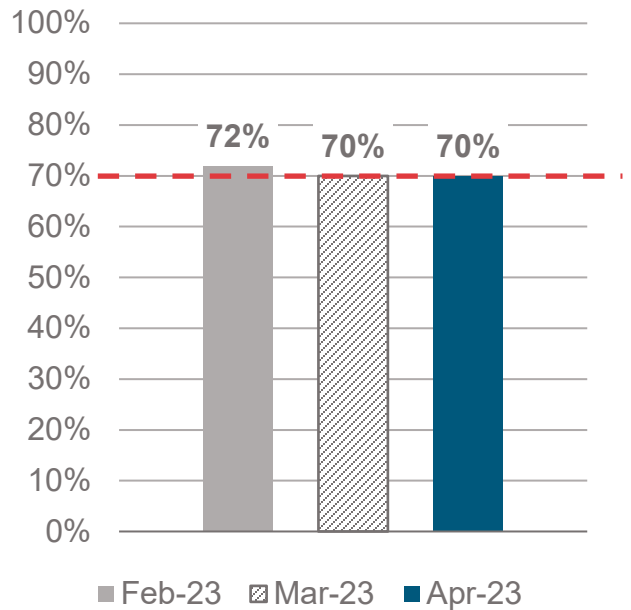
Caltrain currently owns 29 passenger locomotives, with 18 required daily; 36 cab cars, with 21 required daily; and 98 trailer cars, with 69 required daily.

The high average age of Caltrain’s current fleet, with around two-thirds being at the end of its useful life, significantly affects availability.

## Equipment Availability (Cab Cars)



## Equipment Availability (Trailer Cars)



Note: The dotted red line ( - - - ) on each graph represents the target line (i.e., the percentage of each equipment type required to run base service on an average weekday).





# Service and Program Updates

## Temporary Weekend Service Reductions for Electrification Construction

Caltrain will be suspending its service between San Francisco and Millbrae Stations on the weekends of June 10-11 and 17-18 in order to accommodate Caltrain Electrification construction and testing.

Caltrain encourages riders to seek alternative transit options. Limited bus service, known as a bus bridge, will be provided to Caltrain-dependent riders traveling to or from the affected area.

## Final Phase of Bayshore Overpass Rehabilitation Begins

The [Bayshore Station Overpass Rehabilitation Project](#) has entered its final phase of construction, where the pedestrian bridge and stairwells will have their protective coating replaced, ensuring it will remain safe and functional for years to come. Construction will close the overpass to riders, so Caltrain is running shuttle service between platforms so they can move from one to the other safely. The shuttle will operate between 4:30 am and 12:30 am and is aligned with train service. This \$6.87 million project is expected to be completed by August 8 of this year.





# Communications and Marketing Update

## Caltrain Communications and Marketing Campaigns for April 2023

- Press Release: "Caltrain Suspends Weekend Train Service Between Belmont and Menlo Park for Electrification Construction"
- Press Release: "Caltrain Reduces Weekday Service for Two Weeks for Electrification Construction"
- Press Release: "Caltrain Seeks Volunteers for Citizens Advisory Committee"
- Press Release: "Caltrain Suspends Train Service Between Menlo Park and Santa Clara on Weekends for Electrification Construction"
- Weekend Service Change
- Clipper Mobile (ongoing)
- 20% Off Caltrain Monthly Pass (ongoing)
- Clipper Start (ongoing)

## Digital Communications Report

In April, our messaging remained focused on the weekend closures that continued between Belmont and Menlo Park, and later shifted to Menlo Park and Santa Clara. This ongoing service change has impacted various communication channels, including social media, web platforms, and mobile applications. We have received positive feedback regarding the frequency and effectiveness of our communication.

During the first week of April, we adjusted some of our messaging to cater to SF Giants' fans, as the regular baseball season resumed.

From April 17th to the 28th, weekday service was reduced to 82 trains per day from 104 to accommodate electrification construction and testing.

On April 18th, a Rally for Transit Funding took place, which saw the participation of multiple agencies. Director Walton and Supervisor Preston were also in attendance.

To commemorate Earth Day on April 22nd, we created new content such as a blog and gif.





# Communications and Marketing Update

On April 25th, Mitch Landrieu, the White House Senior Advisor and Infrastructure Coordinator, visited the 4th and King location for a tour of the new electric trains.

## March Digital Marketing Highlights

- Giants return, regular season
- Distracted Driving Awareness Month
- Weekend closures
- Weekday closures
- Go Pass donation program
- Easter Sunday scavenger hunt, virtual
- Commuter Challenge
- Reducing to 4-car train sets
- Rally for Transit Funding
- Grand Opening of the gateway at Millbrae Station
- Earth Day – New GIF created
- Introducing new Caltrain Blog
- Visit from White House Senior Advisor
- Warriors move onto next round of playoffs





# Capital Projects Update

## Project: Guadalupe River Bridge Replacement

Project Description				Status Summary			
				Safety	Schedule	Budget	Funding
JPB will replace the MT-1 railroad bridge and extend and seismically retrofit the MT-2 railroad bridge over the Guadalupe River in the City of San Jose, Santa Clara County, California. The project is located just north of Willow Street and east of State Route (SR) 87 between the Tamien and San Jose Diridon stations.							
<b>Project Phase: 6 – Construction/Implementation</b>							
Project Costs (in thousands of dollars)						Estimated Completion	
	Current Budget	Committed to Date	Expended + Accruals				
Totals	63,699	15,831	13,229			02/16/25	
Percentages	100.00%	24.9%	20.8%				
<b>Project Highlights – Recent and Upcoming Work</b>							
<p>Construction activities in the month of April 2023 included the installation of bracing on the webs of existing MT1 steel girders, installation of sheet piling between MT1 and MT2, and demolition and removal of MT2 abutment 5. In addition, Valley Water issued an encroachment permit covering all activities for bridge demolition and construction.</p> <p>In May 2023, JPB anticipates the completion of bracing on the webs of existing MT1 steel girders, completion of the installation of sheet piling between MT1 and MT2, and demolition and removal of MT2 abutment 5. Also in May 2023, the JPB Board will consider an amendment to the Cooperative Agreement between VTA, ACE, and JPB to accept a funding contribution from ACE for the Guadalupe River Bridge Replacement Project.</p> <p>Funding status light yellow until planned FY25 funding appropriated by the Board in May 2024. Schedule status light yellow from mutual agreement with Contractor to delay NTP seven days.</p>							

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** – Green – Yellow – Red





# Capital Projects Update

## Project: Ticket Vending Machine (TVM) Upgrade

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will upgrade the existing TVM Server and retrofit and refurbish existing TVM machines to include functions planned for the Clipper program. The new machines will be able to dispense new Clipper cards (excluding discount Clipper cards that require verification of eligibility) and allow customers to add value to existing Clipper cards. In addition, the scope was increased to include upgrades to the credit card reader and database.	●	●	●	●
<b>Project Phase: 6 - Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	3,892	2,968	2,631	09/30/23
Percentages	100.00%	76.3%	67.6%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>The vendor Ventek completed Phase 4 of the TVM Upgrade project on May 12th. A total of 27 TVMs were upgraded in Phase 4.</p> <p>Start the final Phase 5 which will upgrade the remaining 27 TVMs.</p>				

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** ● – Green ● – Yellow ● – Red







# Capital Projects Update

## Project: Broadband Wireless Communications

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project will design a broadband wireless communications system along the Caltrain corridor for the wayside train maintenance diagnostics and passenger Wi-Fi service. The project will investigate leveraging the existing infrastructure such as the Overhead Contact System (OCS) poles and JPB fiber network to communicate with passing trains. Wayside antennas may be mounted on the OCS poles at a constant interval to communicate with moving trains that will be equipped with radios and antennas.	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	28,820	13,005	7,500	9/30/24
Percentages	100.00%	45.1%	26.0%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Held bi-weekly meetings with the contractor Nomad Digital. The contractor completed their trackside site survey. The contractor completed their EMU survey at the Stadler facility in Salt Lake City. The contractor submitted their revised preliminary system design for the EMU installations. The contractor also completed their survey of the control centers at San Jose and Menlo Park.</p> <p>Receive a revised preliminary system design for the trackside and control centers.</p>				

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red



# Capital Projects Update

## Project: Bayshore Station Bridge Painting

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will perform rehabilitation of the coatings of the existing steel pedestrian overpass bridge at the Bayshore Station in Brisbane. The bridge's paint coatings need rehabilitation due to surface rust. This work combined with a complete repainting of the bridge will bring the structure to a state of good repair.	●	●	●	●

**Project Phase: 6 – Construction/Implementation**

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	6,870	3,954	3,185	09/29/23
Percentages	100.00%	57.6%	46.4%	

**Project Highlights – Recent and Upcoming Work**

Continued to work with the Construction Management team to prepare and conduct weekly meetings with the Contractor Top Line Engineers. Worked with the Safety, Rail Operations, PCEP, Rail Customer Experience and Government Community Affairs team to identify a viable option to close the East and West Towers without affecting train operations for Board consideration. Continued to work with the Contractor in submitting a time impact analysis of the delays of the project in order to determine the extent of delays caused by the Owner or Contractor. Continued to work with PCEP team to identify OCS schedule to better align with the Bayshore Painting operations. Continued to work with Contracts and Legal Team in resolving the subcontractor substitution, stop payments, and legal actions from the Prime's Subcontractor.

Prepare necessary documents for shuttle services to begin on May 8th through August 22nd to support the stairs and towers closure as painting activities resume.

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red



# Capital Projects Update

## Project: MP-36 Locomotive Mid-Life Overhaul Project

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes 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 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 is occurring off-site at the contractor's facility location. The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 &amp; 928. In order to maintain daily service, only 1 to 2 of these locomotives are released at a time for overhaul work 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.</p>	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	14,833	13,173	6,809	
Percentages	100%	88.8%	45.9%	05/31/24
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Locomotive 924 ran through dynamic testing. A traction motor failure occurred again while in-service. Traction Motor number three failed motor was replaced. Two motors have been replaced to date. Unit has only run three days in service. Alstom has closed out open items from shipping on 924 and returned stock of warranty materials used for 927 repairs in 2022. At Mare Island 925 delayed due to traction motor removed to supply 924.</p> <p>Demonstrate that Unit 924 will reliably complete revenue service. Ship Unit 925. Meet with Alstom Senior Management about improving performance and mitigating delays.</p>				

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Watkins Ave Grade Crossing Safety Improvements

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>The scope intended for this Project would include safety improvements at Watkins Ave include the following:</p> <ol style="list-style-type: none"> <li>1. Installation of quad or exit gates</li> <li>2. Installation of new pedestrian gates</li> <li>3. Pavement markers and markings</li> <li>4. Sidewalk improvements including guard railing and fencing</li> <li>5. Installation of new sidewalk lighting</li> <li>6. Contribute to the Atherton station site improvements done by the Town of Atherton.</li> </ol>	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	4,161	2,561	933	01/31/2024
Percentages	100.00%	90.7%	82.4%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Held weekly construction meeting with the Contractor Granite Rock. The contractor received approval for the city's encroachment permit. Held a pre-construction meeting with PG&amp;E.</p> <p>The contractor mobilized and started demolition on May 8th.</p>				

**Note:** The Capital Projects information is current as of April 30, 2023, and is subject to change prior to the June 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red



# Acknowledgements

This report is made possible by contributions from the following groups and individuals.

## **Caltrain Planning**

Dahlia Chazan, Deputy Chief

Ted Burgwyn, Director, Rail Network and Operations Planning

## **Communications Division**

Robert Casumbal, Director, Marketing & Research

Jeremy Lipps, Digital Communications Manager

Julian Jest, Manager, Market Research & Development

## **Finance Administration**

Ryan Hinchman, Director, Financial Planning & Analysis

Bruce Thompson, Manager, Fare Program Operations

Dapri Hong, Budget Analyst III

## **Rail Administration / Rail Operations & Maintenance**

John Hogan, Chief Operating Officer

Patrice Givens, Administrative Analyst II

Graham Rogers, Business Operations Project Manager

Sam Sargent, Director, Strategy & Policy

Henry Flores, Deputy Director, Rail Vehicle Maintenance

## **Rail Development**

Rob Barnard, Deputy Chief

Andy Robbins, Director Capital Program Delivery

Jonathan Tillman, Director Capital Programs Management

Robert Cheung, Project Controls Deputy Director

Sowmya Karipe, Project Controls Specialist

## **Additional Support**

Caltrain Staff Coordinating Council

Don Esse, Senior Operations Financial Analyst

Margie Alexander, TASI

Sarah Doggett, MTC



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

**Draft Minutes of May 4, 2023**

**Members Present:** P. Burt, C. Chavez, R. Mueller arrived at 9:06 am, R. Medina, S. Heminger, M. Zmuda, D. Davis, J. Gee

**Members Absent:** S. Walton

**Staff Present:** M. Bouchard, J. Harrison, T. Bartholomew, C. Fromson, J. Hogan, P. Shrestha, D. Seamans, M. Tseng

**1. Call to Order / Pledge of Allegiance**

Chair Jeff Gee called the meeting to order at 9:00 am and Director Burt led the pledge of allegiance.

**2. Roll Call**

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

**3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances – There were no requests made.**

**4. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2): (One case)**

**5. General Counsel Report – Report Out from Above Closed Session**

*The Board convened in closed session at 9:05 am and reconvened in regular session at 9:45 am.*

General Counsel James Harrison stated there was no action to report.

**6. Public Comment for Items Not on the Agenda**

Jeff Carter opined on the need for distance-based fares and referenced ACE (Altamont Corridor Express) in the East Bay and Metrolink. He wants to see the new equipment and provided the example of a prior open house in San Francisco.

Adina Levin, Friends of Caltrain and Seamless Bay Area, commented on the polling that was published for a regional funding measure for public transportation.

**7. Report of the Executive Director**

- A presentation from Balfour Beatty to be provided during electrification project update
- Electrification project is ramping up with transition from operations to maintenance

- Moving forward with tree assessment and met with both CSCG (Caltrain Staff Coordination Group) and LPMG (Local Policy Makers Group) to emphasize safety, risks, and the importance of planning for future severe weather patterns
- TASI (TransitAmerica Services, Inc.) moving quickly with four-car consist that helps provide reduced maintenance and fuel use as well as ensuring two bike cars and one ADA (Americans with Disabilities Act) car
- BART (Bay Area Rapid Transit) announced schedule changes in September and staff will work with BART to improve communication, cooperation, and coordination on schedule changes and with the goal to retain connections at the Millbrae station
- Co-sponsoring Bike to Wherever Month to encourage and support the use of bikes to access the system; cyclists make up about 20 percent of our ridership
- CARB (California Air Resources Board) passed in-use locomotive regulation last week; kudos to staff working with CARB staff and the California Transit Association to ensure an alternative pathway for compliance
- Electrification Project - committed to a zero-emission future and support the State's efforts to reduce emissions and improve air quality
- Introduced Kate Jordan Steiner, new Chief Financial Officer

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

- BART's schedule change and staff's relationship with both agency's counterparts
- BART's collaboration with schedule change

#### Public comments

Aleta Dupree supported the four-car concepts and commented on BART's schedule change with the need for 20-minute frequencies.

Adina Levin commented on close collaboration and alignment at the Millbrae station transfer from a rider perspective.

Jeff Carter commented on the importance of coordinated transfers and fares. He mentioned that he cannot always clearly hear announcements at the Millbrae station.

Adrian Brandt commented on Europe using different length EMUs (electric multiple unit) trainsets for off-peak and low ridership periods. He also commented on a letter included in the agenda packet concerning the gates staying down at San Mateo station.

## **8. Consent Calendar**

- 8.a. Meeting Minutes of March 29, 2023
- 8.b. Meeting Minutes of April 6, 2023
- 8.c. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050

- 8.d. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2023
- 8.e. Amend and Increase the Fiscal Year 2023 Caltrain Capital Budget by \$171,941 from \$127,204,412 to \$127,376,353 to Receive Additional Funding in Support of the Middle Avenue Undercrossing Project
- 8.f. Authorize Execution of an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program
- 8.g. Authorize an Amendment to the On-Call Transportation Planning and Consultant Support Services Contracts
- 8.h. Authorization to Execute a Master Agreement with the California Department of Transportation for Federally Funded Projects
- 8.i. Authorization of the Execution of a Fund Transfer Agreement for and Receipt of State General Fund for the Caltrain Crossing Optimization Project
- 8.j. Award of Contract for Preliminary Engineering Design Services for the South Linden Avenue and Scott Street Grade Separation Project
- 8.k. Award of Contract for Construction Manager General Contractor Pre-Construction Services for the Mountain View Transit Center Grade Separation and Access Project
- 8.l. Authorize Use of Construction Manager General Contractor (CMGC) Project Delivery Method Pursuant to Public Utilities Code Section for the Rengstorff Avenue Grade Separation Project
- 8.m. Authorize Amendment of Cooperative Agreement between JPB, VTA, and ACE to Accept Funds from ACE for Guadalupe River Bridge Replacement Project and to Extend Term of Agreement
- 8.n. Authorize the Executive Director to Execute a Service Agreement (Agreement) with the City of Menlo Park for Activities Undertaken in Support of the Middle Avenue Undercrossing Project
- 8.o. State and Federal Legislative Update and Approval of Legislative Proposal: Support Assembly Bill (AB) 463 (Hart)

Motion/Second: Davis/Medina

Ayes: Burt, Chavez, Heminger, Medina, Mueller, Zmuda, Davis, Gee

Noes: None

Absent: Walton

## 9. Asian American and Pacific Islander Heritage Month

Tasha Bartholomew, Media Relations Manager, provided the resolution and highlights included the following:

- First Japanese immigrants arrived in the United States on May 17, 1843
- First transcontinental railroad was completed on May 10, 1869
- Asian Americans and Pacific Islanders make up 28 percent of Caltrain ridership
- Joint Powers Board adopted a resolution in support of diversity, equity, inclusivity, and antiracism in July 2021



Chair Gee thanked staff for the presentation and recognized that Caltrain as an inclusive organization.

Motion/Second: Chavez/Burt

Ayes: Burt, Chavez, Heminger, Medina, Mueller, Zmuda, Davis, Gee

Noes: None

Absent: Walton

Public comment

Aleta Dupree appreciated resolution and echoed sentiment of Caltrain being inclusive.

Director Burt noted that first Japanese immigrants in 1893 predated a lot of events in California history and appreciated the context.

Items 10 and 11 were heard together as related items.

**10. Award of Contract for Shuttle Services for the Bayshore Station Painting Project\* and**

**11. Authorization to Increase the Contract Contingency from 10% to 30% for the Bayshore Station Painting Project**

Robert Barnard, Deputy Chief of Design and Construction, provided the presentation, which included the following:

- Noted correction to staff report and presentation in the amount of \$206,688
- Due to corrosion on the stairs and elevator towers, this is also a structural rehabilitation project
- Reviewed the scope of work and still need access to and from the southbound platform
- Shuttle service for riders for an estimated 90 days to accommodate the needed work; no impact to operations and enhances safety of doing work

The Board had a robust discussion on shuttle service costs, duration, needs, and alternatives and staff provided further clarification in response to the following Board comments and questions regarding the following:

- Daily ridership metrics and costs associated for shuttle service
- Determination to keep station open and Title VI analysis for temporary closure
- Alternative transportation options and associated costs

Motion/Second: Chavez/Zmuda for both items 10 and 11 with requests made by the Board relative to information for future actions

Ayes: Burt, Chavez, Heminger, Medina, Mueller, Zmuda, Davis, Gee

Noes: None

Absent: Walton

**12. Fiscal Year 2024 and Fiscal Year 2025 Preliminary Operating and Capital Budgets**

Kathleen Kelly, Interim Chief Financial Officer, provided the presentation, which included the following information:

- Feedback and summarized recommendations from the Board Workshop on the Preliminary Capital Budget
- Provided preliminary operating budgets summary with projected revenues to go up, reimbursement of Measure RR funds, and increase in interest income related to TIRCP (Transit and Intercity Rail Capital Program) funding
- TASI contract savings related to negotiations of the new contract
- More Stadler cars contingent on available Federal funds with \$44 million local match
- Caltrain fares achieve approximately 45 percent recovery with no fare increase
- Looking at ways to attract and maintain riders for GoPass
- Funding from partnering agencies at about \$5 million each
- Biggest expense is rail operator service (TASI) and the Overhead Catenary System (OCS)
- Operating Reserve Policy indicates maintaining 10 percent but strive for 15 percent of operating budget
- Capital Reserve - \$20 million available for capital projects and continued refinement

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

- Decision on fuel hedging and how it changes with decrease in fuel usage
- Getting multi-year contracts for electricity usage
- Build staff team with OCS and TPS (Traction Power Substation) in engineering and maintenance expertise
- Revenue comparisons – use 2019 as baseline and a point of comparison
- Ways to drive GoPass participation; reduce parking fees at train stations for more use
- Capital Reserve Policy, fare revenue forecast, trends, and justification for current numbers

*Director Mueller left at 11:23 am*

**Public comments**

Jeff Carter commented tariff rates are expensive if electricity costs are locked in the PG&E (Pacific Gas & Electric Company) and appreciated fuel hedging.

Adrian Brandt commented on electricity versus fuel costs, contacting SFPUC (San Francisco Public Utilities Commission) for electricity at cost, and EMU regenerative breaking.

Adina Levin commented on the opportunity for all agency transit pass to pick up employers that in the past would not have considered GoPass.

Aleta Dupree said electricity runs cheaper than diesel fuel and supported electricity usage.

Chair Gee asked partner agencies to continue to work with them on member contributions and hopefully look for something multi-year.

**13. Capital Improvement Plan (CIP) Project Initiation** - deferred due to time constraints.

**14. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report**

Executive Director Bouchard noted that Pranaya Shrestha, CalMod Chief Officer, and will be joined with Mark Konchar, Balfour Beatty Infrastructure Inc. (BBI) Senior Vice President and Managing Director of US Rail Operations and Keith McCoy, new Senior Vice President of Operations and Program Director during presentation.

Pranaya Shrestha, CalMod Chief Officer, provided the following information:

- Summarized project highlights and completing weather impact work by September 2023
- One reported injury from January through March and top risk remains the Overhead Contact System (OCS) installation
- Summary of OCS production with load bank testing and short circuit testing this month
- Addressing document control as part of quality assurance

Casey Fromson, Chief Communications Officer, provided updates on:

- Weekend shutdowns recap and no weekend shutdowns from May to July.
- Bring electric trains out for public to see in the summer and customer communications

*Director Burt left at 12:34 pm*

Pranaya Shrestha, CalMod Chief Officer, introduced Mark Konchar and Keith McCoy with Balfour Beatty, who provided the following information:

- Addressed performance, importance of project, core organizational belief, and summarized what was heard regarding project
- Noted the need to earn back trust and deliver on promises and commitments
- Have roadmap updates every two weeks and they added 18 critical staff people since March 6th and had four key leadership changes in quality control
- Reviewed what has been done to resolve document control structure and issues and resolved and improved materials management issue
- Summarized BBI's philosophy and next steps, including steps to increase OCS production

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

- Appreciation for words of contrition, apology, and transparency
- Importance of dates for interim milestones and list of Top 10 Items
- Concern with wires and the average needed to be pulled
- Balfour Beatty Chairman to speak virtually in June

Public comments

Jeff Carter thanked staff for tour of new electrification trains as a way to build ridership.

Doug DeLong, Mountain View resident, expressed concern for the need to have PG&E de-energize some of their wiring to put up the last few poles in certain locations and the scheduling for getting the construction done.

Paul Wendt expressed interest in details of short circuit testing.

Aleta Dupree commented seeing less than 20 poles to finish and supported bringing in diverse talent to help.

Adrian Brandt commented wanting to see quantitative details.

Adina Levin commented on software that enables online schedule data in Google Maps and apps for customer communication.

*Director Burt left at 12:34 pm*

**15. Reports****15.a. Report of the Citizens Advisory Committee**

Brian Shaw, CAC Chair, provided an update on CAC discussions, which included the following:

- Three members are up for reappointment or for replacement
- Members who are terming out have been notified and may reapply
- Several comments received about the schedule change and the need to have information posted at stations

Due to time constraints, the following items were not heard:

**15.b. Report of the Chair****15.c. Report of the Local Policy Maker Group (LPMG)****15.d. Report of the Transbay Joint Powers Authority (TJPA)****16. Correspondence****17. Board Member Requests****18. Date/Time of Next Regular Meeting: Thursday, June 1, 2023 at 9:00 am.**

The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

**19. Adjourn**

Meeting adjourned at 12:44 pm.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Deputy Chief, Design and Construction  
Subject: **Capital Projects Quarterly Status Report – 3<sup>rd</sup> Quarter Fiscal Year 2023**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

**Action**

Staff Coordinating Council recommends the Board receives the Capital Projects Quarterly Status Report. The full report and a summarized version are in the following link:

<https://www.caltrain.com/about-caltrain/statistics-reports/quarterly-capital-program-status-report>.

**Significance**

The Capital Projects Quarterly Status Report is submitted to keep the Board advised as to the scope, budget, and progress of current ongoing capital projects.

**Budget Impact**

There is no impact on the budget.

**Background**

Staff prepares the Capital Projects Quarterly Status Report for the Board on a quarterly basis. The report is a summary of the scope, budget, and progress of capital projects. It is being presented to the Board for informational purposes and is intended to better inform the Board of the capital project status.

Prepared By: Robert Cheung Deputy Director, Project Controls (650) 730-0296



# Capital Program

## Quarterly Status Report and DBE Status Report



### 3rd Quarter Fiscal Year 2023 (January to March 2023)

Prepared for the June 01, 2023 Caltrain Board Meeting

## Summary

## Projects in Focus

**Concerning** (projects with red status lights)

### 1. 100439 - Bayshore Station Overpass Pedestrian Bridge Rehab

- **Schedule:** The pedestrian bridge work is complete, and now the project is delayed due to obtaining approval to close the East and West Towers for the Contractor to conduct painting operations through continuous days. Approval of the closing the East and West Towers required numerous coordination meetings with Safety, Rail Operations, Rail Maintenance, Operations Planning, Customer Access, Government Affairs, Communications, and Customer access to obtain a final consensus for a path moving forward. Contractor is working to add multiple shifts to further mitigate the schedule delays.

### 2. 100445 - Automatic Passenger Counters at San Francisco 4th & King Station

- **Schedule:** The COVID-19 Pandemic caused delay in development and logistics. The schedule issue was escalated within Centum Adetel and Caltrain. The Centum Team provided a revised Schedule to complete installation, commissioning and training by 04/30/2023. Project Manager to request schedule re-baseline at February 2023 Management Committee meeting.

### 3. 100667 - Bernardo Avenue Undercrossing

-**Schedule:** The schedule has been delayed due to the extensive analysis and review of the concept alternatives provided by the City to help them decide the path forward. The City has decided to move ahead with the preparation of 35% plans using their consultant. The schedule will be fine-tuned and submitted to management committee for re-baseline at May 2023 meeting.

-**Budget:** Project EAC is higher due to Construction and Construction Management cost estimate and requires additional funding. Project Manager to seek approval from Management Committee for increasing the budget and re-baseline at May 2023 meeting.

### 4. 100668 - Sunnyvale Grade Separation

- **Schedule:** The City of Sunnyvale is performing alternatives analysis for the Mary Avenue grade separation. The alternatives analysis and community outreach has taken longer than originally expected. The City will hand over the project to Caltrain once the conceptual (15% plans) study is complete. Caltrain will explore potential options to accelerate the project including alternative delivery methods.

### 5. 100685 - Verizon Sink Hole Repair San Jose

- **Schedule:** Project Schedule is extended due to delay in agreements between the parties. Request the Management Committee to re-baseline the schedule once the agreement with Verizon is finalized.

### 6. 100686 - Middle Avenue Undercrossing

- **Budget:** Additional alternatives analysis and price escalation are factors contributing to higher costs. Caltrain will work with the City to explore cost effective solutions.

**Watching** (projects with yellow status lights)**1. 002113 - Guadalupe River Bridges Replacement and Extension**

- **Schedule:** Limited Notice to Proceed was issued 7 calendar days later than planned.

- **Funding:** The JPB Board approved the funding plan for the project which relies on additional funding from the FY2024 and FY2025 SOGR Federal funding. Funds will be activated as needed to support the timely completion of the project.

**2. 100410 - Whipple Avenue Grade Separation Study**

- **Schedule:** The scope of work for the next phase of the project is to be determined but will likely include additional planning work. As a result the project will temporarily pause as Caltrain and City Staff discuss next steps.

**3. 100445 - Automatic Passenger Counters at San Francisco 4th & King Station**

- **Budget:** The COVID-19 Pandemic caused delay in development and logistics. The schedule issue was escalated within Centum Adetel and Caltrain. The Centum Team provided a revised Schedule to complete installation, commissioning and training by 04/30/2023. Project Manager to request schedule re-baseline at February 2023 Management Committee meeting.

**4. 100676 - San Mateo Replacement Parking Track**

- **Funding:** Additional funds to support construction required. Seek 50% match from MTC's Local Partnership Program funding to support spring 2023 construction.

**5. 100426 - Churchill Avenue Grade Crossing**

- **Schedule:** The schedule has been delayed as reference checks and meetings with contractor did not prove that they have required experience. Board approved rejection and re-bid of project. Project Manager to seek approval from Management Committee for re-baselining the schedule at June 2023 meeting.




**6. 100566 - San Mateo Grade Crossing Improvements**

- **Schedule:** The schedule has been delayed as no bids received on advertisement. Working towards assembling a new IFB package (combined with Churchill Grade Crossing project) that will re-advertise in April 2023. Project Manager to seek approval from Management Committee for re-baselining the schedule at June 2023 meeting.



**Performance Summary**

**Table S1. Projects in each status light by performance category**

Status Light	Safety	Schedule	Budget	Funding
 Green	100.0%	75.7%	91.9%	94.6%
 Yellow	0.0%	10.8%	2.7%	5.4%
 Red	0.0%	13.5%	5.4%	0.0%

(Percentage of projects in each status light by performance category)

**Table S2. Summary of project changes from previous quarter**

Status Changes	Projects	Pct. Projects
All green	25	67.6%
Improved	2	5.4%
Got worse	3	8.1%
Stayed the same (except all green)	7	18.9%
<b>Total Projects</b>	<b>37</b>	

**Note:** Starting with this report, the status light criteria has been updated to improve the balance between schedule lights triggered by Milestones delays vs. Schedule Performance Index (SPI). The latter tracks delays in terms of budgeted work (effort) while the former tracks number of days.

Caltrain - Quarterly Status Report

**Table S3. Individual Projects**

Project Number	Title	Safety		Schedule		Budget		Funding		Page
		Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	
<b>CONSTRUCTION/IMPLEMENTATION</b>										
<b>ROW Bridges</b>										
002113	Guadalupe River Bridges Replacement and Extension	●	●	●	●	●	●	●	●	7
100439	Bayshore Station Overpass Pedestrian Bridge Rehab	●	●	●	●	●	●	●	●	13
<b>ROW Grade Crossings</b>										
100522	Watkins Ave Grade Crossing Safety Improvements	●	●	●	●	●	●	●	●	19
<b>ROW Communications &amp; Signals</b>										
100278	Mary Avenue Traffic Signal Preemption	●	●	●	●	●	●	●	●	23
100403	Broadband Wireless Communications System	●	●	●	●	●	●	●	●	27
<b>Fare Collection</b>										
100240	Ticket Vending Machines (TVM) Rehab	●	●	●	●	●	●	●	●	31
<b>Miscellaneous</b>										
100233	MP-36 Locomotive Mid-Life Overhaul Project	●	●	●	●	●	●	●	●	37
100430	CCF BCCF Virtualization	●	●	●	●	●	●	●	●	41
100445	Automatic Passenger Counters at San Francisco 4th & King Station	●	●	●	●	●	●	●	●	44
100673	CCTV Study-Assessment	●	●	●	●	●	●	●	●	48
<b>DESIGN (includes Preliminary and Final Design, and Procurement)</b>										
<b>Grade Separations</b>										
002152	South Linden & Scott Grade Separation	●	●	●	●	●	●	●	●	52
100244	Burlingame Broadway Grade Separation	●	●	●	●	●	●	●	●	55
100482	Rengstorff Grade Separation	●	●	●	●	●	●	●	●	59
100617	Mountain View Transit Center Grade Separation & Access Project	●	●	●	●	●	●	●	●	64
<b>ROW Bridges</b>										
100427	San Francisquito Creek Bridge Conceptual Design & Community Engagement	●	●	●	●	●	●	●	●	69
<b>ROW Grade Crossings</b>										
100426	Churchill Avenue Grade Crossing	●	●	●	●	●	●	●	●	75
100563	FY21-22 Grade Crossing Improvements	●	●	●	●	●	●	●	●	78
100566	San Mateo Grade Crossing Improvements	●	●	●	●	●	●	●	●	81
<b>ROW Communications &amp; Signals</b>										
100432	Migration to Digital Voice Radio System	●	●	●	●	●	●	●	●	85
100449	Next Generation Visual Messaging Sign (VMS)	●	●	●	●	●	●	●	●	88
100572	Communication System SOGR	●	●	●	●	●	●	●	●	91
100614	Predictive Arrival/Departure System (PADS) Replacement	●	●	●	●	●	●	●	●	94
100616	Caltrain Fiber Connectivity to Passenger Stations and Digital Voice	●	●	●	●	●	●	●	●	97
<b>Miscellaneous</b>										
100676	San Mateo Replacement Parking Track	●	●	●	●	●	●	●	●	101
100684	Mini-High Platforms	●	●	●	●	●	●	●	●	104

Caltrain - Quarterly Status Report

**Table S3. Individual Projects (Continued)**

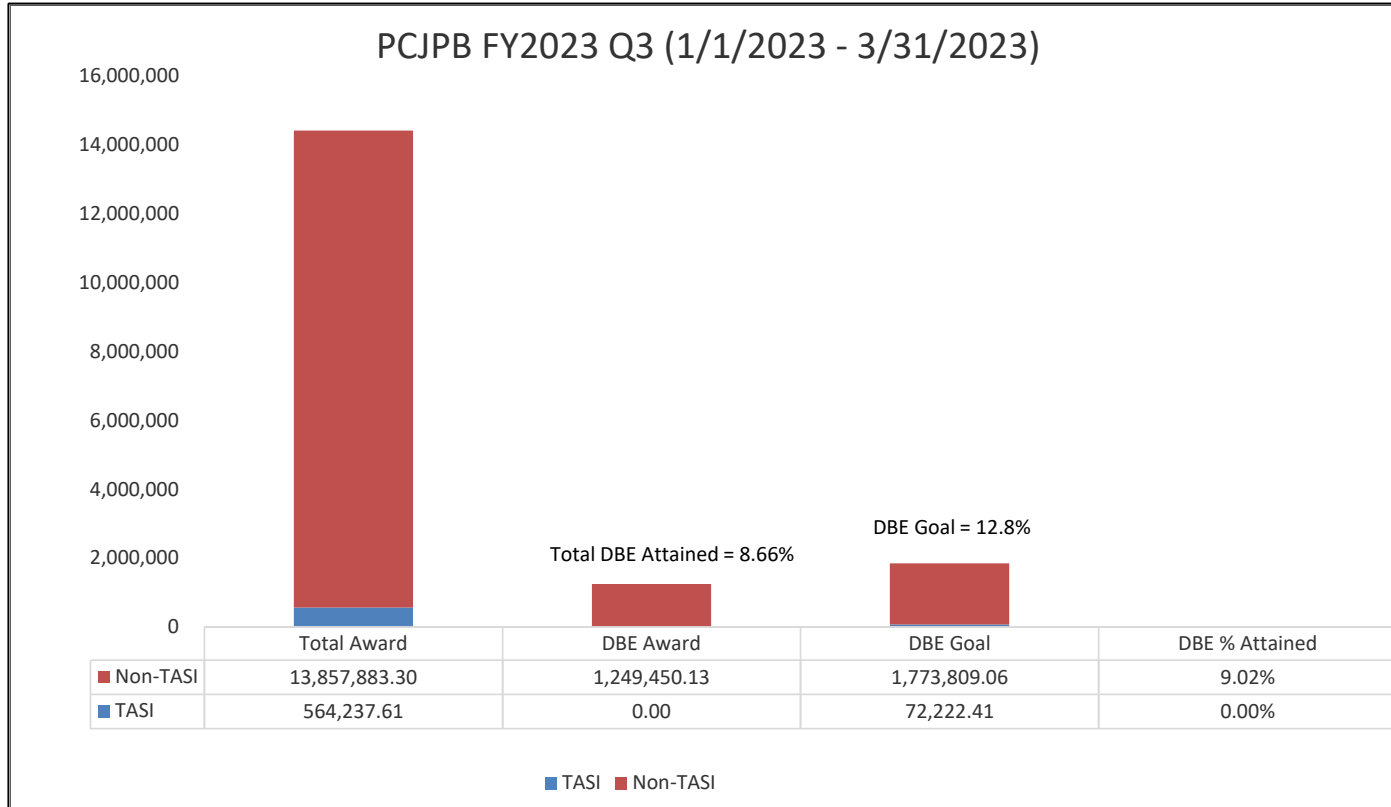
Project Number	Title	Safety		Schedule		Budget		Funding		Page
		Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	
<b>PLANNING (includes Initiation and Design to 15%)</b>										
<b>Grade Separations</b>										
100410	Whipple Avenue Grade Separation Study	●	●	●	●	●	●	●	●	108
100667	Bernardo Avenue Undercrossing	●	●	●	●	●	●	●	●	111
100668	Sunnyvale Grade Separation	●	●	●	●	●	●	●	●	114
100686	Middle Avenue Undercrossing	●	●	●	●	●	●	●	●	117
<b>Miscellaneous</b>										
100564	Enterprise Asset Management (EAM) Software System	●	●	●	●	●	●	●	●	122
100565	Update and Upgrade GIS System	●	●	●	●	●	●	●	●	125
100685	Verizon Sink Hole Repair San Jose	●	●	●	●	●	●	●	●	129
100687	Downtown Rail Extension (DTX)	●	●	●	●	●	●	●	●	132
100733	North Fair Oaks Bike and Pedestrian Crossing		●		●		●		●	135
<b>CLOSEOUT (includes Start-up/Turnover and Closeout)</b>										
<b>Grade Separations</b>										
002088	25th Avenue Grade Separation	●	●	●	●	●	●	●	●	140
<b>Stations</b>										
002146	South San Francisco Station Improvement	●	●	●	●	●	●	●	●	146
<b>Fare Collection</b>										
100574	Clipper Next Generation Validators Site Preparations	●	●	●	●	●	●	●	●	151

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**Appendix A - Disadvantaged Business Enterprise (DBE)**

**Disadvantaged Business Enterprise (DBE)**

# PCJPB Award



Note: The overall triennial DBE goal for Federal Fiscal Year 2023-25 is 12.8%. The total DBE attained is 8.66% for both TASI and Non-TASI combined.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Dahlia Chazan, Deputy Chief, Caltrain Planning  
Subject: **Authorize the Executive Director to Execute a Service Agreement (Agreement) with the City of Palo Alto For Activities Undertaken in Support of the Connecting Palo Alto Project**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

- 1) Authorize the Executive Director, or designee, to execute a Service Agreement (Agreement) For Reimbursement from the City of Palo Alto for Activities Undertaken in Support of the Connecting Palo Alto Project (Project) for \$106,676 of reimbursable Caltrain expenses; and
- 2) Amend the Project budget from \$0 to \$106,676, to include additional \$106,676 reimbursable expenses from the Agreement, increasing the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

**Significance**

The City of Palo Alto is the project sponsor for a proposed grade crossing separation project of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road in Palo Alto. The crossings at these three roads are currently at-grade, and are respectively located at mileposts 30.88, 32.86, and 33.20. The Project envisions separating these roads from the Caltrain rail alignment. Additionally, the Project would include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue.

The purpose of the Agreement subject to this staff report is for Caltrain to perform the following task:

- Coordination during early Conceptual Design and Selection of the Locally Preferred Alternatives

These services include, but are not limited to:

- Caltrain planning and technical review of design alternatives developed to date by the City.
- Caltrain review of community engagement and outreach plans and materials.
- Ongoing project coordination between the City and Caltrain staff.
- Caltrain to provide technical review, input, and expertise, including participation in the City's working meetings with their Design Engineer and public outreach meetings.

This first Agreement of several provides the initial framework for Caltrain staff to assist the City as it advances development of the conceptual designs for the alternatives described above.

The Agreement provides an initial not-to-exceed amount of \$106,676, of which \$17,779 is included as contingency funds, to cover Caltrain costs for the performance of the task described above.

The Agreement will expire on December 31, 2024, unless extended by mutual agreement of the parties. No procurement and construction activities are envisioned as part of the execution of this Service Agreement.

However, it is assumed by the parties that multiple Agreements and/or amendments will be needed as the City progresses towards completion of the conceptual design phase. These future Agreements and/or amendments will include updated schedules and budgets as appropriate. Future Agreements and/or amendments may include but are not limited to the following tasks:

- Coordination during Advanced Conceptual Design (Up to 15% Design).
- Alternative Contract Delivery Analysis to recommend the optimal contract delivery method based on the selected LPAs' unique characteristics and complexities.
- Development of a Cooperative Agreement to address funding, roles and responsibilities, budgets, and schedule for the subsequent phases.
- Development of the Request For Proposals (RFP/s) for advancing the project to the subsequent phases in accordance with the consensus alternative delivery method recommendation.

Staff will return to the Board for authorization to execute amendments to this Agreement or future Agreements, when appropriate.

### **Budget Impact**

The execution of the Agreement with the City of Palo Alto will provide funding for Connecting Palo Alto Project in Caltrain FY2023 Capital Budget, resulting in a project budget of \$106,676. This will increase the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

### **Background**

The City of Palo Alto initiated the plan to consider grade separation at all four of the existing at-grade crossings in Palo Alto a decade ago. Since 2017, the City's focus has been on the three (3) grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road as part of the Railroad

Grade Separation and Safety Improvements Capital Improvement Project, also referred to as “Connecting Palo Alto.”

Since Project initiation, the Palo Alto City Council created two (2) advisory panels to inform the alternatives analysis and decision-making processes. The Citizen Advisory Panel was created in 2018 for advising staff and consultants on developing alternatives and improving community outreach and communications efforts. The Expanded Community Advisory Panel (XCAP) was created in 2019, for the evaluation of the Connecting Palo Alto railroad grade separation alternatives at the three crossings. The City Council also has a Rail Committee.

In 2021 after receiving XCAP recommendations, the Palo Alto City Council selected the preferred alternative and backup alternative for Churchill Avenue and narrowed alternatives in consideration to the three alternatives at Meadow Drive and Charleston Road, listed below. In addition, the council directed staff to perform additional studies to further assist the review of the alternatives in consideration for the selection of preferred alternative(s) and reinitiated the Rail Committee.

Currently, five (5) conceptual alternatives are under consideration, either as preferred or back-up alternatives:

- Churchill Avenue:
  - o Churchill Avenue Partial Underpass. This alternative includes a pedestrian underpass at Kellogg Avenue or Seale Avenue. It was selected by the Palo Alto City Council as the locally preferred alternative in November 2021.
  - o Churchill Avenue Closure with Mitigation. This alternative includes two (2) options and is the “back-up alternative” for Churchill Avenue.
- Meadow Drive and Charleston Road:
  - o Meadow Charleston Trench.
  - o Meadow Charleston Hybrid.
  - o Meadow Charleston Underpass.

(00488530)

Prepared By: Nicole Soutanov

Deputy Director, Capital  
Program Planning

650-632-6867



**Resolution No. 2023 –****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Authorize the Executive Director to Execute a Service Agreement with the City of Palo Alto in Support of the Connecting Palo Alto Project**

**Whereas**, over the past year, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) and the City of Palo Alto (City) have negotiated and prepared this Agreement Regarding Coordination During Early Conceptual Design and Selection of the Locally Preferred Alternatives as part of the Connecting Palo Alto Project, and authorizing reimbursement from City to Caltrain for such efforts; and

**Whereas**, the City of Palo Alto is the project sponsor for the grade separation of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road, in Palo Alto, also referred to as the Connecting Palo Alto Project; and

**Whereas**, the City is still considering five (5) conceptual alternatives for this Project, including one (1) preferred alternative at Churchill Avenue referred to as “Churchill Avenue Partial Underpass”, one (1) back-up alternative at Churchill Avenue called “Churchill Avenue Closure with Mitigation”, and three (3) alternatives at Meadow Drive and Charleston Road (Meadow Charleston Trench, Meadow Charleston Hybrid and Meadow Charleston Underpass); and

**Whereas**, the Project would also include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue, in Palo Alto; and

**Whereas**, this Service Agreement (Agreement) provides a framework for Caltrain to assist the City as it advances development of the early conceptual designs for its five (5) conceptual alternatives and prepares the selection of its Locally Preferred Alternatives, and

**Whereas,** the execution of the Agreement between Caltrain and the City of Palo Alto will provide funding that will result in a project budget of \$106,676, and will require a capital budget amendment increasing the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029; and

**Whereas,** Staff recommend that the Board authorize the Executive Director, or designee, to execute an Agreement Regarding Reimbursement for Activities Undertaken in Support of the Connecting Palo Alto Project, with the City of Palo Alto for \$106,676 of reimbursable Caltrain expenses, and to take any other action necessary to implement the Agreement.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to execute an Agreement Regarding Reimbursement for Activities Undertaken in Support of the Connecting Palo Alto Project, with the City of Palo Alto for \$106,676 of reimbursable Caltrain expenses, and to take any other action necessary to implement the Agreement; and

**Be It Further Resolved** that the Board of Directors authorizes the amendment of the Connecting Palo Alto Project budget from \$0 to \$106,676, and the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

Regularly passed and adopted this 1<sup>st</sup> day of June 2023 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

\_\_\_\_\_  
JPB Secretary

**SERVICE AGREEMENT**  
**BETWEEN**  
**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**AND THE CITY OF PALO ALTO**  
**FOR THE**  
**CONNECTING PALO ALTO PROJECT**

THIS SERVICE AGREEMENT (“Agreement”) is made and entered into by and between the Peninsula Corridor Joint Powers Board, hereinafter referred to as “PCJPB” or “Caltrain,” and the City of Palo Alto, hereinafter referred to as “City,” as of the last date of signature set forth in the signature blocks.

**I. RECITALS**

**1. Project Description**

The City of Palo Alto is the project sponsor for the proposed grade separation of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road, in Palo Alto. The Project envisions separating these roads from the Caltrain rail alignment at these three current at-grade crossings, respectively located at mileposts 30.88, 32.86, and 33.20. Additionally, the Project would include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue. (See Appendix A). The City of Palo Alto is entering into this Agreement with Caltrain.

**2. Project Background**

The City of Palo Alto initiated the plan to consider grade separation at all four of the existing at-grade crossings in Palo Alto a decade ago. Since 2017, the City's focus has been on the three (3) grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road as part of the Railroad Grade Separation and Safety Improvements Capital Improvement Project, also referred to as “Connecting Palo Alto”. The crossing at Palo Alto Avenue was separate to be integrated with the Downtown Coordinated Area plan.

On May 23, 2022, the City Council approved an amendment to the City’s contract with AECOM – referred to in this Agreement as the “City’s Design Engineer” for the Railroad Grade Separation and Safety Improvements Capital Improvement Project. The amendment directs AECOM to conduct additional studies, outreach, and support to city staff to identify and develop the City’s locally preferred alternatives for the three grade separations.

Currently, five (5) conceptual alternatives are under consideration, either as preferred or back-up alternatives:

- Churchill Avenue:
  - **Churchill Avenue Partial Underpass.** This alternative includes a pedestrian underpass at Kellogg Avenue or Seale Avenue. It was selected by the Palo Alto City Council as the locally preferred alternative in November 2021.
  - **Churchill Avenue Closure with Mitigation.** This alternative includes two (2) options and is the “back-up alternative” for Churchill Avenue.
- Meadow Drive and Charleston Road:
  - **Meadow Charleston Trench.**
  - **Meadow Charleston Hybrid.**
  - **Meadow Charleston Underpass.**

Since Project initiation, the Palo Alto City Council has created two (2) advisory panels to inform the alternatives analysis and decision-making processes. These advisory panels are the Citizen Advisory Panel, created in 2018 for advising staff and consultants on developing alternatives and improving community outreach and communications efforts, and the Expanded Community Advisory Panel, created in 2019, for the evaluation of the Connecting Palo Alto railroad grade separation alternatives at the three crossings. The City Council also has a Rail Committee.

### **3. Caltrain Processes Background**

Upon invitation, Caltrain presents updates on capital project efforts adjacent to the City of Palo Alto led grade separation projects at the City’s Rail Committee. In September 2022, Caltrain staff briefed this committee on the San Francisquito Creek Bridge’s due diligence effort. Topics included: inspection methodology, bridge monitoring plan, estimated timing of bridge replacement, proposed coordination strategy with the City, and project next steps.

In December 2022, Caltrain staff presented information to the Rail Committee pertaining to the Service Agreement process. Presentation topics included: update from ongoing coordination between City and Caltrain, technical guidance still needed by City, the purpose and need for service agreements, present and future City/Caltrain service agreement scope, timing for project handoff to Caltrain, and project next steps.

Since about 2018, Caltrain has received correspondence from the City of Palo Alto documenting the City's desire to explore grade exceptions, requesting the elimination of the four-tracking requirements in Palo Alto, and requesting the review of several design criteria including, but not limited to, increasing the maximum allowable grade design and reducing vertical clearance standards. Caltrain provided responses to the City’s inquiries on these topics in December 2018 and August 2022.

In its response to the City of Palo Alto, Caltrain described how it would address the technical questions surrounding the City’s three grade separation projects. This third-party Service Agreement provides a framework for Caltrain staff to review specific technical and design related questions as they pertain to the grade separation alternatives under consideration, their specificities, and uniqueness. The questions to be addressed include the curve of the track alignment at Palo Alto Ave, the vertical clearance standard, and the thickness of the bridge deck.

