Preliminary FY2014 Capital Budget

Board of Directors
May 2, 2013

Outline

• Review Budget Goals
• Overview of the FY2014 Capital Budget
• Highlights of Key Capital Projects
• Program Costs
• Funding Sources
• JPB Member Contribution Requirements
• Next Steps
Review Budget Goals

- Invest in infrastructure & equipment improvements to maintain system in a state of good repair
- Invest in the rehabilitation & replacement of components for the rail vehicles to ensure fleet availability
- Continue system safety improvements
- Continue planning & management for the Early Investment Program and coordinated efforts with the California High-Speed Rail Authority for a blended system in the corridor

Overview of FY2014 Capital Budget
Total: $66.7 million

- Right Of Way/Signal & Communications, $46.4M, 69.5%
- Stations & Intermodal Access, $3.6M, 5.3%
- Support & Contingency, $2.0M, 3.0%
- Caltrain Modernization, $6.4M, 9.6%
- Operational Improvements / Enhancements, $4.3M, 6.8%
- Planning and Studies, $0.7M, 1.1%
- Rolling Stock, $3.1M, 4.7%

* Does not yet include funding for CBOSS/PTC or Electrification programmed through the High Speed Rail Early Investment Strategy.
Capital Project Highlights

State of Good Repair: ROW & Signal Program

• Complete necessary track and structures rehabilitation
  – Estimated Cost: $4.0 million
  – Proposed FY2014 Funding: $4.0 million

• Begin construction for the replacement of four San Mateo railroad bridges: Poplar, Santa Inez, Monte Diablo and Tilton avenues
  – Estimated Cost: $30.0 million
  – Proposed FY2014 Funding: $28.8 million

• Rehabilitate railroad signals and grade crossing warnings for safe and efficient train operations
  – Estimated Cost: $12.0 million
  – Proposed FY2014 Funding: $1.0 million

• Provide additional construction funding for San Bruno Grade Separation
  – Estimated Cost: $155.0 million
  – Proposed FY2014 Funding: $8.0 million
Capital Project Highlights

State of Good Repair: Rolling Stock

- Rehabilitate and overhaul components of the current fleet of passenger cars and locomotives to ensure vehicles will continue to operate reliably through the end of their useful lives
  - Estimated Cost: *
  - Proposed FY2014 Funding: $3.1 million

* The estimated cost of the Rolling Stock State of Good Repair Program between FY2014 and FY2023 is $80 million, which includes $7.3 million deferred in FY2011 and FY2012. Not included are estimated costs for a mid-life overhaul on the locomotives.

Operational Improvements/Enhancements

- Install fencing along the main rail corridor to reduce trespassing
  - Estimated Cost: $8.8 million
  - Proposed FY2014 Funding: $1.2 million

- Begin construction of the San Bruno Archway
  - Estimated Cost: $1.7 million
  - Proposed FY2014 Funding: $1.2 million
Capital Project Highlights

Caltrain Modernization

- Ongoing program management & oversight; provides planning & design support efforts
  - Estimated Cost: $6.3 million
  - Proposed FY2014 Funding: $5.3 million
- Ongoing planning and analysis to support procuring of rolling stock for new electrified service.
  - Estimated Cost: $4.4 million
  - Proposed FY2014 Funding: $1.1 million

Support for the Caltrain Capital Program

- Project Development: $0.50 million
- Project Management: $0.50 million
- Contingency: $0.99 million

