



BOARD OF DIRECTORS 2020

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JEANNIE BRUINS
CINDY CHAVEZ
RON COLLINS
CHARLES STONE
SHAMANN WALTON
MONIQUE ZMUDA

JIM HARTNETT
EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

San Mateo County Transit District Administrative Building
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

Committee Members: Dev Davis (Chair), Ron Collins, Monique Zmuda

February 24, 2020

2:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on Items not on the Agenda
Comments by each individual speaker shall be limited to three (3) minutes. Items raised that require a response will be deferred for staff reply.
4. Approve Meeting Minutes of December 23, 2019 MOTION
5. Accept Statement of Revenues and Expenditures January 2020 MOTION
6. Disposition of Taylor Dunn Electric Carts MOTION
7. Authorize the Application for and Receipt of Annual Cap and Trade Funding for the Peninsula Corridor Electrification Project (PCEP) MOTION
8. Authorize the Executive Director to execute Amendment No. 2 to Supplemental Agreement No. 2 with Pacific Gas and Electric for construction of 115 kilovolt Interconnections for the Peninsula Corridor Electrification Project MOTION
9. Committee Member Requests
10. Date/Time of Next Regular Finance Committee Meeting: Monday, March 23, 2020 at 2:30 pm, San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA
11. Adjourn

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 1.800.660.4287

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 2:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

The San Mateo County Transit District Administrative Building is located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, 260, 295 and 398 ([view map](#)). Additional transit information can be obtained by calling 1-800-660-4287 or 511, or by visiting 511.org.

Public Comment

If you wish to address the Committee, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Committee members and staff. Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three minutes and items raised that require a response will be deferred for staff reply.

Accessible Public Meetings/Translation

Written materials in appropriate alternative formats, disability-related modification/accommodation, as well as sign language and foreign language interpreters are available upon request; all requests must be made at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

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

MINUTES OF DECEMBER 23, 2019

MEMBERS PRESENT: D. Davis (Chair), R. Collins, S. Walton

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, S. van Hoften, G. Martinez, A. Chan, P. Skinner,
C. Boland, J. Brook

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 2:31 pm and led the Pledge of Allegiance.

2. ROLL CALL

Assistant JPB Secretary Jean Brook called the roll and confirmed a quorum was present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None.

4. APPROVAL OF MEETING MINUTES OF SEPTEMBER 23, 2019

Motion/Second: Walton/Collins

Ayes: Collins, Walton, Davis

Noes: None

Absent: None

5. APPROVE 2020 COMMITTEE MEETING CALENDAR

Chair Davis confirmed Committee members' availability to attend the May 2020 Finance Committee meeting, given the meeting would be held on the Tuesday following Memorial Day. Chair Davis noted her inability to attend the July 27, 2020 meeting and Derek Hansel, Chief Financial Officer, noted that he would not be in attendance at the January 27, 2020 meeting due to a scheduling conflict.

Motion/Second: Collins/Walton

Ayes: Collins, Walton, Davis

Noes: None

Absent: None

6. ACCEPT STATEMENT OF REVENUES AND EXPENDITURES FOR SEPTEMBER, OCTOBER, AND NOVEMBER 2019

Chair Davis invited public comment.

Public Comment:

Roland Lebrun, San Jose, inquired about the reporting timeframe of revenues and expenditures. He stated revenues and expenses had increased but ridership was down. Mr. Lebrun requested an update on the contract with Transit America Services, Inc.

In response to Chair Davis' question regarding the timing of the financials, Mr. Hansel responded that the months of February and April are purposefully chosen due to the timing of data available within the fiscal year, which begins on July 1. He noted that those months' financials provide a more accurate condition of the agency and that they provide a precursor to the budgeting process itself.

Chair Davis commented on the format of the monthly financials. She suggested adding two columns to the report; "Current Month" and "Year to Date." She noted lower expenditures in the categories of facilities and equipment maintenance and marketing, and discussed aspects of investment reporting. Mr. Hansel responded to the reasoning behind the lower expenditures and the investments.

Director Shamann Walton asked how claims are budgeted. Mr. Hansel explained that as claims are settled or dismissed, the agency's reserves were concurrently released. Shayna van Hoften, Legal Counsel, discussed the balance of liability between the service provider, TASI, and Caltrain as an agency.

