



# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

Bacciocco Auditorium, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos CA 94070

February 6, 2014 – Thursday

10:00 a.m.

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Public Comment  
Public comment by each individual speaker shall be limited to two minutes
4. Consent Calendar  
Members of the public or Board may request that an item under the Consent Calendar be considered separately
  - a) Approval of Minutes of January 9, 2014 MOTION
5. Chairperson’s Report
  - a) Certificate of Appreciation to Outgoing CAC Chair INFORMATIONAL  
Kevin Gardiner
  - b) Appointment of Citizens Advisory Committee Member MOTION  
Chris Cobey Representing San Mateo County
6. Report of the Citizens Advisory Committee
7. Report of the Executive Director
8. Acceptance of Statement of Revenues and Expenses for MOTION  
December 2013
9. Fiscal Year 2013 Comprehensive Financial Report for INFORMATIONAL  
June 30, 2013
10. Debt Issuance to Cover Rehabilitation Costs for the Rail Car INFORMATIONAL  
Capacity Expansion Project
11. Authorize Adopting the Mitigated Negative Declaration and RESOLUTION  
Approving the Los Gates Creek Bridge Replacement Project

Peninsula Corridor Joint Powers Board  
February 6, 2014 Agenda

- |   |               |
|---|---------------|
| 12. Authorize an Amendment to the On-Call Program Management Oversight Services Contract with Jacobs Engineering Group Inc. for a Not-to-Exceed Amount of \$650,000 and Extension of the Contract to June 30, 2014      | RESOLUTION    |
| 13. Approval of 2014 Legislative Program  | MOTION        |
| 14. Legislative Update  | INFORMATIONAL |
| 15. Development of Next Generation of Clipper Fare Payment System   | INFORMATIONAL |
| 16. Correspondence  |               |
| 17. Board Member Requests   |               |
| 18. Date/Time of Next Meeting: Thursday, March 6, 2014, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2 <sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070 |               |
| 19. General Counsel Report  |               |
| a) Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a): Mark Morgan v. Peninsula Corridor Joint Powers Board, et al                                      |               |
| 20. 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](http://www.caltrain.com).

### **Location, Date and Time of Regular Meetings**

Regular meetings are held at the The San Mateo County Transit District Administrative Building 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. Additional transit information can be obtained by calling 1.800.660.4287 or 511.

The JPB meets regularly on the first Thursday of the month at 10 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

### **Public Comment**

If you wish to address the Board, 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 Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to two minutes and items raised that require a response will be deferred for staff reply.

### **Accessibility for Individuals with Disabilities**

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to [board@caltrain.com](mailto:board@caltrain.com); or by phone at 650.508.6242, or TDD 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 (JPB)  
Board of Directors Meeting  
1250 San Carlos Avenue, San Carlos CA 94070

Minutes  
January 9, 2014

**MEMBERS PRESENT:** J. Cisneros, M. Cohen, J. Deal, A. Kalra, A. Lloyd, T. Nolan, A. Tissier, P. Woodward, K. Yeager

**STAFF PRESENT:** J. Averill, J. Cassman, C. Cavitt, A. Chan, G. Harrington, C. Harvey, R. Haskin, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Chair Ken Yeager called the meeting to order at 10:02 a.m. and led the Pledge of Allegiance.

**REPORT FROM NOMINATING COMMITTEE (CISNEROS, TISSIER, WOODWARD)**

Director Perry Woodward said the committee is nominating Director Tom Nolan for chair and Director Jerry Deal for vice chair.

A motion (Cisneros/Lloyd) to nominate Director Nolan for chair and Director Deal for vice chair was unanimous.

Director Malia Cohen arrived at 10:05 a.m.

**PUBLIC COMMENT**

Greg Conlon, Atherton, said Caltrain's ridership and the growth in Silicon Valley are going to be very high in the next 10 years, especially with the new 49ers stadium in Santa Clara.

Jeff Carter, Millbrae, said the extra New Year's Eve service ran well. He was able to get on the first train out of San Francisco at 12:45 a.m. and ridership was good.

**CONSENT CALENDAR**

- a. Approval of Minutes of December 5, 2013
- b. Authorize the Filing of Applications for State Proposition 1B Transit Security Grant Program Funds with the California Governor's Office of Emergency Services in the Amount of \$939,246 in Fiscal Year (FY) 2013/2014

Director Adrienne Tissier arrived at 10:08 a.m.

A motion (Lloyd/Yeager) to approve the Consent Calendar was passed unanimously by roll call.

## **CHAIRPERSON'S REPORT**

### **Resolution of Appreciation to Outgoing Chair Ken Yeager**

Chair Nolan said Director Yeager did an outstanding job last year and ran a very efficient meeting.

A motion (Tissier/Woodward) to approve the resolution was unanimous.

Director Yeager thanked everyone and said it was a pleasure to serve as chair. He said everyone is very professional and things are done in the best way possible for the organization.

## **REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)**

Kevin Gardiner, CAC Chair, said at its December 18 meeting, the CAC:

- Received a presentation on customer satisfaction. Overall, satisfaction in most areas continues to increase. Staff explained the methodology of the survey.
- Started a discussion on capacity that will be continued to the January meeting.
- Wants to delve deep into issues, and they may be able to discuss only one item at each meeting due to time constraints.
- Next meeting is January 15, at which time a new chair will be elected.

Chair Nolan thanked CAC Chair Gardiner for his service.

## **REPORT OF THE EXECUTIVE DIRECTOR**

Michael Scanlon, Executive Director reported:

- Congratulated Chair Nolan and Vice Chair Deal on their election.
- Thanked Director Yeager for his service last year.
- Showed a video of the Holiday Train.
- Announced that the 150<sup>th</sup> Anniversary of Caltrain event will be on Saturday, January 18, starting at 9 a.m. at the 4<sup>th</sup> and King Station, where the Native Sons of the Golden West will place a plaque recognizing the historical significance of the railroad. The train will depart San Francisco and stop at the seven historical stations before arriving at the Santa Clara station. A formal event will start around 11:30 a.m. at the Santa Clara Station and speakers include Chair Nolan, Director Tissier and Director Ash Kalra.

### **Proclamation Declaring January 16, 2014 the 150<sup>th</sup> Anniversary of Passenger Rail Service Along the Caltrain Corridor**

Mr. Scanlon said staff is asking the Board declare January 16, 2014 the 150<sup>th</sup> Anniversary of Caltrain.

A motion (Tissier/Yeager) to approve the proclamation was unanimous.

Chair Nolan and Vice Chair Deal presented the proclamation to Marcia Skelton from the Native Sons of the Golden West.

Ms. Skelton said she is honored to accept the proclamation on behalf of the Native Sons of the Golden West, and very excited to be part of the event.

Mr. Scanlon continued:

- Key Caltrain Performance Statistics
  - Monthly Performance Statistics – November 2013 compared to November 2012
    - Total Ridership was 1,325,955, an increase of 8.1 percent.
    - Average Weekday Ridership was 51,991, an increase of 9.9 percent.
    - Total Revenue was \$5,839,024, an increase of 10.8 percent.
    - On-time Performance was 93.5 percent, an increase of 2.7 percent.
    - Caltrain Shuttle Ridership was 9,222, an increase of 5 percent.
  - Year-to-date Performance Statistics – November 2013 compared to November 2012
    - Total Ridership was 7,115,414, an increase of 7.8 percent.
    - Average Weekday Ridership was 53,374, an increase of 8 percent.
    - Total Revenue was \$31,438,851, an increase of 7.1 percent.
    - On-time Performance was 91.5 percent, an increase of 2.3 percent.
    - Caltrain Shuttle Ridership was 7,422, a decrease of 16.3 percent.
- The Bicycle Advisory Committee (BAC) will meet on January 16.
- Special service:
  - San Jose Sharks had five home games in December and an additional 1,100 riders were carried.
  - An extra train was provided for the final 49ers home game on December 23 and an extra 2,300 passengers were carried.
  - The Fight Hunger Bowl was on December 27 at AT&T Park and an additional 2,300 passengers were carried, a 20 percent increase over last year.
  - New Year's Eve service carried an additional 10,000 riders on four extra northbound trains and six southbound post-fireworks trains.
  - The Freedom Train, chartered by the Martin Luther King Association of Santa Clara Valley, will depart the San Jose Diridon Station at 10 a.m. on January 20.
  - The Giants FanFest is on Saturday, February 1, from 10 a.m. to 3 p.m. Extra service will be provided.
- A modified Saturday schedule will be operated on Monday, February 17 for President's Day.
- Capital Projects:
  - Work continues on the San Bruno Grade Separation Project. Staff expects to have the project completed in early spring.
  - The San Mateo County Bridges Replacement Project is a two-phase project. The first phase will be for advanced site preparation. The second phase will be for bridge replacement. Staff is doing extensive public outreach.
- The Reading File contains the new *Track the Fun*, a Take One on the 150<sup>th</sup> Anniversary, and the November Safety & Security Report.

### **Caltrain Modernization Update**

Mr. Scanlon said the Communications-based Overlay Signal System (CBOSS) installation is continuing, with work in Atherton, Menlo Park, Palo Alto, and Mountain View. To date, there have been no community complaints. Staff is working to release the electrification Draft Environmental Impact Report (DEIR) to the public in late February and present it to the Board at the March meeting.

Mr. Scanlon said there has been a complication on the Transit Oriented Development Project at Hayward Park. It looks like staff will have to resolicit the project. Mr. Scanlon said staff will touch base with the sub-committee and report to the full Board at a later date.

### **ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR NOVEMBER 2013**

Gigi Harrington, Deputy CEO, said November revenues are over budget by \$3.5 million, and on the expense side there is \$2 million in savings. Ms. Harrington said fuel was \$3.08 per gallon last week and year-to-date is \$3.09 per gallon. The JPB will receive \$19,000 in December from the hedge, and year-to-date the JPB has received \$120,000.

Ms. Harrington said the Comprehensive Annual Financial report is completed and will be distributed at the February Board meeting. The auditors gave a clean bill of health on the report.

A motion (Lloyd/Deal) to accept the November 2013 statement was approved.

### **AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE THE PURCHASE OF 11 RAIL CARS FROM SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (METROLINK) FOR AN AMOUNT NOT-TO-EXCEED \$4 MILLION**

Chuck Harvey, Deputy CEO, said Staff Coordinating Council (SCC) is recommending the Board authorize the Executive Director to complete negotiations for the purchase of 11 used Bombardier railcars from Metrolink. Capacity has been an issue for some time and at certain times of the year trains are operating with standees. Mr. Harvey said until electrification is in service, the best thing that can be done is to lengthen the existing trains.

