

Revised 1/28/2025 at approx. 5:00 pm – Correcting Item 8 and Item 9 order



BOARD OF DIRECTORS 2025

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REVISED Agenda
Peninsula Corridor Joint Powers Board
Advocacy and Major Projects (AMP) Committee Meeting

January 29, 2025, 3:30 pm

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

Committee Members: Steve Heminger (Chair), Margaret Abe-Koga, Jeff Gee

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/84582532747?pwd=dGdjV3lQVW1RUGUyZk9SSml6aXZRZz09> or by entering Webinar ID: **845 8253 2747**, Passcode: **268109**, in the Zoom app for audio/visual capability or by calling 1-669-444-9171 (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 - Second Floor, 1250 San Carlos Avenue, San Carlos, CA, 94070 or any other noticed location.

Public Comments: Public comments may be submitted to 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.

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

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.

January 29, 2025 - Wednesday

3:30 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
2. Roll Call
3. Pledge of Allegiance / Safety Briefing
4. 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.
5. Approval of Meeting Minutes for December 18, 2024 Motion
6. Authorize Executive Director to Execute Contract Change Order with Balfour Beatty Infrastructure, Inc., to Account for Unanticipated Cost Escalation for Labor, Materials, and Equipment* Motion
7. Receive State and Federal Legislative Update Informational
8. [Committee Member Requests](#)
89. Date/Time of Next Regular AMP Committee Meeting: Wednesday, February 26, 2025 at 3:30 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.
9. ~~Committee Member Requests~~
10. 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 650.551.6108. Agendas are available on the Caltrain website at <https://www.caltrain.com>. Communications to the Board of Directors can be e-mailed to 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; JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 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 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; 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.

**Peninsula Corridor Joint Powers Board
Advocacy and Major Projects (AMP) Committee
1250 San Carlos Avenue, San Carlos, CA 94070
DRAFT Minutes of December 18, 2024**

Members Present: Margaret Abe-Koga (arrived at 3:49 pm), Jeff Gee, Steve Heminger (Chair)

Staff Present: J. Baker, M. Bouchard, D. Chazan, C. Fromson, J. Harrison, L. Ko, D. Ryan, S. Sargent, M. Tseng, K. Uchida

1. Call to Order / Pledge of Allegiance / Safety Briefing

Chair Heminger called the meeting to order at 3:30 pm, led the Pledge of Allegiance, and delivered the safety briefing.

2. Roll Call

Acting District Secretary Margaret Tseng called the roll and confirmed a quorum was present.

3. Public Comment on Items not on the Agenda - Adrian Brandt commented on the frequency of driver safety issues due to dimly lit train crossings at night.

4. Approval of Meeting Minutes for November 20, 2024

Motion/Second: Gee/Heminger
Ayes: Gee, Heminger
Noes: None
Absent: Abe-Koga

5. Authorize the Executive Director to Sign the Equity in Infrastructure Project Pledge

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

- Increase awarded contracts to Historically Underutilized Businesses (HUB) and Disadvantaged Business Enterprises (DBE)
- Streamline process to collect and share data from HUBs and DBEs
- No conflict with federal, state, and local contracting program requirements
- Equity in Infrastructure Project aligns with equity and inclusion goals

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

- Program to grow awareness of available contract work to address shallow bid pool
- Greater participation needed from other local agencies to help growth
- Smaller firms do not have bandwidth to finance projects before getting paid
 - Existing resolution does not include figures or dates associated to the target as there is variance between agencies and location

Motion/Second: Gee/Heminger

Ayes: Gee, Heminger

Noes: None

Absent: Abe-Koga

6. Authorize the Executive Director to Execute The Portal Project Implementation Memorandum of Understanding

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

- Final recommendations and approvals by Integrated Program Management Team (IPMT), Executive Working Group (EWG), and Partner Agencies
- Multi-agency implementation of program with established roles and responsibilities but does not imply any funding or payment agreements
- Caltrain-Transbay Joint Powers Authority (TJPA) and multi-agency agreements additionally put in place for usage and administrative structures
- Each agency to approve at each stage of five-part proposal: Procurement and Enabling Program, Pre-Construction, Construction, Testing and Commissioning, and Entry Into Service
- Milestones marked with a targeted action rather than a date of completion
- Governing bodies containing agency representatives meet on a cadence based on scope of project

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

- Disagreement amongst agencies settled through making recommendations to the TJPA Board of Directors who ultimately approve matters, with respective agencies notified if there is direct involvement.