Motion/Second: Walton/Collins
Ayes: Collins, Walton, Davis
Noes: None
Absent: None

7. AUTHORIZE RECEIPT OF STATE RAIL ASSISTANCE PROGRAM FUNDS

Peter Skinner, Manager, Grants and Fund Programming, stated the action would allow the Executive Director to submit a project application for \$8 million in State Rail Assistance funding to be used for a portion of the \$38.6 million local match requirement for the Peninsula Corridor Electrification Enhancement project. He noted that the additional grant funding would allow for a seventh car to be added to the existing six-car train sets currently in production and allow for three additional seven-car train sets.

Committee members requested clarification on the total number of electric multiple units that were expected following award of grant money. Mr. Hansel confirmed that with the addition of 37 additional electric multiple units, it would allow the current 16 six-car sets/units to be converted into 19 seven-car sets. The grant funding process was discussed and how the draw-down funding method is utilized.

Public Comment:

Roland Lebrun, San Jose, discussed a discrepancy between a staff report and the overhead presentation on the South San Francisco station improvement project.

Motion/Second: Collins/Walton
Ayes: Collins, Walton, Davis
Absent: None

8. ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Mr. Hansel stated that the FY 2019 Comprehensive Annual Financial Report (CAFR) was accepted at the December 5 Board meeting.

Public Comment:

Roland Lebrun, San Jose, discussed the purchase of a building at 4000 Campbell Avenue, Menlo Park and inquired about the price of \$20 million.

Through the Chair, Mr. Hansel responded that one building in Menlo Park was purchased from proceeds of bonds and 4000 Campbell; Menlo Park would close in early 2020, totaling \$20 million.

Chair Dev Davis inquired about how trackage rights are valued and booked and inquired whether they should be reviewed every few years to be revalued. Mr. Hansel responded that public agencies' property values are not reviewed nor revalued at any time. Grace Martinez, Director of Accounting, confirmed that Generally Accepted Accounting Principles do not allow for revaluing public property and that the booked amounts remain at their historical levels, unless the property is depreciating.

9. COMMITTEE MEMBER REQUESTS

None.

10. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Chair Davis announced the time and location of the next meeting; Monday, January 27, 2020 at 2:30 pm, San Mateo County Transit District, second floor auditorium, 1250 San Carlos Avenue, San Carlos, CA.

11. ADJOURN

The meeting was adjourned at 3:13 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 650.508.6279 or by email to board@caltrain.com.

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: JPF Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
JANUARY 31, 2020**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of January 2020.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through January 31, 2020. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE

Annual Forecast: The annual forecast was updated for the February board meeting based on actual revenue and expense trends through December 2019. The forecast was derived by analyzing trends and reviewing details with cost center managers. The forecast will be updated again for the April board meeting.

Forecast Revenues: Total revenue (page 1, line 17) is forecast \$2.3 million higher than budget. This is primarily driven by higher Farebox Revenue (page 1, line 1) which is \$3.1 million higher than budget due to adopted fare changes (Go Pass fare increased by 20%, Clipper discount reduced to \$0.25, and implementation of the means based fare pilot program). Other Income (page 1, line 5) is higher than budget by \$0.4M due to parking citation revenue. This is partially offset by Shuttles (page 1, line 3) due to a reduction in service.

The Use of Reserves (page 1, line 13) is \$1.1 million lower than budget primarily due to the increased fare revenue.

Forecast Expenses: Total Expense (page 1, line 49) is \$0.6 million lower than budget. The variance is primarily due to lower expense trends. Shuttles Services (page 1, line 26) is \$0.2 million lower than budget due to a labor shortage of drivers causing a reduction in service. Professional Services (page 1, line 41) is lower than budget by \$0.2 million as a result of delays in various planning studies. Facilities & Equipment Maintenance (page 1, line 31) is lower than budget by \$0.1 million due to delayed start of various survey work.

Year to Date Revenues: As of January year-to-date actual, the Total Revenue (page 1, line 17) is \$5.2 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5) and JPB Member Agencies Contributions (page 1, line12).

Year to Date Expenses: As of January year-to-date actual, the Total Expense (page 1, line 49) is \$3.9 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23), in Fuel and Lubricants (page1, line 27), in Wages & Benefits (page 1, line 38), in Professional Services (page 1, line 41) and Long Term Debt Expense (page 1, line 47). The increases are partially offset by decreases in Security Services (page 1, line 25), Claims, Payments and Reserves (page1, line 30) and Managing Agency Admin OH cost (page 1, line 39).

