AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

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

November 6, 2014 – Thursday

10:00 a.m.

1. Pledge of Allegiance

2. Call to Order/Roll Call

3. Public Comment
   Public comment by each individual speaker shall be limited to two minutes

4. Consent Calendar
   Members of the public or Board may request that an item under the Consent Calendar be considered separately
   a) Approval of Minutes of October 2, 2014
   b) Approval of 2015 Board Meeting Calendar
   c) Acceptance of Statement of Revenues and Expenses for September 2014

5. Chairperson’s Report
   a) Appointment of Brian Shaw Representing San Francisco to the Citizens Advisory Committee
   b) Appointment of Annie Lee Representing San Mateo County to the Citizens Advisory Committee

6. Report of the Executive Director
   a) Caltrain Modernization Update

7. Authorize Amendment to the Contract with Pinnacle Petroleum, Inc. for Provision of California Air Resources Board ULSD Fuel and Fueling Services to Extend the Term and Increase the Estimated Contract Amount by $36,496,383

8. Authorize Reaffirming the Annual Investment Policy and Authorization to Invest Monies with the Local Agency Investment Fund

9. Legislative Update

10. Correspondence

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

12. General Counsel Report

13. Date/Time of Next Meeting: Thursday, December 4, 2014, 10 a.m.
   at San Mateo County Transit District Administrative Building,
   Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue,
   San Carlos, CA 94070

14. 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.

Location, Date and Time of Regular Meetings

Regular meetings are held at the The San Mateo County Transit District Administrative Building 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, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1.800.660.4287 or 511.

The JPB meets regularly on the first Thursday of the month at 10 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

If you wish to address the Board, 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 Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to two minutes and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the JPB will provide for 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 public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 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.
Peninsula Corridor Joint Powers Board (JPB)
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070

MINUTES OF OCTOBER 2, 2014


MEMBERS ABSENT: M. Cohen, J. Cisneros, T. Nolan (Chair)


Vice Chair Ken Yeager called the meeting to order at 10:10 a.m. and led the Pledge of Allegiance.

PUBLIC COMMENT
Shirley Johnson, Bikes on Board campaign, said Caltrain needs more seating and bicycle capacity. She said 13 percent of customers bring bikes onboard, so 13 percent of the increased capacity should be for bikes. This means 13 Bombardier cars should be converted to bike cars, which would require the replacement of 20 seats with bike racks.

Janice Li, San Francisco Bicycle Coalition (SFBC), said people rely on Caltrain to get where they need, but more and more bicyclists get denied boarding. She urged the Board to advise staff to retrofit more bike cars to match the ridership.

Danny Hall, San Francisco, said the 8 a.m. trains from San Francisco are always full with bikes and if he has an important meeting at Stanford University he can’t rely on Caltrain. He said he is concerned about the future for bike commuters and he hopes Caltrain will expand capacity for bike commuters.

Catherine Young, San Francisco, said new cars will bring an increase in capacity and she hopes that will include bike capacity.

Vicki Pelton, Redwood City, asked the Board to add a third bike car to Bombardier trains. She said some bicyclists want to ride but are afraid they will get bumped. Bikes onboard will take cars off the road and will make air cleaner in California.

Jeff Carter, Millbrae, thanked Caltrain for its suicide prevention efforts. He said ridership is at an all-time high and Caltrain needs to increase capacity immediately. With bikes onboard Caltrain does not have to provide an expensive parking space or supplement bus transit, so the space on the train for bikes is well worth it.

Pat Giorni, Burlingame, said there were 312 reported bumps in September, a record high. She urged the Board to have staff increase bicycle capacity.

Adina Levin, Friends of Caltrain, said that the 14 percent of people who use bikes use
them because they are a key part of their commute. She said there is no free way to support people taking the last mile, but a bicycle is an environmentally friendly way to do it.

Roland Lebrun, San Jose, said there are five trains in the morning and five in the evening that have very high ridership. He said Bombardiers are good at carrying passengers and Gallery cars are good at carrying bicycles. He said Caltrain should put a Gallery car on the back of a Bombardier train set and use it for bikes and keep all the bike capacity at the back of the train.

Samuel Bowman, San Francisco, said he has to use his bike to get to Caltrain and depends on Caltrain entirely. He said he has been bumped a few dozen times over the years. Without bikes onboard his schedule wouldn't be viable. He urged the Board to provide ample capacity for bikes.

Mark Duncan, Menlo Park, said over the last 15 years that Michael Scanlon, Executive Director, has been at Caltrain, the 39-foot jointed rail was replaced with continuously welded rail, the roadbed was rehabilitated with new ballasts, concrete ties were used for new track, the signal system was upgraded from absolute block signaling to central traffic control, eliminating the need for manual control of switches, Bombardier cars were acquired and Baby Bullet service began, a central maintenance facility and control center was built that improved fleet reliability, many stations with hold-out rules were configured with outside boarding platforms, and all of this was accomplished during a continual budget crisis when there was no dedicated source of funding.

Elizabeth Alexis, Californians Advocating Responsible Rail Design (CARRD), said she is notifying the Board of CARRD’s intent to file an ethics complaint regarding violations of State law by a Caltrain consultant. She said the consultant failed to file Form 700 documents during many years when the consultant played a prominent and decisive role in the procurement and implementation of a series of projects. She said the contractor’s first filing failed to declare income received as a subcontractor on several different on-call consulting contracts.

CONSENT CALENDAR
a. Approval of Minutes of September 4, 2014
b. Acceptance of Statement of Revenues and Expenses for August 2014

Motion/Second: Tissier, Woodward
Ayes: Guilbault, Kalra, Tissier, Woodward, Yeager
Absent: Cohen, Cisneros, Nolan

CHAIRPERSON’S REPORT
No report

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)
Adina Levin, Vice Chair, CAC, said at the last meeting the CAC discussed:
• The policy defining a quorum. The CAC will vote on whether to change the definition at the next meeting.
• The alcohol policy. Most members agreed not to ban alcohol but to identify a code of conduct on the train.

