

AGENDA ITEM #5 (b)

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF DECEMBER 6, 2018

MEMBERS PRESENT: J. Bruins, Chair; C. Brinkman, C. Chavez, D. Davis, J. Gee, G. Gillett, D. Pine, M. Zmuda

MEMBERS ABSENT: C. Stone

STAFF PRESENT: J. Hartnett, C. Mau, J. Cassman, T. Bartholomew, C. Boland, M. Bouchard, J. Brook, A. Chan, C. Fromson, J. Funghi, D. Hansel, S. Murphy, P. Skinner

CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Bruins called the meeting to order at 10:20 a.m. and confirmed the presence of a quorum with all present except for Director Stone. Director Gee led the Pledge of Allegiance.

Legal Counsel Joan Cassman announced that the Board met in Closed Session at a Special Meeting held immediately prior to this Regular Meeting to discuss two matters: one related to potential litigation and the second concerning a real estate transaction. No action was taken. However, she noted that action was anticipated on the real estate matter during the open session of this Regular Meeting and announced that written materials related to that were available at the back of the room.

Chair Bruins announced that several agenda items would be taken out of order so that after item 9 the Board would address items 11, 12, 15, 10, 13 and 14, in that order, and then pick up again with item 15. Board members concurred.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Melissa Platte, Redwood City, Mental Health Association San Mateo County, expressed support for inclusion of a 20 percent transit-oriented development low income element in the Hayward Park housing project.

Karen Grove, Menlo Park, urged the Board to adopt the transit-oriented housing element for low income and very-low income categories.

Adina Levin, Friends of Caltrain, stated the VTA would be discussing possible reconsideration of contributions to Caltrain.

Amulya Dhulipala, Cupertino, Greenbelt Alliance, expressed appreciation for the Board's leadership on the transit-oriented development project.

Kevin Burke, Belmont, requested prioritization for building housing on the Caltrain right of

way.

Ben McMullan, San Bruno, emphasized the need for low-income housing near transit.

Nikita Siromi, Menlo Park, thanked the Board for moving forward on a transit-oriented housing project and asked that it include 20 percent affordable element be adopted.

Mike Denham, Housing for All Burlingame, stressed the need for every public agency to facilitate the building and financing of affordable housing on the Peninsula.

Donna Colson, Burlingame, stressed the need for affordable housing and thanked the Board for considering the transit-oriented development. She noted that the City of Burlingame is rezoning areas for the addition of 2,000 housing units.

Leora Ross, Palo Alto, Housing Leadership Council of San Mateo County, expressed appreciation for the Board's consideration of the transit-oriented development project.

Carolyn Jaramillo, Pacifica, Pacifica Housing For All, supported affordable housing.

Marsha Murphy, Pacifica, Pacifica Housing For All, expressed appreciation for transit-oriented housing project and requested that the Coast not be forgotten.

Ellen Hage, Pacifica, Pacifica for Housing for All and Faith In Action Bay Area, supported the transit-oriented development policy affordable element of 20 percent.

Michael Brownrigg, Burlingame, addressed the Board and stressed the need to build workforce housing in Burlingame.

Paul Jones, Atherton, related the issues in Denver, Colorado, with its constant warning system project.

Scott Yarborough, San Francisco, Shirley Johnson, San Francisco and Vincent de Martell, Palo Alto, displayed visuals of how the new electric multiple unit cars could be redesigned to allow for seats in view of bicycles on the train.

Roland Lebrun, San Jose, suggested entering into an exclusive negotiation agreement with Google for affordable housing and parking near the Diridon station area.

Joaquin Jimenez, Pescadero, stressed the need for affordable housing on the Coast.

Andy Chow, Redwood City, discussed a recent train fatality and ensuing delays.

CONSENT CALENDAR

Motion/Second: Gillett/Gee

Ayes: Brinkman, Chavez, Davis, Gee, Gillett, Pine, Zmuda, Bruins

Absent: Stone

Noes: None

Approve Special Meeting Minutes of November 1, 2018

Approve Minutes of November 1, 2018

Peninsula Corridor Joint Powers Board

December 6, 2018 Minutes

Accept Statements of Revenues and Expenditures for October 2018

Receive Key Caltrain Performance Statistics – October 2018

Public Comment

Roland Lebrun, San Jose, noted that ridership was down and farebox recovery was up 10%.

Receive State and Federal Legislative Update

Receive 2019 Draft Legislative Program

Public Comment

Vaughn Wolfe, Pleasanton, discussed legislation affecting Amtrak passengers.

Receive Caltrain Business Plan Monthly Update – November 2018

Public Comment

Jeff Carter, Millbrae, addressed the Board regarding the Business Plan but stressed that more train capacity was needed immediately.