Other Information: Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show noticeable variances for some line items on the financial statements.

BUDGET IMPACT

There are no budget amendments for the month of January 2020.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By :	Soe Aung, Accountant III	650-622-8020
	Jennifer Ye, Manager, General Ledger	650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2020

January 2020

	YEAR TO DATE					% OF YEAR ELAPSED				58.3%
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	CURRENT AS A % OF BUDGET	APPROVED		ANNUAL		%
						BUDGET	FORECAST	\$ VARIANCE	BUDGET	
REVENUE										
OPERATIONS:										
1 Farebox Revenue	58,848,938	62,006,935	3,157,998	5.4%	58.5%	106,000,000	109,050,000	3,050,000		2.9%
2 Parking Revenue	3,018,576	2,908,100	(110,476)	(3.7%)	54.5%	5,335,000	5,335,000	-		0.0%
3 Shuttles	1,179,715	1,074,402	(105,312)	(8.9%)	42.9%	2,503,200	2,395,314	(107,886)		(4.3%)
4 Rental Income	1,154,931	1,212,066	57,135	4.9%	58.8%	2,060,540	2,060,540	-		0.0%
5 Other Income	1,469,419	2,116,206	646,787	44.0%	120.7%	1,753,450	2,153,450	400,000		22.8%
6										
7 TOTAL OPERATING REVENUE	65,671,578	69,317,711	3,646,132	5.6%	58.9%	117,652,190	120,994,304	3,342,114		2.8%
8										
CONTRIBUTIONS:										
9										
10 AB434 Peninsula & TA Shuttle Funding	1,036,341	1,236,127	199,786	19.3%	71.1%	1,737,950	1,737,950	-		0.0%
11 Operating Grants	3,832,854	3,022,962	(809,892)	(21.1%)	56.7%	5,327,497	5,327,497	-		0.0%
12 JPB Member Agencies	17,240,500	19,450,239	2,209,739	12.8%	65.0%	29,921,971	29,921,971	-		0.0%
13 Use of Reserves			-	0.0%	0.0%	1,064,614	-	(1,064,614)		(100.0%)
14										
15 TOTAL CONTRIBUTED REVENUE	22,109,695	23,709,328	1,599,633	7.2%	62.3%	38,052,032	36,987,418	(1,064,614)		(2.8%)
16										
17 GRAND TOTAL REVENUE	87,781,273	93,027,039	5,245,766	6.0%	59.7%	155,704,222	157,981,722	2,277,500		1.5%
18										
19										
EXPENSE										
20										
OPERATING EXPENSE:										
21										
22										
23 Rail Operator Service	50,346,147	52,526,621	2,180,474	4.3%	57.8%	90,817,696	90,817,696	-		0.0%
24 Positive Train Control	20,481	123,766	103,286	504.3%	5.2%	2,400,000	2,400,000	-		0.0%
25 Security Services	3,767,857	3,343,364	(424,493)	(11.3%)	51.1%	6,544,183	6,544,183	-		0.0%
26 Shuttles Services	2,244,237	2,302,009	57,772	2.6%	43.5%	5,290,100	5,061,300	(228,800)		(4.3%)
27 Fuel and Lubricants	5,971,678	6,668,918	697,241	11.7%	60.6%	11,003,417	11,003,417	-		0.0%
28 Timetables and Tickets	6,429	44,738	38,309	595.9%	31.2%	143,500	143,500	-		0.0%
29 Insurance	2,454,655	2,529,169	74,514	3.0%	56.1%	4,506,064	4,506,064	-		0.0%
30 Claims, Payments, and Reserves	384,808	(105,484)	(490,291)	(127.4%)	(11.1%)	951,794	951,794	-		0.0%
31 Facilities and Equipment Maint	1,139,768	1,218,611	78,843	6.9%	36.5%	3,339,391	3,228,522	(110,869)		(3.3%)
32 Utilities	1,074,623	1,126,713	52,090	4.8%	53.5%	2,105,422	2,105,422	-		0.0%
33 Maint & Services-Bldg & Other	627,910	691,560	63,650	10.1%	44.1%	1,567,930	1,567,930	-		0.0%
34										
35 TOTAL OPERATING EXPENSE	68,038,592	70,469,986	2,431,394	3.6%	54.8%	128,669,496	128,329,828	(339,669)		(0.3%)
36										
ADMINISTRATIVE EXPENSE										
37										
38 Wages and Benefits	5,934,843	6,988,811	1,053,968	17.8%	57.9%	12,066,711	12,066,711	-		0.0%
39 Managing Agency Admin OH Cost	3,690,003	2,315,860	(1,374,143)	(37.2%)	45.4%	5,098,065	5,098,065	-		0.0%
40 Board of Directors	13,238	9,964	(3,274)	(24.7%)	68.2%	14,600	14,600	-		0.0%
41 Professional Services	981,282	1,921,950	940,668	95.9%	45.0%	4,275,583	4,050,583	(225,000)		(5.3%)
42 Communications and Marketing	176,439	190,429	13,989	7.9%	63.2%	301,500	301,500	-		0.0%
43 Other Office Expenses and Services	1,467,547	1,534,514	66,967	4.6%	58.2%	2,638,494	2,625,494	(13,000)		(0.5%)
44										
45 TOTAL ADMINISTRATIVE EXPENSE	12,263,352	12,961,528	698,176	5.7%	53.1%	24,394,953	24,156,953	(238,000)		(1.0%)
46										
47 Long Term Debt Expense	852,563	1,580,521	727,958	85.4%	59.9%	2,639,773	2,639,773	-		0.0%
48										
49 GRAND TOTAL EXPENSE	81,154,507	85,012,035	3,857,528	4.8%	54.6%	155,704,222	155,126,554	(577,669)		(0.4%)
50										
51 NET SURPLUS / (DEFICIT)	6,626,766	8,015,004	1,388,238	20.9%		(0)	2,855,168	2,855,169		