Motion/Second: Gee/Abe-Koga

Ayes: Abe-Koga, Gee, Heminger

Noes: None

7. Receive Update on the Link21 Program

Kansai Uchida, Director Systemwide Planning and Policy, provided the presentation that included the following:

- Strain on Bay Area Rapid Transit (BART) capacity and the necessity for intercity rail connection prompted the recommendation for selecting technology
- Program led by BART but identified need for direct Caltrain involvement in later phases
- Standard gauge technology recommended by Link21 staff as there is compatibility with most rail systems except for BART
- Possible impacts on right-of-way but broaden service provided by Caltrain

- Recommendation for stakeholder, Boards, and Commissions to heavily engage and participate in decision-making process for Link21 work

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

- Importance of fully conceptualizing before implantation of project
- Governance body California State Transportation Agency (CalSTA) will need to determine the level of Caltrain's involvement
- Yet to understand BART's connectivity with the linking train system, supplementary rather than disintegration of the current tube
- Caltrain participation depends on funding and prioritization of other projects
- Link21 is placed under the programmatic (planning and development) category of Plan Bay Area 2050

Public comment

Adrian Brandt commented on standard gauge technology benefits to expand service to other parts of California.

8. Receive State and Federal Legislative Update

Casey Fromson, Chief of Staff, Jason Baker, Director of Government and Communication Affairs, and Devon Ryan, Government Affairs Officer, provided the presentation that included the following:

- Stopgap spending bill put in place to keep government funded to March 14, 2025
- Speaker Mike Johnson (Speaker candidate) and elected Representative Steve Scalise (Majority Leader) appointed by House Republicans
- Appointment of Representative Sam Graves for Chair of House Transportation and Infrastructure Committee as well as Former Congressman Sean Duffy for Secretary of Transportation
- Twenty five percent tariff to affect prices and the same materials and equipment purchased by private and public entities
- Federal update- Democrats maintained supermajority with no changes in the Senate or Assembly leadership
- Metropolitan Transportation Commission (MTC) to poll two tax scenarios in January, one of which will be applied to four counties (Alameda, Contra Costa, San Francisco, and San Mateo, optional for Santa Clara County)

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

- Polling of MTC tax scenarios used for determining a regional solution
- Alternative tax scenarios also to be provided to draft additional possible solutions
- Same polling firms used but different sample population to avoid bias

9. Committee Member Requests - There were none.

10. Date/Time of Next Regular AMP Committee Meeting: Wednesday, January 29, 2025 at 3:30 pm.

11. Adjourn - The meeting adjourned at 4:31 pm.

DRAFT

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Advocacy and Major Projects (AMP) Committee
Through: Michelle Bouchard, Executive Director
From: Sherry Bullock, Program Director, Caltrain Modernization Program
For: February 2025
Subject: **Authorize Executive Director to Execute Contract Change Order with Balfour Beatty Infrastructure, Inc., to Account for Unanticipated Cost Escalation for Labor, Materials, and Equipment**

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) approve a contract change order, as part of a comprehensive resolution of outstanding contract issues, to compensate Balfour Beatty International Inc. (BBII) in the amount of \$13,500,000 for unanticipated cost escalation for labor and materials associated with construction of the Peninsula Corridor Electrification Project (PCEP or Project) from July 1, 2021, through Project final acceptance. This change order, together with the other negotiated items of which it is a part, will result in: (1) Project completion within the overall budget of \$2.44 billion; (2) approximately \$2.5 million in remaining BBII contract balance, which will be spent to support close-out items scheduled to occur this year; (3) approximately \$2.5 million worth of surplus materials and spare parts to be transferred by BB II to the JPB at no cost; and (4) a waiver of claims by BBII and a reservation of the JPB's rights against BBII in connection with pending litigation. The Change Management Board unanimously approved the proposed change order on January 3, 2025.