Regarding four track refinement, Caltrain is currently engaging in further work to refine the four-track segments through the Corridor Crossings Strategy in order to support the Board adopted service vision. This analysis will involve consideration of four-tracking along the entire Caltrain Corridor; this geographic scope is required to complete the analysis. The analysis will also include consultation with UPRR. Caltrain expects to complete this work by the end of 2023, but should note that it will require JPB action to finalize.

Should the City's timeline for advancing these projects not accommodate the timing needed to determine the limits of a future four-track segment in northern Santa Clara County, Caltrain would require the City of Palo Alto to pursue a design that does not preclude a four-track segment. In this instance, Caltrain staff would assist City staff in determining the most appropriate path forward to revise the current alternatives under consideration.

#### **4.1 Third Party Service Agreement During Early Conceptual Design (and Selection of Locally Preferred Alternative (LPA))**

As the third-party project sponsor, the City is required to coordinate with Caltrain staff as the City undertakes the conceptual design phase of the capital project development process and prepares for the City Council's selection of LPAs.

This coordination is needed to verify compliance with Caltrain planning and design criteria and other documentation as mentioned above and included below in Section II. This Agreement outlines necessary Caltrain participation and technical review, as well as an associated budget and schedule for Caltrain staff time that is reflective of the level of support required during this early phase of the project. The level of Caltrain involvement is based on Caltrain's assessment of the project's scale, complexity, and the specific requests expressed thus far by the City of Palo Alto in previous correspondence to Caltrain.

The purpose of this initial Agreement is for Caltrain to provide early coordination and technical input and expertise to inform the process, while the City manages the development of alternatives, considers tradeoffs, and ultimately selects the LPAs to advance for community input and consideration of potential environmental consequences. Typically, the conceptual design phase culminates in the production of 15% design documents that reflect the community's LPAs and compliance with Caltrain's standards and requirements. *For more information on Design Standards, see Section 4.2.* However, Caltrain understands the City may reach final decisions on the LPAs before or without producing the full list of 15% design documents. Under this scenario, Caltrain will work with City staff to determine the necessary deliverables needed to advance the projects to the next design phase.

This first Agreement of several provides the initial framework for Caltrain staff to assist the City as it advances development of the conceptual designs for the alternatives described above in Section I.2 (Project Background). It is assumed by the parties that multiple Agreements and/or amendments will be needed as the City progresses towards completion of the conceptual design phase. These future Agreements and/or amendments will include updated schedules and budgets as appropriate.

On a broad level, it is anticipated that agreements for future work phases will include tasks such as those identified below. It is assumed by the parties that the City of Palo Alto and Caltrain will

collaboratively develop future scopes of work to reach consensus on the work needed to advance the project to the next phase.

It is understood that the conceptual plans being developed by the City for the selection of its LPAs will require additional design work for the Preliminary Engineering and Environmental phase of the project and that there will be significant community involvement during all phases of the project. Future Agreements and/or amendments may include but may not limited to the following tasks:

- **Coordination during Advanced Conceptual Design (Up to 15% Design):** Caltrain planning coordination, technical review and comments of advanced design alternatives (LPAs) further developed by the City prior to Preliminary Engineering/Environmental Clearance phase.
- **Alternative Contract Delivery Analysis** to recommend the optimal contract delivery method based on the selected LPAs' unique characteristics and complexities. Document recommendations in an Alternative Project Delivery Decision Report.
- **Development of a Cooperative Agreement** to address funding, roles and responsibilities, budgets, and schedule for the subsequent phases.
- **Development of the Request For Proposals (RFP/s)** for advancing the project to the subsequent phases in accordance with the consensus alternative delivery method recommendation. The scope of work for the RFPs will vary as necessary based on the recommended contract delivery method selected for the project.

The scope of work specified in the agreement may be modified by mutual written agreement of the project managers so long as the work is completed within the timeline and budget of the agreement.

#### **4.2 Caltrain Design Standards**

Determination of compliance with Caltrain's standards is typically achieved through review of Preliminary (15%) Design Submittal Checklist items (See Appendix C) and namely, the Preliminary 15% Design Criteria and Basis of Design. Caltrain's Engineering Standards include design criteria, specifications, drawings, design and maintenance of structures, excavation support systems and CADD standards.

Given the City-led conceptual design phase is not scoped to produce all Preliminary (15%) Design deliverables listed in the Checklist, Caltrain will assist City staff and their conceptual design consultants with interpreting Caltrain standards and incorporating them into the alternatives currently under considerations.

It is understood by all parties that Caltrain's Engineering Standards (Design Criteria, Standard Drawings and Standard Specifications) are currently being updated to accommodate for an electrified rail environment. Caltrain will work with the City to identify and communicate those standards which are currently being updated and their planned completion, as well as how best to incorporate these updated standards into project documents.

## II. TERMS OF AGREEMENT

### 1. Scope of Work

To support the review and coordination of the City's initial conceptual design phase and selection of LPAs, the tasks described in this Scope of Work will be completed by Caltrain under this Agreement.

It is assumed that regular coordination and document review meetings will be held between participating parties on an as-needed basis among staff for the City and Caltrain.

Caltrain will provide a Project Manager who is knowledgeable about the project and Caltrain processes, and who will lead the coordination efforts among Caltrain and City staff. The City will provide a Project Manager who is knowledgeable about the project and the City's processes, and who will be the main point of contact for Caltrain.

#### 1.1. Coordination during early Conceptual Design and Selection of LPAs:

This Agreement assumes the City will ultimately provide Caltrain with many of the deliverables listed in the Preliminary (15%) Design Submittal Checklist by the end of the early conceptual design phase. Items listed in Appendix C, are provided for the City's information and planning purposes, as these design-related items are typically needed and, in some cases, required for Caltrain to determine the feasibility and constructability of a proposed project. As the City progresses through the conceptual design phase, Caltrain will work with the City to determine which of these items are needed to determine the presence of any fatal flaws in the proposed concept designs. Caltrain will also work with the City to determine which of these items can be provided in a subsequent work phases.

The following services will be delivered by Caltrain staff as part of the Coordination during early Conceptual Design, and Selection of LPAs task:

- Caltrain planning and technical review of design alternatives developed to date by the City.
- This initial Agreement assumes up to 3 rounds of Caltrain review and comment of up five (5) conceptual design alternatives. This Agreement also assumes that the first round of review will be performed on the current five (5) design alternatives still under consideration and the second and third rounds of review will be performed after the City's revision/s of the alternatives based on Caltrain comments.

This technical work typically includes the following activities:

- Identify potential impacts to PCJPB facilities and their access as well as impacts to operations and maintenance for each alternative.
- Identify potential access impacts to PCJPB facilities as they relate to people walking, biking, and using buses or shuttles to access Caltrain for each alternative. This includes wider streets, less direct routes, or degradation of existing facilities.
- Identify specific facilities that may be affected by the various alternatives (Third-party fiber optic cable, PCJPB fiber backbone, Positive Train Control, Communications, Overhead Catenary Systems, Track, Right-of-Way access, etc.).

- Provide any clearances that will need to be considered as part of design – separation from track (vertical and horizontal), separation from catenary, clearance to utilities, etc.
  - Consider potential environmental impacts, as well as necessary environmental clearances and resource agency permits for PCJPB to obtain at later design stages.
  - Include any considerations the City should be aware of to reduce risk/cost.
  - Review of engineer’s cost estimates for the alternatives being considered.
- Caltrain review of community engagement and outreach plans and materials and attendance at community meetings as appropriate.
  - Ongoing project coordination between the City and Caltrain staff (planning, engineering, operations, maintenance, outreach, environmental). This coordination includes Caltrain staff assisting the third-party project sponsor with ongoing questions related to planning, engineering, delivery, operations, maintenance, and outreach.
  - Up to ten (10) meetings/workshops with City and Caltrain staff.
  - Provide technical review, input, and expertise, including participation in the City’s working meetings with their Design Engineer and public outreach meetings.

**2. Project Delivery Process & Schedules**

2.1 Capital Projects Delivery

Caltrain has an internal capital projects delivery process that defines distinct phases and periodic check-ins after each project phase. This methodology is used as quality control oversight by Caltrain leadership to ensure that projects proceed in alignment with scope, budget, and schedule as approved in the capital budget. The span of this Agreement is included as part of Phase Gate 2.

2.2 Estimated Milestones

This information is offered for reference. As project-specific schedules are developed, these check-in points will be identified as milestones in accordance with this process. For this project, the initial estimated milestone dates are:

Gate 1 - Project Initiation (per Caltrain internal process)	October 2022
Gate 2 - 15% Development Complete	TBD
Gate 3 - 35% Development Complete	TBD
Gate 4 - 65% Development Complete	TBD
Gate 5 - 100% Development Complete	TBD
Gate 6 - Substantial Completion	TBD
Gate 7 - Start-Up / Turnover Complete	TBD
Gate 8 - Project Closeout Complete	TBD

As it relates to the Agreement’s Scope of Work, the estimated timelines and milestones are included below. These timelines assume concurrence from Palo Alto City Council for the selection of the LPAs.



These timelines may be adjusted as circumstances require upon the written agreement of the parties, which shall not be unreasonably withheld.

Service Agreement Estimated Timeline	2023												2024											
	Caltrain FY23			FY24									FY25											
	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D			
<b>1. Coordination during early Conceptual Design, and Selection of LPAs</b>																								
Ongoing project coordination between the City and Caltrain staff (planning, engineering, operations, maintenance, outreach, environmental)																								
Up to three (3) rounds of Caltrain review of the City's five conceptual design alternatives																								
Caltrain review of community engagement and outreach plans and materials																								
Caltrain review of available project deliverables from the Preliminary (15%) Design Submittal Checklist by the end of the early conceptual design phase																								

**3. Work Product Review Periods**

The estimated timeline above includes City and Caltrain review periods.

It is understood that Caltrain will require time to perform review of five (5) municipal alternatives. The durations of these reviews will be based upon the size and complexity of the project and its deliverables, and Caltrain will endeavor to meet the established timeframes.

It is understood that the City of Palo Alto will require up to three (3) weeks to review documents produced by Caltrain and Caltrain will require up to three (3) weeks to review documents produced by the City and/or its consultants, unless different review schedules are agreed upon by all parties in advance.

**4. Budget, Reporting, and Payment**

As consideration for the services provided by Caltrain under this Agreement, the City will pay the costs for Caltrain’s services, as estimated herein. Costs associated with activities described within this Agreement have been estimated based on Caltrain’s current understanding of the project to date and information provided by the City. This estimate also assumes that Caltrain staff will work with City staff to develop subsequent scopes of work for subsequent agreements and amendments.

This estimate is not intended to represent final project costs or bid cost. Every effort will be made by all parties to keep the overall project’s cost as low as possible while delivering the intended scope and objectives within schedule.

#### 4.1 Progress Reports

Caltrain will provide the City with quarterly progress reports on expenditures, and the City will provide Caltrain with quarterly progress reports on work activities completed and project status.

#### 4.2 Estimated Budget

The overall estimated budget for the tasks outlined in this Agreement is estimated at: **\$106,676.4** which includes \$17,779.4 in contingency funds (20% of the budget estimate total). See Appendix B for budget details.

#### 4.3 Caltrain Fully Burdened Unit Cost Rates and Contingency Funds

Caltrain's billing rates are designed to ensure reimbursement of actual costs to Caltrain for services provided on third-party projects.

Caltrain's billing rates include actual salaries and fringe benefit costs, which are billed as direct labor costs. Additionally, Caltrain rates also include indirect labor costs in the form of Internal Cost Allocation Plan (ICAP) rates, which reflect actual overhead costs that are not efficient to charge directly to the project, such as financial services.

Both fringe benefit costs and estimated ICAP rate are updated on a fiscal year (FY) basis. More details on the current rates applied to San Mateo County Transit District ("District") labor including Caltrain, Consultants and Non-labor, in Appendix E.

Contingency provides funds for additional hours. Contingency funds will not be utilized without prior written (via email) authorization from the City. However, the City's authorization for the release of contingency funds will not be unreasonably withheld.

It is understood that Caltrain may submit a written request to the City for annual labor rate update, no later than 30 days before the start of the succeeding fiscal year, to be effective the first day of the subsequent fiscal year, or the date of Caltrain's request, whichever date is later. Caltrain may also submit a written request to the City for labor rate changes upon staff changes. Increases in future negotiated fully burdened billing rates, if requested, shall be limited to an annually negotiated, not-to-exceed percentage, according to the Construction Cost Index from the Engineering News Record for the San Francisco Bay Area. Caltrain's requests for new rates shall be subject to approval by the City, which approval shall not be unreasonably withheld.

#### 4.4 Payment and Invoices

The PCJPB will invoice the City for work performed under this Agreement quarterly in arrears. Payment by the City is due 30 days following the date of each invoice.

### 5. Term of Agreement

a. It is understood by all parties that this Agreement will terminate on **December 31, 2024**, unless Caltrain (e.g., Capital Development or Planning PM) and the City (e.g., Public Works Director) mutually agree to extend the duration of this Agreement or the Agreement is earlier terminated pursuant to paragraph (b).

b. Either party may terminate this Agreement by providing 30 days prior written notice, provided that City shall reimburse Caltrain for all costs incurred by Caltrain through the termination of the Agreement .

**6. Governing Law**

This Agreement shall be interpreted, construed, and enforced in accordance with the laws of California.

**7. Amendments**

This Agreement may be amended at any time and from time to time, provided such amendments are in writing and executed by the Parties.

**8. Entire Agreement**

This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes any prior oral or written understanding on the same subject.

IN WITNESS WHEREOF, PCJPB and the City execute this Agreement as follows with the intent to be legally bound:

PENINSULA CORRIDOR  
JOINT POWERS BOARD

CITY OF PALO ALTO

By:

By:

\_\_\_\_\_  
Michelle Bouchard  
Executive Director

\_\_\_\_\_  
Ed Shikada  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved by:

\_\_\_\_\_  
Philip Kamhi  
Chief Transportation Official

\_\_\_\_\_  
Date

Approved as to Form:

Approved as to Form:

\_\_\_\_\_  
James C. Harrison  
General Counsel

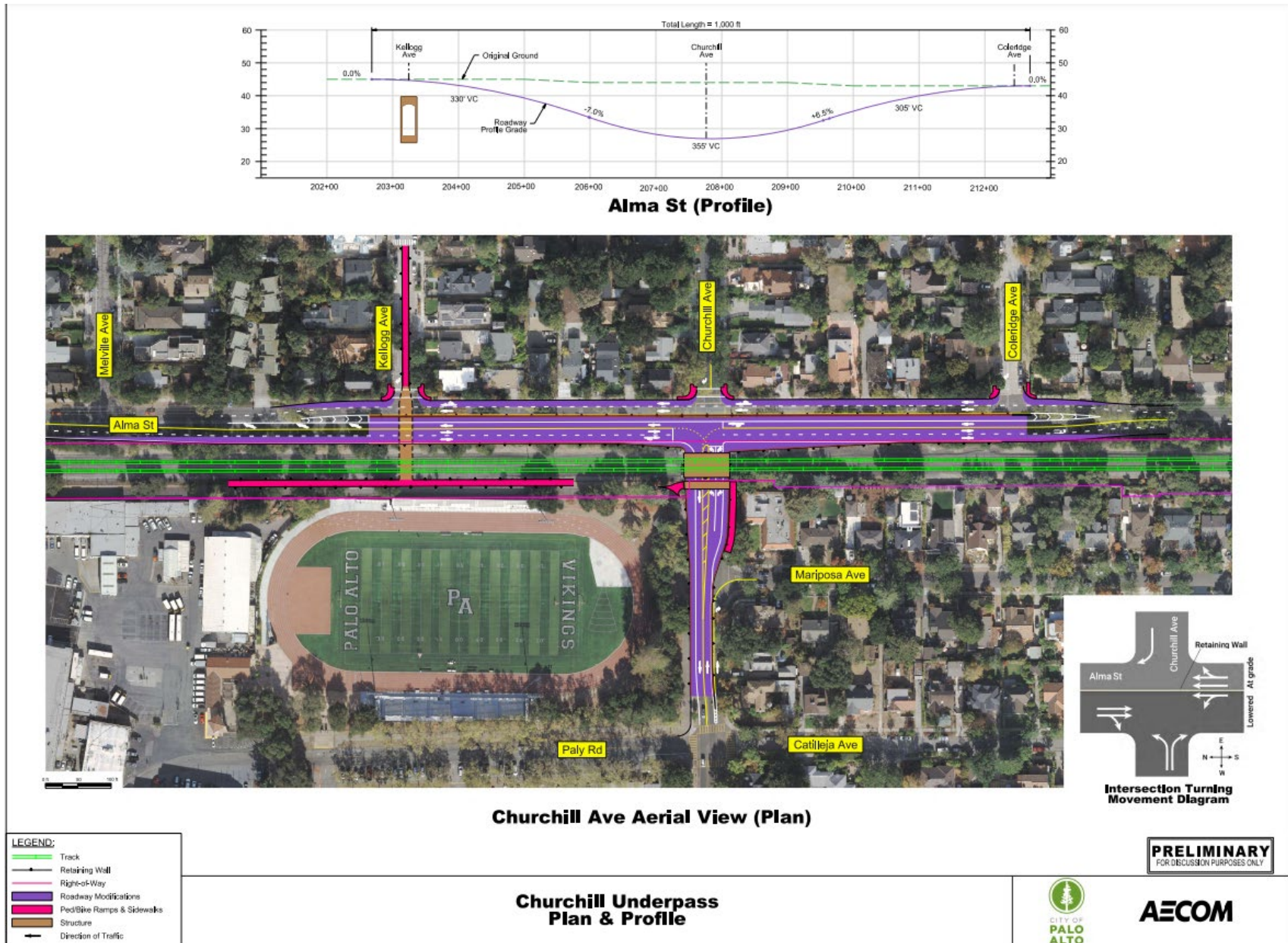
\_\_\_\_\_  
Tim Shimizu  
Assistant City Attorney

\_\_\_\_\_  
Date

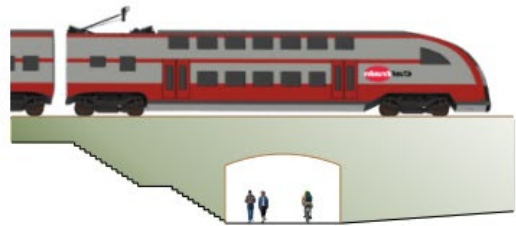
\_\_\_\_\_  
Date

**Appendix A – CONNECTING PALO ALTO PROJECT DRAWINGS**

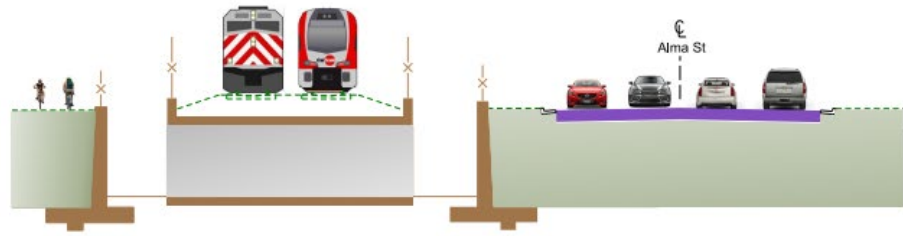
**Appendix A.1 – CHURCHILL AVENUE PARTIAL UNDERPASS DRAWINGS**



### Appendix A.2 – CHURCHILL AVENUE CLOSURE WITH MITIGATIONS (OPTION 1)



**Section A-A**



**Section B-B**



**Churchill Avenue (Plan)**

**LEGEND**

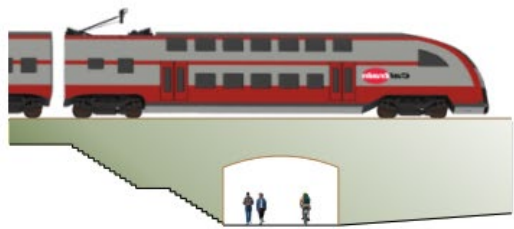
- Fence
- Right-of-Way
- Ramp
- Landscaping
- Roadway Modifications
- Sidewalk Modifications
- Undercrossing Structure
- Stairway

**Pedestrian/Bicyclist Undercrossing at Churchill Avenue  
Plan & Cross Sections  
Option 1**

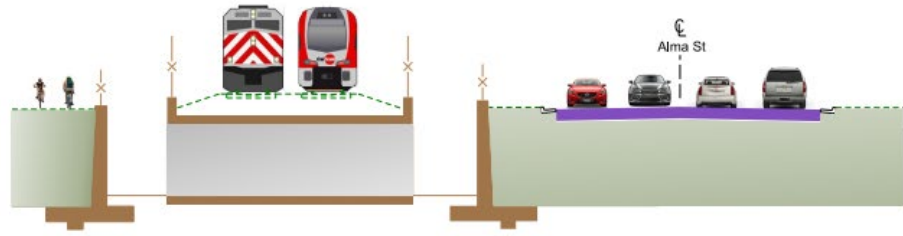
**PRELIMINARY**  
FOR DISCUSSION PURPOSES ONLY



### Appendix A.3 – CHURCHILL AVENUE CLOSURE WITH MITIGATIONS (OPTION 2)



**Section A-A**



**Section B-B**



**Churchill Avenue (Plan)**

**LEGEND**

-  Fence
-  Right-of-Way
-  Ramp
-  Landscaping
-  Roadway Modifications
-  Sidewalk Modifications
-  Undercrossing Structure
-  Stairway

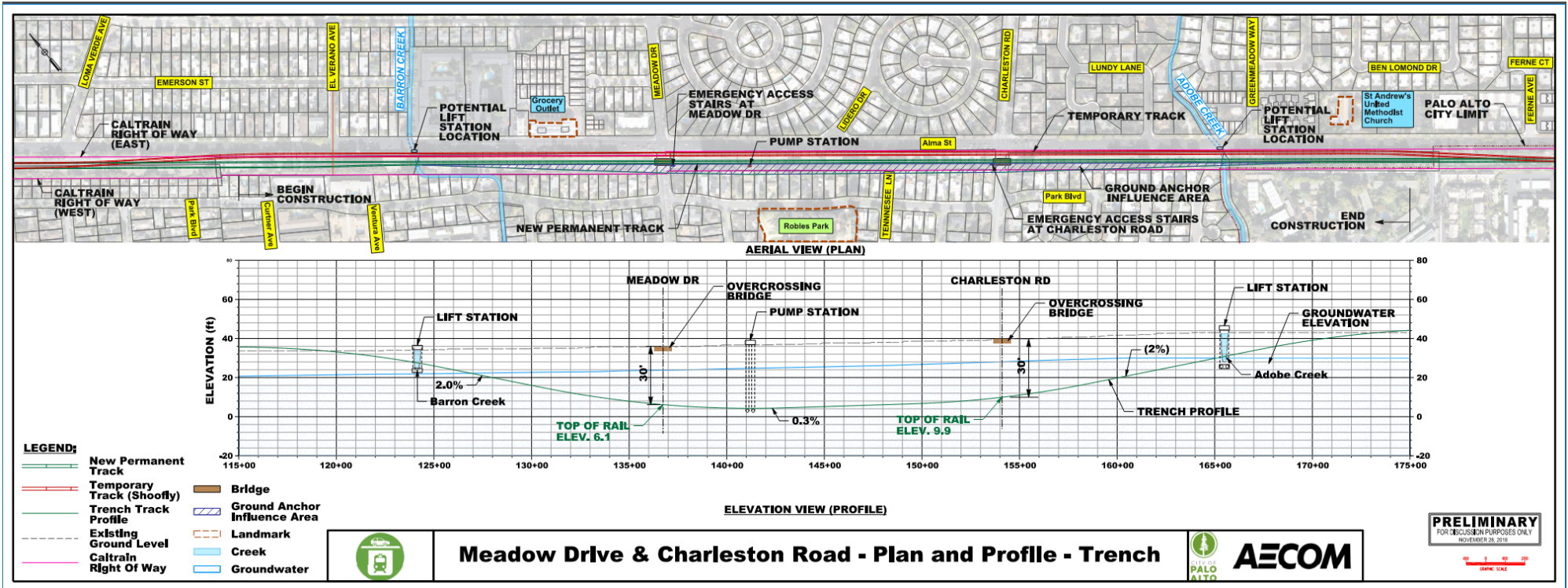
### Pedestrian/Bicyclist Undercrossing at Churchill Avenue Plan & Cross Sections Option 1

**PRELIMINARY**  
FOR DISCUSSION PURPOSES ONLY

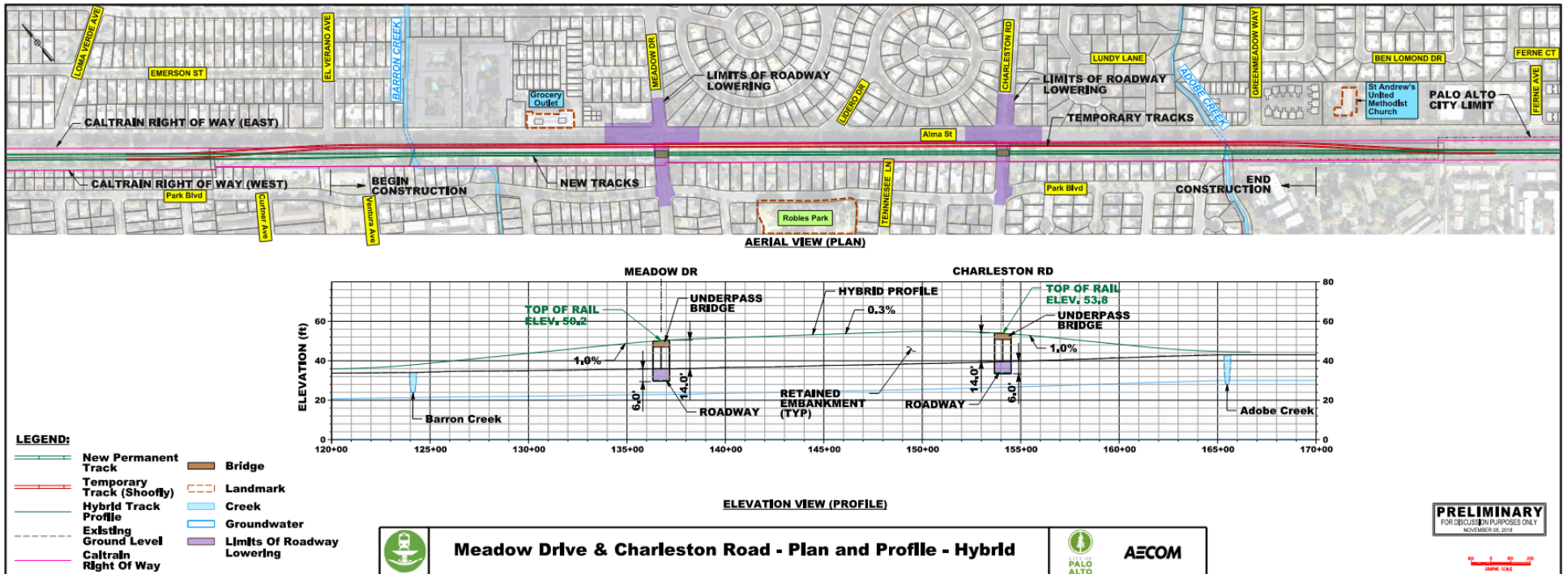




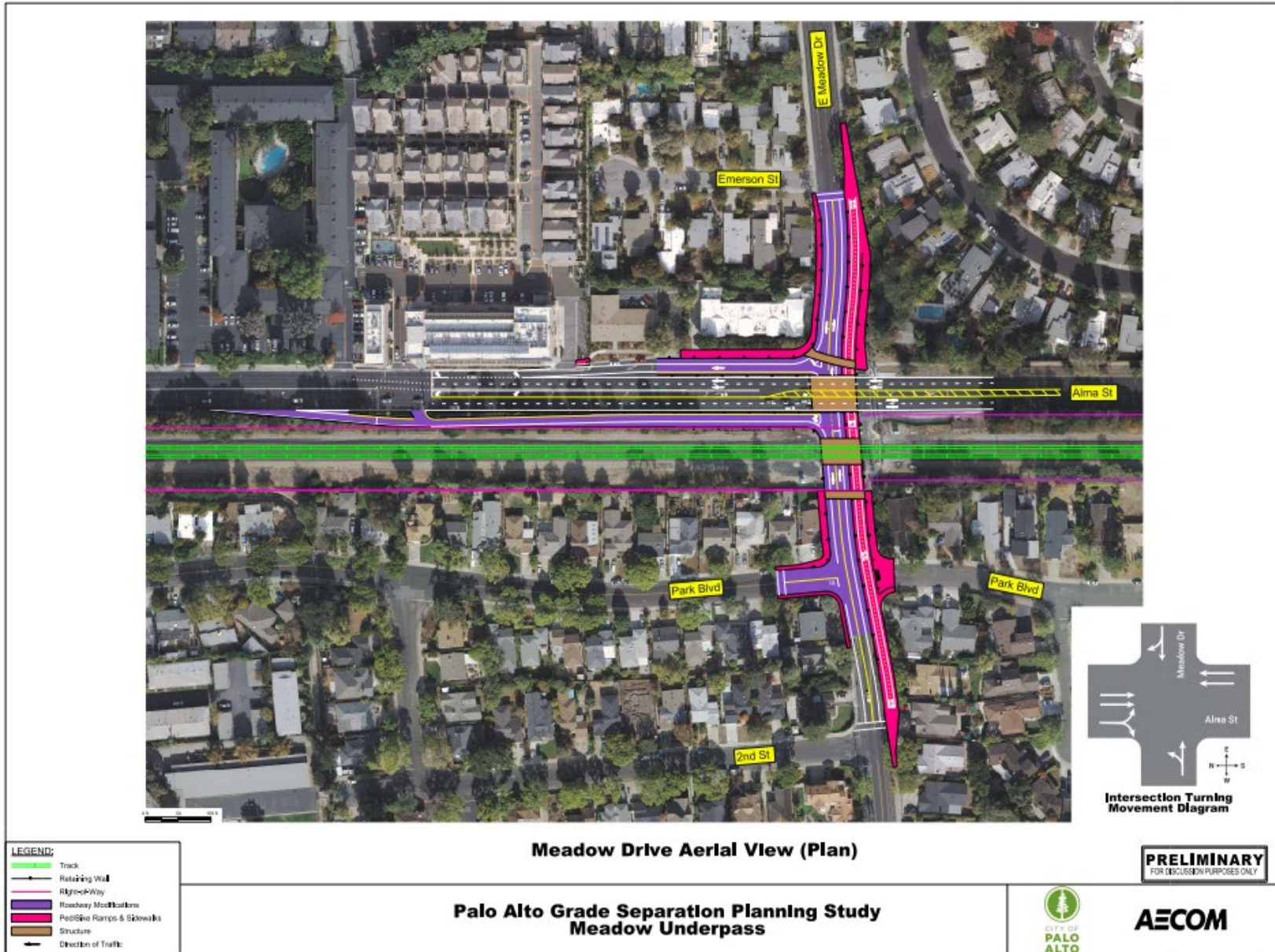
Appendix A.4 – MEADOW-CHARLESTON TRENCH



Appendix A.5 – MEADOW-CHARLESTON HYBRID



Appendix A.6 – MEADOW-CHARLESTON UNDERPASS (1 of 2)



Appendix A.6 – MEADOW-CHARLESTON UNDERPASS (2 of 2)



**Appendix B – CONNECTING PALO ALTO SERVICE AGREEMENT BUDGET**

Caltrain Fully Burdened Unit Cost Rates (FY23)	Position	Staff Name	Task 1 Coordination during early conceptual design, and selection of LPAs		Totals	
			Hours	Fee	Hours	Fee
\$ 211.00	Deputy Chief, Rail Development	Robert Barnard	6	\$ 1,266	6	\$ 1,266
<b>Project Delivery</b>						
\$ 297.00	Director, Capital Program Delivery	Andy Robbins	6	\$ 1,782	6	\$ 1,782
\$ 139.00	Senior Project Manager	Arul Edwin	8	\$ 1,112	8	\$ 1,112
<b>Infrastructure Engineering</b>						
\$ 198.00	Engineering Director	Zouheir Farah	30	\$ 5,940	30	\$ 5,940
\$ 174.00	Engineering Infrastructure Manager	Bin Zhang	102	\$ 17,748	102	\$ 17,748
\$ 127.00	Senior Civil Engineer	Joel Pancoast	102	\$ 12,954	102	\$ 12,954
* \$ 233.00	Senior Track Engineer	TBD	100	\$ 23,300	100	\$ 23,300
<b>Planning</b>						
\$ 203.00	Deputy Chief, Planning	Dahlia Chazan	8	\$ 1,624	8	\$ 1,624
\$ 135.00	Deputy Director, Capital Planning	Nicole Soultanov	20	\$ 2,700	20	\$ 2,700
\$ 188.00	Capital Planning Support	Lindsey Kiner	35	\$ 6,580	35	\$ 6,580
\$ 122.00	Principal Planner, Access Planning	Dan Provence	8	\$ 976	8	\$ 976
<b>Environmental Planning</b>						
\$ 159.00	Dep Director, Prg Management & Env Comp	Hilda Lafebre	16	\$ 2,544	16	\$ 2,544
<b>Projects Controls</b>						
* \$ 129.00	Program Manager, Project Controls	TBD	10	\$ 1,290	10	\$ 1,290
<b>Legal Counsel</b>						
* \$ 413.00	Legal Counsel	TBD	12	\$ 4,956	12	\$ 4,956
<b>G&amp;CA</b>						
\$ 95.00	Government Affairs Officer	Navdeep Dhaliwal	35	\$ 3,325	35	\$ 3,325
\$ 100.00	Government Affairs Acting Manager	Lori Low	8	\$ 800	8	\$ 800
<b>Subtotal (1074)</b>			<b>506</b>	<b>\$ 88,897.00</b>	<b>506</b>	<b>\$ 88,897.00</b>
Contingency			20%		101	\$ 17,779.40
<b>Total including 20% contingency</b>						<b>\$ 106,676.40</b>

\*These FB Unit Cost Rates are offered as placeholders. They may or may not be updated prior to this Agreement getting executed

This list is offered for reference and describes the tasks that Caltrain would typically expect the City to perform and report on to Caltrain during the conceptual planning process.

**Design Development Drawings by the City's Design Engineer:**

- a) Title Sheet, Legend & Index of Drawings
- b) Key Map showing Project location
- c) Project Typical Sections
- d) Critical concept sections
- e) Selected Concept Plan & Profile Sheets
- f) Existing and Proposed Right-of-Way Information
- g) Existing Utilities and conceptual relocation
- h) Existing Drainage structures and Water shed information
- i) Selected concept 3D Rendering

**Deliverables and Submittals by the City's Design Engineer:**

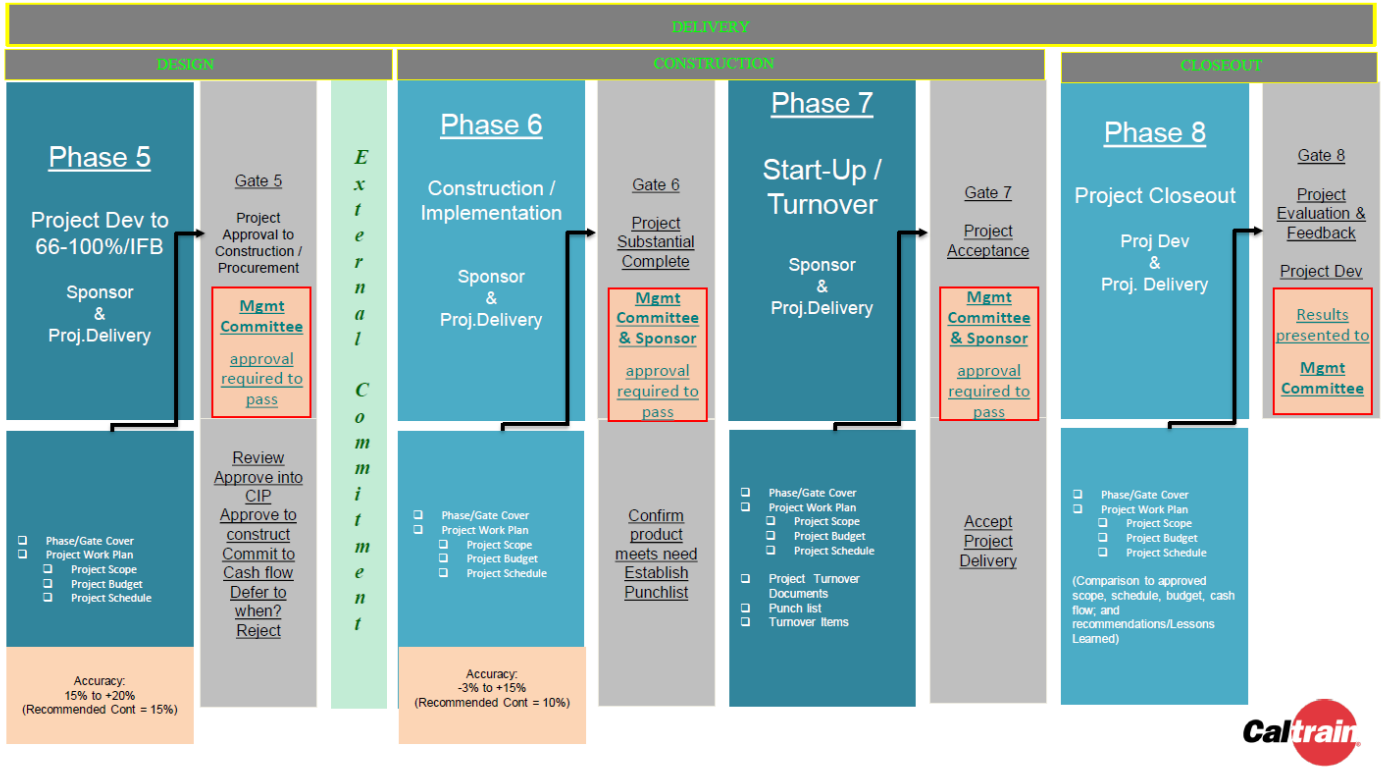
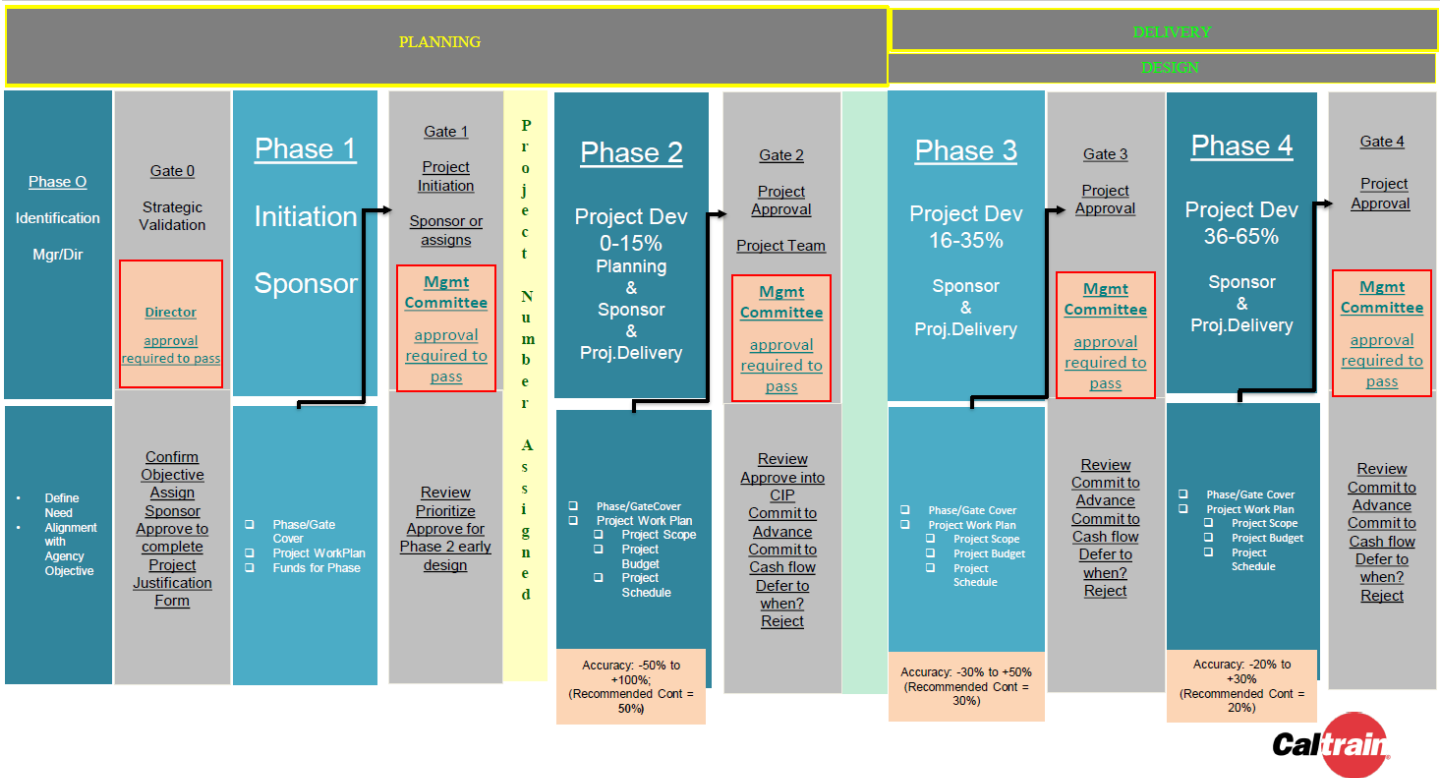
- a) Design Basis Memorandum.
- b) Reports, Exhibits, & Other Documents
  - i. Preliminary 15% Design Criteria
  - ii. Preliminary Selected Concept drawings
  - iii. Preliminary 15% ROW acquisitions, swaps, easements, etc.
  - iv. Preliminary 15% Utility Matrix
  - v. Preliminary 15% Geotechnical Report
  - vi. Preliminary 15% Traffic Report including VMT analysis
  - vii. Preliminary 15% Access Improvement Report
  - viii. Preliminary 15% Environmental Assessment
  - ix. Preliminary 15% existing drainage and project area water shed delineation
  - x. Preliminary 15% Engineering Estimate with range of probable costs and contingency levels in current and year of expenditure values (escalated to mid-point of construction)
  - xi. Preliminary 15% Design and Construction Schedule Review
  - xii. Comments Resolution Matrix by Caltrain (PL, ENG, and Project Delivery) and the City's Design Engineer
  - xiii. Alternative Project Delivery Decision Report

**Coordination Tasks:**

- a. Kickoff Meeting with Caltrain (Planning "PL", Engineering "ENG", Outreach, and Project Delivery) and the City's Design Engineer
- b. Presentation on project design definition and objectives
- c. Site visit with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- d. Meeting with Caltrain Operations, Safety, and other stakeholders
- e. Review of Caltrain design criteria with PL, Outreach, and ENG
- f. Review of ROW and utilities with Caltrain (PL and ENG), and the City's Design Engineer
- g. Topographic survey by the City's Design Engineer

- h. Traffic data collection, including Vehicle Miles Traveled (VMT) analysis, by the City's Design Engineer
- i. A walking audit that identifies existing access concerns and opportunities for improvement with Caltrain (PL, ENG, Outreach & Project Delivery) and the City's Design Engineer
- j. Geotechnical investigation with USGS existing data by the City's Design Engineer
- k. Various concept alternatives development by Caltrain (PL, ENG, and Project Delivery) and the City's Design Engineer
- l. Concept evaluation and selection recommendation by Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- m. Final Selected Concept Value Engineering workshop with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- n. Concept Design development VE implementation by Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- o. 15% Design Review meeting and comments resolution with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer

Appendix D - Caltrain Phase/Gate Process





**Appendix E - Caltrain Fully Burdened Unit Cost Rates, 2023**

Effective July 1, 2022 these rates should be applied to District labor, Consultants and Non-Labor for purposes of external agreements with the District. Rates will be updated annually, and the District reserves the right to update rates a maximum of one time during the year, if warranted. The District will communicate all such changes in writing.

		<b>Onsite Consultant</b>	<b>Non-Labor Items</b>	<b>Employee</b>
Unit Cost		\$1.00	\$1.00	\$1.00
Applied fringe rate	63.55%	0.00	0.00	0.64
Total Direct Cost		\$1.00	\$1.00	\$1.64
Applied ICAP Rate	3.22%	0.03	0.03	0.05
<b>Fully Burden Rate</b>		<b>\$1.03</b>	<b>\$1.03</b>	<b>\$1.69</b>

The San Mateo County Transit District (District) provides motorbus, paratransit and shuttle service in San Mateo County. The District also administers and manages the day-to-day operations of the Peninsula Corridor Joint Powers Board (PCJPB)/Caltrain; San Mateo County Transportation Authority (TA); and San Mateo County Express Lane Joint Powers Authority (JPA). The District uses cost allocation and rate setting methodologies to assign and recover costs incurred by providing services shared by all agencies.

**Fully Burdened Rate for Onsite Consultants and Non-Labor Items: Unit Cost + ICAP**

**Agency Indirect Costs (AIA):** Onsite consultants and non-labor items are “grossed up” to add in Agency Indirect Costs (AIA) and Capital Overhead. Taken together, these components are referred to as the Internal Cost Allocation Plan Rate, which is supported by an audited Internal Cost Allocation Plan (ICAP) using statistics appropriate to the costs allocated. AIA costs benefit all agencies and include staff in support departments such as Human Resources, Information Technology and Telecommunications, Treasury, Accounting and Budgets, Security, Facilities Maintenance and Contracts & Procurement. All staff time devoted to shared service activities are recorded to the AIA project category within the accounting system. Annually, AIA costs are allocated to the appropriate benefiting agencies through the ICAP.

**Capital Overhead:** Capital costs associated with pooled support costs that cannot be directly attributed to a specific capital project, including labor and non-labor costs specific to each agency’s capital projects, are recorded to the Capital Overhead project within the accounting system. A rate is used to charge for the three categories of costs. The rates are calculated and updated on an annual basis.

**Fully Burdened Rate for Employees: Unit Cost + ICAP + Fringe Benefits**

The fully burdened rate for employee includes the ICAP rate shown above, and also includes Employee Fringe Benefits. Fringe benefits cover costs associated with payroll taxes, pension plan contributions, group insurance premiums (medical, dental, vision coverages), life insurance, long-term disability, unemployment insurance, and paid time off (PTO). These costs are initially paid by the District and charged to benefiting agencies through the application of a fringe benefit rate.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the Period Ending April 30, 2023.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through April 30, 2023, and highlights projections for the end of the year. The statement has been designed to follow the Agency-wide line-item rollup as included in the approved budget. The columns have been designed to provide an easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

**Significance**

**Annual Forecast:** The annual forecast is based on actual revenue and expense trends through April 2023, augmented by analyzing trends and reviewing details with cost center managers to develop projections through the rest of the year. There is no change from the prior published forecast. Overall, a surplus of \$1.6 million is projected for FY 2023, compared to a \$2.6 million deficit projected in the Approved FY 2023 Budget (the Approved Budget assumed a draw of \$2.6 million from the FY 2022 surplus). The most significant component in the positive change is related to higher-than-assumed Measure RR receipts.

**Forecast Revenues:** Total Revenue (page 1, line 16) is forecasted to be \$5.1 million higher than budget. This is driven primarily by higher Measure RR sales taxes (page 1, line 12), estimated to be \$5.0 million over budget, due to the continued recovery and high inflations. Other significant increases over the budget are:

- \$2.3 million in Other Income (page 1, line 5), driven by additional Advertising revenue and Interest Income;
- \$0.7 million from higher Go Pass revenue (page 1, line 2); and
- \$0.3 million higher Rental Income (page 1, line 4).

These projected increases are partially offset by a \$3.2 million lower non-Go Pass Fare revenue (page 1, line 1) due to slower ridership recovery and PCEP service reductions, which began in December 2022.

**Forecast Expenses:** Total Expense (page 2, line 50) is forecasted to be \$0.9 million higher than budget, made up of relatively small changes in several line items:

- Debt Service (page 2, line 48) is forecasted \$1.1 million higher than budgeted, because the principal payment in FY 2023 for the Fare Bonds was inadvertently omitted from the budget;
- Other Office Expense and Services (page 2, line 40) are forecasted \$0.2 million higher than budget due to a parking lease at Menlo Park that started October 2022; and
- Security Services (page 2, line 22) are forecasted \$0.1 million higher than budget due to overtime.

Partially offsetting these increases are projected savings in Wages and Benefits (page 2, line 35), which are forecasted to be \$0.3 million lower than budget due to vacancies.

**Year-to-Date Revenues:** As of April's year-to-date actual, the Grand Total Revenue (page 1, line 16) is \$8.2 million higher than the adopted budget. As reflected in the year-end projections, this is primarily driven by the increases in Other Income (page 1, line 5) and Measure RR proceeds (page 1, line 12), partially offset by Caltrain Fares (page 1, line 1).

**Year-to-Date Expenses:** As of April's year-to-date actual, the Grand Total Expense (page 2, line 50) is \$5.7 million lower than the adopted budget. These savings are lower than shown in the year-end projections because much of the savings is based on timing.

**Other Information:** The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year's actual and the budget may show noticeable variances due to the timing of expenditures.

#### **Budget Impact**

There are no budget amendments for April 2023.

