

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

**Minutes
August 1, 2013**

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

MEMBERS ABSENT: P. Woodward

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, G. Harrington, C. Harvey, R. Haskin, M. Lee, M. Martinez, N. McKenna, 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.

PUBLIC COMMENT

Jeff Carter, Millbrae, thanked staff for their efforts during the recent Bay Area Rapid Transit (BART) strike. He said the tragic rail accident in Spain happened in the transition area between a non-positive train control area and a positive control area and this could be similar with HSR running along the corridor.

CONSENT CALENDAR

- a. Approval of Minutes of June 6, 2013
- b. Authorize Award of Contract to Day Management Corporation for the North-South Radio Road Channel Project in the Total Amount of \$37,948
- c. Information on Preliminary Statement of Revenues and Expenses for June 2013

A motion (Tissier/Nolan) to approve the Consent Calendar was unanimous.

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

CHAIRPERSON'S REPORT

No report

REPORT OF THE CAC

Kevin Gardiner, CAC Chair, said at its July 17 meeting, the CAC:

- Received a presentation on the upcoming Bike Share Program. The CAC is interested in the agency partnering with employers in the area. CAC members were interested in tracking the impact of this program on bike bumps.
- Presented a Certificate of Appreciation to outgoing CAC member, John Hronowski.

- The CAC discussed setting goals and developing a work plan for future meetings. He said he appointed an ad-hoc committee of Cat Tucker, Paul Bendix and himself to set goals and develop a work plan.

REPORT OF THE EXECUTIVE DIRECTOR

Michael Scanlon, Executive Director reported:

- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – May 2013 compared to May 2012
 - Total Ridership was 1,439,276, an increase of 7.9 percent.
 - Average Weekday Ridership was 52,980, an increase of 8.1 percent.
 - Monthly Performance Statistics – June 2013 compared to June 2012
 - Total Ridership was 1,366,991, an increase of 3.6 percent.
 - Average Weekday Ridership was 53,041, an increase of 5.3 percent.
 - Total Revenue was \$6,146,121, an increase of 6.4 percent.
 - On-time Performance was 91.4 percent, a decrease of 1.2 percent.
 - Caltrain Shuttle Ridership was 7,323, a decrease of 2.6 percent.
 - Year-to-date Performance Statistics – June 2013 compared to June 2012
 - Total Ridership was 15,595,559, an increase of 10.3 percent.
 - Average Weekday Ridership was 49,031, an increase of 10.9 percent.
 - Total Revenue was \$68,767,170, an increase of 14.8 percent.
 - On-time Performance was 91.3 percent, a decrease of 2.1 percent.
 - Caltrain Shuttle Ridership was 7,893, an increase of 8.5 percent.
- Approximately 786,000 additional rides were provided for special events in Fiscal Year (FY) 2013, an increase of 23 percent from FY2012.
- During the BART strike many trains stopped at Millbrae and an estimated 4,000 to 10,000 additional rides were provided. Should a strike occur, again staff will do their best to provide extra service.
- The Bicycle Advisory Committee (BAC) met on July 18 and received presentations on the Regional Bike Share Program and the Bicycle Access and Parking Plan. The BAC will be making some minor changes to its charter in the coming months to change the meeting time and rotating of the chair among the three counties.
- The reading file contains the Safety & Security Report for May and June, an updated Bike Access brochure, a TakeOne for the parking increase in September, a *Track the Fun* brochure and the Caltrain Connection Newsletter.

Caltrain Modernization

Marian Lee, Executive Officer, Caltrain Modernization, said the technical team is continuing the environmental assessment on the environmental document and is focused on the tree survey, ridership forecasts and traffic analyses. Ms. Lee said the draft document will be out between December 2013 and January 2014.

Ms. Lee said three of the five procurements are out on the street: project delivery, safety, and program management services. The two remaining relate to obtaining expertise in the areas of electrification and vehicles and staff hopes to release those procurements this month.

