

**CITIZENS ADVISORY COMMITTEE (CAC)
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)
SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF MARCH 20, 2024

MEMBERS PRESENT: D. Albohm, A. Brandt, P. Leung (arrived at 5:57 pm), A. Lohe, S. Seebart, J. Torres, B. Shaw (Chair)

MEMBERS ABSENT: L. Klein, R. Kutler, D. Hernandez (Alternate), R. Jaques (Alternate), M. Pagee (Alternate)

STAFF PRESENT: A. Burnett (Bell, Burnett & Associates), J. Hogan, R. Nielsen (Brown Armstrong Accountancy Corporation), S. Sargent, D. Seamans, D. Sustain, A. To

Chair Brian Shaw called the meeting to order at 5:41 pm and led the Pledge of Allegiance. There were no committee members' requests to participate remotely due to emergency circumstances.

APPROVAL OF MEETING MINUTES OF February 21, 2024

Motion/Second: Seebart/Brandt

Ayes: Albohm, Brandt, Lohe, Seebart, Torres, Shaw

Noes: None

Absent: Klein, Kutler, Leung, ,

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Jeff Carter commented on YouTube drone videos on the new EMUs (electric multiple units) being tested, seeing more system testing, and having more ridership data available online.

CHAIRPERSON'S REPORT

Chair Shaw said Caltrain will be looking at a tree policy in April and John Hogan, Chief Operating Officer, would provide an overview in his staff report and an overview of tree maintenance on the agenda next month. He noted that Committee Member Klein had submitted his resignation earlier today and noted that Mr. Klein serves as Mayor of Sunnyvale and expressed appreciation and thanks for his many efforts and service on the CAC.

PUBLIC HEARING ON THE ANNUAL AUDIT OF MEASURE RR TAX REVENUE AND EXPENDITURES FOR FISCAL YEAR ENDED JUNE 30, 2023

a) Open Public Hearing – Chair Shaw opened the public hearing at 5:50 pm

b) Staff Report

Annie To, Accounting Director, and Danny Susantin, Manager, Financial Reporting, noted that the Measure RR audit went smoothly with the auditor providing a modified or clean opinion. Ryan Nielsen, Engagement Partner, Brown Armstrong Accountancy Corporation, provided the presentation on the scope and results of the audit, which included the following:

- Financial statements presented fairly in all material respects as of June 30, 2023, with internal controls and ensured funds are spent in compliance with the Measure RR
- Annual audit to ensure reasonably free from material misstatements, identified and assessed higher risk areas, and gained an understanding of the internal control systems
- Evaluated the appropriateness of accounting policies used and the reasonableness of any significant accounting estimates made, and issued the highest (unmodified) opinion

The Committee's comments, questions, and clarifications with staff included the following:

- Reflected only Measure RR funding and expenses projects during the past fiscal year
- During the year there was a \$73 million loss with higher expenditures than revenues
- Planning begins in May, audit from fall to December, and then break out Measure RR items
- Requested for audit presentation done earlier in the year in the future
- Missing Member Agency contributions (San Francisco, San Mateo, and Santa Clara counties)

c) Public Comment

Jeff Carter commented on missing member agencies' contributions and opined that since contributions are made to BART (Bay Area Rapid Transit), it seems unfair to not also have contributions to Caltrain.

d) Close Public Hearing – Chair Shaw closed the public hearing.

e) ~~Board~~ Committee Discussion

Staff are working on report production for future approval and asked for report acceptance.

Motion to accept receipt of the report/Second: Seebart/Torres

Ayes: Albohm, Brandt, Lohe, Seebart, Torres, Shaw

Noes: None

Absent: Klein, Kutler, Leung

STRATEGIC FINANCIAL PLAN (ALEX BURNETT – BELL, BURNETT & ASSOCIATES)

Alex Burnett, Bell, Burnett & Associates, provided the presentation, which included the following:

- Recent ridership statistics - recent growth from a relatively small base with some declines that can be attributed to electrification, bus bridges and expected service interruptions
- Caltrain has been the slowest to recover in comparison to other Bay Area transit agencies
- Reviewed financial assumptions that included the operating deficit and funding sources
- Electrification – assumed a one-time bump of 20 percent and predicated on increased amenities, faster service, and better trains, and thereafter a yearly 10 percent increase
- Historically one of the strongest transit agencies for farebox recovery (over 70 percent of the budget in 2019); Measure RR now accounts for 62 percent and farebox at 22 percent
- Current baseline assumption at 104 trains per day is below what was agreed upon in the full funding grant agreement with the FTA (Federal Transit Administration). Waiver received to

continue to provide the current level of service; projected to continue with 104 trains for the next five years, and then step up to the 128 trains by fiscal year 2031

