



BOARD OF DIRECTORS 2022

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CHARLES STONE, VICE CHAIR
CINDY CHAVEZ
DEVORA "DEV" DAVIS
JEFF GEE
GLENN HENDRICKS
DAVE PINE
SHAMANN WALTON
MONIQUE ZMUDA

MICHELLE BOUCHARD
ACTING EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to [Assembly Bill 361](#) (Gov. Code section 54953).

Directors, staff, and the public may participate remotely via Zoom at <https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIZVW5VUXJMZGlxQT09> or by entering Webinar ID: # **933 8892 7360**, Passcode: **790810**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <http://www.caltrain.com/about/bod/video.html>

Public Comments: Members of the public are encouraged to participate remotely. 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 after an agenda item is heard will be included in the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public 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 the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. 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.

January 24, 2022 - Monday

2:30 pm

1. Call to Order/Pledge of Allegiance

2. Roll Call

3. Public Comments 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.

4. Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately.

a. Approve Meeting Minutes of November 22, 2021 MOTION

b. Award of Contract for Clipper Next Generation Validator Site Preparation Project MOTION

c. Increase Staff's Authority to Execute Contracts for Information Technology Licenses, Maintenance Services, and Professional Services under Resolution 2021-28 by an Aggregate Not-To-Exceed Amount of \$1 Million for Fiscal Year 2022 MOTION

5. Report of the Chief Financial Officer (CFO) INFORMATIONAL

a. Accept Statement of Revenues and Expenses for the Period Ended December 31, 2021 MOTION

6. Approve Measure RR Bond Financing Transactions and Related Documents MOTION

7. Managing Agency Cost Allocation (*oral*) INFORMATIONAL

8. Peninsula Corridor Electrification Project (PCEP) Project Update (*oral*) INFORMATIONAL

9. Committee Member Requests

10. Date/Time of Next Regular Finance Committee Meeting:
Monday, February 21, 2022, at 2:30 pm via Zoom (additional location, if any, to be determined)

11. 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 650.508.6242. Agendas are available on the Caltrain website at 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: Fourth Monday of the month, 2:30 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

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

*Should Zoom not be operational, please check online at

[http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html) for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. 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 [http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html). Oral public comments will also be accepted during the meeting 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
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070
DRAFT MINUTES OF NOVEMBER 22, 2021**

MEMBERS PRESENT: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, D. Hansel, J. Harrison, S. Petty, K. Yin, S. Bullock, C. Moble-Ritter, P. Shrestha, M. Lee, L. Zurinaga, S. Cocke, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Monique Zmuda called the meeting to order at 2:30 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans confirmed the presence of a Board quorum.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on agendizing Brown Act training, San Jose to Gilroy electrification for Diridon Station, and auditing SamTrans employee positions.

4. CONSENT CALENDAR

- a. **Approve Meeting Minutes of October 25, 2021**
- b. **Authorize Execution of a Contract with CDW Government LLC for Caltrain Rail Network Virtualization Project**
- c. **Award of Contract with Hobbs Investments, Inc. dba Am-Tran to Provide Mail Courier Services**
- d. **Declaration of Intent of the JPB (Financing Reimbursement)**

Motion/Second: Gee/Hendricks **moved to approve items 4a, 4c, and 4d**

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

Chair Zmuda pulled Item 4b to ask under what authority Caltrain have to sole source these contracts.

Kevin Yin, Director of Contract & Procurement, stated that Caltrain has the ability to single source because the contractor has experience doing this with other transit agencies.

The Committee members had a discussion on Item 4b, and staff provided further clarification in response to the Committee comments and questions on the following:

- Authority for sole sourcing these contracts
- Previous contractor virtualization work, availability of other contractors, and contractor references with prior agencies
- Phase 1 evaluation and assessment work
- Threshold requirement to bid service contracts
- The type of virtualization mentioned, overview of all systems involved, and how multiple data centers work in terms of fail-safes and redundancy scenarios
- The unfunded liabilities of additional work needed
- Labelling what is open-sourced and single source software system

Public Comment

Roland Lebrun, San Jose, commented on requiring a virtualization presentation.

Motion/Second: Hendricks/Gee **moved to approve item 4b**

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

5. ACCEPT REPORT OF THE CHIEF FINANCIAL OFFICER (CFO)

**A. Information on Statement of Revenues and Expenses for the Period Ended
October 31, 2021**

Derek Hansel, Chief Financial Officer, provided an update on the Department of Labor (DOL) certification process for grants through the Federal Transit Administration (FTA). He stated Caltrain does not have unionized staff affected by the Public Employees' Pension Reform Act (PEPRA) rules, new uncertified grant applications are currently not being processed, and Caltrain is working with FTA and DOL (Department of Labor) to get these processed again.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions on the effect on current and new grants and it may affect about \$200 million in awarded but not yet grant certified money.

Public Comment

Roland Lebrun, San Jose, commented on informing the public and Citizens Advisory Committee and having a monthly farebox recovery report.

Motion/Second: Gee/Hendricks
Ayes: Gee, Hendricks, Zmuda
Noes: None
Absent: None

6. FUEL HEDGING UPDATE

Derek Hansel, Chief Financial Officer, stated the staff report was available online and there would be future information on how this program has been working relative to a new action program.