The authorization staff is seeking today is just the first of many steps. He said Metrolink staff needs to take this offer to their Board for approval. The cars are on a leveraged-lease transaction at Metrolink and they have to buy that transaction out and clear the titles. Mr. Harvey said staff is buying the coaches as-is, but with a clear title. The cars need to be rehabilitated. The JPB's rail car consultant, LTK Engineering, has been at Metrolink for several months looking at maintenance records, inspecting the cars and checking out the level of rehab work necessary. Mr. Harvey said Metrolink allowed staff to pick the best 11 cars out of the 23 they have available. He said the level of rehab work will require about the same investment as the cars, around \$4 million, plus or minus 10 percent. The funding sources for the rehab work will be brought to the Board for consideration at a future meeting. Excess fare revenue will pay for the purchase of the cars.

Mr. Harvey said locating six car trains on platforms is a bit challenging at some stations. There is room at almost every station, but at Menlo Park and Burlingame there are street crossings at the end of the platform, so where the train is spotted could have an impact on gate down-times. This may require staff to move the mini-high platforms and adjust how the trains are spotted.

The plan is to have every Bombardier set become a six-car train and there will be an additional Bombardier six-car train for a total of 6 six-car Bombardier train sets. Mr. Harvey said creating an extra train allows staff to break down a gallery train and add cars to other gallery sets so there will be five gallery sets with six-cars. Staff needs to test the running times for six-car trains. The acceleration and deceleration of a six-car train will be different from a five-car train. Mr. Harvey said once all of this is done staff can roll out a final schedule for the six-car consists and get them into revenue service. He said it is possible that these new cars could be in service in about 12 months, once the cars are obtained.

Mr. Harvey said if staff went to the market to buy these cars from Bombardier, it would cost between \$35 and \$40 million. This option will cost about \$8 million.

Director Kalra commended staff for seeking opportunities in a cost-effective manner. He asked why only 11 train cars were being purchased, and not the entire fleet. Mr. Harvey said it is an operational issue, and with Caltrain going to an electric fleet in 2019 staff didn't want too many older style cars.

#### Public Comment

Jim Bigelow, Redwood City/San Mateo County Chamber of Commerce, said business members are getting feedback from employees on the ever-growing crowding of trains. The Chamber is a strong supporter of moving this project forward. A lot of these high technology buses travelling on Highway 101 are also receiving complaints that it is taking longer to get to the workplace, and this is an excellent opportunity for Caltrain.

Doug DeLong, Mountain View, said he is happy to see this item come before the Board. This is a very cost-effective way of increasing service and the purchase is roughly one year's growth.

Jeff Carter, Millbrae, said he appreciates staff's efforts in getting more cars and asked if additional bicycle capacity will be added.

Adina Levin, Friends of Caltrain, said they are in full support of this item to address the capacity issue. The growth Caltrain is seeing is an underlying trend in the area.

A motion (Yeager/Tissier) to authorize the Executive Director to negotiate the purchase of 11 rail cars from Metrolink for an amount not-to-exceed \$4 million was approved unanimously by roll call.

**AUTHORIZE AWARD OF CONTRACT TO URS CORPORATION AMERICAS FOR PROGRAM MANAGEMENT SUPPORT SERVICES FOR THE CALTRAIN MODERNIZATION PROGRAM FOR A NOT-TO-EXCEED AMOUNT OF \$10,167,109 FOR A THREE-YEAR BASE TERM**

Cheryl Cavitt, Director, Contracts and Procurement, said SCC recommends the Board award a contract to URS Corporation, authorize the Executive Director to execute the contract, exercise up to 2 two-year additional option terms, and authorize the Executive Director aggregate change order authority of up to 15 percent of the total contract amount. She said this contract would provide program management services on an on-call basis, consisting of project controls, cost estimating, risk management, quality assurance, contract administration and document controls. Ms. Cavitt said four proposals were received and three proposers were interviewed.

A motion (Tissier/Yeager) to award a contract to URS Corporation Americas for program management support services for the CalMod Program for a not-to-exceed amount of \$10,167,109 for a three-year base term was approved unanimously by roll call.

**AUTHORIZE REJECTION OF THE PROPOSAL SUBMITTED FOR A SYSTEMS SAFETY SPECIALIST FOR THE CALTRAIN MODERNIZATION PROGRAM**

Ms. Cavitt said SCC recommends the Board reject the proposal from Ardanuy Consulting, Inc. This was the sole proposal received in response to the solicitation. Staff conducted extensive evaluation of the proposal and interviewed the proposer. Ms. Cavitt said that ultimately, staff found the proposer was lacking experience in the United States on programs of the JPB's size and complexity, and was not familiar with the Federal agencies it would have to deal with, such as the Federal Transit Administration (FTA) and the Federal Railroad Administration (FRA). She said staff intends to search for other ways of contracting for these services.

A motion (Lloyd/Woodward) to reject the proposal submitted for a systems safety specialist for the CalMod Program was approved unanimously.

**AUTHORIZE REJECTION OF ALL PROPOSALS FOR TRAIN DISPATCH VOICE COMMUNICATION SYSTEMS UPGRADE SERVICES**

Ms. Cavitt said SCC is recommending rejection of proposals received for a train dispatch voice communication systems upgrade services. Proposals were received from Day Wireless and Modular Communication Systems (Moducom). Staff determined Moducom's proposal was non-responsive and Day Wireless took many exceptions, both to the commercial terms and conditions, and to the technical requirements of the contract.

Director José Cisneros left at 10:58 a.m.

A motion (Tissier/Yeager) to reject all proposals for train dispatch voice communication systems upgrade services was approved unanimously.

**AUTHORIZE REJECTION OF ALL PROPOSALS FOR CONTRACTED SHUTTLE SERVICES**

Ms. Cavitt said SCC is recommending the Board exercise its right to reject all proposals received for contracted shuttle services. This will allow staff to do a resolicitation in a

way that ensures all proposers are being provided their information on a level playing field. This was a jointly developed and published Request for Proposal with the JPB, the San Mateo County Transit District (District) and the Peninsula Traffic Congestion Relief Alliance (Alliance). Ms. Cavitt said the solicitation was put through the normal process with an evaluation committee composed of staff from the JPB, the Alliance and Santa Clara Valley Transportation Authority. She said five proposals were received and the top three proposers were invited for an interview. Site visits were conducted and staff reached the conclusion that MV Transportation (MV) was the highest-ranked proposer.

Ms. Cavitt said after the evaluations were completed and the notices were sent to all proposers of staff's intent to recommend award of contract to MV Parking Corporation of American (PCAM) submitted a protest. One of the key elements of the protest was that MV had proposed an inadequate staffing plan. Early in the solicitation, staff provided the number of employees currently working for PCAM to all the proposers so they could develop the staffing plans and the cost associated with them. Ms. Cavitt said staff requested this information from PCAM and it was submitted in an Excel spreadsheet with two tabs. One tab was labeled "list of employees by seniority" and the other tab was labeled "employees by location". Nothing in those descriptions led staff to believe that the two lists would be different. Staff took the first tab, "employees by seniority", and provided to all proposers. When staff received PCAM's assertion that the staffing levels were inadequate, they requested again that current staffing be sent along with certified payroll data attached. The information provided by PCAM on the second round did show a higher number of employees than originally provided to the proposers. This caused a situation of inconsistent data being provided, and the proposers not having a fair and equal playing field on which to base their proposals.

Director Cisneros back at 11:02 a.m.

Ms. Cavitt said that without asking the Board to provide any ruling on the protest, staff is asking the Board to reject all proposals, so the contract can be resolicited utilizing data that is internally consistent, accurate, and complete.

Director Malia Cohen asked what PCAM's explanation was for the discrepancy in the numbers provided. Ms. Cavitt said staff didn't ask, but the second submittal of data supports the second tab in the Excel file that was sent.

Mr. Scanlon said there were two tabs with different data and the additional request also provided different data points.

A motion (Nolan/Lloyd) to reject all proposals for contracted shuttle services was approved unanimously.

Director Yeager left at 11:06 a.m.

**AUTHORIZE AMENDING THE FISCAL YEAR 2014 OPERATING BUDGET IN THE AMOUNT OF \$1,513, 582 FROM \$119,991,971 TO \$120,505,553**

Ms. Harrington said once a year staff comes to the Board to adjust the operating budget to reflect what has changed since the budget was adopted. The significant change is that farebox revenue is over budget by \$5 million. She said when the insurance was brought to the Board in July, staff was able to lower the deductible from \$2 million to \$1 million, and the cap of \$300 million. Ms. Harrington said staff will continue to monitor the fare revenue and bring a recommendation to the Board with the FY2015 Operating Budget to take the excess fare revenue from FY2014 and put it into FY2015.

A motion (Tissier/Deal) to amend the FY2014 Operating Budget in the amount of \$513,582 from \$119,991,971 to \$120,505,553 was approved unanimously by roll call.

**AUTHORIZE AMENDING THE FISCAL YEAR 2014 CAPITAL BUDGET IN THE AMOUNT OF \$8,350,000 FROM \$190,564,950 TO \$198,914,950**

Evà Goode, Manager, Budgets, said SCC is recommending an amendment to the FY2014 Capital Budget in the amount of \$8.35 million. Of that total, \$4 million will be used for the procurement of the railcars and \$4.35 million will be used for two grade separation projects in San Mateo County. Ms. Goode said the two projects are being funded by the San Mateo County Transportation Authority, from funds that are specific to the grade separation category and the JPB has been asked to lead the two projects.

Director Yeager returned at 11:08 a.m.

A motion (Deal/Lloyd) to amend the FY2014 Capital Budget in the amount of \$8,350,000 from \$190,564,950 to \$198,914,950 was approved unanimously by roll call.

**AUTHORIZE ADOPTION OF TICKET POLICY GOVERNING DISTRIBUTION OF TICKETS AND PASSES RECEIVED BY THE JPB TO OFFICIALS AND EMPLOYEES**

Martha Martinez, JPB Secretary, said the proposed policy complies with the regulations set forth by the California Fair Political Practices Commission (FPPC). The proposed policy would govern the distribution of tickets that are received and distributed by the JPB. Ms. Martinez said the policy designates the type of tickets: tickets at no cost to the JPB by an outside source, tickets acquired by the JPB by purchase at fair market value, or tickets acquired by the JPB pursuant to a contract the JPB may have that then provides free tickets or as a sponsor to an event. This policy would designate the General Manager/CEO or his designee to distribute the tickets. The value would be submitted on Form 802, retained, and made available to the public. Ms. Martinez said currently, if a ticket is provided to any officials or employees and is deemed as a gift, it would be reported on their individual Form 700.

A motion (Lloyd/Tissier) to adopt the ticket policy governing distribution of tickets and passes was approved unanimously by roll call.

