

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

MINUTES OF MAY 6, 2021

MEMBERS PRESENT: C. Chavez , D. Davis (Chair), J. Gee, G. Hendricks, S. Heminger (Vice Chair), D. Pine, C. Stone, S. Walton, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: C. Mau, J. Cassman, S. Van Hoften, M. Bouchard, B. Fitzpatrick, J. Funghi, , R. Johansen, D. Hansel, J. Harrison, L. Leung, L. Low, R. McCauley, R. Rios, S. Petty, M. Reggiardo, B. Shaw, B. Tietjen, P. Skinner, K. Yin, D. Seamans, T. Willis, S. Wong

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 9:05 am and led the pledge of allegiance.

2. ROLL CALL

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

3. GENERAL COUNSEL REPORT – CLOSED SESSION:

**a. Closed Session: Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4):
One potential case**

The Board convened in closed session at 9:07am

The Board reconvened in regular session at 9:46am

Public Comment

Roland Lebrun, San Jose, commented on taking public comment before adjourning to closed session.

4. GENERAL COUNSEL REPORT – REPORT OUT FROM CURRENT CLOSED SESSIONS

General Counsel Joan Cassman stated that the board just met and there was no reportable action to place on the record at this time.

5. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Vaughn Wolffe, Pleasanton, commented on Bay Area Planning, reducing greenhouse gases, and China electrifying 15k miles of high speed rail.

Roland Lebrun, San Jose, commented on international high speed rail, putting budget before scenario planning on the agenda, VTA tax measures, and taking public comment.

Jeff Carter, Millbrae, commented on planning for future rail, the new ticket vending machines (TVM) allowing easier access to loading Clipper Cards, and the Staff Coordinating Council.

Aleta Dupree, Oakland, commented on presenting ideas with honey instead of vinegar.

Michelle Bouchard, Acting Executive Director, explained that the Staff Coordinating Council SCC was comprised of staff level from all three of the Joint Powers Agreement (JPA) agencies, and is:

- 1) used as an initial vetting for Board agenda items for Caltrain to understand perspectives from member agencies and
- 2) construct agendas that make sense for the Joint Powers Board

6. CONSENT CALENDAR

- a. Approve Regular Meeting Minutes of April 1, 2021**
- b. Receive Key Caltrain Performance Statistics – March 2021**
- c. Report of the Chief Financial Officer (CFO)**
- d. Accept Statement of Revenues and Expenses for the Period Ended March 31, 2021**
- e. Accept Quarterly Fuel Hedge Update**
- f. Call for a Public Hearing on Proposed Fare Structure Changes**
- g. Award of On-Call Contracts to Provide Printing Services**
- h. Authorize the Application for and Receipt of Annual Cap and Trade Funding for the Procurement of Electric Multiple Unit (EMU) Vehicles**
- i. Authorize a Scope of Work to be Performed by Meteorcomm, LLC for Technical Support Services**
- j. Authorization to Execute an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program**
- k. State and Federal Legislative Update**
- l. Authorize Execution of Exclusive Negotiating Agreement with South City Ventures LLC for Certain South San Francisco Caltrain Station Property on Dubuque Avenue in South San Francisco, California**
- m. Update on Fiscal Year 2022 Shuttle Program Funding and Services**

Motion/Second: Stone/Chavez

Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis

Noes: None

Absent: None

Public Comment

Jeff Carter, Millbrae, expressed support for the public hearing on fares, and commented on comprehensive fare proposal, 15 ride ticket, 7 day pass, and abolishing the zone system.

Aleta Dupree, Oakland, expressed support for the public hearing and fuel hedging and commented on new fare policies supporting fare capping.

Roland Lebrun, San Jose, commented on electrification completion, a half million dollars earmarked for expansion of Menlo Park/Redwood City refurbishing, moving staff

and general staff in with TASI, and why Hillsdale nor South San Francisco will have level boarding.

7. REPORTS

a. Report of the Citizens Advisory Committee (CAC)

Adrian Brandt, CAC representative, stated that public comments included VTA contribution to BART, running battery options in Gilroy service and Board comments included Martin Romo stepping down effective April 21, 2021, passengers off-boarding without proper fare enforcement, schedule posted at all stations, wifi in EMUs, passenger and bicycle counters, wheelchair counting, onboard electronic monitors. He reported public comments on security cameras instead of mirrors, single bathrooms, and progress reports on EMU testing.

b. Report of the Chair

i. Report on Governance

Chair Davis announced the next special Board Meeting on May 14. She stated the most recent Governance ad hoc committee focused on the draft evaluation criteria and will use the summer to evaluate governance options. Chair Davis stated they discussed self-directed options versus regional options and how to use resources to support the governance process. Future meeting dates and times are available [online](#).