FY2014 Program Costs

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2014 Budget</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Good Repair: Station</td>
<td>$3.6 million</td>
<td>5.3%</td>
</tr>
<tr>
<td>State of Good Repair: Right of way; Signals &amp; Communication</td>
<td>$46.4 million</td>
<td>69.5%</td>
</tr>
<tr>
<td>State of Good Repair: Rolling Stock</td>
<td>$3.1 million</td>
<td>4.7%</td>
</tr>
<tr>
<td>Caltrain Modernization</td>
<td>$6.4 million</td>
<td>9.6%</td>
</tr>
<tr>
<td>Operational Improvements/ Enhancements</td>
<td>$4.5 million</td>
<td>6.8%</td>
</tr>
<tr>
<td>Planning/Studies</td>
<td>$0.7 million</td>
<td>1.1%</td>
</tr>
<tr>
<td>Support</td>
<td>$2.0 million</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$66.7 million</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* Does not yet include funding for CBOS/PTC or Electrification programmed through the High Speed Rail Early Investment Strategy.
FY2014 Funding Sources

<table>
<thead>
<tr>
<th>Fund Category</th>
<th>$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants</td>
<td>$29.1 million</td>
</tr>
<tr>
<td>State and Regional Grants</td>
<td>$12.6 million</td>
</tr>
<tr>
<td>Other</td>
<td>$10.7 million</td>
</tr>
<tr>
<td>JPB Member Agency Contribution - Requested</td>
<td>$14.3 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$66.7 million</strong></td>
</tr>
</tbody>
</table>

FY2014 Partner Contributions

<table>
<thead>
<tr>
<th>Funding Required from each JPB Partner:</th>
<th>$4.8 million</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Mateo County</td>
<td>$4.8 million</td>
<td>TA Measure A</td>
</tr>
<tr>
<td>Santa Clara County</td>
<td>$4.8 million</td>
<td>VTA</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$2.5 million - $4.8 million*</td>
<td>SFCTA Prop K</td>
</tr>
</tbody>
</table>

* Note: Prop K is the half-cent sales tax measure passed by SF voters that provides funding for transportation projects through 2033. If SFCTA provides $4.8 million in FY2014 and future contributions from Prop K are fixed at ~$2.5 million per year, Caltrain would exhaust funds from this funding source after 2024 due to advancement of future sales tax receipts.
FY2014 Partner Contribution Scenarios

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2014 Budget ($4.8 per partner)</th>
<th>Assuming $3.6m per Partner</th>
<th>Assuming $2.5m per Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Good Repair: Station</td>
<td>$2.6 million</td>
<td>$1.8 m</td>
<td>$0.8 m</td>
</tr>
<tr>
<td>State of Good Repair: Right of way;</td>
<td>$2.4 million</td>
<td>$2.4 m</td>
<td>$2.4 m</td>
</tr>
<tr>
<td>State of Good Repair: Rolling Stock</td>
<td>$2.2 million</td>
<td>$1.7 m</td>
<td>$0.0 m</td>
</tr>
<tr>
<td>Caltrain Modernization</td>
<td>$2.3 million</td>
<td>$2.3 m</td>
<td>$2.3 m</td>
</tr>
<tr>
<td>Operation Improvements/Enhancements</td>
<td>$2.8 million</td>
<td>$0.6 m</td>
<td>$0.0 m</td>
</tr>
<tr>
<td>Support</td>
<td>$2.0 million</td>
<td>$2.0 m</td>
<td>$2.0 m</td>
</tr>
<tr>
<td>Total</td>
<td>14.3 million*</td>
<td>$10.8 m</td>
<td>$7.5 m</td>
</tr>
</tbody>
</table>

* Does not yet include funding requirement for the CBOSS/PTC project. Funding for this project is requested through the High Speed Rail Early Investment Strategy.

Projects to be Deferred if Per-Member Shares are Reduced from $4.8 million
(Reduction is based on project priority and scalability)

$3.6 million Partner Contribution
- Rehabilitation of Bayshore Station
- Wireless Broadband
- Terminal Departure Monitors
- Central Control Facility Emergency Generator
- Decrease Right of Way Fencing by $0.7 million
- Decrease Rolling Stock State of Good Repair by $0.5 million

$2.5 million Partner Contribution
All of the above plus:
- Crew Facility Rehabilitation at San Francisco terminal
- Rolling Stock State of Good Repair
- Dual Mode Communications