

**Peninsula Corridor Joint Powers Board  
Finance Committee  
1250 San Carlos Avenue, San Carlos, CA 94070  
Minutes of July 24, 2023**

**Members Present:** Raymond Mueller, Monique Zmuda (Chair)

**Member via  
Teleconference:** Devora “Dev” Davis (Vice Chair)

**Members Absent:** None

**Staff Present:** R. Barnard, M. Bouchard, A. Burnett (Bell Burnett & Associates), D. Chazan, J. Chen, B. Fitzpatrick, N. Fogarty, J. Harrison, R. Hinchman, D. Hudacek (Sares Regis Group), K. Kelly, L. Mai, D. Seamans, M. Tseng

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

Chair 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**

Aleta Dupree said she was looking forward to seeing electrified trains operating in San Carlos soon.

Adrian Brandt commented on receiving fare evasion and citations issued statistics during the Citizens Advisory Committee (CAC) meeting and was concerned that 24 out of 25 fare evaders were not cited. He said he was disappointed that four-car trainsets were operating during the Pride event when CAC members requested longer trains, and it resulted in overcrowded trains.

**4. Consent Calendar**

**4.a. Meeting Minutes of May 24, 2023**

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

**5. Information on Statement of Revenues and Expenses for the Period Ended June 30, 2023**

Jeannie Chen, Acting Director of Accounting, provided a report that included the following:

- Staff still working on year-end close and the audit is expected to be finished by late October
- FY (fiscal year) 2023 audited financial statement will be available at the September 25th meeting

## 6. Award of Contract for Next Generation Visual Message Signs Project

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

- Project bid during the FY24-25 budget cycle and structured with a base bid and two options
- Approximately two years to fully complete project

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

- SFCTA (San Francisco County Transportation Authority) contract funding - expended most funds in FY24, \$2.4 million in FY25, \$1.2 million will finish base work and option one, and \$2.4 million will cover option two with progress payments made at certain milestones
- Contract does not include any incentives, such as for early completion

### Public comment

Aleta Dupree expressed interest in seeing the new signs, questioned their resilience in the sun, and said the signs at Fourth and King station are easier to read because of the bold letters and numbers.

Adina Levin commented whether the scope of the project was similar to signs at Millbrae BART (Bay Area Rapid Transit) or Fourth and King station where signs show services for more than one agency.

Adrian Brandt commented to mute when others are speaking to prevent echoing, moving the contract forward, disappointment that there were no incentives for early completion, and Redwood City station signs showed incorrect information.

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

## 7. Award of Contract for 2023 Grade Crossing Improvements Project

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

- Right of way rail project at Churchill Avenue in City of Palo Alto - Stacy Witbeck, Inc. and TASI (TransitAmerica Services, Inc.) coordinating and to add additional traffic signal preemption work
- City of San Mateo contract at Fourth and Fifth Avenues for rail right-of-way work - TASI to install new grade crossing with exhibits, and other signal equipment

The Committee Members had a discussion and staff provided further clarification in response to the Committee's comments and questions, which included the low bid process, in-house signal sources, funding, and past experience with Stacy Witbeck.

### Public comment

Adrian Brandt commented on displaying presentations full screen, cars frequently getting stuck on tracks and sometimes resulting in vehicle strikes, and recommended better lighting for projects.

Motion/Second: Davis/Mueller  
Ayes: Mueller, Davis, Zmuda  
Noes: None  
Absent: None

**8. Approve Ground Lease Amendment with HPS-San Mateo, LLC\***

Nadine Fogarty, Deputy Director TOD (Transit-Oriented Development) and Real Estate, Brian Fitzpatrick, Director of Real Estate, and Drew Hudacek, Sares Regis Group (developer), provided the presentation that included the following:

- The lease has a provision to terminate the ground lease by September 2023 if not financed
- Ground lease rents step up over time and rents based on the percentage of income during the regular term
- Amendment provision allows adjustment of rents based on the consumer price index (CPI)

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

- Under amendment at the time of extension, rents to adjust according to previous six month's CPI and to continuously factor it in at six months increments for each extension
- Adjustments occur only during the preliminary term

Motion/Second with amendment to update the Committee if there is an extension or at every decision: Davis/Mueller  
Ayes: Mueller, Davis, Zmuda  
Noes: None  
Absent: None

Ms. Bouchard confirmed staff will continue to monitor local activity regarding TOD and provide reports as directed in the amended motion by the Committee.