Ms. Lee said the blended system studies are complete and available on the Caltrain website. She said these reports will be helpful in informing what the blended system looks like. Copies of these reports have been provided to the California High-speed Rail Authority.

Ms. Lee said the 4th & King study was requested and funded by the city and county of San Francisco. The focus was on the possible operational implications of reducing and/or eliminating the 4th and King yard and making that land available for development. Staff has been evaluating the operational implications of releasing strips of property within the yard along Townsend Street and King Street for development. Ms. Lee said when land is given up that is currently used for operations those functions get displaced and staff needs to figure out where those displaced functions would go and then what the systemwide operational implications would be. She said staff is continuing to target late August to conclude the analysis and then will evaluate if this concept can be included in the electrification environmental document.

Ms. Lee said the Local Policymaker Group did not meet in June or July, but staff provided email updates. The next meeting is August 22.

Director Cohen asked what the criteria is for determining whether 4th and King is a viable option. Ms. Lee said it is very critical that the fall 2014 timeframe is met for certification of the electrification environmental document. If 4th and King were to be included, would it require additional analysis or change the scope in any way that would impact the schedule? She said it also is necessary to understand the operations, maintenance and capital costs implications. There is a limited budget for the environmental work on the Early Investment Program.

Public Comment

Jeff Carter, Millbrae, said he urges staff be very cautious in giving away land around the 4th and King Station.

Director Cohen asked Mr. Carter for clarification on his comment on giving away land to the city of San Francisco would be negative, noting that the site in question has issues with the homeless and crime. Mr. Carter clarified that giving away land around the station could negatively impact future Caltrain operations or expansion of service.

Adina Levin, Friends of Caltrain, thanked the San Mateo County Board of Supervisors for committing \$5 million a year to the San Mateo County Transit District for the next two years. She hopes this will help SamTrans bring more money to Caltrain. Ms. Levin said an area of potential revenue expansion is the GO Pass Program. This program currently only has 60 companies participating.

Roland Lebrun, San Jose, said the Altamont Commuter Express started a new website and it shows real-time information. He said the Capital Corridor added two cars to their consists during the recent BART strike. Mr. Lebrun said there needs to be in-house expertise for rail operations to help with the issue at 4th and King.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR MAY 2013

Gigi Harrington, Deputy CEO, said May revenues are over budget by \$4.2 million and there are \$3.4 million in savings on the expense side. Year-end fare revenue is \$68.7 million and is \$4 million over the adjusted budget and \$8.4 million over the adopted budget. Currently the farebox recovery ratio is over 65 percent. Last week fuel was \$3.07 per gallon and the JPB received \$480,000 from the hedge for FY2013.

A motion (Nolan/Deal) to accept the May 2013 statement was approved unanimously.

AUTHORIZE APPROVAL AND RATIFICATION OF THE FISCAL YEAR 2014 INSURANCE PROGRAM AT A TOTAL PREMIUM COST NOT-TO-EXCEED \$4,148,697

Ms. Harrington said staff was able to lower the liability retention from \$2 million to \$1 million. The overall cost for insurance is going up and is reflective of the hardening of the market and the increase in ridership. Ms. Harrington said there will be savings in the insurance and claims budget this fiscal year that will be applied to the extra cost for next fiscal year. This is a layered program and the JPB is insured for liability from \$1 million to \$200 million and Transit America Services carries a policy from \$200 to \$300 million.

A motion (Deal/Tissier) to approve the FY2014 Insurance Program at a total premium cost not-to-exceed \$4,148,697 was approved unanimously.