REPORT OF THE EXECUTIVE DIRECTOR
Mr. Scanlon reported:

• Key Caltrain Performance Statistics August 2014 compared to August 2013.
  o Monthly Performance Statistics:
    ▪ Total Ridership was 1,626,751, an increase of 11 percent.
    ▪ Average Weekday Ridership (AWR) was 60,871, an increase of 13.1 percent.
    ▪ Total Revenue was $7,209,373, an increase of 10.8 percent.
    ▪ On-time Performance (OTP) was 93.3 percent, an increase of 2.5 percent.
    ▪ Caltrain Shuttle Ridership was 9,061, an increase of 30.1 percent.
      This percentage increase is artificially high due to the previous problems with the counts on the Marguerite shuttle.
  o Year-to-Date Performance Statistics:
    ▪ Total Ridership was 3,223,470, an increase of 9 percent.
    ▪ AWR was 59,735, an increase of 9.8 percent.
    ▪ Total Revenue was $14,451,304, an increase of 9.8 percent.
    ▪ OTP was 92.9 percent, an increase of 2.4 percent.
    ▪ Caltrain Shuttle Ridership was 9,186, an increase of 33.6 percent.
      This percentage is also artificially high.

• Caltrain launched a special page on its website dedicated to suicide prevention. The page is www.caltrain.com/thereishelp and has resources and a crisis hotline number. In 2013, transit police conducted 23 interventions and referrals to treatment for people in danger of harming themselves on the right of way.

• The Federal Railroad Administration approved the JPB Positive Train Control (PTC) Development Plan. Implementation remains a priority project. The system should be in service by December 31, 2015.

• The Bicycle Advisory Committee met on September 18 and received updates on the Caltrain Modernization (CalMod) Program and the Bicycle Access and Parking Plan. The next meeting will be on November 20.

• There were two football games in September at Levi’s Stadium. Total additional ridership at Mountain View was 9,116.

• Total ridership for the Giants home games in September was 75,000. Additional ridership for the 2014 season was over 625,000, a 16 percent increase from 2013.

• Additional ridership for Stanford football was 6,200, up 19 percent over 2013.

• International soccer at Levi’s Stadium attracted 1,600 additional riders.

• A schedule change will take effect on October 5. A few minutes have been added to all trains because of the project to replace four bridges in San Mateo, which requires a slow order for that area. A few minutes of running time have been added to trains with the worst OTP. Five additional trains will stop at the 22nd Street Station. Three northbound weekend San Jose-Tamien shuttle connections will be added, and some of the San Jose-Tamien shuttle departure and arrival times will be revised.
• Construction for the Santa Clara Valley Transportation Authority (VTA) Light-rail Efficiency Project will start this month to add Bay Area Rapid Transit service and to make improvements to serve Levi’s Stadium.
• The American Society of Engineers awarded the San Bruno Grade Separation Project the Transportation Project of the Year award for the San Francisco section.
• From 2010 to 2014, Go Pass revenue went from $3 million to $8 million, the number of companies involved went from 43 to 89 and the number of eligible employees went from 21,000 to over 52,000.
• Staff is kicking off a two-month ridership promotion focused on off-peak and weekend trains. The campaign will focus on places to shop, play, and go via Caltrain. Promotion elements include the electronic billboard in Redwood City, Pandora, KCBS, KQED, and social media.
• The Reading File contains one social media posting for the ridership campaign, a Track the Fun Guide, and the August Safety and Security Report.

**CalMod Electrification Project Quarterly Progress Report**

Marian Lee, Executive Officer, CalMod, said:

• Staff has begun testing fiber for the Communications-based Overlay Signal System (CBOSS)/PTC Project from San Jose to Redwood City. Installation work is taking place in San Carlos, Belmont, San Mateo, and Millbrae, and will continue northward. Onboard installation is continuing and seven of the nine pilot trains are complete. There have been no new complaints since the last Board meeting.
• The administrative Final Environmental Impact Report (EIR) is being prepared. The effort is being coordinated with project partners and has been pushed out one month. Staff will bring the informational item to the Board in December.
• The Local Policy Makers Group met Thursday, September 25. Key topics covered were outreach on the electric vehicles and an update on the CBOSS/PTC installation. The next meeting will be in November.

Dave Couch, Project Delivery Director, provided a quarterly project delivery update on the electrification project:

• **Electrification Design-Build Contract**
  o The Request for Qualifications was issued.
  o An evaluation committee has been established and includes representatives from VTA and the San Francisco Municipal Transportation Agency (SFMTA).
  o Six of the seven proposals received are deemed to be qualified and are eligible to respond to the Request for Proposals (RFP), which will be issued at the end of January 2015 and awarded in the fall of 2015.
  o The design-build contractor selection is based on best value considering technical expertise and price.
• **Electrification Contracting**
  o Two additional conventional design-bid-build contracts for modifications to existing Caltrain facilities will be required, including work in four tunnels in San Francisco and modifications to the maintenance facility to support electric multiple units (EMUs).
EMU Procurement
- Continuing stakeholder outreach focused on capacity issues
- Online survey to determine customer preferences
- Continue development of RFP (issued first quarter of 2015 and awarded winter of 2015)

Key Upcoming Items
- Electrification cost and schedule update
- Disadvantaged Business Enterprise goal for the design-build contract
- Common platform/level boarding analysis
- EMU RFP release
- Electrification RFP release

Public Comment
Doug DeLong, Mountain View, said there was three months of less than 500 minutes of mechanical delay. He said the consistency is encouraging. He said Caltrain is leaving money on the table and needs to get a system that accommodates low-income riders and move to more fully pricing the services to get more robust farebox revenue.

Vaughn Wolff, Pleasanton, said the new cars should all be pass-through cars, and there should be A and B sections of the train that stop at A and B stops. He said everyone who gets on or off the train would get on and off at the A section of the train, and the same for the B section. This would allow for much longer trains. Having longer trains is cheaper to run than having more trains.