Receive 2018 Customer Satisfaction Survey Key Findings

Receive Capital Projects Quarterly Report – 1st Quarter Fiscal Year 2019

Adopted Resolution 2018-49, Caltrain Fare Policy

Public Comment

Jeff Carter, Millbrae, requested answers to his questions posed regarding the fare policy.

Adopted Resolution 2018-50, Award of Contract for On-Call Safety & Security Advisory Services

Adopted Resolution 2018-51, Increase Executive Director's Contract Change Order Authority by \$30,000 for Sunnyvale Station Platform Rehabilitation Project

Adopted Resolution 2018-52, Authorize Execution of Agreements with Dogpatch and NW Potrero Hill Green Benefits District for Construction of Landscaping Improvements at Southbound Entrance of 22nd Street Station

Public Comment

Jeff Carter, Millbrae, expressed appreciation the improvements made to the 22nd Street Station.

Adopted Resolution 2018-53, Award of Contract for Ticket Vending Machine Upgrade

Adopted Resolution 2018-54, Authorize Execution of Agreements to Receive Funding and Act as Project Lead for the Preliminary Engineering and Environmental Clearance Phases of Rengstorff Grade Separation Project

Director Chavez requested that proposed unsigned contracts be linked to the to the on-line agenda packets so that board members can review them ahead of time.

REPORT OF THE CHAIR

Resolution of Appreciation for Jeff Gee

Chair Bruins presented a Resolution of Appreciation to retiring Board Member, Jeff Gee, for his many years of service on the Board of Directors. Director Gee thanked the Board of Directors, public and staff for their support during his tenure on the board.

Public Comment

Jeff Carter, Millbrae, thanked Director Gee for his service on the Board of Directors.

Adina Levin, Friends of Caltrain, reiterated the previous speakers' comments.

Approved by Resolution 2018-48

Motion/Second: Brinkman/Davis

Ayes: Brinkman, Chavez, Davis, Gee, Gillett, Pine, Zmuda, Bruins

Absent: Stone

Noes: None

Appointment of Nominating Committee for 2019 Officers

Chair Bruins asked for volunteers to serve on the Nominating Committee for 2019. Directors Davis, Pine, and Brinkman offered to serve on the committee.

Chair Bruins congratulated San Mateo County on the passage of Measure W, a one-half cent sales tax that passed by a close margin.

Chair Bruins expressed appreciation to all the volunteers for serving and making the holiday train a huge success.

REPORT OF THE CITIZENS ADVISORY COMMITTEE

Brian Shaw, Chair of the Citizens Advisory Committee, provided details of the last meeting held. He stated the Committee discussed the failure of Proposition 6, reviewed the proposed fare policy and reiterated the vacancy on the committee for the San Mateo County representative.

REPORT OF THE EXECUTIVE DIRECTOR

Peninsula Corridor Electrification Project Monthly Report for October 2018

John Funghi, CalMod Chief Officer, provided an update on the electrification project discussing the progress made to date on potholing, traction power, substation work, crossing and foundation work, and tunnel modification. He announced the first electric train set shells are expected to arrive in Salt Lake City very soon, with the second set arriving at the end of 2018.

Mr. Funghi responded to Board members' questions regarding the risks involved in the Stadler contract and contingency funds in the project budget.

Monthly Report on Positive Train Control System

Michelle Bouchard, Chief Operating Officer, Rail, provided an update on the Positive Train Control System project and contractor, Wabtec. She stated substitute criteria for the safety and certification program has been established and was

conditionally approved by the Federal Rail Administration, with no interruption to operations.

Board members complimented Ms. Bouchard on the hard work she has done to become compliant with the federal mandate by the deadline.

Public Comment

Roland Lebrun, San Jose, discussed issues regarding loose catenary wires.

Director Davis expressed appreciation for the San Jose bus bridge during construction.

RECEIVE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Derek Hansel, Chief Financial Officer, stated the Comprehensive Annual Financial Report was prepared with great effort and thanked the entire team for its work. He introduced Grace Martinez, Director of Accounting, who provided details of the report along with the auditor, Ahmad Gharaibeh.

Mr. Gharaibeh, Vavrinek, Trine, Day & Co., LLP., addressed the Board and discussed the scope of the audit. He noted no significant issues with the audit and would be providing a clean opinion. All deficiencies of the past had been addressed by management.

Public Comment

Jeff Carter, Millbrae, noted the omission of weekend passenger miles from page 60 of the report.

