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EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

### Finance Committee Meeting

June 26, 2023, 2:30 pm

Bacciocco Auditorium, 2nd Floor  
1250 San Carlos Ave., San Carlos, CA

Committee Members: Monique Zmuda (Chair), Dev Davis (Vice Chair), Ray Mueller

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://us02web.zoom.us/j/81843266625?pwd=aDExTGltUUJSOUc5TkNnbU1QMTRHUT09> or by entering Webinar ID: # 818 4326 6625, Passcode: 249080, 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  
Bacciocco Auditorium – 2nd Floor  
1250 San Carlos Avenue  
San Carlos, CA 94070

San Jose City Hall  
200 East Santa Clara Street  
Conference Room T-1853  
San Jose, CA 95113

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

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 26, 2023 - Monday**

**2:30 pm**

*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.*

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on 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 to reply.
4. Consent Calendar  
Members of the Board may request that an item under the Consent Calendar be considered separately.
  - 4.a. Meeting Minutes of May 22, 2023 Motion
5. Accept Statement of Revenues and Expenses for the Period Ending May 31, 2023 Motion
6. Renew Emergency Findings for San Francisquito Creek North Bank Restoration Motion  
Due to Erosion Pursuant to Public Contract Code §22050\*
7. Update on Stadler Electric Multiple Unit Option and Funding Plan\* Informational
8. Update on Disadvantaged Business Enterprise Program Informational
9. Committee Member Requests

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

10. Date/Time of Next Regular Finance Committee Meeting: July 24, 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.

11. 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 Finance Committee: Two Mondays before the Board Meeting, 2:30 pm. 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.

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

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

**Minutes of May 22, 2023**

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

**Members Absent:** Monique Zmuda (Chair)

**Staff Present:** R. Barnard, M. Bouchard, B. Fitzpatrick, N. Fogarty, J. Harrison, K. Kelly,  
W. Lau, L. Mai, D. Seamans, M. Tseng

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

Acting Chair Devora “Dev” Davis called the meeting to order at 2:33 pm.

**2. Roll Call**

Acting Chair Davis noted Board quorum was present for the record.

Acting Chair Davis announced moving item 13 to after item 8.

**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. Authorize the Executive Director to Execute a Service Agreement with the City of Palo Alto for Activities Undertaken in Support of the Connecting Palo Alto Project\***

Motion/Second: Mueller/ Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**5. Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023**

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

- No change in forecast for this year from what was provided two months ago
- Projected \$1.6 million in surplus versus had initially projected \$2.6 million deficit
- Increase in sales tax provided slight surplus

Motion/Second: Mueller/ Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**6. Adopt Fiscal Year 2024 and Fiscal Year 2025 Proposed Operating and Capital Budgets**

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

- No changes from May Board Meeting for Operating and Capital
- Fiscal year (FY) 2024 budget is balanced without drawing from Measure RR funds
- Farebox and Parking Revenues – ridership returning at a slower pace and GoPass tracking at higher level
- Farebox Revenue Trends – increased in 2022 and 2023, but not a significant increase in FY2024; FY2025 projected increase due to electrification
- Proposed Operating and Capital Budgets summary
- Stadler cars – potential for fifth car completely funded by the City and County of San Francisco for DTX (Downtown Extension) project; possibility of battery vehicle completely funded by the State
- Projected Funding Sources – talking with VTA (Santa Clara Valley Transit Authority) regarding projects funded by Measure B

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

- Funding for a fourth train to Gilroy and Stadler cars
- Ridership metrics trending upwards and advertising strategies to promote ridership

Public comment

Adina Levin commented on level boarding and its efficiency and reliability.

Motion/Second Davis/Mueller deferred item to the full Board:

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

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

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

- Background and current Limits in the JPB (Joint Powers Board) Claims Settlement Authority Policy
- Proposed changes and staff recommendation

Motion/Second Davis/Mueller deferred item to the full Board:

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**8. Adoption of Revisions to the Joint Powers Board (JPB) Procurement Policy**

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

- Background, gaps in current policy
- Comparison to peer agencies and reason for proposed changes

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

- Example of how the current policy is procedurally problematic and onerous
- City of San Jose policy amount is larger

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**13. Project Labor Agreement (PLA) Policy Update Informational**

Sam Sargent, Director of Strategy and Policy, provided the presentation which included the following:

- Board referral, overview, framework, definition, and common elements
- Community Workforce Agreements and policy framework research
- Draft Caltrain PLA Policy – Overview
- Federal and State Policy considerations and Caltrain financial considerations
- Draft Caltrain PLA Policy - options and alternatives recap

Public comments

David Bini, Executive Director, Santa Clara and San Benito Counties Building and Construction Trades Council, supported the PLA policy and its proposed threshold amount.

Rudy Gonzalez, Secretary Treasurer, San Francisco Building and Construction Trades Council, echoed support for the policy.