AUTHORIZE AMENDMENT TO THE CONTRACT WITH PARSONS TRANSPORTATION GROUP TO RESTRUCTURE OPTION 2 TO CREATE NEW PHASES 3 AND 4 AND TO EXERCISE OPTION 2, NEW PHASE 3 FOR A COMMUNICATIONS-BASED OVERLAY SIGNAL SYSTEM/POSITIVE TRAIN CONTROL (CBOSS/PTC) IN THE ESTIMATED AMOUNT OF \$53.7 MILLION

Ms. Harrington said at the June Board meeting she presented an overview and status of this project. This contract was awarded in phases to Parsons Transportation Group. She said staff is splitting this option into a Phase 3 and Phase 4 because there are some possible funding opportunities. This is to start the construction of the project. The project is on schedule and budget. Ms. Harrington said there is a letter from Roland Lebrun with a series of questions and staff will respond to him in writing, but staff has no information that supports his statement that the project is not going to make the deadline. She said she wants to thank Mr. Lebrun for identifying a typo on the bottom of page two; it should say May instead of March.

Public Comment

Roland Lebrun, San Jose, said the Federal Railroad Administration (FRA) and the National Transit Safety Board (NTSB) have known for over six months that Caltrain cannot possibly meet the 2015 PTC implementation deadline. He said this was confirmed during the testimony to the Senate Transportation Committee on June 19. Mr. Lebrun said since we now know the deadline cannot be met there is an opportunity to hit the pause button. He said this would give time to hire an independent entity that can be trusted to provide the Board with unbiased advice, including how complete re-signaling could substantially improve the capacity of the line. He said this would have no impact on the budget because the Board has already approved \$90 million in unspecified oversight activities. Mr. LeBrun said the other option

is to approve the staff recommendation, but how can the Board rely on the advice of people who either don't know what is going on or are not telling the truth.

Doug DeLong, Mountain View, said the news report on the Spanish incident indicate it happened outside of PTC territory and the Caltrain corridor will be PTC from end-to-end.

A motion (Nolan/Tissier) to amend the contract with Parsons Transportation Group to restructure Option 2 to create new Phases 3 and 4 and to exercise Option 2, new Phase 3 for the CBOSS/PTC in the estimated amount of \$53.7 million was approved unanimously.

AUTHORIZE AMENDMENT WITH URS CORPORATION FOR THE CBOSS/PTC CONSTRUCTION MANAGEMENT SERVICES CONTRACT IN AN AMOUNT NOT-TO-EXCEED \$2.5 MILLION

Ms. Harrington said this action is to amend the URS contract for construction activities for CBOSS. This is an existing contract and URS is available to do this type of work.

A motion (Nolan/Tissier) to authorize an amendment with URS Corporation for the CBOSS/PTC construction management services contract in an amount not-to-exceed \$2.5 million was approved unanimously.

UPDATE ON THE EXECUTION OF THE FISCAL YEAR 2014 FUEL HEDGE PROGRAM

Ms. Harrington said fuel was hedged after the June 6 Board meeting. Staff entered into an agreement with Barclays. Half of the fuel portfolio was capped at \$2.85 per gallon and the cost was \$200,000 less than the FY2013 transaction.

PENINSULA CORIDOR ELECTRIFICATION PROJECT (PCEP) DELIVERY METHOD

Ms. Lee said this is an informational item and staff hopes to come back at the September Board meeting with a recommendation for Board consideration. Staff has been assessing project delivery options to determine the best match for PCEP.

Ms. Lee said Regional Transportation District-Denver (RTD) has experience with a 25kV system and Rick Clark, Assistant General Manager of Capital Programs, RTD, was asked to make a presentation on the different project delivery methods:

- RTD FasTracks is the largest capital project currently in process.
- The Project is 122 miles of new light rail and commuter rail.
- Currently there is \$5 billion of work completed or under contract.
- A challenge is to effectively manage approximately \$5 billion of simultaneous construction within budget and schedule constraints.
- In the 1990s agencies did design-bid-build.
- RTD's last project, T-REX, used design-build and was very successful.

Mr. Clark said there are different delivery methods.