This contract change order is part of a broader effort to resolve all potential claims within the contract budget amount, obtain a release of all future claims from BBII, and facilitate the close-out of the BBII contract and PCEP. Pursuant to this compromise, BBII has agreed to withdraw approximately \$17 million of shared risk items and to contribute approximately \$2.5 million worth of surplus materials, which will provide Caltrain with a valuable just-in-time resource to support Caltrain's maintenance of its new infrastructure and mitigate the risk of delays and cost increases associated with supply chain issues.

In exchange for these concessions and BBII's agreement to waive any further claims, Caltrain has agreed to settle BBII's claim that it is entitled to \$21 million in additional compensation arising from the unanticipated cost escalation for labor and materials that BBII experienced after July 1, 2021. While BBII assumed the risk of inflation for its performance of the base scope of work from 2017 until the expected completion date of 2020, the Board issued change orders

in 2021 and 2024, extending the final completion date to September 2024, resulting in BBII's performance of the base scope of work beyond the original completion date. As a result, BBII claims that, under the contract, it is entitled to an equitable adjustment to the contract price because the change orders caused an increase in BBII's cost of performance. BBII argues that it could not have reasonably anticipated the additional costs it incurred for work performed following July 1, 2021, as a result of the cost escalation for labor and materials arising from the COVID-19 Pandemic.

Although staff believe that Caltrain could successfully defend against such a claim, staff recommend that the Board approve the proposed change order in the amount of \$13.5 million (a reduction of \$7.5 million from BBII's original demand of \$21 million) as part of a broader compromise that will result in a remaining contract balance of approximately \$2.5 million and BBII's waiver of future claims. The other negotiated items are within staff's delegated authority and do not require Board approval. We discuss these items below to provide context for the staff recommendation.

Discussion

Staff have engaged in lengthy negotiations with BBII in an effort to close the Project within the Project budget of \$2.44 billion and with a release of all future claims from BBII. The BBII contract is the largest PCEP contract with a contract budget of \$1.097 billion. The approval of the proposed change order will allow Caltrain to close the BBII contract with a remaining contract balance of \$2.5 million and to complete the Project within budget, as reflected below:

Description of Work	Re-Baseline Budget	Estimate At Completion	Variance to Re-Baseline
Electrification (BBII)	\$ 1,097.15	\$ 1,094.65	\$ (2.50)
EMU Procurement	\$ 556.07	\$ 565.28	\$ 9.21
Other Construction Contracts ⁽¹⁾	\$ 90.58	\$ 82.98	\$ (7.60)
Real Estate Acquisition & Support	\$ 34.91	\$ 36.23	\$ 1.31
Pacific Gas and Electric (PG&E), Utilities	\$ 132.09	\$ 132.02	\$ (0.07)
TransitAmerica Services, Inc. (TASI) Support	\$ 114.49	\$ 142.03	\$ 27.55
Management Oversight & Support ⁽²⁾	\$ 377.40	\$ 389.12	\$ 11.72
Contingency	\$ 40.00	\$ -	\$ (40.00)
Total	\$ 2,442.69	\$ 2,442.31	\$ (0.38)

As part of these negotiations, BBII has agreed to withdraw \$17 million of Shared Risk Pool items related to Roadwork In Charge (RWIC) shortages, limited work window access, BBII labor union claims, and other items, and to provide Caltrain with \$2.5 million worth of surplus materials and spare parts, which will provide Caltrain with a valuable just-in-time resource to maintain the new infrastructure and limit the disruption and additional cost stemming from supply chain issues and the potential impact on global supplies resulting from the potential imposition of tariffs. In exchange, Caltrain will waive bus bridge costs and lost revenue totaling \$3.5 million and \$1 million in punch list items, which will be completed by TASI, the maintainer of the new infrastructure. In addition, Caltrain has agreed to settle two potential BBII claims for unanticipated cost escalation and damages associated with the March 10, 2022, on-track equipment collision:

