

**Peninsula Corridor Joint Powers Board
Board of Directors**

1250 San Carlos Avenue, San Carlos, CA 94070

Minutes of January 9, 2025

Members Present: Margaret Abe-Koga, Pat Burt, Shamann Walton, Monique Zmuda, Rico E. Medina (Vice Chair), Steve Heminger (Chair)

Members Absent: Jeff Gee, Ray Mueller

Staff Present: J. Baker, M. Bouchard, A. Brandt, A. Burnett (Bell Burnett & Associates), S. Bullock, J. Harrison, L. Lumina-Hsu, D. Ryan, M. Tseng, L. Zhang

- 1. Call to Order/Pledge of Allegiance/Safety Briefing** – Chair Heminger called the meeting to order at 9:01 am, led the Pledge of Allegiance, and stated the safety briefing is available in the agenda packet.

- 2. Roll Call**
Acting District Secretary Margaret Tseng called the roll and confirmed a Board quorum was present.

- 3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances**

- 4. Request to Change Order of Business**

- 5. Closed Session: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1))**
 - 5.a. Merlino, et al vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-00572**
 - 5.b. Bryan vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-01225**
 - 5.c. Liu Vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-00839**
 - 5.d. Morales (Ortiz), et al vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-01521**
 - 5.e. Walton vs. Caltrain, et al, San Mateo Superior Court Case No. 23-CIV-01329**

- 6. Closed Session: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1))**
[Rogers v. Peninsula Corridor Joint Powers Board, San Mateo County Superior Court, Case No. 23-CIV-03335]

*The Board convened into closed session at 9:03 am.
The Board reconvened into regular session at 10:05 am.*

7. General Counsel Report – Report Out from Above Closed Session

James Harrison, Legal Counsel, reported that there were no reportable actions.

8. Public Comment for Items Not on the Agenda

Jeff Carter commented on lost Clipper card process.

9. Report of the Executive Director

Michelle Bouchard, Executive Director, provided a report which included the following:

- Active polling for regional funding measures
- Ridership increased during weekdays and weekends comparing November 2023 to 2024
- Service changes effective January 27 aligned with Bay Area transit agencies as regional network management commitment to implement services change on the same schedule
- Increased special event trains service such as San Jose Sharks games and Billie Eilish concert
- All train horns lowered to federal legal minimum and horns sounding followed federal, state, local/city, and regional requirements
- Automatic Passenger Counters calibration continues
- Wheel flat spot issues identified and incident numbers continue to decrease. Wheel flat spots determined not safety, but comfort related
- Wireless crossing implementation evaluation and improvements ongoing and not safety-related
- Equity in Infrastructure Pledge (EIP) demonstrated Caltrain's commitment to increase small business and Diversity, Equity, Inclusion, and Belong (DEIB) into construction programs
- Caltrain stands in solidarity with Southern California transit agencies during the wildfire events as public transit agencies play a role in addressing climate change

Public Comment

Jeff Carter commented on flat spots, crossings, and train arrival/departure timing.

Adrian Brandt commented on wireless crossing system and train arrival into stations.

10. Consent Calendar

10.a. Approval of Meeting Minutes for December 5, 2024

10.b. Accept Statement of Revenues and Expenses for the Period Ending October 31, 2024

10.c. Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services* *Approved by Resolution 25-01*

10.d. Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term* *Approved by Resolution 25-02*

- 10.e. Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms* *Approved by Resolution 25-03***
- 10.f. Amend and Increase the Fiscal Year 2025 Capital Budget from \$17,000,000 From \$148,179,052 to \$165,179,052 *Approved by Resolution 25-04***
- 10.g. Authorize the Executive Director to Sign the Equity in Infrastructure Project Pledge *Approved by Resolution 25-05***
- 10.h. Authorize the Executive Director to Execute The Portal Project Implementation Memorandum of Understanding* ** *Approved by Resolution 25-06***

Motion/Second: Medina/Walton

Ayes: Abe-Koga, Burt, Walton, Zmuda, Medina, Heminger

Noes: None

Absent: Gee, Mueller

Item 12 was heard before Item 11.