- Single biggest cost is for labor and materials operations, then electricity – increasing over time as opposed Measure RR funds, likely to only to grow 2.5 percent
- Electric costs include supply and delivery costs; looking at community choice aggregation programs, Peninsula Clean Energy and San Jose Clean Energy, and delivery through PG&E (Pacific Gas and Electric)
- \$575 million deficit between now and FY (fiscal year) 2033; no deficit shown for two years due to significant one-time money being invested back to offset operating costs (\$60 million from Measure RR versus state reimbursement)
- Clarified in 2021, the Member agencies gave \$28 million for operations, and still contribute towards capital needed for state of good repair
- If ridership grew by at least 20 percent per year, by 2031-2032, Caltrain could be back to where it needed to be; if assumed 10 percent yearly increase with 50,000 riders, it would only cover 70 percent of the budget out of farebox and Measure RR
- Next steps to deliver electrification, focus on service, build ridership and farebox revenue; the funding strategy is multifaceted with very long lead times in years
- Geographic trends around transportation in the Bay Area; the San Francisco terminus is a challenge post COVID; long-term fare assumption is about 2 percent growth per year
- How to grow Go Pass and related to broader regional discussion around Bay Pass
- Expenses growing at about 8 percent per year and revenues at about 5 percent
- FTA may extend the waiver on service only if needed should ridership not recover enough
- Agencies that recovered the most are those with riders that have to work in office
- Energy strategy is an immediate priority; working on effective and needed agreements for September service; energy procurement (renewable or energy storage projects), partnering with other(s), and looking for additional, creative, or alternative funding
- Opportunities to procure the electricity as cheaply as possible and looking at other electric systems as models for possible costs (such as Denver, Colorado)
- Concentrate on being successful in September; moved 19 train cars up to Petaluma; had good short-circuit testing; had the right schedule with doubling trains on the weekend and running trains during the week – monitoring how things work and reacting appropriately

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

- Trains overstaffed as compared to other systems around the world, the same double-deck equipment, and roving fare inspectors – which are controllable expenses.
- Supported exploring Stadler's European systems that have a button on the outside of every door for users to push and then the train operator enables the door(s) to open which saves on air conditioning costs and level boarding to allow people to roll on and off as needed
- Solar energy, capital/storage costs, and the wholesale rate; noted the braking energy going from one train to the other through the catenary and the potential for energy savings, shorter trains should be used for less energy costs during off peak

- Speak with Congressional Office and looking into infrastructure and inclusion now; different ridership during midday and frequency of train service at stations; broad outreach to communities; ideas for restructuring Go Pass (such as a tiered or co-pass program); last mile shuttles; increasing weekend service from 32 to 66 or 64 trains; frequency drives ridership
- Speed increases the energy use; some high-speed rail systems reduced miles per hour for energy savings; frequency is more important than going as fast as possible; encouraged running tests; and trains are comparatively over powered
- Concerned with flat spots, trains out of service, and braking
- Need for discussion on electricity, diesel, and labor contracts costs given a billion dollars of accumulated deficit; consider different ways trains can and should be operated, powered, and cheaper to operate
- Staff is trying to negotiate a special green tariff (renewable and zero carbon content) and maximize revenue opportunity for tax credits; confirmed over lifecycle, invariably cheaper to run, but trains use a lot more electricity than buses
- Need to better educate people that electric trains will be quieter, cleaner but not cheaper to run; current constraints and impacts of getting people back into office; and, simplify the multifaceted strategy to help educate
- Amount of energy used directly proportional to weight of trains moving; example of seeing just 16-20 riders at night that could have fit into one car versus running 7 EMU cars; prioritize running fewer train cars off-peak (right-size), avoid needless acceleration and braking; buy 3-car train sets or figure out ways around it which may take years but long term, but smaller trains off-peak costs less
- Staff noted that the request to buy new trains or reconfigure/cut the train sets into smaller sets would be quite complicated given the FTA agreement and required FTA forms to explain any discrepancies, such as trains out of service, and how train sets are powered
- Commuter rail mindset, wanting regional transit, building for what is needed, capital and operating dollars are different, and having shorter trains/FLIRTs (Fast Light Intercity and Regional Trains) and KISS (Komfortabler Innovativer Spurtstarker S-Bahn-Zug meaning comfortable, innovative, sprint-capable suburban train)
- More frequency to get on the train; favored another plan to right-size operations (supply, equipment, labor contracts, and staffing)

Public Comment

Doug Delong, Mountain View, commented on the effects of COVID, and when Highway 101 opened up two more lanes, ridership went from 1,200 riders to 300 a day. He noted correlations between congested freeways and ridership and sending train cars up to Petaluma.