## **LOS GATOS CREEK BRIDGE REPLACEMENT**

Mr. Harvey said this is an informational item with no action to be taken by the Board today. Mr. Harvey reported:

- The bridge was built in 1935 and has exceeded its life expectancy.
- It is a two-track bridge located between the Diridon and Tamien stations.
- Operational limitations:
  - Each day 34 Caltrain trains use the bridge.
  - One track is owned by Union Pacific.
  - Lack of a tail track creates delays along corridor.
  - The existing bridge does not support planned service expansions at San Jose Diridon Station, including electrification.
- Project scope:
  - Demolish existing bridge one track at a time.
  - Replace existing bridge with a new, wider bridge that will meet current safety and seismic codes.
  - Construct a shoofly (third track) to maintain the two tracks in operations throughout the project.
  - Combined project cost range is \$40 million to \$45 million.
- Environmental review:
  - Includes analysis of existing conditions and potential impacts, and strategies to address the impacts.
  - The FTA is the lead agency for National Environmental Policy Act (NEPA), which identified the level of clearance.
  - The JPB is the lead agency for the California Environmental Quality Act (CEQA), which identified the mitigated negative declaration as the appropriate level of clearance.
- Potential impacts include noise, vibration, and creek habitat.
- Project construction schedule:
  - Creek access is limited to a window of time July through October and requires special measures to protect creek habitat and species.
  - Construction will take two windows to complete. Work in the creek can only occur during the window period.
- Community outreach:
  - Publication of CEQA in local newspapers
  - Publication of Draft Initial Study and Mitigated Negative Declaration (IS/MND) Environmental Document with the State clearinghouse
  - Two public comment periods on the documents
  - Two public meetings in San Jose
  - Communications and meeting with residents near the project
  - Close coordination with the city of San Jose Traffic and Parking Enforcement and Parks, Recreation and Neighborhood Services departments
  - Outreach to relevant community organizations.
- Tasks accomplished:
  - Initiated preliminary engineering design
  - Initiated NEPA and CEQA review processes
  - Prepared and published Draft IS/MND

- Compiled and answered public comments
- Prepared and re-circulated Revised Draft IS/MND
- Received comments to re-circulated Draft IS/MND
- Conducted public meetings
- Coordinated regularly with regulatory agencies
- Coordinated regularly with the city of San Jose
- Next steps:
  - Compile and answer comments to revised Draft IS/MND
  - Prepare Final IS/MND and Mitigation Monitoring and Reporting Program (MMRP) documents
  - Request Board approval of the IS/MND and MMRP in February
  - Complete the NEPA review process in summer 2014
  - Proceed with engineering design in coordination with relevant permitting regulatory agencies
  - Continue coordination with the city of San Jose and the Trail Project

Director Yeager said this bridge is in his supervisorial district. He said the project is not controversial and not in a location that affects many people. Director Yeager asked if he could be kept abreast on issues that come up, as this is the first time he has heard of the trail. Mr. Harvey said some of the trail advocates have a certain vision of where the trail should be located.

Director Kalra said the third track is important for the south county cities beyond Diridon.

Director Tissier asked if all the stars were aligned, when construction could begin. Mr. Harvey said summer 2016.

Mr. Harvey said one of the issues being raised by constituents and interested parties is the idea of building the bridge a different way and putting the shoofly on the east side instead of the west side. The problem with building a shoofly on the east side is the San Carlos overpass. The only way to continue service south of Diridon is to build a shoofly within the right-of-way, which requires no real estate on the west side.

#### Public Comment

Adina Levin, Friends of Caltrain, said this bridge is important to support capacity with the Diridon Station Plan. To fund this project and Caltrain's capacity it is essential for San Jose to achieve its goals for downtown. Caltrain needs to clearly communicate the value of Caltrain service to San Jose.

David Miller, Legal Counsel, said at the February meeting the Board will take action on the environmental document. The FTA has indicated its support of MND and the property is all within the Caltrain right-of-way. Mr. Miller said the issue before the Board next month could be based on whether something larger, such as an EIR is required, rather than the environmental work completed to date.

## **LEGISLATIVE UPATE**

### State Update

Seamus Murphy, Director, Government and Community Affairs, said the governor's budget will be released on January 9 and an allocation of Cap-and-Trade funding is being proposed. In FY2015, \$850 million will be proposed. Of that total, \$600 million will be for clean transportation and \$100 million will be for sustainable communities strategy implementation. The \$100 million is the regional funding that will flow through the Metropolitan Transportation Commission for allocation. Of the \$600 million, \$200 million for transportation will be for low carbon transportation, including zero-emission vehicles, and hopefully transit vehicles will be eligible. Rail Modernization will receive approximately \$300 million, and \$250 million will be for high-speed rail (HSR). This is not nearly enough to remedy the deficiencies that the judge found in the lawsuit, but the governor will be proposing a 30-year plan for allocating Cap-and-Trade funding for the Legislature to consider. Of the \$300 million for rail modernization, \$50 million will be for connectivity projects. The other Cap-and-Trade funding would go towards energy-efficiency and clean-energy projects, and to natural resources and waste diversion projects.

### Federal Update

Mr. Murphy said the pre-tax commuter benefits expired at the end of 2013. Congress was not able to extend the benefits, so there will be a period of time where commuters will see their benefits reduced by about \$115 per month until Congress restores parity for commuters and drivers.

## **CORRESPONDENCE**

No discussion.

## **BOARD MEMBER REQUESTS**

Chair Nolan thanked everyone for electing him chair and said he looks forward to the year. Chair Nolan asked if there is any update from the judge's ruling last month on HSR.

## **LEGAL COUNSEL REPORT**

Mr. Miller said there is nothing to update the Board on. HSR is still looking into their various options and a decision is still pending on the town of Atherton case. Mr. Miller said staff will be meeting with the counsel of HSR later in the month.

## **DATE/TIME/PLACE OF NEXT MEETING**

The next meeting will be Thursday, February 6, 2014, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

Adjourned at 11:35 a.m.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: C.H. (Chuck) Harvey  
Deputy CEO

SUBJECT: **KEY CALTRAIN PERFORMANCE STATISTICS DECEMBER 2013**

In December 2013, Caltrain's average weekday ridership (AWR) was 48,630, which is an increase of 5,925 or 13.9 percent over December 2012 AWR of 42,705. The total number of passengers who rode Caltrain in December 2013 was 1,312,085 which is 16.5 percent more than in December 2012.

On-time performance (OTP) for December 2013 was 96.3 percent, which is above the 91.5 percent OTP for December 2012. When trains arriving within 10 minutes of the scheduled arrival time are included, December 2013 OTP rises to 98.9 percent. There were nine days when 100 percent of the trains were on time, three of which were weekdays. An additional 16 days operated with 95 percent or better OTP. Mechanical delays in December 2013 were 579 minutes, which is lower than the 852 minutes in December 2012, and a decrease from November 2013.

Looking at customer service statistics, there were 6.6 complaints per 100,000 passengers in December 2013. This is lower than the 10.9 complaints in December 2012 and is the lowest since Transit America Services took over the operation of the service in May 2012. The excellent OTP in December is likely to be a significant factor in the low number of complaints.

Shuttle ridership is up 14.2 percent from last year. When the Marguerite shuttles are removed, overall shuttle ridership decreased 12.3 percent over December 2012. The Marguerite shuttles have improved the accuracy of their ridership reporting, which accounts for much of the ridership increase. For the station shuttles, the Millbrae-Broadway shuttle averaged 180 daily riders. The Belmont-Hillsdale shuttle averaged 54 daily riders. The weekend Tamien-San Jose shuttle averaged 61 riders per day.

## Caltrain Promotions – December 2013

**See Something – Say Something** – The yearlong *See Something – Say Something* customer safety and security awareness campaign concluded. The final message for the campaign was *See Something – Say Something: Report suspicious or unsafe activity or conditions to conductor or call Transit Police (1.877.723.7245)*. Each month, a new message was issued through conductor announcements, station electronic message signs, web postings ([www.caltrain.com/seesomething](http://www.caltrain.com/seesomething)) and social media.

**Happy Holidays Video** – The San Mateo County Transit District staff created a video holiday card that focused on a young boy's holiday journey. The video, titled "A Holiday Journey Begins", shows the boy and his mom wrapping a present and starting their journey on SamTrans. While riding the bus, they pass by a construction project funded by the San Mateo County Transportation Authority, and then the boy and his mom transfer to Caltrain to continue their trip. The video wrapped up with the following message: "Wherever your journey takes you, we're here to wish you Happy Holidays."

**Fight Hunger Bowl** – College football fans turned to Caltrain to get them to the annual Fight Hunger Bowl held at AT&T Park as the University of Washington took on Brigham Young University. The service, which included a special post-game train, was promoted with web postings, inclusion in *Track the Fun*, *Caltrain Connection*, social media, electronic station signs and a news release. The Bowl also posted information about taking Caltrain to the game. Total additional riders alighting and boarding at San Francisco station for the game was 2,282, a 20 percent increase compared to 2012.

**San Jose Sharks** – Caltrain and the San Jose Sharks continue to be a dynamic duo when it comes to travel and entertainment. With the SAP Center located across the street from the San Jose Diridon station, fans make a quick connection. Caltrain staff worked with the Sharks to promote train service with onboard take ones and adcards. The marketing efforts also included running banner ads and radio spots on Pandora, posting information through social media and including information in *Track the Fun*. Caltrain carried an extra 1,147 customers for the five home games.

**New Year's Eve** – To ring in the New Year, Caltrain operated special service for those making merry in San Francisco and wanting a safe ride home to the Peninsula and South Bay. The service was promoted through onboard announcements, take ones, station electronic messages, social media, news release, website and inclusion in newsletters and brochures. Caltrain coordinated with SamTrans, San Francisco Municipal Agency and Santa Clara Valley Transportation Authority to offer complimentary rides from 8 p.m. to 5 a.m. New Year's Day. More than 4,660 customers rode six post-midnight special trains, a 1 percent increase compared to last year.