11. Receive PCEP (Peninsula Corridor Electrification Project) Monthly Progress Report

Sherry Bullock, Project Director, provided the presentation that included the following:

- PCEP Infrastructure Final Acceptance reached on December 20, 2024
- No change to project budget of \$2.44 billion. Finalized project costs at completion with two final contracts closeout completed with two closeouts underway
- 16 Electric Multiple Units (EMU) delivered and finished 1,000 mile test and in service
- 17th EMU will have 1,000 mile test this weekend
- 18th EMU delivery in March and 19th in May. Remaining four EMUs delivery through 2027
- Reportable injury rate was 1.06 in 2024 with zero reportable injuries in November 2024
- Projected amount remaining \$19.81 million and project closeout balance will be 50-50 share with Balfour Beatty Infrastructure, Inc. (BBII) and JPB
- BBII contract close out and final change order will include no contract claims or potential claims against Caltrain, and Caltrain reserves the right to cross-claim against BBII in pending third-party litigation
- BBII contract savings estimate \$2.5 million with savings to support project related extended overhead for Transit America Services, Inc. (TASI) and JPB associated staff/consultant for PCEP project closeout
- Remaining project activities for 2025 include real estate acquisition, traction power punch list, traction power record drawing, corrosion mitigation, and three low voltage permanent power connections

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

- Potential leftover funding use
- Copper theft issue project funding and status

Public comment

Aleta Dupree, Team Folds, commented on electrification project close out and improved rider experience on electric trains.

12. Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan

Li Zhang, Chief of Rail Commercial and Business, and Alex Burnett, Principal, Bell Burnett & Associates, provided the presentation that included the following:

- Actual EMU energy consumption was significantly less than projected
- California Air Resources Board (CARB) designation to maximize Low Carbon Fuel Standard (LCFS) credit
- Cost reduction measures implemented include reduction of Fiscal Year (FY) 2025 new full-time employee (FTE) requests and delayed recruitments of vacant FTEs
- Ongoing Ridership and Fare Revenue Growth task force, new Go Pass pricing structure and marketing sounding, real estate leasing and development, and advertisement/marketing revenue for stations and trains
- Strategic Financial Plan (SFP) 10-year Operating Deficit comparison January 2024 to 2025 updated to reflect positive ridership trends, forecasted ridership levels returning to pre-pandemic levels, weekday and weekend growth rates adjustments, assumed increases of trains-per-day service, and revised projected 10-year operating deficit of \$605 million
- Electric Procurement Strategy (EPS) purchasing 100 percent renewable energy with zero percent carbon; successful registration as “Fixed Guideway/Heavy Rail” designation with CARB for LCFS program leads to maximizing revenues; and finalizing Interconnection and Totalization Agreements with Pacific Gas & Electric (PG&E)
- Exploration for capturing the 20 percent of energy exported back into power grid for financial return and credit, battery storage plan, and boarder use of energy beyond train usage
- Projected FY26 deficit has decreased but FY27 deficit has increased
- Measure RR and Farebox Revenues do not cover projected expenses with a 25-35 percent shortfall
- Closing the gap involves a need to grow ridership 15 percent per year leading to FY34 with no deficit, however current projection is 9 percent growth per year
- Top priorities include growing ridership, cost containment, non-fare revenue strategies, prioritize long-term funding, and align future SFP updates with budget process

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

- GoPass Information and Fare Policy update in February or March for Board consideration
- Conservative electric cost figures and rates had adjustments based on actual usage and regenerative braking offsetting 20 percent of electric usage
- Real estate portfolio, use and development of assets, and long-term benefits
- Single-fare and pass ridership growth addressing projected deficit
- Potential need to increase service frequency earlier than FY29 with confirmation
- Projected PG&E energy cost increases, PG&E's comments to keep rates aligned with inflation and maintain rate levels for next couple years, as Caltrain assumes a 5 percent increase per year

Public comment

Jeff Carter commented on incoming Federal administration's comments on California, regional transit measure polling, GoPass improvements, distance-based fares, and trip revenues.