**9. Approve and Ratify Fiscal Year 2024 Insurance Program**

Kathleen Kelly, Interim Chief Financial Officer, noted this was an annual item. Ryan Hinchman, Director of Financial Planning and Analysis, provided the presentation that included the following:

- FELA (Federal Employers Liability Act) coverage increased from \$50 million to \$100 million
- SIR (self-insured retention) functions like a deductible, increased from \$500,000 to \$1 million
- 40 percent increase in property insurance due to increase in property value year-over-year

Motion/Second: Mueller/Davis  
Ayes: Mueller, Davis, Zmuda  
Noes: None  
Absent: None

**10. Amendment No. 1 to MOU with Prologis for the Railyards Preliminary Business Case\***

Dahlia Chazan, Deputy Chief of Planning, provided the presentation that included the following:

- Memorandum of Understanding (MOU) to jointly advance a preliminary business case and intended for collaboration efforts and of mutual benefit for both parties

- Mutually agreed on the importance of phasing and evaluate options from the perspective of what if the first phase of each of these options lasted for a long time

Public comment

Aleta Dupree commented that the concept needs to be explored and referenced New York City with its large comprehensive TODs with residential development over them.

Adrian Brandt stated all presentations be displayed in full screen.

The Committee Members had a discussion and staff provided further clarification in response to the Committee's comments and questions, which included when was the two-year mark for the MOU and the recollectable budget details to be presented at the full Board meeting.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

**11. Authorize the Executive Director to Execute an Interim Agreement Between the Transbay Joint Powers Authority (TJPA) and the Peninsula Corridor Joint Powers Board to Support Advancement of the San Francisco Downtown Rail Extension (DTX) Project\*\***

Dahlia Chazan, Deputy Chief of Planning, provided the presentation that included working together with TJPA on the required enabling work at the Fourth and King railyard and developing a more comprehensive agreement and approach to that yard

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

- \$5 million to be expended over the year and the largest dollar amount is for consultant support
- Contractor familiar with the TJPA and has been working on project for several years
- Bring on board new staff for the project development team and the challenge to find and retain experienced staff to work for Caltrain directly and represent Caltrain on the DTX project.

Public comment

Aleta Dupree spoke in support of the project, first spoke about project at TJPA in 2010, and referenced New York City's Grand Central Madison Terminal providing regional connectivity.

Motion/Second: Davis/ Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

**12. Approve Execution of Stadler Electric Multiple Unit Option and Funding Plan\***

Ms. Bouchard noted that staff has secured beneficial pricing from Stadler for option cars related to the existing contract. Staff working to include the train set in the project description for TJPA and finding the best cost-effective way to secure the expansion train set for maximum service. Lisha Mai, Manager for Grants and Fund Programming, provided the presentation that included the following:

- Replacement of all 29 Diesel locomotive fleets with EMUs (electric multiple units) operating between San Francisco and San Jose and operation of zero-emission vehicles south of San Jose
- Mixed service with 19 seven-car EMU trains and nine diesel locomotives in Fall 2024
- Battery EMU design will operate and charge on the overhead power of the electrified corridor and then travel off wire on battery power between San Jose and Gilroy
- Delivery of first two EMUs in mid-2026, remaining two by early 2027, and the battery EMU (BEMU) expected in 2028
- Funding already in place when previously approved and no budget amendment needed

Public comment

Aleta Dupree referenced Long Island's plan for a BEMU and supported BEMUs.

Adrian Brandt commented that BEMUs are already widely used in Europe, Stadler has the world record for BEMUs, and referenced Europe using shorter EMU trainsets.

Motion/Second: Davis/ Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

**13. Update on Energy Procurement Strategy for Caltrain Electrification**

Ms. Bouchard noted that the Board discussed Caltrain's financial strategic plan earlier in the year, focused on opportunities for procuring electricity for its future electrified system, and being on track for revenue service in September 2024. Alex Burnett, financial strategy consultant with Bell Burnett & Associates, provided the presentation that included the following:

- Highly volatile electricity costs rose 67 percent with significant uncertainties on electricity needs
- Determine the makeup and the nature of the energy - how green is that energy, what are the trade-offs, and buying green energy if there is a greater benefit
- Need detailed load profile, show the aggregated demand and energy, look at the different alternatives from any of the energy providers and the tradeoffs with CARB (California Air Resources Board) based on an agreed upon service
- Capture the benefit of regenerative braking, which could provide as much as 50 percent of the energy that can be returned to the system

Ms. Bouchard noted BART has two FTE (full-time equivalent) responsible for this function and Caltrain has input those positions into the ordinance for this year for job description development and future hiring.

Public comment

Aleta Dupree commented on the ability to look into other systems to see what they are doing and referenced BART.

Adina Levin recommended working with partners, such as Community Choice Energy Providers and BART.

Adrian Brant commented on being pleased with looking into working with the community choice aggregators, hopeful for collaboration with SFPUC (San Francisco Public Utilities Commission) and expressed concerns with running maximum train lengths with seven-car EMUs.

**14. Draft 2023 Fare Change Recommendations** - Deferred due to time constraints. Ms. Bouchard said the purpose of the item was to solicit comments, questions, and recommended reviewing the packet materials.

**15. Committee Member Requests** - There were none

**16. Date/Time of Next Regular Finance Committee Meeting:** August 28, 2023 at 2:30 pm.

**17. Adjourn** - The meeting adjourned at 4:33 pm