Description	Caltrain Amount	BBII Amount
Share Risk Pool Items		\$16,967,385 (withdrawn)
Cost Escalation (potential claims)	\$13,500,000 (to be paid)	
Railroad Damage Incident (potential claim)	\$2,194,732 (to be paid)	
Caltrain Bus Bridge	\$3,520,000 (withdrawn)	
Punchlist	\$1,000,000 (withdrawn)	\$2,500,000 (paid in-kind contribution)
Total	\$20,214,732	\$19,467,385

Contract Change Order for Unanticipated Cost Escalation

The original BBII contract included a contract completion date of August 10, 2020. In December 2021, the JPB and BBII executed Contract Change Order 255 (CCO-255) "Global Project Time Resolution", extending the date of Final Acceptance to July 31, 2024. The parties extended this date further to September 6, 2024, in Contract Change Order 263. As a result, BBII performed its base scope of work beyond the timeframe anticipated in the contract and experienced cost escalation for labor and supplies beyond ordinary inflation, which BBII argues could not reasonably have been anticipated at the time of executing the contract change orders. The COVID-19 Pandemic caused unprecedented economic disruption across the US from 2021 through to 2024, leading to rapid increases in prices for materials and labor, far beyond normal inflation rates.

While the risk of inflation is assigned to BBII in the PCEP contract, the General Provisions also require JPB to make an equitable adjustment to the contract price "if an approved Contract Change Order causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of the Work under this Contract." BBII claims that it is entitled to an equitable adjustment under the contract because the change orders extended the time period for BBII's performance of the base scope of work from 2020 until 2024, and during the period from July 1, 2021, through Project completion, BBII experienced a rapid and unanticipated increase beyond ordinary inflation in the cost of labor and materials as a result of the unprecedented economic disruption caused by the COVID-19 Pandemic. As a result, BBII claims

that it is entitled to the difference between the cost escalation that it experienced for labor, materials, and equipment for the base scope of work conducted after July 1, 2021, and the standard, anticipated rate of inflation.

BBII also argues that an equitable adjustment meets all other requirements of the contract and is consistent with guidance provided by the federal government regarding federal cost principles, which provides that an equitable adjustment may be made to the contract amount for fixed price contracts to account for “current economic conditions.”

Staff extensively reviewed the balance of outstanding work as of July 2021, the formulaic calculation model, and the statistics for labor and material price indices over the past three years to establish the total cost impact. After extensive negotiations, BBII agreed to reduce its demand from \$21 million to \$13.5 million. The Change Management Board unanimously approved the proposed change order on January 3, 2025. Staff recommend resolving the potential claim for cost escalation via a Contract Change Order in the amount of \$13.5 million.

March 10, 2022, On-Track Equipment Collision

BBII incurred property and delay damages as a result of the collision between a Caltrain train and on-track equipment operated by BBII on March 10, 2022. The damages incurred by BBII are beyond the sums which BBII has been recovered through insurance. Staff have agreed to resolve this claim through a negotiated change order in the amount of \$2,194,732. This action is within staff’s authority and does not require Board approval.

Punchlist and Surplus Materials

Due to limited track access after the launch of Revenue Service in September, BBII and Caltrain have agreed that TASI, the maintainer of the new infrastructure, will complete the remaining minor punch list items (totaling approximately \$1 million). In exchange, BBII has agreed to transfer surplus materials and spare parts with a value of approximately \$2.5 million to Caltrain. The surplus materials and spare parts provide a valuable resource to Caltrain as it undertakes the maintenance of the new infrastructure and mitigate the risk of supply chain delays and additional costs, particularly in light of the potential imposition of tariffs. This action is within staff’s authority and does not require Board approval.

Shared Risk Allowance Final Account

The JPB established a shared risk allowance of \$50 million as the result of a global settlement (Change Order 254) approved by the Board in 2021. As part of comprehensive contract close out negotiations, BBII has agreed to withdraw \$17 million of Shared Risk items. As of December 2024, the JPB had approved a total of 256 shared risk items in the amount of \$30,110,111. The balance of \$19,889,889 will be split 50/50 between Caltrain and BBII. Caltrain’s savings will be utilized to pay for other Project costs.