Adina Levin commented on ridership growth, special event trains, tourist market opportunities, regional transit funding, and ballot measure timing.

Director Walton left the meeting at 11:08 am.

Aleta Dupree, Team Folds, commented on electrification and regenerative braking energy capture.

Roland commented on battery storage, regenerative braking energy capture, solar generation, develop real estate assets, and rider capacity.

Adrian Brandt commented on ridership and distance-based and zone-based fares.

13. State and Federal Legislative Update

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

- Federal Congress returned to session December 2 and budget final decision will be under Republican Congress and President
- Surface Transportation Reauthorization will be reviewed in 2026
- President-elect intends for 25 percent tariff on Canadian and Mexican imports impact to supply chains
- Metropolitan Transportation Commission (MTC) Special Meeting December 9 on regional measure selecting options of Scenario 1A and Hybrid. MTC polling begins in January with results expected in February inclusive of polling on variable rate tax

- Caltrain polling on Caltrain-specific “Plan B” measure in January, including options of 1/8th sales tax and two different property tax rates, with expected results in February
- Staff working with Legislature and authors for Caltrain spot bill in case a regional measure fails
- Caltrain do not want competing measures on the ballot in competition of a measure that will cover Caltrain
- Working with Assemblymember for potential legislative fix for net billing tariff levels of revenue recovered to recover regenerative braking

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

- Recover regenerative braking valued at \$1 million a year and battery storage would be \$3 to 4 million per year

Public comment

Aleta Dupree, Team Folds, commented on bipartisan support for public transportation and legislative advocacy.

Adina Levin commented on competing ballot measures for the multiple transit agencies within San Francisco, state funding opportunities, and advocate engagements.

14. Reports

14.a. Report of the Citizens Advisory Committee – Adrian Brandt, Chair, provided the report, which included the following:

- 2025 Chair as Adrian Brandt, Vice Chair Patricia Leung, and back-up Vice Chair Rosalind Kutler
- Crossing gate downtime issues and optimization
- Measure RR Oversight Committee establishment
- Diesel fleet retirement and sale to Lima, Peru
- Rail incursions and lighting; Wi-Fi connection issues and improvements
- Flat spots improvements; Train restroom door lock issues; Requested increase weekend service
- Transit police nor Caltrain staff are notified of reported theft from bike cars if riders report the theft to regular police

14.b. Report of the Chair - Chair Heminger commended staff and the community accomplishments to improve service along corridor with environmental benefits, however, acknowledged fatalities on Caltrain right-of-way, albeit majority suicides. He noted the “three E’s”: Engineering, Enforcement, and Education, and referred item to JPB Technology, Operations, Planning and Safety (TOPS) Committee.

14.c. Report of the Local Policy Maker Group (LPMG) - Chair Burt had nothing to report as there was no December meeting and stated the next meeting is January 23. LPMG will begin meeting semi-monthly, increase attendance, and inclusion of in-person meetings.

14.d. Report of the Transbay Joint Powers Authority (TJPA) – Deferred.

Public Comment

Roland commented on thermal plastic paint for at-grade crossings and increase enforcement.

Adrian Brandt commented on addressing suicides challenges and no obvious easy solutions.

15. Correspondence – Available online.

16. Board Member Requests – Director Abe-Koga requested elevating and prioritizing grade separation projects as a reoccurring topic for the Advocacy and Major Projects (AMP) Committee to have a programmatic review. Review to include projects statuses, cost increases, and how to advance the projects more quickly.

17. Date/Time/Location of Next Regular Meeting: Thursday, February 6, 2025 at 9:00 am at via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

18. Adjourn – The meeting adjourned at 11:59 am in memory of Former President Jimmy Carter.