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **DISPOSITION OF TAYLOR DUNN ELECTRIC CARTS**

ACTION

Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to dispose of six Taylor Dunn electric carts (Vehicles), in compliance with the Peninsula Corridor Joint Powers Board's (JPB) procurement policy.

SIGNIFICANCE

The proposed action will implement the JPB's policy to routinely dispose of surplus vehicles that are no longer viable for service through sale by sealed bid, public auction, or negotiation, donation to a non-profit agency, recycling, transfer to another public agency, trade-in as part of a new procurement, recycling, donation to a non-profit entity, or by discarding as scrap. The Vehicles included in the proposed action will be disposed of by public auction.

BUDGET IMPACT

The Vehicles were originally purchased in 2007 with a mix of federal and local funds. While the estimated fair market value is less than \$5,000 for each vehicle, any net proceeds greater than \$5,000 received from the sale of each vehicle will be returned to the Federal Transit Administration.

BACKGROUND

The Vehicles have been in use at the Central Equipment, Maintenance and Operations Facility, in San Jose. They have reached the end of their useful lives and have been identified for disposal.

Procurement Administrator II: Brian Geiger

650.508.7973

Project Manager: Lawrence Leung, Manager, Rail Contracts and Budget 650.508.6328

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **AUTHORIZE THE APPLICATION FOR AND RECEIPT OF ANNUAL CAP AND TRADE FUNDING FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

ACTION

Staff Coordinating Council (SCC) recommends the Board authorize the Executive Director, or his designee to:

1. Apply for and receive \$1.78 million in California Low Carbon Transportation Operations Program (LCTOP) funds from the State of California Department of Transportation (Caltrans) for the Peninsula Corridor Electrification Project (PCEP); and
2. Take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, related amendments and any other documentation required for the Peninsula Corridor Joint Powers Board (JPB) to apply for and receive LCTOP funds.

SIGNIFICANCE

The LCTOP is one of several funding programs that are part of a broad-based State effort to invest cap-and-trade auction proceeds to reduce greenhouse gas emissions as required under California's climate action law, A.B. 32. These funds are distributed annually on a formula basis to transit agencies and Metropolitan Planning Organizations, including the Metropolitan Transportation Commission in the Bay Area. Similar to the State Transit Assistance program, transit agencies receive a portion of the funds directly based on operating revenues. Caltrans is the administering agency for the funds and requires eligible funding recipients to submit annual resolutions by authorizing agency officer(s) to execute and process the application materials associated with LCTOP funds. Caltrans also requires applicants to specify the projects to receive the LCTOP funds within the resolution.