The Board members had a discussion and staff provided further clarification regarding the following:

- Periodic reports being put on the consent calendar and heard as a regular agenda item every third month in a quarter.
- Unrealized gains and hedging to mitigate the impacts of fluctuations in fuel prices

7. CHANGE MANAGEMENT BOARD PROCESS OVERVIEW

Pranaya Shrestha, Chief Officer CalMod, provided the presentation, which included the following:

- Project overview and project reporting structure for the JPB, FTA, and CMB (Change Management Board)
- Final reporting goes to Change Management Board monthly to review changes over \$200,000
- Project Change Process including the scope, justification, execution and the CMB's role
- Civil to systems integration assessment

Luis Zurinaga, Change Management Board (CMB) Chair, provided a presentation, which included the following:

- CMB membership and its role, including monthly reviews on project and drawdown status and change order logs
- Changes could include scope, quantity change, or work directive changes
- CMB approval process and justification memo for each individual change over \$200,000, including the scope, reason, cost, and schedule impact for each change

The Board members had a discussion and staff provided further clarifications which included the following:

- Membership continuity and attendance at miscellaneous meetings
- Oversight for capital projects and the managing agency role with the CMB process
- Change order proposals timing and improving the approval process

Public comment

Roland Lebrun, San Jose, commented on major project costs, high speed rail funding, two speed check, and additional on track protection with flag wavers.

8. COMMITTEE MEMBER REQUESTS

Director Hendricks requested an overview of all virtualization systems involved and a briefing regarding data centers' redundancy and failsafe scenarios to get a sense of all the additional work that needs to be done.

Director Gee requested listing all virtualization systems involved with either open source, proprietary or single source labels.

Chair Zmuda requested regular fuel hedge update reports on the third month of each quarter and interim monthly reports on the Finance consent calendar.

9. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, December 20, 2021, at 2:30 pm via Zoom (additional location, if any, to be determined)

10. ADJOURN

The meeting adjourned at 3:29 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?>. Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACT FOR CLIPPER NEXT GENERATION VALIDATOR SITE
PREPARATION PROJECT**

Finance Committee
Recommendation

Work Program-
Legislative-Planning

Staff Coordinating
Council Reviewed

Staff Coordinating Council
Recommendation

ACTION

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Award a contract to the lowest, responsive and responsible bidder, Beci Electric, Inc. (Beci) of Oakland, California, for a total amount of \$1,152,000 for the Clipper Next Generation Validator Site Preparation Project (Project).
2. Authorize the Executive Director or designee to execute a contract with Beci, in full conformity with the terms and conditions set forth in the solicitation documents, and in a form approved by legal counsel.

SIGNIFICANCE

The Metropolitan Transportation Commission is upgrading the Clipper Interface Devices on the next generation Clipper® validators, which read Clipper cards for all Bay Area Transit agencies. The Project scope consists of furnishing all labor, equipment and materials required to install the new Clipper next generation validators on station platforms and station buildings at 30 Caltrain passenger stations. The work includes installing electrical cables and conduits from the electrical panels to the desired validator locations according to the design plans for each station and installing mounting bolts to secure the validators to the ground.

The Project is anticipated to be completed by the end of summer 2022.

BUDGET IMPACT

The Project was first approved by the Board in Fiscal Year (FY) 2021 with a budget of \$1.0 million. In FY2022, the Board approved an additional \$1.560 million to be financed with federal funds (\$1.248 million) and funds from Measure RR (\$312,000). The total approved

Project funding of \$2.560 million is sufficient to fully fund the current request of \$1.152 million.

BACKGROUND

An Invitation for Bids (IFB), solicitation number 22-J-C-021, was advertised in a newspaper of general circulation and on the JPB procurement website. A 15% Disadvantaged Business Enterprises (DBE) goal was assigned to this Project. Prior to releasing the IFB, extensive outreach for DBEs was conducted via the statewide database. Four potential bidders attended the pre-bid meeting and two bids were received as follows:

Company	Bid Amount
Engineer's Estimate	\$942,251
1. Beci Electric, Inc., Oakland, CA	\$1,152,000
2. Royal Electric, Inc., Sacramento, CA	\$1,797,797

Beci submitted all required bid documentation. Staff has determined, and legal counsel concurred, that the bid submitted by Beci is responsive.

The bid from Beci was approximately 22 percent higher than the engineer's estimate. Staff believes the pricing difference is attributable to a competitive market and significant increase in the cost of materials, including copper wire and cable required for the Project. According to the October 2021 Producer Price Index from the U.S. Bureau of Labor Statistics, the costs of copper wire and cable have increased by 26.3% in the past year.

Beci is a certified and verified DBE firm and will exceed the 15% DBE goal by self-performing 100% of the contract.

Beci is an established regional contractor with more than 36 years of construction experience. Staff contacted Beci's references and confirmed its experience and competency. Beci completed the JPB's Public Address System and Visual Message Signs Upgrade project at four Caltrain stations. Based upon these findings, staff concludes that Beci is appropriately qualified and capable of meeting the requirements of the contract and is, therefore, the lowest, responsive, and responsible bidder.