Eric Tassio, Plumbers Union Local 467, commented on various PLAs and its benefits for the community.

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

- Resource opportunities, such as Federal and State grants
- Structuring the PLA policy and guidelines for grade separation projects, dollar threshold, and number of projects for Caltrain to negotiate and administer the PLA

**9. 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\***

Acting Chair Davis noted remembering project and inquired if a presentation for the extension is required. Mr. Harrison stated that the information was provided in writing, therefore, not required. The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

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

Nadine Fogarty, Deputy Director of TOD (Transit Oriented Development) and Real Estate, provided the presentation which included the following:

- Overview – working with IQHQ, Inc. (the Developer)
- Background – South San Francisco station property as potentially developable, but site was not independently developable
- Background: IQHQ Development is currently constructing biotech lab and office project with estimated completion in early 2025
- Proposed agreement – exchange of easements, developer-funded improvements to station property, formalized easement across adjacent property, and provision allowing IQHQ to lease up to 53 parking spaces
- Benefits of the proposed agreements and budget impacts

The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**11. Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement**

The Committee Members noted prior review of the materials in the agenda packet and had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda



**12. 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\***

Kevin Yin, Director Contracts and Procurement, provided the presentation which included the background and proposed motion. The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

**13. Item was presented after item 8**

**14. Update on Disadvantaged Business Enterprise Program** - deferred to next Finance Committee Meeting due to time constraints.

**15. Committee Member Requests** - There were no requests.

**16. Date/Time of Next Regular Finance Committee Meeting: June 26, 2023, at 2:30 pm.**

**17. Adjourn** - Meeting adjourned at 4:16 pm

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending May 31, 2023**

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

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the Period Ending May 31, 2023.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through May 31, 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.

**Discussion**

**Annual Forecast:** The annual forecast is based on actual revenue and expense trends through May 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 inflation. 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 May's year-to-date actual, the Grand Total Revenue (page 1, line 16) is \$7 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 May's year-to-date actual, the Grand Total Expense (page 2, line 50) is \$7.5 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 and are largely expected to resolve by year-end.

**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 May 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>May 2023</b>									
<b>% OF YEAR ELAPSED</b>							<b>91.7%</b>		
	<b>JULY TO MAY</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	24,092,267	27,298,000	(3,205,733)	(11.7%)	30,151,000	27,000,000	(3,151,000)	1
2	Go Pass	15,478,171	14,905,000	573,171	3.8%	16,260,000	17,000,000	740,000	2
3	Parking Revenue	1,779,369	1,738,000	41,369	2.4%	1,896,000	1,797,505	(98,495)	3
4	Rental Income	1,178,216	857,417	320,799	37.4%	935,357	1,235,357	300,000	4
5	Other Income	4,704,087	1,598,960	3,105,127	194.2%	1,744,319	4,044,319	2,300,000	5
6									6
7	<b>TOTAL OPERATING REVENUE</b>	<b>47,232,109</b>	<b>46,397,377</b>	<b>834,732</b>	<b>1.8%</b>	<b>50,986,676</b>	<b>51,077,181</b>	<b>90,505</b>	7
8									8
9	<b>CONTRIBUTIONS:</b>								
10	AB434 Peninsula & TA Shuttle Funding	40,000	40,000	-	.0%	40,000	40,000	-	10
11	Operating Grants	10,686,510	10,347,480	339,030	3.3%	11,288,161	11,288,161	-	11
12	Measure RR	106,728,962	100,930,587	5,798,375	5.7%	114,300,000	119,292,000	4,992,000	12
13									13
14	<b>TOTAL CONTRIBUTED REVENUE</b>	<b>117,455,472</b>	<b>111,318,067</b>	<b>6,137,405</b>	<b>5.5%</b>	<b>125,628,161</b>	<b>130,620,161</b>	<b>4,992,000</b>	14
15									15
16	<b>GRAND TOTAL REVENUE</b>	<b>164,687,581</b>	<b>157,715,444</b>	<b>6,972,137</b>	<b>4.4%</b>	<b>176,614,837</b>	<b>181,697,342</b>	<b>5,082,505</b>	16
17									17