For Fiscal Year (FY) 2020, the JPB's allocation of LCTOP funding is \$1.78 million. The Board has previously committed \$9 million in LCTOP funds to the PCEP as part of the

seven-party supplemental memorandum of understanding and SCC recommends these funds be allocated to the PCEP in keeping with the agreement.

BUDGET IMPACT

There is no budget impact associated with this action. A total of \$9 million in LCTOP funds are included in the overall funding plan for PCEP. To date, \$5.4 million of this amount has been received for PCEP. With the FY20 allocation, that total will increase to \$7.18 million.

BACKGROUND

The LCTOP provides capital funding as well as operational assistance for expanded transit service to reduce greenhouse gas emissions and improve mobility. The LCTOP program is funded annually with 5 percent of the auction proceeds from the State's cap-and-trade program.

Prepared by: Rebecca Arthur, Senior Grants Analyst

650.508.6368

RESOLUTION NO. 2020 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

**AUTHORIZING THE APPLICATION FOR AND RECEIPT OF ANNUAL CAP AND TRADE FUNDING
FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor and may receive State cap and trade funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to State-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors, including the JPB; and

WHEREAS, the JPB wishes to use Fiscal Year (FY) 2020 LCTOP funds allocated to the JPB for the Peninsula Corridor Electrification Project (PCEP); and

WHEREAS, the PCEP will electrify the Caltrain commuter rail line, providing improved transit service and reduced greenhouse gas emissions that will benefit disadvantaged communities, as identified by the State of California, in Santa Clara, San Mateo, and San Francisco Counties, and provide electric multiple unit train cars to operate on the newly-electrified rail line; and

WHEREAS, the Staff Coordinating Council recommends that the JPB Board of Directors authorize the Executive Director, or his designee, to:

1. Apply for and receive \$1,781,703 in FY2020 LCTOP funds for the PCEP; and
2. File and execute annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, agreements, related amendments, and any other documents required for the JPB to apply for and receive LCTOP funding.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board, hereby:

1. Agrees to comply with all conditions and requirements set forth in the annual certifications and assurances, authorized agent forms and any applicable statutes, regulations and guidelines for all Low Carbon Transit Operations Program-funded transit projects; and
2. Authorizes the Executive Director, or his designee, to apply for and receive from the California Department of Transportation \$1,781,703 in FY2020 LCTOP funds for the Peninsula Corridor Electrification Project, which will electrify the Caltrain commuter rail line, providing improved transit service and reduced greenhouse gas emissions; and
3. Authorizes the Executive Director, or his designee, to take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent

forms, agreements, related amendments, and any other documentation that may be required for the JPB to apply for and receive LCTOP funds.

Regularly passed and adopted this 5th day of March 2020, by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: John Funghi
Chief Officer, Caltrain Modernization Program

SUBJECT: **AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT NO. 2 TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

ACTION

Staff Coordinating Council recommends the Board authorize an amendment to Supplemental Agreement No. 2 with Pacific Gas and Electric (PG&E), entitled "Construction of Caltrain Construction of 115 Kilovolt (kV) Interconnections," in support of the Peninsula Corridor Joint Powers Board's (JPB) Peninsula Corridor Electrification Project (PCEP), at a cost not to exceed \$25 million, for a new total authorized amount of \$27.8 million for Supplemental Agreement No. 2.

Staff Coordinating Council's recommendation is contingent upon approval of the Change Management Board.

SIGNIFICANCE

Implementation of the PCEP will require a 115-kV interconnection from the PG&E substation to the Caltrain substations in San Jose and South San Francisco. Construction of the 115-kV interconnections will be performed by PG&E, under an amendment to Supplemental Agreement No. 2.

Supplemental Agreement No. 2, PG&E Oversight of Caltrain Design and Construction of 115 kilovolt (kV) Interconnections and Environmental Review of PG&E Infrastructure Build Outs, was previously approved by the Board in September 2016 for \$1 million. PG&E's scope of work for this Agreement included oversight of the design and construction of the 115kV interconnections and environmental review and permitting support. An amendment to Supplemental Agreement No. 2 was approved by the Board on February 1, 2018 for \$1.8 million because the level of effort from PG&E to oversee the design and construction of the interconnections was greater than anticipated. Amendment No. 2 to the Agreement will add construction of the 115-kV interconnections in San Jose and in South San Francisco to PG&E's scope of work.

At this time, staff estimates that construction of the 115-kV interconnections will be

accomplished for an amount not to exceed \$25 million.