Remaining Contract Balance

The comprehensive resolution of claims leaves a remaining contract balance of \$2.5 million, which will be used to support additional Project completion tasks that will be completed after December 31, 2024. These tasks include finalizing the acquisition of real property necessary for

the Project, installing long-lead-time replacement items, and providing protection and support for the completion of the remaining punch list items.

Budget Impact

This Change Order is within PCEP program budget and funding of \$2.44 billion and the BBII contract amount of \$1.097 billion, taking into consideration shared savings of Shared Risk, contingency allowance items, unearned incentives and other savings. A combination of remaining available funds from the Transit and Intercity Rail Capital Program (TIRCP), Carl Moyer, and PG&E Reimbursement Proceeds will cover this change order.

There is no material impact to the PCEP cash flow, as final payments have been projected for Quarter 1 (Q1) 2025.

Prepared By: Sherry Bullock

Program Director, Caltrain
Modernization Program

1/19/2025

Resolution No. 2025-

**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

Authorize Executive Director to Execute Contract Change Order with Balfour Beatty Infrastructure, Inc., to Account for Unanticipated Cost Escalation for Labor, Materials, and Equipment

Whereas, staff have engaged in lengthy negotiations with Balfour Beatty Infrastructure, Inc. (BBII) to close the Peninsula Corridor Electrification Project (PCEP or Project) within the Project budget of \$2.44 billion and with a release of all future claims from BBII; and

Whereas, the BBII contract is the largest PCEP contract with a contract budget of \$1.097 billion; and

Whereas, as part of the negotiations, staff have drafted a proposed contract change order to resolve outstanding contract issues and compensate BBII in the amount of \$13,500,000 for unanticipated cost escalation for labor and materials associated with construction of the Project from July 1, 2021, through Project final acceptance; and

Whereas, pursuant to this compromise, BBII has agreed to withdraw approximately \$17 million of shared risk items and to contribute approximately \$2.5 million worth of surplus materials, which will support JPB's maintenance of its new infrastructure and mitigate the risk of delays and cost increases associated with supply chain issues; and

Whereas, in exchange for these concessions and BBII's agreement to waive any further claims, Caltrain has agreed to pay BBII \$13.5 million to settle BBII's claim that it is entitled to \$21 million in additional compensation arising from the unanticipated cost escalation for labor and materials that BBII experienced after July 1, 2021; and

Whereas, although BBII assumed the risk of inflation for its performance of the base scope of work from 2017 until the expected completion date of 2020, the Board issued change orders in 2021 and 2024, extending the final completion date to September 2024, resulting in BBII's performance of the base scope of work beyond the original completion date at a higher cost as a result of an unanticipated spike in inflation; and

Whereas, BBII claims that, under the contract, it is entitled to an equitable adjustment to the contract price because the change orders caused an increase in BBII's cost of performance following July 1, 2021, as a result of the cost escalation for labor and materials arising from the COVID-19 Pandemic; and

Whereas, staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) approve a contract change order, as part of a comprehensive resolution of outstanding contract issues, to compensate BBII in the amount of \$13,500,000 for unanticipated cost escalation for labor and materials associated with construction of the Project from July 1, 2021, through Project final acceptance; and

Whereas, this Change Order is within PCEP program budget and funding of \$2.44 billion and the BBII contract amount of \$1.097 billion. A combination of remaining available funds from the Transit and Intercity Rail Capital Program (TIRCP), Carl Moyer, and Pacifica Gas and Electric (PG&E) Reimbursement Proceeds will cover this change order; and

Whereas, there is no material impact to the PCEP cash flow, as final payments have been projected for Quarter 1 (Q1) 2025; and

Whereas, other negotiated actions beyond the cost escalation claim are within staff's authority and do not require Board approval.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to execute a contract change order, in a form approved by legal counsel, as part of a comprehensive resolution of outstanding contract issues, to compensate BBII in the amount of \$13,500,000 for unanticipated cost escalation for labor and materials associated with construction of the Project from July 1, 2021, through Project final acceptance.

Regularly passed and adopted this 6th day of February 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Advocacy and Major Projects (AMP) Committee
Through: Michelle Bouchard, Executive Director
From: Casey Fromson, Chief of Staff
For: February 2025
Subject: Receive State and Federal Legislative Update

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

The 2025 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Staff proposes the Committee recommend the Board receive the attached State and Federal Legislative Update.