Prepared By: Quoc Truong, Procurement Administrator III 650.508.7732
Project Manager: Robert Tam, Manager, Technology Research & Dev 650.508.7969

RESOLUTION NO. 2022 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

*** * ***

**AWARDING A CONTRACT TO BECI ELECTRIC, INC. FOR THE CLIPPER NEXT GENERATION
VALIDATOR SITE PREPARATION PROJECT FOR A TOTAL AMOUNT OF \$1,152,000**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued an Invitation for Bids (IFB), solicitation number 22-J-C-021, for the Clipper Next Generation Validator Site Preparation Project; and

WHEREAS, in response to the IFB, the JPB received two bids; and

WHEREAS, staff and legal counsel reviewed the bids and determined that Beci Electric, Inc. of Oakland, California (Beci) is the lowest, responsive and responsible bidder; and

WHEREAS, the Acting Executive Director recommends that a contract be awarded to Beci whose bid meets the requirements of the solicitation documents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to Beci Electric, Inc. for the Clipper Next Generation Validator Site Preparation Project for a total amount of \$1,152,000; and

BE IT FURTHER RESOLVED that the Acting Executive Director or designee is authorized to execute a contract on behalf of the JPB with Beci in full conformity with all the terms and conditions of the solicitation documents and in a form approved by legal counsel.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **INCREASE STAFF'S AUTHORITY TO EXECUTE CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES, MAINTENANCE SERVICES, AND PROFESSIONAL SERVICES UNDER RESOLUTION 2021-28 BY AN AGGREGATE NOT-TO-EXCEED AMOUNT OF \$1 MILLION FOR FISCAL YEAR 2022**

Finance Committee
Recommendation

Work Program-Legislative-Planning
Committee Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating Council
Recommendation

ACTION

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) increase the aggregate authority delegated to the Executive Director or designee from \$1 million to \$2 million for award of contracts over \$150,000 under Information Technology (IT) Resolution No. 2021-28 for Fiscal Year (FY) 2022.

SIGNIFICANCE

The JPB has expended \$720,813 under IT Resolution 2021-28, leaving remaining authority of \$279,187 for the balance of FY 2022.

The proposed increase to the cumulative delegated contract authority will allow the JPB to contract for new and renewed software licenses, as well as maintenance, support services and related professional services for proprietary software, without bringing individual contracts before the Board for approval. Most significantly, staff anticipates using the proposed increase to engage in the next phase of upgrades to Caltrain ticket vending machines (TVMs).

A quarterly report listing contracts awarded under IT Resolution No. 2021-28 during the prior quarter would continue to be submitted to the Board, and all other procurement policies and procedures would continue to be followed.

Increasing staff's authority to execute contracts pursuant to the IT Resolution for FY 2022 would expedite the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of IT support and license agreements.

BUDGET IMPACT

Funds for purchases planned under the higher IT Resolution threshold are programmed in the approved FY 2021 and 2022 Operating and Capital Budgets.

BACKGROUND

The Board approved IT Resolution No. 2021-28 on June 3, 2021, authorizing execution of contracts greater than \$150,000 for IT licenses, maintenance services, and professional services, up to an aggregate not-to-exceed amount of \$1 million, for FY 2022. Pursuant to IT Resolution No. 2021-28, the JPB executed Agreement 21-J-S-054 with Ventek Transit, Inc. to upgrade 21 existing TVMs (Phase 3) with Clipper functionality and replace obsolete components to extend the useful life of TVM's for a not-to-exceed amount of \$720,813, leaving a remaining authority of \$279,187 under IT Resolution No. 2021-28 for the balance of FY 2022. Option 1 to Agreement 21-J-S-054 allows the JPB to upgrade an additional 27 TVMs (Phase 4) for a not-to-exceed amount of \$929,485, which exceeds the contract authority delegated to staff under IT Resolution No. 2021-28.

Prepared By: Shruti Ladani, Contract Administrator
Project Manager: Mehul Kumar, Executive Officer, IT

650.622.7857
650.508.6206

RESOLUTION NO. 2022 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

**INCREASING STAFF'S AUTHORITY TO EXECUTE CONTRACTS FOR INFORMATION
TECHNOLOGY LICENSES, MAINTENANCE SERVICES AND PROFESSIONAL SERVICES UNDER
RESOLUTION NO. 2021-28 BY AN AGGREGATE NOT-TO-EXCEED AMOUNT
OF \$1 MILLION FOR FISCAL YEAR 2022**

WHEREAS, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) approved Information Technology (IT) Resolution No. 2021-28 on June 3, 2021, authorizing execution of contracts greater than \$150,000 for IT licenses, maintenance services, and professional services, up to an aggregate not-to-exceed amount of \$1 million, for Fiscal Year (FY) 2022; and

WHEREAS, on August 31, 2021, Agreement 21-J-S-054 with Ventek Transit, Inc. was awarded under IT Resolution No. 2021-28 to upgrade 21 existing Ticket Vending Machines (TVMs) (Phase 3) with Clipper functionality and replace obsolete components to extend the useful life of TVMs for a not-to-exceed amount of \$720,813, leaving a remaining authority of \$279,187 under Resolution No. 2021-28 for the balance of FY 2022; and

WHEREAS, the JPB desires to exercise Option 1 to Agreement 21-J-S-054 to upgrade an additional 27 TVMs (Phase 4) for a not-to-exceed amount of \$929,485; and

WHEREAS, the contracting authority established by IT Resolution No. 2021-28 does not have enough capacity for staff to exercise Option 1 to Agreement 21-J-S-054 under the previously-delegated authority; and