Adina Levin, Friends of Caltrain, said that the Caltrain electrification EIR predicts ridership growth to go from 60,000 to 110,000 by 2040, but San Francisco is predicting three times the growth and San Jose predicts five times the growth. Having compatible platforms with Caltrain and high-speed rail (HSR) would maximize the system.

Elizabeth Alexis, Palo Alto, said Caltrain estimates are underestimating ridership potential. As part of CalMod, the Go Pass should be expanded to cover groups such as apartment complexes.

Roland Lebrun, San Jose, said height is needed for catenary clearance but the catenary wires can’t be too close to a tunnel or there will be arcing. He said the voltage could be dropped to 1,500 volts to address this issue. He said another approach is to vary the catenary height throughout the line. Tunnel notching is a last resort. To drop the voltage, special bi-voltage trains are needed. He said the EMUs need to be seven cars long or there will be less capacity than the six-car Bombardier sets.

AUTHORIZE LEASE AGREEMENT FOR CALMOD OFFICE SPACE AT 2121 EL CAMINO REAL IN SAN MATEO FOR A PERIOD OF SIX YEARS
Ms. Lee said the CalMod program management team is in place and builders will be joining them next year. She said for large projects, it is typical to co-locate team members to deliver the project in an efficient way. The San Carlos facility is out of space, so staff is recommending a site in San Mateo. She said this is a Class B office space and is centrally located. She said the landlord is accommodating and agreed to a phase-in rent to accommodate the existing team and the rest of the team that will
be added next year. She said the lease is in the approved budget and will be included in future budget requests.

Motion/Second: Tissier, Guilbault
Ayes: Guilbault, Kalra, Tissier, Woodward, Yeager
Absent: Cohen, Cisneros, Nolan

**AUTHORIZE EXECUTION OF A FUND TRANSFER AGREEMENT WITH THE SAN MATEO COUNTY TRANSIT DISTRICT FOR STATE PROPOSITION 1B TRANSIT SECURITY GRANT PROGRAM FUNDS IN THE AMOUNT OF $500,000**

April Chan, Executive Officer, Planning and Development, said the $500,000 will be used to install inward-facing cameras on Caltrain locomotives as recommended by the National Transit Safety Board. The project was approved in the Fiscal Year (FY) 2015 Caltrain Capital Budget. This action will bring in funding for the project.

Motion/Second: Tissier/Kalra
Ayes: Guilbault, Kalra, Tissier, Woodward, Yeager
Absent: Cohen, Cisneros, Nolan

**AUTHORIZE STAFF TO PROCEED WITH A 2014 DEBT ISSUANCE OF UP TO $11 MILLION TO FINANCE THE PROCUREMENT AND REHABILITATION OF 16 RAILCARS FROM SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY AND RELATED CAPITAL EXPENDITURES, TO SELECT THE DIRECT PURCHASER, AND TO ENGAGE ORRICK, HERRINGTON & SUTCLIFFE, LLP TO SERVE AS BOND COUNSEL**

Gigi Harrington, Deputy CEO, said this transaction has to go to the SamTrans Board, the city and county of San Francisco, and VTA due to the nature of the Joint Powers Agreement. She said it will take a few months to get all the approvals in place, and then she will be back to ask the Board to approve the transaction.

**Public Comment**

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said Caltrain needs the added capacity as soon as possible.

Motion/Second: Guilbault/Woodward
Ayes: Guilbault, Kalra, Tissier, Woodward, Yeager
Absent: Cohen, Cisneros, Nolan

**LEGISLATIVE UPDATE**

**State**

Josh Shaw, Shaw, Yoder, Antwih, Inc., said Senate Bill (SB) 628, which establishes a mechanism to create enhanced Infrastructure Financing Districts (IFDs), was signed by the governor. Some cities on the Caltrain right of way may be interested in talking about IFDs that would use the old tax increment financing that went away when redevelopment was dissolved.

Mr. Shaw said the governor signed SB1433 that extends the design-build authority, which will be used for CalMod.
Mike Robson, Edelstein/Gilbert/Robson/Smith, said Assembly Bill 2198, which would have mandated that mental health professionals receive an additional 15 hours of suicide prevention training as part of their licensing requirements, was vetoed. The governor accepted the argument that licensing boards have the authority to review the issue and no legislation is necessary.

Mr. Shaw said Cap and Trade funds are coming online. Twenty-five percent of all funds going forward are dedicated to transit on a formula, or are available to some transit projects on a competitive basis. He said the major concern is the State not identifying disadvantaged communities, which must receive a percentage of the Cap and Trade funds. The funding will be available on a multi-year schedule.

**Federal**
No update

**CORRESPONDENCE**
Public Comment
Pat Giorni, Burlingame, said she wonders if the Board gets the correspondence electronically. She said the correspondence should be put online with the agenda to save paper and make it easier for her to know before the meeting what is in it.

**BOARD MEMBER REQUESTS**
None

**GENERAL COUNSEL REPORT**
No report

**DATE/TIME/PLACE OF NEXT MEETING**
The next meeting will be Thursday, November 6, 2014, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

Director Adrienne Tissier said Kathy Simon, wife of Mark Simon, Executive Officer, Public Affairs, entered the workforce a quiet pioneer, part of the vanguard of women shedding traditional roles and assertively seeking leadership positions in her professional life.

Adjourned at 11:16 a.m. in memory of Kathy Simon.
TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Martha Martinez
JPB Secretary

SUBJECT: 2015 BOARD OF DIRECTORS MEETING CALENDAR

ACTION
Staff Coordinating Council (SCC) recommends the Board approve the Meeting Calendar for 2015 (attached).

SIGNIFICANCE
The Board of Directors monthly meeting is scheduled for the first Thursday of each month at 10:00 a.m. except for the January meeting. The January meeting falls on a holiday and has been moved to the second Thursday.

BUDGET IMPACT
There is no impact on the budget.

