

**Peninsula Corridor Joint Powers Board  
Finance Committee Meeting  
1250 San Carlos Avenue, San Carlos CA 94070**

**DRAFT MINUTES OF OCTOBER 25, 2021**

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:** M. Bouchard, D. Hansel, J. Harrison, S. Petty, G. Martinez, J. Ye, R. Nielsen, Seamans, S. Wong

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

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

**2. ROLL CALL**

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

**3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Roland Lebrun, San Jose, commented on one-minute public comment, fare integration task force, Seamless Bay Area, and Link21.

**4. CONSENT CALENDAR**

**a. Approve Meeting Minutes of Minutes of September 27, 2021**

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks Zmuda

Noes: None

Absent: None

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

**A. Information on Statement of Revenues and Expenses for the Period Ended  
September 30, 2021**

Derek Hansel, Chief Financial Officer, provided an update on Measure RR Revenue receipts (\$6.1 million received in September and \$7.6 million in October), and thanked staff for their work on the annual audit of financial statements.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions on the following:

- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds received
- Quasi gap accounting and timing mismatches
- Expressing expenditures savings in the next budget amendment

Public comment

Roland Lebrun, San Jose, commented on plans for the budget surplus.

Motion/Second: Hendricks/Gee

Ayes: Gee, Hendricks Zmuda

Noes: None

Absent: None

**6. AWARD OF COOPERATIVE PURCHASING CONTRACT TO MANSFIELD OIL COMPANY TO FURNISH RED-DYE, ULTRA LOW SULFUR DIESEL FUEL AND FUELING SERVICES**

Kevin Yin, Director of Contract & Procurement, provided an update on the cooperative purchasing contract and spoke about piggy backing, purchasing motor fuels from Mansfield, fair pricing, JPB benefits, and the budget.

Public comment

Roland Lebrun, San Jose, commented on approving piggyback contracts and Zoom technicalities.

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

- How this contracts works with previous hedging contracts on the fuel bills
- Expecting reduced fuel usage with the electrification project
- Price rate comparisons for different agencies based on volume

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

**7. AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC (PG&E) FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)**

Liria Larano, Deputy Chief Calmod, provided the presentation, which included the following:

- Requesting a budget increase of \$18.7 million and the amendment, to increase the supplemental agreement

- Having PG&E perform the work, work completed, and why the project increased by \$21.84 million
- Projected completion date of February 2022
- Overview of property acquisition versus original configuration
- Amount for each amendment

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

- PG&E audit to true-up expenses and recovering contingency shortly after the completion of their work
- When Caltrain would pay the \$21.84 million
- Comparing the original private property amount of \$3.1 million to current amount of \$5.4 million
- Overhead versus underground installation

#### Public comment

Roland Lebrun, San Jose, commented on the audit, governance, \$25 million contract, overhead utilities, and unanticipated underground utilities.

Motion: Second: Gee/Hendricks **amended to include an audit of PG&E expenditure upon completion of their part of the project**

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

### **8. AUTHORIZE AN INCREASE IN CONTRACT CHANGE ORDER AUTHORITY FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT'S CONTRACTOR ARINC FOR SUPERVISORY CONTROL AND DATA ACQUISITION DATABASE CHANGES**

Stacy Cocke, Deputy Director, Program Management & Environmental Compliance, introduced the increase in contract authority for the traction power facility. She stated it would initially be paid through contingency and the change was approved by the Change Management Board.

#### Public comment

Roland Lebrun, San Jose, commented on a change in the request for proposal to including a provision for replacing the current company with another system with open interfaces.

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

- An order of magnitude for work done and ownership changes
- Schedule a presentation on how the Change Management Board operates

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

**9. ACCEPT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2021 50.08**

Grace Martinez, Deputy Chief Financial Officer, introduced Jennifer Ye, Acting Director, Accounting, and Ryan Nielsen, Brown Armstrong Accountancy, to provide the presentation on the annual comprehensive financial report. Mr. Nielsen reviewed the reports on state and federal compliance and noted that the JPB received clean audit.

Public comment

Jeff Carter, Millbrae, referenced the chart on page 63 and commented on including both weekday and weekend passenger miles and details on fare revenues.

Roland Lebrun, San Jose, commented on capital contributions from slide 5 and paying back receivables in the future.

The Board members had a robust discussion and staff provided further clarification, which included the following:

- The sequence of materials and having independent auditors pages before the capital report
- Why the Brown Armstrong's report should be believed and Mr. Nielsen noted that it is their charge is to operate at the highest ethical standards
- Reasons for accounting adjustments
- Sampling done on overhead rate paid from JPB to SamTrans
- Sampling of payment of invoices and payroll
- The Non-Disclosure Agreement and management analysis
- Detailing passenger miles with passenger trips for annual comparisons

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

**10. DEFERRED STATE OF GOOD REPAIR (SOGR)**

Derek Hansel, Chief Financial Officer, provided the presentation, which included the following:

- Constraints on an agency over time and deferred backlog of \$253 million (including maintenance, rehabilitation, replacement)
- Methodology for the update (started with the 2018 transit asset management plan)

and figures have been updated to reflect increases in cost and scope)

The Board members had a robust discussion and staff provided further clarification, which included the following:

- Unfunded liability expectations including a drop off due to electrification
- Current standing in transit property compared to everyone else
- Considering bonds life asset and end of life replacement
- Condition based maintenance versus large replacement
- Creating visibility and transparency to make strategic decisions

#### Public comment

Roland Lebrun, San Jose, commented on transparency, Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF) investments, price for diesel, and electrification to Gilroy.

### **11. COMMITTEE MEMBER REQUESTS**

Director Zmuda requested plans for budget surplus when the budget amendment is brought forward.

Director Gee requested PG&E audit after amendment work completed February 2022.

Director Zmuda requested an update on the Change Management Board presentation for the full Board

Director Hendricks requested viewing the auditor pages before viewing the capital report in the Annual Comprehensive Financial Report (ACFR)

Director Hendricks requested viewing passenger miles with the number of passenger trips to see if the average trip length changed from year to year.

### **12. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING**

Monday, November 22, 2021 at 2:30 pm via Zoom (additional location, if any, to be determined)

### **13. ADJOURN**

The meeting adjourned at 4:10 pm.

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