WHEREAS, staff recommends the Board increase the Executive Director's, or designee's, authority by \$1 million to execute contracts greater than \$150,000 with original equipment manufacturers, product licensors, and their authorized distributors

and consultants to meet the JPB's technology requirements for FY 2022, consistent with the JPB's procurement authority and policy, and all other terms of IT Resolution No. 2021-28, for a new aggregate not-to-exceed amount of \$2 million.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby increases the aggregate not-to-exceed authority provided under Information Technology Resolution No. 2021-28 for Fiscal Year 2022 from \$1 million to \$2 million.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

DATE: January 20, 2022

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: January 24, 2022 Finance Committee Report of the Chief Financial Officer

HIGHLIGHTS

- Staff has met with rating agencies with respect to the PCEP bond issue. We are seeking a recommendation on the bond issue at the Finance Committee meeting, and will be bringing forward all documents for Board approval at its February meeting. Subsequent to the Board meeting, we will be posting the offering document and selling the bonds.
- The budget process is moving internally, and is on track for presentation of a preliminary budget at the Board's May meeting. Our Financial Planning & Analysis team is preparing the first forecast for FY22 – this will be shared with the Committee shortly.
- The Accounting team will be having its initial discussions with the independent auditor for the Fiscal Year 2022 audit shortly, with pre-audit work commencing in the spring.
- A presentation will be made at the Finance Committee meeting regarding the basis for cost allocation of Managing Agency (shared) expenses.

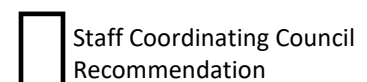
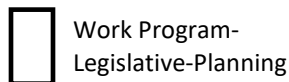
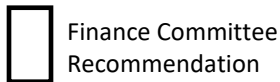
**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
DECEMBER 31, 2021**



ACTION

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the month of December 2021.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 31, 2021. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of December year-to-date actual, the Grand Total Revenue (page 1, line 19) is \$4.9 million more than the approved budget. This is primarily driven by Measure RR (page 1, line13) and ARPA fund (page 1, line 15), partially offset by CRRSAA fund (page 1, line14). CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22.

Year to Date Expenses: As of December year-to-date actual, the Grand Total Expense (page 2, line 54) is \$14.8 million lower than the approved budget. This is primarily driven by Rail Operator Service (page 2, line 24), Facilities and Equipment Maintenance (page 2, line 31), Wages and Benefits (page 2, line 38), Professional Services (page 2, line 41), Other Office Expenses and Services (page 2, line 43), and Measure RR Ballot Costs (page 2, line 49).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year actual and the budget may show noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of December 2021.

Prepared By: Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Acting Director, Accounting

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

December 2021

% OF YEAR ELAPSED 50.0%

	JULY TO DECEMBER				ANNUAL		
	CURRENT ACTUAL	APPROVED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE
REVENUE							
OPERATIONS:							
1 Farebox Revenue	15,579,977	15,004,000	575,977	3.8%	34,639,000	34,639,000	-
2 Parking Revenue	527,736	768,000	(240,264)	(31.3%)	1,536,000	1,536,000	-
3 Shuttles	675,875	801,948	(126,073)	(15.7%)	1,603,900	1,603,900	-
4 Rental Income	472,956	596,232	(123,276)	(20.7%)	1,192,466	1,192,466	-
5 Other Income	930,978	792,300	138,678	17.5%	1,584,608	1,584,608	-
6							
7 TOTAL OPERATING REVENUE	18,187,522	17,962,480	225,042	1.3%	40,555,974	40,555,974	-
8							
CONTRIBUTIONS:							
9							
10 AB434 Peninsula & TA Shuttle Funding	187,900	559,650	(371,750)	(66.4%)	1,119,300	1,119,300	-
11 Operating Grants	3,211,861	3,312,736	(100,875)	(3.0%)	6,525,471	6,525,471	-
12 JPB Member Agencies	-	-	-	.0%	-	-	-
13 Measure RR	49,281,113	43,288,460	5,992,653	13.8%	86,576,919	86,576,919	-
14 CRRSAA*	-	27,115,922	(27,115,922)	(100.0%)	27,115,922	-	(27,115,922)
15 ARPA	41,098,334	14,849,883	26,248,451	176.8%	14,849,883	41,098,334	26,248,451
16							
17 TOTAL CONTRIBUTED REVENUE	93,779,208	89,126,651	4,652,557	5.2%	136,187,495	135,320,024	(867,471)
18							
19 GRAND TOTAL REVENUE	111,966,730	107,089,131	4,877,599	4.6%	176,743,469	175,875,998	(867,471)

*CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22. A future FY22 budget action will be brought to the Board to clarify funding sources for the FY22 budget, including reserved funds from the FY21 actual results and/or additional funding made available from ARPA distributions.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