Discussion

The update will discuss the state budget process and relevant state legislation as well as federal confirmation process. It will also give an update regarding discussions on a regional transportation revenue measure.

Budget Impact

There is no impact on the budget.

Prepared By: Devon Ryan Government & Community Affairs Officer 01/22/2025

Isabella Conferti Government & Community Affairs 01/22/2025
Specialist



January 10, 2025

TO: Board of Directors, Peninsula Corridor Joint Powers Board (Caltrain)

FM: Matt Robinson, Michael Pimentel, and Alchemy Graham, Shaw Yoder Antwih Schmelzer & Lange

RE: **STATE LEGISLATIVE UPDATE – February 2025**

General Update

On January 6, the Legislature reconvened in Sacramento for the continuation of the 2025-26 Regular Legislative Session. This follows the initial convening for the Regular Legislative Session on December 2 during which legislators who stood for election in November 2024 were sworn-in and legislators in both houses selected their legislative leaders, adopted joint rules, and introduced the first round of legislation.

Concurrent with the Legislature's return to Sacramento, on January 6, Governor Newsom provided Californians with a preview of the proposed Fiscal Year 2025-26 State Budget. The full budget was released by the Newsom Administration through the California Department of Finance on January 10. For information about key legislative and budget deadlines, please see the 2024 Legislative Calendar available [here](#).

Governor Releases Proposed Fiscal Year 2025-26 State Budget

On January 10, Governor Newsom released his [proposed Fiscal Year 2025-26 State Budget](#), outlining the Newsom Administration's budget and initial budget-related policy priorities for the fiscal year, beginning on July 1, 2025.

The proposed budget presents a significantly improved fiscal picture for the state relative to the previous two budget acts, and proposes to invest \$322.3 billion in state programs, impacting housing and homelessness, transportation, climate, water, emergency response, education, health and human services, and corrections and rehabilitation, among other state priorities. Against this investment, the budget presents a modest surplus of \$363 million and maintains \$16.9 billion in reserve capacity for addressing downturns to California's economy.

Relative to public transportation, the proposed budget is largely status quo, as it would not make any adjustments to the level or timing of discretionary state investment in the formula-based Transit and Intercity Rail Capital Program (TIRCP) or formula-based Zero-Emission Transit Capital Program (ZETCP) (collectively, referred to as the "SB 125 program.") compared to the Budget Act of 2024.

As a reminder, the Budget Act of 2024 protected the \$5.1 billion for SB 125 program first established by the Budget Act of 2023 but made minor adjustments to the release of this funding to implement the following appropriation timeline for the formula-based TIRCP and ZETCP.

TIRCP

- \$2 billion is appropriated in FY 2023-24.
- \$1 billion is appropriated in FY 2024-25.
- \$1 billion is approved for appropriation in FY 2025-26.

ZETCP

- \$190 million is appropriated in FY 2023-24.
- \$220 million is appropriated in FY 2024-25.
- \$230 million is approved for appropriation in FY 2026-27.
- \$460 million is approved for appropriation in FY 2027-28.

Therefore, if adopted by the Legislature and signed into law by the Governor, the proposed budget would advance the final \$1 billion that was approved for appropriation to the formula-based TIRCP in FY 2025-26, bringing the total level of funding appropriated toward the SB 125 program to \$4.41 billion (out of the total \$5.1 billion). The remaining \$690 million for the formula-based ZETCP would be appropriated in the future fiscal years of FY 2026-27 and FY 2027-28. Additionally, the proposed budget maintains \$150 million for grade separations but does not include any additional appropriations at this time.

Relative to the climate, the proposed budget highlights the Newsom Administration's intent to work with the Legislature on reauthorization of the Cap-and Trade program and the Cap-and-Trade Expenditure Plan as soon as this year. Should this work move forward, it would require engagement from transportation stakeholders to ensure that the Cap-and-Trade Expenditure Plan continues to support public transportation at current levels or more. As a reminder, today, the Cap-and-Trade Expenditure Plan directs 15% of annual revenues to public transit capital and operations.