Prepared by: Josh Averill, Assistant District Secretary 650.508.6223
Peninsula Corridor Joint Powers Board
Meeting Calendar for 2015

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<tr>
<th>Month</th>
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The Board meets the first Thursday of the month.

All meetings are held at 1250 San Carlos Ave., Second Floor, San Carlos, CA 94070.

*Second Thursday
TO: Joint Powers Board

THROUGH: Michael J. Scanlon
       Executive Director

FROM: Gigi Harrington
       Deputy CEO

SUBJECT: STATEMENT OF REVENUE AND EXPENSE FOR THE PERIOD ENDING SEPTEMBER 30, 2014 AND SUPPLEMENTAL INFORMATION

ACTION
Staff proposes the Board of Directors accept and enter into the record the Statement of Revenue and Expense for the month of September 2014 and supplemental information.

SIGNIFICANCE
Revenue: For September of Fiscal Year 2015, Total Operating Revenue (line 7) is $2,443,808 or 11.5 percent better than budget. Within total operating revenue, Farebox Revenue (line 1) is $2,253,099 or 11.7 percent better than budget. Compared to the prior year, Total Operating Revenue (line 7) is $1,624,813 or 7.3 percent higher.

Expense: Grand Total Expenses (line 50) show a favorable variance of $3,615,296 or 11.5 percent. The Rail Operator Service (line 23) is $480,551 or 2.9 percent worse than budget, but Total Operating Expense (line 36) is $2,654,023 or 10.1 percent better than budget. Total Administrative Expense (line 46) is $961,273 or 19.8 percent better than budget.

Compared to prior year, Grand Total Expenses (line 50) are $951,940 or 3.3 percent lower.

BUDGET IMPACT
There are no budget revisions for the month of September 2014.

Prepared By: Jeannie Chen, Senior Accountant 650.508.6259
             Sheila Tiyoao, Manager, General Ledger 650.508.7752
# PENNSULA CORRIDOR JOINT POWERS BOARD
## STATEMENT OF REVENUE AND EXPENSE
### Fiscal Year
#### September 2014

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<th>MONTH</th>
<th>CURRENT ACTUAL</th>
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### REVENUE
#### OPERATIONS:
1. farebox revenue: 7,094,118
2. parking revenue: 341,969
3. shuttles: 134,868
4. rental income: 142,406
5. other income: 121,451

#### CONTRIBUTIONS:
- AB434 Peninsula & TA Shuttle Funding: 157,848
- Operating Grants: 554,452
- JPB Member Agencies: 1,642,119
- Other Sources: 2,890,906

#### TOTAL CONTRIBUTED REVENUE: 2,354,419

#### GRAND TOTAL REVENUE: 10,189,231

### EXPENSE
#### OPERATING EXPENSE:
- Rail Operator Service: 5,103,380
- Rail Operator Service - Other: 5,329
- Security Services: 445,182
- Rail Operator Extra Work: 4,553,891
- Shuttles Services: 347,267
- Fuel and Lubricants: 1,206,485
- Timetables and Tickets: 23,451
- Insurance: 400,081
- Facilities and Equipment Maint: 118,495
- Utilities: 207,381
- Maint & Services-Bldg & Other: 94,739

#### TOTAL OPERATING EXPENSE: 7,951,791

### ADMINISTRATIVE EXPENSE
- Wages and Benefits: 458,799
- Managing Agency Admin OH Cost: 357,691
- Board of Directors: 366
- Professional Services: 440,249
- Communications and Marketing: 1,445
- Other Expenses and Services: 156,534

#### TOTAL ADMINISTRATIVE EXPENSE: 1,415,084

### TOTAL OPERATING EXPENSE & ADMINISTRATIVE EXPENSE:

#### NET SURPLUS / (DEFICIT): 730,450

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"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.

(A) Insurance reserve of $1.8M were released due to closed claims on Claim #1633677 and Claim #1733363.
## PENINSULA CORRIDOR JOINT POWERS BOARD

### INVESTMENT PORTFOLIO

### AS OF SEPTEMBER 30, 2014

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<th>TYPE OF SECURITY</th>
<th>MATURITY</th>
<th>INTEREST Rate</th>
<th>PURCHASE PRICE</th>
<th>MARKET PRICE</th>
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<td>Local Agency Investment Fund (Restricted)</td>
<td>Liquid Cash</td>
<td>0.246%</td>
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<td>Local Agency Investment Fund (Unrestricted)</td>
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<td>$ 87,251,932</td>
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Accrued Earnings for SEPTEMBER 2014            $ 18,265.35  
Cumulative Earnings FY2015                     $ 50,294.32

* 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 30 each fiscal year.

** As of September 2014 the amortized cost of the Total County Pool was $3,394,673,759.55 and the fair market value per San Mateo County Treasurer’s Office was $3,393,913,137.21.

*** Prepaid Grant funds for Homeland Security and PTMISEA 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
NOVEMBER 6, 2014

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: KEY CALTRAIN PERFORMANCE STATISTICS SEPTEMBER 2014

The month of September brought an all-time Caltrain ridership record for average weekday ridership (AWR) once again. AWR in September was 61,224. This is an increase of 6,916 or 12.7 percent over September 2013 AWR of 54,308. The total number of passengers who rode Caltrain in September 2014 was 1,597,986, which is 14.5 percent more than in September 2013.

On-time performance (OTP) for September 2014 was 90.7 percent, which is slightly lower than the 90.9 percent OTP for September 2013. When trains arriving within 10 minutes of the scheduled arrival time are included, September 2014 OTP rises to 96.7 percent. There were two days when 100 percent of the trains operated on time. An additional eight days operated with 95 percent or better OTP. Mechanical delays in September 2014 were 526 minutes, compared with 954 minutes in September 2013.

The three days with the most significant delays were:
- September 3: Eleven trains were late due to signal problems
- September 25: Eight trains were late in the morning due to mechanical problems and 10 trains were late in the afternoon due to a suspicious package in one of the railroad tunnels
- September 29: Twenty-four trains were late due to a Capitol Corridor mechanical problem during evening peak service causing all mainline tracks to be blocked.