December 2021

	% OF YEAR ELAPSED							50.0%	
	JULY TO DECEMBER				ANNUAL				
	CURRENT ACTUAL	APPROVED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE		
21	EXPENSE							21	
22								22	
23	DIRECT EXPENSE:							23	
24	Rail Operator Service	43,412,449	48,006,576	(4,594,127)	(9.6%)	97,353,730	97,353,730	-	24
25	Security Services	3,336,205	3,743,258	(407,053)	(10.9%)	7,486,512	7,486,512	-	25
26	Shuttle Services	876,420	1,123,773	(247,353)	(22.0%)	2,723,200	2,723,200	-	26
27	Fuel and Lubricants*	5,082,677	5,217,426	(134,749)	(2.6%)	10,434,846	10,434,846	-	27
28	Timetables and Tickets	11,999	27,498	(15,499)	(56.4%)	55,000	55,000	-	28
29	Insurance	5,529,748	5,857,210	(327,462)	(5.6%)	5,857,210	5,857,210	-	29
30	Claims, Payments, and Reserves	488,250	410,004	78,246	19.1%	820,000	820,000	-	30
31	Facilities and Equipment Maintenance	1,648,385	3,901,311	(2,252,926)	(57.7%)	7,734,353	7,734,353	-	31
32	Utilities	1,097,027	1,276,302	(179,275)	(14.0%)	2,552,600	2,552,600	-	32
33	Maint & Services-Bldg & Other	586,078	836,465	(250,387)	(29.9%)	1,674,250	1,674,250	-	33
34								34	
35	TOTAL DIRECT EXPENSE	62,069,239	70,399,823	(8,330,584)	(11.8%)	136,691,701	136,691,701	-	35
36								36	
37	ADMINISTRATIVE EXPENSE							37	
38	Wages and Benefits	5,238,745	6,801,429	(1,562,684)	(23.0%)	12,301,799	12,301,799	-	38
39	Managing Agency Admin OH Cost	2,023,601	1,736,614	286,987	16.5%	3,470,871	3,470,871	-	39
40	Board of Directors	11,337	24,132	(12,795)	(53.0%)	48,275	48,275	-	40
41	Professional Services	2,518,925	4,355,324	(1,836,399)	(42.2%)	8,871,707	8,871,707	-	41
42	Communications and Marketing	159,379	162,746	(3,368)	(2.1%)	322,750	322,750	-	42
43	Other Office Expenses and Services	720,964	1,836,438	(1,115,474)	(60.7%)	3,654,614	3,654,614	-	43
44								44	
45	TOTAL ADMINISTRATIVE EXPENSE	10,672,951	14,916,683	(4,243,732)	(28.4%)	28,670,016	28,670,016	-	45
46								46	
47	TOTAL OPERATING EXPENSE	72,742,189	85,316,506	(12,574,317)	(14.7%)	165,361,717	165,361,717	-	47
48								48	
49	Measure RR Ballot Costs	5,357,846	7,000,000	(1,642,154)	(23.5%)	7,000,000	7,000,000	-	48
50	Governance	325,427	1,000,002	(674,575)	(67.5%)	2,000,000	2,000,000	-	49
51								51	
52	Debt Service Expense	1,307,268	1,190,874	116,394	9.8%	2,381,752	2,381,752	-	52
53								53	
54	GRAND TOTAL EXPENSE	79,732,731	94,507,382	(14,774,651)	(15.6%)	176,743,469	176,743,469	-	54
55								55	
56	NET SURPLUS / (DEFICIT)	32,233,999	12,581,749	19,652,250	156.2%	-	(867,471)	(867,471)	56

* Fuel and Lubricants costs were reduced by a realized gain of \$702,715 from the fuel hedge program.



BOARD OF DIRECTORS 2021

DEVORA "DEV" DAVIS, CHAIR
 STEVE HEMINGER, VICE CHAIR
 CINDY CHAVEZ
 JEFF GEE
 GLENN HENDRICKS
 DAVE PINE
 CHARLES STONE
 SHAMANN WALTON
 MONIQUE ZMUDA

MICHELLE BOUCHARD
 ACTING EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF DECEMBER 31, 2021

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.203%	88,141	88,141
County Pool (Unrestricted)		Liquid Cash	0.863%	559,220	559,220
Other (Unrestricted)		Liquid Cash	0.050%	123,227,653	123,227,653
Other (Restricted)	**	Liquid Cash	0.050%	11,682,055	11,682,055
				\$ 135,557,069	\$ 135,557,069

Interest Earnings for December 2021	\$ 3,900.35
Cumulative Earnings FY2022	\$ 19,550.70

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

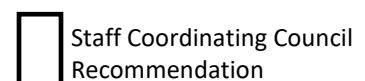
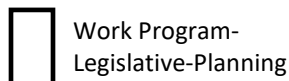
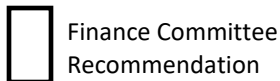
**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **APPROVE MEASURE RR BOND FINANCING TRANSACTIONS AND
RELATED TRANSACTION DOCUMENTS**



ACTION

Staff recommends the Board:

1. Authorize and approve the issuance of Measure RR Sales Tax Revenue Bonds (Bonds) in an aggregate principal amount not to exceed \$140,000,000 and execution of all required documents including, but not limited to: a Third Supplemental Indenture of Trust, a Bond Purchase Agreement, and a Continuing Disclosure Agreement.
2. Approve the proposed form of Preliminary Official Statement placed on file with the JPB Secretary and authorizing the Acting Executive Director or the Chief Financial Officer to execute a final Official Statement in substantially the same form.
3. Approving the use of the proceeds of the Bonds to finance certain non-grant funded capital costs of the Peninsula Corridor Electrification Project (PCEP), to fund capitalized interest, and to pay certain costs of issuance.
4. Authorizing the Acting Executive Director and/or Chief Financial Officer to take the necessary steps to effectuate the issuance of the Bonds.