Jeff Carter supported shorter trains, crewing efficiencies, and transit funding has been poor compared to funding for airports and roads. He commented on electricity costs and real time data and supported employers buying monthly passes and to give out to employees at a discount rate as an alternative to Go Pass.

CMF commented on expanding ridership, Caltrain not being overstaffed, interested in a study on ridership versus 101 traffic, transit analysis to optimize, and noted online results seldom provide Caltrain nor commute.org as options.

A Committee Member noted the new 101 express lane to 380 as competition to Caltrain and he uses to go to San Francisco in the evenings due to poor service. He said BART ridership is down to 42 percent from pre-pandemic levels.

9. Staff Report (John Hogan)

a) Customer Experience Task Force Update

b) JPB CAC Work Plan Update

- Tree Policy
- HSR Update (Sam Sargent) - taken out of order first

Sam Sargent, Director, Strategy and Policy, provided an update that included the following: High-Speed Rail released 2024 draft business plan with formal comment ending April 8; continued need for close coordination on grant opportunities and cost estimations (particularly in Northern California), and ensured mutual understanding and coordination for large post electrification projects and service planning. Creation of Joint Technical Committee currently meets on a bi-monthly basis.

A Member spoke in support of a March 12 Senate hearing with Brian Kelly, the outgoing CEO as a way for viewers to gain an understanding where project was, is, and going and risks. He noted that they are looking at spending about \$5 billion when they reach the part of the line between San Jose and San Francisco.

Public Comment

Jeff Carter commented level boarding and how the current EMUs have double doors at different heights above the rail and asked what level HSR would be.

Mr. Hogan noted that the current policy for emails sent to the Board will be posted that week. For the tree update, he noted that Mike Meader, Chief Safety Officer, has been working with all the local cities and towns and concentrating on Burlingame now as they will be cutting down over 200 trees. Legal Counsel is working on a tree agreement for municipalities. They are finishing the environmental work to bring to the CAC before it goes to the Board.

Regarding some prior Committee Member comments, Mr. Hogan noted the following:

- Ride quality, rider safety (for never going to full power so people do not fall down) and figuring out acceleration and deceleration
- Current fleet's flat spots found when testing two new trains and working to figure out why
- Bussing updates, April 13 and 14 and April 20 and 21, and needed future shutdown to run an end-to-end test with eight trains all at the same time in early June with bussing to be provided

- Short circuit testing this weekend from Diridon to San Mateo
- One vehicle strike in February and six vehicles on the tracks; some mechanical delays but goal is zero; two trespasser strikes in the month

A Member expressed appreciation and noted the challenging process with a lot to get done to electrify an existing commuter rail line as opposed to entirely new rail lines.

Public Comment

Jeff Carter expressed appreciation on the tree policy, noted a lot of eucalyptus trees have been cut down, and working with cities to alleviate the issue of dangerous trees on the right-of-way.

Doug DeLong commented on fiber being across the right of way at Oak Avenue in Menlo Park, a feeder conductor as required from the CPUC (California Public Utilities Commission) that all utilities have shunt wires, one in place but the one appears to have been cut and not protected by a shunt wire. He asked if there was a waiver from the CPUC for that situation.

Committee Member comments, questions, and clarifications with staff included the following:

- 8-train load testing required to run them for 48 consecutive hours and that would allow staff to see how they run, stops and starts, crossovers, and running a lot of different tests
- A train yard incident in the yard where a train rolled, was stopped with relatively minor damages to two cars, but not covered under warranty; anything with extensive damage would be sent back to Stadler
- New train sets in the San Francisco yard, impedance bond theft, having solar-powered cameras connected to Wi-Fi, graffiti clean-up, and bus thefts
- Mutual benefit of sending cars to Petaluma and freeing up some space
- Redwood City bike pads, near the Perry Street lot where bike lockers used to be, looks bad and junky

COMMITTEE COMMENTS

A Committee Member requested set up for permanent microphone for guest speakers.

Mr. Hogan noted that a second monitor was being installed at Gilroy and a similar one can be seen at San Carlos.

In response to a Committee Member question, staff clarified that Casey Fromson is now the Rail Chief of Staff and her former position of Chief Communications Officer position is vacant.

DATE, TIME, AND LOCATION OF NEXT REGULAR MEETING

April 17, 2024 at 5:40 pm via Zoom teleconference or at the Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

ADJOURNMENT - Meeting adjourned at 8:20 pm. Member Brandt noted that there would be an EMU tour with SPUR next week and information is available on its website.