She announced three openings (3 year terms) on the Caltrain Advisory Committee for San Francisco, San Mateo, and Santa Clara County, with [applications](#) due Thursday, May 27th.

Public Comment

Motion/Second: Stone/Gee

Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis

Noes: None

Absent: None

ii. Report of the Local Policy Maker Group (LPMG)

Director Jeff Gee reported on 15/19 cities attending. They discussed the overview of multiple federal funding options available, the electrification project, the corridor wide grade separation study and high speed rail.

c. Report of the Executive Director

Michelle Bouchard, Acting Executive Director, stated that:

- They have partnered with Santa Clara County Department of Public Health to offer vaccines at Diridon station and are discussing other stations near Caltrain line.
- They have re-Opened the Hillsdale station April 26th, and the overall project will be completed Fall 2021
- They have replaced the Marin & Napoleon Bridges
- Congressional members have moved forward earmarked requests
- Worked with Metropolitan Transportation Commission (MTC) to know which American Rescue Plan funds are available for Caltrain

- Are slowly seeing ridership gains, rising to 10 percent

Ms. Bouchard provided a video clip of the new electric trains in Pueblo Colorado, spoke about the enhanced performance, and risk refresh report timeline.

i. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report – March

John Funghi, CalMod Chief Officer, reported that

- The project completion is based on Balfour Beatty's actual production rate in the signal grade crossing system.
- Balfour Beatty is 2 years late advancing the signals work
- They are exploring other delivery approaches to accelerate signal work
- Costs are determined based on determination of future project risk exposure not merit
- Next month there will be more details of cause and possible mitigation impacts of the program
- The lion's share of work advancing despite signal work.
- Connections at segment 33/4 CEMOF done, 60% of poles installed
- 63 foundations done in April, 724 left to complete
- They will bring in 23 specialized technicians from Europe for train testing
- \$152M in remaining contingency with \$142M required

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions, which included the following:

Public Comment

Jeff Carter, Millbrae, commented on the Chair's report, testing in Pueblo, seating compared to bombardier cars, acceleration testing, and Buy America.

Vaughn Wolffe, Pleasanton, commented on vaccinations, identifying testers in each area, and vaccine passports.

Jeff Carter, Millbrae, commented on press release of the EMU trains.

Aleta Dupree, Oakland, commented on masks and foundation production.

Adina Levin, Friends of Caltrain, commented on the governance workshop summary, equitable access, contributing to the budget.

Adrian Brandt, San Mateo County, commented on national electrification progress compared to international electrification.

Chair Davis called a five minute break at 10:46 a.m.

8. AWARD OF CONTRACT TO PROVIDE GENERAL COUNSEL LEGAL SERVICES

Joan Cassman & Shayna van Hoften, Hanson Bridgett Legal Counsel, left the meeting for this item.

Michelle Bouchard, Acting Executive Director, introduced Renee Marler who assisted in the procurement for general counsel.

Renee Marler, Legal Consultant, provided a presentation on the selection of general counsel. She discussed the Ad Hoc Board Committee, scope of work, procurement process, selection of Olson Remcho, and the onboarding plan.

Public Comment

Roland Lebrun, San Jose, commented on the selection process,

Aleta Dupree, Oakland, commented on legal counsel acknowledging diversity.

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

- Other firms submitted but not interviewed
- Which government entities Olson Remcho represents
- Quarterly reports for cost incurred for legal services

The Board thanked Hanson Bridgett LLP for their enormous work since Caltrain's inception.

Motion/Second: Chavez/stone

Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis

Noes: None

Absent: None

9. POST COVID BUSINESS STRATEGY – SCENARIO PLANNING

Sebastian Petty, Deputy Chief of Planning, provided a presentation and thanked staff for putting the numbers together. He noted that these are not plans, but illustrative examples of responses to different futures.