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>							
<b>STATEMENT OF REVENUE AND EXPENSE</b>							
<b>Fiscal Year 2023</b>							
<b>May 2023</b>							
<b>% OF YEAR ELAPSED</b>							<b>91.7%</b>
	<b>JULY TO MAY</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>							
19							
20 <b>DIRECT EXPENSE:</b>							
21 Rail Operator Service	88,704,627	89,346,291	(641,664)	(.7%)	98,257,758	98,257,758	-
22 Security Services	6,911,544	7,290,762	(379,218)	(5.2%)	7,935,381	8,028,807	93,426
23 Shuttle Services	79,366	114,780	(35,414)	(30.9%)	121,600	121,600	-
24 Fuel and Lubricants*	13,449,906	16,077,622	(2,627,716)	(16.3%)	17,539,232	17,539,232	-
25 Timetables and Tickets	20,092	124,069	(103,977)	(83.8%)	135,350	135,350	-
26 Insurance	8,376,067	8,403,480	(27,413)	(.3%)	9,299,730	9,299,730	-
27 Claims, Payments, and Reserves	2,571,491	1,210,000	1,361,491	112.5%	1,320,000	1,336,926	16,926
28 Facilities and Equipment Maintenance	6,376,113	6,649,829	(273,716)	(4.1%)	7,258,788	7,107,788	(151,000)
29 Utilities	2,351,833	2,399,463	(47,630)	(2.0%)	2,617,600	2,617,600	-
30 Maint & Services-Bldg & Other	1,039,186	1,432,773	(393,587)	(27.5%)	1,754,100	1,754,100	-
31							
32 <b>TOTAL DIRECT EXPENSE</b>	<b>129,880,224</b>	<b>133,049,069</b>	<b>(3,168,845)</b>	<b>(2.4%)</b>	<b>146,239,539</b>	<b>146,198,891</b>	<b>(40,648)</b>
33							
34 <b>ADMINISTRATIVE EXPENSE</b>							
35 Wages and Benefits	11,460,024	12,807,057	(1,347,033)	(10.5%)	13,809,330	13,532,312	(277,018)
36 Managing Agency Admin OH Cost	3,498,111	3,268,649	229,462	7.0%	3,565,453	3,565,453	-
37 Board of Directors	15,265	52,492	(37,227)	(70.9%)	57,275	57,275	-
38 Professional Services	6,549,612	8,592,917	(2,043,305)	(23.8%)	9,422,755	9,305,755	(117,000)
39 Communications and Marketing	222,134	370,084	(147,950)	(40.0%)	403,730	403,730	-
40 Other Office Expenses and Services	1,843,868	2,532,323	(688,455)	(27.2%)	2,762,496	2,956,896	194,400
41							
42 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>23,589,013</b>	<b>27,623,522</b>	<b>(4,034,509)</b>	<b>(14.6%)</b>	<b>30,021,039</b>	<b>29,821,421</b>	<b>(199,618)</b>
43							
44 <b>TOTAL OPERATING EXPENSE</b>	<b>153,469,238</b>	<b>160,672,591</b>	<b>(7,203,353)</b>	<b>(4.5%)</b>	<b>176,260,578</b>	<b>176,020,312</b>	<b>(240,266)</b>
45							
46 Governance	196,057	320,837	(124,780)	(38.9%)	350,000	350,000	-
47							
48 Debt Service Expense	2,148,349	2,366,606	(218,257)	(9.2%)	2,581,752	3,711,375	1,129,623
49							
50 <b>GRAND TOTAL EXPENSE</b>	<b>155,813,644</b>	<b>163,360,034</b>	<b>(7,546,390)</b>	<b>(4.6%)</b>	<b>179,192,330</b>	<b>180,081,687</b>	<b>889,357</b>
51							
52 <b>NET SURPLUS / (DEFICIT)</b>	<b>8,873,937</b>	<b>(5,644,590)</b>	<b>14,518,527</b>	<b>(257.2%)</b>	<b>(2,577,493)</b>	<b>1,615,655</b>	<b>4,193,148</b>
53							
54 <b>Draw from FY2022 surplus</b>	<b>-</b>				<b>2,577,493</b>	<b>-</b>	
55 <b>ADJUSTED NET SURPLUS / (DEFICIT)</b>	<b>8,873,937</b>				<b>-</b>	<b>1,615,655</b>	
56							
57 <b>Reserve, Beginning Balance</b>	<b>16,115,624</b>				<b>16,115,624</b>		
58 <b>FY23 Set aside</b>	<b>-</b>				<b>10,763,226</b>		
59 <b>Reserve, Ending Balance</b>	<b>16,115,624</b>				<b>26,878,850</b>		
60							
61 * Fuel and Lubricants costs were decreased by a realized gain of \$1,457,796 from the fuel hedge program.							



BOARD OF DIRECTORS 2023

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SHAMANN WALTON  
MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF MAY 31, 2023

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	2.993%	341,982	341,982
County Pool (Unrestricted)	Liquid Cash	2.555%	570,934	570,934
Other (Unrestricted)	Liquid Cash	4.630%	28,029,354	28,029,354
Other (Restricted) **	Liquid Cash	1.000%	38,991,455	38,991,455
			\$ 67,933,725	\$ 67,933,725

Interest Earnings for May 2023 \$ 217,849.54  
Cumulative Earnings FY2023 3,214,076.99

\* 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.

