

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

Minutes of November 27, 2023

Members Present: Ray Mueller, Monique Zmuda (Chair)
**Members via
Teleconference:** Devora “Dev” Davis (Vice Chair)
Members Absent: None
Staff Present: James Harrison, Kate Jordan Steiner, Graham Rogers, Dora Seamans,
Annie To, Margaret Tseng, Kevin Yin

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

There were none.

4. Consent Calendar

4.a. Meeting Minutes of October 23, 2023

4.b. Approval of the 2024 JPB Finance Committee Meeting Calendar

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

5. 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

James Harrison, General Counsel, provided a presentation that included the following:

- Permanent repair plan will involve work to address the integrity of the railroad bridge, erosion around the drain outfall, and the bicycle and pedestrian bridge
- There was a narrow window to do temporary repair work while the creek bed was dry
- Executive Director declared the emergency on November 18th as rain was anticipated and there was an opportunity to get the work done before the Thanksgiving holiday

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

- Progress made with State Historic Preservation Officer
- Permanent repair work cannot commence before June 15th and clarification on when the issue becomes urgent
- Ensure Army Corp of Engineers conduct site visit and understand cause of the delays
- Talking with delegations is helpful to get things prioritized; delegations deserve to know how long it has been and the consequences of the delays
- Army Corp of Engineers can issue the permit retroactively due to the emergency nature of work that needs to be undertaken

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

6. Accept Statement of Revenues and Expenses for the Period Ended October 31, 2023

Annie To, Director of Accounting, provided a report that included the following:

- As of October 2023, year-to-date revenue was \$68 million as compared to the adopted budget of \$66 million; increase primarily due to the increase in Measure RR revenue
- Expenses were a total of \$60 million as compared to adopted expense budget of \$65 million; decrease primarily due to the reduction in rail operators, services, wages and benefits, professional services fuel, and lubricants, and partially offset by the increase in claims, payments, and reserves

Director Zmuda inquired when positive figures are applied to year-end close. Ms. To indicated that it depends on expenditures towards the end of fiscal year. The finance and accounting team continues to accrue expenses and monitor revenues very closely and will report any significant variances as the year progresses.

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

7. Chief Financial Officer (CFO) Report for Fiscal Year 2023 and Fiscal Year 2024 Quarter 1

Kate Jordan Steiner, Chief Financial Officer, provided a presentation with a high-level overview that included the following:

- Closed FY (fiscal year) 23 favorable to budget by \$11 million dollars partially offset by a \$3.6 million below budget fare revenue due to delays in ridership recovery, service changes, and interruptions to complete electrification

- Expenses was \$3 million lower than the budget primarily due to decreased spending on wages and benefits, professional services, security services, fuel and lubricants, and other expenses; these decreases were partially offset by increases in insurance related costs and debt service
- Potential budget amendments may include cost for TASI (TransitAmerica Services, Inc.) electrification, activation, and administration
- Reminder that next FY24-25 will be the first two-year budget and future amendment to go before the Board next summer or fall

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

- Reserve policy review timeline and how much of \$11 million is used to shore up reserves
- Analysis and modeling needed for FY25 given uncertainty of future electrification operation and maintenance costs
- Plan for future amendment to capture what electrified maintenance will be and address costs as move into revenue service
- Interested in a cost range to allow for problem-solving in advance and costs may go up and down depending on the revenue received
- Graham Rogers, Business Operations Project Manager, noted that the baseline model will be available early next year and staff would return with an update

8. Award of Contract for On-Call Alternative Project Delivery Negotiation Support Services*
Andrew Robbins, Director of Capital Program Delivery, provided a presentation that included the following:

- Projects overlapping necessitate the need for additional support
- Seeking the support of an experienced on-call consultant for independent cost estimating, focused on construction support in the negotiation of the total contract price with the contractor, support in the further development of the project risk register and risk allocation and mitigation plan, support in developing contractor incentives, and review comment and validation of the contractor's construction work planning

Director Zmuda confirmed with staff that funding from existing project budgets and there was no need for additional approvals of those contracts. Mr. Robbins noted that some services covered by another consultant and intends to replace services with new firm.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

9. Increase Contract Capacity for (3) On-Call Environmental Planning, Permitting, and Support Services Contracts 19-J-P-072A, B, and C

Hilda Lefebvre, Deputy Director of Program Management and Environmental Compliance, provided a presentation which included the following:

- The initial 2019 contract authority estimates are now insufficient to address the ongoing anticipated and unanticipated projects with about 5 percent remaining of the contract capacity through the end of the base term, which is November 2024
- Increasing the contract capacity will not obligate purchase of any specific services because the work will be done in a work directive basis as the project needs arises
- Performance has been satisfactory and increase needed to maintain uninterrupted service, support for capital projects, compliance efforts, rehabilitation programs, and emergency repairs

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

- Emergency asset repairs to additional projects, included capital projects with additional environmental regulations compliance, resulted in exceeding planned expenses
- Clarification on contract terms and increase dollar amount from \$7 million to \$9 million
- Interested in what the total spend under the contract has been for each firm, including what projects each firm undertook. Kevin Yin, Director of Contracts and Procurement, stated a little over \$2 million dollars was spent for the three firms in the past four years
- Concerns with each capital spend average and how many hours were put in
- Funding resource for additional dollars from \$7 million to 9 million
- What projects were expected to cost/budgeted and what they are actually costing

Motion/Second Director Davis to amend staff recommendation as stated to provide additional information on how much was paid to each firm, what projects they worked on, the average amount of environmental expenses per capital project, and identify for each individual project what was budgeted and what was built for each project, seconded by Director Mueller.

Ayes: Mueller, Davis, Zmuda

Noes: None

Absent: None

10. Committee Member Requests - There were none.

11. Date/Time of Next Regular Finance Committee Meeting: December 18, 2023 at 2:30 pm

12. Adjourn - The meeting adjourned at 3:36 pm.