Prepared By: Thwe Han, Financial Reporting Accountant	650.508.7912
Danny Susantin, Grants & Capital Accounting, Manager	650.622.8073

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>							
<b>STATEMENT OF REVENUE AND EXPENSE</b>							
<b>Fiscal Year 2023</b>							
<b>April 2023</b>							
<b>% OF YEAR ELAPSED</b>							<b>83.3%</b>
	<b>JULY TO APRIL</b>				<b>ANNUAL</b>		
	<b>CURRENT ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>	<b>FORECAST</b>	<b>\$ VARIANCE</b>
<b>REVENUE</b>							
<b>OPERATIONS:</b>							
1 Caltrain Fares	21,597,296	24,580,000	(2,982,704)	(12.1%)	30,151,000	27,000,000	(3,151,000)
2 Go Pass	14,144,344	13,550,000	594,344	4.4%	16,260,000	17,000,000	740,000
3 Parking Revenue	1,607,175	1,580,000	27,175	1.7%	1,896,000	1,797,505	(98,495)
4 Rental Income	1,070,754	779,470	291,284	37.4%	935,357	1,235,357	300,000
5 Other Income	4,488,734	1,453,600	3,035,134	208.8%	1,744,319	4,044,319	2,300,000
6							
7 <b>TOTAL OPERATING REVENUE</b>	<b>42,908,303</b>	<b>41,943,070</b>	<b>965,233</b>	<b>2.3%</b>	<b>50,986,676</b>	<b>51,077,181</b>	<b>90,505</b>
8							
9 <b>CONTRIBUTIONS:</b>							
10 AB434 Peninsula & TA Shuttle Funding	40,000	40,000	-	.0%	40,000	40,000	-
11 Operating Grants	9,745,830	9,406,800	339,030	3.6%	11,288,161	11,288,161	-
12 Measure RR	99,745,552	92,831,170	6,914,382	7.4%	114,300,000	119,292,000	4,992,000
13							
14 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>109,531,382</b>	<b>102,277,970</b>	<b>7,253,412</b>	<b>7.1%</b>	<b>125,628,161</b>	<b>130,620,161</b>	<b>4,992,000</b>
15							
16 <b>GRAND TOTAL REVENUE</b>	<b>152,439,685</b>	<b>144,221,040</b>	<b>8,218,645</b>	<b>5.7%</b>	<b>176,614,837</b>	<b>181,697,342</b>	<b>5,082,505</b>
17							

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>									
<b>STATEMENT OF REVENUE AND EXPENSE</b>									
<b>Fiscal Year 2023</b>									
<b>April 2023</b>									
<b>% OF YEAR ELAPSED</b>							<b>83.3%</b>		
	<b>JULY TO APRIL</b>				<b>ANNUAL</b>				
	<b>CURRENT ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>	<b>FORECAST</b>	<b>\$ VARIANCE</b>		
18	<b>EXPENSE</b>							18	
19								19	
20	<b>DIRECT EXPENSE:</b>							20	
21	Rail Operator Service	80,530,871	81,519,810	(988,939)	(1.2%)	98,257,758	98,257,758	-	21
22	Security Services	6,228,253	6,646,146	(417,893)	(6.3%)	7,935,381	8,028,807	93,426	22
23	Shuttle Services	79,366	107,960	(28,594)	(26.5%)	121,600	121,600	-	23
24	Fuel and Lubricants*	12,952,890	14,616,020	(1,663,130)	(11.4%)	17,539,232	17,539,232	-	24
25	Timetables and Tickets	12,842	112,790	(99,948)	(88.6%)	135,350	135,350	-	25
26	Insurance	8,376,067	8,403,480	(27,413)	(.3%)	9,299,730	9,299,730	-	26
27	Claims, Payments, and Reserves	2,533,934	1,100,000	1,433,934	130.4%	1,320,000	1,336,926	16,926	27
28	Facilities and Equipment Maintenance	6,583,732	6,057,039	526,693	8.7%	7,258,788	7,107,788	(151,000)	28
29	Utilities	2,158,271	2,181,330	(23,059)	(1.1%)	2,617,600	2,617,600	-	29
30	Maint & Services-Bldg & Other	1,038,111	1,374,180	(336,069)	(24.5%)	1,754,100	1,754,100	-	30
31								31	
32	<b>TOTAL DIRECT EXPENSE</b>	<b>120,494,336</b>	<b>122,118,755</b>	<b>(1,624,419)</b>	<b>(1.3%)</b>	<b>146,239,539</b>	<b>146,198,891</b>	<b>(40,648)</b>	32
33								33	
34	<b>ADMINISTRATIVE EXPENSE</b>							34	
35	Wages and Benefits	10,568,177	11,804,837	(1,236,660)	(10.5%)	13,809,330	13,532,312	(277,018)	35
36	Managing Agency Admin OH Cost	3,133,657	2,971,842	161,815	5.4%	3,565,453	3,565,453	-	36
37	Board of Directors	13,701	47,720	(34,019)	(71.3%)	57,275	57,275	-	37
38	Professional Services	5,755,717	7,766,670	(2,010,953)	(25.9%)	9,422,755	9,305,755	(117,000)	38
39	Communications and Marketing	199,404	336,440	(137,036)	(40.7%)	403,730	403,730	-	39
40	Other Office Expenses and Services	1,718,691	2,302,139	(583,448)	(25.3%)	2,762,496	2,956,896	194,400	40
41								41	
42	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>21,389,348</b>	<b>25,229,648</b>	<b>(3,840,300)</b>	<b>(15.2%)</b>	<b>30,021,039</b>	<b>29,821,421</b>	<b>(199,618)</b>	42
43								43	
44	<b>TOTAL OPERATING EXPENSE</b>	<b>141,883,684</b>	<b>147,348,403</b>	<b>(5,464,719)</b>	<b>(3.7%)</b>	<b>176,260,578</b>	<b>176,020,312</b>	<b>(240,266)</b>	44
45								45	
46	Governance	270,829	291,670	(20,841)	(7.1%)	350,000	350,000	-	46
47								47	
48	Debt Service Expense	1,954,432	2,151,460	(197,028)	(9.2%)	2,581,752	3,711,375	1,129,623	48
49								49	
50	<b>GRAND TOTAL EXPENSE</b>	<b>144,108,945</b>	<b>149,791,533</b>	<b>(5,682,588)</b>	<b>(3.8%)</b>	<b>179,192,330</b>	<b>180,081,687</b>	<b>889,357</b>	50
51								51	
52	<b>NET SURPLUS / (DEFICIT)</b>	<b>8,330,740</b>	<b>(5,570,493)</b>	<b>13,901,233</b>	<b>(249.6%)</b>	<b>(2,577,493)</b>	<b>1,615,655</b>	<b>4,193,148</b>	52
53								53	
54	<b>Draw from FY2022 surplus</b>	-				<b>2,577,493</b>	-		54
55	<b>ADJUSTED NET SURPLUS / (DEFICIT)</b>	<b>8,330,740</b>				<b>-</b>	<b>1,615,655</b>		55
56								56	
57	<b>Reserve, Beginning Balance</b>	<b>16,115,624</b>				<b>16,115,624</b>			57
58	<b>FY23 Set aside</b>	-				<b>10,763,226</b>			58
59	<b>Reserve, Ending Balance</b>	<b>16,115,624</b>				<b>26,878,850</b>			59
60								60	
61	* Fuel and Lubricants costs were decreased by a realized gain of \$1,159,410 from the fuel hedge program.							61	



BOARD OF DIRECTORS 2023

JEFF GEE, CHAIR  
DEVORA "DEV" DAVIS, VICE  
CHAIR  
PAT BURT  
CINDY CHAVEZ  
STEVE HEMINGER  
RICO E. MEDINA  
RAYMOND MUELLER  
SHAMANN WALTON  
MONIQUE ZMUDA

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF APRIL 30, 2023**

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	2.831%	5,241,982	5,241,982
County Pool (Unrestricted)	Liquid Cash	2.555%	567,547	567,547
Other (Unrestricted)	Liquid Cash	4.378%	45,007,977	45,007,977
Other (Restricted) **	Liquid Cash	1.000%	37,900,302	37,900,302
			\$ 88,717,808	\$ 88,717,808

Interest Earnings for April 2023 \$ 277,915.67  
Cumulative Earnings FY2023 2,999,352.75

\* 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.

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD														
	Previous Years				FY2023										
	FY2019	FY2020	FY2021	FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY2023 Total YTD
<b>OPERATIONS:</b>															
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	626,228	770,942	736,862	521,754	451,992	391,581	343,162	396,762	485,901	528,351	5,253,534
401410 (Clipper)	54,621,910	37,970,696	2,924,987	7,764,755	1,129,007	1,611,378	1,377,219	1,502,886	1,366,749	1,077,607	1,092,550	1,215,740	1,276,841	1,303,858	12,953,836
401420 (Central)	64,908	20,799	309,748	39,911	5,139	945	9,901	11,080	2,767	826	2,263	1,602	5,563	4,667	44,752
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	346,758	354,177	342,457	322,502	273,906	192,050	208,607	219,197	265,221	241,414	2,766,288
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	37,440	66,110	80,675	63,053	67,606	56,277	41,509	53,752	54,013	58,449	578,885
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	1,302,597	14,144,344
<b>total Farebox Revenue</b>	<b>102,668,114</b>	<b>76,094,433</b>	<b>32,439,915</b>	<b>33,236,357</b>	<b>3,561,691</b>	<b>4,219,387</b>	<b>3,979,245</b>	<b>3,883,466</b>	<b>3,642,288</b>	<b>3,209,018</b>	<b>3,022,027</b>	<b>3,219,058</b>	<b>3,566,123</b>	<b>3,439,337</b>	<b>35,741,641</b>
Less: Go-Pass															
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	1,302,597	14,144,344
<b>Revenues without Go-Pass</b>	<b>79,738,978</b>	<b>56,389,061</b>	<b>6,702,382</b>	<b>17,899,182</b>	<b>2,144,573</b>	<b>2,803,551</b>	<b>2,547,114</b>	<b>2,421,274</b>	<b>2,163,021</b>	<b>1,718,342</b>	<b>1,688,090</b>	<b>1,887,054</b>	<b>2,087,539</b>	<b>2,136,740</b>	<b>21,597,296</b>
<b>Tickets Sold</b>					<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>Total</b>
TVM	2,354,393	1,465,876	315,378	755,674	86,060	86,171	83,501	74,335	61,170	51,304	52,063	47,432	53,222	60,497	655,755
Clipper	3,521,066	2,620,816	339,753	1,227,757	156,994	179,747	177,647	182,485	159,636	118,367	144,893	148,634	164,277	154,159	1,586,839
Central	9,167	5,044	-	4,032	319	145	770	879	477	50	275	233	731	794	4,673
Mobile	543,920	661,515	111,394	381,441	42,175	43,696	41,411	39,967	33,608	25,094	28,997	28,154	31,164	32,484	346,750
<b># of tickets sold (without go-pass)</b>	<b>6,428,546</b>	<b>4,753,251</b>	<b>766,525</b>	<b>2,368,904</b>	<b>285,548</b>	<b>309,759</b>	<b>303,329</b>	<b>297,666</b>	<b>254,891</b>	<b>194,815</b>	<b>226,228</b>	<b>224,453</b>	<b>249,394</b>	<b>247,934</b>	<b>2,594,017</b>
<b>AVG Revenue Per Ticket</b>					<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>Total</b>
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 7.28	\$ 8.95	\$ 8.82	\$ 7.02	\$ 7.39	\$ 7.63	\$ 6.59	\$ 8.36	\$ 9.13	\$ 8.73	\$ 8.01
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.19	\$ 8.96	\$ 7.75	\$ 8.24	\$ 8.56	\$ 9.10	\$ 7.54	\$ 8.18	\$ 7.77	\$ 8.46	\$ 8.16
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 16.11	\$ 6.52	\$ 12.86	\$ 12.60	\$ 5.80	\$ 16.53	\$ 8.23	\$ 6.88	\$ 7.61	\$ 5.88	\$ 9.58
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.22	\$ 8.11	\$ 8.27	\$ 8.07	\$ 8.15	\$ 7.65	\$ 7.19	\$ 7.79	\$ 8.51	\$ 7.43	\$ 7.98
<b>Total</b>	<b>\$ 12.40</b>	<b>\$ 11.86</b>	<b>\$ 8.74</b>	<b>\$ 7.56</b>	<b>\$ 7.51</b>	<b>\$ 9.05</b>	<b>\$ 8.40</b>	<b>\$ 8.13</b>	<b>\$ 8.49</b>	<b>\$ 8.82</b>	<b>\$ 7.46</b>	<b>\$ 8.41</b>	<b>\$ 8.37</b>	<b>\$ 8.62</b>	<b>\$ 8.33</b>

PENINSULA CORRIDOR JOINT POWERS BOARD							
July 2022 to April 2023						Annual Budget	
Farebox Revenues by Ticket Type	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	% of Budget
<b>REVENUE</b>							
401400 (TVM)	14,998,781	10,523,208	1,671,775	5,027,021	5,253,534		
401410 (Clipper)	45,334,179	39,488,086	2,180,394	5,632,260	12,953,836		
401420 (Central)	40,434	42,569	-	28,774	44,752		
401430 (Mobile App)	3,595,395	5,608,048	541,196	2,049,193	2,766,288		
401500 (Gilroy)	1,589,911	1,522,365	135,167	338,355	578,885		
401700 (Go-Pass)	19,234,851	18,444,142	23,613,685	12,888,764	14,144,344		
total Farebox Revenue	84,793,550	75,628,419	28,142,218	25,964,368	35,741,641	46,411,000	77%
Less: Go-Pass							
401700 (Go-Pass)	19,234,851	18,444,142	23,613,685	12,888,764	14,144,344	16,260,000	87%
Revenues without Go-Pass	65,558,700	57,184,277	4,528,533	13,075,604	21,597,296	30,151,000	72%
<b>Tickets Sold</b>							
TVM	1,948,831	1,431,714	229,051	583,348	655,755		
Clipper	2,898,611	2,592,875	234,459	925,638	1,586,839		
Central	5,882	5,044	-	2,981	4,673		
Mobile	405,510	652,947	76,418	293,551	346,750		
# of tickets sold (without go-pass)	5,258,834	4,682,580	539,928	1,805,518	2,594,017		
<b>AVG Revenue Per Ticket</b>							
TVM	\$ 7.70	\$ 7.35	\$ 7.30	\$ 8.62	\$ 8.01		
Clipper	\$ 15.64	\$ 15.23	\$ 9.30	\$ 6.08	\$ 8.16		
Central	\$ 6.87	\$ 8.44	\$ -	\$ 9.65	\$ 9.58		
Mobile	\$ 8.87	\$ 8.59	\$ 7.08	\$ 6.98	\$ 7.98		
Total	\$ 12.47	\$ 12.21	\$ 8.39	\$ 7.24	\$ 8.33		



**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Board of Directors  
THROUGH: Michelle Bouchard, Executive Director  
FROM: Kate Jordan Steiner, Chief Financial Officer  
SUBJECT: **Adoption of Revisions to the JPB Procurement Policy**

- |  |  |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> Finance Committee Recommendation | <input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation | <input type="checkbox"/> Advocacy and Major Projects Committee Recommendation | <input checked="" type="checkbox"/> Staff Coordinating Council Reviewed |
|--|--|---|---|

**ACTION**

Staff recommends that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB”):

1. Adopt a Resolution revising the JPB Procurement Policy (Attachment A) as follows:
  - a. Increases the authority of the Executive Director or designee to execute funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreement and related amendments from \$100,000 to \$250,000;
  - b. Increases the authority of the Executive Director or designee to execute contracts for equipment, supplies, materials and services and related amendments from \$150,000 to \$250,000;
  - c. Increases the authority of the Executive Director or designee to execute public works contracts and related amendments from \$10,000 to \$250,000;
  - d. Increases the authority of the Executive Director or designee to issue and execute contract amendments and change orders up to and including \$250,000 or 10% of the Board approved amount, whichever is greater; and
  - e. Adopts the Proposed Procurement Policy in Attachment A.
2. Adopt a Resolution permitting the Executive Director or designee to take any actions necessary to give effect to the above actions.

**SIGNIFICANCE**

Since the Board last adopted policies regarding the delegation of authority to the Executive Director for execution of contracts, contracting costs have increased considerably. In the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value agreements and amendments, which can delay the contracting process and increase contract costs.

The Board adopted Resolution No. 2016-18 on March 3, 2016, expanding the Executive Director's authority to execute certain agreements with values up to \$100,000 including associated amendments. This expanded authority applied to funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts. However, the resolution expressly excluded contracts for goods and services and transfers of real property.<sup>1</sup> The resolution further required the Executive Director to inform the Board of agreements entered into under this authority on a quarterly basis as part of the Board reading file.

On April 4, 2019, the Board passed Resolution No. 2019-12, adopting an updated procurement policy authorizing the Executive Director to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget for (1) up to \$150,000 for equipment, supplies, materials or services and (2) up to \$10,000 for public works.

Pursuant to this policy, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency for all contracts. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments up to \$150,000 or up to 10% (cumulative), whichever is greater.

Staff recommends increasing the Executive Director's authority: (1) from \$100,000 to \$250,000 for funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts; (2) from \$150,000 to \$250,000 for contracts for equipment, supplies, materials, and services as described in the Proposed Procurement Policy; and (3) from \$10,000 to \$250,000 for public works contracts. In addition, staff recommend that the Board authorize the Executive Director to execute amendments and change orders or up to \$250,000 or 10% of the Board approved amount, whichever is greater. This request reflects the high volume of contracts currently required to be approved by the Board; revising the policy will help to reduce the number contracts requiring consideration by the Finance Committee and Board. Staff will report to the Board regarding the execution of these contracts on a regular basis.

Currently, the Caltrain Executive Director's delegated contract authority is lower than peer agencies. For example, the General Manager for the Santa Clara Valley Transportation Authority ("VTA") is authorized to execute grant agreements for amounts not to exceed \$5,000,000 for projects and programs which are identified and included in VTA's current

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<sup>1</sup> The Board has previously delegated limited authority to the Executive Director to execute agreements involving the conveyance of real property interests, including the Policy Regarding Process of Requests for Conveyance of Property interests Involving Property Owned by the Peninsula Corridor Joint Powers Board" (adopted by the Board on April 1, 2021 by Resolution No. 2021-18) and transactions related to specific capital projects (Resolution No. 2018-13) and the Peninsula Corridor Electrification Project (Resolution No. 2015-16).

budget, and the Director of Transportation of the San Francisco Municipal Agency (“SFMTA”) may enter into grant agreements with limits on only indemnification and funding agreements with other public agencies with a \$500,000 expenditure limit.

Agency	Purchases of Goods + Services	Revenue Contracts	Acceptance of Grant Funding	Public Works Contracts
Caltrain	\$150,000	\$100,000	\$100,000	\$10,000
SFMTA	\$10,000,000	\$500,000	Unlimited	\$500,000
SamTrans	\$150,000	\$150,000		\$200,000
VTA	\$1,000,000		\$5,000,000	\$1,000,000

**BUDGET IMPACT**

There is no budget impact associated with adopting a revised policy.

**BACKGROUND**

The Board last adopted a resolution granting authority to the Executive Director to execute grant agreements and similar contracts with a value of up to \$100,000 in 2016, and in 2019, the Board authorized the Executive Director to execute contracts for goods and services with a value of up to \$150,000. Since that time, the number of projects, including projects in partnership with other public agencies, has grown significantly, increasing the frequency with which staff must present items to the Board for authorization of the execution of routine and relatively low value agreements that have already been described in the budget.

Staff is requesting this update to the policies on contract authority to permit the efficient and expeditious resolution of contracts for the agency.

Prepared By:	James C. Harrison	Legal Counsel	(510) 346-6200
	Anna Myles-Primakoff	Legal Counsel	(510) 346-6203

**Resolution No. 2023-****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Adopting Revisions to the JPB Procurement Policy**

**Whereas**, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) last adopted a resolution granting authority to the Executive Director to execute grant agreements and similar contracts with a value of up to \$100,000 in 2016 (Resolution No. 2016-18), and in 2019, the Board authorized the Executive Director to execute contracts for goods and services with a value of up to \$150,000 (Resolution No. 2019-12); and

**Whereas**, Resolution No. 2016-18 applied to contracts and associated amendments including but not limited to funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreements. However, the resolution expressly excluded contracts for goods and services and transfers of real property; and

**Whereas**, Resolution No. 2019-12, included an updated procurement policy authorizing the Executive Director to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget for (1) up to \$150,000 for equipment, supplies, materials, and services, and (2) up to \$10,000 for public works; and

**Whereas**, pursuant to this policy, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency for all contracts. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments up to \$150,000 or up to 10% (cumulative), whichever is greater; and

**Whereas**, since that time, the number of projects, including projects in partnership with other public agencies, has grown significantly, increasing the frequency with which staff must present items to the Board for authorization of the execution of routine and relatively low value agreements that have already been described in the budget; and

**Whereas**, additionally, since the Board last adopted policies regarding the delegation of authority to the Executive Director for execution of contracts, contracting costs have increased considerably and the Caltrain's Executive Director's delegated contract authority has fallen below peer agencies; and

**Whereas**, staff recommends increasing the Executive Director's authority: (1) from \$100,000 to \$250,000 for funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts; and (2) from \$150,000 to \$250,000 for contracts for equipment, supplies, materials and services as described in the Proposed Procurement Policy (ATTACHMENT A); and (3) from \$10,000 to \$250,000 for public works contracts. In addition, staff recommend that the Board authorize the Executive Director to execute amendments and change orders up to \$250,000 or 10% of the Board approved amount, whichever is greater; and

**Whereas**, this request reflects the high volume of contracts currently required to be approved by the Board; revising the policy will help to reduce the number contracts requiring consideration by the Finance Committee and Board. Staff will report to the Board regarding the execution of these contracts on a regular basis; and

**Whereas**, staff is taking similar revisions to the Procurement Policy to both the San Mateo County Transit District (SamTrans) Board of Directors and the San Mateo County Transportation Authority (TA) Board of Directors as well. If they vote to increase the contract authority of

SamTrans and TA staff, the proposed JPB policy would be consistent with the authority delegated by the SamTrans and TA Boards; and

**Whereas**, there is no budget impact associated with adopting a revised policy and staff is requesting this update to the policies on contract authority to permit the efficient and expeditious resolution of contracts and litigation for the agency.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Increases the authority of the Executive Director or designee to execute funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreement and related amendments from \$100,000 to \$250,000;
2. Increases the authority of the Executive Director or designee to execute contracts for equipment, supplies, materials and services and related amendments from \$150,000 to \$250,000;
3. Increases the authority of the Executive Director or designee to execute public works contracts and related amendments from \$10,000 to \$250,000;
4. Increases the authority of the Executive Director or designee to issue and execute contract amendments and change orders up to and including \$250,000 or 10% of the Board approved amount, whichever is greater;
5. Adopts the Proposed Procurement Policy in Attachment A; and
6. Authorizes the Executive Director or designee to take any actions necessary to give effect to this resolution.

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**ATTACHMENT A: PROPOSED POLICY CONTRACT AND PROCUREMENT AUTHORITY****PROCUREMENT POLICY  
PENINSULA CORRIDOR JOINT POWERS BOARD**

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code Section 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

**A. Fundamental Principles of Ethical Procurement**

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;
6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in an equal and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.



Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

**B. Conflicts of Interest**

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 *et seq.* of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

**C. Methods of Procurement**

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds \$10,000 (or the current threshold set forth in California Public Contract Code Section 20331). Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.
4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over \$250,000, but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case by case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.

5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and \$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including Disadvantaged Business Enterprises are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB's informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB's best interest to apply a "best value" approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds \$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director's procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials will not render a different outcome. See Public Utilities Code §103223 and Section K "Discretion to Waive the Competitive Process" set forth below.

**D. Procurement Documentation and Consideration of Bids and Proposals**

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the “best value” approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB’s best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

**E. Execution of Contract Documents**

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director’s authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

**F. Disadvantaged Business Enterprise Program**

The JPB is committed to a Disadvantaged Business Enterprise (“DBE”) Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB’s public works, supplies, equipment, materials and services.

**G. Protest Procedures**

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director’s procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

#### **H. Executive Director's Procurement Authority**

1. The Executive Director is authorized to purchase services, supplies, equipment and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) \$250,000 or less for equipment, supplies, materials, or services and (2) \$250,000 or less for public works.
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.
4. For award of contracts for materials, supplies and equipment or services over \$250,000, Board approval is required. For award of public works contracts over \$250,000, Board approval is required. The Board delegates to the Executive Director the signature authority for all such contracts for the purchase/lease of equipment, supplies, materials, and the procurement of services and public works.

#### **I. Emergency Contracts**

For procurements requiring competitive bidding and/or Board approval, in case of any sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the

Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for bids to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331 and 22050.

**J. Cooperative Purchasing Agreements**

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

**K. Discretion to Waive the Competitive Process**

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the District is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness

and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

**L. Contract Administration**

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

**M. Disposal of Surplus Property**

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than \$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.
2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

**N. Revenue Generating Contracts/Concessions**

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed \$250,000 in value.

**O. Implementation**

This Policy sets forth the standards and methods to be followed by the JPB in obtaining public works, supplies, materials, equipment, and services. Since 2004, the JPB has had in place a Board-

adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

Revised: Resolution No. 2023 -	June 1, 2023
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

**ATTACHMENT B: REDLINED PROPOSED POLICY CONTRACT AND PROCUREMENT  
AUTHORITY****PROCUREMENT POLICY  
PENINSULA CORRIDOR JOINT POWERS BOARD**

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code Section 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

**A. Fundamental Principles of Ethical Procurement**

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;



6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in an equal and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.

Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

#### **B. Conflicts of Interest**

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 *et seq.* of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

#### **C. Methods of Procurement**

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds \$10,000-~~or more-~~ [\(or the current threshold set forth in California Public Contract Code Section 20331\)](#). Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.
4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over ~~\$150,000~~[\\$250,000](#), but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case by case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the

department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.

5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and ~~\$150,000~~\$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including Disadvantaged Business Enterprises are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB’s informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB’s best interest to apply a “best value” approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds ~~\$150,000~~\$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director’s procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials

will not render a different outcome. See Public Utilities Code §103223 and Section K “Discretion to Waive the Competitive Process” set forth below.

**D. Procurement Documentation and Consideration of Bids and Proposals**

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the “best value” approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB’s best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

**E. Execution of Contract Documents**

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director’s authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

**F. Disadvantaged Business Enterprise Program**

The JPB is committed to a Disadvantaged Business Enterprise (“DBE”) Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB’s public works, supplies, equipment, materials and services.

**G. Protest Procedures**

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director's procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

**H. Executive Director's Procurement Authority**

1. The Executive Director is authorized to purchase services, supplies, equipment, and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) ~~up to \$150,000~~ \$250,000 or less for equipment, supplies, materials, or services and (2) ~~up to \$10,000~~ \$250,000 or less for public works.
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments ~~up to \$150,000~~ \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.
4. For award of contracts for materials, supplies and equipment or services over ~~\$150,000~~ \$250,000, Board approval is required. For award of public works contracts over ~~\$10,000~~ \$250,000, Board approval is required. The Board delegates to the Executive Director the signature authority for all such contracts for the purchase/lease of equipment, supplies, materials, and the procurement of services and public works.

**I. Emergency Contracts**

For procurements requiring competitive bidding and/or Board approval, in case of any sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for bids to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331 and 22050.

**J. Cooperative Purchasing Agreements**

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

**K. Discretion to Waive the Competitive Process**

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the District is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which

there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

**L. Contract Administration**

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

**M. Disposal of Surplus Property**

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than ~~\$150,000~~\$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.
2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

**N. Revenue Generating Contracts/Concessions**

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the

highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed ~~\$150,000~~\$250,000 in value.

**O. Implementation**

This Policy sets forth the standards and methods to be followed by the JPB in obtaining ~~goods~~public works, supplies, materials, equipment and services. Since 2004, the JPB has had in place a Board-adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

<u>Revised: Resolution No. 2023 -</u>	<u>June 1, 2023</u>
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Deputy Chief, Caltrain Rail Development  
Subject: **Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Renew findings previously adopted by the Board pursuant to California Public Contract Code section 22050(c)(2) (Resolution No. 2023-19) on March 29, 2023, that an emergency exists at the north channel embankment of the San Francisquito Creek Bridge due to erosion and scouring caused by recent winter storms; that this emergency does not permit a delay resulting from a formal solicitation for bids, and that immediate action is necessary to respond to the emergency; and
2. Continue to authorize emergency repairs of the north channel embankment of the San Francisquito Creek Bridge;
3. Delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

**Significance**

The JPB has the authority to undertake emergency repairs pursuant to California Public Contract Code section 22050, which requires that the Board, by a four-fifths vote, make findings based on substantial evidence that the emergency will not permit delay resulting from a competitive solicitation of bids, and that action is necessary to respond to the emergency. Public Contract Code section 1102 defines an emergency as “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Board made these findings at its March 29, 2023 meeting (Resolution 2023-19) and renewed these findings at its May 4, 2023 meeting (Resolution 2023-23). Section 22050(c) requires the Board to review the emergency action at its next regularly scheduled meeting and at every subsequent regularly



scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote.

The time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and given the erosion, the need for emergency actions cannot be delayed. The schedule for (1) preparing a design, (2) issuing an invitation for bids, (3) receiving proposals, (4) evaluating proposals, (5) awarding and executing a contract, and (6) mobilizing a contractor does not allow for construction to occur during the summer creek window from 6/15/23 to 10/15/23. The JPB must therefore continue to act as expeditiously as possible to repair necessary facilities to prevent or mitigate loss or damage to life, health, property, or essential public services.

### **Budget Impact**

Staff intend to use contingency funds to support the emergency repairs. However, project cost may exceed available contingency funds. Therefore, additional funding sources are under consideration, including anticipated funding from other project stakeholders, namely the City of Menlo Park and City of Palo Alto.

### **Background**

The JPB owns and maintains the San Francisquito Creek Bridge, which is located in Palo Alto between Control Points Alma (29.98) and Mayfield (33.50). In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that the storms had eroded the soil on the embankment supporting the tracks just north of the Bridge. Further investigation showed that additional erosion resulting from future storms could undermine the tracks above the embankment.

Prior to declaring the emergency, the project team conducted the following actions:

1. Prepared and issued (or will soon prepare and issue) work directive proposal request (WDPR) packages to retain an on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, design the repair, provide a rough order magnitude cost for the proposed work, and provide construction management support.
2. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during/after a storm.
3. Engaged with Walsh Construction II, LLC, to determine Walsh's capacity to execute the north channel embankment repair.

Caltrain's environmental team notified the U.S. Army Corps of Engineers (USACE), the Regional Water Quality Control Board, and the California Department of Fish and Wildlife regarding Caltrain's need to undertake emergency restoration activities and discussed required permit applications.

Staff selected Walsh Construction Company II, LLC to perform the repairs because it has a crew onsite that specializes in emergency work and because of Walsh’s experience on JPB construction projects, such as the Guadalupe River Bridge Replacement Project. In the weeks since the Board took action on March 29, 2023, the project team has worked with the USACE to review the planned work and is in the process of obtaining the necessary permits.

As the design of the project progresses, the JPB will obtain independent cost estimates from consultants and contractor estimates from Walsh Construction. Iterative comparison of these estimates will provide clarity on cost expectations and assure fair and reasonable pricing.

By awarding this contract through an emergency procurement, instead of through a standard competitively bid process, the JPB will be able to complete the work on a timely basis in order protect public health and safety. Staff anticipate that the work will be complete by October 15, 2023, and will report regularly to the Board regarding the status of contract negotiations and the repair work.

Prepared By:	Robert Barnard	Deputy Chief Rail Development	650.508.7783
	Alvin Piano	Project Manager	650.453.8099
	Mike Boomsma	Project Manager	808.208.2355

**Resolution No. 2023-****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Renewing Findings of an Emergency Regarding the North Channel  
Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to  
Public Contract Code §22050**

**Whereas**, the Board previously authorized repair pursuant to California Public Contract Code section 22050 by a four-fifths vote of the Board on March 29, 2023 (Resolution 2023-19), making findings that: there was an emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; that the emergency does not permit a delay resulting from a formal solicitation for bids; and that action is necessary to respond to the emergency; and

**Whereas**, Resolution 2023-19 also authorized emergency repairs of the north channel embankment of the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and

**Whereas**, California Public Contract Code Section 1102 defines an emergency as "sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"; and

**Whereas**, California Public Contract Code section 22050 authorizes the JPB to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the emergency will not permit delay resulting from a competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

**Whereas**, Resolution 2023-19 delegated to the Executive Director, or designee the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved; and

**Whereas**, pursuant to Public Contract Code section 22050(c), the Board must review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote; and

**Whereas**, the Board most recently renewed its findings via Resolution 2023-23 at its May 4, 2023 Board meeting; and

**Whereas**, following months of heavy rain in January 2023, assessments of the condition of the north embankment supporting the San Francisquito Creek Bridge Main Track 1 (MT-1) and Main Track (MT-2) by the Peninsula Corridor Joint Powers Board (JPB) revealed significant erosion on the slope of the embankment, threatening the integrity of the north approaching track structure; and

**Whereas**, the JPB consulted with the U.S. Army Corps of Engineers (USACE), the regional Water Quality Control Board, and the California Department of Fish and Wildlife concerning environmental permits for restoration activities to preserve the integrity of MT-1 and MT-2 tracks in light of the significant erosion of the northern embankment which occurred as the result of the 2022-2023 winter storms; and

**Whereas**, there is a continued and ongoing emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

**Whereas**, action is necessary to respond to this continued and ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services; and

**Whereas**, the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and substantial evidence supports the conclusions that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and

**Whereas**, JPB staff have engaged Walsh Construction, which is currently working on the Guadalupe River Bridge project, about Walsh's capacity to undertake emergency repair work; and

**Whereas**, Walsh has a crew onsite that specializes in emergency work and has capacity to undertake the repair work, in addition to the Guadalupe River Bridge project, and is currently preparing a cost estimate; and

**Whereas**, JPB staff will obtain independent cost estimates from consultants and contractor estimates from Walsh Construction. Iterative comparison of these estimates will provide clarity on cost expectation and assure fair and reasonable pricing.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Renews findings from May 4, 2023, that an emergency, as defined by Section 1102 of the California Public Contract Code, exists at the north channel embankment at the San

Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

2. Renews findings, based on the substantial evidence presented by staff, that the emergency does not permit a delay resulting from a formal solicitation for bids because the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, that action is necessary to respond to the ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services, that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and
3. Continues to authorize emergency repairs of the North channel embankment at San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and
4. Continues to delegate to the Executive Director, or designee, the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

**Be It Further Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board has reviewed the emergency action taken on March 29, 2023 and on May 4, 2023 to

remediate emergency conditions at the embankment of the San Francisquito Bridge, and will continue to conduct such a review at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote pursuant to Public Contract Code section 22050(c).

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

---

Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: James Harrison, General Counsel  
Subject: **Approve Exclusive Negotiating Agreement and Agreement for Comprehensive Planning and Exchange of Easements with IQHQ at the South San Francisco Caltrain Station**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff recommends the Board authorize the Executive Director, or designee, to:

- 1) Extend the Exclusive Negotiation Agreement (ENA) between the Peninsula Corridor Joint Powers Board (JPB) and IQHQ -Spur Ph I, LLC (IQHQ) to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements (Agreement) for the South San Francisco Caltrain Station parking lot property (Station Property); and
- 2) Execute the Agreement and exchange of property consistent with the Term Sheet attached to the resolution for this item.

**Significance**

The South San Francisco Caltrain Station is directly adjacent to IQHQ’s planned development project, which will include approximately 300,000 square feet of biotech lab and office space (Development). Approval of the Term Sheet will allow IQHQ and the JPB to work together to advance a series of mutually beneficial improvements at and near the South San Francisco Caltrain Station, including:

- Developer-funded improvements to the Station Property, including enhanced pedestrian access and connectivity between the Development and the South San Francisco Caltrain Station, additional parking spaces, and landscaping;
- Improved emergency vehicle access to both the station and the Development;
- Loading dock access to the Development; and
- A formalized easement that will provide the JPB access from Dubuque Avenue to the Caltrain right of way as necessary for maintenance and rail operations.

In addition, IQHQ will have the option to lease a portion of the Caltrain parking lot for use by employees for market value rent, as long as the spaces are not required for Caltrain customers.

Once the ENA is extended, the parties will work together to refine the conceptual site plan, draft property exchange documents, and prepare the Agreement. The ENA will require that



IQHQ pay JPB \$30,000 to cover staff time and expenses associated with the work described above.

### **Budget Impact**

The station improvements will be developer-funded, and the exchange of easements will occur at no cost to the JPB. If IQHQ leases parking spaces at the station, the JPB will collect fair market rent for use of the spaces. IQHQ, through the ENA, will cover JPB's costs of negotiating, drafting, and executing the Agreement.

### **Background**

The Station Property was identified as a potentially developable site in the Caltrain Rail Corridor Use Policy (RCUP), which was adopted by the JPB Board of Directors in February 2020 to guide the use of agency property and support delivery of Caltrain's Long-Term Service Vision.

The Station Property has limited access, which is provided by an easement over the IQHQ site, and it is located partially under a raised roadway. It is therefore not feasible to independently develop the Station Property due to this limited access, shape, and other encumbrances.

Additionally, Caltrain maintenance staff have historically accessed the Caltrain corridor in South San Francisco by an informal access roadway on Dubuque Avenue. In the long term, without formal access, Caltrain staff will lose safe access to this vital part of the Right of Way, increasing operating costs and impeding the ability of staff to maintain the track and rail system in a state of good repair. In addition to the 580 Dubuque property, IQHQ recently acquired other properties along Dubuque Avenue, one of which Caltrain historically used to access the Right of Way.

In December 2021, the JPB and IQHQ entered into an ENA to explore the potential to work together to maximize the use of the property of each to their mutual benefit. The resultant Site Plan is described above and attached hereto.

To effectuate the Site Plan:

1. IQHQ will provide a new easement to the JPB (replacing an existing easement) to provide enhanced patron and emergency vehicle access to the Station and the Development.
2. The JPB will grant IQHQ easements to allow for improved emergency vehicle access to their project as well as improved access to the building's loading dock.
3. IQHQ will make improvements to the Station Property, including landscaping, lighting, pedestrian walkways, as well as an additional 38 parking spaces including two additional accessible spaces. This will increase the total number of parking stalls to 114, including 5 accessible spaces (currently the station property includes 76 spaces, with 3 accessible).

The Agreement will allow IQHQ to lease up to 53 spaces on a month-to-month basis, as long as they are not required for Caltrain customers or to otherwise support rail operations.

In addition, IQHQ will provide an easement across a nearby property along Dubuque Avenue, at 900 Dubuque Avenue. This formal access is very valuable to Caltrain and will ensure that vital access to this portion of the corridor is preserved, thereby ensuring the availability of safe track access.

Prepared By: Nadine Fogarty Deputy Director, Real Estate & TOD (650) 208-6574

(00488333-2)

**Resolution No. 2023-****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Approving Exclusive Negotiating Agreement and Agreement for  
Comprehensive Planning and Exchange of Easements with IQHQ at the South San  
Francisco Caltrain Station**

**Whereas**, the South San Francisco Caltrain Station parking lot property (Station Property) was identified as a potentially developable site in the Caltrain Rail Corridor Use Policy (RCUP), which was adopted by the Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) in February 2020 to guide the use of agency property and support delivery of Caltrain's Long-Term Service Vision; and

**Whereas**, the South San Francisco Caltrain Station is directly adjacent to IQHQ -Spur Ph I, LLC's (IQHQ) planned development project, which will include approximately 300,000 square feet of biotech lab and office space (Development); and

**Whereas**, the Station Property has limited access, which is provided by an easement over the IQHQ site, and it is located partially under a raised roadway. It is therefore not feasible to independently develop the Station Property due to this limited access, shape, and other encumbrances; and

**Whereas**, Caltrain maintenance staff have historically accessed the Caltrain corridor in South San Francisco by an informal access roadway on Dubuque Avenue. In the long term, without formal access, Caltrain staff will lose safe access to this vital part of the Right of Way, increasing operating costs and impeding the ability of staff to maintain the track and rail system in a state of good repair; and

**Whereas**, in December 2021, the Peninsula Corridor Joint Powers Board (JPB) and IQHQ entered into an Exclusive Negotiation Agreement (ENA) to explore the potential to work together to maximize the use of the property of each to their mutual benefit. The resultant Site Plan is described below and attached hereto; and

**Whereas**, staff recommend that the Board authorize the Executive Director, or designee, to extend the ENA between the JPB and IQHQ to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements for the Station Property (Agreement) and execute the Agreement and exchange of property consistent with the attached Term Sheet.

**Whereas**, approval of the Term Sheet will allow IQHQ and the JPB to work together to advance a series of mutually beneficial improvements at and near the South San Francisco Caltrain Station, including:

- Developer-funded improvements to the Station Property, including enhanced pedestrian access and connectivity between the Development and the South San Francisco Caltrain Station, additional parking spaces, and landscaping;
- Improved emergency vehicle access to both the station and the Development;
- Loading dock access to the Development; and
- A formalized easement that will provide the JPB access from Dubuque Avenue to the Caltrain right of way as necessary for maintenance and rail operations; and

**Whereas**, IQHQ will have the option to lease a portion of the Caltrain parking lot for use by employees for market value rent, if the spaces are not required for Caltrain customers; and

**Whereas**, to effectuate the Site Plan: IQHQ will provide a new easement to the JPB (replacing an existing easement) to provide enhanced patron and emergency vehicle access to the Station and the Development; the JPB will grant IQHQ easements to allow for improved

emergency vehicle access to their project as well as improved access to the building's loading dock; IQHQ will make improvements to the Station Property, including landscaping, lighting, pedestrian walkways, as well as an additional 38 parking spaces including two additional accessible spaces. This will increase the total number of parking stalls to 114, including 5 accessible spaces (currently the station property includes 76 spaces, with 3 accessible); and

**Whereas**, the Agreement will allow IQHQ to lease up to 53 spaces on a month-to-month basis, as long as they are not required for Caltrain customers or to otherwise support rail operations; and

**Whereas**, in addition, IQHQ will provide an easement across a nearby property along Dubuque Avenue, at 900 Dubuque Avenue. This formal access is very valuable to Caltrain and will ensure that vital access to this portion of the corridor is preserved, thereby ensuring the availability of safe track access; and

**Whereas**, once the ENA is extended, the parties will work together to refine the conceptual site plan, draft property exchange documents, and prepare the Agreement; and

**Whereas**, the station improvements will be developer-funded, and the exchange of easements will occur at no cost to the JPB if IQHQ leases parking spaces at the station, the JPB will collect fair market rent for use of the spaces; and

**Whereas**, the ENA will require that IQHQ pay JPB \$30,000 to cover staff time and expenses associated with the work described above and will require that IQHQ cover JPB's costs of negotiating, drafting, and executing the Agreement.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to:

1. Extend the ENA between the JPB and IQHQ to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements for the South San Francisco Caltrain Station parking lot property (Station Property); and
2. Execute the Agreement and exchange of property consistent with the attached Term Sheet.

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

---

Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary

(00488415)

Proposed Term Sheet

580 Dubuque Avenue/South San Francisco JPB Site

Below are the proposed terms the Peninsula Corridor Joint Powers Board (“Agency”) and IQHQ-Spur Ph I, LLC (“Developer”) (together the “Parties”), have developed relating to a proposed comprehensive site plan (“Site Plan”) that involves Developer’s Development Project at 580 Dubuque Avenue, in South San Francisco (“Project Site”), and Agency’s adjacent South San Francisco Caltrain Station (“JPB Site”):

Agreement: The Parties anticipate entering into a binding “Agreement for Comprehensive Planning and Exchange of Easements” (“Agreement”) for the JPB Site and Project Site that will provide clarity between the Parties regarding:

1. The scope and location of the improvements contemplated in the Site Plan,
2. The process for review and approval of the Site Plan and relevant design and specifications,
3. The responsible parties for construction and funding of all Site Plan improvements,
4. Responsibility for maintenance of Site Plan improvements,
5. Developer’s temporary use of parking, and
6. The Parties’ exchange of easements.

The Agreement will also cover Agency’s concurrence with a reduction of the height of a certain fence and with Developer’s request to clear a visual obstruction, as further discussed in this Term Sheet.

Site Plan: Exhibit A depicts the proposed Site Plan as accepted by Agency and Developer. The Site Plan includes:

1. Developer-funded improvements to Agency’s South San Francisco Station parking area;
2. Creation of new, enhanced, shared access areas;
3. Fire safety access that will enhance the Developer’s Project and Caltrain’s station and facilities, and truck loading access that will enhance the Developer’s Project;
4. Enhanced pedestrian connection from Caltrain Station to the Project Site;
5. Enhanced landscaping and hardscaping;
6. Site lighting; and
7. Creation of additional parking spaces.

The final plan will be subject to review and approval by the Agency and shall be reflective of all Agency and ADA standards.

Construction of the site plan shall be staged to ensure that a minimum of 25 spaces, which shall include 3 accessible stalls, are available at all times for Caltrain customers, and that Caltrain customer vehicular and pedestrian access to the station is not impeded, including access to all accessible stalls. Prior to, and throughout, construction of the site improvements, Developer shall coordinate with the JPB's Customer Experience staff to ensure notice and public information is provided about construction impacts.

Agency shall issue a Right of Entry Permit, in its standard form of agreement, to enable Developer to construct all necessary improvements on Agency property.

Easements: To accommodate the implementation of the Site Plan, the Parties agree to the following grants and exchange of easements. All areas are shown in the attached Exhibits B-1 and B-2, with specific locations subject to modification, as agreed to by the Parties:

1. JPB will quitclaim its right, title and interest in the area labeled "Existing Public Roadway Easement" (Exhibit B-1) and Developer will grant JPB a replacement easement (terms to be agreed upon) in the area labeled "New Roadway Easement on 580 Dubuque Parcel to Replace Existing Roadway Easement" (Exhibit B-2); and
2. JPB will grant Developer and the City of South San Francisco an easement for roadway and emergency vehicle access purposes (terms to be agreed upon) in the area labeled "New Roadway and Emergency Vehicle Access Easement on JPB Parcel to Replace Existing Roadway Easement" (Exhibit B-2); and
3. JPB will grant Developer an easement for access in the area labeled "Proposed Private Access Easement on JPB Parcel for Project Loading Dock Access" to enable Developer access to its loading dock (Exhibit B-2).

Payment: Developer agrees to design, develop, and construct, or cause to be constructed, the Site Plan improvements as shown on Exhibit A, and as generally described above, at its sole cost and expense, inclusive of both hard and soft costs. Developer shall provide the Agency with performance, warranty, and payment bonds covering the value of the Site Plan improvements. Upon completion of the improvements, and acceptance by Agency, Agency shall own the improvements, and shall release Developer of all liability relating to the construction of such improvements.

Timing: The Parties agree that the target for completion of the Site Plan improvements shall be prior to or concurrent with the Temporary Certificate of Occupancy of the Project, estimated to be in Q1 2025, unless the time for such a Temporary Certificate of Occupancy is extended due to 580 Dubuque tenant improvements or by mutual agreement of the Parties. The Parties agree to operate in good faith and to use commercially reasonable efforts to meet the required timing of the Site Plan improvements. The Agreement will include terms to enable Agency to review and approve all plans for the Site Plan improvements and will include timeframes for review of such plans at regular intervals (35% design, 65% design, 95% design and issued for bid).

Maintenance: Developer agrees to be solely and completely responsible for maintenance of the New Roadway Easement, Roadway and Emergency Vehicle Access Easement, and Private Access Easement areas, which areas shall be maintained to commonly



## ATTACHMENT A

accepted and commercially reasonable standards. JPB agrees to be responsible for maintenance of the Parking Area.

- Parking:** Upon completion of the Site Plan improvements, the site will contain approximately one hundred fourteen (114) total parking spaces (“Parking Area”). The Agreement shall provide that Agency agrees to lease for a fair market rent to Developer, for Developer’s exclusive use during standard business hours on non-holiday weekdays, approximately fifty-three (53) of the parking spaces on the JPB Site on a month-to-month basis. Agency shall have the right to terminate Developer’s use of the parking spaces (either partially or completely) at its sole and total discretion, when such spaces are deemed by Agency necessary to support Caltrain operations.
- Reduction of Fence Height:** Agency supports the reduction of height of the fence on top of the retaining wall along Dubuque Avenue (on City property) in accordance with the adopted Mitigation Monitoring and Reporting Program for the development on the Project Site.
- Clear Visual Obstruction:** Agency agrees to allow Developer to relocate the Caltrain Station Parking Sign, as shown in Exhibit A, to a new location, labeled as “New Sign Location” on Exhibit A, in accordance with the adopted Mitigation Monitoring and Reporting Program for the development on the Project Site as determined by Agency, Developer and City.
- Access to Right of Way:** In addition to the Easements described above, Developer agrees, either itself or through one or more affiliates, to provide Agency a non-exclusive easement to enable access from Dubuque Avenue to the Caltrain right of way, initially to be located across the property located at 800 Dubuque Avenue, for no charge. Said easement area shall be 20 feet in width. The parties agree to work together to relocate the easement area if necessitated by Developer’s future plans, under the condition that continuous and permanent access shall be provided from Dubuque Avenue to the right of way. Upon notice to Agency, Developer shall have the right to relocate the easement area in its sole reasonable discretion, including as may be necessary to accommodate future redevelopment at 800 Dubuque Avenue. The parties agree that in such an event, the parties shall work together to find a suitable replacement location. The parties understand and acknowledge that the provision of such permanent access is material consideration for Agency’s willingness to enter into the Agreement with Developer.
- Power Undergrounding:** The Site Plan also contemplates the undergrounding of the existing Caltrain Traction Power Station utility lines which will be considered under separate agreement and include demolition, jack and bore, and undergrounding replacement (inclusive of hard costs as well as design, engineering, and permitting fees). The Parties agree that the undergrounding project may not ultimately proceed and that the Site Plan can be constructed, in a manner materially consistent with the Agreement, irrespective of whether the lines are undergrounded.