Forebox 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	May-23	FY2023 Total YTD
<b>REVENUE</b>																
OPERATIONS:																
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	506,616	5,760,150
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	1,582,029	14,535,865
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	10,273	55,025
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	336,450	3,102,738
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	59,603	638,488
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	1,333,826	15,478,171
total Farebox Revenue	102,668,114	76,094,433	32,439,915	33,236,357	3,561,691	4,219,387	3,979,245	3,883,466	3,642,288	3,209,018	3,022,027	3,219,058	3,566,123	3,439,337	3,828,797	39,570,438
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	1,333,826	15,478,171
Revenues without Go-Pass	79,738,978	56,389,061	6,702,382	17,899,182	2,144,573	2,803,551	2,547,114	2,421,274	2,163,021	1,718,342	1,688,090	1,887,054	2,087,539	2,136,740	2,494,971	24,092,267
<b>Tickets Sold</b>					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Total
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	70,309	726,064
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	154,163	189,835	1,776,678
Central	9,167	5,044	-	4,032	319	145	770	879	477	50	275	233	731	794	1,528	6,201
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	39,703	386,453
# of tickets sold (without go-pass)	6,428,546	4,753,251	766,525	2,368,904	285,548	309,759	303,329	297,666	254,891	194,815	226,228	224,453	249,394	247,938	301,375	2,895,396
<b>AVG Revenue Per Ticket</b>					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Total
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	\$ 7.21	\$ 7.93
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	\$ 8.33	\$ 8.18
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	\$ 6.72	\$ 8.87
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	\$ 8.47	\$ 8.03
Total	\$ 12.40	\$ 11.86	\$ 8.74	\$ 7.56	\$ 7.51	\$ 9.05	\$ 8.40	\$ 8.13	\$ 8.49	\$ 8.82	\$ 7.46	\$ 8.41	\$ 8.37	\$ 8.62	\$ 8.28	\$ 8.32

PENINSULA CORRIDOR JOINT POWERS BOARD							
July 2022 to May 2023						Annual Budget	
REVENUE	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	% of Budget
401400 (TVM)	16,496,391	10,602,627	1,996,747	5,913,954	5,760,150		
401410 (Clipper)	50,008,189	39,603,124	2,471,947	6,653,494	14,535,865		
401420 (Central)	40,434	42,569	-	34,298	55,025		
401430 (Mobile App)	4,162,826	5,669,514	638,873	2,398,808	3,102,738		
401500 (Gilroy)	1,748,610	1,531,864	149,932	367,557	638,488		
401700 (Go-Pass)	22,355,021	18,444,142	24,543,521	14,279,763	15,478,171		
total Farebox Revenue	94,811,471	75,893,840	29,801,021	29,647,874	39,570,438	46,411,000	85%
Less: Go-Pass							
401700 (Go-Pass)	22,355,021	18,444,142	24,543,521	14,279,762	15,478,171	16,260,000	95%
Revenues without Go-Pass	72,456,450	57,449,699	5,257,500	15,368,112	24,092,267	30,151,000	80%
<b>Tickets Sold</b>							
TVM	2,143,113	1,445,491	264,067	663,466	726,064		
Clipper	3,211,812	2,603,440	278,221	1,067,201	1,776,678		
Central	8,081	5,044	-	3,765	6,201		
Mobile	470,048	655,811	90,490	334,780	386,453		
# of tickets sold (without go-pass)	5,833,054	4,709,786	632,778	2,069,212	2,895,396		
<b>AVG Revenue Per Ticket</b>							
TVM	\$ 7.70	\$ 7.33	\$ 7.56	\$ 8.91	\$ 7.93		
Clipper	\$ 15.57	\$ 15.21	\$ 8.88	\$ 6.23	\$ 8.18		
Central	\$ 5.00	\$ 8.44	\$ -	\$ 9.11	\$ 8.87		
Mobile	\$ 8.86	\$ 8.65	\$ 7.06	\$ 7.17	\$ 8.03		
Total	\$ 12.42	\$ 12.20	\$ 8.31	\$ 7.43	\$ 8.32		



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee Name  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Deputy Chief, Caltrain Design & Construction  
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**

<input checked="" type="checkbox"/> Staff Coordinating Council Reviewed	<input type="checkbox"/> Finance Committee Recommendation	<input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation	<input type="checkbox"/> Advocacy and Major Projects Committee Recommendation
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**Purpose and Recommended 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, and renewed at its subsequent meetings on May 4, 2023 (Resolution 2023-23) and June 1, 2023 (Resolution 2023-38), 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.

**Discussion**

**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 storms had eroded the soil on the creek bank supporting the northern abutment of the Bridge. Further investigation showed that additional erosion resulting from future storms could undermine the abutment, bridge, and tracks.

Conditions Warranting an Emergency Declaration: The time required to obtain competitive bids would 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 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.

Legal Basis for Emergency Declaration: 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 subsequent meetings on May 4, 2023 (Resolution 2023-23) and June 1, 2023 (Resolution 2023-38). 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.

