AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting
San Mateo County Transit District Administrative Building
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

Committee Members: Dev Davis (Chair), Ron Collins, Monique Zmuda

February 24, 2020 2:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on Items not on the Agenda
   Comments by each individual speaker shall be limited to three (3) minutes. Items raised that require a response will be deferred for staff reply.
4. Approve Meeting Minutes of December 23, 2019 MOTION
5. Accept Statement of Revenues and Expenditures January 2020 MOTION
6. Disposition of Taylor Dunn Electric Carts MOTION
7. Authorize the Application for and Receipt of Annual Cap and Trade Funding for the Peninsula Corridor Electrification Project (PCEP) MOTION
8. Authorize the Executive Director to execute Amendment No. 2 to Supplemental Agreement No. 2 with Pacific Gas and Electric for construction of 115 kilovolt interconnections for the Peninsula Corridor Electrification Project MOTION
9. Committee Member Requests
10. Date/Time of Next Regular Finance Committee Meeting: Monday, March 23, 2020 at 2:30 pm, San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA
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. 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
The San Mateo County Transit District Administrative Building is located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, 260, 295 and 398 (view map). Additional transit information can be obtained by calling 1-800-660-4287 or 511, or by visiting 511.org.

Public Comment
If you wish to address the Committee, please fill out a speaker’s card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Committee members and staff. Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three minutes and items raised that require a response will be deferred for staff reply.

Accessible Public Meetings/Translation
Written materials in appropriate alternative formats, disability-related modification/accommodation, as well as sign language and foreign language interpreters are available upon request; all requests must be made 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 are 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.
AGENDA ITEM #4
FEBRUARY 24, 2020

Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070
MINUTES OF DECEMBER 23, 2019

MEMBERS PRESENT: D. Davis (Chair), R. Collins, S. Walton
MEMBERS ABSENT: None
STAFF PRESENT: D. Hansel, S. van Hoften, G. Martinez, A. Chan, P. Skinner, C. Boland, J. Brook

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
Chair Dev Davis called the meeting to order at 2:31 pm and led the Pledge of Allegiance.

2. ROLL CALL
Assistant JPB Secretary Jean Brook called the roll and confirmed a quorum was present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA
None.

4. APPROVAL OF MEETING MINUTES OF SEPTEMBER 23, 2019
Motion/Second: Walton/Collins
Ayes: Collins, Walton, Davis
Noes: None
Absent: None

5. APPROVE 2020 COMMITTEE MEETING CALENDAR
Chair Davis confirmed Committee members’ availability to attend the May 2020 Finance Committee meeting, given the meeting would be held on the Tuesday following Memorial Day. Chair Davis noted her inability to attend the July 27, 2020 meeting and Derek Hansel, Chief Financial Officer, noted that he would not be in attendance at the January 27, 2020 meeting due to a scheduling conflict.

Motion/Second: Collins/Walton
Ayes: Collins, Walton, Davis
Noes: None
Absent: None

6. ACCEPT STATEMENT OF REVENUES AND EXPENDITURES FOR SEPTEMBER, OCTOBER, AND NOVEMBER 2019
Chair Davis invited public comment.
Public Comment:
Roland Lebrun, San Jose, inquired about the reporting timeframe of revenues and expenditures. He stated revenues and expenses had increased but ridership was down. Mr. Lebrun requested an update on the contract with Transit America Services, Inc.

In response to Chair Davis’ question regarding the timing of the financials, Mr. Hansel responded that the months of February and April are purposefully chosen due to the timing of data available within the fiscal year, which begins on July 1. He noted that those months’ financials provide a more accurate condition of the agency and that they provide a precursor to the budgeting process itself.

Chair Davis commented on the format of the monthly financials. She suggested adding two columns to the report: “Current Month” and “Year to Date.” She noted lower expenditures in the categories of facilities and equipment maintenance and marketing, and discussed aspects of investment reporting. Mr. Hansel responded to the reasoning behind the lower expenditures and the investments.

