

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

MINUTES OF AUGUST 2, 2018

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

MEMBERS ABSENT: C. Chavez, G. Gillett, C. Stone

STAFF PRESENT: J. Hartnett, C. Mau, J. Cassman, T. Bartholomew, A. Chan, D. Couch, M. Bouchard, C. Cubba, C. Fromson, J. Funghi, B. Grizard, C. Gumpal, D. Hansel, M. Jones, H. Lafebre, L. Larano, D. Lieberman, L. Millard, C. Mobley-Ritter, S. Murphy, J. Navarro, S. Petty, M. Reggiardo, E. Scanlon, D. Stewart, C. Boland

CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Bruins called the meeting to order at 10:13 a.m. Director Brinkman led the Pledge of Allegiance.

ROLL CALL

Acting District Secretary Gumpal called the roll. A quorum was present.

PUBLIC COMMENT

Thibaut de Bretagne, Palo Alto, discussed rideshare options and issues related to using bicycles on Caltrain.

Aleta Dupree, Oakland, commented on the new mobile application, making the request that it remain updated and noted that the website's trip planning feature could be improved.

Roland Lebrun, San Jose, discussed the length of the August agenda packet and placement of certain agenda items. He referred to the governance structure of the Valley Transportation Authority, where a committee structure is used ahead of its regular board meetings.

J. West, San Francisco, discussed theft from a rented bike locker.

Adina Levin, Friends of Caltrain, addressed the board on solutions to assist bike riders and also encouraged voters to oppose Proposition 6 on the November ballot.

David Groves, San Mateo, addressed the board in support of on board bicycles, keeping in mind that emergency egress on the new bike cars in an important feature.

CONSENT CALENDAR

Chair Bruins announced Consent Calendar Item 4 L would be removed for separate discussion.

Public Comment

Jeff Carter, Millbrae, addressed the board on the Caltrain's Key Performance Statistics, noting that the June highlight was missing from the report. He also inquired about the length of the Consent Calendar. Chair Bruins responded.

Aleta Dupree, Oakland, spoke on the revenue and expenditure report and the expansion of mobile ticketing and Clipper options while reducing cash into ticket vending machines.

Director Zmuda commented on Consent Calendar item "h - Fare Study Phase 1 Report" and recommended approving the report as soon as board members are amenable and amend it or build upon it in the future as other agencies' fares are studied.

Motion/Second: Brinkman/Davis approved Consent Calendar items a - k and m - p.

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

Absent: Chavez, Gillett, Stone

- a. Approved Special Meeting Minutes of June 7, 2018
- b. Approved Minutes of June 7, 2018
- c. Accepted Statement of Revenues and Expenditures for May and June 2018
- d. Received Key Caltrain Performance Statistics – May and June 2018
- e. Received State and Federal Legislative Update
- f. Approved Resolution 2018-26, Opposing Proposition 6
- g. Received Caltrain Business Plan Monthly Update – July 2018
- h. Received Caltrain Fare Study Phase 1 Report and Means-Based Program Update
- i. Approved the Disposition of Surplus Service Support Vehicles and Equipment
- j. Appointed Citizens Advisory Committee Representatives: Cat Chang, Representing San Francisco County, to a term ending June 30, 2021; Kevin Burke, Representing San Mateo County, to a term ending June 30, 2021; Larry Klein, Representing Santa Clara County, to a term ending June 30, 2021.
- k. Approved Resolution 2018-27, Authorizing Addendum #4 to the 2015 Peninsula Corridor Electrification Project Final Environmental Impact Report
- m. Approved Resolution 2018-29, Authorizing the Execution of Contracts for Technology Related Products and Services to Vendors Under Cooperative Purchasing Programs For Fiscal Year 2019
- n. Approved Resolution 2018-30, Authorize the Execution of Contracts of More Than \$150,000 for Information Technology Licenses Renewals, Maintenance Services and Professional Services for Fiscal Year 2019
- o. Approved Resolution 2018-31, Authorization to Execute Program Supplemental Agreements for Receipt of \$3 Million in Transit and Intercity Rail Capital Program funding for Network integration planning and amend to increase the Fiscal Year 2019 Capital Budget from \$42,748,255 to \$45,748,255

- p. Approved Resolution 2018-32, Award of Contracts for On-Call Temporary Staffing Services
- l. Approved Addendum #5 to the 2015 Peninsula Corridor Electrification Project Final Environmental Impact Report

John Funghi, CalMod Chief Officer, thanked the City of Burlingame's elected and appointed officials who resolved the challenge of designing an electrification project (Paralleling Station #3/Addendum #5) around the Broadway (Burlingame) grade separation project.

Approved by Resolution 2018-28
Motion/Second: Gee/Pine
Ayes: Brinkman, Bruins, Davis, Gee, Pine, Zmuda
Absent: Chavez, Gillett, Stone

CHAIRPERSON'S REPORT

Chair Bruins commented on Senate Bill 1 and its effect on the region, as well as a proposed repeal of Proposition 6 on the November ballot. Chair Bruins also noted that the Metropolitan Transportation Commission (MTC) will vigorously defend Regional Measure 3 in pending legal proceedings. Last, Chair Bruins announced the retirement of Steve Hemminger of MTC and discussed finalization of Caltrain's first successful transit-oriented development project in San Carlos.

REPORT OF THE CITIZENS ADVISORY COMMITTEE

Brian Shaw, Chair of the Caltrain Citizens Advisory Committee, provided highlights of the Citizens Advisory Committee meeting held recently.

Public Comment

Roland Lebrun, San Jose, stated the mobile app does not offer boarding and de-boarding information. He discussed the draft Transportation Improvement Plan mentioned in the minutes, noting that Hillsdale funding sources were omitted.

REPORT OF THE EXECUTIVE DIRECTOR

Jim Hartnett, Executive Director, provided several announcements: a new fare enforcement process was launched on July 25 and citations have been issued, a new Station Access Principal Planner was hired to implement the Bicycle Parking Management Plan and annual passenger counts would be presented to the board in September.

a. UPDATE ON FINANCIAL DASHBOARD

Derek Hansel, Chief Financial Officer, provided a monthly update on Caltrain's finances.

b. MONTHLY REPORT ON POSITIVE TRAIN CONTROL SYSTEM

Michelle Bouchard, Chief Operating Officer, Rail, stated that the progress on the Positive Train Control project was going well with Wabtec and discussed some challenges associated with vehicle availability to install equipment and

paperwork submittals with the Federal Rail Administration. Ms. Bouchard and Mr. Hansel briefly discussed the proposed funding plan for the project.

c. PENINSULA CORRIDOR ELECTRIFICATION PROJECT QUARTERLY REPORT AND MONTHLY REPORTS FOR MAY AND JUNE 2018

John Funghi, CalMod Chief Officer, provided a quarterly report on the electrification project, noting that design and signal system work is progressing, with work being done on constant warning system integration, testing plans and an upcoming change order on insulated joints. Mr. Funghi stated construction is progressing south from South San Francisco and San Bruno. He displayed photos of site work being done at night with the setting of brackets, poles and drilling. He stated additional ancillary contracts are being awarded for Supervisory Control and Data Acquisition as well as Centralized Equipment Maintenance and Operations Facility.

Mr. Funghi discussed progress on the tunnel modification contract, with significant contract price reductions achieved. He discussed work by PG&E and the Disadvantaged Business Enterprise contract awards. He stated the first two car shells have been produced and are en route to Salt Lake City. Mr. Funghi discussed the schedule, budget and contingency drawdown and the approval process of the Change Management Board. He noted that extensive outreach has been conducted on the entire project. Construction complaints were discussed and Ms. Fromson responded that there have been very few since the work is done at night.

Director Gee suggested holding a future closed session on Caltrain security issues.

Public Comment

Aleta Dupree, Oakland, discussed construction on the electrification project, PG&E's role and asked that the project be delivered.

Roland Lebrun, San Jose, commented on grant funding, Union Pacific, CP Brittan and Balfour Beatty. He referred to Mr. Fungi's slides and provided commentary on various issues.

d. AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT CHANGE ORDER FOR INSTALLATION OF INSULATED JOINTS

John Funghi, CalMod Chief Officer, stated the added scope to the Balfour Beatty contract was needed to resolve the issue for the existing block-signal system and recommended authorizing the change order, which was previously reviewed and approved by the Change Management Board.

Public Comment

Roland Lebrun, San Jose, provided commentary on the change order, noting his written material that he submitted previously.

Approved by Resolution 2018-33
Motion/Second: Brinkman/Davis
Ayes: Brinkman, Bruins, Davis, Gee, Pine, Zmuda
Absent: Chavez, Gillett, Stone

In response of Chair Bruins, Mr. Funghi responded to Mr. LeBrun's correspondence received on the subject and outlined the details of the change order.

e. AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT CHANGE ORDER FOR UPRR MT-1 POLE CHANGES

John Funghi, CalMod Chief Officer, outlined the need for the pole off-set of 15 feet versus an industry standard of 10 feet, noting the request was made by the owner of the tracks in that area; Union Pacific. Mr. Funghi stated the costs involved are for the design. In response to Director Zmuda, Mr. Funghi stated the change order was reviewed and approved by the Change Management Board.

Public Comment

Roland Lebrun, San Jose, cautioned that pole placement be reviewed at Diridon Station, since a fourth track was planned in the future.

Approved by Resolution 2018-34
Motion/Second: Gee/Pine
Ayes: Brinkman, Bruins, Davis, Gee, Pine, Zmuda
Absent: Chavez, Gillett, Stone

DEVELOPMENT OF A FINANCING PLAN, DEBT POLICY AND DECLARATION OF OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

Derek Hansel, Chief Financial Officer, provided a lengthy presentation on upcoming financing activities that need to take place before Joint Powers Board financial and capital projects can occur.

First, Mr. Hansel reviewed the current outstanding debt of \$34.14m in farebox revenue bonds consisting of both Series 2007A and Series 2015A. He noted the Board also has a \$150m credit facility to fund the Peninsula Corridor Electrification Project, which is repaid by various grant funding sources. He stated the Board intends to issue Series 2018 Fixed Rate Farebox Revenue bonds in order to refund all existing farebox revenue bonds for debt service savings and to fund real property acquisitions. He stated there would be an increase to the existing credit facility from \$150m to \$170m through 2022, to provide additional flexibility to match Transit Intercity Rail Capital Project grant funds. Mr. Hansel stated establishment of a new \$30m credit facility with JP Morgan would take place to support working capital requirements, including those associated with the Positive Train Control implementation.

Mr. Hansel reviewed the next steps, including development of legal documents, meeting with rating agencies, seeking approval from the Valley Transportation Authority, CCSF and SamTrans. He stated he would return in November to seek

approval from the PCJPB board, sell bonds and close the transaction in December and access the proceeds.

Finally, Mr. Hansel outlined the four board actions that were necessary to proceed with the plan.

Public Comment

Roland Lebrun, San Jose, inquired where the money is going.

Drew, San Mateo, addressed the Board regarding the line of credit and making sure it is large enough to accommodate future needs.

Mr. Hansel responded to Board members' questions regarding short term vs long term loans, use of commercial paper, financing team members, details of the refinancing and savings expected, new bond rating, member agency approvals and timeline, public benefits identified and the issuance of the 2018 fixed rate bonds.

After discussion, the following motions were made:

Authorize the Chief Financial Officer to take the necessary steps to proceed with the development of a comprehensive financing plan, including farebox revenue bonds and revolving lines of credit for (a) refinancing needs and (b) new money requirements, including but not limited to real property acquisition, positive train control funding and general working capital.

Motion/Second: Gee/Pine

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

Absent: Chavez, Gillett, Stone

Authorize staff to proceed to work with the City and County of San Francisco, the Santa Clara Valley Transportation Authority and the San Mateo County Transit District, each a member agency (Member Agency) of the Peninsula Corridor Joint Powers Board (JPB), with respect to the public hearings required to be conducted and the resolutions required to be adopted in connection with the proposed debt.

Motion/Second: Gee/Pine

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

Absent: Chavez, Gillett, Stone

Adopt a Declaration of Official Intent Providing for Use of Proceeds of Tax-Exempt Indebtedness to Reimburse Prior Qualified Expenditures

Approved by Resolution 2018-35

Motion/Second: Gee/Pine

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

Absent: Chavez, Gillett, Stone

Adoption of Debt Policy

Approved by Resolution 2018-36

Motion/Second: Gee/Pine

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

Absent: Chavez, Gillett, Stone

CITY AND COUNTY OF SAN FRANCISCO RAIL ALIGNMENT AND BENEFITS STUDY

John Rahaim, Planning Director of City and County of San Francisco, provided an informational presentation by the City and County of San Francisco on its Rail Alignment and Benefits Study. Mr. Rahaim first reviewed projected population growth for the region and stated that maximizing rail is the best solution.

Mr. Rahaim outlined the study's five components: rail alignment into the Salesforce Transit Center; Railyard reconfiguration/relocation; urban form and land use opportunities; Salesforce Transit Center extension/loop; and assessment of a boulevard replacing the north end of I-280. Focusing on Caltrain, he stated the study included consideration of the Caltrain corridor alignment into San Francisco, considerations for the at-grade crossings at Mission Bay Drive and 16th Street and the future of the Caltrain 4th and King railyard.

Board members provided commentary on the presentation:

Director Gee thanked San Francisco for the presentation. He stated the study has provided clarity as to the connectivity to San Francisco and Caltrain can focus on what's next and stated it's the map of what's planned and can allow the agencies can work together to find the funding.

Director Brinkman thanked the San Francisco staff for the presentation. Ms. Brinkman asked for clarification of the land ownership of the 4th and King station railyard. Responding, Legal Counsel Cassman confirmed that the land is not owned by Caltrain but it does have an operating easement. Ms. Brinkman discussed the opportunities for the 22nd Street station, as it's the seventh busiest station on the line.

Mr. Rahaim commented on the zoning in the area, which does not currently allow for housing but could be rezoned in the future.

Chair Bruins concluded by thanking the San Francisco staff for their informative report. She commented on the plan and stated that Caltrain needs to be a partner in a collaborative process, citing the San Jose Diridon station process, where Caltrain was aligned with three agencies for a successful outcome. She requested that Caltrain officials be included at the service planning level and not an afterthought in the process, so that it can determine its preferred alternative before the process is too far along.

Public Comment

Jeff Carter, Millbrae, addressed the board and expressed concern for any plan that would negatively impact Caltrain operations or cause fare increases.

Roland Lebrun, San Jose, discussed the Pennsylvania and DTX alignments.

Director Pine was excused from the remainder of the meeting.

Adina Levin, Friends of Caltrain, stated the Friends of Caltrain are in support as long as there are no negative impacts to Caltrain operations.

David Groves, San Mateo, addressed the board and thanked Ms. Levin. However, he stated that housing was equally as important as transit and inquired if could the railyard could be moved to another location.

CORRESPONDENCE

All correspondence was including in the Board's reading files. Chair Bruins asked that staff provide the correspondence electronically in the future.

Public Comment

Roland Lebrun, San Jose, asked that the board read the correspondence prior to the meeting, not after.

BOARD MEMBER REQUESTS

None

GENERAL COUNSEL REPORT

Legal Counsel Cassman reported that the board met in closed session (special meeting) earlier in the day on the subject of transit security. No action was taken.

Date/Time of Next Regular Meeting: Thursday, September 6, 2018 at 10:00 a.m. San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

ADJOURN

The meeting adjourned at approximately 12:42 p.m. in memory of Mrs. Mary Stone; mother of Director Charles Stone.