SIGNIFICANCE

The proposed action would enable the JPB to issue on a long-term basis Measure RR Sales Tax Revenue Bonds (Bonds) to finance certain capital costs of the Peninsula Corridor Electrification Project (PCEP) that are not funded with State or Federal grants.

Board authorization is required to (i) approve proceeding with the proposed debt and (ii) authorize staff to take such actions as are necessary to implement such proposed debt.

BUDGET IMPACT

All debt service on the Bonds will be repaid from Measure RR sales tax revenues and will not impact the JPB's operating budget. Annual debt service on the Bonds is projected at \$9,562,000 commencing in Fiscal Year 2025-26 assuming interest rates as of January 10, 2022 plus 0.25%. The JPB intends to use Low Carbon Fuel Standards credits received after the commencement of electrified revenue services to fund annual debt service obligations on the Bonds.

In accordance with California Government Code Section 5852.1, the following information has been obtained by the JPB's Municipal Advisors and Underwriters and disclosed to the JPB in connection with the approval of the Bonds and Refunding Bonds:

- (i) the estimated true interest cost of the Bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds) is 3.0838% based on interest rates as of January 10, 2022 plus 0.25% (final rate to be set at pricing of the Bonds estimated to occur on February 15, 2022),
- (ii) the estimated finance charges (being the sum of all fees and charges paid to third parties) is \$752,000 for the Bonds,
- (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (iii) above to be paid from the principal amount of the Bonds and any reserves or capitalized interest paid or funded with the Bonds is \$155,728,015, and
- (iv) the estimated total payment amount of the Bonds (being the sum total of all payments the JPB will make to pay amounts under the Bonds, plus any financing costs not paid from proceeds of the Bonds) to the final maturity thereof is \$273,872,306.

BACKGROUND

Staff has been working with the JPB's Municipal Advisors to implement a comprehensive financing plan that relies entirely on Measure RR sales tax revenues and will not have any adverse financial impact on the JPB's member agencies. The financing plan (the "Financing Plan") has three components:

- Replace the JPB's existing credit facilities in the aggregate amount of \$200,000,000 with DNT Asset Trust (on behalf of JP Morgan), secured by certain Federal and State grants and a subordinate pledge of farebox revenues with new credit facilities with Wells Fargo Bank, in the same aggregate amount, secured by the same grants and a subordinate pledge of Measure RR revenues;
- Issue new money Measure RR sales tax revenue bonds in an amount up to \$140,000,000 to finance certain non-granted funded additional costs associated with the PCEP project – such bonds to be repaid, to the extent possible, from the proceeds of low carbon fuel credits to be received by the JPB after the commencement of electrification revenue service; and

- Issue refunding Measure RR sales tax revenue bonds to refinance, in whole or in part, the JPB's \$47,635,000 farebox revenue bonds issued in 2019.

Pursuant to Section 6586.5 of the California Government Code, each Member Agency has conducted a public hearing and, subsequent to conducting the public hearing, adopted a resolution approving the replacement of the JPB's existing credit facilities and issuance of the Bonds and Refunding Bonds, and making a finding of significant public benefit in accordance with the criteria specified in Section 6586.5 of the California Government Code.

On August 5, 2021, the JPB Board adopted Resolution No. 2021-45 approving the new credit facilities with Wells Fargo Bank. Those facilities were implemented on August 13, 2021.

Staff is not seeking to approve at this time the issuance of Measure RR sales tax bonds to refund the JPB's farebox revenue bonds as the debt service savings from such refunding are not sufficient to justify a refunding transaction under current interest rates.

Prepared By: Derek Hansel, Chief Financial Officer
Connie Mobley-Ritter, Director, Treasury

650.508.6466
650.508.7765

RESOLUTION NO. 2022-

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

*** * ***

AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF ITS MEASURE RR SALES TAX REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$140,000,000, APPROVING THE FORMS OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND A CONTINUING DISCLOSURE AGREEMENT TO BE EXECUTED IN CONNECTION THEREWITH, AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF MEASURE RR SALES TAX REVENUE BONDS

WHEREAS, the Peninsula Corridor Joint Powers Board (the "JPB"), a public entity duly organized and existing as a joint exercise of powers agency under and by virtue of the laws of the State of California, created pursuant to the Joint Exercise of Powers Agreement-Peninsula Corridor Project, made and entered into as of October 3, 1996 (the "JPA Agreement"), among the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District, the City and County of San Francisco and the San Mateo County Transit District (each, a "Member Agency," and, hereinafter collectively referred to as the "Member Agencies"), oversees and operates the Caltrain commuter rail service ("Caltrain"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the JPA Agreement, the JPB is authorized to issue debt, including revenue debt, from time to time to finance the costs of public capital improvements, including mass transit facilities and vehicles, whenever there are significant public benefits (as such term is defined in the Act) from doing so; and

WHEREAS, on November 3, 2020, the voters in the City and County of San Francisco, San Mateo County and Santa Clara Valley County approved Measure RR, which provides the JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable transactions in those counties (the "Measure RR Sales Tax"), the collection of which commenced on July 1, 2021 and currently expires in thirty (30) years; and