Director Shamann Walton asked how claims are budgeted. Mr. Hansel explained that as claims are settled or dismissed, the agency’s reserves were concurrently released. Shayna van Hoften, Legal Counsel, discussed the balance of liability between the service provider, TASI, and Caltrain as an agency.

Motion/Second: Walton/Collins
Ayes: Collins, Walton, Davis
Noes: None
Absent: None

7. AUTHORIZE RECEIPT OF STATE RAIL ASSISTANCE PROGRAM FUNDS
Peter Skinner, Manager, Grants and Fund Programming, stated the action would allow the Executive Director to submit a project application for $8 million in State Rail Assistance funding to be used for a portion of the $38.6 million local match requirement for the Peninsula Corridor Electrification Enhancement project. He noted that the additional grant funding would allow for a seventh car to be added to the existing six-car train sets currently in production and allow for three additional seven-car train sets.

Committee members requested clarification on the total number of electric multiple units that were expected following award of grant money. Mr. Hansel confirmed that with the addition of 37 additional electric multiple units, it would allow the current 16 six-car sets/units to be converted into 19 seven-car sets. The grant funding process was discussed and how the draw-down funding method is utilized.

Public Comment:

Roland Lebrun, San Jose, discussed a discrepancy between a staff report and the overhead presentation on the South San Francisco station improvement project.

Motion/Second: Collins/Walton
Ayes: Collins, Walton, Davis
Absent: None
8. **ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Mr. Hansel stated that the FY 2019 Comprehensive Annual Financial Report (CAFR) was accepted at the December 5 Board meeting.

**Public Comment:**

Roland Lebrun, San Jose, discussed the purchase of a building at 4000 Campbell Avenue, Menlo Park and inquired about the price of $20 million.

Through the Chair, Mr. Hansel responded that one building in Menlo Park was purchased from proceeds of bonds and 4000 Campbell; Menlo Park would close in early 2020, totaling $20 million.

Chair Dev Davis inquired about how trackage rights are valued and booked and inquired whether they should be reviewed every few years to be revalued. Mr. Hansel responded that public agencies’ property values are not reviewed nor revalued at any time. Grace Martinez, Director of Accounting, confirmed that Generally Accepted Accounting Principles do not allow for revaluing public property and that the booked amounts remain at their historical levels, unless the property is depreciating.

9. **COMMITTEE MEMBER REQUESTS**

None.

10. **DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING**

Chair Davis announced the time and location of the next meeting; Monday, January 27, 2020 at 2:30 pm, San Mateo County Transit District, second floor auditorium, 1250 San Carlos Avenue, San Carlos, CA.

11. **ADJOURN**

The meeting was adjourned at 3:13 pm.

An audio/video recording of this meeting is available online at [www.caltrain.com](http://www.caltrain.com). Questions may be referred to the Board Secretary’s office by phone at 650.508.6279 or by email to board@caltrain.com.
AGENDA ITEM #5  
FEBRUARY 24, 2020

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO:       JPF Finance Committee
THROUGH:  Jim Hartnett  
           Executive Director
FROM:     Derek Hansel  
           Chief Financial Officer
SUBJECT:  STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
           JANUARY 31, 2020

ACTION
Staff proposes that the Board of Directors accept and enter into the record the  
Statement of Revenues and Expenses for the month of January 2020.

This staff report provides a brief discussion of significant items and trends on the  
attached Statement of Revenues and Expenses through January 31, 2020. The  
statement has been designed to follow the Agency-wide line item rollup as  
included in the adopted budget. The columns have been designed to provide  
easy comparison of year-to-date prior to current actuals for the current fiscal year  
including dollar and percentage variances. In addition, the current forecast of  
Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE
Annual Forecast: The annual forecast was updated for the February board  
meeting based on actual revenue and expense trends through December 2019.  
The forecast was derived by analyzing trends and reviewing details with cost  
center managers. The forecast will be updated again for the April board meeting.