# EXHIBIT A

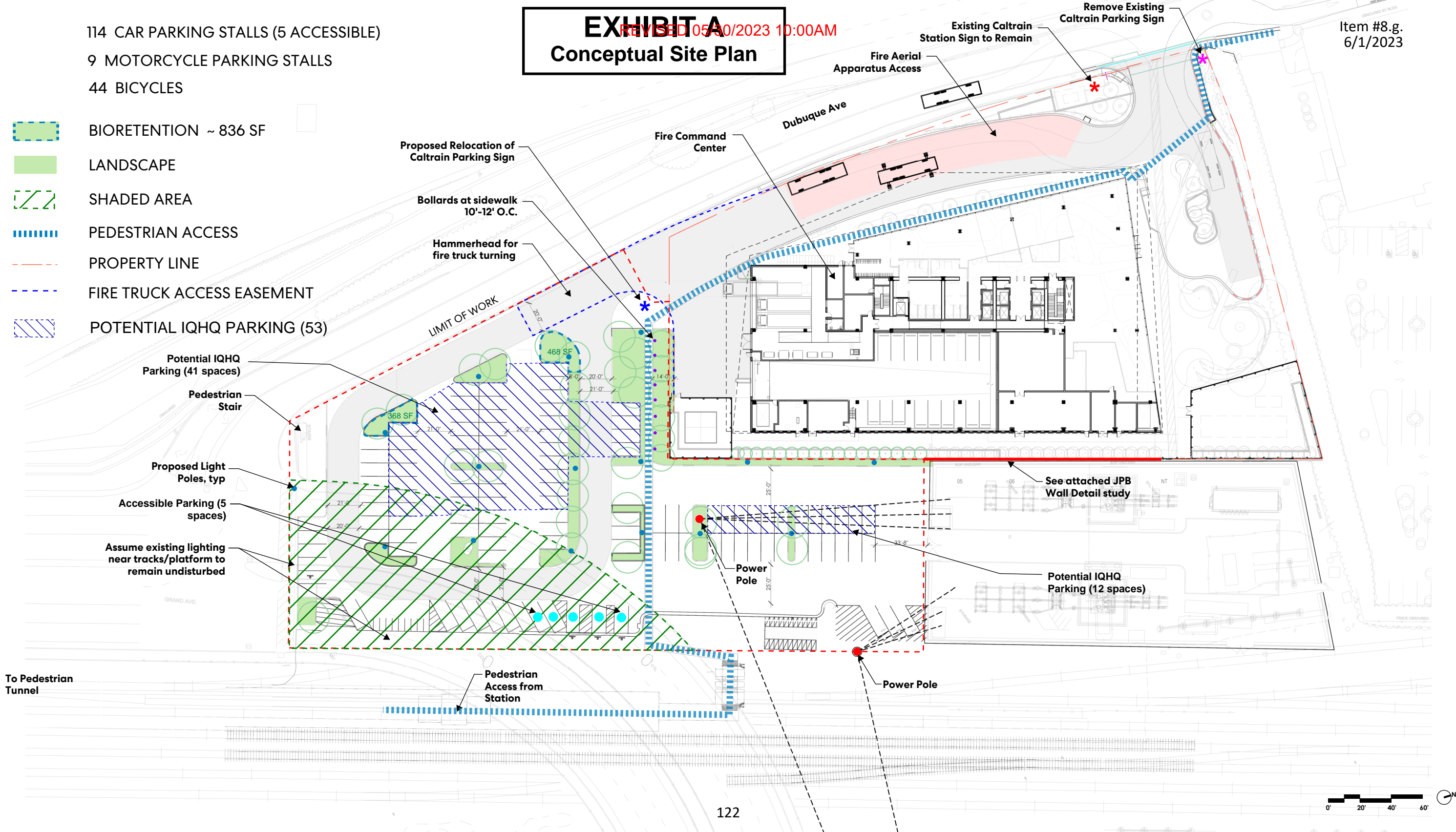
## Conceptual Site Plan

REVISED 05/30/2023 10:00AM

Item #8.g.  
6/1/2023

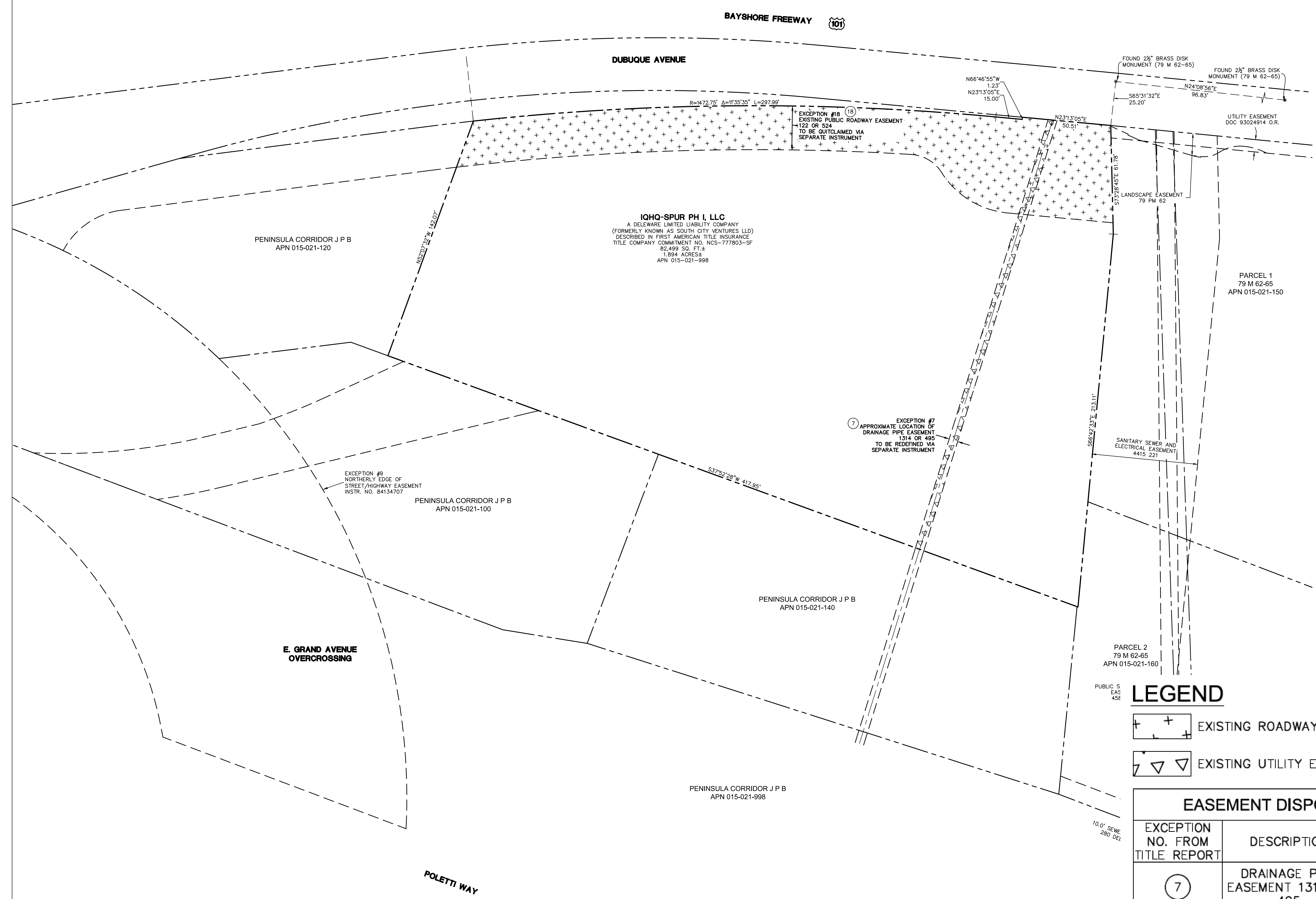
- 114 CAR PARKING STALLS (5 ACCESSIBLE)
- 9 MOTORCYCLE PARKING STALLS
- 44 BICYCLES

- BIORETENTION ~ 836 SF
- LANDSCAPE
- SHADED AREA
- PEDESTRIAN ACCESS
- PROPERTY LINE
- FIRE TRUCK ACCESS EASEMENT
- POTENTIAL IQHQ PARKING (53)



To Pedestrian Tunnel

# EXHIBIT B-1



**IQHQ-SPUR PH I, LLC**  
A DELEWARE LIMITED LIABILITY COMPANY  
(FORMERLY KNOWN AS SOUTH CITY VENTURES LLD)  
DESCRIBED IN FIRST AMERICAN TITLE INSURANCE  
TITLE COMPANY COMMITMENT NO. NCS-777803-SF  
62,499 SQ. FT. ±  
1.894 ACRES ±  
APN 015-021-998

## LEGEND

- EXISTING ROADWAY EASEMENT
- EXISTING UTILITY EASEMENT

EASEMENT DISPOSITION TABLE		
EXCEPTION NO. FROM TITLE REPORT	DESCRIPTION	DISPOSITION
7	DRAINAGE PIPE EASEMENT 1314 OR 495	TO BE REDEFINED VIA SEPARATE INSTRUMENT
18	EXISTING PUBLIC ROADWAY EASEMENT 122 OR 524	TO BE QUITCLAIMED VIA SEPARATE INSTRUMENT

**Perkins&Will**

1301 Fifth Avenue  
Suite 2300  
Seattle, WA 98101  
206.381.6000  
206.441.8881  
www.perkinswill.com

**IQHQ** Driving progress a home

674 VIA DE LA VALLE, SUITE 206  
SOLANA BEACH, CA 92075

CONSULTANTS

- BKF
- MAGNUSSON KLEMMENC
- SMI
- MORROW MEADOWS
- PAE
- M

**SURFACEDESIGN INC**

**ROSENDIN**

**TRANSBAY FIRE PROTECTION, INC.**  
License No. 62778

**MCCARTHY**

**CONTRACTOR**



PROJECT

**580 DUBUQUE**  
SOUTH SAN FRANCISCO, CA

**ASI 003**  
FEBRUARY 24, 2023

KEYPLAN

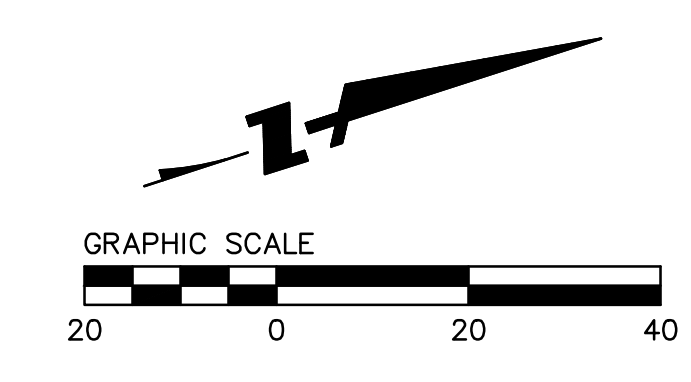
ISSUE CHART

**EXISTING EASEMENT PLAN**

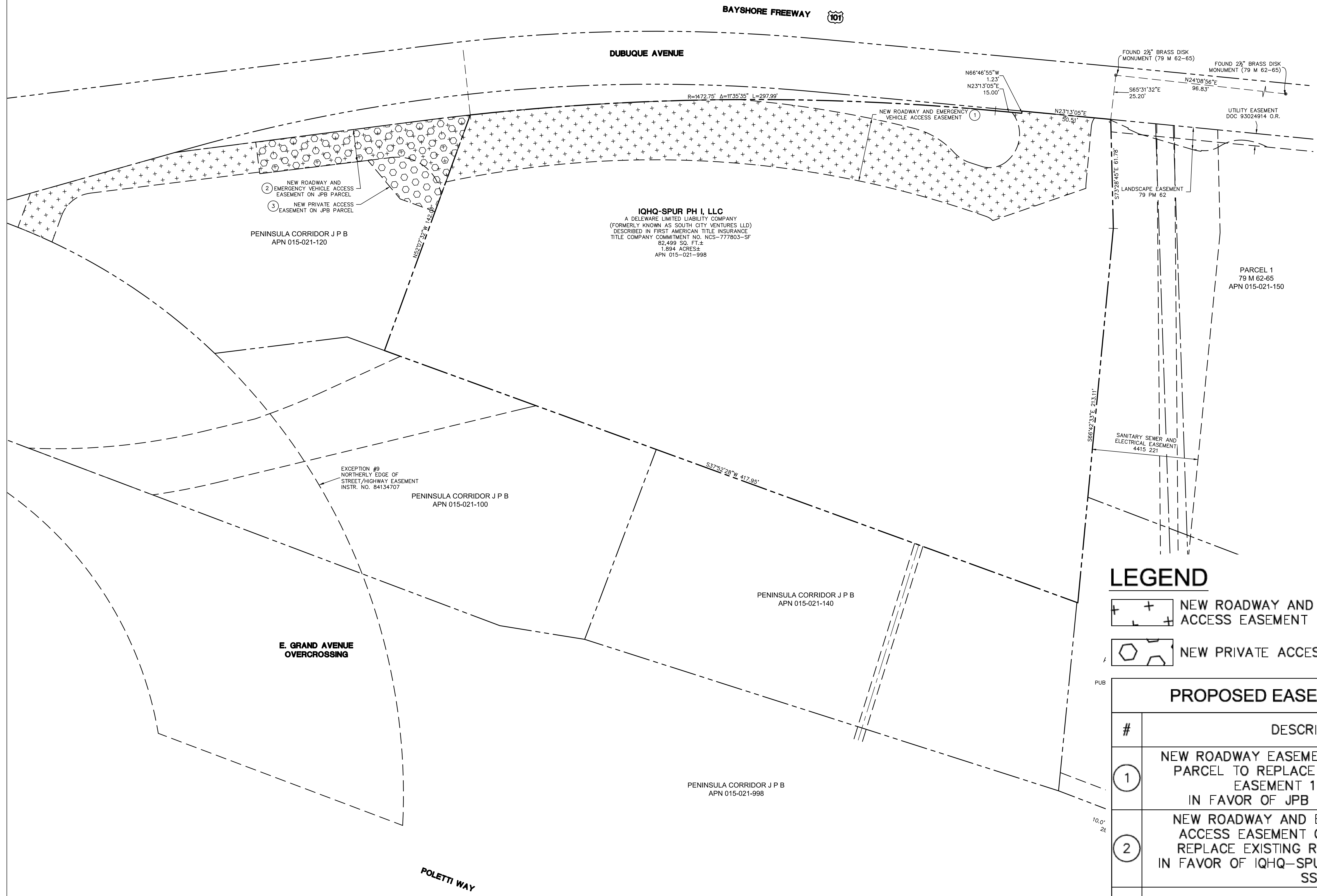
SHEET NUMBER

**C01-02**

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# EXHIBIT B-2



**IQHQ-SPUR PH I, LLC**  
 A DELAWARE LIMITED LIABILITY COMPANY  
 (FORMERLY KNOWN AS SOUTH CITY VENTURES LLD)  
 DESCRIBED IN FIRST AMERICAN TITLE INSURANCE  
 TITLE COMPANY COMMITMENT NO. NCS-777803-SF  
 62,499 SQ. FT. ±  
 1.894 ACRES ±  
 APN 015-021-998

PENINSULA CORRIDOR J P B  
 APN 015-021-120

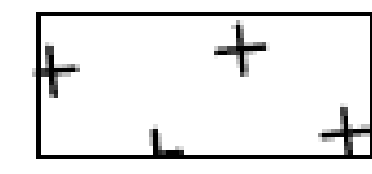

PENINSULA CORRIDOR J P B  
 APN 015-021-100

PENINSULA CORRIDOR J P B  
 APN 015-021-140

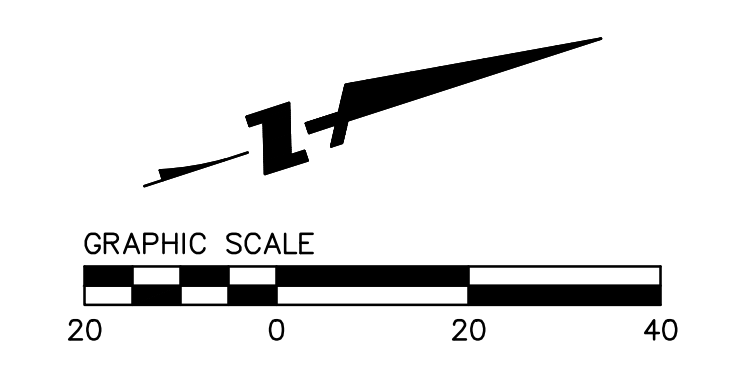
PENINSULA CORRIDOR J P B  
 APN 015-021-998

PARCEL 1  
 79 M 62-65  
 APN 015-021-150

## LEGEND

-  NEW ROADWAY AND EMERGENCY VEHICLE ACCESS EASEMENT
-  NEW PRIVATE ACCESS EASEMENT

PROPOSED EASEMENT TABLE	
#	DESCRIPTION
1	NEW ROADWAY EASEMENT ON 580 DUBUQUE PARCEL TO REPLACE EXISTING ROADWAY EASEMENT 122 OR 524 IN FAVOR OF JPB AND CITY OF SSF
2	NEW ROADWAY AND EMERGENCY VEHICLE ACCESS EASEMENT ON JPB PARCEL TO REPLACE EXISTING ROADWAY EASEMENT IN FAVOR OF IQHQ-SPUR PH 1 AND CITY OF SSF
3	PROPOSED PRIVATE ACCESS EASEMENT ON JPB PARCEL FOR PROJECT LOADING DOCK ACCESS IN FAVOR OF IQHQ-SPUR PH 1



**Perkins&Will**

1301 Fifth Avenue  
 Suite 2300  
 Seattle, WA 98101  
 1.206.381.6000  
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**IQHQ** Driving progress a home

674 VIA DE LA VALLE, SUITE 206  
 SOLANA BEACH, CA 92075

CONSULTANTS

-  **BKF**
-  **MAGNUSSON KLEMMENCIC**
-  **SVM**
-  **MORROW MEADOWS**
-  **PAE**
-  **SURFACEDESIGN INC**
-  **ROSENDIN**
-  **TRANSBAY FIRE PROTECTION, INC.**
-  **MCCARTHY**

PROJECT

**580 DUBUQUE**

SOUTH SAN FRANCISCO, CA

KEYPLAN

ISSUE CHART

TITLE

PROPOSED JPB EASEMENT PLAN

SHEET NUMBER

1 OF 1

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**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Kate Steiner, Chief Financial Officer  
Subject: **Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

**Action**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) authorize the Executive Director or designee, to:

- 1) Apply for and receive \$2,442,976 in Fiscal Year 2023 (FY23) California Low Carbon Transportation Operations Program (LCTOP) funds from the California Department of Transportation (Caltrans), to help fund Ridership Recovery Service Enhancement; and
- 2) Take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, related amendments and any other documentation required for the JPB to apply for and receive LCTOP funds.

**Significance**

The LCTOP is one of several funding programs that are part of a broad-based State effort to invest cap-and-trade auction proceeds to reduce greenhouse gas. These funds are distributed annually on a formula basis to transit agencies and Regional Transportation Planning Agencies, including the Metropolitan Transportation Commission (MTC). Transit agencies receive a portion of the LCTOP funds via a formula based on operating revenues. Caltrans is the administering agency for the funds, and it requires eligible funding recipients to submit annual resolutions authorizing agency officer(s) to execute and process the LCTOP application materials. Caltrans also requires applicants to specify the projects to receive the funds within the resolution.

The JPB’s formula allocation of FY23 LCTOP funding is \$2,442,976. The LCTOP program allows agencies to use allocations for operational assistance.

**Budget Impact**

Receipt of FY23 LCTOP funding of \$2,442,976 is included in the Proposed Fiscal Year 2024 (FY24) Operating Budget.

**Background**

The LCTOP provides operational assistance as well as capital funding for expanded transit service to reduce greenhouse gas emissions and improve mobility. LCTOP is funded annually with 5 percent of the auction proceeds from the State's cap-and-trade program, as required under California's climate action law, A.B. 32. In Calendar Year (CY) 2021, Caltrain increased service from 92 weekday train trips per day to 104 weekday train trips. The FY23 LCTOP funding will be used to continue the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options.

Prepared By: Lisha Mai

Manager, Grants and Fund  
Programming

650-508-6353

**Resolution No. 2023-**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Authorizing the Application for and Receipt of Annual Cap and Trade  
Funding for Ridership Recovery Service Enhancement**

**Whereas**, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor and may receive State cap and trade funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

**Whereas**, the statutes related to State-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**Whereas**, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

**Whereas**, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors, including the JPB; and

**Whereas**, the JPB wishes to use Fiscal Year 2023 (FY23) LCTOP funds allocated to the JPB for the Ridership Recovery Service Enhancement; and

**Whereas**, the Ridership Recovery Service Enhancement will maintain the operation of 104 weekday train trips, provide improved service, attract new riders, and support more equitable transportation options; and

**Whereas**, staff recommends that the JPB Board of Directors authorize the Executive Director, or designee, to:

1. Apply for and receive \$2,442,976 in FY23 LCTOP funds for operational assistance of the Ridership Recovery Service Enhancement; and
2. File and execute annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documents required for the JPB to apply for and receive LCTOP funding.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor

Joint Powers Board, hereby:

1. Authorizes the Executive Director, or designee, to apply for and receive from the California Department of Transportation \$2,442,976 in FY23 LCTOP funds for the Ridership Recovery Service Enhancement, which will help fund the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options; and
2. Authorizes the Executive Director, or designee, to take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documentation that may be required for the JPB to apply for and receive LCTOP funds; and
3. Agrees to comply with all conditions and requirements set forth in the annual Certifications and Assurances, authorized agent forms and any applicable statutes, regulations, and guidelines for all LCTOP-funded transit projects.



Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Authorize Execution of Contracts and Amendments for Information Technology Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Determine that an independent Peninsula Corridor Joint Powers Board-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest.
2. Authorize the procurement of technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy.
3. Authorize the Executive Director or designee to enter into contracts greater than \$250,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing<sup>1</sup>.

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<sup>1</sup> The \$250,000 threshold is contingent upon the Board adopting proposed revisions to the JPB procurement policy at the June 1, 2023 meeting. Absent approval, the threshold will remain at \$150,000.

4. Authorize the Executive Director or designee to execute all necessary purchase orders, contracts and other documents to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases.
5. Authorize the procurement of new software licenses, maintenance and support services, and professional and staff augmentation services agreements for information technology, pursuant to the JPB's procurement authority and policy; and
6. Authorize the Executive Director or designee to enter into contracts exceeding \$250,000 with original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software.
7. Authorize the Executive Director or designee to enter into contracts greater than \$250,000 with original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services.
8. Authorize the Executive Director or designee to execute all necessary purchase orders, contracts, and other documents and actions to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing some of these purchases, for an aggregate, not-to-exceed amount of \$3 million for fiscal year 2024.
9. Request the Executive Director or designee to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.

### **Significance**

The JPB has an ongoing to need to refresh technology that supports all business operations. Some of the required equipment includes:

- personal computers,
- telecommunications equipment,
- digital reprographic equipment,
- computer peripherals,
- server and network hardware,

- software,
- maintenance and support services,
- installation and configuration services,
- temporary technology consultants,
- other related technology services,

Recurring support and license agreements are, by their nature, repetitive and routine, and are required to ensure the continued and effective operation of information technology assets owned by the JPB. The sole source purchase of additional modules to existing software or professional services to modify existing proprietary software will allow the JPB's changing business needs to be met in a timely manner.

Approval of this contracting authority will allow the JPB to pay for new software licenses, maintenance and support services, recurring maintenance services, additional licenses, license renewal fees, and professional services for proprietary software greater than the approved threshold without bringing individual actions individually before the Board for approval. This delegation would not eliminate the requirement that all other procurement policies and procedures be followed.

Delegating this authority expedites the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of such support and license agreements.

Further, this authority will provide the JPB with a cost-effective means to support its standardization policy and provide the latest technology and related services through cooperative intergovernmental purchasing programs. Contracts issued under this authority will address the JPB's requirements for equipment, hardware, software, services, licensing, maintenance agreements, and programmed replacement of equipment that has reached the end of its useful life or has become unsuited to address the JPB's future needs.

A quarterly report indicating contracts awarded during the prior quarter will be submitted to the Board.

The JPB, when possible, will use cooperative agreements or share (piggyback) in contracts negotiated by other agencies. The available cooperative agreements may include, but are not limited to:

- California Integrated Information Network (CALNET)
- Sourcewell
- State of California Department of General Services (DGS)/California Multiple Award Schedule (CMAS)
- National Association of State Procurement Officials (NASPO) Valuepoint
- National Cooperative Procurement Partners (NCP)
- Federal General Services Administration (GSA)
- OMNIA Partners
- National Cooperative Purchasing Alliance (NCPA)
- The Interlocal Purchasing System (TIPS Purchasing Cooperative)

The use of these vehicles guarantees that the JPB will get the best pricing for the technologies they cover.

### **Budget Impact**

Funds for these purchases are programmed in the proposed fiscal year 2024 Operating and Capital Budgets.

### **Background**

Pursuant to the Procurement Policy adopted by the Board in 2019 (Resolution No. 2019-12), the Board must approve any purchase of goods and services exceeding \$150,000. Since 2010, the Board has granted the Executive Director authority to exceed the formal threshold for technology related purchases under certain conditions. Previously, the Board has approved, by resolution, two separate actions: one related to recurring contracts and one related to cooperative agreements. This year the two requests have been combined into a single resolution.

On an annual basis the equipment purchases, and service contracts must be renewed. These renewals are usually routine and predictable and generally competitively procured previously. Software and hardware are typically sold with licenses and maintenance agreements that require periodic renewal. Failing to renew maintenance support means loss of software updates, and problems obtaining resolution assistance and repair services typically needed to keep a product in good operating order. In some cases, the product may not be legally used if maintenance and license renewals have not been obtained.

The types of licensing and maintenance agreements contemplated are generally unobtainable under any other method because they are proprietary to the manufacturers of the software. Similarly, many manufacturers do not allow third parties to access source code or to provide services. As a result, professional services to upgrade, modify, or add to existing software must be performed by the original manufacturer.

JPB assets requiring payment of recurring annual or multi-year maintenance services, support, and license fees over \$250,000 that may need to be accommodated in FY 2024 outside of cooperative purchase agreements or other pre-existing contracts include, but are not necessarily limited to:

- ARINC
- Penta
- Ventek (Caltrain TVM upgrade)
- Carahsoft-Oracle Aconex

Contracts issued by individual governmental entities that allow other jurisdictions to use the contract they establish are called piggybacking contracts because they allow the agency to “piggyback” on the other governmental entities' solicitation process, contract terms and pricing. Contracts will be executed only with vendors whose contracts include piggybacking language on a basis that complies with the JPB's procurement authority and policy.

Various cooperative purchasing programs and piggyback purchasing are available to provide these products and services. Special districts are given statutory permission to procure competitively priced goods and services arising out of these vendor agreements. The Federal government’s General Services Administration Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) also can be utilized. By utilizing cooperative purchasing and piggyback contracts, the JPB saves considerable time and expense associated with independent procurements, which would be unlikely to yield more favorable pricing or service.

All vendors selected will hold valid agreements under the corresponding cooperative purchasing programs. Contracts will be executed only with vendors whose contracts were awarded under a cooperative buying agreement on a basis that complies with the JPB’s statutory procurement authority and policy, and will include the JPB’s terms and conditions, as appropriate. Other cooperative purchasing consortia may be added to this program for acquisition of technology items during fiscal year 2024 but only to the extent each fully complies with the JPB’s statutory procurement authority and policy.

By approving this action, the Board eliminates the need for issuance of contracts for new and recurring maintenance and continued operation of assets like these would need to be brought individually before the Board for approval.

Prepared By:	Linda Tamtum	Contract Administrator (IT)	650.508.7933
	Michael Salazar	IT Operations Manager	650.551.6196

**Resolution No. 2023-**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Authorizing Execution of Contracts and Amendments for Information Technology Licenses,  
Maintenance Services and Professional Services and Technology-Related Products and  
Services Through Piggyback Contracts and Cooperative Purchasing Programs for an Aggregate  
Not-to-Exceed Amount of \$3 Million for Fiscal Year 2024**

**Whereas**, the Peninsula Corridor Joint Powers Board (JPB) will require personal computers, computer peripherals telecommunications equipment, reprographic equipment, servers, switches, maintenance agreements, software licensing, continuing product support and licenses, technology consulting, and other related services throughout the coming fiscal year in order to replace equipment that has reached the end of its useful life and to meet the JPB's current and emerging technology needs; and

**Whereas**, the JPB desires to standardize procurement using the most cost-effective manner; and

**Whereas**, piggybacking on other agencies' procurements as well as participating in cooperative purchasing consortia allows the JPB to procure favorably priced technology systems equipment and related services; and

**Whereas**, maintenance support and software license agreements for the information technology assets in use are, by their nature, repetitive and routine; and

**Whereas**, the JPB requires professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and

**Whereas**, the JPB also requires IT staff augmentation services to support IT specific projects; and

**Whereas**, staff recommends, and the Executive Director concurs, that the JPB participate in the above-mentioned programs, as well as additional cooperative purchasing programs and piggyback purchasing, to the extent such programs fully comply with the JPB's procurement authority and policy; and

**Whereas**, staff recommends that the Executive Director or designee be authorized to execute contracts greater than \$250,000 with original equipment manufacturers, product licensors, their authorized distributors and consultants, and IT professional services and staff augmentation pursuant to the JPB's procurement authority and policy; and

**Whereas**, staff recommends that the Executive Director or designee be authorized to enter into contracts greater than \$250,000 with vendors under JPB-approved cooperative purchasing programs and piggyback purchasing pursuant to the terms and conditions of each program's vendor agreements; and

**Whereas**, staff recommends capping the authority at an aggregate, not-to-exceed amount of \$3 million for FY2024.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby takes the following actions:

1. Determines that an independent Peninsula Corridor Joint Powers Board-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance



- agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest; and
2. Authorizes the procurement of technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy; and
  3. Authorizes the Executive Director or designee to enter into contracts greater than \$250,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing; and
  4. Authorizes the Executive Director or designee to execute all necessary purchase orders, contracts and other documents to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases; and
  5. Authorizes the procurement of new software licenses, maintenance and support services, and professional and staff augmentation services agreements for information technology, pursuant to the JPB's procurement authority and policy; and
  6. Authorizes the Executive Director or designee to enter into contracts exceeding \$250,000 with original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and

- license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software; and
7. Authorizes the Executive Director or designee to enter into contracts greater than \$250,000 with original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and
  8. Authorizes the Executive Director or designee to execute all necessary purchase orders, contracts, and other documents and actions to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing some of these purchases, for an aggregate, not-to-exceed amount of \$3 million for fiscal year 2024; and
  9. Requests the Executive Director or designee to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board and Advocacy and Major Projects (AMP) Committee  
Through: Michelle Bouchard, Executive Director  
From: Casey Fromson, Chief Communications Officer  
Subject: **State and Federal Legislative Update and Approval of Legislative Proposal:  
Support AB 557 (Hart)  
Support AB 1377 (Friedman)**

Finance Committee  
Recommendation

Technology, Operations,  
Planning, and Safety  
Committee Recommendation

Advocacy and Major  
Projects Committee  
Recommendation

Staff Coordinating  
Council Reviewed

**Action**

Staff proposes the Committee recommend the Board:

1. Receive the attached State and Federal Legislative Updates
2. Approve Legislative Proposal:
  - a. Support AB 557 (Hart)
  - b. Support AB 1377 (Friedman)

**Significance**

The 2023 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.

**Budget Impact**

None.

**Background**

None.

Prepared By: Devon Ryan

Government &  
Community Affairs Officer

650.730.6172

# Caltrain

## State Legislative Matrix 5/12/2023

Bill Number (Author)	Summary	Location	Position
<p><a href="#">AB 6 (Friedman D)</a></p> <p>Transportation planning: regional transportation plans: Solutions for Congested Corridors Program: reduction of greenhouse gas emissions.</p>	<p>Existing law requires certain transportation planning agencies to prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Existing law requires that each regional transportation plan also include a sustainable communities strategy prepared by each metropolitan planning organization in order to, among other things, achieve certain targets established by the State Air Resources Board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region for 2020 and 2035, respectively. This bill would require the state board, after January 1, 2024, and not later than September 30, 2026, to establish additional targets for 2035 and 2045, respectively, as specified. This bill contains other existing laws.</p> <p>Amended: 3/16/2023</p>	<p>Assembly Third Reading</p> <p>5/15/2023 #72 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS</p>	<p>Watch</p>
<p><a href="#">AB 7 (Friedman D)</a></p> <p>Transportation: project selection processes.</p>	<p>Existing law establishes within state government the Transportation Agency, which consists of the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun. The agency is under the supervision of the Secretary of Transportation, who has the power of general supervision over each department within the agency. The secretary, among other duties, is charged with developing and reporting to the Governor on legislative, budgetary, and administrative programs to accomplish coordinated planning and policy formulation in matters of public interest, including transportation projects. This bill would require, on and after January 1, 2025, the project selection process for each transportation project that would be funded, at least partially, from specified funding sources, including the State Highway Account, the Road Maintenance and Rehabilitation Account, and the Trade Corridor Enhancement Account, to incorporate specified principles. The bill would require the agency, on or before January 1, 2026, and annually thereafter, to submit a report to the Legislature on how those transportation projects that were completed during the prior year incorporated those principles. This bill contains other existing laws.</p> <p>Amended: 3/16/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>
<p><a href="#">AB 96 (Kalra D)</a></p> <p>Public employment:</p>	<p>Existing law creates various transit districts and prescribes requirements applicable to their labor relations, including those that address the recognition and certification of exclusive employee representatives, unit determinations, and</p>	<p>Senate Rules</p>	<p>Watch</p>

<p>local public transit agencies: autonomous transit vehicle technology.</p>	<p>procedures for meeting and conferring on matters subject to collective bargaining. This bill would require a public transit employer, at least 40 months before beginning a procurement process to acquire or deploy any autonomous transit vehicle technology for public transit services that would eliminate job functions or jobs of a workforce, to provide written notice to the exclusive employee representative of the workforce affected by the autonomous transit vehicle technology of its determination to begin that procurement process. The bill would require the public transit employer and exclusive employee representative, upon written request by the exclusive employee representative, to commence collective bargaining within a specified time period on certain subjects, including creating plans to train and prepare the affected workforce to fill new positions created by the autonomous transit vehicle technology.</p> <p>Amended: 5/1/2023</p>	<p>REVISED 05/30/2023 10:00AM</p>	<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 241 (Reyes D)</a></p> <p>Clean Transportation Program: Air Quality Improvement Program: funding.</p>	<p>Existing law establishes the Clean Transportation Program, administered by the State Energy Resources Conservation and Development Commission, to provide funding to certain entities to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies. Existing law requires the commission to give preference to those projects that maximize the goals of the program based on specified criteria and to fund specified eligible projects, including, among others, alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels. Existing law creates the Alternative and Renewable Fuel and Vehicle Technology Fund, to be administered by the commission, and requires the moneys in the fund, upon appropriation by the Legislature, to be expended by the commission to implement the program. This bill would expand the purpose of the program to include developing and deploying innovative technologies that transform California’s fuel and vehicle types to help reduce criteria air pollutants and air toxics. The bill would no longer require the commission to provide certain project preferences. The bill would provide that the goals of the program shall be to advance the state’s clean transportation, equity, air quality, and climate emission policies and would require the commission to ensure program investments support specified requirements. The bill would require the commission, on and after January 1, 2025, to expend at least 50% of the moneys appropriated to the program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians, and would require at least 50% of funding for tangible location-based investments to be expended in disadvantaged and low-income communities.</p> <p>Amended: 3/23/2023</p>	<p>Assembly Appropriations</p> <p>5/17/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>
<p><a href="#">AB 457 (Patterson, Joe R)</a></p> <p>Surplus Land Act: exempt surplus land: leases.</p>	<p>Existing law prescribes requirements for the disposal of surplus land, as defined, by a local agency, as defined. Existing law requires land to be declared surplus land or exempt surplus land, as supported by written findings, before a local agency takes any action to dispose of it consistent with the agency’s policies or procedures. Existing law requires any local agency disposing of surplus land to send, prior to disposing of that property or participating in negotiations to dispose of that property with a prospective transferee, a written notice of availability of the property pursuant to prescribed procedures. This bill would expand “exempt</p>	<p>Senate Gov. &amp; F.</p>	<p>Watch</p>

REVISED 05/30/2023 10:00AM

	<p>surplus land” to include a parcel that is (1) identified in the local agency’s circulation element or capital improvement program for future roadway development, (2) no larger than 2 acres, (3) zoned for retail commercial use, and leased for a purpose consistent with the underlying zoning, and (4) abuts a state highway right-of-way.</p> <p>Amended: 3/15/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 463 (Hart D)</a></p> <p>Electricity: prioritization of service: public transit vehicles.</p>	<p>Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires the commission to establish priorities among the types or categories of customers of every electrical corporation and every gas corporation, and among the uses of electricity or gas by those customers, to determine which of those customers and uses provide the most important public benefits and serve the greatest public need, and to categorize all other customers and uses in order of descending priority based on these standards. Existing law requires the commission, in establishing those priorities, to consider, among other things, the economic, social, and other effects of a temporary discontinuance in electrical or gas service to certain customers or for certain uses, as specified. If an electrical or gas corporation experiences a shortage of capacity or capability and is unable to meet all demands by its customers, existing law requires the commission to order that service be temporarily reduced by an amount that reflects the established priorities for the duration of the shortage. This bill would require the commission, in establishing those priorities, to also consider the economic, social equity, and mobility impacts of a temporary discontinuance in electrical service to the customers that rely on electrical service to operate public transit vehicles. This bill contains other related provisions and other existing laws.</p> <p>Introduced: 2/6/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Support</p>
<p><a href="#">AB 480 (Ting D)</a></p> <p>Surplus land.</p>	<p>Existing law prescribes requirements for the disposal of surplus land by a local agency, as defined, and requires, except as provided, a local agency disposing of surplus land to comply with certain notice requirements before disposing of the land or participating in negotiations to dispose of the land with a prospective transferee, particularly that the local agency send a notice of availability to specified entities that have notified the Department of Housing and Community Development of their interest in surplus land, as specified. Under existing law, if the local agency receives a notice of interest, the local agency is required to engage in good faith negotiations with the entity desiring to purchase or lease the surplus land. Existing law requires a local agency to take formal action in a regular public meeting to declare land is surplus and is not necessary for the agency’s use and to declare land as either “surplus land” or “exempt surplus land,” as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency’s policies or procedures. This bill would recast that provision and would exempt a local agency, in specified instances, from making a declaration at a public meeting for land that is “exempt surplus land” if the local agency identifies the land in a notice that is published and available for public comment at least 30 days before the exemption takes effect. The bill would also require a local agency to provide a written notification to the Department of Housing and Community Development of its declaration and findings 30 days before disposing of land declared “exempt surplus land.”</p>	<p>Assembly Appropriations</p> <p>5/17/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>

	<p>Because this bill would require local officials to perform additional duties, it would impose a state-mandated local program. <b>REVISED 05/30/2023 10:00AM</b> This bill contains other related provisions and other existing laws.</p> <p>Amended: 4/5/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><b>AB 557 (Hart D)</b></p> <p>Open meetings: local agencies: teleconferences.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Existing law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Existing law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures. This bill contains other related provisions and other existing laws.</p> <p>Introduced: 2/8/2023</p>	<p>Assembly Third Reading</p> <p>5/15/2023 #33 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS</p>	<p>Recommend Support</p>
<p><b>AB 610 (Holden D)</b></p>	<p>Existing law declares that the fostering, continuance, and development of public</p>	<p>Assembly Appropriations Suspense File</p>	<p>Watch</p>



<p>Youth Transit Pass Pilot Program: free youth transit passes.</p>	<p>transportation systems are a matter of state concern. Existing law authorizes the Department of Transportation to administer various programs and allocates moneys for various public transportation purposes. Upon the appropriation of moneys by the Legislature, this bill would create the Youth Transit Pass Pilot Program, administered by the department, for purposes of awarding grants to transit agencies for the costs of creating, designing, developing, advertising, distributing, and implementing free youth transit passes to persons attending certain educational institutions, providing free transit service to holders of those passes, and administering and participating in the program, as specified. The bill would authorize a transit agency to submit a grant application in partnership with one or more educational institutions and would also authorize grant funds to be used to maintain, subsidize, or expand an existing fare free program, as provided. The bill would authorize a transit agency with an existing fare free program that enables a person 18 years of age or younger to use a transit agency's bus and rail services without paying any additional fare or charge to submit an application without an educational institution partner, as provided. The bill would require the department to submit a report to specified committees of the Legislature on or before January 1, 2028, on, among other things, the outcomes of the program and the funding conditions associated with offering free youth transit passes, the status of transit pass programs statewide, and whether these provisions led to reductions in the emissions of greenhouse gases and vehicle miles traveled, as provided. The bill would repeal its provisions as of January 1, 2029. This bill contains other existing laws.</p> <p>Introduced: 2/9/2023</p>	<p>REVISED 05/30/2023 10:00AM</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 744 (Carrillo, Juan D)</a></p> <p>California Transportation Commission: data, modeling, and analytic software tools procurement.</p>	<p>Existing law establishes the California Transportation Commission in the Transportation Agency. Existing law vests the California Transportation Commission with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to the state transportation improvement program and various other transportation funding programs. Upon the appropriation of funds by the Legislature, this bill would require the commission to acquire public domain or procure commercially available or open-source licensed solutions for data, modeling, and analytic software tools to support the state's sustainable transportation, congestion management, affordable housing, efficient land use, air quality, and climate change strategies and goals. The bill would require the commission to provide access to the data, modeling, and analytic software tools to state and local agencies, as specified. This bill would authorize the commission to provide a direct allocation of funding to local agencies engaged in state-of-the-art technology operations for the above purposes, and would require state and local agencies that receive the funds or access to data, modeling, and analytic software tools to submit reports to the commission no later than February 1, 2026, regarding their use of the data, modeling, and analytic software tools. The bill would require the commission, based on those reports, to submit a report to the Legislature no later than December 1, 2026, regarding the use of the data, modeling, and analytic software tools by state and local agencies. This bill contains other related provisions and other existing laws.</p> <p>Introduced: 2/13/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>

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<p><b><u>AB 756</u> (Papan D)</b></p> <p>Department of Transportation: contaminated stormwater runoff: salmon and steelhead trout bearing surface waters.</p>	<p>Existing law vests the Department of Transportation with full possession and control of all state highways. This bill would require the department, in consultation with the State Water Resources Control Board, the Department of Toxic Substances Control, and the Department of Fish and Wildlife, to develop a programmatic environmental review process to prevent 6PPD and 6PPD-quinone from entering salmon and steelhead trout bearing surface waters of the state. The bill would require the department's 6PPD and 6PPD-quinone programmatic environmental review process to include, among other specified components, a pilot project at a particular highway crossing over the San Mateo Creek to study the effectiveness and cost effectiveness of installing and maintaining bioretention and biofiltration comparatively along department rights-of-way to eliminate the discharge of 6PPD and 6PPD-quinone into surface waters of the state, as specified. The bill would require, no later than December 31, 2026, the Director of Transportation to submit a report to the Legislature describing the department's strategy to eliminate the discharge of 6PPD and 6PPD-quinone by the department to all salmon and steelhead trout bearing surface waters of the state. This bill contains other related provisions.</p> <p>Amended: 3/2/2023</p>	<p>Assembly Appropriations</p> <p>5/17/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair</p>	<p>Item #8.j. 6/1/2023</p> <p>Watch</p>
<p><b><u>AB 761</u> (Friedman D)</b></p> <p>Transit Transformation Task Force.</p>	<p>Existing law establishes the Transportation Agency, which consists of various departments and state entities, including the California Transportation Commission and the Department of Transportation. Under existing law, the agency is under the supervision of an executive officer known as the Secretary of Transportation, who is required to develop and report to the Governor on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, and coordinated planning and policy formulation in the matters of public interest related to the agency. Existing law provides for the funding of public transit, including under the Transportation Development Act. This bill would require the secretary, on or before July 1, 2024, to establish and convene the Transit Transformation Task Force to include representatives from the department, the Controller's office, various local agencies, academic institutions, nongovernmental organizations, and other stakeholders. The bill would require the task force to develop a structured, coordinated process for early engagement of all parties to develop policies to grow transit ridership and improve the transit experience for all users of those services. The bill would require the secretary, in consultation with the task force, to prepare and submit a report of findings based on the task force's efforts to the appropriate policy and fiscal committees of the Legislature on or before January 1, 2025. The bill would require the report to include a detailed analysis of specified issues and recommendations on specified topics. The provisions of the bill would be repealed on January 1, 2028. This bill contains other existing laws.</p> <p>Introduced: 2/13/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>
<p><b><u>AB 817</u> (Pacheco D)</b></p> <p>Open meetings: teleconferencing: subsidiary body.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for</p>	<p>Assembly 2 year</p>	<p>Watch</p>

	<p>teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. This bill contains other existing laws.</p> <p>Amended: 3/16/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 819 (Bryan D)</a></p> <p>Crimes: public transportation: fare evasion.</p>	<p>Existing law makes it a crime, punishable as an infraction and subsequently as a misdemeanor, for an adult to evade payment of a fare of a public transportation system, the misuse of a transfer, pass, ticket, or token with the intent to evade the payment of a fare, or the unauthorized use of a discount ticket, as specified. Under existing law, a 3rd or subsequent violation of fare evasion or other listed associated violations is a misdemeanor and punishable by a fine of up to \$400 or by imprisonment in a county jail for a period of not more than 90 days, or both. This bill would no longer categorize as a misdemeanor a 3rd or subsequent violation, by an adult, of evading the payment of a fare of a public transportation system, the misuse of a transfer, pass, ticket, or token with the intent to evade the payment of a fare, or the unauthorized use of a discount ticket, and would make a 3rd or subsequent violation punishable only by a fine of up to \$400.</p> <p>Introduced: 2/13/2023</p>	<p>Assembly Third Reading</p> <p>5/15/2023 #22 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS</p>	<p>Watch</p>
<p><a href="#">AB 832 (Cervantes D)</a></p> <p>California Transportation Commission: membership.</p>	<p>Existing law establishes the California Transportation Commission in the Transportation Agency. Existing law vests the California Transportation Commission with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to the state transportation improvement program and various other transportation funding programs. Under existing law, the commission consists of 13 members, including 9 members appointed by the Governor with the advice and consent of the Senate, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Committee on Rules, as specified. Existing law requires the Governor, in appointing those members to the commission, to make every effort to ensure, among other things, the commission has a diverse membership with expertise in transportation issues, taking into consideration factors, including, but not limited to, socioeconomic background and</p>	<p>Assembly Third Reading</p> <p>5/15/2023 #23 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS</p>	<p>Watch</p>

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	<p>professional experience, which may include experience working in, or representing, disadvantaged communities. This bill would require that at least one of those Governor-appointed members of the commission have expertise in transportation issues and professional experience that includes experience working in, or representing, disadvantaged communities.</p> <p>Amended: 3/1/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 837 (Alvarez D)</a></p> <p>Surplus land: exempt surplus land: sectional planning area.</p>	<p>Existing law prescribes requirements for the disposal of surplus land by a local agency. Existing law defines terms for these purposes, including, among others, “surplus land” to mean land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use. Existing law defines “exempt surplus land” to mean, among other things, surplus land that a local agency is exchanging for another property necessary for the agency’s use and surplus land that a local agency is transferring to another local, state, or federal agency for the agency’s use. Existing law provides that an agency is not required to follow the requirements for disposal of surplus land for “exempt surplus land,” except as provided. This bill would provide, until January 1, 2024, that land that is subject to a sectional planning area, as described, is not subject to the above-described requirements for the disposal of surplus land if specified conditions are met. The bill would, commencing April 1, 2025, and annually thereafter, require a local agency that disposes of land pursuant to these provisions submit a specified report to the Department of Housing and Community Development. The bill would make a local agency that disposes of land in violation of these provisions liable for a civil penalty, as specified. This bill contains other related provisions.</p> <p>Amended: 5/1/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>
<p><a href="#">AB 980 (Friedman D)</a></p> <p>Active Transportation Program: report.</p>	<p>Existing law establishes the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. Existing law requires the California Transportation Commission to develop guidelines and project selection criteria for the program and authorizes the commission to amend the adopted guidelines after conducting at least one public hearing. This bill would require an applicant that receives funding under the program for a project to, within one year of completing the project, submit a report to the commission describing how the project met active transportation goals.</p> <p>Amended: 3/13/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	<p>Watch</p>
<p><a href="#">AB 1335 (Zbur D)</a></p> <p>Local government: transportation planning and land use: sustainable communities strategy.</p>	<p>Existing law requires specified designated transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, as described. Existing law requires the plan to include specified information, including a sustainable communities strategy prepared by each metropolitan planning organization, and requires each transportation planning agency to adopt and submit, every 4 years, an updated plan to the California Transportation Commission and the Department of Transportation. Existing law requires the sustainable communities strategy to include specified information, including an identification of areas within the region sufficient to house all the population of the region over the</p>	<p>Assembly Third Reading</p> <p>5/15/2023 #13 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS</p>	<p>Watch</p>

