

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA**

MINUTES OF OCTOBER 1, 2020 (for Regular and Special Board meetings)

MEMBERS PRESENT: D. Pine (Chair), C. Chavez (9:12 a.m.), D. Davis, J. Bruins, R. Collins, S. Heminger, C. Stone, S. Walton, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: J. Hartnett, C. Mau, J. Cassman, S. Van Hoften, M. Bouchard, J. Funghi, C. Gayotin, D. Hansel, C. Fromson, S. Murphy, , S. Petty, D. Seamans, S. Wong

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Dave Pine called the meeting to order at 9:02 am and led the pledge of allegiance.

2. ROLL CALL

District Secretary Dora Seamans called the roll and a quorum was confirmed.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland LeBrun, San Jose, commented Mayor Ricardo securing \$7.1 billion for high speed rail and Caltrain in Plan Bay Area 2050, \$3 billion for extension to Gilroy including five grade separations in San Jose. He also referred to his in the correspondence packet on VTA and Google plans and he suggested that Caltrain take the lead in Diridon.

Sonia Elkes referred to an email she sent in and spoke in support of using the empty Caltrain parking lot on El Camino Real to build a temporary mini bike park.

Mr. Hartnett noted that staff reviewing this matter for a proposed temporary bike park and planning use of property along the right-of-way is complex.

Aleta Dupree, Oakland, commented on Clipper START, equity, moving away from paper tickets, and expressed appreciation for continuing to make the Citizen's Advisory Committee (CAC) meetings accessible and user friendly.

Adrian Brandt, San Mateo County, commented wasted idling time at stations and spoke in favor of tightening the current schedule.

4. CONSENT CALENDAR

- a. Approved Meeting Minutes of September 3, 2020**
- b. Received Key Caltrain Performance Statistics – August 2020**
- c. Approve 2021 Board Meeting Calendar**

- d. Receive State and Federal Legislative Update**
- e. Accept Statement of Revenues and Expenses for the Period Ended June 30, 2020**
- f. Accept Statement of Revenues and Expenses for the Period Ended August 31, 2020**
- g. Award of Contract for Delaware Street Storm Drain Relocation Project Construction**

Director Cindy Chavez arrived at 9:12 a.m.

Motion/Second: Bruins/Davis moved to approve the Consent Calendar
Ayes: Bruins, Chavez, Collins, Heminger, Stone, Walton, Zmuda, Davis, Pine
Noes: None
Absent: None

5. ADOPTION OF FISCAL YEAR 2021 SECOND QUARTER OPERATING BUDGET AND AMENDMENT OF THE FISCAL YEAR 2021 CAPITAL BUDGET

Executive Director Jim Hartnett introduced the balanced budget, including gap-closing measures for the \$18.5 million gap. He stated that federal funding, ballot measure outcomes, and ridership were unclear. Mr. Hartnett noted that they have spoken with member agencies for additional funding with no commitments offered. He stated that topics discussed with member agencies included costs for new legal counsel, auditor services, ballot measure cost, and ridership shortfall cost. Mr. Hartnett mentioned that they would come back to the Board in December with a balanced budget for the remainder of the fiscal year, particularly with respect to the ballot measure and any federal funds.

Derek Hansel, Chief Financial Officer, provided the presentation and spoke about the \$18.5 million shortfall for Fiscal Year (FY) 2021, current reduced service levels, and challenges in gap filling, including areas of uncertainty on Measure RR, additional federal relief, and ridership recovery. Mr. Hansel walked through the application of the CARES Act, changes from the first quarter adopted budget, proposed revenues and expenses, revenue assumptions, sensitivity of revenue to ridership, cost to operate Caltrain, and immediate and long term gap closing scenarios. He potential gap closing measures included application of additional reserves, use of State Rail Assistance (SRA) funds, naming rights, fiber, sale of Low Carbon Fuel Standard (LCFS) Credits, real estate, and elimination of weekend service; however, there is concern that these may not be sufficient to fund significant additional shortfalls related to ridership or other budgeted expenses that were discussed. He also presented FY22 challenges (particularly the ending of Federal funding before ridership recovers), proposed amendments to the capital budget, proposed capital funding, and next steps. Mr. Hansel pointed out additional funding in the capital budget from wayside bike parking, funding from San Mateo grade crossing improvement design and additional fund possibility from the state of good repair (SOGR) and Clipper CID card reader. He pointed out a redline change to the budget resolution for achieving a balanced budget by the December Board meeting.

Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following topics:

- TASI (Transit America Services, Inc.) expenses and whether there would be a renegotiation in contract for reduction in services for saving
- Revenue assumptions for GoPass
- Additional costs of legal services
- JPA and Samtrans powers in regards to unbalanced budgets
- The 5 percent ridership assumption and resulting \$13 million shortfall
- How much more member agencies could contribute
- Adopting a Board policy to require a balanced budget
- The option to stop capital funding and shifting those funds to operating for a year
- Measure W funding flexibility
- Why administrative and shuttle service expenses (on slide 6) were not negative
- Allocation of the next level of federal relief for Caltrain
- Minimizing the number of trains per day
- The most recent increase in fare revenue
- Maintaining consistent member contribution from previous years
- Retaining and employing skilled staff
- Marketing to increase ridership

Public Comment

Roland Lebrun, San Jose, commented on balanced budgets, capital budget, the Broadway Grade Separation budget funding source, , questioned how can the Board authorizing \$11 million, ridership based on baby bullets, and restoring ridership by 10 percent.

Aleta Dupree, Oakland, commented on focusing on sources of revenue funding, a balanced budget, maintaining Clipper readers, and maintaining weekend services.

Jeff Carter, Millbrae, commented on passing the budget, keeping Caltrain running, additional federal funding, passing Measure RR, running Caltrain seven days a week, and removing padding with limited stop trains.

Vaughn Wolffe, Pleasanton, commented on running advertising to increase ridership and running express trains.

Sonia Elkes commented on opening up empty lots to bike parks.

Andy Chow, Redwood City, commented on approving the budget, current freeway congestion, and current opportunities to take uncrowded Caltrain.

Adrian Brandt, San Mateo County, commented on looking at staff costs and minimizing current contract conductor requirements.

Motion/Second: **Davis/Bruins moved to approve the amended resolution**

Ayes: Bruins, Chavez, Collins, Heminger, Stone, Walton, Zmuda, Davis, Pine

Noes: None

Absent: None

6. REPORT OF THE CHAIR

Chair Pine provided updates on the following: the Measure RR campaign is moving along well, fundraising broke the \$2 million, and that it has been endorsed by Mercury News, Chronicle, and San Mateo Daily Journal; mailers, TV ads, digital campaigns, grassroots (Friends of Caltrain) phone banking, are all in progress.

Chair Pine noted that the Governance process ad hoc committee vision is to think through processes for a governance recommendation by end of next year. He noted that the Committee is serving as a sounding board for staff for 1) hiring of independent auditor and 2) appointment of independent counsel. He stated that they have a request for proposal (RFP) regarding the auditor appointment (expected to come back to the Board in January), and appointment of independent counsel is in progress. They have retained Renee Mauler who has 30 years of experience in public transit, worked with Federal Transit Association (FTA), and has worked on Caltrain previously. Chair Pine stated that the plan is to bring forth the scope of work for the November 5th Board Meeting for review.

a. Local Policy Maker Group (LPMG)

The LPMG meeting was cancelled last month and there was nothing to report.

7. REPORT OF THE EXECUTIVE DIRECTOR

Jim Hartnett, Executive Director, noted the report in the packet and expressed appreciation for the work done by finance and Caltrain staff on the budget.

a. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report

John Funghi, CalMod Chief Officer, provided the progress report which included the following: electrification infrastructure was underway in the electric multiple-unit (EMUs) assembly; Balfour Beatty, Inc. is focusing on the signal system duct bank work; the first signal cutover is scheduled early October 17; Balfour has completed 49 foundations in August and 68 foundations in September, with 1100 foundations left to complete; the pole wires and the entire alignment is projected to be completed by the end of 2021 with electrification infrastructure completed by the first quarter of 2022; all the switch gears will be received in 2021. He said PG&E is still planning to break ground on the additional interconnection pole work that will be located on Valley Transportation Authority (VTA) property; it will power both EMU and future BART to San Jose projects. He stated that the train set would be tested in January 2021. He stated a \$168 million in contingency with a slight surplus of \$1 million.