Mr. Petty provided an overview on:

- Four Caltrain Scenarios
- Financial projections for each scenario
- Service approach by scenario
- Ridership Projections by scenario
- Conclusions
- Next steps

Public Comment

Roland Lebrun, San Jose, commented on Caltrain being a fixed cost operation, focusing on transporting large passengers competitively, European transit strategies, and reintroducing baby bullets.

Jeff Carter, Millbrae, commented on running service people want to use, attracting riders based on frequency and price, running later into the evenings and weekends.

Vaughn Wolffe, Pleasanton, commented on the train being a tool that needs to be used properly, modern trains, limiting frequency with shorter trains.

Aleta Dupree, Oakland, commented on increasing frequency.

Adrian Brandt, San Mateo County, commented on having a show-up-and-go model like BART, options during tough times, and appealing to a wider demographic.

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

- The shortfalls in these scenarios
- What are capital needs (State of Good Repair, etc.)
- If the big decline in FY24 is due to maintenance work required (Slide 20)
- The relationship between Measure RR capital needs and membership contribution
- What it means in terms of policy decisions to be made
- A Challenging financial picture going forward
- Highlighting events/millstones that precede policy decisions
- The causes of ridership growth
- While not choosing these scenarios, we have to be proactive, not reactive
- Using this time as an opportunity to analyze transit needs
- Marketing Caltrain as the least stressful way to travel while being productive
- Whether Measure RR estimate assumptions were the same in each scenario
- Each scenario needing 100 percent of Measure RR to operate
- Measure RR not enough to cover operating and capital expenses down the road

10. FISCAL YEAR 2022 PRELIMINARY OPERATING AND CAPITAL BUDGETS

Derek Hansel, Chief Financial Officer, noted that a year ago, they did not present a preliminary operating and capital budget. He thanked staff for working on it over an extended period of time.

Director Cindy Chavez left at 12:11 p.m.

Mr. Hansel provided a presentation and provided an overview on the following:

- Meeting pandemic related challenges
- Measures taken
- Areas of uncertainty in Fiscal Year 2022
- Options
- Member contributions
- Preliminary budget outlook
- Revenue assumptions
- Expenditure assumptions
- Key expense drivers
- Staff allocation for Caltrain
- Preliminary capital budget
- Unconstrained versus constrained
- Next steps

Public Comment

Adina Levin, Friends of Caltrain, commented on the budget scenario, approving scenarios to bring back service, capital budget, and funding state of good repair.

Jeff Carter, Millbrae, commented on maintaining state of good repair, lack of member contributions, and lowering costs.

Aleta Dupree, Oakland, commented on getting away from member agency contribution and avoiding borrowing.

Cliff Bargar, San Francisco, commented on adding more service to bring people back.

Andy Chow, Redwood City, commented on not shutting down last year and seeing more riders in the last month.

Roland Lebrun, San Jose, commented on ridership, transit recovery task force, member agency contributions, federal funding, independent auditors, and not seeing constrained numbers.

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

- Samtrans willing to contribute \$5 million for capital budget
- Comparing capital corridor service to Caltrain Service
- Transferring budget savings into the operating deficit
- Discussing county contributions with member agencies
- If the assumptions on ridership was conservative
- Anticipated changes to the budget presented in a month
- \$20 million deficit not including the last tranche of federal funds
- Budgeting some of the tranche funds now
- Whether zero member agency contribution was an assumption or proposal
- If Federal funds could be used for capital purposes
- Having a future policy discussion related to farebox ratio
- What amount of farebox discussion expected from ridership
- Not depending on federal funds as lifelines before ridership recovers
- Deep concern about zeroing out partner contributions for capitals as federal subsidies are uncertain
- Whether there was unconstrained bridge projects that did not make the cut for constrained
- Whether the \$10 million not spent on bridges needs to be spent by next year
- Spelling out what Measure RR is used for so it is not accidentally used twice
- What the expense for Positive Train Control (PTC) was this year

11. CORRESPONDENCE

Correspondence was available online.

12. BOARD MEMBER REQUESTS

Director Glenn Hendricks requested the link to the adopted fare policy.

Director Hendricks requested a future policy discussion related to farebox ratio.

Chair Davis requested the full cost of PTC

13. GENERAL COUNSEL REPORT

There was none.

14. DATE/TIME OF NEXT REGULAR MEETING:

Thursday, June 3, 2021 at 9:00 am via Zoom

15. ADJOURN

The meeting adjourned at 1:13 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.