Context

- MTC Requirement
- 10-year horizon (FY2017-2026)
- Informs regional plans/programs
  - Regional Transportation Plan
  - Transportation Improvement Program
- Key draft elements
  - Operations / Maintenance Statement
  - Capital Improvement Program and Funding
Policy Framework

- Caltrain Strategic Plan (2014)
- MTC Transit Sustainability Plan
- Caltrain Modernization Program
- Caltrain/HSR Blended System
- Prior Short Range Transit Plan (2015)
- State of Good Repair Commitment (2016)

A “Baseline” Scenario

- Fiscally constrained to funded services and projects
- Aligns SRTP with financial documents submitted to FTA
- Caltrain “Business Plan” will look beyond fiscally constrained baseline and consider new projects, services and funding sources
Operations / Maintenance Projection

Operating Plan Assumptions

• 2017 – 2020
  - Longer diesel trains
  - More seats and bikes on board
  - Reduced weekend service during electrification construction (and reduced weekend ridership)
  - Slow overall ridership growth

• 2021 – 2026
  - Mixed-fleet electrified service
  - Service expansion (more trains and stops)
  - Ridership increase in response to added service
### Operating Plan Assumptions continued

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Trains per peak hour</th>
<th>Trains per week day</th>
<th>Midday Frequency</th>
<th>Weekend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017 - 2020</strong> (Diesel Service)</td>
<td>10</td>
<td>92 trains</td>
<td>Hourly</td>
<td>Hourly (90 min during PCEP construction) (+4 bullet trains daily)</td>
</tr>
<tr>
<td><strong>2021 On</strong> (Mixed Fleet Electrified Service)</td>
<td>12</td>
<td>114 trains</td>
<td>30 minutes</td>
<td>Hourly (+4 bullet trains daily)</td>
</tr>
</tbody>
</table>

### O&M Costs and Savings

<table>
<thead>
<tr>
<th>New Cost Items</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBOSS – PTC operations and service</td>
<td>Diesel Fuel Consumption</td>
</tr>
<tr>
<td>Electrified Infrastructure</td>
<td>Diesel Vehicle Maintenance</td>
</tr>
<tr>
<td>EMU Maintenance</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>Expanded Service (Train Crews)</td>
<td></td>
</tr>
</tbody>
</table>
Revenues

• Ridership
  − Slow growth assumed during construction period (decrease assumed on weekends)
  − Significant ridership increase assumed in 2021
  − (to ~83,000 weekday)

• Fare Increases
  − ~ 7.5% increase in average fare assumed every 2 years (FY18, FY20, FY22 and FY24)
  − Historic CPI (~5% every 2 years)

Member Operating Contributions

• Member operating contributions account for ~ 16% of current Caltrain operating budget
• Projections assume Member contributions will increase from current levels starting in 2018
  − Increase in contributions of ~ 50% annually
  − Restores contributions closer to historic levels
  − Needed to support operations and meet FTA guidance (maintain 3 months of working capital on hand)
### O&M Forecast 2021 / 2026 (Millions of YOE $)

Excluding long term debt expense

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Existing (Adopted)</th>
<th>Start of Electrification</th>
<th>10 Year Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2017</td>
<td>FY2021</td>
<td>FY2026</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$100.7</td>
<td>$137.29</td>
<td>$184.64</td>
</tr>
<tr>
<td>JPB Member Subsidy</td>
<td>$21.3</td>
<td>$35.42</td>
<td>$35.42</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>$6.0</td>
<td>$7.28</td>
<td>$8.29</td>
</tr>
<tr>
<td><strong>Total Revenues &amp; Funds</strong></td>
<td><strong>$127.8</strong></td>
<td><strong>$180.0</strong></td>
<td><strong>$228.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>FY2017</th>
<th>FY2021</th>
<th>FY2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>$121.7</td>
<td>$150.4</td>
<td>$187.8</td>
</tr>
<tr>
<td>Other Use of Funds</td>
<td>$23.4</td>
<td>$26.4</td>
<td>$30.9</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$145.1</strong></td>
<td><strong>$176.9</strong></td>
<td><strong>$221.54</strong></td>
</tr>
<tr>
<td>Projected Surplus / (Deficit)</td>
<td>$(17.3)*</td>
<td>$3.07</td>
<td>$9.06</td>
</tr>
</tbody>
</table>

*Balanced with operating surplus from prior year

### Capital Improvement Plan
Expenditure Categories

• State of Good Repair
• Caltrain Modernization Program
  – CBOSS
  – PCEP
• Funded Enhancements Projects

State of Good Repair

$381M - 10 years

• Bridge replacement projects
• Track stations, fencing, security, signals / communications
• TVM refurbishment
• Diesel rolling stock maintenance
• Program management and project development
• Capital contingency
## Caltrain Modernization Program

$2.226 Billion

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBOSS - PTC</td>
<td>$245 Million</td>
</tr>
<tr>
<td>Peninsula Corridor Electrification Program</td>
<td>$1.98 Billion</td>
</tr>
<tr>
<td></td>
<td>Electrified Infrastructure</td>
</tr>
<tr>
<td></td>
<td>EMUs (75% replacement of diesel fleet)</td>
</tr>
</tbody>
</table>

## Funded Enhancement Program

$246M

- Reliability enhancements (added control point)
- San Mateo 25th - Avenue Grade Separation
- South San Francisco Station redesign + holdout rule removal
Funding Sources

- Federal (FTA, FHWA)
- State (Prop 1B, PUC, Cap-and-trade)
- Regional (Bridge tolls)
- Local (SFCTA, SMCTA, VTA)
- Other Local (City of SSF, City of San Mateo)

Member Capital Contributions

- State of Good Repair and Systemwide Enhancements
  - Local share paid equally by members
  - Larger project contributions defined through MOU
  - Historically $5 million per year per member contributed to capital budget (used for SOGR)
  - SOGR need per member projected to increase to an average of $7.5 million per year per member

- Local Enhancements (stations, access and grade separations)
  - Planned in coordination with Caltrain
  - Local funding from individual members
Next Steps – SRTP and Beyond

• SRTP
  – Complete draft SRTP
  – Provide full draft to MTC, partners and public
  – Request JPB adoption (spring 2017)

• Caltrain Business Plan
  – Identify desired services and projects beyond fiscally constrained “baseline”
  – Seek new funding sources
  – Kicking off now