Forecast Revenues: Total revenue (page 1, line 17) is forecast $2.3 million higher  
than budget. This is primarily driven by higher Farebox Revenue (page 1, line 1)  
which is $3.1 million higher than budget due to adopted fare changes (Go Pass  
fare increased by 20%, Clipper discount reduced to $0.25, and implementation of  
the means based fare pilot program). Other Income (page 1, line 5) is higher than  
budget by $0.4M due to parking citation revenue. This is partially offset by Shuttles  
(page 1, line 3) due to a reduction in service.

The Use of Reserves (page 1, line 13) is $1.1 million lower than budget primarily due  
to the increased fare revenue.

Forecast Expenses: Total Expense (page 1, line 49) is $0.6 million lower than budget.  
The variance is primarily due to lower expense trends. Shuttles Services (page 1,  
line 26) is $0.2 million lower than budget due to a labor shortage of drivers causing  
a reduction in service. Professional Services (page 1, line 41) is lower than budget  
by $0.2 million as a result of delays in various planning studies. Facilities &  
Equipment Maintenance (page 1, line 31) is lower than budget by $0.1 million due  
to delayed start of various survey work.
**Year to Date Revenues:** As of January year-to-date actual, the Total Revenue (page 1, line 17) is $5.2 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5) and JPB Member Agencies Contributions (page 1, line 12).

**Year to Date Expenses:** As of January year-to-date actual, the Total Expense (page 1, line 49) is $3.9 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23), in Fuel and Lubricants (page 1, line 27), in Wages & Benefits (page 1, line 38), in Professional Services (page 1, line 41) and Long Term Debt Expense (page 1, line 47). The increases are partially offset by decreases in Security Services (page 1, line 25), Claims, Payments and Reserves (page 1, line 30) and Managing Agency Admin OH cost (page 1, line 39).

**Other Information:** Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**
There are no budget amendments for the month of January 2020.

**STRATEGIC INITIATIVE**
This item does not achieve a strategic initiative.

Prepared By: Soe Aung, Accountant III 650-622-8020
Jennifer Ye, Manager, General Ledger 650-622-7890
## Statement of Revenue and Expense

**PENINSULA CORRIDOR JOINT POWERS BOARD**  
**STATEMENT OF REVENUE AND EXPENSE**  
**Fiscal Year 2020**  
**January 2020**

### Revenue Operations:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farebox Revenue</td>
<td>58,848,938</td>
<td>62,006,935</td>
</tr>
<tr>
<td>Parking Revenue</td>
<td>3,018,576</td>
<td>2,908,100</td>
</tr>
<tr>
<td>Shuttles</td>
<td>1,179,715</td>
<td>1,074,402</td>
</tr>
<tr>
<td>Rental Income</td>
<td>1,154,931</td>
<td>1,212,066</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,469,419</td>
<td>2,116,206</td>
</tr>
</tbody>
</table>

### Contributions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB434 Peninsula &amp; TA Shuttle Funding</td>
<td>1,036,341</td>
<td>1,236,127</td>
</tr>
<tr>
<td>JPBA Member Agencies</td>
<td>17,240,500</td>
<td>19,450,239</td>
</tr>
<tr>
<td>Use of Reserves</td>
<td>-</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Total Operating Revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>65,671,578</td>
<td>69,317,711</td>
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</tbody>
</table>

### Total Contributed Revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contributed Revenue</td>
<td>22,109,695</td>
<td>23,709,328</td>
</tr>
</tbody>
</table>

### Grand Total Revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Total Revenue</td>
<td>87,781,273</td>
<td>93,027,731</td>
</tr>
</tbody>
</table>

### Annual Revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>68,038,592</td>
<td>70,469,966</td>
</tr>
</tbody>
</table>