Motion/Second: Davis/Gillett

Ayes: Brinkman, Chavez, Davis, Gee, Gillett, Pine, Zmuda, Bruins

Absent: Stone

Noes: None

APPROVAL OF THE PENINSULA CORRIDOR JOINT POWERS BOARD FINANCING

Derek Hansel, Chief Financial Officer, addressed the Board and explained the actions that needed to be taken to allow for additional debt to be incurred. He stated the funding provided by the increase in the existing credit facility would serve as a portion of the grant match for the Transit and Intercity Rail Capital Program project and either the amended or the new credit facility may be used for the interim refunding of \$11m aggregate principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2015 Series A (2015 Series A Bonds).

Mr. Hansel outlined the six actions necessary and contained in the proposed Resolution:

- Authorize and approve execution and delivery of an Amended and Restated Credit Agreement (Amended Agreement) between the JPB and DNT Asset Trust (DNT), an affiliate of JPMorgan Chase Bank, which would increase funds available for drawing-down from \$150 million outstanding at any one time to \$170 million outstanding at any one time;
- Authorize and approve execution and delivery of a new credit agreement between the JPB and DNT providing for a new credit facility, which would make up to a total of \$30 million in funds available at any one time;

- Authorize and approve execution and delivery of an Amended and Restated Fee and Pricing Agreement relating to the Amended Agreement and a Fee and Pricing Agreement relating to the New Agreement; and
- Authorize the use of proceeds of a loan pursuant to the New Agreement or the Amended Agreement to refund the JPB's 2015 Series A Bonds on an interim basis; and
- Authorize and approve all of the documents required for the transactions described above, including those identified in the Resolution; and
- Authorize the Executive Director and/or the Chief Financial Officer to take the necessary steps to effectuate these transactions.

Mr. Hansel noted Kathleen Leek of Orrick was present to answer questions of the board.

Approved by Resolution 2018-55

Motion/Second: Gee/Chavez

Ayes: Brinkman, Chavez, Davis, Gee, Gillett, Pine, Zmuda, Bruins

Absent: Stone

Noes: None

AUTHORIZE EXECUTION OF AGREEMENTS AND PROGRAM SUPPLEMENTS FOR TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM FUNDING FOR THE PENINSULA CORRIDOR

ELECTRIFICATION EXPANSION PROJECT AND AMEND FISCAL YEAR 2019 CAPITAL BUDGET

Peter Skinner, Manager, Grants and Fund Programming, recommended execution of agreements and supplements with Caltrans to allow receipt of Transit and Intercity Rail Program funding from the California State Transportation Agency for the Peninsula Corridor Electrification Expansion Project. He reviewed all of the projects that the \$164,522,000 grant funding would cover and requested an amendment to the capital budget from \$97,548,255 to \$298,186,255.

Mr. Skinner and Michelle Bouchard, Chief Operating Officer, Rail, responded to questions of the Board members regarding the capital budget and the broadband/wi-fi communications component.

Public Comment

Adina Levin, Friends of Caltrain, encouraged applications for future grants to help the JPB keep up with growing demand.

Approved by Resolution 2018-57

Motion/Second: Zmuda/Gillett

Ayes: Brinkman, Chavez, Davis, Gee, Gillett, Pine, Zmuda, Bruins

Absent: Stone

Noes: None

AUTHORIZE EXERCISE OF CONTRACT OPTION WITH STADLER USA, INC. FOR PROCUREMENT OF ADDITIONAL ELECTRIC MULTIPLE UNIT VEHICLES FOR PENINSULA CORRIDOR ELECTRIFICATION PROGRAM

Michelle Bouchard, Chief Operating Officer, Rail, provided background information on an opportunity to exercise a contract option with Stadler for additional Electric Multiple Unit vehicles for the electrification program. Ms. Bouchard outlined the actions necessary to allow for the purchase of up to 37 additional Electric Multiple Unit vehicles

in an amount not to exceed \$174.6 million. The action includes a contingency fund of \$3.5 million and allows the Executive Director to issue change orders for the option order up to that limit.

Following contract award, a public process would be conducted regarding the configuration of the cars, with subsequent approval by the Board of Directors. Ms. Bouchard noted the contract must be executed by December 31.

Chair Bruins invited public comment:

Public Comment

Scott Yarborough, San Francisco, expressed support for the option purchase for bicyclists and passengers.

Shirley Johnson, San Francisco, expressed concerned with removal of diesel cars, requested a capacity comparison and discussed on-board bicycle theft.

James Rozell, San Francisco, discussed improvements for bicycles and capacity.

Roland Lebrun, San Jose, discussed the procurement process.

Andy Chow, Redwood City, supported approval of the item.

Adina Levin, supported the item as a bicyclist.