Looking at customer service statistics, there were 9.1 complaints per 100,000 passengers in September 2014. This is lower than the 11.5 complaints in September 2013.

Shuttle ridership is up 21 percent from last year. The Marguerite shuttles have improved the accuracy of their ridership reporting this year, which accounts for much of the ridership increase. When comparing the same shuttle routes as last year and the Marguerite shuttles are removed, overall shuttle ridership decreased 0.9 percent over September 2013. For the station shuttles, the Millbrae-Broadway shuttle averaged 213 daily riders. The Belmont-Hillsdale shuttle averaged 79 daily riders. The weekend Tamien-San Jose shuttle averaged 50 riders per day.
Caltrain Promotions – September 2014

Off-peak & Weekend Campaign – Caltrain has kicked off a two-month ridership promotion focused on off-peak and weekend trains. The campaign will focus on places to shop, play and go via Caltrain. Promotional elements include the electronic billboard in Redwood City, Pandora Internet radio, KCBS, KQED and social media.

International Soccer – Bay Area soccer fans were treated to an international match between Mexico and Chile at Levi’s® Stadium. Caltrain service, and the joint Caltrain/Santa Clara Valley Transportation Authority (VTA) adult Day Pass, was promoted with a news release, information on the Caltrain website, station electronic messages and social media. More than 1,600 additional customers alighted and boarded at the Mountain View station, connecting with the VTA.

49ers – As the regular football season got underway, Caltrain continued to play a key role in getting customers to the VTA light rail at the Mountain View station for the trip to Levi’s® Stadium. Caltrain service is included on the Levi’s® Stadium website. Caltrain created a web page for service to 49ers games (www.caltrain.com/49ers). Service was promoted with information in Caltrain Connection, conductor announcements, station message signs, Track the Fun brochure, social media, news releases and web presence. The 49ers played two games, resulting in an additional 9,116 customers taking Caltrain.

Giants – September saw exciting baseball action involving the San Francisco Giants. Caltrain continued to provide information on taking the train to the game through an onboard brochure, web button, dedicated web page, social media, Caltrain Connection and Track the Fun. In September, Caltrain carried 75,239 additional customers for 10 home games. Year-to-date ridership is 625,303, a 16 percent increase compared to last year.

Stanford Football – The Stanford Cardinal football team took to the home field twice in September. For these games, Caltrain stops a number of trains at the Stanford Stadium station, located a short walk from the stadium. The rail agency promoted its service with a station banner, radio spots and banner ads on Pandora, news release, social media, station message signs, conductor announcements, web button and dedicated page on its website. Service information also was included in two Caltrain publications, Track the Fun and Caltrain Connection. Stanford produced an onboard brochure and post information on gostanford.com. Caltrain served 6,219 fans at the Stanford Stadium station, an increase of 19 percent compared to last year. However, because the Stanford station doesn’t have a Clipper card tagging device or ticket machines, an unknown number of customers also used the Palo Alto station.
San Jose Sharks – Caltrain is turning into the sports connection because of the key role it plays in getting fans to professional baseball, football and ice hockey games. In September, the San Jose Sharks took to the ice at SAP Center for two pre-season matches. Service to the Shark Tank was promoted through onboard adcards produced by the Sharks, link from the Sharks website to Caltrain, Pandora spots and banner ads, web button and dedicated page on caltrain.com, included in the fall edition of Track the Fun, social media and a news release. For the two pre-season home games, Caltrain transported an extra 313 customers.

Where Public Transportation Goes Community Grows – Caltrain partnered with SamTrans to participate in American Public Transportation Association’s Where Public Transportation Goes Community Grows initiative. The goal of the initiative is to let decision makers and other stakeholders, including customers, know that investment in public transportation drives growth. It attracts development and increases property values along its corridors. Public transit also connects employers to employees, restaurants to diners, landlords to renters and families to local stores. We are conveying the message through social media, and ads in bus shelters and on buses. The campaign concluded at the end of September.

Prepared By: Rita P. Haskin, Executive Officer, Customer Service and Marketing
Catherine David, Senior Planner

650.508.6248
650.508.6471
Table A

September 2014

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Ridership</td>
<td>1,395,711</td>
<td>1,597,986</td>
<td>14.5%</td>
</tr>
<tr>
<td>Average Weekday Ridership</td>
<td>54,308</td>
<td>61,224</td>
<td>12.7%</td>
</tr>
<tr>
<td>Total Farebox Revenue</td>
<td>$6,282,145</td>
<td>$7,094,114</td>
<td>12.9%</td>
</tr>
<tr>
<td>On-time Performance</td>
<td>90.9%</td>
<td>90.7%</td>
<td>-0.2%</td>
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<tr>
<td>Average Caltrain Shuttle Ridership</td>
<td>7,239</td>
<td>8,757</td>
<td>21.0%</td>
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</table>

Year to Date

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Ridership</td>
<td>4,353,765</td>
<td>4,821,456</td>
<td>10.7%</td>
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<tr>
<td>Average Weekday Ridership</td>
<td>54,379</td>
<td>60,231</td>
<td>10.8%</td>
</tr>
<tr>
<td>Total Farebox Revenue</td>
<td>$19,441,212</td>
<td>$21,545,418</td>
<td>10.8%</td>
</tr>
<tr>
<td>On-time Performance</td>
<td>90.8%</td>
<td>92.2%</td>
<td>1.5%</td>
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<tr>
<td>Average Caltrain Shuttle Ridership</td>
<td>6,995</td>
<td>9,136</td>
<td>30.6%</td>
</tr>
</tbody>
</table>

Graph A

Caltrain Average Weekday Ridership

[Graph showing average weekday ridership from Sep-13 to Sep-14 with data points and trend line]
Graph B

MONTHLY MECHANICAL DELAYS

Graph C

CALTRAIN MONTHLY COMPLAINTS
TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington  C.H. (Chuck) Harvey
Deputy CEO          Deputy CEO

SUBJECT: AUTHORIZE AMENDMENT TO THE CONTRACT FOR PROVISION OF ULTRA-LOW SULFUR DIESEL FUEL AND FUELING SERVICES

ACTION

Staff Coordinating Council recommends the Board:

1. Approve an amendment to the contract with Pinnacle Petroleum, Inc. (Pinnacle) for provision of California Air Resources Board (CARB), Red-Dyed, Ultra-Low Sulfur Diesel (ULSD) fuel and fueling services (services) that will increase the contract price by $36,496,383 to cover current contract expenditures and extension of the contract services to October 3, 2015.