Actions Taken: To date, JPB staff has:

1. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during/after a storm.
2. Prepared and issued Work Directive Proposal Request packages to retain on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, designing the repair, estimating the cost of the proposed work, and providing construction management services, respectively.
3. Engaged the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the California Department of Fish and Wildlife to coordinate a unified approach to obtaining the necessary regulatory permits and approvals.
4. Received confirmation from the City of Menlo Park and the City of Palo Alto that both cities want the scope of the project to address erosion around city assets, in addition to JPB's rail bridge.
5. Produced a 15 percent design, draft 35 percent design, and final 35 percent design for the emergency restoration work.
6. Reduced the estimated cost of the project from \$10.4 million to \$5.3 million based on increasing clarity on the scope of the project and its design.
7. Selected Walsh Construction Company II, LLC to perform the repairs because Walsh has a crew onsite that specializes in emergency work and because of Walsh's experience on

JPB in-water construction projects, such as the Guadalupe River Bridge Replacement Project.

8. Met regularly with the City of Menlo Park, the City of Palo Alto, the San Francisquito Creek Joint Powers Authority, and Stanford University to coordinate the scope of the project and jointly review iterative design updates.
9. Met at the project site with the City of Menlo Park and the City of Palo Alto to review options for construction access and management of bicycle and pedestrian traffic.
10. Prepared and distributed a draft trilateral agreement between the JPB, the City of Menlo Park, and the City of Palo Alto.

Ongoing and Future Activities:

1. As the design of the project progresses, JPB staff will obtain independent cost estimates from consultants and the contractor. Iterative comparison of these estimates will provide clarity on cost expectations and assure fair and reasonable pricing.
2. JPB will enter into a trilateral agreement with the City of Menlo Park and the City of Palo Alto to define cost sharing arrangements and other responsibilities.
3. As JPB staff simultaneously prepares the construction contract, advances the design, and pursues construction permits, JPB staff will continue to evaluate the optimal use of construction incentives in the context of the project.
4. By awarding this contract through an emergency procurement instead of 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 work within the creek will be complete by October 15, 2023, and that all remaining work will be complete before the end of 2023.
5. JPB staff will report regularly to the Board regarding the status of the project.

**Budget Impact**

Staff intend to use contingency funds to support the emergency repairs. Project costs are expected to 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.

Prepared By:	Robert Barnard	Deputy Chief, Design & Construction	650.508.7783
	Mike Boomsma	Project Manager	808.208.2355

(00490076)

**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 2023-38 at its June 1, 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, so that 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 June 1, 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 would 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, on May 4, 2023, and on June 1, 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 3<sup>rd</sup> day of August, 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  
(00490075)



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Update on Stadler Contract Option and Rail Vehicle Acquisition**

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

**Purpose and Recommended Action**

This is an update to an informational item presented at the April 24, 2023, JPB Finance Committee meeting.

**Discussion**

**Vehicle Procurement Plan**

Caltrain has a vision to achieve a zero-emission corridor that will benefit our riders, communities, and the state. To make progress, there is an immediate opportunity to exercise an option to procure more zero-emission vehicles under an existing contract with Stadler associated with the Caltrain Electrification project.

The ability to use this option expires August 15, 2023.

The additional vehicles we plan to acquire are:

1. 4 EMU (electric multiple unit) trainsets to replace aging diesel trains and railcars
2. 1 expansion EMU trainset to support the Downtown Rail Extension (DTX) Project (The Portal)
3. 1 battery-equipped electric multiple unit (BEMU) trainset for a State demonstration pilot project testing zero-emission operations for non-electrified territories, such as Caltrain's service south of Tamien

Exercising this purchase option would result in savings of approximately \$150 million (M).

## Fleet Plan

By 2024, Caltrain will operate 28 trainsets:

- 19 EMU trainsets
- 9 diesel locomotive trains

This will provide a mix of electric and diesel service from San Francisco to/ from Tamien, support diesel service in the non-electrified Union Pacific Railroad-owned portion of the corridor and maintain sufficient spares.

By 2030, if additional vehicles can be procured as outlined, Caltrain would be operating 31 trainsets:

- 24 EMU trainsets
- 6 diesel locomotive trains
- 1 BEMU (for pilot)

This would allow Caltrain to provide sufficient service for the DTX project, complete a BEMU pilot project that could prove BEMU operations in non-electrified territories, and maintain sufficient spares.

Caltrain's ultimate goal is to have all diesel locomotives replaced by zero-emission vehicles. The timing of reaching this goal will be influenced by the outcome of the pilot project, timing of future corridor projects south of Tamien, and future service plans.

## **Budget Impact**

The following provides the funding approach to acquiring the vehicles as described above.

### 1. 4 EMU trainsets to replace aging diesel trains and railcars

The cost for 4 EMU trainsets with the Stadler option is approximately \$220M.