b. Electric Train Virtual Reality Experience (post on board calendar)

Casey Fromson, Director of Government and Community Affairs, announced the launch of Caltrain's electric train virtual reality experience. She stated that it displays high performance features and amenities and allow riders to envision their future riding experience. Ms. Fromson said it could be accessed at calmod.org/vr.

Michelle Bouchard, Chief Operating Officer, provided a virtual walkthrough of the new electric cars. She noted public information screens, emergency intercom buttons,

lower, medium, and high levels, and a noticeably quieter environment due to no diesel engine and insulation. She pointed out seats installed on mid-level to provide critical capacity, and how the seats, colors, materials were chosen based on outreach and feedback, coat hooks with the seats, electronic screens outside, luggage racks and lighting helps make the train feel wide open. There are also electrical outlets under the seats, cantilevered seats help with cleaning, legroom, and luggage. Ms. Bouchard walked through the onboard restroom, baby changing table, hand holds, and vacuum toilet (which saves more energy and promotes more cleanliness). She noted the bike car is clearly indicated with large logos on the door and camera safety features.

c. Caltrain Positive Train Control (PTC) Project Update – September 2020

Ms. Bouchard reported that the safety plan was submitted in June in line for certification by end of the year, there would be a close out of the capital project in nine months, and there would be an anticipated ramp up to maintain the system. They have awarded a contract to Wabtec and they have begun the first partial year of operation and maintenance of the system.

Mr. Hartnett expressed appreciation for Board comments and questions. He stated that Caltrain is an efficient rail system, but under resourced, with fewer people and more to do. He thanked the Board and everyone on the team and noted that the Board standing committees provide invaluable input to the staff.

Director Monique Zmuda commented on intelligent work advancing PTC with the federal mandate despite challenges.

Public Comment

Roland Lebrun, San Jose, commented on Mr. Hartnett assigning independent legal counsel instead of providing a list for Board approval. He commented on the chairs on the upper level, \$11 million in the budget to remove doors, PTC success, and viewing all panelists instead of one-person view online.

Aleta Dupree, Oakland, commented on enjoying the virtual reality presentation, especially the bathroom similar to Excelsa Express on Amtrack, and Stamford Connecticut. She expressed concerns about foundation progress, with an average of 60 foundations per month it will take two years to complete.

Director Jeannie Bruins clarified that they are not moving forward with moving with hiring general counsel, rather they are bringing forth something in December for Board input.

8. Report of the Citizens Advisory Committee (CAC)

Brian Shaw, Citizens Advisory Committee Chair, provided a report for the September meeting. He reported that they were joined by the new alternate members: Kathleen Maxwell from San Francisco and Neeraj Mathur from Santa Clara County. He reported on public comments on completing foundations and temporary skate parks. Mr. Shaw reported CAC member comments on high-speed rail requiring extra passing tracks, plans for empty lots, addressing community needs, transit oriented development update, encouraging compliance with the Bay Area Healthy Transit Plan. He reported

public comments on compliance with higher ridership, and fogging nightly and in between stops when possible.

9. COVID Recovery Planning Update - Equity & Service Planning

Sebastian Petty, Deputy Chief of Planning, provided the presentation; topics included ongoing recovery planning efforts, equity workplan (in service, fares, community, interactions, accountability) winter service change, who's riding Caltrain during COVID-19, and where riders are travelling.

Director Cindy Chavez asked about creating or embedding a subcommittee to focus on equity in Caltrain to make changes in a meaningful way or demonstrate priorities. She spoke about ridership and how Caltrain contracts, hires, develops grade crossings, and so on. Mr. Hartnett replied that their current priority is to sustain daily services, that they could not reassign Mr. Petty for the scope of this work, and would have to give it further thought. Director Chavez stated she would not want to miss this opportunity for change. Mr. Hartnett replied that there is a sense of excitement about access to materials that would help in a foundational way.