2. Authorize the Executive Director or his designee to execute the amendment.

SIGNIFICANCE

Approval of the above actions will ensure uninterrupted provision of the services by Pinnacle and will provide staff sufficient time to develop a joint Invitation for Bids (IFB) that addresses the requirements of the Peninsula Corridor Joint Powers Board (JPB) and the San Mateo County Transit District (District).

BUDGET IMPACT

Funds for this amendment will be available under approved and projected operating budgets for the JPB.

BACKGROUND

Pursuant to Resolution No. 2009-44, the Board awarded a two-year contract with three one-year option terms to Pinnacle to provide CARB, Red-Dyed, ULSD fuel at various JPB locations, including the Caltrain Centralized Equipment Maintenance and Operations Facility. The JPB has exercised the three one-year options to extend the contract which will expire on January 3, 2015.

Extension of the contract with Pinnacle on a month-to-month basis for up to nine months is required to provide staff sufficient time to evaluate current and projected
requirements for the services, develop an IFB and complete the procurement process to address those requirements.

This amendment will increase the total contract amount by $36,496,383 from $43,379,873 to an estimated not-to-exceed total contract amount of $79,876,256 to cover the cost of current contract expenditures due to this contract extension and higher fuel index costs. Pinnacle has agreed to provide uninterrupted services on a month-to-month basis, from January 4, 2015 through October 3, 2015 under the same terms, conditions and prices of the existing contract, which are consistent with current industry rates.

Pinnacle’s performance to date has been satisfactory and in full accordance with the requirements of the contract.

Contract Officer: Luis F. Velásquez 650.622.8099
Project Manager: Steve Coleman, Manager, Maintenance Rail Equipment 650.508.6237
RESOLUTION NO. 2014 –
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

*   *   *

AUTHORIZING AMENDMENT OF THE CONTRACT WITH PINNACLE PETROLEUM, INC. FOR
PROVISION OF CARB ULSD FUEL AND FUELING SERVICES TO EXTEND THE TERM OF THE
CONTRACT AND INCREASE THE ESTIMATED CONTRACT AMOUNT BY $36,496,383

WHEREAS, pursuant to Resolution No. 2009-44, the Board of Directors of the
Peninsula Corridor Joint Powers Board (JPB) authorized the award of a contract
(Agreement) to Pinnacle Petroleum, Inc. (Pinnacle) of Huntington Beach, California for
provision of California Air Resources Board (CARB), Ultra-Low Sulfur Diesel (ULSD) fuel and
fueling services (services); and

WHEREAS, staff proposes to extend the Agreement with Pinnacle on a month-to-
month basis for up to an additional nine months to allow sufficient time for staff to
evaluate current and projected service requirements of the JPB and the San Mateo
County Transit District (District), develop a joint Invitation for Bids, and complete the
procurement process associated therewith; and

WHEREAS, the Executive Director recommends that the Board authorize an
amendment to the Agreement with Pinnacle to extend the contract term on a month-
to-month basis for up to nine months from January 5, 2015 through October 3, 2015 and
increase the total not to exceed contract amount by $36,496,383 to cover current
contract expenditures and the contract extension.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the JPB authorizes
an amendment to the Agreement with Pinnacle Petroleum, Inc. of Huntington Beach,
California to extend the contract term on a month-to-month basis for up to nine months
from January 4, 2015 through October 3, 2015 and to increase the total contract
amount by $36,496,383 from $43,379,873 to an estimated not-to-exceed total contract amount of $79,876,256; and

   **BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director or his designee to execute the amendment, in a form approved by legal counsel.

   Regularly passed and adopted this 6th day of November, 2014 by the following vote:

   AYES:

   NOES:

   ABSENT:

   ____________________________
   Chair, Peninsula Corridor Joint Powers Board

   ATTEST:

   ____________________________
   JPB Secretary
TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: ANNUAL ADOPTION OF INVESTMENT POLICY AND AUTHORIZATION TO INVEST MONIES WITH THE LOCAL AGENCY INVESTMENT FUND

ACTION
Staff Coordinating Council recommends the Board reaffirm the Statement of Investment Policy (Investment Policy) and the delegation of authority as stated therein and authorize the investment of Peninsula Corridor Joint Powers Board (JPB) monies in the Local Agency Investment Fund (LAIF).

SIGNIFICANCE
The Executive Director or his designee serves as the JPB’s trustee for purposes of placing investments pursuant to the attached investment policy (Exhibit A). The Board of Directors, in accordance with California Government Code Section 53646(a), may review and reauthorize this delegation of authority on an annual basis at a public meeting.

The Board of Directors, in compliance with LAIF requirements, must also adopt a separate resolution authorizing monies to be invested in LAIF.

Staff, in conjunction with legal counsel, has reviewed the attached Investment Policy and recommends the reaffirmation of said policy.

BACKGROUND
The JPB’s investments have always been in accordance with sound treasury management practices and complied with the objectives of safety, liquidity, and yield in that order of priority.

The JPB originally adopted its Investment Policy in August 1999 and has, from time to time, amended this policy.