### Operating Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Operator Service</td>
<td>50,346,147</td>
<td>52,526,621</td>
</tr>
<tr>
<td>Positive Train Control</td>
<td>20,481</td>
<td>123,766</td>
</tr>
<tr>
<td>Security Services</td>
<td>3,767,857</td>
<td>3,343,364</td>
</tr>
<tr>
<td>Shuttles Services</td>
<td>2,244,237</td>
<td>2,302,009</td>
</tr>
<tr>
<td>Fuel and Lubricants</td>
<td>5,971,678</td>
<td>6,668,918</td>
</tr>
<tr>
<td>Timetables and Tickets</td>
<td>6,429</td>
<td>44,738</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,454,655</td>
<td>2,529,169</td>
</tr>
<tr>
<td>Claims, Payments, and Reserves</td>
<td>384,808</td>
<td>(105,484)</td>
</tr>
<tr>
<td>Facilities and Equipment Maint</td>
<td>1,139,768</td>
<td>1,218,611</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,074,623</td>
<td>1,126,713</td>
</tr>
<tr>
<td>Maint &amp; Services-Bldg &amp; Other</td>
<td>627,910</td>
<td>691,560</td>
</tr>
</tbody>
</table>

### Total Operating Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expense</td>
<td>68,038,592</td>
<td>70,469,966</td>
</tr>
</tbody>
</table>

### Administrative Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits</td>
<td>5,934,843</td>
<td>6,988,811</td>
</tr>
<tr>
<td>Managing Agency Admin OH Cost</td>
<td>3,690,003</td>
<td>2,315,860</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>13,238</td>
<td>9,964</td>
</tr>
<tr>
<td>Professional Services</td>
<td>981,282</td>
<td>1,921,950</td>
</tr>
<tr>
<td>Communications and Marketing</td>
<td>176,439</td>
<td>190,429</td>
</tr>
<tr>
<td>Other Office Expenses and Services</td>
<td>1,467,547</td>
<td>1,534,514</td>
</tr>
</tbody>
</table>

### Total Administrative Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Administrative Expense</td>
<td>12,263,352</td>
<td>12,961,528</td>
</tr>
</tbody>
</table>

### Long Term Debt Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Debt Expense</td>
<td>852,563</td>
<td>1,580,521</td>
</tr>
</tbody>
</table>

### Grand Total Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Total Expense</td>
<td>81,154,507</td>
<td>85,012,035</td>
</tr>
</tbody>
</table>

### Net Surplus / (Deficit):

<table>
<thead>
<tr>
<th>Description</th>
<th>Year To Date</th>
<th>% of Year Elapsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Surplus / (Deficit)</td>
<td>6,626,766</td>
<td>8,015,004</td>
</tr>
</tbody>
</table>

2/18/20 9:23 AM
<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>MATURITY DATE</th>
<th>INTEREST RATE</th>
<th>PURCHASE PRICE</th>
<th>MARKET RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (Unrestricted)</td>
<td>* Liquid Cash</td>
<td>1.967%</td>
<td>12,000,040</td>
<td>12,000,040</td>
</tr>
<tr>
<td>County Pool (Restricted)</td>
<td>Liquid Cash</td>
<td>1.780%</td>
<td>620,702</td>
<td>620,702</td>
</tr>
<tr>
<td>Other (Unrestricted)</td>
<td>Liquid Cash</td>
<td>0.700%</td>
<td>61,006,873</td>
<td>61,006,873</td>
</tr>
<tr>
<td>Other (Restricted)</td>
<td>** Liquid Cash</td>
<td>0.200%</td>
<td>14,718,421</td>
<td>14,718,421</td>
</tr>
</tbody>
</table>

$88,346,036

Interest Earnings for January 2020 $54,440.08
Cumulative Earnings FY2020 $213,093.43

* 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.
AGENDA ITEM #6
FEBRUARY 24, 2020

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: DISPOSITION OF TAYLOR DUNN ELECTRIC CARTS

ACTION
Staff Coordinating Council recommends the Board authorize the Executive Director, or
his designee, to dispose of six Taylor Dunn electric carts (Vehicles), in compliance with
the Peninsula Corridor Joint Powers Board’s (JPB) procurement policy.