Prepared by: Rita P. Haskin, Executive Officer, Customer Service and Marketing	650.508.6248
Catherine David, Senior Planner	650.508.6471

**Table A**

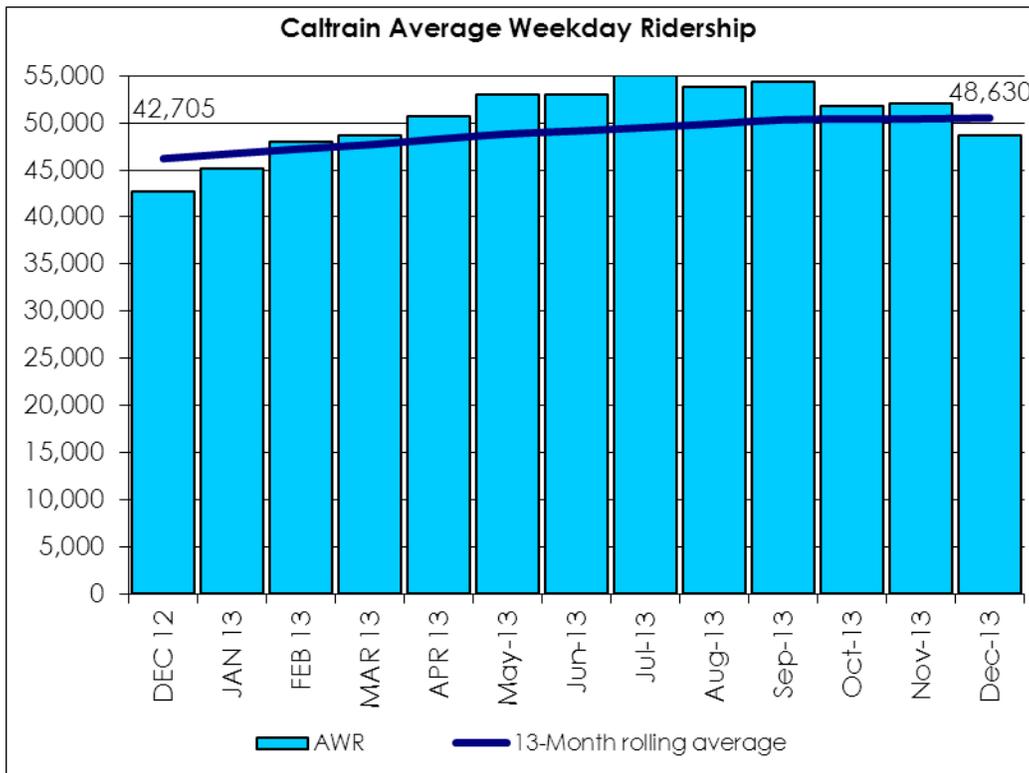
**December 2013**

	<b>FY2013</b>	<b>FY2014</b>	<b>% Change</b>
Total Ridership	1,126,167	1,312,085	16.5%
Average Weekday Ridership	42,705	48,630	13.9%
Total Farebox Revenue	\$4,835,232	\$5,463,137	13.0%
On-time Performance	91.5%	96.3%	5.2%
Average Caltrain Shuttle Ridership	6,254	7,145	14.2%

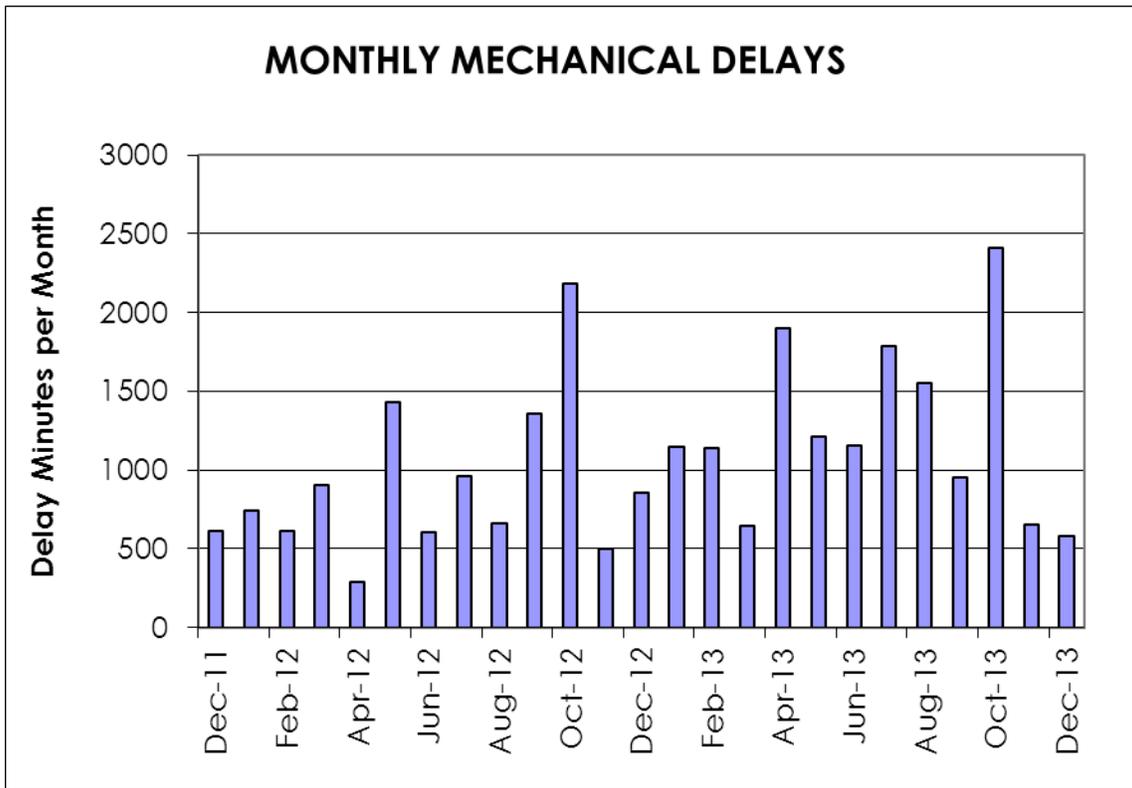
**Year to Date**

	<b>FY2013</b>	<b>FY2014</b>	<b>% Change</b>
Total Ridership	7,727,480	8,427,499	9.1%
Average Weekday Ridership	48,302	52,583	8.9%
Total Farebox Revenue	\$34,179,935	\$36,901,989	8.0%
On-time Performance	89.7%	92.3%	2.9%
Average Caltrain Shuttle Ridership	8,448	7,406	-12.3%

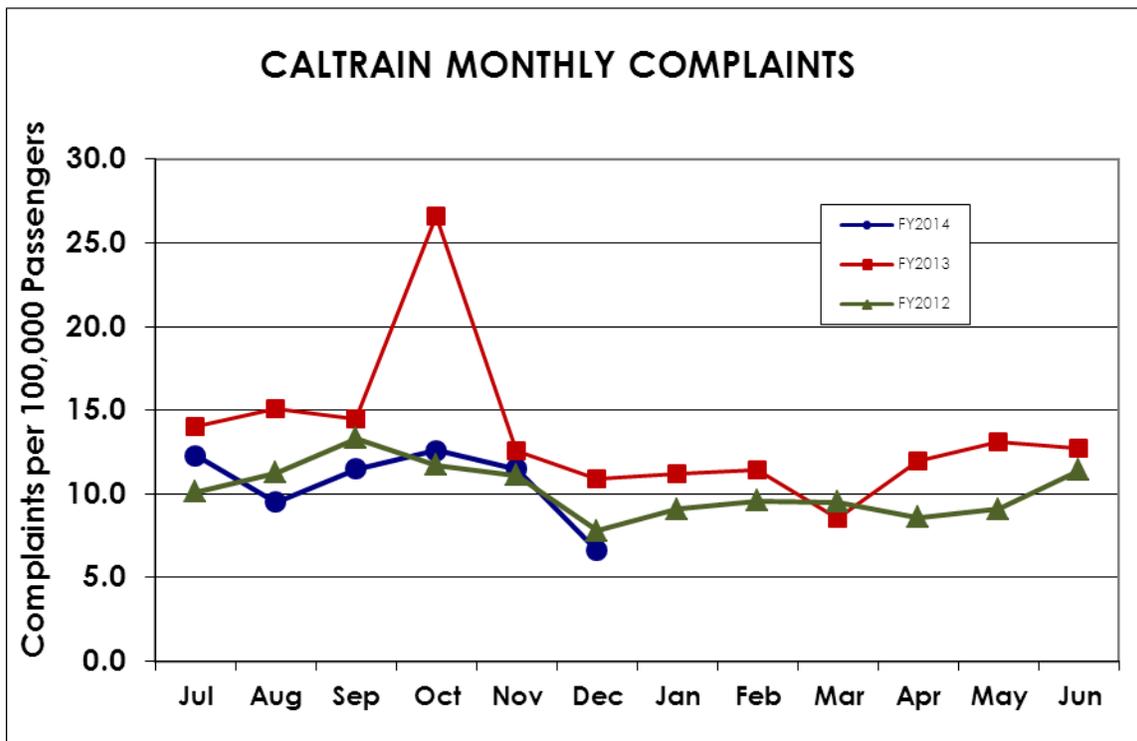
**Graph A**



Graph B



Graph C



PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **STATEMENT OF REVENUE AND EXPENSE FOR THE PERIOD ENDING  
DECEMBER 31, 2013 AND SUPPLEMENTAL INFORMATION**

**ACTION**

Staff proposes the Board of Directors accept and enter into the record the Statement of Revenue and Expense for the month of December 2013 and supplemental information.

**SIGNIFICANCE**

**Revenue:** For December of Fiscal Year 2014, *Total Operating Revenue* (line 7) is \$4,356,774 or 11.6 percent **better** than budget. Within total operating revenue, *Farebox Revenue* (line 1) is \$4,263,146 or 13.1 percent **better** than budget. Compared to the prior year, *Total Operating Revenue* (line 7) is \$3,344,684 or 8.7 percent **higher**.

**Expense:** *Grand Total Expenses* (line 50) show a favorable variance of \$3,138,280 or 5.1 percent. *Total Operating Expense* (line 36) is \$2,280,809 or 4.4 percent **better** than budget. *Total Administrative Expense* (line 46) is \$857,457 or 10.2 percent **better** than budget.

Compared to prior year, *Grand Total Expenses* (line 50) are \$4,726,695 or 8.9 percent **higher**.

**BUDGET IMPACT**

There are no budget revisions for the month of December 2013.