Finally, relative to housing and homelessness, the proposed budget would establish a new California Housing and Homelessness Agency. The new agency will "strengthen California's ability to plan, produce, and preserve housing while enhancing the state's homelessness response now and over the long term by aligning housing initiatives with complementary policy areas—such as transportation, health, climate, energy, and community planning."

The proposed budget also states the Newsom Administration's interest in working with the Legislature to advance policies to reduce housing costs, enhance accountability to meet their housing obligations, and promote efficient land use practices that integrate housing and transportation, including removing barriers to infill housing and supporting transit-oriented development, to help achieve the state's housing and environmental goals. While specific details of these policies are not yet available, the Administration notes that it will propose policies to enhance the Department of Housing and Community Development's ability to recycle funding, update housing programs to promote affordability, and expand existing CEQA streamlining tools to accelerate infill housing production.

Finally, the proposed budget would add \$25 million one-time General Fund in 2025-26 to the Clean California Program for a Community Cleanup and Employment Pathways Grant Program. This funding will provide matching grants to communities with a Clean California Community designation focused on both litter remediation and jobs creation. This helps build on the state's continued investments in litter removal and related maintenance activities.

With the Governor's proposed budget now released, we will see the Legislature begin to hold hearings on the budget proposals through subject-specific budget subcommittees. This process will continue in

an iterative fashion throughout the spring in the lead-up to the release of the Governor's May Revise. The May Revise, scheduled to be released on May 15, serves a mid-year update to the Governor's proposed budget and will help inform the final budget agreement entered into by the Governor and legislative leaders in June.

Legislative Leaders Announce Committee Chairs

On December 27 and January 3, respectively, Assembly Speaker Robert Rivas (D-Hollister) and Senate President pro Tempore Mike McGuire (D-North Coast) announced committee chair appointments.

Assembly

- Appropriations: Assembly Member Buffy Wicks (D-Oakland)
- Budget: Assembly Member Jesse Gabriel (D-Encino)
- Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation: Assembly Member Steve Bennett (D-Ventura)
- Emergency Management: Assembly Member Rhodesia Ransom (D-Stockton)
- Local Government: Assembly Member Juan Carrillo (D-Palmdale)
- Housing and Community Development: Assembly Member Matt Haney (D-San Francisco)
- Natural Resources: Assembly Member Isaac Bryan (D-Los Angeles)
- Revenue and Taxation: Assembly Member Mike Gipson (D-Los Angeles)
- Transportation: Assembly Member Lori Wilson (D-Suisun City)
- Utilities and Energy: Assembly Member Cottie Petrie-Norris (D-Irvine)

Senate

- Appropriations: Senator Anna Caballero (D-Merced)
- Budget and Fiscal Review: Senator Scott Wiener (D-San Francisco)
- Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection, and Energy: Senator Ben Allen (D-Santa Monica)
- Budget and Fiscal Review Subcommittee No. 5 on Resources, Environmental Protection, and Energy: Senator Laura Richardson (D-San Pedro)
- Energy, Utilities, and Communications: Senator Josh Becker (D-Menlo Park)
- Environmental Quality: Senator Catherine Blakespear (D-Encinitas)
- Housing: Senator Aisha Wahab (D-Hayward)
- Local Government: Senator Maria Elena Durazo (D-Los Angeles)
- Natural Resources and Water: Senator Monique Limon (D-Santa Barbara)
- Revenue and Taxation: Senator Jerry McNerney (D-Pleasanton)
- Transportation: Senator Dave Cortese (D-San Jose)

The full announcements can be found on the websites for the [Speaker](#) and [President pro Tempore](#).

CalSTA Releases Draft Guidelines for SB 125 Programs

On December 19, the California State Transportation Agency released for public comment [draft guidelines](#) governing the distribution of the second year of SB 125 funding as well as a draft annual reporting template. Upon their release, we shared the draft guidelines and reporting template for transmittal to SCCRTC for their awareness. The final guidelines and templates are expected to be published by CalSTA on January 10.