The JPB most recently amended this policy on November 1, 2012 with the following minor changes:

(1) A clarification of the allowable investment provision. (Pages 5-6)

(2) Update to two statutory citations. (Page 3 and Page 6)

Prepared by: Kathryn Watson, Interim Manager, Finance  650.508.6425
PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

This Policy provides guidelines for the prudent investment and cash management of the Peninsula Corridor Joint Powers Board's (JPB) funds. It is the goal of this Policy to establish investment objectives in accordance with the provisions of the California Government Code, Section 53600 et seq. (hereafter “Code”), and investment guidelines, to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return over an economic cycle consistent with the JPB’s goals of preserving principal and minimizing the risk of diminishing the principal.

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the JPB’s Board of Directors at a public meeting. Irrespective of these policy provisions, should the provisions of the Code be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The JPB’s cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the JPB to invest funds to the fullest extent possible. Idle funds of the JPB shall be invested in accordance with sound treasury management and in accordance with the provisions of California Government Code Section 53600 et seq. and this Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. JPB officials shall act in accordance with written procedures and the Investment Policy and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.
The JPB's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the JPB. The third objective is to achieve a return on its invested funds.

III. POLICY

At all times, the JPB shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (Government Code Section 53600 et seq.). In addition, the JPB shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code Section 53600.3).

The Executive Director or his designee of the JPB shall serve as the JPB's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis. The Investment Policy may be reviewed annually by the JPB's Board of Directors at a public meeting. (California Government Code Section 53646(a)).

1. Criteria for Selecting Investments. Criteria for selecting investments and the order of priority are:

   a. Safety. The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The JPB shall operate only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification, Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investment within the meaning of this Investment Policy.

   b. Liquidity. An adequate percentage of the portfolio, in the approximate amount of six months operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term and fixed income securities maturing in less than one year are considered short-term cash equivalents.

   c. Return on Investment. The JPB's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio’s benchmark as described in
Section IV - Benchmarks. This benchmark takes into account the JPB’s investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The JPB will limit its investments to the safest types of securities which include those backed by the U. S. Government or its agencies, those which have federal insurance on principal by the Federal Deposit Insurance Corporation (FDIC), or those having collateral backing of the invested principal as defined by this Investment Policy and/or the California Codes, and medium term notes as defined by *California Government Code Section 53601(k)*. Only first mortgages or government securities may be used for collateral on JPB deposits.

Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A-1/P-1/F-1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poor’s.

The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and to maximize the rate of return when prudent to do so.

3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the JPB shall be held in safekeeping by the JPB's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.

4. **Maturity of Investments.** Should the JPB decide to invest its cash in investments other than through a local agency investment fund (i.e. LAIF, SMCIF), the remaining maturity of a callable security shall be determined by its actual final stated maturity. The maturity of asset backed securities shall be considered the estimated maturity date of the tranche. With the adoption of this amended JPB Investment Policy, the JPB Board authorizes the Executive Director or his designee to invest in securities exceeding 5 years but not more than a remaining life exceeding 11 years, no more than 25 percent of the portfolio shall be invested in securities with a remaining life of 5 to 11 years, and the weighted
average maturity of the portfolio shall not exceed 5 years. The policy of maintaining a maximum dollar weighted maturity of 5 years leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment as well as coinciding with the expected use of the funds. The imposed maximum dollar weighted 5 year average maturity also limits the market risk to levels comparable to an intermediate income fund.

The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in the table under Section 9, Summary of Investments & Limitations of this policy.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the JPB including money paid to the JPB to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by California Government Code Section 53630). Pursuant to California Government Code Sections 53635, 53637 and 53638, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

The JPB's funds may also be invested in the instruments set forth below and in Sections 6 and 7 of this policy:

a. **Time Deposits with Banks.** The JPB may invest in time deposits. In so doing, the following rules will be followed subject to the applicable statutory requirements:

   (1) No more than 5 percent of the total portfolio will be placed in any one financial institution.

   (2) The issuing bank must carry short-term ratings of at least A-1/P-1/F-1 whose long-term rating is A or better by two of the three nationally recognized rating services (Standard & Poor’s, Moody’s Investor Services and Fitch’s Ratings).

   (3) Prior to placing each deposit, the Executive Director or his designee will survey the market in order to determine which stable financial institution offers the highest rate of interest.

b. **U.S. Treasury Obligations.** The investment of JPB funds in U. S. Treasury Obligations may be undertaken in lieu of time deposits. Guaranteed by the U. S. Government, treasury obligations are considered one of the safest instruments, but the yield generally is lower than that of time deposits.
6. **Allowable Investment Instruments.** The JPB may also invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code* (with particular attention to the restrictions described in section 53601). These investment instruments may include:

a. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States Government are pledged for the timely payment of principal and interest.

b. Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks or obligations, participations or other instruments of or issued by, a federal agency or a United States government-sponsored enterprise.

c. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Standard and Poor's or Fitch's Ratings.

e. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by *California Financial Code Section 5102*) or by a state-licensed branch of a foreign bank.

f. Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section.

g. Medium-term notes/corporate bonds of a maximum of five years' maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

h. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (g), inclusive, of this section.

i. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years maturity.

j. Other securities having first mortgages or government securities as collateral backing of the invested principal as defined by this Policy and/or the *California Government Code*. 
7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the JPB to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).

8. **Prohibited Investments.** The JPB shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The JPB shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the JPB may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.

9. **Portfolio Transactions.** The JPB’s investment advisors are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Investment advisors are to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The investment advisors, at their sole discretion and authority, will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the JPB. Investment advisors may incur realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time subject, however, to the prior approval of the Executive Director or his designee.