In response to Director Chavez's questions on the Office of Civil Rights, Executive Director Hartnett and Carter Mau, Deputy General Manager/CEO, provided the following clarifications: the Civil Rights office is in SamTrans, is partially funded by Caltrain; the Civil Rights Office has a manager for the Disadvantaged Business Enterprise (DBE) program focused and a Title 6 administrator working with Caltrain Planning on the Business and Service Plans. Mr. Mau stated that they are doing a lot of demographic analysis of communities affected and going through an effort called Reimagined San Francisco.

Director Steve Heminger stated that Caltrain should be moving from commuter railroad to metro service up and down the corridor, and that the baby bullets are the purest expression of that. He noted that currently Caltrain has a hybrid of slow metro service, and asked if that service could be sped up and whether there were some stations that could be skipped. Mr. Petty replied that they would return with this analysis and the overall strategy is to move to a metro style service. He said they are currently looking at the style of service that could be provided (local, express, or skip stop trains). Director Heminger asked about stopping at Stanford more often. Mr. Petty said Stanford has a shuttle available at the Palo Alto stop.

Director Stone commented on conversations about things that cost more money and depending on how the year goes and what Caltrain resources are later in the year. He supported requesting more matching funds from supportive partners.

Chair Pine spoke on implementing equity policies that will take time, people, commitment, and staff challenges.

Public Comment

Roland Lebrun, San Jose, commented on Stanford service for the nurses, the May 11 board correspondence, making six baby bullets safe to run at 25 percent capacity, and capital corridor is \$5 million and not \$25 million.

Aleta Dupree, Oakland, commented on continuing equity as an investment, clock-facing schedules, travelling on off peak hours, and consistent services throughout the day.

Adina Levin, Friends of Caltrain, commented about fare integration studies, innovative ways of people using Caltrain now, and equitable access to Caltrain.

Vaughn Wolffe, Pleasanton, commented on running more express trains, more people will want to ride, as there would be an advantage in travelling faster than driving. He commented on COVID-19 being an air borne virus and not surface area virus, hence cleaning should be aerosol.

Jeff Carter, Millbrae, commented on the presentation, increasing frequency mid-day, increasing express trains, and removing padding. He commented on fare equity going from point to point and the multiplier for the monthly pass.

10. CORRESPONDENCE

Correspondence was available online.

11. BOARD MEMBER REQUESTS

There were no requests.

14. GENERAL COUNSEL REPORT

Joan Cassman, General Counsel, stated that there would be three closed sessions. One on anticipated litigation, one on property negotiation (electrification easement rights), and the special Board meeting to address anticipated litigation. She stated that the public would comment on the three closed sessions first, the Chair would adjourn this meeting, they would reconvene in closed session, and she would report any action at the November Board meeting. She noted that no action was anticipated from any of the closed sessions.

- a. Closed Session: Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case
- b. Closed Session pursuant to Government Code Section 54956.8: Conference with Real Property Negotiators Property: 201 Gateway Blvd., South San Francisco, CA 94080 (APN 015-024-240)
Agency Negotiators: Joan L. Cassman, General Counsel, Brian Fitzpatrick, Director of Real Estate, and Gary Cardona, Manager, Capital Project Support & Property Management
Negotiating Parties: Britannia Gateway II Limited Partnership, a Delaware Limited Partnership
Under negotiation: Price and terms of contract.

Special Meeting Agenda – October 1, 2020 Closed Session (Following Regular Board Meeting): Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): One potential case

Public Comment

Roland Lebrun, San Jose, commented on waiting a month for the report out from closed session.

Chair Pine noted that there was no anticipated report out for this closed session. Ms. Cassman stated the Brown Act allows for adjourning to a closed session and reporting out at the next meeting.

15. DATE/TIME OF NEXT REGULAR MEETING: Thursday, November 5, 2020 at 9:00 am via Zoom

16. ADJOURN

The meeting adjourned at 12:38 pm.

An audio/video recording of this meeting is available online at www.Caltrain.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6242 or by email to Board@Caltrain.com.