Bills of Interest

SB 63 (Wiener) Regional Measure Spot Bill

This bill states that it is the "intent of the Legislature to enact legislation authorizing a revenue measure to invest in transportation, including to, at a minimum, sustain and improve public transportation, in the

San Francisco Bay area. It is the further intent of the Legislature that the details of this authorizing legislation, including the specific geography of the measure, be based on continued stakeholder engagement and consensus building, building off of a robust regional engagement process led by the Metropolitan Transportation Commission in 2024.”

Caltrain Bill Matrix as of 1/10/2025

Bill ID/Topic	Location	Summary	Position
<p>AB 12 Wallis R</p> <p>Low-carbon fuel standard: regulations.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations. This bill would void specified amendments to the Low-Carbon Fuel Standard regulations adopted by the state board on November 8, 2024.</p>	<p>Watch</p>
<p>AB 21 DeMaio R</p> <p>Taxpayer Protection Act of 2025.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>The California Constitution requires a state statute that would result in any taxpayer paying a higher tax to be imposed by an act passed by 2/3 vote of the each house of the Legislature. The California Constitution also provides that all taxes imposed by a local government are either general taxes or special taxes, as defined, and requires that taxes imposed, extended, or increased by a local government be submitted to the electorate and approved by a majority vote, in the case of general taxes, or a 2/3 vote, in the case of special taxes. Existing law imposes specified requirements on state and local ballots, including, among other things, on the contents of the ballot label, ballot title, and summary. This bill would declare the intent of the Legislature to enact a constitutional amendment to limit the ability of state and local governments to raise taxes, restore a 2/3 vote requirement on local special tax increases, impose voter approval requirements on specific categories of new taxes, and regulate the titles on state and local ballot measures relating to tax increases.</p>	<p>Watch</p>
<p>AB 23 DeMaio R</p> <p>The Cost of Living Reduction Act of 2025.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations and gas corporations, and requires the PUC to develop a definition of energy affordability. Existing law also establishes the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy (Little Hoover Commission) to promote economy, efficiency, and improved service in the transaction of the public business in the various departments, agencies, and instrumentalities of the executive branch of state government. This bill, the Cost of Living Reduction Act of 2025, would declare the intent of the Legislature to enact subsequent legislation to reduce the cost of living in California by undertaking specified activities, including, among other things, by suspending all state taxes and fees on gasoline and electric and gas utilities and by requiring the Little Hoover Commission to provide a report on methods to reduce the cost of living in other areas, as provided.</p>	<p>Watch</p>

Caltrain Bill Matrix as of 1/10/2025

Bill ID/Topic	Location	Summary	Position
<p>AB 61 Pacheco D</p> <p>Electricity and natural gas: legislation imposing mandated program and requirements: third-party review.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. The Public Advocate’s Office of the Public Utilities Commission is established as an independent office within the commission to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. This bill would request the office to establish, by January 1, 2027, a program to, upon request of the Legislature, analyze legislation that would establish a mandated requirement or program or otherwise affect electrical or gas ratepayers, as specified. The bill would request the office to develop and implement conflict-of-interest provisions that would prohibit a person from participating in an analysis for which the person knows or has reasons to know that the person has a financial interest. The bill would establish the Energy Programs Benefit Fund in the State Treasury and continuously appropriate the moneys in the fund to the office to support the work of the office in providing analyses under the bill. The bill would repeal these provisions on January 1, 2031.</p>	<p>Watch</p>
<p>SB 30 Cortese D</p> <p>Transportation: diesel trains and rolling stock: resale restrictions.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>Existing law provides various provisions applicable to all public transit and transit districts. This bill would state the intent of the Legislature to enact subsequent legislation to restrict the resale of decommissioned diesel trains and rolling stock for continued use.</p>	<p>Watch</p>
<p>SB 63 Wiener D</p> <p>San Francisco Bay area: local revenue measure: transportation funding.</p>	<p>This bill is eligible to be heard in committee as of January 2, 2025.</p>	<p>Existing law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relating to providing public transit services. This bill would state the intent of the Legislature to enact legislation authorizing a revenue measure to invest in transportation in the San Francisco Bay area.</p>	<p>Watch</p>