10. **Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

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<thead>
<tr>
<th>Instrument</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Of Fund</td>
</tr>
<tr>
<td>U.S. Treasury Obligations</td>
<td>100</td>
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<tr>
<td>Obligations of U.S. Agencies or Government</td>
<td>100</td>
</tr>
<tr>
<td>Sponsored Enterprises</td>
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</table>
Bankers Acceptances  
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<tr>
<th></th>
<th>A1/ P1/F1</th>
<th>15</th>
<th>10</th>
<th>180 days</th>
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<tr>
<td>Domestic ($500 million minimum assets)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign ($500 million minimum assets)</td>
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<td></td>
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Collateralized Time Deposits Within the State of California
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<tr>
<th></th>
<th>30</th>
<th>10</th>
<th>1 year</th>
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Negotiable Certificates of Deposits
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<tr>
<th></th>
<th>10</th>
<th>5</th>
<th>5 years</th>
</tr>
</thead>
</table>

Commercial Paper
| ($500 million minimum assets) | A1/ P1/F1 | 15 | 10 | 270 days |
| Additional |           |    |    | 31 days* |
|*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days|

Repurchase Agreements Secured by U.S.Treasury or Agency Obligation (102% collateral)
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<tr>
<th></th>
<th>100</th>
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<th>1 year</th>
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Reverse Repurchase Agreements & Security Lending
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<th></th>
<th>20</th>
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<th>92 days</th>
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Corporate Bonds & Medium Term Notes Including Asset-Backed Bonds (two agencies)
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<tr>
<th></th>
<th>A</th>
<th>30</th>
<th>10</th>
<th>5 years</th>
</tr>
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Local Agency Investment Fund (LAIF)
<table>
<thead>
<tr>
<th></th>
<th>Up to the current limit.</th>
</tr>
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</table>

San Mateo County Investment Fund (SMCIF)
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<th>Up to the current limit.</th>
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Shares of Beneficial Interest Issued by Diversified Management Companies as defined in Government Code Section 53601
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Mortgage Backed Securities
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<th>AAA</th>
<th>20</th>
<th>5</th>
<th>5 years</th>
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<tr>
<td>No Inverse Floaters</td>
<td></td>
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<td></td>
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<tr>
<td>No Range Notes</td>
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<tr>
<td>No Interest Only Strips Derived from a Pool of Mortgages</td>
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</tbody>
</table>

### IV. BENCHMARKS

All of the JPB’s investment results shall be evaluated quarterly based on the following composite index developed by the JPB’s investment advisor.

50% BofA Merrill Lynch 0-1 Year U.S. Governments
V. REPORTING

On a monthly basis the Investment Advisor should submit an investment report which provides a
market review, the Advisor’s outlook for the market and strategy for investing JPB funds. The
report will also compare the portfolio against the benchmark established by this policy in terms
of duration and yield.

Quarterly, the Executive Director shall submit an investment report to the Board of Directors
within 30 days of the end of the quarter. The report shall include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all
   securities, investments and moneys held by the JPB;

2. Description of any of the JPB's funds, investments or programs that are under the
   management of contracted parties, including lending programs;

3. For all securities held by the JPB or under management by any outside party that
   is not a local agency or the State of California Local Agency Investment Funds, a
   current market value as of the date of the report and the source of this valuation;

4. Statement that the portfolio complies with the Investment Policy or the manner in
   which the portfolio is not in compliance; and

5. Statement that the JPB has the ability to meet its pool's expenditure requirements
   (cash flow) for the next six months or provide an explanation as to why sufficient
   money shall or may not be available.

If the JPB places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings
and loan association or county investment pool (or any combination of these three), the
Executive Director can simply submit, on at least a quarterly basis, the most recent statements
from these institutions to meet the requirements of items 1 - 3 above, with a supplemental report
addressing items 4 and 5 above. (California Government code Section 53646(b)-(e)).
RESOLUTION NO. 2014 –
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

REAFFIRMING THE STATEMENT OF INVESTMENT POLICY
FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD

WHEREAS, as encouraged by applicable State law and in accordance with best practices, the Peninsula Corridor Joint Powers Board (JPB) has adopted an Investment Policy; and

WHEREAS, the JPB may annually render a statement of said Investment Policy to the Board of Directors for review and approval pursuant to Section 53646 of the State of California Government Code; and

WHEREAS, in August 1999, the JPB adopted a Statement of Investment Policy; and

WHEREAS, the JPB has amended its Statement of Investment Policy over the years, most recently in November 2012, to clarify an allowable investment provision and to update two citations; and

WHEREAS, in presenting the Statement of Investment Policy to the Board of Directors for this year, staff recommends reaffirmation of the aforementioned Statement of Investment Policy, and further recommends reappointing the Executive Director (or his designee) as trustee for purposes of placing investments pursuant to the aforementioned policy.

NOW, THEREFORE BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board affirms the Statement of Investment Policy attached hereto as Exhibit A; and
BE IT FURTHER RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board hereby appoints its Executive Director (or his designee) as the trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 6th day of November, 2014 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

______________________________

JPB Secretary
RESOLUTION NO. 2014 –

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

***

AUTHORIZING INVESTMENT OF PENINSULA CORRIDOR JOINT POWERS BOARD MONIES IN LOCAL AGENCY INVESTMENT FUND

WHEREAS, pursuant to Government Code Section 16429.1, a Local Agency Investment Fund (LAIF) was created in the State Treasury for the deposit of local agency monies for purposes of investment by the State Treasurer; and

WHEREAS, staff recommends that the deposit and withdrawal of money in LAIF in accordance with the provisions of Government Code Section 1 6429.1 for the purpose of investment as stated therein are in the best interests of the Peninsula Corridor Joint Powers Board (JPB).

NOW THEREFORE, BE IT RESOLVED the Board of Directors of the JPB does hereby authorize the deposit and withdrawal of JPB monies in LAIF in the State Treasury in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein; and

BE IT FURTHER RESOLVED the Executive Director (or his designee) shall be authorized to order the deposit or withdrawal of JPB monies in the LAIF.

Regularly passed and adopted this 6th day of November, 2014 by the following vote:

AYES:

NOES:

ABSENT:

_____________________________
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____________________________
JPB Secretary
TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: STATE AND FEDERAL LEGISLATIVE UPDATE

ACTION
This report is for information only. No Board action is required.

SIGNIFICANCE
Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

STATE ISSUES
Nothing to report.

FEDERAL ISSUES
Nothing to report.

Prepared By: Seamus Murphy, Director, Government and Community Affairs  650.508.6388