Prepared By: Jeannie Chen, Senior Accountant 650.508.6259  
Sheila Tioyao, Manager, General Ledger 650.508.7752

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**STATEMENT OF REVENUE AND EXPENSE**

**Fiscal Year 2014**

**December 2013**

**% OF YEAR ELAPSED**

**50.0%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	% REV BUDGET
(AS PROJECTED)								
<b>REVENUE</b>								
OPERATIONS:								
1 Farebox Revenue	5,463,137	34,179,935	36,901,924	32,638,778	113.1%	66,070,569	66,070,569	55.9%
2 Parking Revenue	347,581	1,522,924	1,937,498	1,821,800	106.4%	3,652,330	3,652,330	53.0%
3 Shuttles	38,848	583,060	604,415	928,211	65.1%	1,722,636	1,722,636	35.1%
4 Rental Income	134,006	908,215	864,176	905,700	95.4%	1,816,920	1,816,920	47.6%
5 Other Income	253,022	1,460,895	1,691,701 (A)	1,348,450	125.5%	2,691,230	2,691,230	62.9%
6								
7 <b>TOTAL OPERATING REVENUE</b>	<b>6,236,595</b>	<b>38,655,029</b>	<b>41,999,713</b>	<b>37,642,939</b>	<b>111.6%</b>	<b>75,953,685</b>	<b>75,953,685</b>	<b>55.3%</b>
8								
CONTRIBUTIONS:								
9								
10 AB434 Peninsula & TA Shuttle Funding	83,333	934,727	895,838	1,054,974	84.9%	2,109,948	2,109,948	42.5%
11 Operating Grants	4,091,211	2,655,491	6,711,175	6,578,270	102.0%	11,287,914	11,306,789	59.4%
12 JPB Member Agencies	1,435,963	16,750,000	8,615,780	8,615,775	100.0%	17,231,549	17,231,549	50.0%
13 Other Sources				7,306,380	0.0%	13,390,000	13,390,000	0.0%
14								
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>5,610,507</b>	<b>20,340,217</b>	<b>16,222,793</b>	<b>23,555,399</b>	<b>68.9%</b>	<b>44,019,411</b>	<b>44,038,286</b>	<b>36.8%</b>
16								
17 <b>GRAND TOTAL REVENUE</b>	<b>11,847,102</b>	<b>58,995,246</b>	<b>58,222,506</b>	<b>61,198,338</b>	<b>95.1%</b>	<b>119,973,096</b>	<b>119,991,971</b>	<b>48.5%</b>
18								
<b>EXPENSE</b>								
OPERATING EXPENSE:								
21								
22								
23 Rail Operator Service	5,964,995	29,602,433	32,802,403	32,849,697	99.9%	64,500,000	64,500,000	50.9%
24 Rail Operator Service - Other	-	285,000	-	-	0.0%	-	-	0.0%
25 Security Services	678,233	2,021,632	2,033,450	2,049,972	99.2%	4,519,944	4,519,944	45.0%
26 Rail Operator Extra Work	2,604	39,968	(251,596) (B)	77,760	-323.6%	155,500	155,500	-161.8%
27 Contract Operating & Maintenance	6,645,833	31,949,033	34,584,258	34,977,429	98.9%	69,175,444	69,175,444	50.0%
28 Shuttles (incl Peninsula Pass)	336,434	1,881,438	1,996,683	2,387,054	83.6%	4,774,107	4,774,107	41.8%
29 Fuel and Lubricants	1,207,779	7,659,532	7,614,201	8,914,049	85.4%	17,828,097	17,828,097	42.7%
30 Timetables and Tickets	13,142	70,545	67,651	70,667	95.7%	155,000	155,000	43.6%
31 Insurance	707,576	2,496,088	3,323,778	3,389,988	98.0%	5,470,000	5,470,000	60.8%
32 Facilities and Equipment Maint	113,813	776,125	838,495	916,502	91.5%	1,814,975	1,841,850	45.5%
33 Utilities	174,545	793,702	907,037	913,070	99.3%	1,826,540	1,826,540	49.7%
34 Maint & Services-Bldg & Other	99,278	624,898	661,387	705,540	93.7%	1,323,880	1,323,880	50.0%
35								
36 <b>TOTAL OPERATING EXPENSE</b>	<b>9,298,399</b>	<b>46,251,360</b>	<b>49,993,490</b>	<b>52,274,299</b>	<b>95.6%</b>	<b>102,368,043</b>	<b>102,394,918</b>	<b>48.8%</b>
37								
ADMINISTRATIVE EXPENSE								
38								
39 Wages and Benefits	255,697	2,520,692	3,130,412	3,456,492	90.6%	6,811,835	6,608,667	47.4%
40 Managing Agency Admin OH Cost	171,242	1,848,231	2,172,914	2,508,993	86.6%	5,017,987	5,017,987	43.3%
41 Board of Directors	700	4,160	4,039	5,400	74.8%	11,700	11,700	34.5%
42 Professional Services	305,619	1,352,440	1,416,082	1,461,998	96.9%	2,764,323	2,906,630	48.7%
43 Communications and Marketing	7,481	64,443	41,169	45,125	91.2%	122,500	122,500	33.6%
44 Office Expense and Other	27,753	740,599	750,529	894,592	83.9%	1,773,833	1,826,694	41.1%
45								
46 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>768,492</b>	<b>6,530,565</b>	<b>7,515,145</b>	<b>8,372,602</b>	<b>89.8%</b>	<b>16,502,178</b>	<b>16,494,178</b>	<b>45.6%</b>
47								
48 Long Term Debt Expense	91,921	551,438	551,423	551,438	100.0%	1,102,875	1,102,875	50.0%
49								
50 <b>GRAND TOTAL EXPENSE</b>	<b>10,158,812</b>	<b>53,333,363</b>	<b>58,060,058</b>	<b>61,198,338</b>	<b>94.9%</b>	<b>119,973,096</b>	<b>119,991,971</b>	<b>48.4%</b>
51								
52 <b>NET SURPLUS / (DEFICIT)</b>	<b>1,688,290</b>	<b>5,661,884</b>	<b>162,449</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.

(A) Unbudgeted recovery payout from Lehman Brothers bankruptcy.

(B) Reversal of Prior year accrual.



**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF DECEMBER 31, 2013**

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Restricted)	*	Liquid Cash	0.264%	\$ 2,000,000	\$ 2,000,000
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.264%	13,970,343	13,970,343
County Pool (Unrestricted)	**	Liquid Cash	0.560%	20,592,229	20,592,229
Other (Unrestricted)		Liquid Cash	0.000%	10,260,581	10,260,581
Other (Restricted)	***	Liquid Cash	0.200%	10,412,850	10,412,850
				\$ 57,236,002	\$ 57,236,002

Accrued Earnings for December, 2013 \$ 18,064.43  
 Cumulative Earnings FY2014 \$ 106,885.62

\* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30 each fiscal year.

\*\* As of December 2013 the amortized cost of the Total County Pool was \$3,467,275,911.35 and the fair market value per San Mateo County Treasurer's Office was \$3,461,808,419.80.

\*\*\* Prepaid Grant funds for Homeland Security and PTMISEA projects, and funds reserved for debt repayment.

The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995).

The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR  
ENDING JUNE 30, 2013**

**ACTION**

This report is for information only. No Board action is required.

**SIGNIFICANCE**

Maze and Associates conducted the annual audit of the financial statements for the year ended June 30, 2013 and determined that the financial statements fairly represent the financial position of the Peninsula Corridor Joint Powers Board (JPB) for the period of July 1, 2012 to June 30, 2013.

The Comprehensive Annual Financial Report (CAFR) has four sections, the introductory, financial, statistical and single audit section. The financial section includes:

- 1) Independent Auditor's Report – this report was prepared by the independent auditors, who rendered an unqualified opinion, which is the most favorable opinion an agency can receive in an audit. An unqualified opinion means that the financial statements are presented fairly and in accordance with generally accepted accounting principals in the United States.
- 2) Management's Discussion and Analysis – this section provides management's overview of the financial activities.
- 3) Basic Financial Statements – the basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets, statement of cash flow, and notes to the financial statements which are essential to a full understanding of the data provided.
- 4) Required Supplementary Information – this includes the budgetary basis comparison for the Revenue and Expenses and the notes to the supplementary schedule which are essential to a full understanding of the data provided.

Annually, the JPB submits the CAFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. The JPB has received an award for every year that the report was submitted.

The Fiscal Year 2013 CAFR is available online at:

[http://www.caltrain.com/Assets/\\_Finance/CAFR/CT/JPB+CAFR+2013.pdf](http://www.caltrain.com/Assets/_Finance/CAFR/CT/JPB+CAFR+2013.pdf).

**BUDGET IMPACT**

There is no impact on the Budget.

Prepared by: Jeannie Chen, Senior Accountant

650.508.6259

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **DEBT ISSUANCE TO COVER REHABILITATION COSTS FOR THE RAIL CAR  
CAPACITY EXPANSION PROJECT**

**ACTION**

This report is for information only. No Board action is required.

**SIGNIFICANCE**

The 2014 debt issuance will provide financing for the Peninsula Corridor Joint Powers Board (JPB) to rehabilitate the rail cars for the Rail Car Capacity Expansion Project.

As part of the Rail Car Capacity Expansion Project, the JPB intends to procure 11 railcars to improve capacity and better serve additional riders along the corridor. The railcars to be procured are Bombardier Generation II Coaches built in 1995, which are being offered for sale by Southern California Regional Rail Authority (Metrolink). The railcars will need to be rehabilitated before they are ready for service. The additional cars will be strategically deployed to increase capacity as well as to replace capacity as other cars in the fleet are rotated through the State of Good Repair (SOGR) Car Rebuild Program.

Four million dollars for the purchase of the 11 railcars have been funded from fare revenue in excess of the budgeted amount for Fiscal Year 2013. Staff has evaluated financing options to cover the estimated \$5 million of rehabilitation costs for the 11 railcars. Final costs will be unknown until the coach cars are procured and evaluated. In order to cover the potential rehabilitation costs, staff recommends issuance of farebox revenue bonds under the Farebox Trust Agreement in an amount not to exceed \$7.5 million. The farebox revenue bond issuance is intended to provide interim financing in advance of a larger farebox revenue bond issuance expected to be completed as a public offering in 2017/2018 for the Caltrain Modernization Program.

Staff has developed a plan to expedite the farebox revenue bond issuance through a direct purchase with Barclays Capital, Inc. and expects to return to the Board in March/April 2014 to provide the details concerning the recommended terms, including the anticipated impact on future debt service expenses, and to request approval of the farebox revenue bond issuance.

As required by the Joint Exercise of Powers Act, before the JPB may authorize issuance of farebox revenue bonds, each of the three JPB member agencies, Santa Clara Valley Transportation Authority (VTA), City and County of San Francisco (CCSF) and San Mateo County Transit District (District), is required to conduct a public hearing and adopt a resolution approving the financing of the railcars and making a finding of significant public benefit. Concurrently with development of the terms of the farebox revenue bond issuance, staff is coordinating with the member agencies to schedule the public hearings and adoption of the required approving resolution.

Staff expects the financing to close in May 2014, although the schedule will depend in part on the date of the public hearings and governing body approval timeline of the three member agencies.

#### **BUDGET IMPACT**

The 2014 farebox revenue bond debt issuance will result in an increase in annual debt service in amounts that will be determined as the details of the financing are developed. Interest expense will be based on market conditions at the time of purchase.

#### **BACKGROUND**

Caltrain has experienced record ridership growth in the past few years, leading to overcrowding and capacity constraints on many peak period trains, as well as making it difficult to remove railcars from service for maintenance as part of the JPB's SOGR Rebuild Program. In order to increase capacity and mitigate the potential impact of the SOGR Car Rebuild Program, JPB staff initiated a Rail Car Capacity Expansion Project, which consists of the procurement of 11 railcars to improve fleet capacity.