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	<p>course of the planning period of the regional transportation plan, as specified, and an identification of areas within the region sufficient to house an 8-year projection of the regional housing need for the region, as specified. This bill would additionally require each metropolitan planning organization to include in the sustainable communities strategy the total number of new housing units necessary to house all the population of the region over the course of the planning period of the regional transportation plan, calculated as specified and except as provided, and the total number of new housing units necessary to house the above-described 8-year projection, as specified. By imposing additional duties on metropolitan planning organizations, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p> <p>Amended: 5/11/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">AB 1377 (Friedman D)</a> Homeless Housing, Assistance, and Prevention Program: Round 3.</p>	<p>Existing law establishes, among various other programs intended to address homelessness in this state, the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Existing law provides for the allocation of funding under the program among continuums of care, cities, counties, and tribes in 4 rounds, which are to be administered by the Interagency Council on Homelessness. Existing law, beginning with round 3 of the program, requires applicants to provide specified information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the council. This includes data on the applicant's progress towards meeting their outcome goals, to be submitted annually, for each year of the program, and other information if the applicant has not made significant progress towards those goals. This bill would also require data and a narrative summary of specific and quantifiable steps that the applicant has taken to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness, on transit facilities owned and operated by a transit district, as defined, in their jurisdiction. This bill contains other existing laws.</p> <p>Amended: 4/13/2023</p>	<p>Assembly Consent Calendar 5/15/2023 #151 ASSEMBLY CONSENT CALENDAR 1ST DAY-ASSEMBLY BILLS</p>	<p>Recommend Support</p>
<p><a href="#">AB 1379 (Papan D)</a> Open meetings: local agencies: teleconferences.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. This bill, with respect to those general provisions on teleconferencing, would require a</p>	<p>Assembly 2 year</p>	<p>Watch</p>

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	<p>legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would instead provide that, for purposes of establishing a quorum of the legislative body, members of the body may participate remotely, at the designated physical location, or at both the designated physical meeting location and remotely. The bill would require the legislative body to have at least 2 meetings per year in which the legislative body's members are in person at a singular designated physical meeting location. This bill contains other existing laws.</p> <p>Amended: 3/23/2023</p>		Item #8.j. 6/1/2023
<p><a href="#">AB 1475 (Fong, Vince R)</a></p> <p>Transportation Agency: performance dashboard.</p>	<p>Existing law establishes the Transportation Agency, which has the power of general supervision over specified state entities. Existing law requires the agency to develop and report on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, coordinated planning and policy formation in the matters of public interest related to the agency. This bill would require the agency to create and maintain on its internet website a performance dashboard that, for every project overseen by the Department of Transportation, provides metrics, fiscal information, and operational information, as specified. The bill would require the agency to update the dashboard quarterly, using publicly available information. The bill would authorize the department to partner with other state or local agencies to collect the data required to be included in the performance dashboard.</p> <p>Amended: 4/10/2023</p>	<p>Assembly Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS SUSPENSE, HOLDEN, CHRIS, Chair</p>	Watch
<p><a href="#">AB 1525 (Bonta D)</a></p> <p>Transportation projects: priority populations.</p>	<p>Existing law establishes within state government the Transportation Agency, which consists of the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun. The agency is under the supervision of the Secretary of Transportation, who has the power of general supervision over each department within the agency. The secretary, among other duties, is charged with developing and reporting to the Governor on legislative, budgetary, and administrative programs to accomplish coordinated planning and policy formulation in matters of public interest, including transportation projects. This bill would require the agency, the Department of Transportation, and the California Transportation Commission, on or before July 1, 2025, to jointly develop and adopt criteria and an evaluation process for purposes of jointly evaluating each agency, Department of Transportation, or California Transportation Commission project, as defined, to, among other things, determine if the project would be located in a priority population, address an important need of a priority population, and provide a direct, meaningful, and assured benefit to a priority population, as specified. The bill would require the agency, the Department of Transportation, and the</p>	<p>Assembly Appropriations</p> <p>5/17/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair</p>	Watch

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	<p>California Transportation Commission, on and after July 1, 2025, to jointly evaluate all new proposed projects by the criteria, and, on or before July 1, 2026, and annually thereafter, to jointly submit a report to the Legislature that evaluates how projects funded during the prior year impacted priority populations, as specified. The bill would require the agency, the California Transportation Commission, and the Department of Transportation, on or before July 1, 2026, and triennially thereafter, to jointly establish a percentage, of at least 60%, of moneys allocated for agency, Department of Transportation, or California Transportation Commission projects, excluding administrative costs, to be allocated for projects that are located in priority populations, address an important need of priority populations, and provide at least 5 direct, meaningful, and assured benefits, or additional co-benefits, to priority populations, and would require those entities to allocate moneys consistent with that established percentage.</p> <p>Amended: 4/19/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">ACA 1 (Aguiar-Curry D)</a></p> <p>Local government financing: affordable housing and public infrastructure: voter approval.</p>	<p>The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure. This bill contains other related provisions and other existing laws.</p> <p>Introduced: 12/5/2022</p>	<p>Assembly Print</p>	<p>Support</p>
<p><a href="#">SB 84 (Gonzalez D)</a></p> <p>Clean Transportation Program: Air Quality Improvement Program: funding.</p>	<p>Existing law establishes the Clean Transportation Program, administered by the State Energy Resources Conservation and Development Commission, to provide funding to certain entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law requires the commission to give preference to those projects that maximize the goals of the program based on specified criteria and to fund specified eligible projects, including, among others, alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels. Existing law creates the Alternative and Renewable Fuel and Vehicle Technology Fund, to be administered by the commission, and requires the moneys in the fund, upon appropriation by the Legislature, to be expended by the commission to implement the program. This bill would expand the purpose of the program to include developing and deploying innovative technologies that transform California's fuel and vehicle types to help reduce criteria air pollutants and air toxics. The bill would no longer require the commission to provide certain project preferences. The bill would provide that the goals of the program</p>	<p>Senate Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 2200 SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, ANTHONY, Chair</p>	<p>Watch</p>

	<p>shall be to advance the state’s clean transportation, equity, air quality, and climate emission policies and would require the commission to ensure program investments support specified requirements. The bill would require the commission, on and after January 1, 2025, to expend at least 50% of the moneys appropriated to the program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians, and would require at least 50% of funding for tangible location-based investments to be expended in disadvantaged and low-income communities.</p> <p>Amended: 3/13/2023</p>	<p style="color: red; text-align: center;">REVISED 05/30/2023 10:00AM</p>	<p>Item #8.j. 6/1/2023</p>
<p><a href="#">SB 229 (Umberg D)</a></p> <p>Surplus land: disposal of property: violations: public meeting.</p>	<p>Existing law prescribes requirements for the disposal of land determined to be surplus land by a local agency. Those requirements include a requirement that a local agency, before disposing of a property or participating in negotiations to dispose of that property with a prospective transferee, send a written notice of availability of the property to specified entities, depending on the property’s intended use, and send specified information in regard to the disposal of the parcel of surplus land to the Department of Housing and Community Development. Existing law, among other enforcement provisions, makes a local agency that disposes of land in violation of these disposal provisions, after receiving notification of violation from the department, liable for a penalty of 30% of the final sale price of the land sold in violation for a first violation and 50% for any subsequent violation. Under existing law, except as specified, a local agency has 60 days to cure or correct an alleged violation before an enforcement action may be brought. This bill would require a local agency that has received a notification of violation from the department to hold an open and public session to review and consider the substance of the notice of violation. The bill would require the local agency’s governing body to provide prescribed notice no later than 14 days before the public session. The bill would prohibit the local agency’s governing body from taking final action to ratify or approve the proposed disposal until a public session is held as required. By imposing new duties on local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p> <p>Amended: 2/23/2023</p>	<p>Senate Third Reading</p> <p>5/15/2023 #40 SENATE SENATE BILLS -THIRD READING FILE</p>	<p>Watch</p>
<p><a href="#">SB 411 (Portantino D)</a></p> <p>Open meetings: teleconferences: neighborhood councils.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill, until January 1, 2028, would authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing</p>	<p>Senate Third Reading</p> <p>5/15/2023 #59 SENATE SENATE BILLS -THIRD READING FILE</p>	<p>Watch</p>



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	<p>resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act. The bill would require an eligible legislative body authorized under the bill to provide publicly accessible physical locations for public participation, as prescribed. The bill would also require that at least a quorum of the members of the neighborhood council participate from locations within the boundaries of the city in which the neighborhood council is established. This bill contains other related provisions and other existing laws.</p> <p>Amended: 4/24/2023</p>		<p>Item #8.j. 6/1/2023</p>
<p><a href="#">SB 434 (Min D)</a></p> <p>Transit operators: street harassment survey.</p>	<p>Existing law creates various transit districts throughout the state, with specified powers and duties relative to providing public transit service. Existing law provides various provisions applicable to all public transit and transit districts. Existing law requires the Mineta Transportation Institute at San Jose State University to, on or before December 31, 2023, develop and make available on its internet website a survey for the purpose of promoting consistency in the collection of specified survey data to inform efforts to improve the safety of riders and reduce street harassment on public transit. This bill would require a transit operator, as defined, upon appropriation of funds by the Legislature, to collect and publish specified survey data for the purpose of informing efforts to improve the safety of riders and reduce street harassment on public transit on or before December 31, 2024. The bill would require a transit operator to conduct outreach activities with subpopulations of riders who are underrepresented in surveys and impacted by street harassment to gain insight into the perspectives of these riders based on their experiences. The bill would authorize a transit operator to collect survey data in multiple languages to reach limited-English-proficient riders impacted by street harassment, as provided. The bill would require a transit operator to publish and make publicly available on its internet website the survey data collected pursuant to these provisions and promptly notify the Governor and the Legislature of publication of the survey data. The bill would provide that specified information collected by a transit operator in the 5 years before the effective date of this bill is deemed to be survey data collected by the transit operator for purposes of the bill, and that specified outreach activity conducted by a transit operator in the 5 years before the effective date of this bill is deemed to be outreach activities conducted by the transit operator for purposes of the bill. To the extent the bill imposes additional duties on a local agency, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p> <p>Amended: 3/16/2023</p>	<p>Senate Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 2200 SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, ANTHONY, Chair</p>	<p>Watch</p>
<p><a href="#">SB 532 (Wiener D)</a></p> <p>Ballot measures: local taxes.</p>	<p>Existing law requires that the ballots used when voting upon a measure proposed by a local governing body or submitted to the voters as an initiative or referendum measure, including a measure authorizing the issuance of bonds or the incurrence of debt, have printed on them a true and impartial statement describing the purpose of the measure. If the proposed measure imposes a tax or</p>	<p>Senate Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 2200 SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, ANTHONY, Chair</p>	<p>Watch</p>

	<p>raises the rate of a tax, existing law requires the ballot to include in the statement of the measure the amount of money to be raised annually and the rate and duration of the tax to be levied. This bill would exempt from this requirement a measure that imposes or increases a tax with more than one rate or authorizes the issuance of bonds. If the proposed measure imposes or increases a tax with more than one rate, or authorizes the issuance of bonds, this bill would require that the ballot include in the statement of the measure to be voted on an estimate of the amount of money to be raised annually and the rate and the duration of the tax to be levied. This statement, which may contain bullet points, would not count toward any word limit that applies to the statement of the measure. This bill contains other related provisions and other existing laws.</p> <p>Amended: 4/25/2023</p>	<p style="color: red; text-align: center;">REVISED 05/30/2023 10:00AM</p>	<p>Item #8.j. 6/1/2023</p>
<p><a href="#">SB 537 (Becker D)</a></p> <p>Open meetings: multijurisdictional, cross-county agencies: teleconferences.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows “just cause,” including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. This bill contains other related provisions and other existing laws.</p> <p>Amended: 4/24/2023</p>	<p>Senate Third Reading</p> <p>5/15/2023 #60 SENATE SENATE BILLS -THIRD READING FILE</p>	<p>Watch</p>
<p><a href="#">SB 617 (Newman D)</a></p> <p>Public contracts: progressive design-</p>	<p>Existing law, until January 1, 2029, authorizes local agencies, defined as any city, county, city and county, or special district authorized by law to provide for the production, storage, supply, treatment, or distribution of any water from any source, to use the progressive design-build process for up to 15 public works</p>	<p>Assembly Local Government</p>	<p>Watch</p>

<p>build: local and regional agencies.</p>	<p>projects in excess of \$5,000,000 for each project. Existing law defines “progressive design-build” as a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project. Existing law requires the selected entity and its general partners or joint venture members to verify specified information under penalty of perjury. This bill would additionally authorize a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency, as described, to use the progressive design-build process. The bill would specify that the authority to use the progressive design-build process does not include inspection services for projects on, or interfacing with, the state highway system. By expanding the local agencies that may use the progressive design-build process and thus expanding the crime of perjury, the bill would impose a state-mandated local program.</p> <p>Amended: 3/30/2023</p>	<p>REVISED 05/30/2023 10:00AM</p>	<p>Item #8.j. 6/1/2023</p>
<p><a href="#">SB 670 (Allen D)</a></p> <p>State Air Resources Board: vehicle miles traveled: maps.</p>	<p>Existing law designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. Existing law imposes various requirements related to transportation planning, including a requirement that certain transportation planning agencies prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Existing law requires each regional transportation plan to include, among other things, a sustainable communities strategy prepared by each metropolitan planning organization, as specified, which is designed to achieve certain targets for 2020 and 2035 established by the state board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region. This bill would require the state board, in consultation with the Office of Planning and Research and the Department of Transportation, to develop a methodology for assessing and spatially representing light-duty vehicle miles traveled and to develop maps accordingly to display average light-duty vehicle miles traveled per capita in the state at the local, regional, and statewide level, as provided. The bill would require the state board to adopt the methodology no later than January 1, 2025, and to publish the maps no later than 6 months after the methodology is adopted. The bill would require the state board to update the methodology and maps at least once every 4 years. The bill would require the state board to make the methodology and the maps publicly available on its internet website. Under certain circumstances, the bill would require the state board, in consultation with the Office of Planning and Research, to provide technical assistance with regard to the usage and interpretation of the statewide map to a local agency requesting assistance.</p> <p>Amended: 4/27/2023</p>	<p>Senate Appropriations Suspense File</p> <p>5/18/2023 Upon adjournment of Session - 1021 O Street, Room 2200 SENATE APPROPRIATIONS SUSPENSE, PORTANTINO, ANTHONY, Chair</p>	<p>Watch</p>
<p><a href="#">SB 747 (Caballero D)</a></p> <p>Land use: economic development: surplus land.</p>	<p>Existing law authorizes a city, county, or city and county, with the approval of its legislative body by resolution after a public hearing, to acquire, sell, or lease property in furtherance of the creation of an economic opportunity, as defined. Existing law specifies the Legislature’s intent regarding those provisions. This bill would authorize a city, county, or city and county, in addition to a sale or</p>	<p>Senate Appropriations</p> <p>5/15/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair</p>	<p>Watch</p>

	<p>lease, to otherwise transfer property to create an economic opportunity. The bill would make related, conforming changes. The bill would additionally state the Legislature's intent is to ensure that residents of the state have access to jobs that allow them to afford housing without the need for public subsidies. This bill contains other related provisions and other existing laws.</p> <p>Amended: 5/1/2023</p>	<p>REVISED 05/30/2023 10:00AM</p>	<p>Item #8.j. 6/1/2023</p>
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**Total Measures: 32**

**Total Tracking Forms: 32**



May 12, 2023

TO: Caltrain Board of Directors

FM: Joshua W. Shaw, Matt Robinson & Michael Pimentel, Shaw Yoder Antwih Schmelzer & Lange  
Mike Robson & Bridget McGowan, Edelstein Gilbert Robson & Smith LLC

RE: **STATE LEGISLATIVE UPDATE – June 2023**

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**General Update**

The Legislature recently wrapped up policy committee hearings for fiscal bills in the first house. The weeks immediately preceding the April 28 policy committee deadline are arguably the busiest of the Legislative session, as committees work to analyze and hold hearings for most of the bills introduced thus far while simultaneously conducting hearings on the proposed state budget. Non-fiscal bills had until May 5 to be heard in policy committee.

The next legislative milestone is the fiscal committee deadline, where fiscal bills must be heard in the Appropriations Committee in the first house. A large proportion of the bills in either house's Appropriations Committee will get placed on the Committee's "suspense file" that will be dispensed with the day before the fiscal committee deadline of May 19.

**Budget Update.** The Governor released the May Revision of the 2023-24 State Budget on Friday the 12th. Traditionally, the May Revision is timed to capture the state's income tax filings and uses those as the basis for updating California's fiscal position, as well as provide an opportunity for the Governor to revisit his fiscal priorities. However, because the tax filing period was extended for the majority of the counties in California to October 16, 2023, it is difficult for the Governor to know the state's true fiscal position.

As previously reported, the Governor's January Budget proposal included a \$2 billion reduction in TIRCP funding, among other reductions to address the January budget shortfall figure of \$22.5 billion.

The May Revision now projects a \$31.5 billion deficit for the 2023-24 budget year. The May Revision maintains the proposed reductions to various transportation programs from January and does not propose reducing the funding further. The May Revision Summary also includes the following language:

*"While the state's transit agencies have benefitted from large infusions of capital dollars, both state and federal, post-pandemic ridership trends have resulted in significant operating challenges for many of the state's transit agencies, particularly as federal relief dollars begin to run out. The Administration welcomes discussion with the Legislature on potential near- and long-term solutions to support the viability of transit across the state."*

Prior to the May Revise release, the Senate Democrats unveiled their budget proposal, which includes rejecting the reductions to the Transit and Intercity Rail Capital (TIRCP) program and other transportation funding reductions that the Governor proposed in his January 2023-24 Budget Proposal. The Senate proposal is intended to serve as the starting point for negotiations with the Assembly and the Governor's office.

The California Transit Association is requesting \$5.15 billion over the next five fiscal years for transit operations.

### **Bills with Recommended Action**

**AB 557 (Hart) - AB 361 Sunset Extension.** This bill would remove the sunset established in AB 361 (R. Rivas) as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days. This bill passed the Assembly Local Government Committee and is pending a vote on the Assembly Floor. ***Recommend Support.***

**AB 1377 (Friedman) – Homeless Housing, Assistance, and Prevention Program.** This bill would require applicants for the Homeless Housing, Assistance, and Prevention Program to include data and a narrative summary of steps taken to improve the delivery of housing and services to people experiencing homelessness on transit properties in their jurisdiction. The bill is pending a vote on the Assembly floor. ***Recommend Support.***

**SB 537 (Becker) - Teleconference Flexibilities.** This bill was amended to provide a narrow exemption under the Brown Act for certain legislative bodies to participate in meetings via teleconferencing outside of a declared state of emergency without posting the physical location of members, but still requiring a quorum to be present at a meeting location within the jurisdiction and would only allow remote participation without posting the specific location for members participating from a public location more than 40 miles from the in-person meeting location. The bill would define "legislative body" to mean a board, commission, or advisory body of an appointed multijurisdictional cross county agency and defines "multijurisdictional" to mean a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity. The bill would expand the circumstances of "just cause" under the AB 2449 (Rubio) authorization to apply to the situation in which an immunocompromised child, parent, grandparent, or other relative requires the member to participate remotely.

### **Bills with Action Taken**

**ACA 1 (Aguiar – Curry) – Local Government Financing.** Assemblymember Aguiar-Curry reintroduced ACA 1, which would reduce the voter-approval threshold from 2/3 to 55% for cities and counties to issue bonds or raise taxes for public infrastructure and affordable housing projects. Caltrain supported this measure in 2021. ***Support.***

**AB 463 (Hart) - Public Transit Electricity Prioritization.** This bill would require the California Public Utilities Commission (CPUC) to consider the impacts of stopping electrical service to the operation of public transit vehicles when establishing priorities for electrical services that provide public benefits.

The bill passed out of the Assembly Utilities and Energy Committee on March 22 and is now on the Assembly Appropriations Suspense File. **Support.**

### **Bills of Interest**

**AB 96 (Kalra) – Local Public Transit Agencies: New Technologies.** Assemblymember Kalra reintroduced a version of AB 2441 from last year, which was ultimately vetoed by the Governor. The bill imposes requirements on public transit employers relating to the introduction of new technologies that could eliminate job functions and requires public transit employers to provide notice to employee representatives prior to procuring, acquiring or deploying these technologies and subject this to collective bargaining, among other requirements.

Amendments on May 1 require a 10-month notice before beginning procurement or deployment of a technology that would eliminate job functions or jobs, among other changes.

The bill passed out of the Assembly and is now in the Senate.

**AB 610 (Holden) - Free Youth Transit Passes.** Assemblymember Holden reintroduced AB 1919 from last session that requires the creation of a Youth Free Transit Pass Pilot program.

The bill passed unanimously out of the Assembly Transportation Committee on March 13 and is now on the Assembly Appropriations Suspense File.

**AB 817 (Pacheco) – Open Meeting Flexibility for Subsidiary Bodies.** This bill allows subsidiary bodies to use teleconferencing without regard to a state of emergency if they meet certain requirements. Subsidiary bodies are bodies that serve in an advisory capacity and do not take final action on specified items.

This bill was not heard in the Assembly Local Government Committee and will not move further this year.

**AB 1379 (Papan) - Teleconference Flexibilities.** AB 1379 expands various flexibilities for local agencies under the Brown Act including, but not limited to, relaxing requirements for posting teleconference locations, relaxing certain quorum requirements, removing the existing January 1, 2026 sunset date of flexibilities in current law, removing restrictions that prohibit members from participating remotely for more than two meetings a year, among other changes. The bill also requires that a legislative body have at least two meetings a year where members are in person at a single designated location.

Like AB 817, this bill was not heard in the Assembly Local Government Committee and will not move further this year.

**SB 537 (Becker) - Teleconference Flexibilities.** This bill was amended to provide a narrow exemption under the Brown Act for certain legislative bodies to participate in meetings via teleconferencing outside of a declared state of emergency without posting the physical location of members, but still requiring a quorum to be present at a meeting location within the jurisdiction and would only allow remote participation without posting the specific location for members participating from a public location more than 40 miles from the in-person meeting location. The bill would define “legislative body” to mean a board, commission, or advisory body of an appointed multijurisdictional cross county agency and defines “multijurisdictional” to mean a legislative body that includes representatives from more than

one county, city, city and county, special district, or a joint powers entity. The bill would expand the circumstances of “just cause” under the AB 2449 (Rubio) authorization to apply to the situation in which an immunocompromised child, parent, grandparent, or other relative requires the member to participate remotely.

### **Grants**

Last year, the CTC hosted workshops for the three SB 1 programs it oversees – the Solutions for Congested Corridors Program (SCCP), Local Partnership Program (LPP), and the Trade Corridor Enhancement Program (TCEP). The CTC solicited applications for the next round of funding in Summer 2022 and will announce project awards in Summer 2023. As a reminder, in late-2020, the California Transportation Commission awarded grants for three SB 1 programs – the Solutions for Congested Corridors Program, Local Partnership Program, and the Trade Corridor Enhancement Program.

**Caltrans** – Caltrans has released the FY 2023-24 Sustainable Transportation Planning Grant application guide and call for applications. The program has a total of \$84 million available for transportation planning projects statewide.

**Current Guidelines:** Guidelines can be found here.

**Status:** Caltrans applied on March 9, 2023. Award announcement expected summer 2023.

**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. The 2022 STIP, adopted in March 2022, includes \$796 million in new STIP funding capacity. Local agencies receive a share of STIP funding, as does the State. The STIP is funded with gasoline excise tax revenues.

**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 Federal Report**

### **April 2023 - May 2023**

#### House Passes Bill to Raise Debt Ceiling, Cut Federal Spending

- On April 26, the House passed the Limit, Save, Grow Act of 2023 ([H.R. 2811](#)), House Speaker Kevin McCarthy's bill to raise the debt limit and cut federal spending. The bill would raise the debt ceiling by \$1.5 trillion or through March 31, 2024, whichever comes first.
- Speaker McCarthy has insisted that a debt limit increase include cuts to federal spending. The Limit, Save, Grow Act would mandate that FY24 spending be reduced to FY22 levels. In addition, the bill would reclaim unspent emergency COVID funds, which Republicans value at \$50 to 60 billion in savings.
- Passage of the bill delivered a key win for Speaker McCarthy as he attempts to negotiate with the White House on the debt limit.
- Further complicating tensions around negotiations, on May 1, Treasury Secretary Janet Yellen [sent a letter to Speaker Kevin McCarthy](#), stating that "after reviewing recent federal tax receipts, our best estimate is that we will be unable to continue to satisfy all of the government's obligations by early June, and potentially as early as June 1, if Congress does not raise or suspend the debt limit before that time."
- She sent another letter to congressional leadership on May 15 stating the government is still on track to default as early as June 1 if the debt limit is not raised.
- On May 16, President Joe Biden met again with Senate and House leadership at the White House to discuss extending the federal debt limit after many days of staff-level conversations. However, the meeting ended with no agreement.
- However, after the meeting, the President assigned two of his top advisers to negotiate a deal with Capitol Hill Republicans: Steve Ricchetti, one of Biden's longest-serving advisers, and Office of Management and Budget (OMB) Director Shalanda Young. Congressional Republicans are pleased with the announcement as they view it as a sign that conversations have escalated.

#### Railway Safety Bill Clears Senate Commerce Committee

- On May 11, the Senate Commerce, Science, and Transportation Committee cleared the Bipartisan Railway Safety Act ([S. 576](#)), with all Democrats and two Republicans voting

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in favor. Committee Chair Maria Cantwell (D-WA), a supporter of the legislation, oversaw the bill's passage through her committee.

- The bipartisan Railway Safety Act would require freight rail operators transporting hazardous substances to abide by new regulations. The bill would also raise new penalties for operators violating rail safety rules.
- Since its introduction, the bill has received support from Democrats and many Republicans, including former President Trump. Now that it has passed through the committee, the full Senate will consider the bill. However, even if the legislation passes the Senate, the House GOP majority may be unwilling to support legislation that adds new regulations for the rail industry.

## DOT Announces PROTECT Program

- The U.S. Department of Transportation (DOT) opened the [Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation \(PROTECT\) Program](#). The vision of the PROTECT Discretionary Grant Program is to fund projects that address the climate crisis by improving the resilience of the surface transportation system.
- This program will fund projects that improve the resiliency of highways, public transportation, ports, and intercity passenger rail. DOT encourages applicants to limit the environmental footprint of new infrastructure and use nature-based resiliency retrofits where applicable.
- The application deadline is August 18, with FY 2022 and 2023 funding available, for a combined total of \$848 million.

## DOT Expands Investment in Regional Infrastructure Accelerators (RIA) Grant Program

- On April 27, DOT announced that its Build America Bureau will add \$24 million in grants to the RIA grant program. This investment results in a total of \$34 million available in grants through the RIA program.
- The RIA program expedites the delivery of transportation infrastructure projects at the local and regional levels. Accelerators across the country assist communities with project planning, evaluating innovative financing, technical assistance, and developing projects ready for investment.
- All applications are due by May 30. More information on this NOFO can be found [here](#).

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## *Round-Up of Open Grant Opportunities*

- [Fiscal Year \(FY\) 2023 Transit Security Grant Program \(TSGP\)](#). \$93 million available. All applications due by May 18, 2023.
- [Charging and Fueling Infrastructure \(CFI\) Discretionary Grant Program](#). \$700 million available. All applications due by May 30, 2023.
- [Regional Infrastructure Accelerator Program](#). \$30 million available. All applications due May 30, 2023.
- [PROTECT Program](#). \$848 million available. All applications due August 18, 2023.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Pranaya Shrestha, Chief Officer, CalMod  
Subject: **Authorize Execution of Agreement with San Mateo County Transit District in Connection with Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) 2023 Weekend Closures**

Finance Committee Recommendation     Technology, Operations, Planning, and Safety Committee Recommendation     Advocacy and Major Projects Committee Recommendation     Staff Coordinating Council Reviewed

**Action**

Staff Coordinating Council recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

1. Authorize the execution of an agreement between the San Mateo County Transit District (SamTrans) and the Peninsula Corridor Joint Powers Board in connection with bus bridge services for the Caltrain Peninsula Corridor Electrification Project (PCEP) construction and testing during weekend closures on the weekends of June 10<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, and July 22<sup>nd</sup>, and up to ten (10) more days for dates to be determined (the Agreement).
2. Authorize the Executive Director, or designee, to take any other actions necessary to give effect to the resolution.

**Significance**

Due to PCEP construction and testing work impeding access to portions of Caltrain’s San Francisco Peninsula Network on Main Tracks MT-1 through MT-4, weekend service will be disrupted on June 10<sup>th</sup> and 11<sup>th</sup>, June 17<sup>th</sup> and 18<sup>th</sup>, July 15<sup>th</sup> and 16<sup>th</sup>, July 22<sup>nd</sup> and 23<sup>rd</sup>, and up to ten (10) more days for dates to be determined in 2023.

To ensure continuous service to Caltrain passengers while conducting the construction and testing work, the Executive Director requested that SamTrans provide high-capacity bus bridges during the weekend closures with a total estimated cost of \$406,080. Because this amount exceeds the authority delegated by the Board to the Executive Director, staff requests approval of the Agreement by the Board of Directors before executing the Agreement making payment.

**Budget Impact**

The agreement will be for a not-to-exceed amount of \$406,080. The funds for the services are within the Board-approved PCEP budget of \$2.44 billion

**Background**

The PCEP will replace the 30-year-old diesel trains currently used by Caltrain with state-of-the-art electric trains and install electrification infrastructure, requiring significant construction on the corridor. Caltrain electrification construction and testing will require 24/7 single-tracking window for portions of the corridor throughout 2023.

On the Saturdays of June 10<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, and July 22<sup>nd</sup>, and up to ten (10) more days for dates to be determined in 2023, Caltrain will rely upon bus service provided by SamTrans between affected stations. This single-tracking window during these weekends allowed the work to be completed safely and quickly, avoiding any potential delays to the project, while continuing to provide service to passengers.

Prepared By: Zhenlin Guan

Director Rail Activation  
and Transitioning

650.235.0744

**Resolution No. 2023-****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Authorizing Execution of Agreement with San Mateo County Transit District in Connection with  
Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) 2023  
Weekend Closures**

**Whereas**, the Peninsula Corridor Electrification Project (PCEP) will replace the 30-year-old diesel trains currently used by the Peninsula Corridor Joint Powers Board (JPB or Caltrain) with state-of-the-art electric trains and install electrification infrastructure, requiring significant construction on the corridor; and

**Whereas**, Caltrain electrification construction and testing on Main Tracks MT-1 through MT-4 will require a 24/7 single-tracking window for portions of the corridor throughout 2023; and

**Whereas**, to ensure continuous service to Caltrain passengers while conducting the construction and testing work, the Executive Director requested that the San Mateo County Transit District (SamTrans) provide high-capacity bus bridges during the weekend closures with a total estimated cost of \$406,080. Because this amount exceeds the authority delegated by the Board of Directors (Board) to the Executive Director, staff requests approval by the Board; and

**Whereas**, on the Saturdays of June 10<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, and July 22<sup>nd</sup>, and up to ten (10) more days for dates to be determined in 2023, Caltrain will rely upon bus service between affected stations provided by SamTrans. This single-tracking window during these brief closures will allow the work to be completed safely and quickly, avoiding any potential delays to the project, while continuing to provide service to passengers; and

**Whereas**, the Staff Coordinating Council (SCC) recommends the Board of the JPB authorize the execution of an agreement between SamTrans and the JPB in Connection with Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) Construction and Testing during weekend closures on the weekends of June 10<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, July 22<sup>nd</sup>, and up to ten (10) more days for dates to be determined; and

**Whereas**, the SCC further recommends that the Board of the JPB authorize the Executive Director, or designee, to take any other actions necessary to give effect to the resolution; and

**Whereas**, the agreement will be for a not-to-exceed amount of \$406,080. The funds for the services are within the Board-approved PCEP budget of \$2.44 billion.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the execution of an agreement between SamTrans and the JPB for bus bridge services for PCEP construction and testing during weekend closures on the weekends of June 10<sup>th</sup>, June 17<sup>th</sup>, July 15<sup>th</sup>, July 22<sup>nd</sup>, and up to ten (10) more days for dates to be determined; and

**Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board** authorizes the Executive Director, or designee, to take any other actions necessary to give effect to the resolution.

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary



**Resolution No. 2023-**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Recognizing Lesbian, Gay, Bisexual, Transgender and Queer Pride Month and Reaffirming a  
Commitment to Diversity, Equity, Access and Inclusion**

**Whereas**, the Peninsula Corridor Joint Powers Board (Caltrain) cherishes the value and dignity of every person and appreciates the importance of equality, freedom, and acceptance; and

**Whereas**, Caltrain denounces prejudice and discrimination based on age, gender identity, gender expression, race, color, religion, marital status, national origin, sexual orientation, or physical attributes as an affront to our fundamental principles; and

**Whereas**, Caltrain recognizes the long history of inequity in its own transit industry that has excluded, targeted or oppressed people due to their color, race, national origin, gender identity or expression, income, housing status, sexual orientation, disability status, and immigration status; and

**Whereas**, Caltrain acknowledges that Pride Month for Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) people and communities began in June 1969 on the one-year anniversary of the Stonewall Uprising in New York City, when LGBTQ+ people and allied friends rose and fought against constant police harassment and discriminatory laws that have since been declared unconstitutional; and

**Whereas,** Caltrain has hired a chalk muralist to work on a Caltrain/Pride mural at the 4<sup>th</sup> and King Street Plaza, and plans to participate in other activities during Pride Weekend; and

**Whereas,** Caltrain believes that working to ensure the public sector serves the public good, and advances equity, diversity and inclusion in its policies, programs and practices, is critical to the success of our transportation services, and benefits our communities and our society; and

**Whereas,** Caltrain commits to providing an inclusive community for employees and those within its service area by eradicating discrimination, harassment, bullying, and hate speech, and by standing in solidarity with LGBTQ+ people and all those who have historically been marginalized for any reason; and

**Now, Therefore, Be It Resolved;** that the Caltrain Board of Directors celebrates Pride Month for LGBTQ+ people and communities, and reaffirms its commitment to diversity, equity, access, and inclusion; and

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Peninsula Corridor Joint Powers Board

THROUGH: Michelle Bouchard, Executive Director

FROM: James C. Harrison, General Counsel

SUBJECT: **Approval of Revised Settlement Authority Policy for General Liability Claims**

Finance Committee  
Recommendation

Technology, Operations,  
Planning, and Safety  
Committee  
Recommendation

Advocacy and Major  
Projects Committee  
Recommendation

Staff  
Coordinating  
Council  
Reviewed

**ACTION**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

- a. Repeal and replace the 2001 policy establishing settlement authority for general liability claims;
- b. Authorize the Executive Director, or designee, to settle general liability claims up to \$100,000;
- c. Authorize the Executive Director, or designee, to compromise claims with an estimated value of up to \$100,000; and
- d. Take any actions necessary to give effect to the above actions.

**SIGNIFICANCE**

In 2001, the Board adopted Resolution No. 2001-80, which established a JPB Claims Settlement Authority Policy. In 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff, including the SamTrans General Manager, the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB. The Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans, creating ambiguity regarding the level of the Executive Director's settlement authority since Caltrain appointed its own Executive Director.

Since the Board of the JPB last adopted policies regarding the delegation of authority to the Executive Director for settlement of litigation, litigation costs have increased considerably, as has the number of claims in excess of the \$50,000 limit. In the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs.

Pursuant to the current policy adopted by the Board of the JPB in 2001:

- The JPB Claims Administrator may settle general liability claims up to \$5,000.
- The JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel.
- The Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the recommendation of the General Counsel and Risk Manager.
- The Board of Directors must approve settlements and authorize payment in excess of \$50,000.

The proposed JPB policy on Settlement Authority for General Liability Claims increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$100,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$100,000 or less and the Executive Director determines that settlement is in the JPB's best interests. This change will make the policy more comprehensive and its administration more efficient. Ratification of the policy will also clarify the existing delegation of authority from the SamTrans Board to the General Manager, who formerly acted as Caltrain's Executive Director, to settle claims up to \$100,000.

General Counsel will continue to submit a monthly litigation report to the Board that includes information about new claims, pending litigation, and settlements. To ensure accountability, the new policy will not permit the Executive Director to settle claims that name the Executive Director, Chief Financial Officer (CFO), or General Counsel as a responsible party, such as a claim of harassment against one of these officers.

Therefore, staff recommends that the Board authorize the following proposed limits (as described in the Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims):

- The third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same.
- The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same.
- The CFO, after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same, except

when such claims name the Executive Director, CFO, or General Counsel as a responsible party.

- The Executive Director, upon recommendation by the CFO and the General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail Division employees to the extent that the JPB has agreed to indemnify San Mateo County Transit District (SamTrans) against such claims, and actions between \$25,001 and \$100,000 and authorize payment of same, except when such claims name the Executive Director, CFO, or General Counsel as a responsible party.
- The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve a compromise of a claim Caltrain has against another party with estimated damages of \$100,000 or less.
- The Board of Directors must: 1) approve settlements of claims against the JPB in excess of \$100,000 and authorize payment of same; 2) approve settlements of claims against the JPB which name the Executive Director, CFO, or General Counsel; and 3) approve the compromise of a claim the JPB has against another party in excess of \$100,000.

### **BUDGET IMPACT**

There is no budget impact associated with adopting a revised policy.

### **BACKGROUND**

Staff requests this update to the policies on settlement authority to permit the efficient and expeditious resolution of litigation for the agency. The proposed settlement authority increase will also align with that currently in place for the SamTrans General Manager. Moreover, the proposed action clarifies the Executive Director's settlement authority, as the Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans in 2019, which delegated to the General Manager of SamTrans, who was also Executive Director of Caltrain, authority to settle claims up to \$100,000 on behalf of the JPB.

Because more than 20 years have passed since the adoption of the policy, it is out of date and should be revised to better reflect the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB's third-party administrator, who aids in the expeditious and efficient resolution of smaller claims. In addition, the policy does not address settlements in which the JPB agrees to compromise a claim it has against another party, e.g., matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation.

Staff presented the proposed policy changes to the Finance Committee on two separate occasions. At the April 2023 Finance Committee meeting, staff proposed delegating the Executive Director the authority to settle claims and lawsuits brought by and against the JPB up to \$250,000. In response to feedback from the Finance Committee, staff proposed (1)

reducing the delegation of settlement authority to \$100,000 to align with the 2019 SamTrans delegation; and (2) excluding claims that name the Executive Director, Chief Financial Officer, and General Counsel and requiring Board authorization for settlement. Only two Directors attended the May 2023 Finance Committee meeting, and both agreed to refer the item to the full Board for consideration at the June 1, 2023, Board meeting.

Prepared By: James C. Harrison  
Anna Myles-Primakoff

Legal Counsel  
Legal Counsel

(510) 346-6203  
(510) 346-6200

(00487230-3)

**Resolution No. 2023-****Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Approving Revised Settlement Authority Policy for General Liability Claims**

**Whereas**, in 2001, the Board of Directors (Board) adopted Resolution No. 2001-80, which established a Peninsula Corridor Joint Powers Board (JPB) Claims Settlement Authority Policy and imposed a \$50,000 limit on the Executive Director's authority to settle general liability claims and lower limits on the authority of other staff; and

**Whereas**, in 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB. However, the Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans, leading to ambiguity on settlement authority; and

**Whereas**, since 2001, litigation costs have grown significantly; and

**Whereas**, pursuant to the current policy: the JPB Claims Administrator may settle general liability claims up to \$5,000; the JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel; the Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the

recommendation of the General Counsel and Risk Manager; and the Board must approve settlements and authorize payment in excess of \$50,000; and

**Whereas**, more than 20 years have passed since the adoption of the policy, making it out of sync with the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB's third-party administrator, who aids in the expeditious and efficient resolution of smaller claims; and

**Whereas**, the 2001 policy also does not address settlements in which the JPB agrees to compromise a claim it has against another party, such as matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation; and

**Whereas**, staff recommends that the Board authorize the following proposed limits (as described in Attachment A: Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims); and

**Whereas**, the proposed JPB policy on Settlement Authority for General Liability Claims (Attachment A) increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$100,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$100,000 or less and



the Executive Director determines that settlement is in the JPB’s best interests. This change will make the policy more comprehensive and its administration more efficient.

**Whereas**, in the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs; and

**Whereas**, there is no budget impact associated with adopting a revised policy and staff is requesting this update to the policies on contract and settlement authority to permit the efficient and expeditious resolution of contracts and litigation for the agency.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby repeals and replaces the 2001 policy establishing settlement authority for general liability claims; authorizes the Executive Director, or designee, to settle general liability claims up to \$100,000; adopts the updated policy on Settlement Authority for General Liability Claims in Attachment A; and authorizes the Executive Director, or designee, to compromise claims with an estimated value of up to \$100,000.

Regularly passed and adopted this 1<sup>st</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

Attest:

\_\_\_\_\_  
JPB Secretary

**ATTACHMENT A: PROPOSED POLICY SETTLEMENT OF CLAIMS AUTHORITY****PENINSULA CORRIDOR JOINT POWERS BOARD SETTLEMENT AUTHORITY POLICY FOR  
GENERAL LIABILITY CLAIMS**

This policy establishes the settlement authorities vested in the Executive Director of the Peninsula Corridor Joint Powers Board (“JPB”) and other positions employed by the San Mateo County Transit District responsible for Caltrain operations and risk management in settling general liability claims.

1. The JPB’s third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same;
2. The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same;
3. The Chief Financial Officer (CFO), after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same, except those claims that name the Executive Director, CFO, or General Counsel;
4. The Executive Director, upon recommendation by the CFO and General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail Division employees to the extent that the JPB has agreed to indemnify SamTrans against such claims and actions between \$25,001 and \$100,000 and authorize payment of same, except those claims that name the Executive Director, CFO, or General Counsel;
5. The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve any compromise of a general liability claim with estimated damages of \$100,000 or less; and
6. The Board of Directors, upon recommendation by the Executive Director, must approve any settlement in excess of \$100,000, any settlement involving a claim that names the Executive Director, CFO, or General Counsel, and any compromise of claims in excess of \$100,000.

Revised: Resolution No. 2023 -  
Adopted: Resolution No. 2001-80  
(00486825)

June 1, 2023  
June 7, 2001

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Board of Directors  
THROUGH: Michelle Bouchard, Executive Director  
FROM: Kate Jordan Steiner, Chief Financial Officer  
SUBJECT: **FISCAL YEAR 2024 AND FISCAL YEAR 2025 PROPOSED OPERATING AND CAPITAL BUDGETS**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

**ACTION**

Staff proposes the Finance Committee recommend the following to the Board of Directors (Board):

1. Adopt the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year 2024 (FY2024) and Fiscal Year 2025 (FY2025) Operating Budgets in the amount of \$192,722,655 and \$238,138,000, a copy of which is shown as Attachment A;
2. Adopt the JPB's FY2024 and FY2025 Capital Budget in the amount of \$510,153,014 and \$74,607,815, a copy of which is shown as Attachment B;
3. Direct the Executive Director, or designee, to forward the budgets to the JPB member agencies and the Metropolitan Transportation Commission (MTC); and
4. Direct the Executive Director, or designee, to take all actions necessary to apply for and receive Senate Bill 1 (SB1) State of Good Repair funds and other grants included in the proposed FY2024 and FY2025 Capital Budgets, and take any other actions necessary to give effect to the above actions.

**SIGNIFICANCE**

Staff presented the FY2024 and FY2025 Preliminary Operating and Capital budgets at the May 4, 2023 Board meeting. The Proposed Budgets reflect the following changes made since that time:

**Operating Budget**

Proposed Operating Budgets Summary (in millions)	FY2024 Prelim Operating Budget	FY2024 Proposed Operating Budget	Change	FY2025 Prelim Operating Budget	FY2025 Proposed Operating Budget	Change
Total Revenue	\$194.6	\$194.7	\$0.1	\$207.8	\$208.7	\$0.9
Total Expense	\$192.6	\$192.7	\$0.1	\$239.0	\$238.1	(\$0.9)
Contribution to Reserve	\$2.0	\$2.0	\$0.0	\$6.9	\$6.8	(\$0.1)
<b>Projected Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$38.1)</b>	<b>(\$36.2)</b>	<b>\$1.9</b>
Reimbursement of Measure RR Funds	\$0.0	\$0.0	\$0.0	\$38.1	\$36.2	(\$1.9)
<b>Adjusted Net Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

Total Revenue increased by \$0.1 million in FY2024 and \$0.9 million in FY2025 due to the following:

- Member Agency (VTA-Gilroy) - new revenue was added to cover the marginal cost for the 4th train to Gilroy (fuel and maintenance of equipment); and
- State Rail Assistance (SRA) - allocation was shifted from FY2024 to FY2025 given the reduced amount needed to help balance the FY2024 Operating Budget.

Total Expense increased by \$0.1 million in FY2024 and decreased by \$0.9 million in FY2025 due to the following:

- Wages and Benefits - staff confirmed the annual needs including final review of new FTEs and current frozen positions; and
- Consultants
  - Staff reevaluated consultant services which resulted in a reduced budget
  - Added the Strategic Policy and Programming Project of \$0.4 million per fiscal year, which was previously included in the Capital Budget
  - Added the Caltrain Access Policy and Planning Project of \$0.3 million per fiscal year, which was previously included in the Capital Budget

Contribution to Reserve decreased in FY2025 by \$0.1 million due to decreased expenses.

Reimbursement of Measure RR Funds for FY2025 decreased by \$1.9 million due to the higher revenue and lower expenses for FY2025.

Revenue	FY2024 in '000	FY2025 in '000
Member Agency (VTA- Gilroy)	\$470	\$517
	VTA's contribution for the 4th train to Gilroy	VTA's contribution for the 4th train to Gilroy
LCFS, LCTOP, SRA	(\$364)	\$364
	decreased SRA from \$4.8M to \$4.5M, allocation moved from FY2024 to FY2025 due to reduced amount needed to balance the budget	increased SRA from \$7.4M to \$7.7M, allocation moved from FY2024 due to reduced amount needed to help balance the FY2024 budget
<b>Total Revenue</b>	<b>\$106</b>	<b>\$881</b>

Expense	FY2024 in '000	FY2025 in '000
Wages & Benefits	\$68 refinements in FTEs	(\$272) refinements in FTEs
Professional Services	\$24 refinements in consultants; added 2 projects from capital to operating	(\$598) refinements in consultants; added 2 projects from capital to operating
<b>Total Expense</b>	<b>\$92</b>	<b>(\$870)</b>
Contribution to Reserve	\$14 due to increase in expenses	(\$144) due to decrease in expenses
<b>Projected Surplus / (Deficit)</b>	<b>\$0</b>	<b>\$1,896</b>

During the May Board discussion, there were questions and clarifications posed by the Board to staff. Please see staff responses in Attachment C.

**Capital Budget**

The Proposed Capital Budget Requests total \$510.2 million for FY2024 and \$74.6 million for FY2025, and the budgets are now balanced to match existing revenues, but only by deferring many much-needed projects.

The Proposed Capital Requests include \$355 million in 2024 for the Stadler cars (discussed in more detail later in the report), and \$107.2 million in 2024 and \$32.3 million in 2025 for Externally-Funded Grade Separation Projects. Other District capital requests are constrained to match the available revenues of \$48.0 million in FY2024 and \$42.3 million in FY2025. In order to constrain requests to the available funding, however, \$16.0 million in projects will have to be deferred in 2024, and in 2025, that total grows to \$48.3 million. The deferred projects include State of Good Repair, Planning, and Operational Improvements—projects that directly affect the customer experience. Staff will continue to advocate for funding from external sources to undertake these projects, and, when successful, will seek Board authority to amend the budget. Additionally, staff is developing a Capital Reserve Policy in conjunction with a proposal for a Capital Endowment Fund and will present recommendations to the Board later this year. At that time, staff may also recommend a Budget Amendment to fund additional capital projects, especially for FY 2025.

The Proposed Funding Sources assume that all three partner agencies contribute \$5 million annually. As of release of this report, though, VTA staff have not confirmed a strategy to ensure that the full \$5 million is available. Caltrain staff will update the Board at the June 1 meeting on further discussions.

The tables below summarize Funded and Deferred Capital Projects by category, and Projected Funding Sources for the Funded Projects.

Capital Budget Requests (in millions)	FY2024 Funded Capital Projects	FY2024 Deferred Capital Projects	FY2025 Funded Capital Projects*	FY2025 Deferred Capital Projects
SOGR	\$33.1	\$7.6	\$25.8	\$29.6
Legal Mandate	\$0.2	\$0.0	\$0.5	\$0.0
Planning	\$6.1	\$2.0	\$7.5	\$2.5
Operational Improvements	\$6.4	\$6.4	\$4.2	\$16.3
VTA-Funded Capital Projects	\$2.2	\$0.0	\$3.0	\$0.0
Capital Contingency Fund	\$0.0	\$0.0	\$1.3	\$0.0
<b>Net Capital Budget Requests (excl Stadler)</b>	<b>\$48.0</b>	<b>\$16.0</b>	<b>\$42.3</b>	<b>\$48.3</b>
Stadler Cars	\$355.0	\$0.0	\$0.0	\$0.0
Externally-Funded Grade Sep Projects	\$107.2	\$0.0	\$32.3	\$0.0
<b>Total Capital Budget Requests</b>	<b>\$510.2</b>	<b>\$16.0</b>	<b>\$74.6</b>	<b>\$48.3</b>

\*Funded Capital Projects include 3 Partially Funded Projects (EMU Rail Vehicle SOGR, SOGR MOW Track, and San Francisquito Creek Conceptual Design and Community Engagement)

FY2024 and FY2025 Funding Sources by Funding Category

Funding Sources (in millions)	FY2024 Projections	FY2025 Projections
Federal SOGR	\$16.8	\$16.1
STA SOGR	\$1.6	\$1.3
Local Funds (LPP, AB664, LCTOP)	\$14.6	\$9.9
External Funding *	\$462.2	\$32.3
Member Agency Capital Obligation	\$15.0	\$15.0
<b>Total Funding Sources</b>	<b>\$510.2</b>	<b>\$74.6</b>
Less: Funding for Stadler Cars	\$355.0	\$0.0
Less: Funding for Externally-Funded Projects	\$115.2	\$32.3
<b>Net Funding Sources</b>	<b>\$48.0</b>	<b>\$42.3</b>

\*Assumes External Federal, State, and TIPA funding of \$311.0M plus a Local Match of \$44.0M (fully funded)

**FY2024 AND FY2025 PROPOSED OPERATING BUDGETS - DETAILS**

Please refer to Attachment A – JPB FY2024 and FY2025 Proposed Operating Budgets for a comparative schedule of the FY2022 Actual, FY2023 March Forecast, FY2024 Proposed Operating Budget, and the FY2025 Proposed Operating Budget. The line numbers for each revenue and expense item detailed below refer to the corresponding line numbers on Attachment A.