- Design-bid-build:
 - Works well when owner wants control over design, risks are unknown until more advanced design can be done or when challenging stakeholder issues exist.
 - Takes more time in the schedule.
 - Limits innovation from the private sector.
 - More change orders and more contentious relationships between owner and contractor.
- Construction manager/general contractor:
 - Contractor is brought in early when design is proceeding.
 - Contractor provides constructability and value engineering input during final design.
 - A final guaranteed maximum price (GMP) is negotiated.
 - Owner has control and risk for design although contractor involvement during design can limit that risk.
 - Requires strong cooperation by design firm, owner and contractor.
 - Negotiated GMP limits competitive pricing and will impact schedule if negotiations are not successful.
- Design-build:
 - Faster schedule from overlap in activities.
 - Best value selection fosters collaboration and innovation.
 - Effective partnering is key.
 - Shifts certain risks (i.e. design) to the design-build contractor.
 - Fewer change orders, but they are larger on average.
 - Requires fewer resources for the owner oversight.
 - Requires quick decision making.
 - Well matched with a systems (electrification) project where manufacturers/suppliers do much of the design.
 - Still requires effective oversight by the owner.
 - Variations include design-build-maintain and design-build-operate-maintain.
- Public/private partnership:
 - Adds financing from the concessionaire.
 - Provides long-term integrated delivery.
 - Availability payments are tied to operational performance criteria so provides great incentive to consider life cycle costs and operability.
 - Good value for the money.
 - Procurement period can be longer, more complex and expensive.
 - Private financing more expensive than public financing.
- Lessons learned at RTD:
 - Match the project and its risks with the delivery method.
 - There is not necessarily a right or wrong delivery method. All types of delivery methods have been successful. If they are not, there are usually some other fundamental reasons.
 - One size does not fit all projects.

- Make sure agency management and project staff is vested in the delivery method.
- Bring the right expertise in to manage that delivery method.
- Best value selections have resulted in strong proposals and teams.
- In choosing a delivery method, consider risk, schedule, cost, innovation of private sector, number of contracts/contractors, stakeholder involvement.
- Reflect the agency goals in the evaluation criteria (i.e. price, public outreach, disadvantaged business enterprise programs, safety, and quality).
- Keep the Board and stakeholders informed during the procurement process while respecting the need for confidentiality.
- RTD and Caltrain are two agencies currently implementing a 25kV electrified commuter rail. Both agencies are in this together and RTD welcomes collaboration and mutual support.

Ms. Lee reported:

- PCEP is 51 miles from San Francisco to Tamien, will convert the diesel system to electric multiple units, will have six trains per hour per direction with mixed fleet service using the existing infrastructure and tracks.
- The vehicles procured will replace 75 percent of the fleet.
- The goal is to deliver an electrified system by 2019.
- Stakeholder outreach will continue throughout the life of the project.
- Currently staff is establishing the owner's team and hope to complete that this year.
- The goal for the environmental clearance is fall 2014. The clearance needs to be in place to procure and select the contractor team in 2014 and 2015. This gives staff 2016 to 2019 for the design, manufacturing and building of the electrified system.
- Peer workshops were held in September 2012 and March 2013 with Caltrain senior management and agency participation from San Francisco Municipal Transportation Agency, Santa Clara Valley Transportation Authority (VTA), RTD-Denver, Dallas Area Rapid Transit and Utah Transit Authority.
- PCEP objectives:
 - Ensure system safety
 - Complete program within \$1.5 billion budget
 - Electrified service by 2019
 - Build a quality system
 - Minimize impacts to rail service and customers
 - Minimize impacts to environment
 - Support future high-speed rail trains
 - Sustain effective partnership with stakeholders

Ms. Lee said the recommended delivery method is design-build.

- Procurement method is best value
- Best match with program objectives
- Appropriate level of owner control
- Operations and/or maintenance options

- Key benefits with the design-build approach:
 - Good for large complicated projects
 - Good for systems projects
 - Transfer design risk to contractor
 - Improve project with innovative solutions
 - Get best value and maximize price competition
 - Select best qualified team
 - Negotiate scope and price
 - Upfront understanding of cost to complete
- Focus areas for success:
 - Board support
 - Agency management and staff
 - Stakeholder relationship
 - Build the right team for delivery with people and expertise
 - Owner's responsibility for system integration

There will be two procurement packages, one for electrification and one for vehicles. The key benefits of doing two procurements are direct owner control, enhanced competition, and best team selected by expertise area.

