

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

**Minutes of April 24, 2023**

**Members Present:** Ray Mueller, Devora “Dev” Davis (Vice Chair), Monique Zmuda (Chair)

**Members Absent:** None

**Staff Present:** R. Barnard, M. Bouchard, L. Cobb, J. Harrison, K. Kelly, L. Mai, L. Millard-Olmeda, D. Ryan, D. Seamans, K. Steiner, M. Tseng, C. Valbuena

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

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

**2. Roll Call**

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

**3. Public Comment on Items not on the Agenda - There were none.**

**4. Consent Calendar**

**4.a. Meeting Minutes of March 27, 2023**

**4.b. 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\***

**4.c. 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**

Chair Zmuda pulled Item 4.b. for further comment and discussion.

Motion/Second: Davis/Mueller moved approval for Items 4.a. and 4.c.

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

The Committee had a robust discussion on Item 4.b, Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge, which included the following:

- Extend emergency authority to renew the findings that the emergency still exists

- Emergency does not permit a delay in using standard procurement processes
- Engaged the following:
  - On-call consultants, AECOM (AECOM Technology Corporation), to advance the design work
  - WSP (Williams Sale Partnership) to help with the permitting work
  - Jacobs (Jacobs Engineering Group, Inc.) for estimating services for fair and reasonable prices
  - TRC (TRC Companies, Inc.) for construction management services
  - Walsh Construction and provided them a draft conceptual design
- Bridge was inspected and not in imminent danger, but emergency repair is necessary
- Coordinated with the US Army Corps of Engineers, the Regional Water Quality Board, California Department of Fish and Wildlife
- Constrained schedule as there is only about a four month in-water work window from the middle of June to the middle of October

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

Michelle Bouchard introduced Kate Jordan Steiner, Chief Financial Officer, who came from University of California, Berkeley and prior to that, BART (Bay Area Rapid Transit).

**5. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2023**

Kathleen Kelly, interim Chief Financial Officer, reported the following:

- On track with prior forecast provided earlier on revenues and expenses
- Projected surplus of \$1.6 million for this year and increase in Measure RR receipts

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**6. Approval of Revised Settlement Authority Policy for General Liability Claims**

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

- Brief historical background reiterating current limit forces staff to bring rather low value matters to the Board for its consideration and approval
- SamTrans Board approved settlement authority in 2019 which applied to claims brought against SamTrans, TA (San Mateo County Transportation Authority), and JPB (Caltrain Joint Powers Board), but the JPB itself never approved that authority

- Discussed gaps in current policy, noted there were five claims brought to Board in last 15 years, and reviewed the proposed policy changes

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

- Method in determining the settlement authority amount
- Concerns for increasing authority and Board oversight
- Executive session impact due to proposed authority increase

Motion/Second: Davis/Mueller to continue item to a future meeting

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**7. Authorize Execution of an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program\*\***

Brian Fitzpatrick, Director of Real Estate and Property Development, provided the presentation, which included the following:

- Provided brief history for use of office lease and reason for extension
- Conducted some work on the local real estate market and the other building leases
- Negotiated one month of free rent

The Committee had a discussion and staff provided further clarification in response to the Board members' comments and questions on lease end date and vacating at that time.

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**8. Authorize an Amendment to the On-Call Transportation Planning and Consultant Support Services Contracts\***

Lawrence Leung, Manager of Rail Contracts and Budgets, provided the presentation which included the following:

- Background and summary of three reasons for 2020 insufficiency
- No budget impact for contract amendments and planning consultant needs

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**9. Authorization to Execute a Master Agreement with the California Department of Transportation for Federally Funded Projects\***

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Two objectives: allows JPB to enter into project specific funding agreements called Program Supplements and receive grant funding from programs, such as Section 130, which supports grade crossing improvements
- Does not impact budget projects funded through Caltrans program

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**10. Authorization of the Execution of a Fund Transfer Agreement for and Receipt of State General Fund for the Caltrain Crossing Optimization Project\***

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Provided details on Priority Legislative Budget Projects (PLBP) Program
- Caltrans to administer \$3 million for Caltrain Crossing Optimization Project
- Summarized project elements and benefits

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

**11. Preliminary Operating and Capital Budgets**

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

- Summarized recommendations and changes from Board Workshop
- Preliminary budget with slight changes in revenues and expenses
- TIRCP (Transit and Intercity Rail Capital Program) funding awarded coming over the next 2 years and will drive interest income up
- TASI (TransitAmerica Services, Inc.) contract for operator and maintenance of transit services, was negotiated, and there were savings
- Continue refining the operating and capital budgets, work Member obligations, and to prioritize the capital projects to match available funding

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

- Contributions to operating reserves and how \$3.8 million for electricity is budgeted
- Option to purchase more Stadler cars with most of the funding to come externally and working with MTC (Metropolitan Transportation Commission) to get funding this year and an obligation for future years. Concern on the need for \$44 million of local match and option must be exercised by August 15<sup>th</sup>
- Externally funded projects are 100 percent funded outside of Caltrain's budget
- GoPass program concerns due to evolving changes to work in the office

Staff continued the budget presentation with Board Members' comments and questions, which included the following:

- Other Income included interest income, advertising, and parking citations.
- Overhead catenary system and traction power system covered the maintenance overhead and personnel that control the power provision in the central control facility
- Reserve policy states need to maintain 10 percent of annual operating budget but strive for 15 percent. Most agencies maintain 25 percent
- Fiscal Year 2024 and Fiscal Year 2025 Preliminary Capital Budget – summarized unconstrained and constrained items, and reviewed projected funding sources
- Member Agency Capital Obligation – discussions with three partner agencies included:
  - San Francisco going to their Board later this month and putting together strategic plan that will include \$5 million a year for the life of their measure
  - SamTrans and TA (Transportation Authority) open to matching that money
  - VTA (Santa Clara Valley Transportation Authority) working with staff to see how projects can fit into their Measure B definitions
- Revenue projections and what chart may look like, including a range indicating worst case and best-case scenarios
- Possibly reduce number of daily trains if budget is not balanced
- Return in Fall for consideration of Policy for Capital Reserves, any changes needed for operating reserves, Member commitments for capital reserve contributions, and a capital endowment fund

*Director Mueller left at 3:48 pm*

## **12. Update on Stadler Electric Multiple Unit Option and Funding Plan**

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Background on zero emission corridor future including 100 percent zero emission corridor requirement

- Total avoided costs for EMUs (electric multiple units) with Stadler Contract Option
- Continue to address the need for a 20 percent local or non-federal match for future battery EMU funding through grant opportunities

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

- Potential August date delayed while searching for additional funding
- Applicable uses of refunded TIRCP (Transit and Intercity Rail Capital Program) grant for electrification
- MTC's plan for allocation of Federal grant assurances for five years

**13. Project Labor Agreement (PLA) Policy Update** – was deferred to next meeting

**14. Committee Member Requests**

Director Mueller requested a chart on Caltrain fares recovery over time.

**15. Date/Time of Next Regular Finance Committee Meeting**

Monday, May 22, 2023 at 2:30 pm. 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 94070

**10. Adjourn**

The meeting adjourned at 4:02 pm.

An audio/video recording of this meeting is available online at [www.caltrain.com/videoboard-directors](http://www.caltrain.com/videoboard-directors). Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to [board@caltrain.com](mailto:board@caltrain.com).