**Revenue Projections**

Total revenues for FY2024 are projected at \$194.7 million, an increase of \$13.1 million or 7.2% higher than the FY2023 Forecast:

- Revenue from Operations for FY2024 is projected at \$56.2 million, an increase of \$5.1 million or 10.0% over the FY2023 Forecast.
- Revenue from Contributions for FY2024 is projected at \$138.6 million, an increase of \$8.0 million or 6.1% higher than the FY2023 Forecast.

Total revenues for FY2025 are projected at \$208.7 million, an increase of \$14.0 million or 7.2% more than the FY2024 Proposed Budget:

- Revenue from Operations for FY2025 is projected at \$63.7 million, an increase of \$7.5 million or 13.3% higher than the FY2024 Proposed Budget.
- Revenue from Contributions for FY2025 is projected at \$145.1 million, an increase of \$6.5 million or 4.7% higher than the FY2024 Proposed Budget.

**OPERATING REVENUE**

Line 1 **Caltrain Fares:** \$29.9 million in FY2024, an increase of \$2.9 million or 10.9% higher than the FY2023 forecast; and \$35.9 million in FY2025, an increase of \$6.0 million or 20.0% higher than the FY2024 Proposed Budget.

Caltrain Fares include fare receipts collected directly from rail passengers.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY2024		FY2025 PROPOSED BUDGET	FY2025	
				Proposed to FY23 Forecast	Proposed to FY24		Proposed to FY24	Proposed to FY24
Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,201	20.0%

Caltrain Fares for FY2024 are based on a 44% recovery of pre-COVID levels for Total Farebox, taking into account service interruptions to support the Peninsula Corridor Electrification Project (PCEP) work. In FY2025, a 20% growth over FY2024 was applied.

Line 2 **Go Pass:** \$16.8 million in FY2024, a decrease of \$0.2 million or 1.4% lower than the FY2023 forecast; and \$18.4 million in FY2025, an increase of \$1.7 million or 10% higher than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY24	Proposed to FY24	
Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%

Go Pass includes revenue receipts collected through the Go Pass program. The Caltrain Go Pass program allows companies, educational institutions, and residential complexes (Participants) to purchase annual unlimited ride passes for eligible employees, students, or residents (Users). It is not available for purchase by individuals and does not cover parking at Caltrain stations or travel through other transit systems. In addition, Go Pass is sold on a calendar year basis.

Go Pass for FY2024 reflects a 5% growth over customer sign-ups for calendar year 2023. With continued sign ups and renewals, FY2025 assumes a 10% growth over FY2024.

**Line 3 Parking Revenue:** \$1.9 million in FY2024, an increase of \$0.1 million or 6.0% higher than the FY2023 forecast; and \$2.2 million in FY2025, an increase of \$0.3 million or 16.4% higher than the FY2024 Proposed Budget.

Parking revenue includes fees at parking lots located in various passenger stations, with the largest being at the SAP Center adjacent to the San Jose Diridon station.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY24	Proposed to FY24	
Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%

Parking revenue estimates follow total fare revenue trend projections. It is assumed at 4% of total Caltrain Fares and Go Pass revenues.

**Line 4 Shuttle Revenue:** \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

Shuttle Program funding comes from participating employers, the San Mateo County Transportation Authority (TA), and the Bay Area Air Quality Management District (BAAQMD). This line item refers only to the revenue generated from participating local employers who provide rail passengers the last-mile connections between Caltrain stations and work sites.



Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY24	Proposed to FY24	Proposed to FY24
Employer Share- SAMTR/JPB Shuttle Programs	1,152,152	-	-	-	-	0.0%	-	-	-	-	0.0%	-

In FY2023, shuttle service contracts were consolidated under the San Mateo County Transit District (SamTrans). Therefore, there is no employer revenue for JPB as it will no longer provide contracted shuttle services.

Line 5 **Rental Income:** \$1.0 million in FY2024, a decrease of \$0.2 million or 16.9% lower than the FY2023 forecast; and \$1.1 million in FY2025, an increase of \$0.03 million or 3.0% higher than the FY2024 Proposed Budget.

Rental income is derived from contract arrangements and lease negotiations for third-party use of properties owned by the JPB along the Caltrain Right of Way (ROW).

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY24	Proposed to FY24	Proposed to FY24
Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%				

Rental revenues are decreasing in FY2024 due to expired contracts and increasing in FY2025 due to inflation.

Line 6 **Other Income:** \$6.5 million in FY2024, an increase of \$2.5 million or 61.7% higher than the FY2023 forecast; and \$6.0 million in FY2025, a decrease of \$0.5 million or 8.0% lower than the FY2024 Proposed Budget.

Other Income consists of shared track usage maintenance fees, permit fees, advertising income, interest on invested funds, and parking citation fees. Shared Track Maintenance Revenue is generated from the annual contract with Union Pacific Railroad (UPRR). Advertising Income includes income from train wraps, station ad cards, and digital displays. Construction permit fees from 3<sup>rd</sup> party contractors belong to the Other Non-Transit Revenue.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024		FY2025		FY2025 Proposed to FY24	% Change FY25
			PROPOSED BUDGET	Proposed to FY23 Forecast	PROPOSED BUDGET	Proposed to FY23 Forecast		
Advertising Income	412,430	842,000	541,845	(300,155)	-35.6%	-	(541,845)	-100.0%
Insurance Reimbursements	218,878	20,365	-	(20,365)	-100.0%	-	-	0.0%
Interest Income	53,217	2,157,415	4,825,816	2,668,401	123.7%	4,825,816	-	0.0%
Misc. Operating Revenue	604,431	211,356	218,217	6,861	3.2%	218,217	-	0.0%
Other Non-Transit Revenues	786,837	236,249	288,131	51,882	22.0%	288,131	-	0.0%
Parking Citation Program Revenue	273,447	240,424	287,484	47,060	19.6%	296,109	8,625	3.0%
Shared Track Maintenance Revenue	452,553	336,510	379,767	43,257	12.9%	391,160	11,393	3.0%
Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%

The increase in FY2024 is driven by the Interest Income which is 123.7% over the FY23 forecast. This is due to the \$367.0 million Transit and Intercity Rail Capital Program (TIRCP) grant funds anticipated to be received throughout FY2024. It must be noted, however, that the exact timing and duration of the receipt of said grant funds may differ which may therefore create variations in actuals. The decrease in FY2025 is brought about by reduced Advertising Income due to expired contract.

**CONTRIBUTIONS**

Line 10 **AB434 & TA Shuttle Funding**: \$0 in FY2024, a decrease of \$0.04 million or 100.0% lower than the FY2023 forecast; \$0 in FY2025, no change from FY2024 Proposed Budget

Contributions to the service come from state and local sources. In 1991, through Assembly Bill (AB) 434, the State Legislature authorized a \$4.00 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. AB434 revenues provide partial funding for the JPB shuttle program through a competitive grant process managed by BAAQMD. The TA also funds shuttle services with revenues from the Measure A San Mateo County-wide sales tax.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024		FY2025		FY2025 Proposed to FY24	% Change FY25
			PROPOSED BUDGET	Proposed to FY23 Forecast	PROPOSED BUDGET	Proposed to FY23 Forecast		
AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100%	-	-	0%

In FY2023, shuttle service contracts were consolidated under SamTrans and grant administration is now done by commute.org.

Line 11 **Operating Grants (STA)**: \$12.8 million in FY2024, an increase of \$1.5 million or 13.4% higher than the FY2023 forecast; and \$10.7 million in FY2025, a decrease of \$2.1 million or \$16.5% lower than the FY2024 Proposed Budget

State Transit Assistance (STA) revenue generated from the statewide sales tax on diesel fuel is

allocated to the region’s transit operators by formula. The formula allocates funds based on population, the amount of passenger fares, and local support revenues collected by transit operators. The State sends out projections assuming a growth rate and adjusts these throughout the year.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Operating Grants	10,041,955	11,288,161	12,800,936	1,512,775		13.4%		10,687,973	(2,112,963)	-16.5%

The FY2024 budget is based on MTC estimates as of February 2023 which includes a carryforward from prior years in the amount of \$2.1 million. The FY2025 budget estimate does not include any carryforward.

Line 12 **Measure RR**: \$118.4 million in FY2024, a decrease of \$0.9 million or 0.7% lower than the FY2023 forecast; and \$120.1 million in FY2025, an increase of \$1.7 million or 1.4% higher than the FY2024 Proposed Budget.

Measure RR is a 1/8 cent sales tax approved in November 2020 that provides Caltrain’s first source of dedicated non-fare revenues.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Measure RR	97,296,566	119,292,000	118,400,000	(892,000)		-0.7%		120,100,000	1,700,000	1.4%

Measure RR is projected to have a minor decrease in FY2024 and a modest increase in FY2025. Projections are based on HDL estimates reflective of continued consumer spending that is more conservative due to inflation.

Measure RR is collected in the counties of San Mateo, Santa Clara, and San Francisco. Average percentage of Measure RR sales tax collected from the three (3) counties are as follows: San Mateo (24%), Santa Clara (54%), and San Francisco (22%).

Line 13 **ARPA**: \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

American Rescue Plan Act (ARPA) funding was provided by the federal government to transit agencies to help mitigate the impact of the Covid-19 pandemic and aid in recovery.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
ARPA	115,995,904	-	-	-	-	0%	-	-	-	0%

The total amount of ARPA funds reflected in FY2022 was \$116.0 million, received as two separate awards: \$77.2 million and \$38.8 million. No ARPA funds are anticipated for FY2024 and FY2025, hence projected at \$0.

Line 14 **Member Agency (VTA – Gilroy)**: \$0.47 million in FY2024, an increase of 100% over the FY2023 forecast; and \$0.52 million in FY2025, an increase of \$47 thousand or 10% higher than the FY2024 Proposed Budget.

With the plan of advancing a 4<sup>th</sup> train to Gilroy commencing FY2024, JPB is projecting an annual revenue source from VTA for this effort.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
Member Agency (VTA - Gilroy)	-	-	470,000	470,000	100%	517,000	47,000	10%		

Line 15 **LCFS, LCTOP, SRA**: \$6.9 million in FY2024, an increase of 100% over the FY2023 forecast; and \$13.8 million in FY2025, an increase of \$6.8 million or 99.3% higher than the FY2024 Proposed Budget.

This line item is comprised of grant funding from the following programs: Low Carbon Fuel Standard (LCFS), Low Carbon Transit Operations Program (LCTOP), and State Rail Assistance (SRA).

LCFS is a program to encourage the use of cleaner low-carbon transportation fuels in California. LCFS is a market-based compliance measure that creates economic value from low-carbon and renewable fuel technologies. The LCFS program works as a market system where users and producers of clean energy, including electric vehicle fleets, earn credits through their emission reductions, while emitters purchase those credits to offset their carbon footprint. With electrification in FY2025, the switch from diesel to electric trains will earn Caltrain LCFS credits estimated at a value of \$5.0 million.

LCTOP is administered by the California Department of Transportation (Caltrans), in coordination with the California Air Resources Board (CARB) and the State Controller’s Office (SCO). The LCTOP was created to provide operating and capital assistance for transit agencies

to reduce greenhouse gas emissions and improve mobility. Staff recommends allocation of LCTOP for operating needs in FY2024 for \$2.4 million, and in FY2025 for \$1.0 million.

The State Rail Assistance (SRA) was created to provide capital and operating support for intercity and commuter rail programs. The SRA program is administered by the California State Transportation Agency, with funding managed by the Department of Tax and Fee Administration and the Department of Finance. The funding is received through the revenue obtained from 0.5% sales and use tax on diesel fuel from the State. Caltrain is currently projecting a total of \$12.2 million of SRA funding available in FY2024 and FY2025. Staff recommends utilizing \$4.5 million of SRA allocation for operating needs in FY2024 and \$7.7 million of SRA allocation for operating needs in FY2025.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
LCFS	-	-	-	-	0.0%	5,000,000	5,000,000	100.0%
LCTOP	-	-	2,442,976	2,442,976	100.0%	1,030,766	(1,412,210)	-57.8%
SRA	-	-	4,465,527	4,465,527	100.0%	7,734,473	3,268,946	73.2%
LCFS, LCTOP, SRA	-	-	6,908,503	6,908,503	100.0%	13,765,239	6,856,736	99.3%

**Expense Projections**

Grand Total Expense for FY2024 projected at \$192.7 million, an increase of \$12.6 million or 7.0% over the FY2023 Forecast:

- Operating Expense for FY2024 projected at \$152.8 million, an increase of \$6.6 million or 4.5% over the FY2023 Forecast.
- Administrative Expense for FY2024 projected at \$36.2 million, an increase of \$6.4 million or 21.6% over the FY2023 Forecast.
- Long-term Debt Expense for FY2024 projected at \$3.5 million.

Grand Total Expense for FY2025 projected at \$238.1 million, an increase of \$45.4 million or 23.6% over the FY2024 Proposed Budget:

- Operating Expense for FY2025 projected at \$190.2 million, an increase of \$37.5 million or 24.5% over the FY2024 Proposed Budget.
- Administrative Expense for FY2025 projected at \$40.1 million, an increase of \$3.9 million or 10.7% over the FY2024 Proposed Budget.
- Long-term Debt Expense for FY2025 projected at \$7.8 million.

**OPERATING EXPENSE**

Line 22 **Rail Operator Service:** \$104.9 million in FY2024, an increase of \$6.6 million or 6.7% higher than the FY2023 forecast; and \$105.9 million in FY2025, an increase of \$1.0 million or 1.0% higher than the FY2024 Proposed Budget.

The JPB contracts out for rail operation service with TransitAmerica Services, Inc. (TASI). TASI provides all the operations, maintenance, and support services in the following areas: Administration/Safety, Operations and Dispatch, Maintenance of Equipment, Maintenance of Track, Communications, Signals and Stations, Capital Construction Support and State of Good Repair (SOGR) maintenance. TASI is paid on a cost-plus-performance-fee contract structure.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946	6.7%	105,901,543	1,011,839	1.0%

FY2024 budget assumes a service level of 104 trains per weekday. There have been increases in labor costs, fixed and variable overhead costs, and management costs.

FY2025 budget assumes a service level aligned with Caltrain’s electrification, with 104 trains per weekday (92 electric and 12 diesel). The increase in FY2025 is due to the higher variable performance and overhead costs resulting from the \$25.0 million OCS/TPS maintenance component.

Line 23 **OCS/TPS Maintenance:** \$0 in FY2024; and \$25.0 million in FY2025, an increase of \$25.0 million or 100% higher than the FY2024 Proposed Budget.

The Overhead Contact System (OCS) and Traction Power System (TPS) Maintenance is a new line item related to the electrification of Caltrain’s service in FY2025. This item covers the maintenance of the overhead wires that supply electricity to the trains and the network that serves as an electricity grid for the supply of electrified rail networks. This also includes the personnel that control the power provision in the central control facility.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
OCS/TPS Maintenance	-	-	-	-	0%	25,000,000	25,000,000	100%

Line 24 **Security Services:** \$8.3 million in FY2024, an increase of \$0.3 million or 3.2% higher than the FY2023 forecast; and \$8.6 million in FY2025, an increase of \$0.3 million or 3.4% higher than the FY2024 Proposed Budget.

Security services are provided through a law enforcement contract, a communications services contract with the San Mateo County Sheriff’s Office (SMCSO), and a building security guard contract. The SMCSO contract supports Rail operations.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		FY2025 PROPOSED BUDGET	% Change	
				Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed
Security Service	7,391,809	8,028,807	8,286,045	257,238	3.2%	8,571,693	285,648	3.4%

FY2024 and FY2025 Security Services budgets reflect the projected annual contractual increases and overtime estimates.

Line 25 **Shuttle Services**: \$0.1 million in FY2024, a decrease of \$0.04 million or 34.2% lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Proposed Budget.

The Shuttle program provides last-mile connections for Caltrain passengers.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		FY2025 PROPOSED BUDGET	% Change	
				Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed
Shuttle Service	1,938,640	121,600	80,000	(41,600)	-34.2%	80,000	-	0.0%

This budget reduction reflects the consolidation of shuttle contracts under SamTrans. It represents Caltrain’s 25% share of the operating and marketing expenses, administrative fee, and fuel surcharges associated with the remaining shuttle grant commitments for Bayshore/Brisbane and Millbrae/Broadway routes.

Line 26 **Fuel and Lubricants**: \$15.2 million in FY2024, a decrease of \$2.3 million or 13.3% lower than the FY2023 forecast; and \$5.1 million in FY2025, a decrease of \$10.1 million or 66.7% lower than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		FY2025 PROPOSED BUDGET	% Change	
				Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed
Fuel and Lubricants	13,491,343	17,539,232	15,211,316	(2,327,916)	-13.3%	5,069,083	(10,142,233)	-66.7%

	FY23 Adopted Budget	FY24 Proposed Budget	FY25 Proposed Budget
Hedged %	65%	89%	0%
Price Per Gallon	\$2.96	\$2.70	N/A
Unhedged %	35%	11%	100%
Price Per Gallon	\$3.41	\$2.59	\$2.51
Fuel Consumption (No. of Gallons)	4,551,803	4,490,072	1,588,595
Fuel Cost	14,183,476	12,078,293	3,987,375
Taxes	3,855,756	3,133,023	1,081,708
Fuel Hedge Realized Savings	(500,000)	-	-
<b>Total</b>	<b>17,539,232</b>	<b>15,211,316</b>	<b>5,069,083</b>

This line item covers the cost of diesel fuel for JPB locomotive operations, including the associated taxes and fees. The FY2024 fuel budget assumes 104-diesel train service per weekday with a fuel consumption of 4.5 million gallons at \$2.69 per gallon. It also assumes that 89% of the fuel portfolio is hedged at \$2.70 per gallon and 11% is unhedged at \$2.59 per gallon. In FY2025, with Caltrain’s electrified service, the budget assumes 12-diesel train service per weekday with a fuel consumption of 1.6 million gallons at \$2.51 per gallon. No hedges are assumed in FY2025.

Line 27 **Electricity**: \$0.0 in FY2024; and \$19.5 million in FY2025, an increase of \$19.5 million or 100.0% higher than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY24		FY2025 PROPOSED BUDGET	FY25	
				Proposed to FY23 Forecast	% Change FY24 Forecast		Proposed to FY24	% Change FY25
Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%

In FY2025, with Caltrain’s electrified service, the budget assumes 92-electric train service per weekday with a projected electricity consumption of 90,268,417 kWh at \$0.2160 per kWh. This consumption includes revenue and non-revenue mileage, and static testing.

Line 28 **Timetables and Tickets**: \$0.1 million in FY2024, a decrease of \$0.04 million or 29.8% lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Proposed Budget.

Timetables and Tickets includes the cost of designing, updating, and printing of timetables, schedules, maps, and Caltrain tickets.



Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%		

The reduction in FY2024 reflects a repurpose of \$0.04 million in funding to Professional Services to analyze tickets and passes.

Line 29 **Insurance:** \$10.2 million in FY2024, an increase of \$0.9 million or 10.0% higher than the FY2023 forecast; and \$11.3 million in FY2025, an increase of \$1.0 million or 10.0% higher than the FY2024 Proposed Budget.

The Insurance budget includes premiums, deductibles, adjuster fees, broker fees, and other insurance costs. Rates reflect costs for property, casualty, and liability insurance.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%		

FY2024 and FY2025 budgets reflect a 10% historical increase in premiums.

Line 30 **Claims, Payments, and Reserves:** \$1.3 million in FY2024, a decrease of \$0.02 million or 1.3% lower than FY2023 forecast; and \$1.3 million in FY2025, no change from the FY2024 Proposed Budget.

This budget item covers the cost of claims, reserves and payments, and the associated legal fees.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Claims Reserves & Payment	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%		

FY2023 forecast was adjusted to reflect potential claims based on incidents that transpired in said fiscal year. FY2024 and FY2025 budget retained the usual level of reserves.

Line 31 **Facilities and Equipment Maintenance:** \$8.2 million in FY2024, an increase of \$1.1 million or 15.0% higher than the FY2023 forecast; and \$9.0 million in FY2025, an increase of \$0.8 million or 9.8% higher than the FY2024 Proposed Budget.

This budget item covers expenses related to Clipper Operator charges, revenue collection services, ticket vending machines, data line services and other contract services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Facilities and Equipment Maintenance	6,004,843	7,107,788	8,171,766	1,063,978		15.0%		8,969,666	797,900		9.8%	

The increase in FY2024 is driven by higher Clipper Operator charges, new contract with Brinks, Bike Station costs, and increased cost for contracted services related to public relations, sales tax consultants, citation/fine enforcement, and train management system. The increase in FY2025 is due to contracted services related to wireless internet maintenance.

Line 32 **Utilities:** \$2.7 million in FY2024, an increase of \$0.1 million or 3.5% higher than the FY2023 forecast; and \$2.7 million in FY2025, no change from the FY2024 Proposed Budget.

This item covers the cost of gas & electricity, telephone, water & sewer, and trash. It also includes utility costs of Positive Train Control (PTC) maintenance such as data circuits, radio license fees, and spectrum lease.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Utilities	2,541,458	2,617,600	2,708,900	91,300		3.5%		2,708,900	-		0.0%	

The increase is due to higher gas, electricity, and water & sewer utility costs.

Line 33 **Maintenance & Services – Building & Other:** \$1.8 million in FY2024, an increase of \$0.03 million or 1.7% higher than the FY2023 forecast; and \$1.8 million in FY2025, a decrease of \$5.0 thousand or 0.3% lower than the FY2024 Proposed Budget

This item covers the cost of building maintenance services, printing and information services, and repair and maintenance of computers and office equipment.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Maintenance & Services - Bldg & Oth	1,372,866	1,754,100	1,784,600	30,500		1.7%		1,779,600	(5,000)		-0.3%	

The increase in FY2024 is driven by higher building maintenance service costs related to the BART agreement, and printing and information services due to the implementation of a new safety program.

**ADMINISTRATIVE EXPENSE**

Line 37 **Wages & Benefits:** \$18.5 million in FY2024, an increase of \$4.9 million or 36.5% higher than the FY2023 forecast; and \$21.0 million in FY2025, an increase of \$2.5 million or 13.6% from the FY2024 Proposed Budget

The San Mateo County Transit District serves as the managing agency for the JPB. FY2024 Wages & Benefits reflects staffing costs for an anticipated 93.7 FTEs for the operating budget which includes 84.1 existing FTEs and 9.6 new FTEs. FY2025 Wages & Benefits reflects staffing costs for an anticipated 106.8 FTEs for the operating budget which includes 106.0 existing FTEs and 0.8 new FTEs. The projected new FTEs are related to Planning, Electrification, and Safety and System Engineering Support functions.

Divisions	FY2024		FY2025	
	Existing FTE	New FTE	Existing FTE	New FTE
Bus	1.2	-	1.2	-
CalMod	-	-	-	-
Comm	24.5	-	24.5	-
Exec	0.9	-	0.9	-
Finance	9.4	1.1	10.5	-
IT	-	-	-	-
People & Culture Group	0.5	1.4	2.5	-
Planning	2.3	-	2.3	-
Rail	40.9	6.3	57.9	0.8
Safety	4.5	0.9	6.3	-
<b>Total Operating</b>	<b>84.1</b>	<b>9.6</b>	<b>106.0</b>	<b>0.8</b>

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast	FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed	
Wages & Benefits	10,610,123	13,532,312	18,472,861	4,940,549	36.5%	20,979,416	2,506,555	13.6%

The FY2024 budget assumes a universal wage increase for represented and non-represented employees and an increase in fringe benefits. However, no increase was applied for FY2025 as the current SamTrans collective bargaining agreements expire in June and September 2024, respectively. Vacancy savings have been assumed based on hiring dates and projected attrition. The budget also reflects JPB’s share of the total CalPERS ER Funded Cost and the Total Retiree Medical.

Line 38 **Managing Agency Admin OH Cost:** \$3.6 million in FY2024 and FY2025, no change from the FY2023 forecast.

Managing Agency Administrative Overhead (OH) Cost reflects the cost of District personnel dedicated to the Caltrain business (as opposed to Caltrain operations).

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast			
Managing Agency Admin OH Cos	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%		

The Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.

The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” and ASMB C-10 “Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.”

The ICAP calculates two components:

- Agency Indirect Administration (AIA) – a pool of costs that cannot be directly attributed to a specific agency.

This consists of labor and non-labor support functions that benefit each of the four agencies managed or supported by the District. Examples include the time charged by the Payroll Department to process the biweekly payroll or the time charged by the Human Resource Department to post recruitments on industry websites. Based on specific statistics, these costs are distributed to each department. For example, the payroll department costs are distributed to each department based on the number of FTEs. The District incurs all of the AIA costs and then recovers appropriate shares of the costs from the District’s Operating and Capital budgets, the JPB Operating and Capital budgets, the TA budget and the SMCELJPA budget.

- Capital Overhead – a pool of project support costs that cannot be directly attributed to a specific capital project.

A capital overhead rate is calculated for each agency. An example of a capital overhead cost would be the time charged by an administrative assistant who supports multiple capital project engineers. The capital overhead costs are tracked and included in the ICAP rate and is charged to each capital project.

In mid-FY2021, the ICAP methodology was changed to more appropriately allocate these costs across the range of projects served – staff anticipates that this approach will continue. In prior years, the ICAP rate was applied to pre-defined labor costs. The new methodology applies the ICAP rate to all labor and non-labor costs. The methodology does not change how much ICAP in total is paid, but rather how the total ICAP is allocated to different projects.

Line 39 **Board of Directors:** \$62.9 thousand, an increase of \$5.6 thousand or 9.8% higher than the FY2023 forecast; and \$62.9 thousand, no change from the FY2024 Proposed Budget.

This covers director compensation, seminars and training, and meetings for the Board of Directors.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	FY25	Proposed to FY24	FY25
Board of Directors	22,285	57,275	62,875	5,600		9.8%		62,875	-		0.0%	

Line 40 **Professional Services:** \$9.5 million in FY2024, an increase of \$0.2 million or 1.9% higher than the FY2023 forecast; and \$10.9 million in FY2025, an increase of \$1.4 million or 14.6% higher than the FY2024 Proposed Budget.

This covers the cost of legal services, audit services, legislative advocacy, and consultant services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	FY25	Proposed to FY24	FY25
Legal Services	2,039,639	2,600,000	1,869,000	(731,000)		-28.1%		1,869,000	-		0.0%	
Annual Audit Services	65,000	68,000	74,250	6,250		9.2%		74,250	-		0.0%	
Legislative Advocates	161,238	175,200	189,600	14,400		8.2%		189,600	-		0.0%	
Consultants	4,465,211	6,462,555	7,351,925	889,370		13.8%		8,741,101	1,389,176		18.9%	
Total	6,731,087	9,305,755	9,484,775	179,020		1.9%		10,873,951	1,389,176		14.6%	

Increases in FY2024 and FY2025 are driven by consultant services. In FY2024, the increase in consultant services is due the following efforts: Caltrain Sustainability Strategic Planning, Safety and Security, Financial Strategic Planning, Ridership Recovery, Strategic Policy and Programming, and Caltrain Access Policy and Planning. In FY2025, the increase is primarily due to rail engineering consultant services to support electrification.

Line 41 **Communications and Marketing:** \$0.4 million, an increase of \$0.04 million or 9.7% higher than the FY2023 forecast; and \$0.4 million in FY2025, no change from the FY2024 Proposed Budget.

This covers the cost of promotional advertising for fares, schedule changes, and the mobile app.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Communications and Marketing	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%

FY2024 budget reflects an increase in marketing support for electrification, branding projects, and ongoing special events such as the rail safety month and the Martin Luther King Jr. celebration train.

Line 42 **Other Office Expenses and Services:** \$4.2 million in FY2024, an increase of \$1.3 million or 42.7% higher than the FY2023 forecast; and \$4.2 million in FY2025, a decrease of \$13.8 thousand or 0.3% lower than the FY2024 Proposed Budget.

This line item covers bank and transaction fees, software maintenance and licenses, recruitment costs, seminar and training, business travel, dues and subscriptions, and leases on properties along Caltrain’s Right of Way (ROW) in support of commuter services. The ROW leases include facilities for radio transmission antennas and real estate for storage of train equipment and spare parts.

The increase in FY2024 budget is driven by IT software maintenance and hardware requirements, bank fees on working capital, and professional recruitment costs.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Business Travel, Training & Devt	196,266	398,875	384,250	(14,625)	-3.7%	384,250	-	0.0%
Computer & Software Maintenance	371,637	554,900	1,356,700	801,800	144.5%	1,351,700	(5,000)	-0.4%
Other Office Expense	308,327	620,100	737,320	117,220	18.9%	728,475	(8,845)	-1.2%
Property Taxes and Bank Fees	940,087	1,112,621	1,354,132	241,511	21.7%	1,354,132	-	0.0%
Recruitment	173,007	270,400	388,400	118,000	43.6%	388,400	-	0.0%
Total	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%

Line 45 **Measure RR Ballot Costs:** \$0 in FY2024 and FY2025, no change from the FY2023 budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Measure RR Ballot Costs	5,396,910	-	-	-	-	-	-	-

The Measure RR Ballot Costs was a one-time activity in FY2022 to cover costs incurred by the counties of San Francisco, San Mateo, and Santa Clara to put the Measure RR ballot up for a vote in FY2021 election. Since this activity is completed, no budget is expected for FY2024 and FY2025.

Line 46 **Governance:** \$0.2 million in FY2024, a decrease of \$0.1 million or 35.7% lower than the FY2023 forecast; and \$0 in FY2025.

This budget covers Governance related items that include staff costs, consultant support, legal consultation, and specialized financial analysis. In FY2024, a \$0.2 million one-time budget was added for policy, strategy, and communications consultant support, as well as legal services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
Governance	1,144,981	350,000	225,000	(125,000)	-35.7%	-	(225,000)	-100.0%		

Line 48 **Debt Service Expense:** \$3.5 million, a decrease of \$0.2 million or 6.5% lower than the FY2023 forecast; and \$7.8 million in FY2025, an increase of \$4.3 million or 123.7% higher than the FY2024 Proposed Budget.

This covers the cost and principal retirement of debt incurred for the acquisition and rehabilitation of passenger rail cars, the acquisition of real property, and the maintenance of a revolving line of credit.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
Long-term Debt Expense	1,935,154	3,711,375	3,471,125	(240,250)	-6.5%	7,763,305	4,292,180	123.7%		

FY2024 budget includes the principal and interest payment for the 2019 Farebox Revenue Bond. The increase in FY2025 is due to the principal payment for the 2022 Measure RR Revenue Bond.

Line 53 **Projected Contribution to Reserve:** \$2.0 million in FY2024; \$6.8 million in FY2025, an increase of 4.8 million or 235.7% higher than the FY2024 Proposed Budget.

The financial reserve policy adopted by the board effective September 1, 2017, states *“the JPB will maintain an operating reserve of at least 10 percent of the annual operating budget, and that the JPB shall strive to reserve up to 15 percent of the annual operating budget when possible”*.

In FY2024, the projected opening balance of the Operating Reserve is \$26.9 million. A projected contribution of \$2.0 million will result in an ending balance of \$28.9 million which is 15% of the FY2024 annual operating budget. In FY2025, to maintain the 15% operating reserve level, a contribution of \$6.8 million is required.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Projected Contribution to Reserve	16,115,624	10,763,226	2,029,548	(8,733,678)	-81.1%	6,812,302	4,782,754	235.7%

**Line 59 Draw from Measure RR Reserve for PCEP: \$36.2 million in FY2025**

Caltrain has recently been awarded the full \$410.0 million funding required to finish the Peninsula Corridor Electrification Project (PCEP). This grant releases \$60.0 million of Measure RR funds originally allocated for PCEP. With this, Caltrain anticipates a total of \$60.0 million Measure RR PCEP reimbursement that can be used for operating needs.

To address the remaining operating requirements in FY2025, staff recommend utilizing \$36.2 million of the Measure RR PCEP reimbursement. After this allocation, the Measure RR PCEP reimbursement balance will be \$23.8 million.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Measure RR Reserve for PCEP	-	-	-	-	0.0%	36,222,140	36,222,140	100.0%

**FY2024 AND FY2025 PROPOSED CAPITAL BUDGETS - DETAILS**

The Proposed Capital Budget Requests total \$510.2 million for FY2024 and \$74.6 million for FY2025, and the budgets are now balanced to match existing revenues, but only by deferring many much-needed projects.

The Proposed Capital Requests include \$355 million in 2024 for the Stadler cars (discussed in more detail later in the report), and \$107.2 million in 2024 and \$32.3 million in 2025 for Externally-Funded Grade Separation Projects. Other District capital requests are constrained to match the available revenues of \$48.0 million in FY2024 and \$42.3 million in FY2025. In order to constrain requests to the available funding, however, \$16.0 million in projects will



have to be deferred in 2024, and in 2025, that total grows to \$48.3 million. The deferred projects include State of Good Repair, Planning, and Operational Improvements—projects that directly affect the customer experience. Staff will continue to advocate for funding from external sources to undertake these projects, and, when successful, will seek Board authority to amend the budget. Additionally, staff is developing a Capital Reserve Policy in conjunction with a proposal for a Capital Endowment Fund and will present recommendations to the Board later this year. At that time, staff may also recommend a Budget Amendment to fund additional capital projects, especially for FY 2025.

The Proposed Funding Sources assume that all three partner agencies contribute \$5 million annually. As of release of this report, though, VTA staff have not confirmed a strategy to ensure that the full \$5 million is available. Caltrain staff will update the Board at the June 1 meeting on further discussions.

The tables below summarize Funded and Deferred Capital Projects by category, and Projected Funding Sources for the Funded Projects.

Capital Budget Requests (in millions)	FY2024 Funded Capital Projects	FY2024 Deferred Capital Projects	FY2025 Funded Capital Projects*	FY2025 Deferred Capital Projects
SOCR	\$33.1	\$7.6	\$25.8	\$29.6
Legal Mandate	\$0.2	\$0.0	\$0.5	\$0.0
Planning	\$6.1	\$2.0	\$7.5	\$2.5
Operational Improvements	\$6.4	\$6.4	\$4.2	\$16.3
VTA-Funded Capital Projects	\$2.2	\$0.0	\$3.0	\$0.0
Capital Contingency Fund	\$0.0	\$0.0	\$1.3	\$0.0
<b>Net Capital Budget Requests (excl Stadler)</b>	<b>\$48.0</b>	<b>\$16.0</b>	<b>\$42.3</b>	<b>\$48.3</b>
Stadler Cars	\$355.0	\$0.0	\$0.0	\$0.0
Externally-Funded Grade Sep Projects	\$107.2	\$0.0	\$32.3	\$0.0
<b>Total Capital Budget Requests</b>	<b>\$510.2</b>	<b>\$16.0</b>	<b>\$74.6</b>	<b>\$48.3</b>

\*Funded Capital Projects include 3 Partially Funded Projects (EMU Rail Vehicle SOGR, SOGR MOW Track, and San Francisquito Creek Conceptual Design and Community Engagement)

FY2024 and FY2025 Funding Sources by Funding Category

Funding Sources (in millions)	FY2024 Projections	FY2025 Projections
Federal SOGR	\$16.8	\$16.1
STA SOGR	\$1.6	\$1.3
Local Funds (LPP, AB664, LCTOP)	\$14.6	\$9.9
External Funding *	\$462.2	\$32.3

Member Agency Capital Obligation	\$15.0	\$15.0
<b>Total Funding Sources</b>	<b>\$510.2</b>	<b>\$74.6</b>
Less: Funding for Stadler Cars	\$355.0	\$0.0
Less: Funding for Externally-Funded Projects	\$115.2	\$32.3
<b>Net Funding Sources</b>	<b>\$48.0</b>	<b>\$42.3</b>

\*Assumes External Federal, State, and TJPA funding of \$311.0M plus a Local Match of \$44.0M (fully funded)

Descriptions of the projects that are funded in the FY 2024 and 2025 capital budgets are shown below:

FUNDED PROJECTS

1. Guadalupe Bridge Replacement - \$17,364,622 (FY2024) & \$18,921,222 (FY2025)  
 The purpose of the project is to address the structural vulnerability of two existing bridges, MT1 and MT2, spanning the Guadalupe River in San Jose. Activities include widening and stabilizing the underlying river channel and upgrading and extending the bridge structures to ensure long-term public safety and service reliability.
  
2. San Francisquito Creek Conceptual Design and Community Engagement  
 - FY2024: \$0  
 - FY2025: \$1,273,312 (Funded) \$799,133 (Deferred)  
 The purpose of this project is to replace the San Francisquito Creek Bridge that carries double mainline tracks. The Bridge is approaching the end of its useful service life due to the age of the structure, a low rating capacity of its main members, and an unstable slope at the north abutment. It is located 330 feet from the Palo Alto Avenue at-grade crossing. In 2021, Caltrain initiated a due diligence effort for the Bridge. No cracks were found during the detailed inspections conducted in Fall 2021. However, the Bridge currently rates below American Railway Engineering and Maintenance-of-Way Association’s (AREMA) Normal Freight Live Loading requirements. These findings have led to a new direction for the project in terms of scope, budget, and timeline.
  
3. San Francisquito Bridge Acoustic Monitoring System - \$2,028,704 (FY2024) & \$0 (FY2025)  
 San Francisquito Creek Bridge, that carries double mainline tracks, is approaching the end of its useful service life. The recent in-depth inspection and analysis revealed that the bridge is rated below AREMA’s normal freight live loading requirements and restrictions. The analysis also revealed that some members have a “negative remaining fatigue life” with an increased risk for cracking. Funds will be used to prepare an Invitation for Bid package to procure and install an Acoustic Monitoring System to provide more timely notice of potential cracks or damage to key structural elements.
  
4. San Francisquito Creek Bridge Emergency North Channel Restoration - \$3,994,649 (FY2024) & \$0 (FY2025)

The purpose of this project is to restore and protect the northern embankment of the San Francisquito Creek to prevent erosion from undermining an abutment of Caltrain's San Francisquito Creek Bridge. The funds will be used for engineering design, coordination of cost sharing agreements with external stakeholders, acquisition of access agreements, permitting, procurement of construction services, construction, construction management, and other supporting services such as legal, project controls, and civil rights.

**5. SOGR MOW Track**

- FY2024: \$4,100,543

- FY2025: \$3,800,593 (Funded) \$4,199,407 (Deferred)

The System Wide Track Rehabilitation Program covers the work required to keep the Caltrain railroad in a SOGR. The type and scope of work scheduled for each year is based upon the condition of the railroad, which is determined through inspections and tests performed throughout the previous year. The project includes many different work activities that remain consistent from year to year. These activities include replacement of rail and crossties, replacement of special track components, installation of thermite welds, maintenance welding and grinding at special track locations, track surfacing throughout the corridor, purchased services including inspections and weed abatement, and vegetation removal and the purchase of small tools.

**6. SOGR MOW Track - Track Equipment - \$2,556,828 (FY2024) & \$0 (FY2025)**

The purpose of this project is to support the purchase of track Maintenance-of-Way equipment to keep the track in a SOGR. It includes the purchase of a section truck, a dump truck, a Cat Skid Steer with Mower, a 1200 Reach Lift forklift, a Pup Hydraulic Switch Tamper, a Freightliner Welders truck, a Tie Handler, a Tie Inserter, and a Hydrail Excavator.

**7. ROW Fencing - \$1,835,951 (FY2024) & \$0 (FY2025)**

The ROW Fencing project will continue to install vandal-resistant fencing at key locations along the PCJPB main line rail corridor to deter trespassing. Installation of fencing will provide a barrier on at least one side of the property between San Francisco MP 0 to Lick MP 50.94, in order to reduce trespassing on the PCJPB ROW. This work plan is intended to span two years.

**8. Next Generation Visual Messaging Sign (VMS) - \$1,200,000 (FY2024) & \$2,400,000 (FY2025)**

This project will install 122 (VMS) and passenger information system for the Caltrain stations. The current VMS signs are no longer supported by the manufacturer and the Predictive Arrival and Departure System (PADS) is obsolete. Research will be done to determine whether it is best to replace the signs that will work with the current PADS or replace signs for the next generation passenger information system.

**9. Station SOGR Project - \$1,226,519 (FY2024) & \$0 (FY2025)**

This project will perform capital maintenance at various Caltrain stations which may include, but not limited to, corrosion mitigation, rain shelter replacements, schedule

and sign casing replacement, concrete repairs, repair and replace station building roofs, bathroom repairs, and other capitalized maintenance items. These repairs are intended to keep these assets in a state of good repair and to provide consistent service to Caltrain patrons.

**10. EMU Rail Vehicle SOGR**

- FY2024: \$0

- FY2025: \$1,821,223 (Funded) \$2,700,593 (Deferred)

The purpose of this project is for the COTS-inspections (Cleaned, Oiled, Tested, and Stenciled) of the air brakes on the EMU. Caltrain must begin the purchase of this equipment within a few months before the new EMUs go into service so that Caltrain can stagger these inspections between its 19 EMU sets.

**11. MS4 Trash Capture - \$200,000 (FY2024) & \$494,465 (FY2025)**

The MS4 Project will design and implement a full trash capture system required to maintain the Municipal Separate Storm Sewer System (MS4) National Pollutant Discharge Elimination System (NPDES) permit. Implementation and certification must be completed by 2030. The funds will be used to design, procure, and install the storm drain filtering system.

**12. Caltrain Planning (CIP) - \$359,000 (FY2024) & \$790,000 (FY2025)**

The Caltrain 10-year Capital Improvement Plan will provide the roadmap for Caltrain's involvement and leadership in the programming and development of capital projects across the corridor. The CIP Development Project will also include the development of a prioritization framework that will provide a structured, evidence-based, and equitable decision-making framework to prioritize investments in capital projects across the railroads. The CIP development process and products will allow Caltrain to build up adequate staff capacity, focus its resources on delivering its desired outcomes, and seek additional funding strategically.

**13. Battery EMU R/D - \$1,352,000 (FY2024) & \$2,392,000 (FY2025)**

This project will fund the next generation of post-PCEP investments in Caltrain. It will fund and procure an EMU from Stadler with batteries to allow the train to run outside of electrified territory, for Gilroy and extended service.

**14. Level Boarding Roadmap - \$520,000 (FY2024) & \$520,000 (FY2025)**

This project provides a plan for vehicle and platform modifications to accommodate systemwide level boarding. This includes technical, regulatory, freight, and operational interface evaluation. It will also conduct research on best practices, document constraints and challenges, and develop a long-term plan and path to completion.

**15. Rail Network and Operations Planning - \$1,248,000 (FY2024) & \$1,248,000 (FY2025)**

This project will provide modelling and analysis, presentations, timetable development and testing of new electric and battery electric trains that will be integrated into the Caltrain operations. The project will optimize service with performance, ridership, events, and other variables that require detailed modelling and analysis.

**16. Corridor Crossing Strategy - \$0 (FY2024) & \$520,000 (FY2025)**

The Corridor Crossings Strategy (CCS) will provide a cohesive approach to grade separations or closures that are needed to unlock regional mobility and safety benefits. The Caltrain Business Plan acknowledges that grade separation projects are costly, complex, and challenging. The CCS strives to identify areas for enhancement in the current process and develop a potential strategic approach to deliver corridor-wide consensus on delivery of grade separation projects. The strategy work that is currently ongoing and anticipated to be complete by the end of calendar year 2023 is a first phase and is identifying technical work required to streamline and expedite delivery of a variety of grade crossing solutions, such as fully separated crossings, partial closures with bike/ped crossings, and full closures. This work may include more in-depth review of 4-track segments identified in the Business Plan, design standards and construction techniques, coordinated funding and political strategies, standardized materials including RFPs that may be valuable to jurisdictions, and other items identified through the community-driven phase currently under way.

**17. DTX Funding - \$250,000 (FY2024) & \$1,250,000 (FY2025)**

This is a funding contribution requested from Caltrain as part of the local match for federal FTA funding toward the DTX project. Caltrain's contribution will be matched with contributions from other DTX partners, including the San Francisco County Transportation Authority, Metropolitan Transportation Commission, and California High Speed Rail Authority.

**18. Diridon Integrated Station Concept (DISC)/Diridon Business Case - \$1,560,000 (FY2024) & \$780,000 (FY2025)**

This project will support initial planning and conceptual engineering related to Diridon Station and the south terminal area of the railroad. It is anticipated that other sources of funding will be required to advance the project into environmental and advanced design. JPB and other partner agencies mutually accepted a Concept Layout in 2020 to establish the vision for the future Diridon Station. As part of the Concept Layout, the DISC program will affect several elements at and around Diridon Station including the historic train Depot, PG&E substation, VTA light rail station and alignment, and will require the relocation of the Caltrain maintenance facility, and elevation of the rail station platforms and tracks. Consequently, a set of projects (known as the Program of Projects) have been identified to realize the Concept Layout vision. To inform decision-making and therefore DISC implementation, JPB is leading the Partner Agencies in a Business Case. The Business Case will identify the status of the contingent and adjacent projects in the Program of Projects to define the scale of DISC relative to cost and schedule, priority actions, tradeoff considerations, and agreement on a DISC project for implementation. The Business Case will investigate implementing DISC compared to base case project investments with the objective of presenting an accurate assessment of the costs of infrastructure elements, quantifying measurable benefits, and establishing a value proposition for investment. The Business Case will also recommend a project description that can be advanced to environmental study while also suggesting

an organizational and governance structure to support project planning, design/development, and eventual implementation.

**19. San Francisco Railyards TOD - \$806,000 (FY2024) & \$0 (FY2025)**

The PCJPB received a \$650,000 TOD Planning Grant that will assist in advancing public-private development at the San Francisco Railyards in conjunction with neighborhood planning efforts. This project will provide \$156,000 in matching funds from Caltrain required under the grant (note that the City and County of San Francisco will provide an additional \$250,000 in matching funds).

**20. 22nd Street ADA Access Improvements - \$447,198 (FY2024) & \$0 (FY2025)**

Caltrain, with funding from SFCTA and consultant support from HNTB, conducted a feasibility study to determine if and how street to platform wheelchair access could be achieved within the existing footprint of 22nd Street Station. While the study's analysis did not exceed 15% design, it found potential ramp and elevator alternatives for both platforms to be feasible at the conceptual level. After evaluating each alternative based on user experience, agency impacts, and construction factors, the study recommended that a ramp alternative for each platform be advanced to 35% design.

**21. Mini-High Platforms - \$460,000 (FY2024) & \$1,762,000 (FY2025)**

This project will install mini-high platforms at thirteen stations. The work will include installation of precast platforms and modifications to existing infrastructure, as needed, to accommodate the installation. Grounding and bonding will be required at all the stations within the areas that will be electrified.

**22. San Mateo Replacement Parking Track - \$3,773,000 (FY2024) & \$0 (FY2025)**

This project involves the preparation of an amendment to the previously obtained environmental clearance report and final design of a "set out track" to replace the track that was removed in the Bay Meadows area to facilitate the construction of the 25th Avenue Grade Separation Project. The track, which will be located between 10th and 14th Avenues, will be accessed from 9th Avenue. It will be approximately 1,000 feet in length and will have a single switch. Electrification is not part of the base funding plan. Supplemental funding will be needed to electrify the replacement parking track.

**23. Support for Property Mapping - \$520,000 (FY2024) & \$0 (FY2025)**

This project intends to provide the consultant land surveying services necessary to produce accurate mapping of PCJPB's properties. The scope will include field surveys, property boundary resolutions, obtaining title reports, performing research, setting property corners, providing exhibits, and filing Record of Surveys.

**24. VTA-Funded Capital Projects - \$2,192,000 (FY2024) & \$2,972,000 (FY2025)**

This includes VTA funded capital projects that still need to be identified.

STADLER CARS

**25. Stadler Cars - \$355,000,000 (FY2024) & \$0 (FY2025)**

Caltrain’s continued transition from a diesel to electric railroad requires additional vehicle replacements, beyond those included as part of the Caltrain Electrification project. The purchase of five Stadler KISS Electric Multiple Unit (EMU) trainsets, plus one Battery Electric Multiple Unit (BEMU) vehicle, will allow Caltrain to be a 90-percent zero emission fleet. The purchase is programmed for FY2024 to ensure that the order is placed before a Stadler contract option expires on August 15, 2023, saving \$120 million in avoided costs. The budget authority is being requested but no funding will occur unless/until the Board takes action to execute the options on the cars, and that includes certifying that the external funding is in place. Execution of the options must occur before August 15, 2023. If the project is approved by the Board, the proposed funding source for the \$44 million Local Match is a portion of the \$150 million TIRCP (Transit and Intercity Rail Capital Program) Repayment for the PCEP project.

Funding Source (in millions)	Replacement EMUs (4)	Portal/DTX EMU (1)	BEMU (1)
External Funds*	\$176.0	\$55.0	\$80.0
Local Match	\$44.0	\$0.0	\$0.0
<b>Total</b>	<b>\$220.0</b>	<b>\$55.0</b>	<b>\$80.0</b>

\*External Funds are as follows: Federal Formula funds for the Replacement EMUs, San Francisco TJPA for the Portal/DTX EMU, and State Funds for the BEMU

Stadler Cars Project	FY2024	FY2025
Budget Request	\$355.0	\$0.0
External Funds*	\$311.0	\$0.0
Local Match	\$44.0	\$0.0
<b>Budget Deficit</b>	<b>\$0.0</b>	<b>\$0.0</b>

\*External Funds are as follows: Federal Formula, San Francisco TJPA, and State funds

Descriptions of capital projects agreed to be fully funded by third parties in the FY2024 and FY2025 capital budgets are show below.