The JPB Board authorized the purchase of 11 railcars as part of the Rail Car Capacity Expansion Project on January 9, 2014, per Resolution No. 2014-03.

Prepared By: Aandy Ly, Senior Financial Analyst

650.508.6376

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Chuck Harvey  
Deputy CEO

SUBJECT: **LOS GATOS CREEK BRIDGE REPLACEMENT**

**ACTION**

Staff Coordinating Council recommends the Board adopt the Mitigated Negative Declaration (MND) environmental document for the Los Gatos Creek Bridge Replacement Project and approve proceeding with the project.

**SIGNIFICANCE**

The Caltrain mainline crosses Los Gatos Creek just south of Diridon Station in San Jose and provides the sole rail connection for commuter service to Gilroy and freight and intercity rail service from the Bay Area to Southern California. The Los Gatos Creek Bridge Replacement Project is required to bring this bridge in compliance with current safety and seismic codes. In addition, the bridge replacement project will include building a shoofly (third track) to maintain Caltrain service south of the San Jose Diridon Station during the two-year construction activities. After construction of the new bridge is finished, the shoofly will be retained to serve as a permanent tail track to improve operational flexibility and facilitate adequate responses to unforeseen events that would delay rail service.

**BUDGET IMPACT**

There is no impact on the budget from this approval.

**BACKGROUND**

The Los Gatos Creek Railroad Bridge, which is located in San Jose and spans Los Gatos Creek just south of Caltrain's San Jose Diridon Station, was built in 1935 and has exceeded the 75-year useful life for which it was designed. Inspections of the bridge have revealed deteriorating conditions and vulnerability in the event of a significant earthquake. In addition, the southern portion of the existing bridge was damaged in a fire. Due to its increasing age and structural deficiencies, the Los Gatos Creek Bridge needs to be replaced with a new structure as soon as possible.

It is critical the work on the replacement of the bridge not interrupt Caltrain, Amtrak intercity or Union Pacific Railroad operations. To accomplish this, a shoofly will be built,

enabling two tracks to remain in operation during construction activities. Upon completion of the project, the shoofly will become a permanent tail track. This will allow trains to turn back to the Dryden Station without going all the way to Tamien and provide an option for relief in the event of train breakdowns or accidents. It has long been an operational goal to provide a tail track in this area. Utilizing the shoofly as a permanent tail track provides significant cost savings and avoids environmental and community impacts that would occur should the shoofly be removed and a tail track be built at a later date.

To comply with the environmental review process required by the California Environmental Quality Act (CEQA), the Peninsula Corridor Joint Powers Board (JPB) prepared and published a draft Initial Study/Mitigated Negative Declaration (IS/MND) document, which was circulated for review and comment by the public and relevant regulatory agencies. JPB staff then prepared responses to the comments received and, in response to requests to add additional information, prepared a revised draft IS/MND document that was re-circulated for an additional public comment period. The second comment period ended on December 23, 2013 and JPB has compiled and addressed the comments and prepared the final MND environmental document, along with a Mitigation Monitoring and Reporting Plan, for Board approval.

Comments to the revised document were received from five organizations and four individuals. The comments were mainly focused on to the location of the shoofly on the west side of the rail alignment and need for coordination with the city of San Jose for a trail improvement project that is to be constructed under the bridge.

The location of the shoofly on the west side of the alignment is required as the result of an existing physical impediment that prevents building it in the east side. The West San Carlos Street overpass crosses the track just north of Los Gatos Creek. The overpass structure has piers that are situated on the east side of the tracks, which prevent construction of the rail bridge on that side of the rail alignment. The city of San Jose has conceptual plans to replace that overpass, but acknowledged in a comment letter the absence of funding and any immediate plans for reconstructing or modifying the overpass in the future. Proceeding with the Los Gatos Bridge Replacement Project without utilizing a shoofly track will prevent two-track Caltrain operations over the bridge and therefore require the cessation of any Caltrain service south of Diridon (to points including Tamien and Gilroy) during the two-year project construction period, as one of the tracks is owned by Union Pacific Railroad and JPB cannot interrupt their operations.

The JPB has been working in close coordination with the city of San Jose (city) regarding the city's trail improvement project, which would be located adjacent to and beneath the Los Gatos Creek Bridge. The City and JPB have established a trail working committee that meets regularly to go over design, environmental and other related issues. These meetings will continue as the City is interested to have the Los Gatos Creek Bridge project as a conduit to implement the improvement of the existing trail.

As part of the CEQA process, JPB has also undertaken comprehensive public outreach efforts, which included:

- Two public meetings in San Jose
- Meeting and presentation to the homeowners association of the residences adjacent to the project
- Outreach to relevant community organizations including:
  - Friends of Los Gatos Creek
  - District 6 Neighborhood Leaders Group
  - Shasta Hanchett Park Neighborhood Association
  - North Willow Glen Neighborhood Association
  - Committee for Green Foothills
  - Santa Clara Valley Audubon Society
  - Sierra Club Loma Prieta Chapter
- Outreach to elected representatives of the area

Furthermore, the JPB has engaged relevant regulatory agencies for environmental review including:

- San Francisco Bay Regional Water Quality Control Board
- National Fisheries and Marine Services
- United States Fish and Wildlife
- Santa Clara Valley Water District
- California Department of Fish and Wildlife
- United States Army Corps of Engineers

The Los Gatos Bridge Replacement Project needs to move forward with the next steps to be able to address this significant safety issue in a timely manner and avoid potentially dangerous events. The next steps will include advancing engineering design, obtaining required environmental permits, prepare bid documents and select contractors for the construction phase. In order to move forward with these steps the Board needs to approve the [MND and the Mitigation Monitoring and Reporting Program document](#).

Prepared by: Hilda Lafebre, Manager, Capital Project and  
Environmental Planning

650.622.7842

RESOLUTION NO. 2014 -

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

\* \* \*

ADOPTING MITIGATED NEGATIVE DECLARATION AND APPROVING LOS GATOS CREEK  
BRIDGE REPLACEMENT PROJECT

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) owns the railroad right of way between San Francisco and San Jose and operates commuter rail service between San Francisco and Gilroy; and

**WHEREAS**, south of the San Jose Diridon Station, there are two main tracks, one owned by the JPB and the other by Union Pacific (UP), both of which cross Los Gatos Creek on a bridge that was constructed in 1935; and

**WHEREAS**, the Los Gatos Creek Bridge has now exceeded its useful life of 75 years and has also been damaged by a fire, making it in need of immediate replacement; and

**WHEREAS**, in order to replace the Los Gatos Creek Bridge without disrupting Caltrain commute operations or Amtrak intercity and UP freight service, the construction of a shoofly track will be required in order to maintain two-track operations over the creek; and

**WHEREAS**, following completion of the bridge replacement, the shoofly track can permanently serve as a needed tail track to permit more efficient operations at Diridon Station and the response to unexpected train incidents; and

**WHEREAS**, the JPB has prepared an Initial Study (IS) of the possible environmental effects of proposed improvements of the Los Gatos Creek Bridge Replacement Project (the Project); and

**WHEREAS**, that IS concluded that the Project's effects can be mitigated to the extent that the Project would not have a significant effect on the environment and therefore recommended that a Mitigated Negative Declaration (MND) be prepared by the JPB; and

**WHEREAS**, the JPB published a notice of the availability of the draft IS/MND and invited comments thereon and also received public comment on the Project at public meetings; and

**WHEREAS**, in response to those comments, the JPB prepared and circulated a revised draft IS/MND and invited comments thereon until December 23, 2013; and

**WHEREAS**, written comments on the revised draft IS/MND were received from four public agencies, one organization and four individuals during the comment period; and

**WHEREAS**, these comments were reviewed by staff and counsel, who concluded that none of the points raised in the comments required a change in the conclusion of the revised draft IS/MND.

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

1. Hereby finds that, in light of the public safety imperative to replace the Los Gatos Creek Bridge at the earliest possible date and in order to maintain passenger and freight service to Tamien, Gilroy and points south during construction of the Project, it is necessary to proceed with the replacement of the bridge utilizing a shoofly track, with the understanding that the mitigation measures described in the MND will be implemented to avoid any significant effects on the environment; and

2. Hereby finds and declares that, based upon its independent judgment following review of the proposed MND and consideration of the

record of the Project as a whole, there is no evidence before the Board that the proposed Project, as modified, will have a significant effect upon the environment; and

3. Hereby finds the Project will not have a significant effect on the environment and therefore adopts the MND; and

4. Hereby adopts the mitigation monitoring and reporting plan; and

**BE IT FURTHER RESOLVED** the JPB Secretary is directed to file a Notice of Determination promptly with the County Clerk of Santa Clara County and the State California Environmental Quality Act Clearinghouse; and

**BE IT FURTHER RESOLVED** the record of this action shall be maintained by the Board Secretary at the JPB's offices at 1250 San Carlos Avenue in San Carlos, CA.

Regularly passed and adopted this 6<sup>th</sup> day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Gigi Harrington  
Deputy CEO

SUBJECT: **AUTHORIZING AMENDMENT TO JACOBS ENGINEERING SERVICES CONTRACT**

**ACTION**

Staff Coordinating Council (SCC) recommends the Board authorize the Executive Director or his designee to issue an amendment to the on-call program management oversight services contract, held by Jacobs Engineering Group Inc. (Jacobs), formerly Carter & Burgess, Inc., to:

1. Increase the estimated aggregate not-to-exceed amount by \$650,000 from \$13,441,000 to \$14,091,000
2. Extend the contract to June 30, 2014, or until the succeeding contract can be put in place.

**SIGNIFICANCE**

Approval of the above action will benefit the Peninsula Corridor Joint Powers Board (JPB) by continuing to have a qualified firm provide program management oversight services for an expanded number of projects on a timely basis.

**BUDGET IMPACT**

Work Directives under these contracts may be funded by a mix of Federal, State, regional and/or local revenues and grants on a project basis. Funding for Work Directives will come from approved JPB capital budgets.

**BACKGROUND**

Board Resolution No. 2008-22, dated May 1, 2008, authorized award of a three-year base term with two one-year options to the above firm.

Board Resolution No. 2011-17, dated May 5, 2011, authorized an increase of the contract ceiling by \$3,441,000.

Following a competitive procurement process, Board Resolution No. 2013-41, dated September 5, 2013, authorized a succeeding contract award of a three-year base term with two one-year options to Jacob Engineering Group.

Additional contract capacity and extension of the expiration date are required on the existing contract with Jacobs because the new succeeding contract is under review at the California Department of Transportation (Caltrans). Caltrans is reviewing the contract for compliance with the Local Assistance Procedures Manual (LAPM) in order for JPB to use Federal Highway Administration (FHWA) funds. Completion of Caltrans' review and approval is anticipated by March 6, 2014.