BUDGET IMPACT

The construction cost for the 115kV interconnections was originally estimated in 2017 at \$20 million to be funded from the contingency included in the Board-approved PCEP Budget. The JPB was recently notified by PG&E that this work will be subject to an Income Tax Component of Contribution tax, which is estimated at \$5 million, for a total estimate of \$25 million for the 115kV interconnections.

The estimated \$25 million cost will be funded from the contingency included in the Board-approved PCEP Budget if approved by the Change Management Board. Staff will present the proposed action to the Change Management Board on February 26.

BACKGROUND

Design and construction of the 115kV interconnections was originally expected to be performed by Balfour Beatty (BBII) through a change order to BBII's design-build contract with PCEP.

BBII performed the design of the interconnections through a subcontractor, TRC, but notified the JPB on December 12, 2019 that TRC decided not to pursue the construction component of the change order.

Staff reached out to BBII and TRC to find out whether TRC would change its decision about not pursuing the construction component of the change order but learned that TRC's decision was final. Staff also reached out to PG&E about having PG&E construct the interconnections under an existing agreement with the JPB. PG&E agreed to construct the interconnections under a second amendment to Supplemental Agreement No. 2.

Staff evaluated three options for construction of the interconnections and has determined that construction of the interconnections as proposed by PG&E would be the most cost effective option and would have the shortest total schedule duration. The table below compares the cost and schedule for each option.

Options	Cost	Schedule
Change Order to BBII	\$26M - \$30M	21 - 24 months
New PCEP Construction Contract	\$24M - \$28M	24 - 27 months
Amendment to PG&E Supplemental Agreement No. 2	NTE \$25M	17 - 19months

Prepared By: Liria Larano, Deputy Chief, CalMod Program

650.622.7828

RESOLUTION NO. 2020 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

AUTHORIZING AMENDMENT NO. 2 TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

WHEREAS, on January 8, 2015, pursuant to Resolution No. 2015-03, the Peninsula Corridor Joint Powers Board (JPB) certified a Final Environmental Impact Report for the Peninsula Corridor Electrification Project (PCEP) and approved the PCEP; and

WHEREAS, the PCEP will require connection and support infrastructure from Pacific Gas and Electric (PG&E) for the implementation of the project; and

WHEREAS, in October 2015, pursuant to Resolution No. 2015-51, the JPB executed a Master Agreement with PG&E to govern PG&E services in connection with the PCEP, as set forth in a series of supplemental agreements; and

WHEREAS, pursuant to Resolution No. 2016-50, the JPB executed Supplemental Agreement No. 2, entitled "PG&E Oversight of Caltrain Design and Construction of 115 Kilovolt (kV) Interconnections and Environmental Review of PG&E Infrastructure Build Outs," in the not-to-exceed amount of \$1 million; and

WHEREAS, pursuant to Resolution No. 2018-05, the JPB executed Amendment No. 1 to Supplemental Agreement No. 2 to increase the cost by \$1.8 million to reflect the higher-than-anticipated level of effort required from PG&E to oversee the design and construction of the interconnections; and

WHEREAS, construction of the interconnections was originally expected to be performed by TRC, a subcontractor to Balfour Beatty infrastructure, Inc. (BBII), through a change order to BBII's design-build contract with the JPB; and

WHEREAS, TRC notified the JPB on December 12, 2019 that TRC decided not to pursue the construction component of the work; and

WHEREAS, JPB staff evaluated three options for construction of the interconnections and has determined that PG&E's proposal is the most cost-effective option and has the shortest total duration; and

WHEREAS, the JPB now desires PG&E to provide construction of the critical power infrastructure of 115 kV interconnections required to support PCEP; and

WHEREAS, the Staff Coordinating Council recommends, and the Finance Committee and PCEP Ad Hoc Advisory Committee concur, that the Board authorize a second amendment to Supplemental Agreement No. 2 in an amount not to exceed \$25 million, for a total authorized not-to-exceed amount of \$27.8 million.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes a second amendment of Supplemental Agreement No. 2 with Pacific Gas & Electric for construction of 115 kilovolt interconnections for the Peninsula Corridor Electrification Project in an amount not to exceed \$25 million, for a new total, authorized not-to-exceed amount of \$27.8 million.

Regularly passed and adopted this 5th day of March, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

DRAFT