EXTERNALLY-FUNDED GRADE SEPARATION PROJECTS

**26. Burlingame Broadway Grade Separation - \$0 (FY2024) & \$25,635,000 (FY2025)**

This project will separate the Broadway railroad crossing in the City of Burlingame by partially elevating the rail and partially depressing the roadway. The elevated rail alignment will require the reconstruction of the Broadway Caltrain Station. The reconstruction of the Broadway Caltrain Station will remove the operational requirement of the hold-out rule. Currently the project is funded up to Final Design phase.

- 27. Mountain View Transit Center Grade Separation - \$107,000,000 (FY2024) & \$0 (FY2025)**  
In May 2017, City of Mountain View City Council adopted the Transit Center Master Plan as the first step in a multi-year process to plan, design, and construct the new station area and improve Castro Street. The master planning process considered interrelated options for station access, expressway crossing, grade separation, platform extension, bus/shuttle circulation, and vehicle parking, supporting future downtown vitality. The conceptual plan adopted by the Council includes redirection of Castro Street at West Evelyn Avenue, construction of a new ramp from West Evelyn Avenue to Shoreline Boulevard, installation of pedestrian and bicycle undercrossing across the expressway and Caltrain tracks, changes to Moffett/Central intersection, and platform widening and extension to the west. The co-op agreement between VTA, JPB, and Mountain View has been signed, where JPB is the lead implementing agency to deliver final design and construction, VTA is the funding sponsor, and Mountain View is a vital partner in reviewing final design deliverables and coordinating activities within its right of way.
- 28. San Mateo Grade Separation - \$158,000 (FY2024) & \$174,000 (FY2025)**  
This project is anticipated to include grade separations at six Caltrain-owned crossings in downtown San Mateo: 1<sup>st</sup>, 2<sup>nd</sup>, E. 3<sup>rd</sup>, E. 4<sup>th</sup>, E. 5<sup>th</sup>, and 9<sup>th</sup> Avenues. The funds are requested to support the City of San Mateo with a planning level analysis consisting of a project study report, preliminary engineering plans, and environmental planning documents.
- 29. South Linden Ave. and Scott St. Grade Separation - \$0 (FY2024) & \$6,529,000 (FY2025)**  
The South Linden Avenue and Scott Street Grade Separation Project is proposed to improve safety and decrease expected future traffic delays due to growth in vehicle traffic, greater frequency of Caltrain service, and the eventual addition of high-speed rail. South Linden Avenue is in South San Francisco while Scott Street is in San Bruno. Although located in different cities, the two grade separations are proposed to be undertaken as a combined effort since locations are only 1,850 feet apart, such that the grade separation of one crossing could affect the other.

#### CAPITAL CONTINGENCY FUNDS

- 30. Capital Contingency Funds - Engineering - \$0 (FY2024) & \$330,000 (FY2025)**  
This contingency supports unforeseen capital expenditure related to the delivery of capital projects/programs.
- 31. Capital Contingency Funds - Rail - \$0 (FY2024) & \$660,000 (FY2025)**  
This contingency supports unforeseen capital expenditure related to rail operations.
- 32. Capital Project Development - \$0 (FY2024) & \$335,000 (FY2025)**  
This contingency supports planning and engineering study activities.



Prepared By:	Adrian Liu	Senior Budget Analyst	650-508 6345
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**RESOLUTION NO. 2023-**

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

\* \* \*

**Adoption of the Fiscal Year 2024 and the Fiscal Year 2025 Operating Budgets in the Amount of \$192,722,655 and \$238,138,000 and the Fiscal Year 2024 and the Fiscal Year 2025 Capital Budgets in the Amount of \$510,153,014 and \$74,607,815**

**WHEREAS**, the Joint Powers Agreement of the Peninsula Corridor Joint Powers Board (JPB) requires the Board of Directors (Board) to approve annual Operating and Capital Budgets; and

**WHEREAS**, the adoption of an Operating Budget is necessary for obtaining both Federal and State funds to support the Peninsula Commute Service operation known as Caltrain; and

**WHEREAS**, the adoption of a Capital Budget complements the JPB's strategic planning process; and

**WHEREAS**, the Staff recommends that the Board adopt the Fiscal Year 2024 (FY2024) and Fiscal Year 2025 (FY2025) Operating Budgets shown as Attachment A, and the FY2024 and FY2025 Capital Budgets shown as Attachment B; and

**WHEREAS**, the local match funding component of the FY2024 and FY2025 Capital Budget, as proposed, includes funds from the JPB's three member agencies (the City and County of San Francisco, the San Mateo County Transit District and Santa Clara Valley Transportation Authority); and

**WHEREAS**, the FY2024 and FY2025 Capital Budgets include funds from the Senate Bill 1 (S.B. 1) State of Good Repair Program; and

**WHEREAS**, the amount of anticipated funding from the S.B. 1 State of Good Repair Program for the FY2024 and FY2025 Capital Budgets is estimated to be \$1,595,267 and \$1,300,000, respectively; and

**WHEREAS**, per JPB Resolution No. 2020-42, a majority vote is required to approve the expenditure of up to \$40 million of Measure RR revenue for JPB's operation or capital requirements; and

**WHEREAS**, this budget expends an amount in excess of \$40 million of Measure RR revenue which requires the approval of at least six (6) members of the JPB Board.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the Fiscal Year 2024 and Fiscal Year 2025 Operating Budgets, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$192,722,655 and \$238,138,000; and

**BE IT FURTHER RESOLVED** that the Board adopts the FY2024 and FY2025 Capital Budgets in the amount of \$510,153,014 and \$74,607,815, attached hereto and incorporated herein as Attachment B, with the understanding that the three JPB member agencies will allocate funds for the FY2024 and FY2025 Capital Budgets; and

**BE IT FURTHER RESOLVED** that the Executive Director, or designee, is requested to forward a copy of the FY2024 and FY2025 Operating and Capital Budgets to the JPB member agencies at the earliest practicable date; and

**BE IT FURTHER RESOLVED** that the Executive Director, or designee, is directed to submit these budgets to the Metropolitan Transportation Commission, together with a copy of this resolution, at the earliest practical date; and

**BE IT FURTHER RESOLVED** that the Board of Directors approves the S.B. 1 State of Good Repair Program projects included in the FY2024 and FY2025 Capital Budgets as shown in Attachment B; and

**BE IT FURTHER RESOLVED** that the Board of Directors (1) authorizes the Executive Director, or designee, to submit a request for S.B. 1 State of Good Repair and to execute any related grant applications, forms, and agreements and (2) agrees to comply with all conditions and requirements set forth in the

Certification and Assurances and applicable statutes, regulations, and guidelines for all State of Good Repair-funded transit capital projects; and

**BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director, or designee, to take such additional actions as may be necessary to give effect to this resolution, including executing funding agreements and amendments, and submitting required documents to granting agencies to receive the funding identified in the Capital Budgets.

Regularly passed and adopted this 1st day of June 2023 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD  
STATEMENT OF REVENUE AND EXPENSE  
PROPOSED OPERATING BUDGET  
FISCAL YEARS 2024 & 2025

	FY2022 ACTUAL	FY2023 MARCH FORECAST	FY2024 PROPOSED BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PROPOSED BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	A	B	C	D = C - B	E = D / B	F	G = F - C	H = G / C
<b>REVENUE</b>								
OPERATIONS:								
1 Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,200	20.0%
2 Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%
3 Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%
4 Shuttles	1,152,152	-	-	-	0.0%	-	-	0.0%
5 Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%
6 Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%
7 <b>TOTAL OPERATING REVENUE</b>	<b>39,780,286</b>	<b>51,077,181</b>	<b>56,172,764</b>	<b>5,095,583</b>	<b>10.0%</b>	<b>63,657,950</b>	<b>7,485,186</b>	<b>13.3%</b>
8								
9 CONTRIBUTIONS:								
10 AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100.0%	-	-	0.0%
11 Operating Grants (STA)	10,041,955	11,288,161	12,800,936	1,512,775	13.4%	10,687,973	(2,112,963)	-16.5%
12 Measure RR	97,296,566	119,292,000	118,400,000	(892,000)	-0.7%	120,100,000	1,700,000	1.4%
13 ARPA	115,995,904	-	-	-	0.0%	-	-	0.0%
14 Member Agency (VTA - Gilroy)	-	-	470,000	470,000	100.0%	517,000	47,000	10.0%
15 LCFS, LCTOP, SRA	-	-	6,908,503	6,908,503	100.0%	13,765,239	6,856,736	99.3%
16 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>224,077,896</b>	<b>130,620,161</b>	<b>138,579,439</b>	<b>7,959,278</b>	<b>6.1%</b>	<b>145,070,212</b>	<b>6,490,773</b>	<b>4.7%</b>
17								
18 <b>GRAND TOTAL REVENUE</b>	<b>263,858,182</b>	<b>181,697,342</b>	<b>194,752,203</b>	<b>13,054,861</b>	<b>7.2%</b>	<b>208,728,162</b>	<b>13,975,959</b>	<b>7.2%</b>
19								
20 <b>EXPENSE</b>								
21 OPERATING EXPENSE:								
22 Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946	6.7%	105,901,543	1,011,839	1.0%
23 OCS/TPS Maintenance	-	-	-	-	0.0%	25,000,000	25,000,000	100.0%
24 Security Services	7,391,809	8,028,807	8,286,045	257,238	3.2%	8,571,693	285,648	3.4%
25 Shuttle Services	1,938,640	121,600	80,000	(41,600)	-34.2%	80,000	-	0.0%
26 Fuel and Lubricants	13,491,343	17,539,232	15,211,316	(2,327,916)	-13.3%	5,069,083	(10,142,233)	-66.7%
27 Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%
28 Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%
29 Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%
30 Claims, Payments, and Reserves	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%
31 Facilities and Equipment Maintenance	6,004,842	7,107,788	8,171,766	1,063,978	15.0%	8,969,666	797,900	9.8%
32 Utilities	2,541,458	2,617,600	2,708,900	91,300	3.5%	2,708,900	-	0.0%
33 Maint & Services-Bldg & Other	1,372,866	1,754,100	1,784,600	30,500	1.7%	1,779,600	(5,000)	-0.3%
34 <b>TOTAL OPERATING EXPENSE</b>	<b>132,714,933</b>	<b>146,198,891</b>	<b>152,777,034</b>	<b>6,578,143</b>	<b>4.5%</b>	<b>190,243,313</b>	<b>37,466,279</b>	<b>24.5%</b>
35								

PENINSULA CORRIDOR JOINT POWERS BOARD  
STATEMENT OF REVENUE AND EXPENSE  
PROPOSED OPERATING BUDGET  
FISCAL YEARS 2024 & 2025

	FY2022 ACTUAL	FY2023 MARCH FORECAST	FY2024 PROPOSED BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PROPOSED BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	A	B	C	D = C - B	E = D / B	F	G = F - C	H = G / C
36 ADMINISTRATIVE EXPENSE								
37 Wages and Benefits	10,610,123	13,532,312	18,472,861	4,940,549	36.5%	20,979,416	2,506,555	13.6%
38 Managing Agency Admin OH Cost	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%
39 Board of Directors	22,285	57,275	62,875	5,600	9.8%	62,875	-	0.0%
40 Professional Services	6,731,087	9,305,755	9,484,775	179,020	1.9%	10,873,951	1,389,176	14.6%
41 Communications and Marketing	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%
42 Other Office Expenses and Services	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%
43 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>23,713,544</b>	<b>29,821,421</b>	<b>36,249,496</b>	<b>6,428,075</b>	<b>21.6%</b>	<b>40,131,382</b>	<b>3,881,886</b>	<b>10.7%</b>
44								
45 Measure RR Ballot Costs	5,396,910	-	-	-	0.0%	-	-	0.0%
46 Governance	1,144,981	350,000	225,000	(125,000)	-35.7%	-	(225,000)	-100.0%
47								
48 Debt Service Expense	1,935,154	3,711,375	3,471,125	(240,250)	-6.5%	7,763,305	4,292,180	123.7%
49 Write-off of Uncollectible Receivables	7,300,042	-	-	-	0.0%	-	-	0.0%
50								
51 <b>GRAND TOTAL EXPENSE</b>	<b>172,205,564</b>	<b>180,081,687</b>	<b>192,722,655</b>	<b>12,640,968</b>	<b>7.0%</b>	<b>238,138,000</b>	<b>45,415,345</b>	<b>23.6%</b>
52								
53 <b>PROJECTED CONTRIBUTION TO RESERVE</b>			<b>2,029,548</b>			<b>6,812,302</b>		
54								
55 <b>PROJECTED SURPLUS/(DEFICIT)</b>	<b>91,652,618</b>	<b>1,615,655</b>	<b>-</b>			<b>(36,222,140)</b>		
56								
57 Measure RR for Capital Reserve	(20,000,000)	-	-			-		
58 Measure RR Reserve for PCEP	(60,000,000)	-	-			-		
59 Draw from Measure RR Reserve for PCEP	-	-	-			36,222,140		
60 <b>ADJUSTED NET SURPLUS/(DEFICIT)</b>	<b>11,652,618</b>	<b>1,615,655</b>	<b>-</b>			<b>-</b>		
61								
62								
63 Reserve, Beginning Balance			26,878,850			28,908,398		
64 Projected Contribution to Reserve			2,029,548			6,812,302		
65 Reserve, Ending Balance			<u>28,908,398</u>			<u>35,720,700</u>		

**Caltrain FY2024 and FY2025 Proposed Capital Projects**

Main Category	Project Description	FY2024	FY2025
SOGR	Guadalupe Bridges Replacement	\$ 17,364,622	\$ 18,921,222
SOGR	SOGR MOW Track	\$ 4,100,543	\$ -
SOGR	San Francisquito Creek Bridge Emergency North Channel Restoration	\$ 3,994,649	\$ -
SOGR	San Francisquito Bridge Acoustic Monitoring System	\$ 2,028,704	\$ -
SOGR	SOGR MOW Track - Track Equipment	\$ 2,556,828	\$ -
SOGR	ROW Fencing	\$ 1,835,951	\$ -
SOGR	Station SOGR Project	\$ 1,226,519	\$ -
SOGR	EMU Rail Vehicle SOGR	\$ -	\$ 1,821,223
SOGR	SOGR MOW Track	\$ -	\$ 3,800,593
SOGR	San Francisquito Creek Conceptual Design and Community Engagement	\$ -	\$ 1,273,312
	<b>SOGR Subtotal</b>	<b>\$ 33,107,816</b>	<b>\$ 25,816,350</b>
Legal Mandate	MS4 Trash Management	\$ 200,000	\$ 494,465
	<b>Legal Mandate Subtotal</b>	<b>\$ 200,000</b>	<b>\$ 494,465</b>
Operational Improvements	Next Generation Visual Messaging Sign (VMS)	\$ 1,200,000	\$ 2,400,000
Operational Improvements	22nd Street ADA Access Improvements	\$ 447,198	
Operational Improvements	Mini-High Platforms	\$ 460,000	\$ 1,762,000
Operational Improvements	San Mateo Replacement Parking Track	\$ 3,773,000	
Operational Improvements	Support for Property Mapping	\$ 520,000	
	<b>Operational Improvements Subtotal</b>	<b>\$ 6,400,198</b>	<b>\$ 4,162,000</b>
Planning	Capital Planning (CIP)	\$ 359,000	\$ 790,000
Planning	San Francisco Railyards TOD	\$ 806,000	
Planning	Level Boarding Roadmap	\$ 520,000	\$ 520,000
Planning	Battery EMU R/D	\$ 1,352,000	\$ 2,392,000
Planning	DISC/Diridon Business Case	\$ 1,560,000	\$ 780,000
Planning	Rail Network and Operations Planning	\$ 1,248,000	\$ 1,248,000
Planning	Corridor Crossing Strategy	\$ -	\$ 520,000
Planning	DTX Funding	\$ 250,000	\$ 1,250,000
	<b>Planning Subtotal</b>	<b>\$ 6,095,000</b>	<b>\$ 7,500,000</b>
VTA-Funded Capital Projects	<b>VTA-Funded Capital Projects</b>	<b>\$ 2,192,000</b>	<b>\$ 2,972,000</b>
Stadler Cars	<b>Stadler Cars</b>	<b>\$ 355,000,000</b>	<b>\$ -</b>
Externally-Funded Grade Sep	Burlingame Broadway Grade Separation	\$ -	\$ 25,635,000
Externally-Funded Grade Sep	Mountain View Transit Center Grade Separation	\$ 107,000,000	\$ -
Externally-Funded Grade Sep	San Mateo Grade Separation	\$ 158,000	\$ 174,000
Externally-Funded Grade Sep	South Linden Ave & Scott St Grade Separation	\$ -	\$ 6,529,000
	<b>Externally-Funded Grade Sep Subtotal</b>	<b>\$ 107,158,000</b>	<b>\$ 32,338,000</b>
Capital Contingency Funds	Capital Contingency Funds - Engineering	\$ -	\$ 330,000
Capital Contingency Funds	Capital Contingency Funds - Rail	\$ -	\$ 660,000
Capital Contingency Funds	Capital Project Development	\$ -	\$ 335,000
	<b>Capital Contingency Funds Subtotal</b>	<b>\$ -</b>	<b>\$ 1,325,000</b>
	<b>Total Capital Projects:</b>	<b>\$ 510,153,014</b>	<b>\$ 74,607,815</b>

## MAY BOARD FEEDBACK

### Attachment C

Board Member	FS Line Item / Topic	Question	Reply
Steve Heminger	Caltrain Fares	Per Executive Report, ridership recovery is at 28% of Pre-COVID levels. Preliminary Operating Budgets project Farebox Revenue at 45% (FY24) and 51% (FY25). Aren't these projections aggressive given we are currently at 28% recovery?	Farebox recovery to pre-COVID levels has outpaced ridership because of the Go Pass (Ridership recovery for FY23 is 28%, Farebox recovery is 42%) FY24 budget assumes little growth in Farebox compared to FY23. FY25 Farebox increase is driven by enhanced service from electrification. (See Figure 1)
Dev Davis	Electricity	How will volatility in electricity cost be addressed?	Hedge similar to diesel fuel to help maintain budget stability/cost certainty. Evaluate alternative energy procurement and storage. Monetize Low Carbon Fuel Standards which could offset some of the costs
Pat Burt Monique Zmuda	Measure RR	Measure RR seems to be conservative. How are the estimates derived?	Current budget is higher than our sales tax consultant's projections. The projections include an assumed slow down of inflation and slowing of economic recovery in San Mateo and Santa Clara counties. Estimates are based on: 1) historical and projected sales tax in San Francisco, San Mateo, and Santa Clara at the levels of industry sector, sales tax producers, employers, etc. 2) national and regional economic data and consumer trends
Monique Zmuda	Parking Revenue	Has there been discussion on reducing parking rates to attract additional riders?	Caltrain will be embarking on a comprehensive access policy in the coming months, and parking supply, rates, etc. will be an important consideration in this study. Any resulting policy recommendation to change the price of parking at Caltrain stations would be brought forward to the Board for adoption at a later time.
Monique Zmuda	Go Pass	Are we estimating same price per pass as prior years? Is there a way to reduce the price to increase the number that are expected and committed?	Go Pass projections assume a 5% (FY24) and 10% (FY25) growth from actual employer sign-ups in CY2023 based on continued participation in the program. A comprehensive study of fares is currently underway and will be presented to the Board in Fall.
Monique Zmuda Steve Heminger	Fuel and Electricity	What is the difference between the original fuel cost and the increased electrical cost?	For FY25, the Fuel cost savings is \$10.1M and the net increase in Electricity cost is \$14.5M (\$19.5M, offset by the Low Carbon Fuel Standards credit of \$5.0M). Therefore, the net budget/cost increase is \$4.4M. (see Table 1) The higher Electricity cost is based on the new technology, market prices, and increased demand expected in electricity usage. To manage electricity costs, staff is evaluating a hedging strategy similar to fuel and an energy procurement plan. Given that electrified service is a new technology for FY25, efforts to refine related costs shall be performed as testing starts in FY24.
Rico Medina	Parking Revenue	What is the Parking Revenue trend?	See Figure 2



**MAY BOARD FEEDBACK**  
**Attachment C**

Board Member	FS Line Item / Topic	Question	Reply
Monique Zmuda (email)	4th Train to South County	When will the Board get information on the cost to advance a 4th train to South County?	The marginal cost of operating the 4th train is approximately \$0.5M, which was included in the Preliminary Budget. The Final Budget includes VTA's payment for the costs.
Monique Zmuda (email)	Administrative Expense	Can you speak more about the increase of \$6.3M or 21% over the FY23 Forecast?	The increase of \$6.3M is driven by Wages and Benefits and Other Office Expenses. For Wages and Benefits, the increase in FY24 of \$4.9M is due to the universal wage increase (UWI), increase in fringe benefits, 10.9 new FTEs, and updated hiring projections. For Other Office Expenses and Services, the increase in FY24 of \$1.3M is due to IT software maintenance and hardware requirements, bank fees on working capital, and professional recruitment costs.
Monique Zmuda (email)	Wages and Benefits	Can you break down the increases required for salaries? What is the increase for COLA and additional cost for new positions?	The increase in Wages and Benefits is driven by the UWI, increase in fringe benefits, 10.9 new FTEs, and updated hiring projections. The UWI applied is 3.5% and the additional cost for the new FTEs is \$2.1M.
Monique Zmuda (email)	Software Maintenance	Is the cost for Software Maintenance due to electrification?	The increase in Software Maintenance is not related to electrification. It is primarily due to costs of new software, maintenance, and support related to new equipment recently installed to support Caltrain's growing technology advancements associated with PTC, virtualization, VOIP, and cybersecurity.

Figure 1  
Fare Revenue Trends

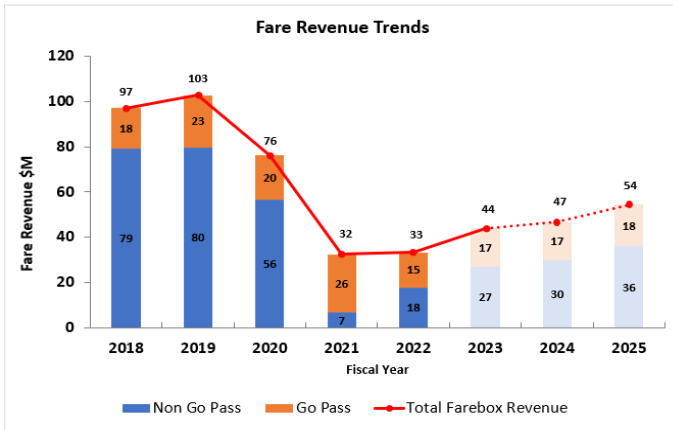


Figure 2  
Parking Revenue Trends

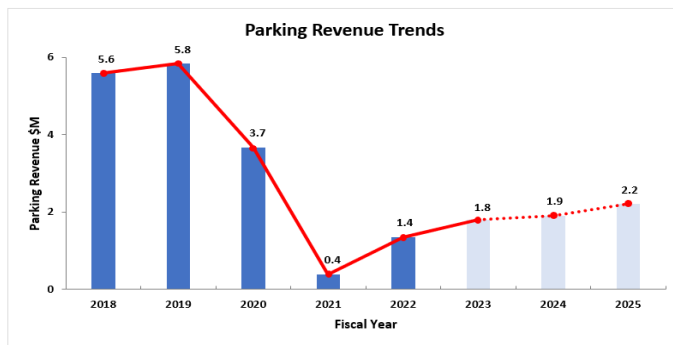


Table 1  
Fuel and Electricity

Cost (in millions)	FY24 Budget	FY25 Budget	FY24-25 Budget Increase/(Saving)
Fuel	\$15.2	\$5.1	(\$10.1)
Electricity		\$19.5	\$19.5
LCFS		(\$5.0)	(\$5.0)
Net Electricity		\$14.5	\$14.5
<b>Total Net Cost</b>	<b>\$15.2</b>	<b>\$19.6</b>	<b>\$4.4</b>

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Pranaya Shrestha, Chief Officer, Caltrain Modernization Program  
Subject: **Peninsula Corridor Electrification Project Monthly Progress Report**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

**Action**

Staff Coordinating Council recommends the Board receive the Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report (MPR).

No action required.

**Significance**

Staff prepares and submits a report covering the PCEP monthly.

**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 document provides information on the scope, cost, funding, schedule, and project implementation.

Prepared By: Pranaya Shrestha      Chief Officer, Caltrain      720.757.9191  
Modernization Program



## Caltrain Modernization Program Peninsula Corridor Electrification Project (PCEP)



# Executive Monthly Progress Report

April 30, 2023

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## 1.0 EXECUTIVE SUMMARY

### 1.1 Introduction

The Peninsula Corridor Electrification Project (PCEP) will upgrade 51 miles of diesel service to electrified service from San Francisco to San Jose (Tamien Station). The PCEP scope of work includes design and construction of an overhead contact system, traction power facilities, modification of the existing signaling and grade crossing protection system to make it compatible with the electrified railroad, substation improvements at Pacific Gas and Electric (PG&E) substations, and modifications at existing tunnels and Caltrain's maintenance facility. It also includes the design, manufacturing, assembly, testing, and delivery of the Electric Multiple Units (EMUs).

Caltrain completed a thorough assessment of all aspects of the program including cost, schedule, risks, and organization after the global settlement in 2021. Caltrain re-baselined the program budget and schedule in December of 2021. Caltrain finished a schedule reforecast in March 2023 and is committed to deliver PCEP and achieve revenue service in September of 2024.

### 1.2 Program Cost and Budget

On December 6, 2021, the JPB adopted a new PCEP program budget of \$2,442,690,697. On January 31, 2023 Caltrain received a \$367 million funding award from California's Transit and Intercity Rail Capital Program's (TIRCP) Cycle 6 Existing Project Reserve, representing the remaining funding needed to complete the project. The project is now fully funded in the amount of \$2,442,690,697. As of April 2023, the project is on budget:

- The current project total cost at completion (EAC) is the same as the Board adopted budget of \$2.44 billion.
- As of April 2023, a total of \$7.09M has been drawn down from the Shared Risk Pool of \$50 million. In April 2023, \$1.86M was drawn from the Shared Risk Pool.
- As of April 2023, a total of \$3.52M has been drawn from the project contingency of \$40 million. In April 2023, there was no draw from project contingency.
- As of April 2023, no new awards have been made from the Project incentive pool of \$18.5 million.
- As of April 2023, no incentive was issued from the milestone incentive pool of \$15 million.

### 1.3 Program Progress and Schedule

As of April 30, 2023, the overall project completion is 82.19%. The current program schedule is projecting a PCEP substantial completion date of April 2024 and Revenue Service by September 2024. Staff is implementing a 2023 path to completion with 31 weekend area focused bus bridges to maximize track access to allow system integration testing, signal cutovers, and proactive OCS construction productivity mitigations for the remaining PCEP work. There were four (4) weekend partial bus bridges implemented through April 2023.

### 1.4 Change Management Board (CMB)

In April 2023, the following Change Order items were brought to CMB for approval:



- IRL 180 – Segment 2 Low Voltage Power Connections Not Available to Support Cutover (November 1, 2021 through November 30, 2022)
- IRL 307 – Segment 2 Low Voltage Power Connections Not Available to Support Cutover (December 1, 2022 through March 31, 2023)

### 1.5 This Month’s Accomplishments

The project team has completed the following notable activities for the month of April 2023:

- Measuring monthly project schedule against the reforecast that reflects the path to completion with 31 focused area weekend closures. The reforecast schedule does not change the Project completion date. Interim milestones have been adjusted to reflect the focused area weekend closures.
- Continued to coordinate low voltage power drop applications and distribution line de-energization work. Confirmed with PG&E on TPS 2 short circuit testing.
- Provided emergency response on March 14<sup>th</sup> due to heavy rain and windstorm; helped the railroad clear fallen tree on the ROW. The assessment of storm damage has been completed and incorporated into the Project schedule.
- Performed readiness reviews for weekend bus bridges for OCS Segment 2 construction.
- Completed Rail Service Plan for weekend partial area closure from Millbrae to San Francisco to support Segment 2 OCS construction.
- Continued focused area limited weekend shutdown work from Belmont to Menlo Park.
- The Project team continues to utilize the OCS weekly quantity tracker to monitor weekly planned quantities vs. actual production.
- Continued negotiation on railroad isolation and protection change order.
- Continued development of OCS/TPS maintenance service scope and resource planning.
- Continued safety special task force working group, including TASI, Rail Operations and PCEP to address communications, process, and procedure improvements. Railroad will implement 10 feet foul instead of 4 feet in mid-May.
- Continued providing PCEP progress updates to funding partners, leadership, elected officials, citizens, and business community.
- Continued Rail Activation effort on path to energization for Segment 4 and CEMOF.
- Continued field validation, pretesting, and complete documentation required to perform short circuit retest. To mitigate risk, the team is scheduled to perform a load bank test at TPS 2 the first week of May.
- Continued working with Caltrans on Segments 3 and 1 encroachment permits.
- Completed EMU Storage Plan and interim EMU maintenance plan.
- Completed Segment 3 signal cutovers at Palo Alto, Mountain View and Sunnyvale in April 2023. As of April 2023, the project has completed Segments 2, 3 and 4 cutovers.
- Held FTA Quarterly progress meeting on site with Caltrain ED.

**1.6 Upcoming work**

For the next six months, the PCEP team has set additional goals as described below:

- Continue bi-weekly project completion road map meeting with Design-Build Contractor Executives to address OCS productivities and TPS findings.
- Continue operations planning, ambassador, and rail service planning effort for weekend area closures for Segments 1 and 2 OCS construction in June and July, and Segment 1 cutover scheduled in June and August 2023.
- Perform Segment 3 loop and hi-pot testing and sectionalization testing.
- Continue to coordinate with PG&E low voltage power drop applications, and distribution line de-energization work.
- Complete EMU maintenance training.
- Perform short circuit re-test in May 2023.
- Complete TPS documentation audit, field validation and test audit.
- Plan for Segment 4 Drill Track and Segment 4 Live runs and full energization.
- Energize CEMOF for EMU commissioning.
- Hold Monthly CMB meeting for program status and change order approval.
- Develop EMU revenue service maintenance program and diesel fleet exit plan.
- Finalize PCEP EIR tree mitigation approach.
- Continue work with FTA and complete Programmatic Agreement (PA) amendment and finalize burial agreement and treatment plan.
- Complete newly defined Milestone 1 (Segments 3 and 4), which will provide 20 miles electrified line for EMU burn-in in summer of 2023.

The PCEP Project is currently on budget and on time for achieving Revenue Service in September of 2024.

**1.7 Critical Items**

As of April 2023, PCEP has completed Segment 2 signal cutover, fulfilled the \$410M funding gap, and has adequate RWIC to support field construction. The top critical items and related actions are highlighted below.

**Table 1-1. Critical Issues and Actions**

Critical Issues	Actions
<p>Overhead Contact System (OCS) installation delay due to low productivity</p> <p>Note: The project OCS work was on hold from March 10, 2022, to March 28, 2022 during the safety stand down.</p> <p>Segment 2 OCS was damaged during high wind and heavy rainstorms in late December 2022 and early January 2023</p>	<ul style="list-style-type: none"> <li>• Additional BBII OCS crew training for regulation and variance in the OCS design / installation due to re-design &amp; accommodations to resolve foundation Differing Site Conditions (DSC) issues – Completed.</li> <li>• Hiring additional BBII OCS staff members to prevent schedule slippage and help in future installation planning – Completed.</li> <li>• Hold OCS construction scheduling recovery workshop for remaining OCS installation and testing – Completed.</li> <li>• Increase OCS crews and OCS wiring equipment to increase productivity – Completed.</li> </ul>

Critical Issues	Actions
	<ul style="list-style-type: none"> <li>• More track access including weekend area closures for remaining Segments 1 and 2 OCS construction and testing. Weekend bus bridge construction started on February 11, 2023.</li> <li>• OCS storm repair work for Segment 2 is planned for September 2023 due to rainstorm and long lead time for materials.</li> <li>• Bring on more regulating crews in May 2023. Mass will start regulating work in the first week of June 2023.</li> <li>• Procure more equipment parts and ensure all equipment is performing well for construction – Completed.</li> <li>• Bring on equipment fitters and warehouse material manager on site – Completed.</li> </ul>
<p>Unsuccessful TPS 2 short circuit test delays drill track and Segment 4 mainline energization</p>	<ul style="list-style-type: none"> <li>• Perform comprehensive root cause analysis and develop corrective action plan – Completed.</li> <li>• Implement configuration change control process including design drawing, shop drawings, as-built version control to ensure all parties are using the same set of drawings for TPS2 testing – On-going.</li> <li>• Perform technical working groups including all vendors and EOR – On-going.</li> <li>• Weekly management team briefing on corrective action status – On-going.</li> <li>• Perform independent assessment of the TPS.</li> <li>• Develop SSWP for all work performed at TPS for Caltrain review and approval.</li> <li>• Perform field verification and pre-testing before short circuit re-test.</li> <li>• Perform load bank testing prior to short circuit re-test.</li> </ul>

## 2.0 SAFETY

There was one (1) reportable injury in April 2023. The Reportable Injury Rate (RIR) for 2023 YTD is currently 3.24. Overall, since the project’s inception, the RIR is at 1.98, which remains below the national average.

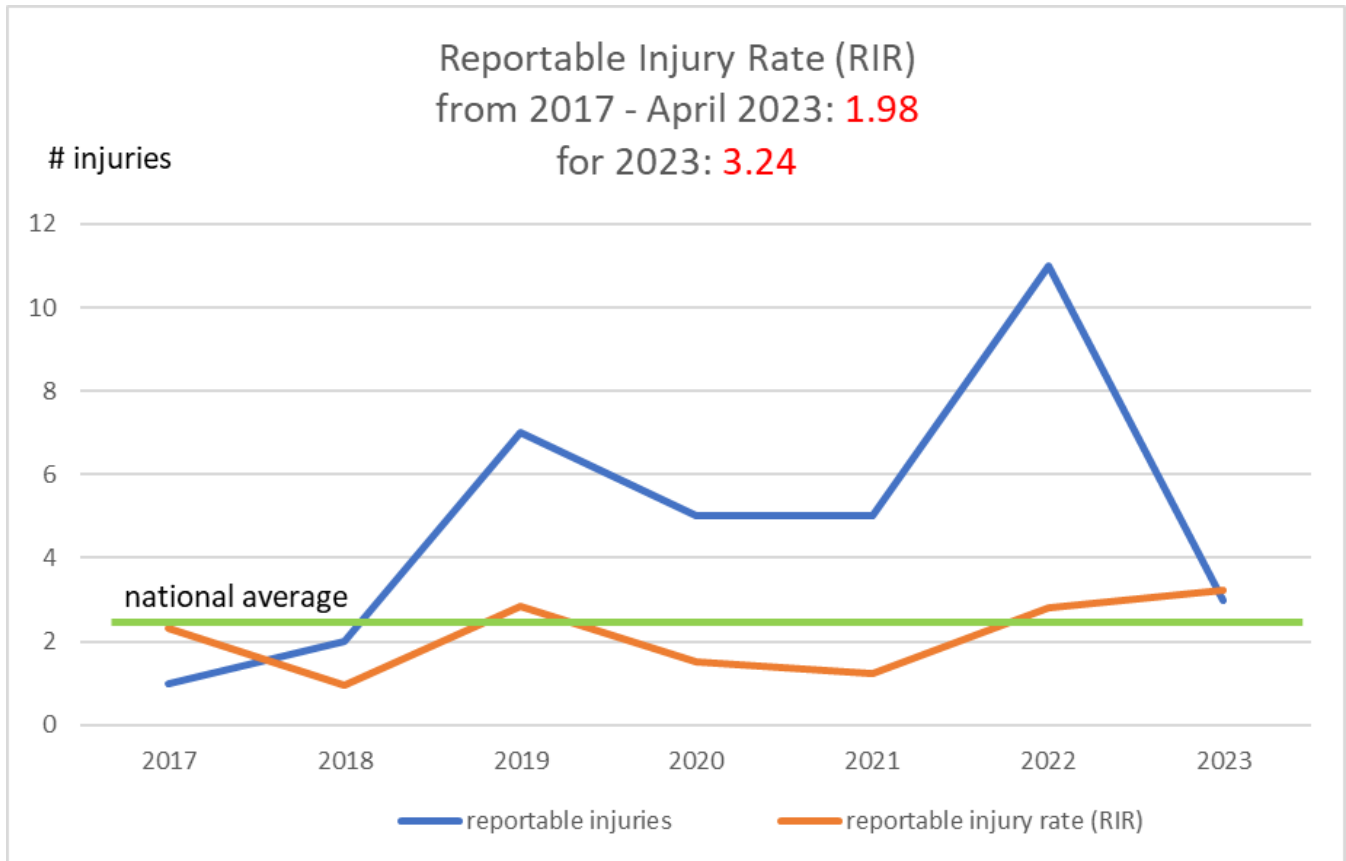


Figure 2-1. Project Reportable Injury Rate (RIR) by Year

### Completed Work

Safety staff continues to coordinate with contractors to identify opportunities to improve safety performance. Organizational-wide safety briefings are being performed to ensure staff understand the application of post incident mitigation measures including rules and procedural changes designed to enhance safety. Project Safety continues to reinforce jobsite safety practices throughout the Caltrain alignment, investigate incidents, and identify mitigation measures to prevent re-occurrences. Safety project coordination meetings continue to be conducted monthly to promote a clear understanding of project safety requirements. In addition, Caltrain Safety continues weekly calls with the lead safety staff from Caltrain, PCEP, BBII, and TASI to discuss safety performance and ongoing initiatives.

### Upcoming Work

The Fire/Life Safety Committee continues to work with emergency responders along the

Caltrain corridor on emergency preparedness in advance of energization. The safety team has updated the OCS and EMU emergency responder safety familiarization presentations to include voiceover features for use by the Fire Departments. The presentation will also be shared with other emergency responder jurisdictions through the project Fire/Life Safety Committee.

OCS and EMU First Responder training for the Palo Alto Fire Department was completed on April 6, 2023. Additional training is currently scheduled for Menlo Park during the first week in May.

### 3.0 IMS PROGRAM SCHEDULE

#### 3.1 Introduction

The Integrated Master Schedule (IMS) Program Summary Schedule depicted in **Figure 3-1** shows the schedule status of the major PCEP projects. The current schedule dates for this program schedule were based on BBII’s April 2023 Progress Schedule as well as the Stadler April 2023 EMU Progress Schedule. The Revenue Service Date (RSD) remains as September 26, 2024 and Full Funding Grant Agreement (FFGA) Revenue Completion Date (RCD) remains December 31, 2024.

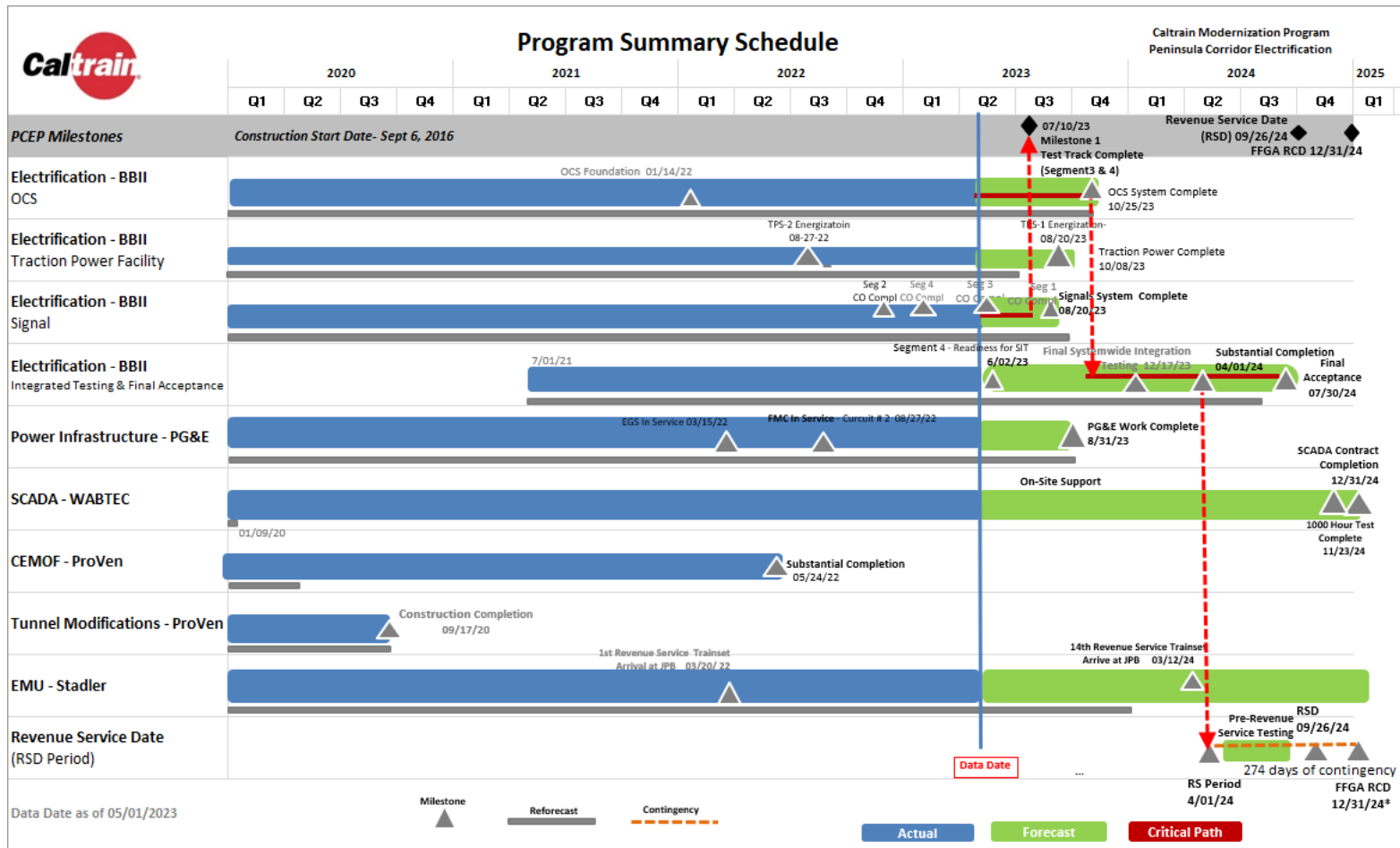


Figure 3-1. Master Program Summary Schedule

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### 3.2 Critical Path Analysis

The current critical path remains basically the same as last month starting with waiting to receive the PG&E (Low Voltage) Power Design for Wayside Power Cubicle (WPC) 2, completing the installation of the Pedestal Housing for the Meter, requesting the actual Meter from JPB for installation into the housing, providing the Low Voltage Power Drop connection to WPC-2 followed by a 50-day Project Schedule Contingency, Substantial Completion, Final Punchlist, Final Acceptance Inspection and Final Acceptance.

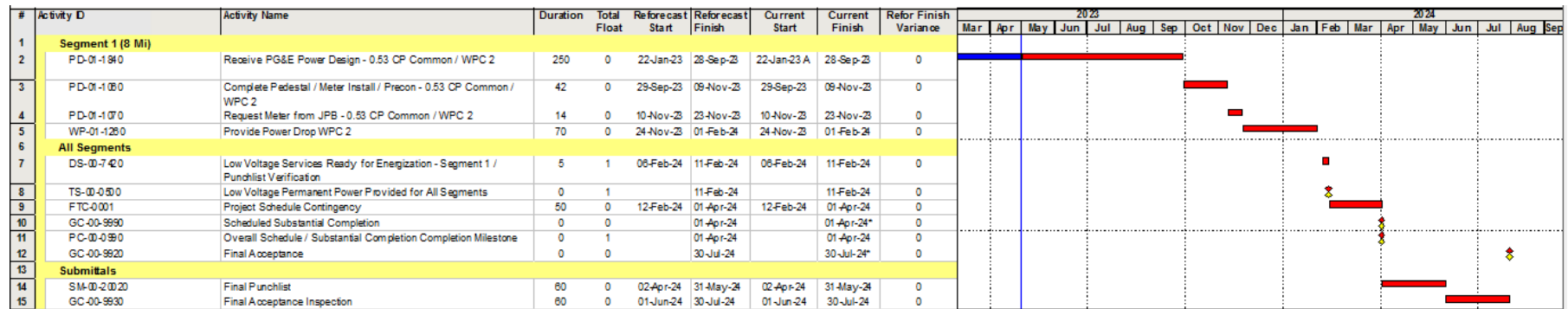


Figure 3-2. Critical Path Schedule



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### 3.3 Schedule Contract Milestone Analysis

The failed short circuit testing and continuing delay in obtaining the Caltrans Encroachment Permit for Segments 1 and 3 has become the most critical path (1st Critical Path) for the completion of Milestone No. 1. This Milestone has been redefined to include Segment 3 and 4 for more electrified mileage to test the Trainsets. Overall, Milestone No. 1 is currently showing an anticipated completion of July 9, 2023, which is now 42 days later than the Reforecast date of May 28, 2023. JPB is coordinating the effort of obtaining the Caltrans Encroachment Permit for Segments 1 and 3 to prevent the bridge barrier work from further delaying the live run testing. Load bank pretesting both the circuits and equipment are planned in early May to minimize potential issues for Traction Power Substation 2 Short Circuit Retest.

Milestones	Reforecast (Dec 2022) Dates	Current (Apr 2023) Forecast	Milestone Finish Date Variance	Remarks
Segment 4 Completion	05-Feb-23	02-Jun-23	-117	Delayed by the failed short circuit testing which has delayed the EMU live runs within Segment 4. Note: This finish date does not include the Guadalupe Bridge scope of work.
System Integration Testing Start (Segment 4)	21-May-23	18-Jun-23	-28	Delayed by energization delay of the Overhead Contact System (OCS)
Completion of Milestone 1 (Segments 3 and 4)	28-May-23	09-Jul-23	-42	Delayed by failures in bonding and grounding short circuit testing as well as significant weather delays through storm damage or heavy rain during the month of March 2023
Traction Power Substation #1 Energization	12-Sep-23	17-Jul-23	57	Duration improvement from solving battery and other issues at Traction Power Substation #2.
Signal Cutovers and Systems Completion	20-Aug-23	20-Aug-23	0	
OCS Construction Completion	02-Oct-23	25-Oct-23	-23	Delayed by reconstruction and testing of OCS at the Guadalupe Bridge.
System Integration Testing Completion	25-Nov-23	26-Nov-23	-1	Delayed by delays to the live run testing in Segment 1 and 2 until the OCS System in those segments can be energized
14th Trainset Arrival at JPB Site	12-Oct-23	12-Mar-24	-152	Delayed by Stadler experiencing multiple problems obtaining parts and subassemblies from their Suppliers. They are committed to deliver the first 14 Trainsets by 22-Mar-24.
Substantial Completion	01-Apr-24	01-Apr-24	0	
Scheduled Final Acceptance	30-Jul-24	30-Jul-24	0	
Revenue Service Date (RSD)	26-Sep-24	26-Sep-24	0	
FFGA Revenue Completion Date (RCD)	31-Dec-24	31-Dec-24	0	

**Figure 3-3. Contract Milestone Analysis**

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**4.0 COST AND BUDGET**

**4.1 Introduction**

This section presents an update on program cost and budget. On December 6, 2021, the JPB adopted a new Program budget of \$2.44 billion. Table 4-1 depicts a summary level of program budget, costs, and estimate at completion based on the latest update of the Electrification and EMU projects as of April 30, 2023.

**4.2 Program Budget and Cost**

**Table 4-1. Budget Summary by Project**

Description of Work	Current Budget (A) <sup>1</sup>	Cost This Month (B) <sup>2</sup>	Cost To Date (C) <sup>3</sup>	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) = (A) – (E)
Electrification	\$1,749,139,439	\$18,890,417	\$1,533,987,390	\$215,152,048	\$1,749,139,439	\$0
EMU	\$693,551,258	\$688,351	\$508,123,187	\$185,428,071	\$693,551,258	\$0
<b>PCEP TOTAL</b>	<b>\$2,442,690,697</b>	<b>\$19,578,768</b>	<b>\$2,042,110,578</b>	<b>\$400,580,119</b>	<b>\$2,442,690,697</b>	<b>\$0</b>

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

Table 4-2 depicts program budget, costs, and estimate at completion summarized by major elements of work. This budget table provides additional detail for the program and is broken down by major contracts for Electrification and EMU, minor contracts, real estate, utilities, project management oversight and other indirect support costs.