Caltrain requested that MTC program \$176M in FTA formula funds over 5 fiscal years (2023-2027), meeting the 80 percent federal share. The remaining 20 percent will need to be funded by local sources to be determined.

MTC funding for FY23 and FY24 totaling \$30.4M was approved by the MTC Programming and Allocation Committee on April 12, 2023, and approved by the full MTC Commission on April 26, 2023. Funding for the \$145.6M balance for FY25 - FY27 is pending MTC approval in future years. While future approvals are subject to formal action, our assessment of the risk is low due to past MTC practice.

The following table provides the estimated FTA formula and local funding needed for this procurement.

<b>4 EMU trainsets</b>	<b>Total</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>FTA Formula</b>	\$176M	\$12.8M	\$17.6M	\$63.2M	\$61.6M	\$20.8M
<b>Local</b>	\$44M	\$3.2M	\$4.4M	\$15.8M	\$15.4M	\$5.2M
<b>Total</b>	<b>\$220M</b>	<b>\$16M</b>	<b>\$22M</b>	<b>\$79M</b>	<b>\$77M</b>	<b>\$26.M</b>

*green indicates secured MTC funded \$30.4M*

Caltrain applied to FTA’s Rail Vehicle Replacement Program (a different funding source) for this effort, but Caltrain’s application was not chosen for award. As such, this arrangement with MTC is critical for this procurement to move forward.

2. 1 expansion EMU trainset to support the Downtown Rail Extension Project (The Portal)

The cost for 1 EMU trainset under the Stadler option is approximately \$55M.

Caltrain is requesting Transbay Joint Powers Authority (TJPA) include 1 EMU in its The Portal project scope and cost, and commit \$55M funding for the 1 EMU trainset to Caltrain. This EMU will increase service and ridership, thereby benefitting The Portal project.

Caltrain is continuing discussion and coordination with TJPA and TJPA has not yet made a decision on funding the 1 EMU. We will continue to work closely with TJPA staff and report back at the next Committee meeting.

3. 1 BEMU for a demonstration pilot project

The cost for 1 BEMU and associated project costs is approximately \$80M. Associated costs include potential station and maintenance shop modifications and support costs for design review, test and training.

A BEMU is a battery-equipped electrical multiple unit that can operate on non-electrified territory with zero-emission service. Caltrain has been working closely with the California State Transportation Agency (CalSTA) and Caltrans to pursue funding for a pilot BEMU project that would enable testing and demonstration of this rail technology. The Federal Railroad Administration has not yet vetted BEMUs for passenger use in the United States and would need an opportunity to test, review, and approve these vehicles for service. If proven successful, BEMUs could benefit Caltrain for service south of Tamien as well as other non-electrified properties in California. The testing area would be Tamien to Gilroy and Gilroy to Salinas.

Funding is sought from an appropriation in the FY22 state budget for zero-emission rail and transit demonstration projects. On June 14 2023, the California State Legislature approved a budget proposal redirecting CalSTA's zero-emission rail and transit demonstration projects appropriation to be allocated via formula to regional transit agencies. Caltrain is supportive of the legislature's prioritization of funding operating fiscal challenges faced by the state's public transit systems; however, funding such operating gaps with reallocated zero-emission project funding compromises funding for zero-emission projects including the BEMU pilot. Staff will continue to work with the legislature and the Governor's Office on a solution that preserves funding levels for flexible transit operating and capital funds while ensuring funds for this important zero-emission demonstration project are maintained.

Caltrain has already submitted project information and funding request materials to Caltrans for review. Staff coordination has been strong, and the funding request is expected to be considered at the August California Transportation Commission (CTC) meeting.

**Next Steps**

This is an informational item for today's meeting.

This item will be brought back for action at the July Finance Committee meeting, with updated information including staff recommendations. This item will be presented to the JPB at its August Board meeting.

These milestone meetings are significant as the ability to use the vehicle contract option expires August 15, 2023.

Prepared By:	Devon Ryan	Government & Community Affairs Officer	650-730-6172
	Lisha Mai	Manager, Grants and Fund Programming	650-508-6353

**Peninsula Corridor Joint Powers Board (PCJPB)**

**Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Nate Kramer, Chief People Officer  
Subject: **Update on Disadvantaged Business Enterprise Program**

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

This report is submitted for informational purposes only. It provides the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) a status update on recent developments related to the Disadvantaged Business Enterprise (DBE) Program, including updated goals for the current three-year period and a description of ongoing outreach efforts to increase DBE participation.

**Discussion**

U.S. Department of Transportation (DOT) regulations, found in Title 49 of the Code of Federal Regulations Part 26, require Federal Transit Administration (FTA) grantees to establish a DBE Program and three-year DBE goals for all projects receiving FTA assistance.