The latest revision of the LAPM contains a new requirement for Architectural and Engineering contracts utilizing FHWA funding to be submitted to Caltrans for audit of both the submitted proposal and the contemplated contract for compliance with LAPM requirements. Completion of the audit by Caltrans is required before the contract can be executed. Previously, Caltrans had allowed agencies to secure their own private audits prior to execution of the contracts. That option is no longer acceptable for contracts that will utilize FHWA funds.

Contract Officer: Evelyn Marcal	650.508.7958
Project Manager: Kelvin Yu, Manager, Project Controls	650.622.7653

RESOLUTION NO. 2014 -

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

\* \* \*

**AUTHORIZING EXTENSION OF AND AN INCREASE TO THE ON-CALL PROGRAM  
MANAGEMENT OVERSIGHT SERVICES CONTRACT WITH  
JACOBS ENGINEERING GROUP, INC.  
FOR A NOT-TO-EXCEED AMOUNT OF \$650,000**

**WHEREAS**, pursuant to Resolution No. 2008-22, the Peninsula Corridor Joint Powers Board (JPB) awarded an on-call program management oversight services contract to Jacobs Engineering Group, Inc., formerly, Carter and Burgess, Inc., for a three-year base term with two one-year options; and

**WHEREAS**, pursuant to Resolution No. 2011-17, the JPB authorized an increase of the estimated aggregate not-to-exceed contract amount by \$3,441,000 from \$10 million to \$13,441,000 to support increased business project needs; and

**WHEREAS**, following a new competitive procurement process and pursuant to Resolution No. 2013-41, the JPB awarded a succeeding on-call program management oversight services contract to Jacobs Engineering Group, Inc. for a three-year base term with two one-year options; and

**WHEREAS**, as a result of recent updates to the California Department of Transportation (Caltrans) Local Assistance Procedures Manual, contracts that will utilize Federal Highway Administration (FHWA) funds must be reviewed and approved by Caltrans prior to execution by the parties; and

**WHEREAS**, because the new contract with Jacobs Engineering Group will utilize FHWA funds, it is being reviewed by Caltrans in accordance with these new requirements; and

**WHEREAS**, in the interim period, additional compensation authority in the amount of \$650,000 and an extension of the term of the existing contract are required to cover the JPB's business needs for program management oversight services while Caltrans conducts its review and approval of the new contract documents; and

**WHEREAS**, the Executive Director recommends the Board of Directors authorize amendment to the existing contract with Jacobs Engineering Group, Inc. to increase the estimated aggregate not-to-exceed-amount by \$650,000 from \$13,441,000 to \$14,091,000, and to extend the contract's expiration date to June 30, 2014, or until the new contract becomes effective.

**NOW, THEREFORE, BE IT RESOLVED** the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director, or his designee, to execute an amendment to the existing contract with Jacobs Engineering Group, Inc. to increase the estimated aggregate not-to-exceed amount by \$650,000, and to extend the contract's expiration date to June 30, 2014, or until the succeeding contract becomes effective.

Regularly passed and adopted this 6<sup>th</sup> day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Mark Simon  
Executive Officer, Public Affairs

SUBJECT: **2014 LEGISLATIVE PROGRAM**

**ACTION**

Staff Coordinating Council (SCC) proposes Board adoption of the attached Legislative Program (Program) to guide Caltrain's policy advocacy efforts over the course of the 2014 calendar year.

**SIGNIFICANCE**

The 2014 Program establishes the principles that will guide Caltrain's legislative and regulatory advocacy efforts through the 2014 calendar year, including the second half of the 2013-14 State legislative session and the 114<sup>th</sup> Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow Caltrain to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of Caltrain's priorities.

The 2014 Program is organized to guide Caltrain's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support Caltrain's programs and services
2. Seek a regulatory environment that streamlines project delivery and maximizes Caltrain's ability to meet public transportation service demands
3. Reinforce and expand programs that build and incentivize public transportation ridership

The Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

State and Regional Issues:

1. State Budget and Transportation Funding Opportunities
2. Caltrain Modernization and High-Speed Rail
3. Transportation Operations, Administration, Planning and Project Delivery Regulation

Federal Issues:

1. Surface Transportation and Rail Authorization
2. Map-21 Implementation and other Regulatory Issues
3. Fiscal Year 2015 Appropriations
4. Climate Change and Livability

Should other issues surface that require Caltrain's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to Caltrain's Board of Directors for consideration.

Caltrain and its legislative consultants will employ a variety of advocacy tactics to support the 2014 Legislative Program, including:

1. Direct Advocacy  
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances Caltrain's legislative priorities and positions.
2. Coalition-based Advocacy  
Engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on Caltrain's behalf. Coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2014 Program.
3. Media Advocacy  
Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces; engage the broader public in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on Caltrain's behalf.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further Caltrain's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

Prepared by: Seamus Murphy, Director, Government and  
Community Affairs

650.508.6388

## Peninsula Corridor Joint Powers Board 2014 Legislative Program

### Purpose

Legislative and regulatory actions have the potential for dramatic benefits to the Peninsula Corridor Joint Powers Board's (Caltrain) programs and services. They also have potential to present serious challenges that threaten Caltrain's ability to meet the region's most critical transportation demands.

The 2014 Legislative Program establishes the principles that will guide Caltrain's legislative and regulatory advocacy efforts through the 2014 calendar year, including the second half of the 2013-14 State legislative session and the 114<sup>th</sup> Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow Caltrain to respond swiftly and effectively to unanticipated developments.

### Federal and State Policy Objectives

The 2014 Legislative Program is organized to guide Caltrain's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support Caltrain's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the Caltrain's ability to meet transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

### Issues

The Legislative Program is structured to apply these core objectives to a series of issues, resulting in a set of policy strategies for each.

#### State and Regional Issues

1. State Budget and Transportation Funding Opportunities
2. Caltrain Modernization and High-speed Rail
3. Transportation Operations, Administration, Planning and Project Delivery Regulation

#### Federal Issues:

1. Surface Transportation and Rail Authorization
2. Map-21 Implementation and other Regulatory Issues
3. Fiscal Year 2015 Appropriations
4. Climate Change and Livability

**Peninsula Corridor Joint Powers Board  
2014 Legislative Program**

Should other issues surface that require Caltrain's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to Caltrain's Board of Directors for consideration.

**Advocacy Tactics**

Caltrain staff, led by the Government and Community Affairs group and its legislative consultants, will employ a variety of advocacy tactics to support the 2014 Legislative Program, including:

1. Direct Advocacy  
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances Caltrain's legislative priorities and positions.
2. Coalition-based Advocacy  
Engage local and regional stakeholders to build awareness about specific issues and foster the creation of local coalitions that will advocate on Caltrain's behalf. Coordinate with local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2014 Legislative Program.
3. Media Advocacy  
Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and submitting op-ed pieces; engage the broader public in advocacy efforts through the use of social media and other electronic media that facilitate the public's ability to communicate on Caltrain's behalf.

**STATE AND REGIONAL ISSUES**

<i>Issues and Background</i>	<i>Strategies</i>
<p><b>1. State Budget and Transportation Funding Opportunities</b></p> <p><u>General</u>                      State investment in transportation operations and infrastructure continues to be underfunded despite a rebounding economy and the stabilization of the State budget. While some existing revenues have been protected from diversion, other funds remain vulnerable, and although some State bond revenues are still available to fund specified transportation projects, an additional \$295 billion in new revenue will be required to meet the State's infrastructure needs over the next seven years.</p> <p><u>Existing Revenues</u>                      After years of diversion to support the State's General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, a small increment of STA funding remains vulnerable to diversion under current law.</p> <p>Infrastructure investments are achieved primarily through the sale of voter-approved bonds. The appropriation of revenues from the sale of Proposition 1A and Proposition 1B bonds will be needed to ensure that the State's transportation needs are addressed.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> <li>• Protect against the elimination or diversion of any State-directed funds that support Caltrain's needs</li> <li>• Support State funding allocation requests for investments that benefit Caltrain's programs and services</li> <li>• Work with statewide transit coalitions to identify and advance opportunities for funding that would support Caltrain's priorities</li> </ul> <p><u>Existing Revenues</u></p> <ul style="list-style-type: none"> <li>• Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation</li> <li>• Advocate for the regularly scheduled issuance of State infrastructure bonds and the appropriation and equitable allocation of bond revenues to Proposition 1A and Proposition 1B programs that support Caltrain's services and programs</li> </ul>

**STATE AND REGIONAL ISSUES**

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Ballot Measures and Voter Threshold</u>                      With nearly \$300 billion in unfunded transportation needs and funding from existing infrastructure bond measures waning, proposals for new local, regional and statewide transportation revenues are being discussed.</p> <p>Despite broad-based majority support for dedicating additional revenue to transportation services and programs, efforts to generate new revenues are often unsuccessful due to the requirement that certain measures receive two-thirds supermajority support from voters.</p> <p>In 2014, legislation will likely be considered that provides a framework for lowering voter thresholds required for city, county, special district or regional public agency to impose a special tax.</p> <p><u>Cap-and-Trade Revenues</u>                      In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the Global Warming Solutions Act (AB 32). The State estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs. In 2014, cap-and-trade revenues will continue to be generated and legislation will likely be considered that provides a framework for the near-term and long-term investment of these funds.</p>	<p><u>Ballot Measures and Voter Threshold</u></p> <ul style="list-style-type: none"> <li>• Engage in efforts to generate new local, regional or statewide transportation funding and support proposals that adequately benefit Caltrain’s needs</li> <li>• Support efforts to amend the State Constitution to reduce the voter threshold required for a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs</li> <li>• Oppose efforts to add burdensome restrictions on the expenditure of these revenues</li> </ul> <p><u>Cap-and-Trade Revenues</u></p> <ul style="list-style-type: none"> <li>• Work with the Administration and through like-minded transportation coalitions to secure the appropriation of cap-and-trade revenues in 2014 that are eligible to support Caltrain’s needs</li> <li>• Support Legislation and regional action that establishes a long-term framework for cap-and-trade expenditures and that makes a broad array of emissions-reducing transportation projects, programs and services eligible for investment within the Caltrain corridor</li> </ul>