**Table 4-2. Budget Summary by Major Elements**

Description of Work	Re-Baseline Budget	Current Budget	Cost This Month	Cost To Date	Estimate To Complete	Estimate At Completion
Electrification	\$1,097,149,881	\$1,097,149,881	\$13,193,833	\$917,528,775	\$179,505,106	\$1,097,033,881
EMU Procurement	\$556,072,601	\$556,248,486	\$0	\$420,210,493	\$144,452,993	\$564,663,486
Minor Construction Contracts (Tunnel, CEMOF, SCADA, Non-BBI OCS)	\$67,055,072	\$68,091,194	\$0	\$64,677,734	\$3,413,459	\$68,091,194
Real Estate Acquisition & Support	\$34,914,177	\$34,914,177	\$32,986	\$24,052,357	\$10,861,820	\$34,914,177
PG&E, Utilities	\$132,088,994	\$132,088,994	\$471,589	\$204,034,318	-\$75,774,924	\$128,259,394
Management Oversight & Support	\$312,699,697	\$315,007,767	\$3,089,399	\$269,617,046	\$45,390,721	\$315,007,767
TASI Support	\$114,488,767	\$114,488,767	\$1,774,608	\$97,279,623	\$17,209,144	\$114,488,767
Finance Charges	\$9,898,638	\$9,898,638	\$0	\$9,361,780	\$536,858	\$9,898,638
Insurance	\$6,581,851	\$6,581,851	\$0	\$6,118,411	\$463,440	\$6,581,851
Other Required Projects & Services	\$9,084,176	\$10,484,176	\$352,862	\$4,216,324	\$6,467,852	\$10,684,176
Environmental Mitigation	\$14,438,866	\$13,038,866	\$434	\$1,242,663	\$11,596,203	\$12,838,866
Caltrain Capital Overhead (ICAP)	\$48,217,887	\$48,217,887	\$663,057	\$23,771,053	\$24,446,834	\$48,217,887
Contingency	\$40,000,089	\$36,480,012	\$0	\$0	\$32,010,612	\$32,010,612
<b>Total</b>	<b>\$2,442,690,697</b>	<b>\$2,442,690,697</b>	<b>\$19,578,768</b>	<b>\$2,042,110,578</b>	<b>\$400,580,119</b>	<b>\$2,442,690,697</b>

### 4.3 Program Shared Risk Pool and Contingency

Caltrain and Balfour Beatty Infrastructure, Inc. (BBII) continue implementing new mechanisms to ensure a collaborative approach to Project delivery. The management team meets every week to review the issues log focusing on risk mitigation and issues resolution.

As part of global settlement, a shared risk pool of \$50 million was established to manage risks and mitigation proactively and collaboratively with the design-build contractor. Table 4-3 shows the current shared risk drawdown for the current month and to-date as well as the remaining balance of the shared Risk Pool by Risk Category. Any shared risk items (27 Risk IDs listed below in Table 4-3) that are above \$250,000 require Change Management Board (CMB) approval.

**Table 4-3. Shared Risk Pool Status as of April 2023**

Risk ID	Risk Description	Risk Amount	Current Month	Executed to Date	Remaining Balance
1	Permanent Power Availability	\$268,572	\$0	\$178,365	\$90,207
2	Different Site Condition for OCS Foundation	\$3,500,000	\$45,089	\$1,031,193	\$2,468,807
3	Different Site Condition for Duct bank	\$2,800,000	\$26,525	\$435,798	\$2,364,202
4	Condition of existing Fiber backbone infrastructure	\$3,150,000	\$0	\$256,450	\$2,893,550
5	Availability of TASI Resource	\$5,777,820	\$0	\$0	\$5,777,820
6	Signal Cutover access and work window	\$5,607,150	\$0	\$0	\$5,607,150
7	Condition of existing signal system	\$538,572	\$0	\$29,125	\$509,447
8	EMI Nonconformance by EMU Vendor	\$750,000	\$0	\$0	\$750,000
9	Reed Street Cutover	\$90,000	\$0	\$0	\$90,000
10	Availability of low voltage power for cutover testing	\$1,120,000	\$1,744,137	\$1,744,137	-\$624,137
11	Third party Permits	\$150,000	\$0	\$0	\$150,000
12	SCADA integration for the entire alignment	\$159,524	\$0	\$0	\$159,524
13	Tunnel OCS Compatibility	\$167,500	\$0	\$0	\$167,500
14	Supply chain issue due to COVID 19	\$300,000	\$0	\$28,923	\$271,077
15	End to end Systems integration commissioning	\$2,100,000	\$0	\$0	\$2,100,000
16	Existing Caltrain Operating systems interface and integration	\$1,400,000	\$0	\$71,920	\$1,328,080
17	Third party Approval	\$150,000	\$0	\$13,140	\$136,860
18	Impact from Caltrain other capital or third-party projects	\$2,166,683	\$0	\$697,117	\$1,469,565
19	Track access delay for BBII Construction	\$1,800,000	\$47,768	\$228,538	\$1,571,462
20	Additional light Maintenance and Protection Needs	\$280,000	\$0	\$164,531	\$115,469
21	Crossing Protection	\$220,000	\$0	\$102,334	\$117,666
22	Power facilities	\$500,000	\$0	\$0	\$500,000
23	NCR's	\$0	\$0	\$0	\$0
24	Potholing	\$1,700,000	\$0	\$107,547	\$1,592,453
25	Pre-Revenue Service Operational Testing	\$250,000	\$0	\$0	\$250,000
26	TRO Contingency	\$3,000,000	\$0	\$0	\$3,000,000
27	Contingency	\$12,000,000	\$0	\$2,003,026	\$9,996,974
NA	Unidentified	\$54,179	\$0	\$0	\$54,179
	<b>BBII Risk Pool Total</b>	<b>\$50,000,000</b>	<b>\$1,863,519</b>	<b>\$7,092,145</b>	<b>\$42,907,855</b>

In addition to the established Risk Pool with BBII, the Re-Baseline Budget includes a program contingency of \$40 million to cover non-BBII potential changes and unknowns. Table 4-4 provides a detailed status of approved transfers from contingency due to executed Contract Change Orders and approved Budget Transfers.

**Table 4-4. Program Contingency Drawdown Balance**

Change Order	Description	Current Budget Contingency	EAC Contingency
<b>Project Contingency</b>	Previously Reported Balance	<b>\$36,480,012</b>	<b>\$36,206,012</b>
STA-056-CCO-043	Stadler Project Time Extension	\$0	(\$8,025,000)
PG&E-SA4-EAC	PG&E Supplemental Agreement 4 EAC Projection	\$0	\$3,829,600
	<b>PROJECT CONTINGENCY REMAINING BALANCE</b>	<b>\$36,480,012</b>	<b>\$32,010,612</b>

Note: EAC Contingency reflects forecast contingency.

**4.4 Electrification Design Builder Contract Incentives**

The Global Settlement with BBII also includes incentives based on Milestone completions and remaining contract incentives. Table 4-5 provides a status of Design-Build Contractor incentives Budgeted, Awarded, and remaining Balance.

**Table 4-5. BBII Incentives**

Incentives	Budgeted	Awarded	Balance
<b>Contract Incentive:</b>			
Quality	\$1,250,000	\$1,000,000	\$250,000
Safety	\$2,500,000	\$875,000	\$1,625,000
Community Outreach	\$2,500,000	\$1,750,000	\$750,000
DBE	\$900,000	\$0	\$900,000
<b>Total Contract Incentive</b>	<b>\$7,150,000</b>	<b>\$3,625,000</b>	<b>\$3,525,000</b>
<b>Milestone Incentive:</b>			
Early Signal and Crossing Cutover	\$4,000,000	\$0	\$4,000,000
Early Project Substantial Completion (NTE)	\$8,000,000	\$0	\$8,000,000
Early Revenue Service	\$3,000,000	\$0	\$3,000,000
<b>Total Milestone Incentive</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$15,000,000</b>

**4.5 Program Cash Flow and Funding**

The remaining program expenditures are cash flowed in Figure 4-1. With the award of the full funding, the program does not expect any cash flow issues due to funding.

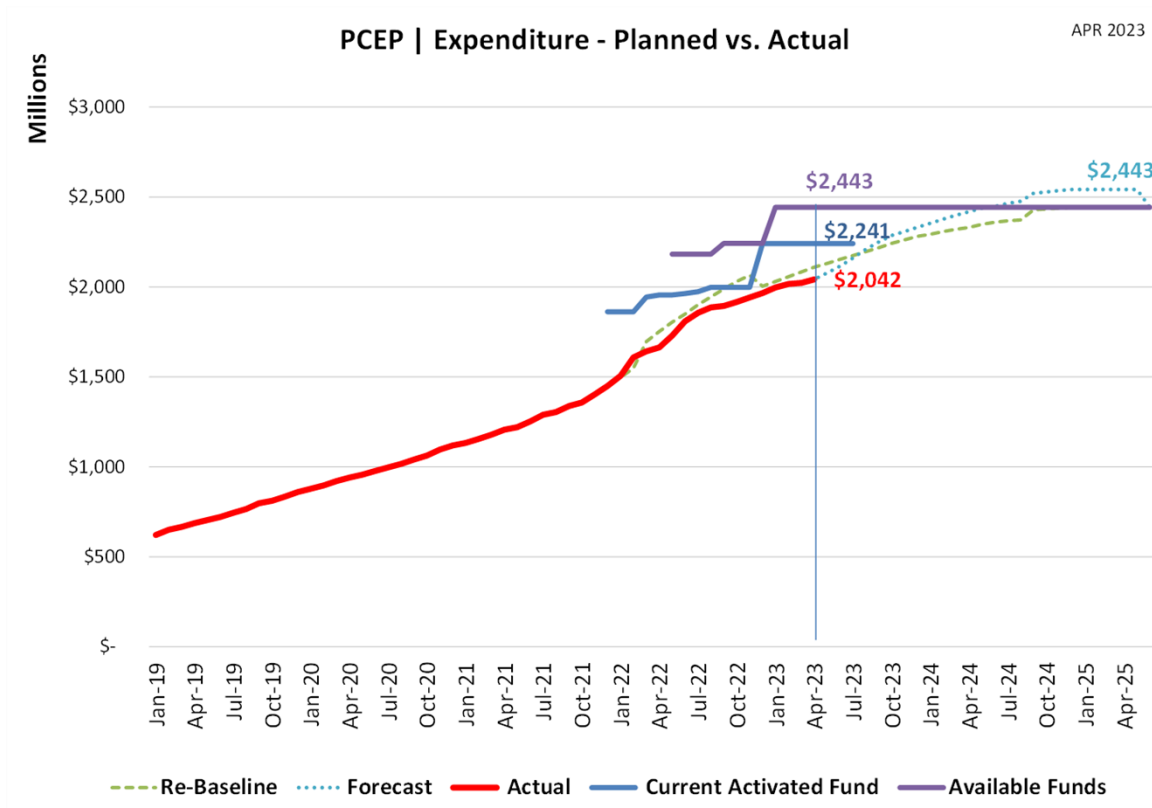


Figure 4.1. Expenditure – Funding Cash Flow

4.6 Issues

Table 4-6. Cost and Funding Issues Identified, and Actions Taken for April 2023

Issues	Actions
Late receiving of PG&E \$99 million reimbursement	<ul style="list-style-type: none"> <li>• Work with PG&amp;E to project reimbursement date.</li> <li>• May need to hold \$100 million bond until PG&amp;E reimbursement is made to support project cash flow needs for FY25.</li> </ul>

## 5.0 CHANGE MANAGEMENT

### 5.1 Introduction

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

### 5.2 Change Orders/Shared Risk Pool

#### 5.2.1 Executed Shared Risk

The following Shared Risk items were executed in April 2023:

- Reed Street Civil Improvements – Sunken Costs was executed on April 10, 2023 for \$45,088.
- Segment 2 Low Voltage Power Connections Not Available to Support Cutover (Generators) from November 1, 2021 through November 30, 2022 was executed on April 18, 2023 for \$819,540.
- Final Tie in and Additional Conduit at CP Tunnel MP 4.78 was executed on April 18, 2023 for \$26,525.
- Track Access Delays June 2022 was executed on April 24, 2023 for \$47,768.
- Segment 2 Low Voltage Power Connections Not Available to Support Cutover (Generators) from December 1, 2022 through March 31, 2023 was executed on April 26, 2023 for \$924,599.

#### 5.2.2 CMB Approved Change Order Items

- IRL 180 – Segment 2 Low Voltage Power Connections Not Available to Support Cutover (November 1, 2021 through November 30, 2022).
- IRL 307 – Segment 2 Low Voltage Power Connections Not Available to Support Cutover (December 1, 2022 through March 31, 2023).

#### 5.2.3 Upcoming Change Orders/Shared Risk Items

- Isolation and Protection for Railroad Change Order.
- Stadler Time Extension and Added Work.
- EMU Convenience Outlet Modification.
- DSC – Unmarked Storm Drain Pipe Damage at CMV Siding 02 06.



**5.3 Issues**

**Table 5-1. Change Management Issues Identified and Actions Taken for April 2023**

Issues	Actions
<p>Segment 4 Maintenance Option in the existing BBII Contract was never exercised. Maintenance of OCS/TPS for Segment 4 will be needed post Segment 4 substantial completion once Caltrain is using it for EMU testing under 25kV.</p>	<ul style="list-style-type: none"> <li>• Define EMU testing and burn in work schedule – Completed.</li> <li>• BBII provides isolation and protection once Segment 4 is powered up.</li> <li>• Prepare Request for Proposal for OCS/TPS SOW – Completed.</li> <li>• Maintenance Service for public procurement strategy has changed to implementing amendment to railroad operator and maintainer TASI for OCS/TPS maintenance work.</li> <li>• Develop evaluation criteria for TASI Maintenance Service proposals.</li> <li>• Recommend for award and obtain JPB board approval.</li> </ul>

**MEMORANDUM**

**TO:** Peninsula Corridor Joint Powers Board

**FROM:** James C. Harrison & Thomas A. Willis

**DATE:** May 30, 2023

**RE:** Update on Implementation of JPB Governance MOU

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**INTRODUCTION**

The purpose of this memorandum is to provide Directors with an update on governance issues since the Peninsula Corridor Joint Powers Board (“JPB”), the Santa Clara Valley Transportation Authority (“VTA”), the San Mateo County Transportation District (“SMCTD”), and the City and County of San Francisco (“CCSF”) executed the Governance Memorandum of Understanding (“MOU”). See Attachment A. The JPB approved the MOU at a special meeting on June 23, 2022, and CCSF, VTA and SMCTD (together the “Member Agencies”) subsequently adopted resolutions approving the MOU, which took effect on August 5, 2022.

The MOU authorizes the JPB to appoint its own Executive Director, creates five new direct report positions in the Rail Division, and delegates sole authority to the Executive Director over the selection, hiring, annual goal setting, performance review, compensation, and termination of employees in the Rail Division, subject only to SMCTD’s salary ordinance and employee manual and policies. The MOU also provides for the reimbursement of SMCTD for its initial investment in the purchase of the Caltrain Right of Way (“ROW”) and for the conveyance of certain real property interests once SMCTD receives a payment of \$19.6M from the Metropolitan Transportation Commission (“MTC”). The MOU further provides that VTA and CCSF will pay SMCTD a total of \$15.2M for assigning some of the Managing Agency rights to the JPB and for the delay in repayment of SMCTD’s initial contribution. The MOU establishes a series of steps the parties must take to implement the governance changes and reimburse SMCTD. These actions and their status are discussed below.

**BACKGROUND**

**A. Events Leading to the MOU**

In 1991, SMCTD contributed \$82M towards the purchase of the ROW. As a result of its initial investment in Caltrain, SMCTD obtained certain real property interests and the right to serve as Managing Agency of Caltrain until it was repaid. The Member Agencies’ rights and

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obligations are set forth in a 1996 Joint Powers Agreement (“JPA”) and a 1991 Real Property Ownership Agreement (“RPOA”).

In 2008, the Member Agencies and the JPB entered into an amendment to the RPOA (“2008 RPOA”) to provide for the repayment of CCSF’s and VTA’s portion of SMCTD’s initial contribution in the amount of \$53.3M. As part of this agreement, SMCTD agreed to forgo certain interest payments, and in exchange, the parties agreed that SMCTD could serve as Managing Agency of Caltrain, under the direction of the SMCTD General Manager, until it no longer wished to serve in that role. The 2008 RPOA, which relied upon state gas tax spillover funds to repay SMCTD, also provided that if SMCTD was not repaid within ten years, MTC would be authorized to identify alternative sources of non-local funds to repay SMCTD. The 2008 RPOA specified that SMCTD would reconvey its interest as a tenant in common to the ROW in San Mateo County to the JPB and relinquish certain other real property interests upon repayment. As of 2018, SMCTD had been repaid approximately \$33.5M of the agreed-upon sum of \$53.3M, leaving \$19.8M outstanding.

On August 6, 2020, in conjunction with adopting a resolution to place Measure RR on the ballot, the JPB adopted Resolution No. 2020-42 to express the Board’s desire to modify Caltrain’s governance structure to allow the JPB to appoint the Caltrain Executive Director (“ED”). The resolution also expressed the JPB’s intent to initiate efforts to reimburse SMCTD for its investment in Caltrain, including by engaging with MTC, and by prioritizing payment of the SMCTD investment, if the voters approved Measure.

Following the passage of Measure RR, the JPB considered various governance proposals. After numerous public meetings, the JPB adopted a term sheet on March 3, 2022, outlining a proposed governance structure and providing for the repayment of SMCTD’s initial investment in the ROW. Following the JPB’s approval of the term sheet, the parties engaged in extensive negotiations that resulted in the execution of MOU.

## **B. The MOU**

As discussed above, the MOU provides for the JPB to appoint its own Executive Director, provides the Executive Director with authority over Caltrain operations and Rail Division employees, and provides for the reimbursement of SMCTD for its investment in Caltrain. Specifically, the MOU:

### **Governance Changes**

- Establishes a separate, permanent Caltrain ED who reports exclusively to, and takes direction from, the JPB, which exercises authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED;
- Establishes that the Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation,

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and termination of Rail Division employees, subject only to SMCTD's salary ordinance and employee manual and policies;

- Establishes five new direct report positions reporting to the Caltrain ED. The Executive Director, as authorized by the JPB, has sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the individuals holding these positions, subject only to SMCTD's salary ordinance and employee manual and policies;
- Specifies that the role of the Managing Agency, as modified by the MOU, is to support the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting and Treasury, Communications, Government and External Affairs, Finance and Budgets, Real Estate, and Grants;
- Provides for indemnification by JPB and SMCTD for actions for which they are responsible; and
- Provides a timeline for negotiation of amendments to the RPOA and JPA to conform to the MOU and to address inconsistencies, ambiguities, and uncodified practices; and
- Provides a timeline for the JPB and SMCTD to negotiate and execute an agreement that governs the provision of fully and partially shared services.

#### **Reimbursement of SMCTD**

- Establishes that MTC will repay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA.<sup>1</sup> Upon repayment, SMCTD shall reconvey to the JPB its interest in the ROW, release other specified interests it has under the RPOA, and release any claims it may have against CCSF and VTA for repayment of the outstanding balance owed under the RPOA and 2008 RPOA; and
- Establishes that CCSF and VTA will pay a total of \$15.2M to SMCTD to compensate SMCTD for the delay in payment of the outstanding balance owed under the 2008 RPOA and for SMCTD's agreement to assign certain Managing Agency rights to the JPB. These payments must be made into escrow by August 4, 2023, or the governance changes described above will revert to the terms of JPA, RPOA, and 2008 RPOA, and other specified terms of MOU will be void.

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<sup>1</sup> The MOU also required CCSF to pay \$200,000 to SMCTD for the outstanding balance under the 2008 RPOA but CCSF has since made that payment.

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**IMPLEMENTATION OF THE MOU**

Under the MOU, the parties are required to take a number of steps to implement the governance changes and reimburse SMCTD. We describe the status of these actions below.

**A. MTC Payment of \$19.6M to SMCTD**

MTC agreed to pay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA. The MOU does not provide a deadline by which MTC must make the payment. As of May 17, 2023, MTC has paid SMCTD \$12.6M, leaving a balance of \$7M. We understand that MTC has allocated the remaining \$7M to SMCTD and is expected to pay the balance this summer.

Upon payment of the balance by MTC: (1) SMCTD must reconvey to the JPB all of its interest in title to the ROW; (2) SMCTD's equity conversion interest in the ROW will be extinguished; (3) all ownership of the ROW will vest with the JPB, which shall have sole authority over the management, acquisition, and disposition of real property, except it cannot transfer or sell substantially all of the ROW without Member Agency approval; and (4) SMCTD will be deemed to have released any claim that it may have against CCSF and VTA under the RPOA and 2008 RPOA for SMCTD's initial investment in Caltrain. These changes will be set forth in a Revised RPOA, except SMCTD's release of any claims against CCSF and VTA for repayment, which will be accomplished through a separate waiver and release agreement.

**B. CCSF and VTA Payment of \$15.2M to SMCTD**

CCSF and VTA agreed to pay SMCTD \$6,080,000 and \$9,120,000 respectively (for a total of \$15.2M) by August 4, 2023, or the governance changes discussed above will revert to the terms in place before the MOU. The payments are to be made into escrow and will be released to SMCTD upon (1) receipt of the full \$15.2M and (2) SMCTD providing written notification to the escrow agent that either it has received the \$19.6 million from MTC or that MTC has satisfied its commitment to pay \$19.6 million.

The parties have been negotiating the terms of the escrow agreement and hope to have a final agreement with the escrow agent next week so that CCSF and VTA may deposit their funds prior to August 4, 2023.

**C. Revision of the RPOA**

The MOU required counsel for the parties to negotiate and finalize a Revised RPOA by December 4, 2022, and to present the Revised RPOA to the JPB and Member Agency Boards for approval at their next regularly scheduled meetings *after* MTC pays \$19.6M to SMCTD, including the remaining balance of \$7M.

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The MOU required that the revised RPOA: (1) conform the RPOA with the terms of the MOU, (2) resolve inconsistencies between the RPOA and JPA, (3) clarify any ambiguities in the RPOA and JPA, and (4) codify certain current practices that are inconsistent with the JPA. In the event that reversion occurs, the MOU specifies that the Revised RPOA would be limited to conforming the RPOA with the MOU. To address the potential for reversion, counsel for the JPB prepared two versions of the Revised RPOA: (a) a version that addresses all four categories of changes described above, and (b) a version that is included as an exhibit to the first version and that is limited to addressing the changes required by category (1), i.e., conforming the RPOA to the MOU (the "Reversion Version"). The Revised RPOA specifies that the Reversion Version would take effect if VTA and CCSF have not paid \$15.2M into escrow by August 4, 2023.

Although counsel for the parties met the interim deadlines for exchanging drafts and comments on the Revised RPOA, including the distribution of a final Revised RPOA by December 4, 2022, counsel for the parties have been unable to agree on a final version of the Revised RPOA. Counsel for parties, however, have continued to negotiate after the December deadline and have exchanged additional drafts of the revised RPOA in an attempt to address all of the parties' concerns. In an effort to bring negotiations to a close and to resolve the dispute, counsel for the JPB circulated a final, revised version of the Revised RPOA on March 30, 2023. Counsel for VTA and CCSF have approved that version of the Revised RPOA while counsel for SMCTD continues to object to the Revised RPOA.

In essence, the dispute between the parties revolves around *when* the parties should undertake the task of revising the RPOA, as well as the *scope* of the necessary revisions. Counsel for the JPB believes that the MOU requires the parties to negotiate and finalize the RPOA by December 4, 2022, including terms that would revert in the event that VTA and CCSF do not deposit \$15.2M into the escrow account by August 4, 2023, and counsel for VTA and CCSF agree.

Counsel for SMCTD, however, contends that the parties should not undertake the task of revising the RPOA until they know whether CCSF and VTA will pay the \$15.2M or whether reversion will occur, in which case the governance structure of the JPB will revert to the Managing Agency arrangement in place prior to the MOU. Counsel for SMCTD also disputes which amendments to the Revised RPOA should revert in the event of non-payment by VTA and CCSF and have proposed their own, more limited amendment to the RPOA. Counsel for the JPB have attempted to address SMCTD's concerns by preparing the "Reversion Version" of the Revised RPOA and by maintaining the current form of additional provisions of the RPOA in the "Reversion Version." Counsel for the JPB, VTA, and CCSF do not believe that SMCTD's proposed amendment satisfies the MOU because it does not address each of the four categories of changes prescribed by the MOU.

The MOU requires that the JPB and Member Agency boards review and approve the Revised RPOA at their next regularly scheduled meeting after MTC pays the remaining balance of \$7M, which could occur at any time. Unless the parties are able to resolve this

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dispute before MTC makes its final payment, we are unlikely to meet the deadline established in the MOU for approving a revised RPOA. It is important to note, however, that the failure of the parties to agree to a revised RPOA does not affect the validity of the MOU.

**D. Shared Services Agreement**

The MOU requires that SMCTD and the JPB negotiate a shared services agreement to govern SMCTD's provision of fully and partially shared services to the JPB in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting and Treasury, Communications, Government and External Affairs, Finance and Budgets, Real Estate, and Grants. The parties have met twice to discuss the terms of a shared services agreement and continue to work together to meet the deadline set in the MOU, which requires that the parties execute a shared services agreement within three months of VTA and CCSF's payment of \$15.2M into the escrow account. As with the Revised RPOA, the MOU specifies that the failure to meet that deadline does not affect the validity of the MOU.

**E. Authority of the Caltrain ED over Rail Division Employment Decisions**

The MOU provides that the Caltrain Executive Director shall have "sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of employees" within the Rail Division "subject only to SMCTD's salary ordinance and employee manual and policies." MOU, sec. 2.A.

In order to implement this language, counsel for the JPB proposed revising SMCTD's employment policies to reflect the authority of the Caltrain ED over employment decisions relating to Rail Division employees. For example, SMCTD's employment policies provide that all employees are at will and serve at the pleasure of the SMCTD GM. JPB counsel proposed modifying this language to add the text in bold/italics: "All employees of the District are employed 'at will' and serve at the pleasure of the General Manager/CEO, ***except employees in the Rail Division, who serve at the pleasure of the Caltrain Executive Director.***"

As we understand the MOU, where SMCTD's employment policies vest discretion over employment decisions with the SMCTD GM, that discretion resides with the Caltrain ED with respect to Rail Division employees. Of course, the Caltrain ED cannot exercise unbridled authority because she must act consistent with the restrictions imposed by SMCTD employment policies. For example, she could not unilaterally reclassify an exempt employee as a non-exempt employee, because SMCTD's employment policies prescribe such classifications based on an employee's duties. However, where employment policies vest some discretion in the SMCTD GM with respect to employees, such as appointment and termination authority, that discretion should be exercised by the Caltrain ED with respect to Rail Division employees, subject to the restraints on the exercise of that discretion in the employment policies.

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However, based on conversations between JPB and SMCTD special counsel and between the SMCTD GM and Caltrain ED, SMCTD takes the position that the SMCTD GM is the final arbiter of these decisions because, read literally, SMCTD employment policies provide that all employees serve at the pleasure of the SMCTD GM. In a recent meeting between the SMCTD GM and Caltrain ED, the SMCTD GM stated that the JPB's position that the Caltrain ED has appointment and termination authority over Rail Division employees would require the JPB and member agencies to approve an amendment to the MOU to remove the reference to SMCTD's employment policies.

Counsel for the JPB believes SMCTD's construction of the MOU is at odds with both the plain language of the MOU and the spirit of the bargain struck by the parties.

First, SMCTD's construction of the MOU reads the word "sole" out of existence because it would provide veto authority to the SMCTD GM over employment decisions relating to Rail Division employees, thereby depriving the Caltrain ED of the ability to exercise *any* authority when the SMCTD GM vetoes a decision made by the Caltrain ED, let alone "sole" authority.

Second, such a reading contravenes the parties' intent for SMCTD to relinquish some of its authority as managing agency to provide the JPB with greater accountability. See Governance MOU, Recital C, emphasis added ("SMCTD shall remain as the Managing Agency for Caltrain, *as modified by the terms of this Agreement.*"). The Governance MOU accomplished this by authorizing the JPB to appoint its own ED and empowering the ED to oversee employees in the Rail Division in order to accomplish the goals and objectives set by the JPB. VTA and CCSF agreed to pay SMCTD \$15.2M, in part, in exchange for SMCTD's "agreement to assign certain rights as Managing Agency to the JPB." Governance MOU, Recital E. The Governance MOU specifies that SMCTD's role as managing agency is "to *support* the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services . . ." Governance MOU, sec. 2.E, emphasis added.

Third, where the parties anticipated that the SMCTD GM and Caltrain ED would share authority, they specifically addressed it and used very different language. See Governance MOU, sec. 2.D, emphasis added ("with policy level direction provided by direct Caltrain positions but . . . *under the overall direction of the SMCTD General Manager in coordination with the Caltrain ED.*"). There is no such language with respect to Rail Division employees in the MOU.

Counsel for the JPB believes that a reading of the MOU that leaves the SMCTD GM as the final arbiter of employment decisions relating to Rail Division employees does not reflect the plain text of the MOU or intent of the bargain struck by the parties. As a practical matter, it leaves the Caltrain ED with less authority than she enjoyed as the COO of the Rail Division.



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To date, efforts by the Caltrain ED and counsel to resolve this matter at their level have not succeeded. As a result, Chair Gee engaged in discussions with SMCTD Chair Josh Powell regarding the impasse and proposed an escalation path whereby the Caltrain ED and SMCTD GM would bring any disputes regarding Rail Division employment decisions, as well as other disagreements regarding the implementation of the MOU, to the two Chairs for discussion and resolution. SMCTD Chair Powell agreed to the proposal.

**F. CalPERS**

Along with our colleagues at Hanson Bridgett, who represent SMCTD, we provided CalPERS with a joint memorandum supporting our conclusion that the Caltrain ED and Rail Division employees continue to be eligible to participate in CalPERS through SMCTD's contract with CalPERS, notwithstanding the governance changes. We are engaged in discussions with CalPERS and are awaiting their response to our request for confirmation of our conclusion. As you will recall, the JPB appointed Michelle Bouchard as Caltrain's Executive Director, contingent upon the resolution of this issue.

Enclosure: Attachment A (Governance MOU)

(00488695)

# **ATTACHMENT A**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE PENINSULA CORRIDOR  
JOINT POWERS BOARD, THE SANTA CLARA VALLEY TRANSPORTATION  
AUTHORITY, THE SAN MATEO COUNTY TRANSIT DISTRICT,  
AND THE CITY AND COUNTY OF SAN FRANCISCO**

This Memorandum of Understanding (“MOU”) is entered into by and among the Peninsula Corridor Joint Powers Board (“JPB”), the Santa Clara Valley Transportation Authority (“VTA”), the San Mateo County Transportation District (“SMCTD”), and the City and County of San Francisco (“CCSF”) on this 5th day of August, 2022 (the “Effective Date”).

**RECITALS**

- A. Previous Agreements.** VTA, SMCTD, and CCSF are member agencies (“Member Agencies”) of the JPB, which is governed by an amended and restated joint exercise of powers agreement (“JPA”), dated October 3, 1996. The JPB, VTA, SMCTD, and CCSF (together the “Parties”) are also parties to a Real Property Ownership Agreement (“RPOA”), dated December 24, 1991, and an Amendment to Real Property Ownership Agreement (“2008 RPOA”), dated October 31, 2008.
- B. Affirmation of Intent to Address Resolution 2020-42.** JPB Resolution 2020-42 contemplated that the JPB would recommend governance changes to the Member Agencies, including enabling a majority of the JPB to appoint its own Executive Director and providing for the reimbursement of SMCTD for its investment in Caltrain. The resolution further provided that the expenditure of more than \$40 million annually from Measure RR revenues would be subject to a two-thirds majority vote requirement until such time as the JPA has been amended to modify the JPB’s governance structure in a manner satisfactory to the three Member Agencies. This Memorandum of Understanding (“MOU” or “Agreement”) provides a pathway and timeline for consideration of amendments to the JPA that conform with this Agreement, address conflicts between the JPA and RPOA, resolve ambiguities, and codify certain current practices that are inconsistent with the JPA. Upon adoption of an amended JPA, the two-thirds vote requirement established in Resolution 2020-42 will be repealed.
- C. Affirmation of SMCTD as the Managing Agency for Caltrain.** SMCTD shall remain as the Managing Agency for Caltrain, as modified by the terms of this Agreement.
- D. Affirmation Regarding Effect of Repayment of Outstanding Balance to SMCTD under 2008 RPOA.** Upon payment in a non-credit form of the outstanding balance of \$19.8 million owed to SMCTD under the 2008 RPOA: (1) SMCTD shall reconvey its tenancy in common interest in the ROW to the JPB; (2) SMCTD’s equity conversion interest and right to approve real property transactions under the RPOA, except as provided in this Agreement, shall be extinguished; and (3) SMCTD shall be deemed to have released any claim that it may have against VTA and CCSF under the RPOA and 2008 RPOA for SMCTD’s payment of the Additional Contribution.
- E. Additional Payment by CCSF and VTA.** CCSF and VTA shall pay \$15.2 million to SMCTD within twelve (12) months of the Effective Date of this Agreement. Such

payment is to account for the delay in payment of the outstanding amount owed under the 2008 RPOA and SMCTD's agreement to assign certain rights as Managing Agency to the JPB.

- F. Affirmation of JPB Appointment of General Counsel and Auditor.** As of 2021, the JPB has appointed, and will maintain, both its own general counsel and auditor separate from those of any of the Member Agencies.
- G. Affirmation of Rail Service Provider Contract.** This Agreement does not alter the ongoing contractual relationship between the JPB and its selected Rail Service Provider whereby the contractor maintains responsibility for providing the JPB with rail operations, maintenance and support services that include administration/safety; operations and dispatch; maintenance of equipment, track, communications and signals, and stations; construction support; and state of good repair.
- H. Statement Related to Regional Governance.** This Agreement does not preclude JPB's ongoing participation in processes related to potential regional governance changes, including the consideration of recommendations forthcoming from the Network Management Business Case and/or Regional Rail study. Further, the JPB commits to work with stakeholders, including the Metropolitan Transportation Commission ("MTC"), to develop a timeline for expeditious consideration of regional governance recommendations.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree to the following:

**1. Caltrain Executive Director.**

- A. A separate, permanent Caltrain Executive Director position ("Caltrain ED") is hereby established. Although this position shall remain as an SMCTD employee, the Caltrain ED shall exclusively report to, and take direction from, the JPB.
- B. The JPB shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED position.
- C. The appointment and termination of the Caltrain ED shall be subject to a simple majority vote of five members of the JPB, provided that the majority consists of at least one Director appointed from each county.

**2. Staff Reporting.**

- A. The following functions, which are currently included as "direct services" within the existing Rail Division, shall report to the Caltrain ED. The Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of employees

providing these functions, subject only to SMCTD's salary ordinance and employee manual and policies:

- i. Rail Operations and Maintenance, which shall include management, oversight, and operational direction of the operations and maintenance activities of TransitAmerica Services Inc. ("TASI") (and any successor contractor for operating the Peninsula Commute Service) as well as management of other aspects of the customer interface in coordination with the communications and marketing group;
  - ii. Rail Planning, which shall include service planning, capital planning, transit-oriented development planning and policy development for Caltrain;
  - iii. Rail Contracts and Budgets, which shall include management of the TASI contract (and any successor contract for operating the Peninsula Commute Service) and other on-call contracts supporting the Rail Division;
  - iv. Rail Development, which shall include capital program management, capital program delivery, engineering, and quality assurance/quality control for Caltrain; and
  - v. The Peninsula Corridor Electrification Project ("PCEP") and the Caltrain Modernization Project ("CalMod") programs.
- B. The following positions, or equivalent positions, shall be added as "direct services" reporting to the Caltrain ED as described below, and the individuals holding these positions shall not serve in a similar role for SMCTD. The Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the individuals holding these positions, subject only to SMCTD's salary ordinance and employee manual and policies:
- i. Chief of Staff. This position shall provide executive administrative support to the Caltrain ED, may oversee positions within the Rail Division as determined by the Caltrain ED, and may assist the Caltrain ED in managing the relationship with SMCTD shared services;
  - ii. Director of Government and Community Affairs. This position shall provide direction, policy guidance, and strategy on all government and external affairs matters related to Caltrain, and shall determine the Caltrain work plan for Communications (as pertinent to external affairs only) and coordinate with the SMCTD Communications Chief to implement the direction of the JPB and the Caltrain ED;

- iii. Director of Budgets and Financial Analysis. This position shall provide direction, policy guidance, and strategy on all financial analysis and budgeting matters related to Caltrain, and shall determine the Caltrain work plan for finance and budgets and coordinate with the SMCTD CFO to implement the direction of the JPB and the Caltrain ED;
  - iv. Director of Real Estate. This position shall provide direction, policy guidance, and strategy on all real estate transactions pertaining to Caltrain, and shall determine the Caltrain work plan for real estate and coordinate with the SMCTD Real Estate Director and/or Chief of Planning, Grants, and Transportation Authority to implement the direction of the JPB and the Caltrain ED; and
  - v. Director of Grants and Funds Management. This position shall provide direction, policy guidance, and strategy on the pursuit and management of all grants and public funding sources of interest to Caltrain, and shall determine the Caltrain work plan for grants and coordinate with the SMCTD Director of Grants and Fund Management, and /or Chief of Planning, Grants and the Transportation Authority to implement the direction of the JPB and the Caltrain ED.
- C. The following functions shall continue as fully shared services under the direction of the SMCTD General Manager and in coordination with the Caltrain ED:
- i. Human Resources;
  - ii. Contracts and Procurement;
  - iii. Information Technology;
  - iv. Civil Rights;
  - v. Marketing and Customer Service; and
  - vi. Accounting and Treasury.
- D. The following functions shall continue as partially shared services with policy level direction provided by direct Caltrain positions listed in Subsection 2.B, above, but shall remain under the overall direction of the SMCTD General Manager in coordination with the Caltrain ED:
- i. Communications, Government and External Affairs;
  - ii. Finance and Budgets;
  - iii. Real Estate; and

## iv. Grants.

- E. The role of the managing agency shall be to support the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting, Treasury, Budgets, Finance, Communications, Government and External Affairs, Real Estate and Grants.
- F. With the exception of the direct report positions identified in Subsection 2.B, above, the JPB shall not have the authority to replace a function currently being performed through partially and fully shared services, as set forth in Subsections 2.C and 2.D above, with a direct report, unless SMCTD and the JPB mutually agree to the change, provided that such agreement shall not be unreasonably withheld by either party.
- G. The JPB and SMCTD shall negotiate and execute an agreement that governs the provision of partially and fully shared services, as set forth in Subsections 2.C and 2.D, above. The agreement shall define the scope of partially and fully shared services and how those services will be periodically evaluated and adjusted by mutual agreement. The current arrangement and practices relating to shared services and cost allocation under the internal cost allocation plan (ICAP) in effect as of January 1, 2022, shall only be changed through the negotiated process set forth in this Subsection, unless required by an internal cost allocation plan (ICAP) prepared by SMCTD's consultant and by SMCTD's Cognizant Agency (FTA, Region 9). The JPB and SMCTD agree that they will not unreasonably withhold their consent to a shared services agreement or any subsequent amendment thereto, and will execute a final agreement no later than three (3) months after the payment of \$15.2 million into an escrow account as set forth in Subsection 3.B, below, provided, however, that failure to meet that deadline shall not be grounds for voiding this Agreement.
- H. The JPB shall document the assets owned by the JPB, no later than three (3) months after payment of \$15.2 million into an escrow account as set forth in Subsection 3.B, below, provided, however, that failure to meet that deadline shall not be grounds for voiding this Agreement. The Member Agencies will provide documents related to the assets to the JPB upon request.

**3. Right of Way Repayment.**

- A. MTC and CCSF have agreed to pay SMCTD \$19.6 million and \$200,000, respectively, for the outstanding balance owed pursuant to the 2008 RPOA. On April 18, 2022, CCSF paid SMCTD the \$200,000 it agreed to pay, and SMCTD acknowledges receipt of that amount and that CCSF has satisfied its obligation

under this Subsection. MTC shall make the remaining \$19.6 million payment forthwith. Upon SMCTD receiving full payment of the remaining \$19.6 million payment from MTC:

- i. SMCTD shall reconvey all of its interest in title to the ROW as set forth in Section 4.1 of the RPOA;
  - ii. SMCTD's equity conversion interest as set forth in Section 7 of the RPOA and its rights to approve real property transactions set forth in Section 8 of the RPOA, except as provided in Subsection 3.D, below, shall be extinguished;
  - iii. All ownership of the ROW shall vest with the JPB, which shall have sole authority over the management, acquisition, and disposition of real property, except as provided in Subsection 3.D, below;
  - iv. SMCTD shall be deemed to have released any claim that it may have against CCSF and VTA under the RPOA and 2008 RPOA for SMCTD's payment of the Additional Contribution, which release shall be documented in a form acceptable to CCSF and VTA.
- B. Within twelve (12) months of execution of this Agreement, CCSF and VTA shall pay SMCTD \$6,080,000 and \$9,120,000, respectively, to compensate SMCTD for the delay in payment of the outstanding balance owed pursuant to the 2008 RPOA and for SMCTD's agreement to assign certain rights as Managing Agency to the JPB. Payment shall be made into an escrow account established by the JPB and the funds shall be disbursed to SMCTD, without further action by SMCTD, upon satisfaction of the conditions specified in Subsection 3.C, below.
- C. The funds in the escrow account shall be disbursed to SMCTD upon: (1) receipt in the escrow account of all of the payments set forth in Subsection 3.B, above; and (2) SMCTD's receipt of \$19.6 million from MTC as set forth in Subsection 3.A., above, or its written acknowledgement that MTC has satisfied its commitment to pay \$19.6 million as set forth in Subsection 3.A.
- D. The JPB shall not sell, transfer, convey, or otherwise dispose of all or substantially all of its interest in the ROW without the written approval of all three member agencies.

#### **4. Reversion.**

- A. If the payments required by Subsection 3.B have not been received in the escrow account within twelve (12) months of the execution of this Agreement, the



Managing Agency arrangement, as modified pursuant to Sections 1 and 2, above, and the parties' indemnification obligations, as modified pursuant to Section 6 below, will revert to the written terms of the JPA, the RPOA and 2008 RPOA. In addition, Section 5 shall be void, except that Section 5.A.i, 5.B.i and iii as to the negotiating of the RPOA shall remain, and Section 5.A.i, 5.B.ii and iii, shall remain as to the negotiating of the JPA but only as necessary to implement Section 3.A. Once the funds in the escrow account are disbursed to SMCTD pursuant to Subsection 3.C, this clause shall be void.

- B. The parties acknowledge the existence of Resolution 2020-42 which is described in Recital B of this MOU.

## 5. Future Amendment of RPOA and JPA.

- A. The parties agree to negotiate amendments to the JPA, the RPOA, and the 2008 RPOA (together the "Agreements") as necessary to accomplish the following:
- i. Conform the Agreements with the terms of this MOU, which shall take precedence over any conflicting terms of the Agreements;
  - ii. Resolve inconsistencies among the Agreements;
  - iii. Clarify ambiguities in the Agreements; and
  - iv. Codify certain current practices that are inconsistent with the JPA.

The changes made to the Agreements shall be limited to accomplishing the above-mentioned purposes and this Section shall not constitute an opportunity to re-negotiate the Agreements in their entirety.

- B. Timeline.
- i. Within two (2) months of execution of this Agreement, the JPB shall draft revisions to the RPOA, as amended by the 2008 RPOA (the "Revised RPOA"), for the purpose of making the changes identified in Section 5.A, above, and circulate the Revised RPOA to counsel for the Member Agencies to obtain their input. Counsel for the Member Agencies shall provide their comments on the Revised RPOA to the JPB within 30 days of receiving the Revised RPOA. The Revised RPOA shall be finalized within 30 days of the JPB receiving comments from the Member Agencies, and shall be presented for approval to the JPB and each Member Agency board at the Agency's next regularly scheduled meeting following the payment of funds from MTC to SMCTD.

- ii. Within two (2) months of approval of the Revised RPOA, the JPB shall develop a draft revision to JPA (the “Revised JPA”), for the purpose of making the changes identified in Section 5.A, above, and circulate the Revised JPA to counsel for the Member Agencies to obtain their input. Counsel for the Member Agencies shall provide their comments on the Revised JPA to the JPB within two (2) months of receiving the Revised JPA. The Revised JPA shall be finalized within two (2) months of receipt of Member Agency comments by the JPB and shall be presented to each Member Agency board at an agency’s next regularly scheduled meeting after the draft Revised JPA has been finalized.
- iii. The parties agree to cooperate in good faith and meet the deadlines set forth above, provided, however, that failure to meet these deadlines shall not constitute grounds to terminate this Agreement. This Agreement shall remain in effect and shall take precedence over conflicting provisions of the JPA and RPOA until both the Revised RPOA and Revised JPA are approved and executed by all member agencies.
- iv. Upon approval of the Revised RPOA by the Parties and the Revised JPA by each Member Agency, the super-majority vote requirement in JPB Resolution No. 2020-42 shall be deemed repealed.

## **6. Indemnification.**

- A. The JPB shall defend, indemnify, and hold harmless SMCTD and its respective directors, officers, employees and agents, and its successors and assigns from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from (i) SMCTD’s performance of functions undertaken or directed by JPB direct reports set forth in Sections 1, 2.A and 2.B, above, or SMCTD’s performance of functions directed by the JPB or its Executive Director as set forth in Sections 2.C and 2.D; and (ii) JPB’s negligence, recklessness, or willful misconduct. The only exception to these provisions is that JPB’s obligations under this subsection shall not apply to the extent that the claims, losses, damages, costs, injury or liability arise from or are caused by SMCTD’s gross negligence, willful misconduct, or fraud. The JPB shall select counsel of its choice to defend SMCTD, and SMCTD is authorized to approve such counsel, such approval not to be unreasonably withheld.
- B. SMCTD shall defend, indemnify, and hold harmless the JPB and its respective directors, officers, and agents, and the successors and assigns from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from (i) SMCTD’s provision of shared services set forth in Sections 2.C and 2.D, above, not otherwise directed by the JPB, its Executive Director or JPB’s direct reports; and (ii) SMCTD’s negligence, recklessness, or willful misconduct. The only exception to these provisions is that SMCTD’s obligations under this subsection shall not apply to the extent that the claims, losses, damages, costs, injury, or liability arise from or are caused by

JPB’s gross negligence, willful misconduct, or fraud. SMCTD shall select counsel of its choice to defend the JPB, and JPB is authorized to approve such counsel, such approval not to be unreasonably withheld.

C. Except as provided in Subsections 6.A and 6.B above, JPB shall indemnify Member Agencies for activities undertaken by the JPB as provided in Section 16 of the JPA.

7. **Attorneys’ Fees and Costs.** Each party to this Agreement shall bear its own costs in connection with negotiating, drafting, and approving this Agreement, the Revised RPOA, and the Revised JPA.
8. **Term of Agreement.** This Agreement shall remain in effect until such time as the Member Agencies either (1) approve both a Revised RPOA and Revised JPA, or (2) the Member Agencies and JPB mutually agree to amend or terminate this Agreement.
9. **Terms of Agreement Prevail Over Existing Agreements.** To the extent a conflict exists among any provision of this Agreement and the JPA, RPOA, 2008 RPOA, or any other agreement among the parties, the provisions of this Agreement shall take precedence over any conflicting provisions of any other agreement as long as this Agreement remains in effect.
10. **Notices.** All notices, payments, requests, demands, and other communications to be or given under the MOU shall be in writing and shall be deemed to have been duly served given on the date of service if served personally or on the second day after mailing if mailed to the party to whom notice is to be given by first class mail:

SMCTD: San Mateo County Transit District  
1250 San Carlos Avenue  
San Carlos, CA 94070  
Attn: General Manager

JPB: Peninsula Corridor Joint Powers Board  
1250 San Carlos Avenue  
San Carlos, CA 94070  
Attn: Executive Director

CCSF: San Francisco Municipal Transportation Agency  
1 South Van Ness Ave., Floor 7  
San Francisco, CA 94102  
Attn: Director of Transportation

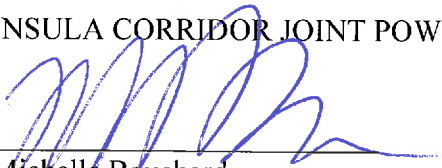
VTA: Santa Clara Valley Transportation District  
3331 North First Street  
San Jose, CA 95134  
Attn: General Manager

In addition to the written notice required above, the parties agree to provide courtesy notice to all of the general managers and general counsels for the parties of such notice by email.


- 11. **Governing Law.** This Agreement shall be interpreted, construed, and enforced in accordance with the laws of California.
- 12. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns.
- 13. **Amendments.** This Agreement may be amended at any time and from time to time, provided such amendments are in writing and executed by all parties.
- 14. **Representation.** SMCTD, VTA, CCSF, and the JPB have each been represented by independent counsel with respect to the negotiations and approval of this Agreement.
- 15. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes any prior oral or written understanding on the same subject.
- 16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall be deemed an entire Agreement.

In witness whereof the parties have entered into this Agreement on the date first written above with the intent to be legally bound.

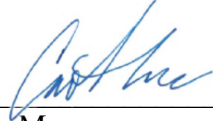
PENINSULA CORRIDOR JOINT POWERS BOARD

By:   
 Michelle Bouchard  
 Acting Executive Director, JPB

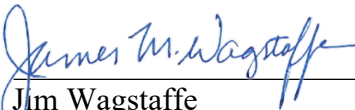
Approved as to form by:

By:   
 James C. Harrison  
 General Counsel, JPB

SAN MATEO COUNTY TRANSIT DISTRICT

By:   
Carter Mau  
Acting General Manager

Approved as to form by:

By:   
Jim Wagstaffe  
Special Counsel, SMCTD

SANTA CLARA VALLEY TRANSPORTATION DISTRICT

By: \_\_\_\_\_  
Carolyn Gonot  
General Manager, VTA

Approved as to form by:

By: \_\_\_\_\_  
Evelynn Tran  
General Counsel, VTA

CITY AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_  
Jeffrey P. Tumlin  
Director of Transportation  
Municipal Transportation Agency

Approved as to form by:

By: \_\_\_\_\_  
David F. Innis  
Deputy City Attorney

SAN MATEO COUNTY TRANSIT DISTRICT

By: \_\_\_\_\_  
Carter Mau  
Acting General Manager

Approved as to form by:

By: \_\_\_\_\_  
Jim Wagstaffe  
Special Counsel, SMCTD

SANTA CLARA VALLEY TRANSPORTATION DISTRICT

By: <sup>DocuSigned by:</sup> Carolyn M. Gonot  
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Carolyn Gonot  
General Manager, VTA

Approved as to form by:

By: <sup>DocuSigned by:</sup> Evelynn Tran  
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Evelynn Tran  
General Counsel, VTA

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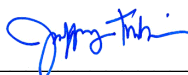
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Municipal Transportation Agency

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