In September 2022, Office of Civil Rights (OCR) staff recommended, and the Board approved, a DBE goal setting methodology for Federal Fiscal Years (FFY) 2023-25. Subsequently, FTA requested clarification of the JPB’s DBE goals, which have been re-examined and revised accordingly as further described below. This mid-year update on the DBE Program covers the FTA-requested resubmittal as well as a shortfall analysis for FFY 2022.

**Budget Impact**

The revisions to DBE Program goals will have no impact on the budget.

## **Background**

In September 2022, the Board approved a three-year overall DBE goal of 13.58% for FTA-assisted contracts for FFY 2023-25, in accordance with the USDOT regulations. At the time, staff determined that the proposed goal of 13.58% could be achieved using both race/gender neutral (7%) and race/gender conscious means (6.58%). The goal was submitted to the FTA for approval by the September 30, 2022, submission deadline.

On October 3, 2022, the Region IX FTA Office of Civil Rights Coordinator contacted District OCR staff with questions concerning the evaluation of median participation in determining the goal. Further, they requested clarification regarding the race/gender neutral and race/gender conscious goal split. The FTA informed OCR staff that they would be unable to issue a Concurrence Letter without additional details and calculations. An extension was given to OCR staff to provide additional details and to re-examine opportunities for any changes in the goal. The FTA did not require additional Board approval or an additional Stakeholder meeting.

On November 22, 2022, a new Goal Determination Document (Attachment 1) was sent to the Region IX FTA Coordinator with a proposed overall DBE goal of 12.8%, consisting of a race/gender neutral goal of 7% and race/gender conscious goal of 5.8%. FTA provided a Concurrence Letter for the updated three-year DBE goal on November 28, 2022.

## **Goal Determination**

Two changes were significant in calculating the new goal, the Step 1 Base Figure calculation, and the Base Figure adjustment.

First, staff reviewed the Step 1 Base Figure Calculation and provided an updated calculation of DBE availability from the three-county market area using the California Unified Certification Program Database (<https://ucp.dot.ca.gov/>).<sup>1</sup> This increased the DBE availability from the previous 1.82% Base Figure to 14.58% Base Figure. Several additional DBEs were identified with this new database. Staff also used the most recent 2022 U.S. Census Bureau's County Business Patterns (CBP) database (<https://data.census.gov/>) to obtain the number of all firms (DBEs and non-DBEs) ready, willing, and able to bid for the FTA-assisted contracts.

Second, staff used FTA guidance to adjust the base figure to arrive at the overall goal. As per FTA's DBE Contract Goal Setting submission guidelines<sup>2</sup>, staff determined that past participation was the best indication for adjustment. The FTA Regional Civil Rights Coordinator advised that

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<sup>1</sup> Previous search used the Caltrans Database which was determined to be out of date.

<sup>2</sup> <https://www.transportation.gov/sites/dot.gov/files/2022-03/DBE%20Contract%20Goal%20Setting%20508.pdf>

too much of a gap in the data had passed since the completion of the 2017 disparity study<sup>3</sup> to be relevant to the goal determination.

The updated past participation was calculated looking at previously submitted semi-annual FTA reports that calculated the overall dollars spent for FFY 2019-2021. In the initial calculation, percentages were pulled from quarterly achievement reports that provided an incomplete result in goal achievement by not including complete annual data.

To address the FTA's question regarding the race/gender neutral and race/gender conscious split, staff reviewed the race/gender neutral accomplishments from FFY 2019-2021 and then calculated the median past participation at 11.03%.

The final Adjustment of the Step 1 Base Figure is the average of the Median of the actual participation for the last three years 2019-2021, which is 11.03% and the Step 1 base figure of 14.56%.

Therefore, Step 2 Adjusted Overall Goal =  $(11.03\% + 14.56\%) / 2 = 12.8\%$ .

### **Race/Gender Neutral and Race/Gender Conscious Split**

The race/gender neutral goal remained at 7% while the new race/gender conscious goal is at 5.8%. In the past six years, Caltrain has not been able to meet its overall goal due to the heavy rail specific construction and the limited sub-contracting opportunities from TASI. For example, janitorial services or station cleaning are often sub-contracted to DBEs by other agencies such as BART and VTA. However, these services, among many others, are completed by TASI. The specialized work associated with Caltrain projects creates a challenge finding certified DBEs. Moreover, for non-heavy rail specific work, Caltrain remains in constant competition for contractors, electricians, engineers, along with other professional services firms.