WHEREAS, the JPB previously entered into a revolving credit facility pursuant to a certain Credit Agreement, dated as of August 1, 2021 (the "PCEP Facility") between the JPB and Wells Fargo, National Association ("Wells Fargo"), with an amount available to be drawn and outstanding at any one time not to exceed \$100,000,000, in order to assist the JPB in meeting its cash flow needs in connection with the Peninsula Corridor Electrification Project (the "Peninsula Corridor Electrification Project" or the "PCEP Project"). The JPB issued a Tax-Exempt Note and a Taxable Note (the "PCEP Facility Notes") to evidence amounts borrowed by the JPB under the PCEP Facility. The PCEP Facility Notes are secured by a subordinate lien on Measure RR Sales Tax revenues

pursuant to an Indenture of Trust, dated as of August 1, 2021 (the "Master Indenture") as amended and supplemented by a First Supplemental Indenture of Trust, dated August 1, 2021 (the "First Supplemental Indenture"), between the JPB and U.S. Bank, National Association (the "Trustee"); and

WHEREAS, in addition, the JPB entered into a revolving credit facility pursuant to a Credit Agreement, dated as of August 1, 2021 (the "Working Capital Facility", and together with the PCEP Facility, the "Credit Facilities") between the JPB and Wells Fargo with an amount available to be drawn and outstanding at any one time not to exceed \$100,000,000 to fund working capital of the JPB. The JPB issued a Tax-Exempt Note and a Taxable Note (the "Working Capital Facility Notes", and together with the PCEP Facility Note, the "Notes") to evidence amounts borrowed by the JPB under the Working Capital Facility. The Working Capital Facility Notes are secured by a subordinate lien on Measure RR Sales Tax revenues under the Master Indenture as amended and supplemented by a certain Second Supplemental Indenture of Trust, dated August 1, 2021 (the "Second Supplemental Indenture"), between the JPB and the Trustee; and

WHEREAS, to facilitate completion of capital projects, the JPB also intends to utilize and leverage the Measure RR Sales Tax and issue its sales tax revenue (hereinafter referred to as the "Additional PCEP Obligations," and together with the Credit Facilities, the "Financing Plan") in an aggregate principal amount not to exceed \$140,000,000, to fund a portion of additional capital costs associated with completing the PCEP Project, capitalized interest through the expected commencement of electrified revenue service and transaction costs; and

WHEREAS, the JPB anticipates that completion of the PCEP Project will enable the JPB to (i) meet current and future transportation demand between San José and San Francisco; (ii) offset roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce greenhouse gas emissions; (v) provide electrical infrastructure compatible with contemplated future high-speed rail service; and (vi) enhance safety throughout the Caltrain system; and

WHEREAS, the indebtedness incurred by the Additional PCEP Obligations will be secured by a senior lien on the Measure RR Sales Tax Revenues pursuant to the Master Indenture, as amended and supplemented by a Third Supplemental Indenture of Trust (the "Third Supplemental Indenture"), by and between the JPB and the Trustee; and

WHEREAS, the Additional PCEP Obligations will be designated as the "Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds)" and will bear series designations specified in the Third Supplemental Indenture; and

WHEREAS, while Measure RR Sales Tax revenues will be pledged to repay the Additional PCEP Obligations, the JPB also anticipates repaying the Additional PCEP Obligations from a portion of the proceeds from the sale of low carbon fuel standards credits that it expects to receive following the commencement of Caltrain electric revenue service; and

WHEREAS, there has been prepared and placed on file with the Secretary of the governing body of the JPB (hereinafter referred to as the "JPB Secretary") a proposed form of the Third Supplemental Indenture; and

WHEREAS, J.P. Morgan Securities and Wells Fargo, National Association (collectively, the "Underwriters") intend to purchase the Additional PCEP Obligations pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), which Bond Purchase Agreement is proposed to be entered into between the Underwriters and the JPB; and

WHEREAS, there has been prepared and placed on file with the JPB Secretary a proposed form of Bond Purchase Agreement; and

WHEREAS, in order to facilitate the offering of the Bonds by the Underwriters, the JPB proposes to approve, execute and deliver an Official Statement (the "Official Statement") describing the Additional PCEP Obligations and certain related matters; and

WHEREAS, there has been prepared and placed on file with the JPB Secretary a proposed form of Official Statement describing the Additional PCEP Obligations and certain related matters; and

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15(c)2-12(b)(5) ("Rule 15(c)2-12"), the JPB proposes to enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with the Trustee, acting as dissemination agent; and

WHEREAS, there has been prepared and placed on file with the JPB Secretary a proposed form of Continuing Disclosure Agreement; and

WHEREAS, in order to accomplish the foregoing, it will be necessary for the JPB to enter into or approve and deliver the following agreements and instruments, forms of which have been prepared and placed on file with the JPB Secretary prior to this meeting:

- (1) Third Supplemental Indenture;
- (2) Bond Purchase Agreement;
- (3) Official Statement; and
- (4) Continuing Disclosure Agreement.