*Directors Pine and Chavez were excused from the remainder of the meeting at
12:16 p.m.*

Approved by Resolution 2018-58
Motion/Second: Gillett/Brinkman
Ayes: Brinkman, Davis, Gee, Gillett, Zmuda, Bruins
Absent: Chavez, Pine, Stone
Noes: None

APPROVE TERM SHEET AND AUTHORIZE NEGOTIATION OF LONG-TERM GROUND LEASE FOR DEVELOPMENT OF HAYWARD PARK STATION PROPERTY

Brian Fitzpatrick, Director of Real Estate and Property Development, outlined the terms of the long-term ground lease for development of 189 units at the Hayward Park Station Property, noting that the project is consistent with the vision of the Business Plan and that the affordability component is higher than what the zoning of the site calls for.

Public Comment

Edward Evans, San Mateo, Carpenters Union 217, expressed support of the project.

Jeff Carter, Millbrae, expressed support for the project but not at the expense of future track expansion.

Roland Lebrun, San Jose, stated he believed 93 feet was needed for passing tracks at the site.

Drew Hudacek, Seres-Regis, developer of the Hayward Park project, discussed their experience of building successful housing projects along the Peninsula.

Drew, San Mateo, stated he supported housing in general but expressed concern that the focus is moving to housing and not running the railroad.

Ms. Bouchard addressed the last speaker's comment and ensured that the JPB's fundamental mission is to run the railroad, however, at the same time, the agency does not set aside opportunities for housing along the right of way. She noted that she works closely with Caltrain's real estate and engineering teams to ensure that the decisions made do not interfere with train operations or future plans for the railroad.

Approved by Resolution 2018-60
Motion/Second: Gillett/Gee
Ayes: Brinkman, Davis, Gee, Gillett, Zmuda, Bruins
Absent: Chavez, Pine, Stone
Noes: None

AUTHORIZE AMENDMENTS TO CONTRACTS FOR ON-CALL TRANSPORTATION PLANNING AND SUPPORT SERVICES

Approved by Resolution 2018-56
Motion/Second: Gee/Davis
Ayes: Brinkman, Davis, Gee, Gillett, Zmuda, Bruins
Absent: Chavez, Pine, Stone
Noes: None

Director Davis was excused from the remainder of the meeting at 12:40 p.m.

ADOPTION OF TRANSIT ASSET MANAGEMENT POLICY

Stephen Chao, Deputy Director, Quality Transit Asset Management, provided a brief presentation on the draft Transit Asset Management (TAM) policy required by the Federal Transit Administration and recommended adoption of the policy by the Board. He stated the broader TAM Plan contains several elements including the TAM policy, the program implementation, an asset inventory and a recommended capital reinvestment plan.

Mr. Chao reviewed the actual policy, as follows: "Caltrain is committed to sustainably maintaining its assets in a State of Good Repair in order to deliver a safe and reliable passenger rail service. This commitment will be ensured through financial stewardship and resource allocation, promoting a culture that supports asset management across the organization, and focusing on high quality information to provide the foundation for a risk-based approach for decision making." Further, Mr. Chao reviewed the five focus areas contained in the policy (Safety, Fiscal Sustainability, Infrastructure & Rolling Stock, Organization Efficiencies and People & TAM Culture) and associated goals for each of the areas. He noted that the plan would need to be updated every four years.

Mr. Chao responded to questions of Board members.

Public Comment

Roland Lebrun, San Jose, inquired about the status of \$125 million slated previously for State of Good Repair.

Approved by Resolution 2018-59
Motion/Second: Gee/Gillett
Ayes: Brinkman, Gee, Gillett, Zmuda, Bruins
Absent: Chavez, Davis, Pine, Stone
Noes: None

CALTRAIN SAFETY AND SECURITY QUARTERLY PERFORMANCE REPORTS

Rail Operations Performance Update 1st Quarter Fiscal Year 2019 and
Safety and Security Update 1st Quarter Fiscal Year 2019

This item was postponed to January 2019.

CORRESPONDENCE

Correspondence to the Board of Directors was received and posted.

BOARD MEMBER REQUESTS

Director Gee updated the board on the Salesforce Transit Center in San Francisco.

Public Comment

Roland Lebrun, San Jose, discussed the issues with the Transbay Transit Center.

Chair Bruins reiterated her appreciation to Director Gee for his many years of service on the Board of Directors. She wished everyone a happy holiday season.

GENERAL COUNSEL REPORT

None.

DATE/TIME OF NEXT REGULAR MEETING: Thursday, January 10, 2019 at 10 a.m. San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

Chair Bruins announced the next meeting of Thursday, January 10, 2019 at 10 a.m.

ADJOURN

The meeting adjourned at 12:46 p.m.