SIGNIFICANCE
The proposed action will implement the JPB’s policy to routinely dispose of surplus
vehicles that are no longer viable for service through sale by sealed bid, public auction,
or negotiation, donation to a non-profit agency, recycling, transfer to another public
agency, trade-in as part of a new procurement, recycling, donation to a non-profit
entity, or by discarding as scrap. The Vehicles included in the proposed action will be
disposed of by public auction.

BUDGET IMPACT
The Vehicles were originally purchased in 2007 with a mix of federal and local funds.
While the estimated fair market value is less than $5,000 for each vehicle, any net
proceeds greater than $5,000 received from the sale of each vehicle will be returned to
the Federal Transit Administration.

BACKGROUND
The Vehicles have been in use at the Central Equipment, Maintenance and Operations
Facility, in San Jose. They have reached the end of their useful lives and have been
identified for disposal.

Procurement Administrator II: Brian Geiger 650.508.7973
Project Manager: Lawrence Leung, Manager, Rail Contracts and Budget 650.508.6328
AGENDA ITEM #7
FEBRUARY 24, 2020

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: AUTHORIZE THE APPLICATION FOR AND RECEIPT OF ANNUAL CAP AND TRADE FUNDING FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

ACTION
Staff Coordinating Council (SCC) recommends the Board authorize the Executive Director, or his designee to:

1. Apply for and receive $1.78 million in California Low Carbon Transportation Operations Program (LCTOP) funds from the State of California Department of Transportation (Caltrans) for the Peninsula Corridor Electrification Project (PCEP); and

2. Take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, related amendments and any other documentation required for the Peninsula Corridor Joint Powers Board (JPB) to apply for and receive LCTOP funds.

SIGNIFICANCE
The LCTOP is one of several funding programs that are part of a broad-based State effort to invest cap-and-trade auction proceeds to reduce greenhouse gas emissions as required under California’s climate action law, A.B. 32. These funds are distributed annually on a formula basis to transit agencies and Metropolitan Planning Organizations, including the Metropolitan Transportation Commission in the Bay Area. Similar to the State Transit Assistance program, transit agencies receive a portion of the funds directly based on operating revenues. Caltrans is the administering agency for the funds and requires eligible funding recipients to submit annual resolutions by authorizing agency officer(s) to execute and process the application materials associated with LCTOP funds. Caltrans also requires applicants to specify the projects to receive the LCTOP funds within the resolution.

For Fiscal Year (FY) 2020, the JPB’s allocation of LCTOP funding is $1.78 million. The Board has previously committed $9 million in LCTOP funds to the PCEP as part of the
seven-party supplemental memorandum of understanding and SCC recommends these funds be allocated to the PCEP in keeping with the agreement.

**BUDGET IMPACT**

There is no budget impact associated with this action. A total of $9 million in LCTOP funds are included in the overall funding plan for PCEP. To date, $5.4 million of this amount has been received for PCEP. With the FY20 allocation, that total will increase to $7.18 million.

**BACKGROUND**

The LCTOP provides capital funding as well as operational assistance for expanded transit service to reduce greenhouse gas emissions and improve mobility. The LCTOP program is funded annually with 5 percent of the auction proceeds from the State’s cap-and-trade program.

Prepared by: Rebecca Arthur, Senior Grants Analyst  
650.508.6368
RESOLUTION NO. 2020 -

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

***

AUTHORIZING THE APPLICATION FOR AND RECEIPT OF ANNUAL CAP AND TRADE FUNDING
FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project
sponsor and may receive State cap and trade funding from the Low Carbon Transit
Operations Program (LCTOP) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to State-funded transit projects require a local or
regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of
Transportation (Caltrans) as the administrative agency for the LCTOP; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering
and distributing LCTOP funds to eligible project sponsors, including the JPB; and

WHEREAS, the JPB wishes to use Fiscal Year (FY) 2020 LCTOP funds allocated to
the JPB for the Peninsula Corridor Electrification Project (PCEP); and