WHEREAS, the JPB desires to authorize the replacement of the issuance of the Additional PCEP Obligations, and to authorize the taking of such other actions as shall be necessary to consummate the issuance of the Additional PCEP Obligations, as described in the Third Supplemental Indenture, Bond Purchase Agreement, Official Statement, and the Continuing Disclosure Agreement (hereinafter collectively referred to as the "Financing Documents") and herein, and to authorize the taking of various actions in connection therewith; and

WHEREAS, each of the Member Agencies within whose geographic boundaries the Caltrain commuter rail service operates, conducted a public hearing, each of which public hearing was duly noticed, concerning the Financing Plan for purposes of Section 6586.5 of the Government Code of the State of California (the "Government Code"); and

WHEREAS, subsequent to the applicable public hearing, the governing body of each of the Member Agencies adopted a resolution or resolutions approving the Financing Plan for purposes of Section 6586.5 of the Government Code, each of which resolutions also made a finding of significant public benefit in accordance with the criteria specified in Section 6586.5 of the Government Code; and

WHEREAS, in accordance with Government Code Section 5852.1, the JPB has obtained and disclosed the information required thereby in the staff report accompanying this Resolution; and

NOW THEREFORE, BE IT RESOLVED by the governing body of the PENINSULA CORRIDOR JOINT POWERS BOARD as follows:

Section 1. Findings. The JPB hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Authorization of Issuance of the Bonds. The issuance of the Additional PCEP Obligations in an amount not to exceed \$140,000,000 is hereby authorized and approved. The acting Executive Director of the JPB (the "Executive Director") and the Chief Financial Officer of the JPB (the "Chief Financial Officer"), and the treasurer of the JPB (the "Treasurer"), each acting alone (each, an "Authorized Representative"), is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver the Additional PCEP Obligations in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the general counsel to the JPB (the "General Counsel"), may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of Third Supplemental Indenture. The proposed form of Third Supplemental Indenture placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver, a Third Supplemental Indenture, in substantially said forms, with such changes therein as the Authorized Representative executing the same, with the advice of General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the Additional PCEP Obligations shall be as provided in the Additional PCEP Obligations and the Third Supplemental Indenture, as finally executed and delivered, the approval by the

JPB of said final forms of the Additional PCEP Obligations to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (which shall not exceed the expiration of Measure RR) coupons (not to exceed 5% per annum), interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the Additional PCEP Obligations shall be as provided in the Third Supplemental Indenture, as finally executed and delivered, the approval by the JPB of said final form of Third Supplemental Indenture to be conclusively evidenced by the execution and delivery thereof.

Section 4. Application of Proceeds of the Bonds. The proceeds of the Additional PCEP Obligations shall be applied to finance the costs of the PCEP Project, capitalized interest through the expected commencement of electrified revenue service and costs of issuance related thereto, all in accordance with and as more particularly described in the Third Supplemental Indenture as finally executed and delivered.

Section 5. Approval of Bond Purchase Agreement. The proposed form of Bond Purchase Agreement placed on file with the JPB Secretary prior to this meeting is hereby approved. The sale of the Additional PCEP Obligations to the Underwriters at the principal amount thereof, less an underwriter's discount of not to exceed 0.50% of such principal amount, less any original issue discount, plus any original issue premium, in accordance with said form of Bond Purchase Agreement, is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Bond Purchase Agreement in connection with the sale by the JPB and the purchase by the Underwriters, such Bond Purchase Agreement to be in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Approval of Preliminary Official Statement. The proposed form of Preliminary Official Statement placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver to the Underwriters a final Official Statement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute copies of said Official Statement, as finally executed, to persons who may be interested in the purchase of Additional PCEP Obligations and is hereby directed to deliver such copies to all actual purchasers of Additional PCEP Obligations.

The execution by either Authorized Representative of a certificate deeming the Official Statement in preliminary form final on behalf of the JPB for purposes of Rule 15c2-12, and the distribution of the Official Statement, in such preliminary form as shall be deemed final by either Authorized Representative, is hereby authorized and approved.

Section 7. Approval of Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement attached to the Preliminary Official Statement and placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Continuing Disclosure Agreement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. Completion of Financing. Each Authorized Representative, the JPB Secretary and other appropriate staff of the JPB are each hereby authorized and directed, for and in the name and on behalf of the JPB, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates, documents, instruments and instructions, including, without limitation, the Financing Documents, the certificates concerning the representations in any of the Financing Documents, disclosure certificates, no-litigation certificates, signature certificates, tax certificates, investment instructions, green bond designation services, and contracts for rebate compliance services or other post-issuance compliance services, including, but not limited to, post-issuance tax-compliance services, and to do any and all things and take any and all actions which may be necessary or advisable to effectuate the actions which the JPB has approved in this Resolution, and to carry out, consummate and perform the duties of the JPB set forth in the Financing Documents and in all other documents executed in connection with the Financing Plan.

Section 9. Authorized Representative; Subsequent Actions. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of Financing Documents or by any of the other documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any investment of the proceeds of the Additional PCEP Obligations, any investment or reinvestment of the amounts held on deposit in any of the funds and accounts established by the Master Indenture and the Financing Documents, any amendment of any of the Master Indenture or Financing Documents, any amendment of any other agreements, documents or certificates authorized by this Resolution, may be given or taken or made, as applicable, by either Authorized Representative without further authorization or direction by the governing body of the JPB, and each Authorized Representative is hereby authorized and directed to give any such approval, consent, direction, notice, order, request or other action and to take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution.

Section 10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution which shall continue in full force and effect.

Section 11. **Effective Date.** This Resolution shall take effect immediately upon its passage.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary