

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

MINUTES OF AUGUST 6, 2015

MEMBERS PRESENT: J. Gee, R. Guilbault, A. Kalra, A. Tissier (Chair), P. Woodward

MEMBERS ABSENT: J. Cisneros, M. Cohen, T. Nolan, K. Yeager

STAFF PRESENT: J. Averill, J. Cassman, G. Harrington, J. Hartnett, C. Harvey,
R. Haskin, M. Lee, M. Martinez, N. McKenna, S. Murphy, S. Petty,
M. Simon

Chair Adrienne Tissier called the meeting to order at 10:07 a.m. and led the Pledge of Allegiance.

PUBLIC COMMENT

Roland Lebrun, San Jose, commended the two Transit Police officers who saved a life on the tracks. He asked why both trains hit the car instead of stopping. The first train could have derailed in the path of the other train. The gate fault should have been triggered and stopped the trains on the tracks, and the track circuits should have detected the car and triggered a stop on the line. He recommended the Board direct staff to investigate a solution that would arm first responders with a device similar to what they use for traffic light preemption so they can manually shut down the line if there is a problem.

Jeff Carter, Millbrae, said he appreciates the Board requiring an 8:1 ratio of seats to bikes on the Electric Multiple Units (EMU), but bathrooms need to be on the trains. Many parking lots are at capacity and that could limit ridership, so Caltrain may need to start expanding parking to accommodate the increasing ridership. Bikes onboard allows for fewer car parking spaces.

Vaughn Wolffe, Pleasanton, said the board's emphasis should be on ridership, not bicycles. Standing room does not indicate there is capacity for bicyclists. Everyone should have a seat and bicyclists take up more than one seat. The main reason people ride trains is so they can do work onboard, but they can't work if they're standing up.

CONSENT CALENDAR

- a) Approval of Minutes of July 2, 2015
- b) Information on Statement of Revenues and Expenses for June 2015
- c) Authorize Approval of Amended JPB Citizens Advisory Committee Bylaws
- d) Authorize Approval and Ratification of the Fiscal Year (FY) 2016 Insurance Program at a Total Premium Cost Not To Exceed \$4,324,998
- e) Authorize Rejection of All Bids and Re-Solicitation for the Rail Grinding Project
- f) Authorize Award of Contract to Knox Kershaw, Inc. in the Total Amount of \$586,294 for the Purchase and Delivery of One New Ballast Regulator

Public Comment

Roland Lebrun, San Jose, said there is no information on the Statement of Revenues and Expenses for June, just that the final audited statements won't be available until December. The Santa Clara Valley Transportation Authority (VTA) will have theirs in October. He asked why the JPB is taking another two months. He said in June the Board approved \$5.7 million worth of insurance, and asked what is happening to the \$1.4 million.

Jerry Carlson, San Carlos, said a five-month delay in producing a year-end financial statement seems unprecedented. He asked if the Board has an audit committee with direct access to the outside auditors.

Motion/Second: Woodward/Gee

Ayes: Gee, Guilbault, Kalra, Woodward, Tissier

Absent: Cisneros, Cohen, Nolan, Yeager

CHAIRPERSON'S REPORT

None.

REPORT OF THE CAC

Chris Cobey, Chair, CAC, said at its July 15 meeting, the CAC:

- Discussed bathrooms on EMUs and recommended one bathroom per consist.
- Received presentations on the Caltrain Modernization (CalMod) Program, homeless encampments, right of way maintenance, and customer information during service disruptions.
- Created a subcommittee on train identification and schedule communication to explore options on labeling trains, to better inform customers of schedule information, and adding schedule listings to the San Jose platform.
- The work plan includes consideration of customer attitudes on service levels and scheduling, fare increases and equity, quiet cars, customer survey results, and Wi-Fi.

REPORT OF THE EXECUTIVE DIRECTOR

Proclamation Recognizing the 25th Anniversary of the Americans with Disabilities Act

Chuck Harvey, Deputy CEO, said this is an opportunity to celebrate the legislation that ensures people with disabilities have the right to access, mobility and independence. Caltrain has been a leader in serving people with disabilities. Caltrain is accessible at almost every station, and travel training is available.

Motion/Second: Woodward/Guilbault

Ayes: Gee, Guilbault, Kalra, Woodward, Tissier

Absent: Cisneros, Cohen, Nolan, Yeager

CalMod Update – Peninsula Corridor Electrification Project (PCEP) Funding Plan Update

Marian Lee, Executive Officer, CalMod Program, said:

- PCEP Milestones
 - Done
 - National Environmental Policy Act review complete – 2009

- \$1.2 billion nine-party funding Memorandum of Understanding (MOU) – 2012
 - California Environmental Quality Act review complete – 2014
 - Design-Build (DB) Request for Proposals (RFP) released – 2015
 - To do
 - EMU RFP release – August
 - DB award – November 2015
 - EMU award – January 2016
- Funding Need
 - Gap of \$431 million
 - \$125 million is carryover from existing MOU
 - \$306 million from the 2014 cost update
 - Project cost subject to change
- Funding Strategy
 - Rely on grants
 - No JPB financing/Transportation Infrastructure Finance and Innovation Act loan
 - No fare surcharge
- Grant Funding Sources
 - Federal Transit Administration (FTA) core capacity - \$220 million
 - High-speed rail cap and trade - \$113 million
 - Caltrain cap and trade - \$9 million
 - Metropolitan Transportation Commission (MTC) Regional Measures 1 and 2 - \$29 million
 - Additional from local agencies - \$60 million
- Next Steps
 - Fall 2015
 - MTC/local partner funding update
 - \$600 million California High-Speed Rail Authority (CHSRA) funding agreement
 - Winter 2016
 - Additional CHSRA agreements
 - Increase JPB cash flow capacity
 - FTA core capacity rating/letter of no prejudice
 - Spring 2016
 - FTA core capacity full funding grant agreement
 - Assess JPB cash flow capacity

Public Comment

Roland Lebrun, San Jose, said the structural deficit problem is a San Mateo County Transit District problem, not a JPB problem. He said the \$600 million from the CHSRA is blocked by the courts. He said electrification can be eliminated by procuring hybrid trains. This was rejected in the Environmental Impact Report (EIR) and is why Atherton is suing the JPB. Bi-modes are an alternative in the 2004 Transbay EIR because it is possible the downtown extension would be built before Caltrain will be electrified. By doing this, the JPB would get \$220 million from the FTA and the JPB could replace the entire fleet and take Caltrain into the black.

Jim Hartnett, Executive Director, said

- Transit Police deputies Whitted and Rueppel were on the tracks in Sunnyvale during regular enforcement, heard a crash, and saw a car on the tracks. They acted quickly. One deputy ran down the tracks to slow the oncoming train. The other deputy risked his own life to remove the driver and pull him to a safe area. A video of the incident was shown.
- The average Caltrain ride is 20 miles, which equates to 1,284,040 road miles not driven by Caltrain riders in one day, or 360 million road miles not driven per year.
- There is tremendous regional support for Caltrain and the electrification program, including from the Caltrain Commuter Coalition, and State and Federal legislators. The JPB has received strong assistance in obtaining regional support for the full Core Capacity grant of \$220 million. He thanked Chair Tissier for her support in her role on the MTC in encouraging regional backing for grants.

Public Comment

Roland Lebrun, San Jose, said the video shows the car has broken through the gate on one side of the tracks, but the gate is down on the opposite side of the tracks. The gate should not be down and he said there is something wrong with the system.

KEY CALTRAIN PERFORMANCE STATISTICS – JUNE 2015

Mr. Harvey said:

- Key Caltrain Performance Statistics June 2015 compared to June 2014
 - Monthly Performance Statistics:
 - Total Ridership was 1,709,178, an increase of 9.1 percent.
 - Average Weekday Ridership (AWR) was 64,202, an increase of 7.2 percent.
 - Total Farebox Revenue was \$7,790,760, an increase of 11.1 percent
 - On-time Performance (OTP) was 85 percent, a decrease of 8.4 percent.
 - Year-to-Date Performance Statistics:
 - Total Ridership was 18,567,173, an increase of 9 percent.
 - AWR was 58,429, an increase of 9.3 percent.
 - Total Farebox Revenue was \$83,871,689, an increase of 12.1 percent.
 - OTP was 90.2 percent, a decrease of 2.3 percent.
- Pre-game special trains will be run between regular trains as semi-expresses for the San Francisco 49ers service. All post-game trains are local.
- Staff is working with National Football League Host Committee and event planners and other transit agencies to plan transportation to support Super Bowl 50.
- The San Mateo Bridge Replacement Project retaining walls and steel fabrication have been completed for the Tilton Avenue Bridge.
- The San Francisco Highway Bridge Project has started and one roadway is closed while staff works through the replacement.
- Staff is working with VTA on a double tracking project in Mountain View to make room for a VTA capacity increase. There are some challenges in construction and timing.

UPDATE ON COMMUNICATIONS-BASED OVERLAY SIGNAL SYSTEM (CBOSS)/POSITIVE TRAIN CONTROL (PTC) PROJECT

Gigi Harrington, Deputy CEO, presented:

- Background
 - Awarded prime contract – October 2011
 - Issued Notice to Proceed to Parsons Transportation Group – January 2012
- CBOSS Project Requirements
 - Complies with Rail Safety Act
 - Additional functionality
 - Crossing safety performance
 - Improved headways
 - Schedule management
 - Employee in charge to be able to control the railroad from the field
- CBOSS Project Solution Overview
 - Interoperable solution
 - Provides enforcement of signals and speed limits
 - Provides advanced start of crossings
 - Uses radio frequency data link to send wayside information to trains
- Project Major Accomplishments
 - Completed all work in phase 1
 - Received Federal Railroad Administration (FRA) conditional type approval
 - Fiber optic backhaul is nearing completion
 - Completed office subsystem
 - Wayside units and base stations are in
 - 95 percent installation onboard
 - Recalibrated milestones
 - Continue outreach to community
- Project Key Milestones
 - Revenue service demonstration – December 2015
 - Final system acceptance – June 2016
- Project Total Installed Cost Update
 - Project cost - \$231 million
 - Contract cost - \$139 million
- FRA Safety Certification Process
 - FRA was onsite to begin witnessing Segment #3 field testing
 - After FRA witnesses successful Segment #3 testing, Caltrain will submit an application for revenue service demonstration (RSD)
 - Caltrain will follow with a submittal of Segment #2 and Segment #1 test results
 - The FRA will approve RSD application
 - Caltrain will begin RSD
- Activities from RSD to System Acceptance
 - Six months of reliability testing
 - Implement long-term maintenance and support agreement
 - Safety plan will be submitted to FRA for approval in September
- Challenges
 - Onboard software is coming from General Electric and is behind schedule
 - Contractor execution of test plans
 - Interoperability

- No written FRA guidelines for RSD
- Long-term maintenance and support
- Next Steps
 - Get next software release
 - Continue testing
 - Complete subsystem testing
 - Cutover mileposts
 - Submit RSD application
 - Complete onboard installation
 - Complete Segment #2 and Segment #1 testing

Mr. Hartnett said this has been a tough project. There is tremendous effort being dedicated to it and every day there is activity related to this project. Meeting the December deadline is fragile. Federal legislation has been passed by the Senate but not by the House to extend the deadline.

Public Comment

Roland Lebrun, San Jose, said the I-TCS software is a unique system in the United States. The lowest bid for software was from I-ETMS, which is what the rest of the United States is using and why Metrolink is ready to go. He said Volume 3 of the Electrification RFP does not include the software I-TCS; instead it has I-ETMS. He said General Electric dumped their signaling division to Alstom, and Alstom has no interest in making this software work. A year ago, a top signal engineer was working on this project, but he disappeared and this project got moved to LTK Engineering. He said there is \$231 million into a system that will never work and will put safety on the line.

AUTHORIZE DELEGATION OF APPROVAL AUTHORITY FOR JPB ENGINEERING AND DESIGN STANDARDS AND ALL ASPECTS OF THE DESIGN AND CONSTRUCTION OF PROJECTS THAT MODIFY OR OTHERWISE PERTAIN TO THE CALTRAIN RIGHT OF WAY, STATIONS, PROPERTY, FACILITIES, OR THAT AFFECT OPERATIONS

Joan Cassman, Legal Counsel, said the Board is being asked to approve the current engineering and design standards that govern improvements and capital projects, and to delegate the authority to amend and update the standards as and when appropriate, and to approve all aspects of design and construction in the projects. This provides administrative efficiency to maintain standards as state of the art, the ability to be more responsive and flexible as design changes are needed, and legal predicate or foundation for the JPB to assert the defense of design immunity when appropriate in lawsuits in which plaintiffs allege they have suffered injuries or damages as a result of faulty design.

Chair Tissier asked if the Board will be informed when changes are made or standards are changed. Mr. Hartnett said staff would make sure significant changes are reported timely to the Board.

Public Comment

Roland Lebrun, San Jose, said the JPB has a severe governance issue and he urged the Board not to approve this action. He said it is entirely inappropriate for the same entity to be in charge of project design and design standards. This would make it possible for the same people to modify the design standards to comply with a deficient design,

which could result in injuries and fatalities. He said neither the chief executive nor his staff is qualified to approve modifications to Caltrain design standards. He recommended the Board start a search for a qualified chief engineer who is responsible for maintaining the integrity of the standards.

Jerry Carlson, San Carlos, said this is broad in scope and there are no apparent limits as to when the Board needs to be consulted. He asked if the process to decide the configuration of the new rail cars is part of the reason for this change. Real life examples would be helpful in knowing the limits when the Board needs to be involved. When the Board is involved, the public gets a chance to be involved.

Ms. Cassman said when a project is brought to the Board for approval, the Board would render this decision for a specific project, as staff has done in the past. Staff is asking the Board to delegate this to the Executive Director, but staff will still be bringing to the Board the approval of award of contracts, which would provide an opportunity for staff to bring the Board up to date on any significant changes. What underlies this is staff's desire to take advantage of the defense of design immunity, if and when it is appropriate. The EMU discussion was not the motivation for this matter.

Mr. Harvey said Mr. Hartnett and he do not approve design standards, they have registered engineers on staff who do that. There has been a series of professionals in the Caltrain Engineering and Construction department who are track, signal and structures experts, and they are the ones who stamp drawings and approve designs.

Motion/Second: Woodward/Guilbault
Ayes: Gee, Guilbault, Kalra, Woodward, Tissier
Absent: Cisneros, Cohen, Nolan, Yeager

AUTHORIZE REJECTION OF LOW MONETARY BID FROM CON-QUEST CONTRACTORS, INC. AND AWARD OF CONTRACT TO SHIMMICK CONSTRUCTION COMPANY, INC. IN THE TOTAL AMOUNT OF \$4,450,000 FOR THE QUINT STREET BRIDGE REPLACEMENT PROJECT

Ms. Harrington said this is an award of contract to the second lowest bidder. The low monetary bid from Con-Quest did not meet the Disadvantaged Business Enterprise (DBE) goal. Con-Quest was allowed to have a hearing to demonstrate what they have done in good faith to achieve the DBE goal, but staff did not find evidence that would change the recommendation.

Public Comment

Roland Lebrun, San Jose, said this is not a bridge replacement, it is construction of a road. A road is needed because engineers were not able to provide a cost-effective solution to replace the bridge. That bridge was supposed to be the underpass for the future Oakdale Caltrain Station, but that station is not going to happen, so the Board has to start thinking of relocating farther north between Jerrold Avenue and Cesar Chavez Street.

Motion/Second: Kalra/Woodward
Ayes: Gee, Guilbault, Kalra, Woodward, Tissier
Absent: Cisneros, Cohen, Nolan, Yeager

LEGISLATIVE UPDATE

Seamus Murphy, Director, Government and Community Affairs, provided the following update:

State

Two bills being considered would increase the amount of State Transit Assistance funding that flows through MTC and would increase the sales tax on diesel fuel by more than three times. Staff will be supportive of this legislation.

There are two bills that affect the Cap and Trade Program. There are two transit-specific programs: one for Capital, which is at 10 percent today and would be 20 percent for future years, and one for Transit Operations, which is at 5 percent and would be doubled to 10 percent.

Federal

There was a three-month extension of Surface Transportation authorization programs by the House and Senate. The Senate has taken action on a six-year transportation authorization bill, and the House will take it up before the extension expires. A continuing resolution is needed for the appropriations process. This bill includes an extension of the PTC deadline to 2018. Even though there is an extension, agencies would need to apply to FRA to be granted the authority to use the extension.

Staff spent time with the Bay Area Council meeting with officials from the Department of Transportation and FTA and the legislative delegation. Their focus was Core Capacity funding for the Caltrain electrification project. The delegation committed to advocate that this project be included in the president's budget in February.

UPDATE ON THE MTC TRANSIT SUSTAINABILITY PROJECT (TSP)

Sebastian Petty, Senior Planner, presented:

- Goal
 - Reduce financial shortfalls
 - Improve transit performance
 - Attract more customers
- Framework
 - Performance measures
 - Targets linked to investment decisions
- MTC TSP Requirements
 - March 2013: Adopt strategy
 - 2017: 5 percent reduction in one of the following
 - Cost per service hour
 - Cost per passenger
 - Cost per passenger mile
 - Post 2017: No increase beyond consumer price index
 - 2019: MTC links funding to performance
 - Annual monitoring report to MTC
- Caltrain Performance
 - Cost per service hour
 - FY2013: \$515.69
 - FY2014: \$525.81

- Cost per passenger
 - FY2013: \$5.90
 - FY2014: \$5.70
- Cost per passenger mile
 - FY2013: \$0.27
 - FY2014: \$0.26
- Strategy Progress
 - Ongoing system reliability and efficiency programs
 - State of good repair
 - Reliability/enhancement
 - Fuel hedging
 - Specific ridership building initiatives
 - Added Bombardier cars
 - Bike access improvements
 - Real-time information
 - Off-peak marketing program and event promotion
 - CalMod
- Next Steps
 - Submit update to MTC
 - Continue implementation and monitoring

UPDATE ON THE EXECUTION OF THE FY2016 FUEL HEDGE PROGRAM

Ms. Harrington said half of the JPB fuel portfolio was hedged in June. Fuel cost is not in the range that funds will be returned to the agency. Barclay's was the only vendor the JPB had to engage with this year. Since the transaction was closed, Barclay's was downgraded. There is a provision in the agreement that if the fuel cost is below a threshold, the transaction can be collateralized, so staff is in process to put that collateralization in place to be in compliance. It will be difficult to do a transaction next year if Barclay's is the only player. The total cost of the transaction was \$385 million, which is included in fuel budget for FY2016 and is within the authorized amount.

Public Comment

Roland Lebrun, San Jose, said in June he had two issues with the estimated fuel costs. Staff inflated the actual consumption from \$4.6 million to \$5.5 million, and the estimated cost per gallon was \$3.40, even though VTA estimated fuel at \$2.75. Staff is now saying the cost per gallon is \$1.75, which would make the annual fuel cost below \$8 million. He said he started adding up all this extra money that was over-budgeted from the fuel and other budget items and came up with \$30 million.

CORRESPONDENCE

No discussion.

BOARD MEMBER REQUESTS

None.

GENERAL COUNSEL REPORT

There was no report

DATE/TIME/PLACE OF NEXT MEETING

The next meeting will be Thursday, September 3, 2015, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

Adjourned at 11:25 a.m.