WHEREAS, the PCEP will electrify the Caltrain commuter rail line, providing
improved transit service and reduced greenhouse gas emissions that will benefit
disadvantaged communities, as identified by the State of California, in Santa Clara, San
Mateo, and San Francisco Counties, and provide electric multiple unit train cars to
operate on the newly-electrified rail line; and

16260314.1
WHEREAS, the Staff Coordinating Council recommends that the JPB Board of Directors authorize the Executive Director, or his designee, to:

1. Apply for and receive $1,781,703 in FY2020 LCTOP funds for the PCEP; and

2. File and execute annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, agreements, related amendments, and any other documents required for the JPB to apply for and receive LCTOP funding.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board, hereby:

1. Agrees to comply with all conditions and requirements set forth in the annual certifications and assurances, authorized agent forms and any applicable statutes, regulations and guidelines for all Low Carbon Transit Operations Program-funded transit projects; and

2. Authorizes the Executive Director, or his designee, to apply for and receive from the California Department of Transportation $1,781,703 in FY2020 LCTOP funds for the Peninsula Corridor Electrification Project, which will electrify the Caltrain commuter rail line, providing improved transit service and reduced greenhouse gas emissions; and

3. Authorizes the Executive Director, or his designee, to take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent
forms, agreements, related amendments, and any other documentation that may be required for the JPB to apply for and receive LC TOP funds.

Regularly passed and adopted this 5th day of March 2020, by the following vote:

AYES:

NOES:

ABSENT:

________________________________
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

______________________________
J PB Secretary
AGENDA ITEM #8
FEBRUARY 23, 2020

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: John Funghi
Chief Officer, Caltrain Modernization Program

SUBJECT: AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT NO. 2 TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

ACTION
Staff Coordinating Council recommends the Board authorize an amendment to Supplemental Agreement No. 2 with Pacific Gas and Electric (PG&E), entitled “Construction of Caltrain Construction of 115 Kilovolt (kV) Interconnections,” in support of the Peninsula Corridor Joint Powers Board’s (JPB) Peninsula Corridor Electrification Project (PCEP), at a cost not to exceed $25 million, for a new total authorized amount of $27.8 million for Supplemental Agreement No. 2.

Staff Coordinating Council’s recommendation is contingent upon approval of the Change Management Board.

SIGNIFICANCE
Implementation of the PCEP will require a 115-kv interconnection from the PG&E substation to the Caltrain substations in San Jose and South San Francisco. Construction of the 115-kv interconnections will be performed by PG&E, under an amendment to Supplemental Agreement No. 2.

Supplemental Agreement No. 2, PG&E Oversight of Caltrain Design and Construction of 115 kilovolt (kV) Interconnections and Environmental Review of PG&E Infrastructure Build Outs, was previously approved by the Board in September 2016 for $1 million. PG&E’s scope of work for this Agreement included oversight of the design and construction of the 115kV interconnections and environmental review and permitting support. An amendment to Supplemental Agreement No. 2 was approved by the Board on February 1, 2018 for $1.8 million because the level of effort from PG&E to oversee the design and construction of the interconnections was greater than anticipated. Amendment No. 2 to the Agreement will add construction of the 115-kV interconnections in San Jose and in South San Francisco to PG&E’s scope of work.

At this time, staff estimates that construction of the 115-kV interconnections will be
accomplished for an amount not to exceed $25 million.

**BUDGET IMPACT**
The construction cost for the 115kV interconnections was originally estimated in 2017 at $20 million to be funded from the contingency included in the Board-approved PCEP Budget. The JPB was recently notified by PG&E that this work will be subject to an Income Tax Component of Contribution tax, which is estimated at $5 million, for a total estimate of $25 million for the 115kV interconnections.

The estimated $25 million cost will be funded from the contingency included in the Board-approved PCEP Budget if approved by the Change Management Board. Staff will present the proposed action to the Change Management Board on February 26.