In addition, only six of the 332 FTA funded contracts issued between 2016-2021 had race/gender conscious goals. For calculating the race/gender neutral goal, OCR staff used the goal achievement numbers for 2020 and 2021, during which Caltrain exceeded its race/gender neutral goal of 6.50% by 5.00% and 6.00%, respectively. The FTA has recommended that this can be used as the basis of estimating similar race/gender neutral participation in the upcoming funding cycle. The remainder will be achieved by placing contract goals on specific contracts to attain the 5.8% allocated to the race/gender conscious goal. OCR works with the Contracts and Procurement (C&P) department to identify projects where that contain opportunities to add or increase contract specific goals to meet the overall DBE goal for the program. The CEMOF Facility Improvements for PCEP, along with the Delaware Street Storm Drain Relocation Projects are examples of projects with contract specific goals.

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<sup>3</sup> Completion of the study was in 2017 with the report being publishes in 2018.

**FFY 2022 Shortfall**

The combined FTA dollar share of awards and commitments for FFY 2022 was \$21,067,322. The total amounts of race/gender neutral and race/gender conscious dollars awarded were \$2,267,829 and \$147,948, respectively. The breakdown for goals is as follows:



FY22 DBE Goals	Goal Percentage	Achievement	Shortfall
Overall	13.50%	11.47%	2.03%
Race/Gender Neutral	6.50%	10.76%	0.00%
Race/Gender Conscious	7.00%	0.70%	6.30%

*Note: Numbers may not add up due to rounding.*

Staff submitted a Shortfall Analysis to the FTA on December 22, 2022, highlighting challenges and methods to increase goal participation including increased oversight of contracts, adding work codes, and adding contract specific goals.

### **Six Month Update and Plan Forward**

With the hiring of a new DBE Administrator in September 2022, the past six months have been focused on refining and updating OCR processes and procedures, including reviewing, and revising contract templates. These measures assist OCR in streamlining DBE certification determinations, along with monitoring federal contracts. Both actions are vital to remaining compliant with the requirements outlined in the federal regulations. OCR has also recommended contract specific goals for PCEP and Rail projects. Contract specific goals are race conscious measures that will increase the overall goal and race conscious goal.

Previously due to limited staff, OCR was challenged to maintain DBE monitoring and compliance. OCR staff have now fully implemented the B2GNow Database. B2GNow is a supplier diversity management software solution which streamlines and automates data-gathering, tracking, reporting, vendor management, and administrative processes. The various modules allow staff to better increase goal participation, increase the number of DBEs, and ensure compliance. Staff can better assist DBE certified firms by reducing processing time for DBE applications, renewals, and change. This allows OCR staff to better identify and outreach to DBEs that may be eligible for JPB Projects and increase the number of DBEs for the region.

B2GNow is a benefit to Caltrain and streamlines the reporting process for contractors and subcontractors. Once a contractor creates a profile in the system, many questions and concerns can be addressed immediately. B2GNow updates contract changes and requests, along with payments received and dispersed in real time. These features allow primes and subcontractors the ability to monitor contracts through their individual portals. B2GNow allows OCR to monitor certifications and contracts, along with the ability to respond with solutions immediately. Because OCR can generate numerous reports instantly, along with the system capability of saving all data, requests, and online communications permanently, B2GNow offers OCR another tool to provide excellent customer service.

The B2GNow Outreach module will increase visibility of Caltrain projects. This module allows OCR to reach more DBEs and contractors. Most recently, OCR used the Outreach module to advertise the Next Generation Visual Message Signs (NGVMS) project. Staff contacted over 560 primes and subcontractors, along with providing a presentation and overview of the project. OCR identified firms, who held the required license to perform work, and who may have interest in bidding on the project. Additionally, the outreach module allows OCR to contact DBE firms, who hold licenses for specialized work identified in projects. This gives DBEs the opportunity to review work associated with the project and encourages bidding.

The Outreach Module complements the in-person outreach staff has planned for 2023 with the Business Outreach Committee (BOC). The BOC is a consortium of Bay Area Transit and transportation agencies who work together to assist DBEs through training, technical assistance, and contracting opportunities. As a member of the BOC, OCR can advertise upcoming projects to contractors and DBEs throughout the state of California. BOC events allows OCR to garner more participation through networking, procurement seminars, and meet the prime presentations, which levels the playing field for DBEs. These events will allow Caltrain staff to present on projects suitable for DBE participation.

**FTA Semi-Annual Report Data**

Caltrain will submit its Semi-Annual Report on June 30, 2023, to the FTA on the progress of DBE payments and goal achievements. The report covers the progress of DBE payments and goals for October 1, 2023 – March 31, 2023.

	Total Award	DBE Award	DBE Goal	DBE % Attained
Total	14,422,120.91	1,249,450.13	1,846,031.48	8.66%

The report will also include the number of DBEs participating on projects and breakdown of race and gender information on contracts during the reporting period. This information is vital to ensuring Caltrain is on track to meet or exceed our DBE goal.

OCR has also recently hired a Civil Rights Manager to focus on DBE goal monitoring and Labor Compliance. The assessment of the DBE work emphasizes breadth of the work with not only compliance and monitoring of contracts, but the active participation in goal achievement.

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