Next steps:

- Board consideration of the project delivery approach at the September 5 meeting
- Set up owners team
- Prepare contractor procurement documents
- Complete Environmental Impact Report
- Issue contractor Request for Proposals in fall 2014

Chair Yeager thanked staff for an excellent report and agrees with the program objectives and the way it was presented. He said VTA went with design-build for the BART extension. Chair Yeager asked if San Francisco or San Mateo counties used design-build for any of their projects and if so, could lessons learned be brought back and shared at the September meeting. He asked if there are any city regulations for the corridor. Chair Yeager said design-build does not allow a lot of time for public input.

Director Adrienne Tissier said leadership, a strong team and integration are very important to a successful project. The outreach and working with the cities has been very helpful. She recommended staff speak with the construction staff at the new county jail for any lessons learned.

Director Ash Kalra said low-bid is not necessarily the best way to go versus best-value.

Public Comment

Roland Lebrun, San Jose, said presentations should be available prior to the meetings. He said a first class rail entity is needed operating on a sound financial footing and the District does not qualify.

Greg Conlon, Atherton, said he is not sure if the increase of six trains with electrification will be enough with the increase in ridership.

Mr. Scanlon said staff will come back next month and respond to concerns and questions raised today and make a recommendation for the Board's consideration. He thanked everyone who participated in the workshops for their time and insights.

LEGISLATIVE UPDATE

Federal Update

Seamus Murphy, Director, Government and Community Affairs, said appropriators in both chambers have passed the transportation spending bills. The House has made major cuts to the discretionary programs because the House is trying to spare defense programs from some of the sequestration impacts. The House bill also includes language that would block funding for California HSR for the current fiscal year. It doesn't look like the House bill is going to make it to a vote, however. They can't seem to get consensus within the Republican Party to pass the bill. Mr. Murphy said Democrats are all opposed to it, some Republicans think the cuts go too far and other Republicans think they don't go far enough. The bill was pulled from consideration and the House will go to recess without passing an appropriations bill from the House.

Mr. Murphy said the Senate bill is much better. It conforms to the spending levels in the Budget Control Act, which are a lot less impactful and also include two amendments. The first, approved already in committee, would require the FRA to evaluate existing regulations governing train horns at grade crossings determine if the regulation should be revised. There has been considerable interest from communities along the corridor about quiet zones and this would help inform how the FRA regulates quiet zones and train horns in the future. Mr. Murphy said a related amendment that will be considered on August 1 would appropriate \$42 million to assist local governments in the establishment of quiet zones. There is some interest at the Federal level in streamlining some of these regulations and potentially reforming how FRA approaches train horns.

CORRESPONDENCE

No discussion.

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

The next meeting will be Thursday, September 5, 2013, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

GENERAL COUNSEL REPORT

- a. Closed Session: Conference with Real Property Negotiators
Property: 4020 Campbell Avenue, Menlo Park, CA
Agency Negotiators: Gigi Harrington; Joan Cassman

Joint Powers Board Meeting
Minutes August 1, 2013

Property Owner: Campbell Avenue Portfolio, LLC
Negotiations Scope: Price and Terms of Payment

Joan Cassman, Legal Counsel, said the Board will meet in closed session on real property negotiations for 4020 Campbell Avenue in Menlo Park.

Adjourned into closed session at 11:33 a.m.

Reconvened at 11:45 a.m.

Ms. Cassman said the Board met in closed session to receive a report on real property negotiations for 4020 Campbell Avenue in Menlo Park. This matter will continue to the September meeting.

Adjourned at 11:46 a.m.