**STATE AND REGIONAL ISSUES**

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Sustainable Communities Strategies Implementation</u>                      In conjunction with AB 32 Implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region’s SCS.</p> <p><u>Other Local Financing Options</u>                      With the State’s regions working to implement SB 375 and the recent dissolution of redevelopment agencies, local governments continue to seek methods for funding new infrastructure around transit.</p>	<p><u>Sustainable Communities Strategies Implementation</u></p> <ul style="list-style-type: none"> <li>• Advocate for policies that provide adequate and equitable funding to support increased regional demand and dependence on transportation services associated with the implementation of SB 375 and Plan Bay Area</li> </ul> <p><u>Other Local Financing Options</u></p> <ul style="list-style-type: none"> <li>• Advocate for legislation that would create new local financing tools to support transportation infrastructure and services</li> </ul>
<p><b>2. Caltrain Modernization and High-speed Rail</b></p> <p>In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor in preparation for eventual high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.</p> <p>In addition to planning these improvements, Caltrain is working to identify additional infrastructure necessary to support a modernized Caltrain service and the addition of high-speed operations to the corridor as part of a Blended System that requires Caltrain and high-speed rail to primarily share the corridor’s existing infrastructure.</p>	<ul style="list-style-type: none"> <li>• Advocate for the sale and allocation of Proposition 1A funding to meet the commitments specified in SB 1029 with respect to the Caltrain corridor</li> <li>• Work with local and regional funding partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the Caltrain Modernization Program</li> <li>• Work to address regulatory challenges and identify and secure funding that will help advance additional improvements to support and maximize the benefits associated with an electrified Caltrain service and the eventual Blended System</li> </ul>

STATE AND REGIONAL ISSUES

<i>Issues and Background</i>	<i>Strategies</i>
<p><b>3. Transportation Operations, Administration, Planning and Project Delivery Regulation</b></p> <p><u>General</u>                      Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p> <p><u>California Environmental Quality Act (CEQA)</u>                      Several regional and statewide transportation advocates will be working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p> <p><u>Project Delivery</u>                      In 2015, public transit agencies' statutory authorization of the design-build project delivery approach will expire. Transit agencies have utilized design-build successfully in the past to control costs, minimize risk and accelerate project delivery. In 2013, design-build was selected as the project delivery approach for the Caltrain electrification project.</p> <p>In 2013, the San Mateo County Transit District (District) co-sponsored legislation with the Santa Clara Valley Transportation Authority that allows the District, and by extension, Caltrain, to utilize a Construction Management/General Contractor (CMGC) project delivery approach. The legislation included specified prevailing wage monitoring and enforcement provisions</p>	<p><u>General</u></p> <ul style="list-style-type: none"> <li>• Support opportunities to remove barriers to, and improve the ability to conduct, efficient transportation operations, administration, planning and project delivery efforts</li> <li>• Oppose efforts to impose unjustified and burdensome regulations or restrictions on Caltrain's ability to conduct efficient transportation operations, administration, planning and project delivery efforts</li> </ul> <p><u>California Environmental Quality Act (CEQA)</u></p> <ul style="list-style-type: none"> <li>• Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects without compromising CEQA's effectiveness as an environmental protection policy</li> </ul> <p><u>Project Delivery</u></p> <ul style="list-style-type: none"> <li>• Pursue legislation to extend design-build authority for transit operators beyond January 1, 2015.</li> <li>• Pursue legislation to allow the District and Caltrain to utilize a full range of wage monitoring and enforcement practices under the CMGC project delivery approach.</li> </ul>

**STATE AND REGIONAL ISSUES**

<i>Issues and Background</i>	<i>Strategies</i>
that do not encompass the full scope of monitoring and enforcement practices utilized by the District.	

**FEDERAL ISSUES**

<i>Issues and Background</i>	<i>Strategies</i>
<p><b>1. Surface Transportation and Rail Authorization</b></p> <p>In 2012, Congress passed Moving Ahead for Progress in the 21st Century (MAP-21). While MAP-21 included significant benefits for transportation agencies, it expires in October 2014 and it did not address several critical issues including the long-term solvency of the Highway Trust Fund, the reauthorization of Federal rail programs, the permanent extension of transit-related tax benefits and the passage of a longer-term authorization that guarantees reliable funding for transportation programs and services.</p>	<ul style="list-style-type: none"> <li>• Advocate for a dedicated source of revenue that ensures long-term solvency of the Highway Trust fund, allows for the expansion of Federal transportation funding and supports long-term surface transportation authorization</li> <li>• Support the reauthorization of Federal rail programs that includes significant funding eligible to support improvements associated with the Modernization of the Caltrain system and the addition of blended high-speed rail service</li> </ul>
<p><b>2. MAP-21 Implementation and other Regulatory Issues</b></p> <p>MAP-21 simplifies the Federal transportation funding structure by consolidating several programs and includes several policy changes including eligibility expansion, the conversion of some discretionary programs to formula-based programs and policies designed to expedite project delivery.</p> <p>The United States Department of Transportation (USDOT) continues to issue guidance and conduct rulemaking to implement these changes.</p> <p>Transportation agencies have also sought to influence passage and implementation of other regulatory changes affecting pre-tax benefits for transit riders, safety requirements and other transportation issues.</p>	<ul style="list-style-type: none"> <li>• Monitor and review guidance and rulemaking proposals affecting MAP-21 implementation and other transportation issues</li> <li>• Collaborate with local, regional, State and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulation that maximizes benefits for transportation programs, services and users</li> </ul>

FEDERAL ISSUES	
<i>Issues and Background</i>	<i>Strategies</i>
<p><b>3. 2015 Federal Appropriations</b></p> <p>Every year, Congress adopts at least 12 separate appropriations bills, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. Fiscal Year 2015 will mark the second appropriations process under MAP-21. In recent years, Congress has essentially maintained existing funding levels, However, under MAP-21, authorized funding has been increased slightly over prior years.</p>	<ul style="list-style-type: none"> <li>• Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County transportation services and needs</li> <li>• Work with local and regional coalitions to support Caltrain’s requests for funding from discretionary programs</li> </ul>
<p><b>4. Climate Change and Livability</b></p> <p>Despite several recent efforts, Congress has been unable to pass legislation that would address climate change by reducing greenhouse gas emissions. Previous versions of the legislation have included a cap and trade system with emissions allowances that would be traded in a market-based system. A portion of the revenues generated through the sale of these allowances could be used to fund clean transportation projects. The transportation sector produces approximately one-third of the greenhouse gas emissions in this country, primarily in the form of carbon dioxide (CO2) emissions generated by automobiles.</p> <p>States continue to enact transportation and land-use planning policies that encourage mixed-use, higher density, walkable development near transit. In addition, federal agencies have announced new partnerships intended to reduce vehicle miles traveled (VMT) by promoting these goals on a national scale.</p>	<ul style="list-style-type: none"> <li>• Advocate that climate change legislation include a funding strategy that reflects the opportunity for greenhouse gas reduction through new investment in clean transportation alternatives</li> <li>• Support dedicated formula funding that promotes energy efficiency in transit operations</li> <li>• Support funding for planning and capital investment related to the promotion of transit oriented development opportunities and sustainable land use strategies that would result in VMT reduction</li> <li>• Advocate for the inclusion of funding that furthers coordinated integration of programs that support housing, transportation and land use planning and investment</li> </ul>

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon  
Executive Director

FROM: Mark Simon  
Executive Officer, Public Affairs

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

This report is for information only. No Board action is required

**SIGNIFICANCE**

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

**STATE ISSUES**

State Budget

On January 9 the governor released his Fiscal Year 2015 State Budget. With new sales tax revenue and an improved economy, the governor's budget predicts a \$4 billion surplus.

The governor's proposal would begin early repayment of \$351 million in Highway Users Tax Account funds to fund improvements and maintenance for state highways and local streets and roads in addition to active transportation projects and traffic management improvements. The budget also recommends full appropriation of \$1.1 billion in Proposition 1B infrastructure bond funds including \$793 million for transit agencies, \$160 million for intercity rail and \$113 million for state highways.

The budget would also appropriate \$850 million in Cap-and-Trade revenues including \$100 million for SB 375 implementation, \$100 million for the purchase of low-emission vehicles and \$300 million for rail modernization. Of the rail modernization funding, \$250 million would be reserved for high-speed rail and \$50 million would be used for existing systems to enhance connectivity to the planned high-speed rail system.

Select Committee on Passenger Rail

The California State Senate formed a Select Committee on Passenger Rail that will meet to focus on the needs of the State's rail network. The committee will be chaired by Senator Hannah Beth-Jackson (D-Santa Barbara) and includes Bay Area legislators Senator Jerry Hill (D-San Mateo) and Senator Mark DeSaulnier (D-Contra Costa). The committee will hold its first meeting this spring.

### High-speed Rail

On January 24, the California High-speed Rail Authority filed a petition asking the California Supreme Court to reverse two lower court rulings that affect the sale and expenditure of Proposition 1A bonds.

### Statewide Transportation Ballot Measure

The California Alliance for Jobs and Transportation California announced that they will not proceed with efforts to ask California voters to pass a new vehicle license fee in 2014. After assessing the political feasibility of the proposal, the groups will instead focus on re-directing California truck-weight fees to support transportation projects. In recent years, those fees have been diverted to help address the State's General Fund deficit.

### **FEDERAL ISSUES**

#### FY 2014 Appropriations

On January 17, Congress approved an omnibus appropriations bill that funds Federal programs through September 30. The bill funds Federal transit programs at their fully authorized levels and also increases funding for the TIGER Multi-modal Grant Program to \$600 million, which is \$126 million more than last year's program.

The bill did not include funding for high-speed rail or the implementation of positive train control on the country's passenger rail corridors, but it also excluded language from the House-passed bill that would have prohibited Federal funding for the California high-speed rail project.

The White House announced the president will release his budget recommendations for the 2015 fiscal year on March 4.

#### Transportation Authorization

On January 14, the House Transportation and Infrastructure Committee held a hearing focused on the successor to the current surface transportation authorization legislation. The committee's chairman, Rep. Bill Schuster (R-PA) indicated that language could be available prior to the August Congressional recess.

Prepared By: Seamus Murphy, Director, Government and Community Affairs      650.508.6388

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

**TO:** Joint Powers Board

**THROUGH:** Michael J. Scanlon  
Executive Director

**FROM:** Rita P. Haskin  
Executive Officer, Customer Service and Marketing

**SUBJECT: DEVELOPMENT OF NEXT GENERATION OF CLIPPER FARE PAYMENT SYSTEM**

**ACTION**

This report is for information only. No Board action is required.

**SIGNIFICANCE**

Caltrain staff is working with colleagues from the Metropolitan Transportation Commission and Bay Area transit agencies on developing the requirements for the next generation of the Clipper fare payment system. An update on the process will be presented via PowerPoint at the Board meeting.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

Caltrain began using the regional Clipper fare payment system in 2010, following its deployment on AC Transit, Bay Area Rapid Transit, Caltrain, Dumbarton Express, Golden Gate Transit and Ferry, and San Francisco Municipal Transportation. Activation on the SamTrans and Santa Clara Valley Transportation Authority systems followed Caltrain.

Prepared by: Rita P. Haskin, Executive Officer, Customer Service  
and Marketing

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