**BACKGROUND**
Design and construction of the 115kV interconnections was originally expected to be performed by Balfour Beatty (BBII) through a change order to BBII’s design-build contract with PCEP.

BBII performed the design of the interconnections through a subcontractor, TRC, but notified the JPB on December 12, 2019 that TRC decided not to pursue the construction component of the change order.

Staff reached out to BBII and TRC to find out whether TRC would change its decision about not pursuing the construction component of the change order but learned that TRC’s decision was final. Staff also reached out to PG&E about having PG&E construct the interconnections under an existing agreement with the JPB. PG&E agreed to construct the interconnections under a second amendment to Supplemental Agreement No. 2.

Staff evaluated three options for construction of the interconnections and has determined that construction of the interconnections as proposed by PG&E would be the most cost effective option and would have the shortest total schedule duration. The table below compares the cost and schedule for each option.

<table>
<thead>
<tr>
<th>Options</th>
<th>Cost</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Order to BBII</td>
<td>$26M - $30M</td>
<td>21 - 24 months</td>
</tr>
<tr>
<td>New PCEP Construction Contract</td>
<td>$24M - $28M</td>
<td>24 - 27 months</td>
</tr>
<tr>
<td>Amendment to PG&amp;E Supplemental Agreement No. 2</td>
<td>NTE $25M</td>
<td>17 - 19 months</td>
</tr>
</tbody>
</table>

Prepared By:  Liria Larano, Deputy Chief, CalMod Program  650.622.7828
RESOLUTION NO. 2020 -

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

***

AUTHORIZING AMENDMENT NO. 2 TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

WHEREAS, on January 8, 2015, pursuant to Resolution No. 2015-03, the Peninsula Corridor Joint Powers Board (JPB) certified a Final Environmental Impact Report for the Peninsula Corridor Electrification Project (PCEP) and approved the PCEP; and

WHEREAS, the PCEP will require connection and support infrastructure from Pacific Gas and Electric (PG&E) for the implementation of the project; and

WHEREAS, in October 2015, pursuant to Resolution No. 2015-51, the JPB executed a Master Agreement with PG&E to govern PG&E services in connection with the PCEP, as set forth in a series of supplemental agreements; and

WHEREAS, pursuant to Resolution No. 2016-50, the JPB executed Supplemental Agreement No. 2, entitled "PG&E Oversight of Caltrain Design and Construction of 115 Kilovolt (kV) Interconnections and Environmental Review of PG&E Infrastructure Build Outs," in the not-to-exceed amount of $1 million; and

WHEREAS, pursuant to Resolution No. 2018-05, the JPB executed Amendment No. 1 to Supplemental Agreement No. 2 to increase the cost by $1.8 million to reflect the higher-than-anticipated level of effort required from PG&E to oversee the design and construction of the interconnections; and

WHEREAS, construction of the interconnections was originally expected to be performed by TRC, a subcontractor to Balfour Beatty infrastructure, Inc. (BBII), through a change order to BBII’s design-build contract with the JPB; and
WHEREAS, TRC notified the JPB on December 12, 2019 that TRC decided not to pursue the construction component of the work; and

WHEREAS, JPB staff evaluated three options for construction of the interconnections and has determined that PG&E's proposal is the most cost-effective option and has the shortest total duration; and

WHEREAS, the JPB now desires PG&E to provide construction of the critical power infrastructure of 115 kV interconnections required to support PCEP; and

WHEREAS, the Staff Coordinating Council recommends, and the Finance Committee and PCEP Ad Hoc Advisory Committee concur, that the Board authorize a second amendment to Supplemental Agreement No. 2 in an amount not to exceed $25 million, for a total authorized not-to-exceed amount of $27.8 million.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes a second amendment of Supplemental Agreement No. 2 with Pacific Gas & Electric for construction of 115 kilovolt interconnections for the Peninsula Corridor Electrification Project in an amount not to exceed $25 million, for a new total, authorized not-to-exceed amount of $27.8 million.
Regularly passed and adopted this 5th day of March, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary