

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

**MINUTES OF MAY 4, 2017**

**MEMBERS PRESENT:** J. Bruins, D. Davis, J. Gee (Chair), R. Guilbault, D. Pine, J. Ramos, M. Zmuda

**MEMBERS ABSENT:** K. Yeager

**STAFF PRESENT:** M. Bouchard, J. Cassman, A. Chan, D. Couch, J. Hartnett, J. Jest, K. Kelly, L. Larano, M. Martinez, N. McKenna, S. Murphy, M. Simon, S. van Hoften

Chair Jeff Gee called the meeting to order at 10:00 a.m. and Director Dev Davis led the Pledge of Allegiance.

**REPORT FROM THE NOMINATING COMMITTEE – ELECTION OF VICE CHAIR**

Director Rose Guilbault said the committee met and are recommending Director Ken Yeager as Vice Chair.

Motion/Second: Guilbault/Zmuda

Ayes: Bruins, Davis, Guilbault, Ramos, Zmuda, Gee

Absent: Pine, Yeager

**PUBLIC COMMENT**

Drew, San Mateo, said he attended the 25<sup>th</sup> Avenue Grade Crossing meeting and discovered the station is being moved north a number of blocks. He said he lives south of the station and will now have to cross several streets. Drew said he is asking the Board to mitigate the crossing of streets. He said this is all about pedestrian and bicycle safety.

Director Dave Pine arrived at 10:04 a.m.

Roland Lebrun, San Jose, said after the April meeting staff deleted a webpage on Caltrain capacity. He said on April 19 a new page was uploaded on the CalMod website showing existing capacity and it showed an increase of 2 percent on electric multiple units (EMU). Mr. Lebrun said this morning there is a new website called CalModTrains with the seat layout. He would like staff to come back to the Board in June and give a full presentation on what the trains will look like.

Ken Bukowski, Emeryville, said he has been recording the meetings for the past year.

## **CONSENT CALENDAR**

- Approval of Minutes of March 2, 2017

Motion/Second: David/Ramos

Ayes: Bruins, Davis, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Yeager

## **CHAIR REPORT**

Chair Gee said the JPB is accepting applications for the Citizens Advisory Committee (CAC). Applications are available on the website and are due May 26.

Chair Gee said there is tremendous congressional support from the region on electrification funding. He was part of press conference with Congresswomen Anna Eshoo, Jackie Speier, San Francisco Mayor Ed Lee, and labor and business leaders.

## **REPORT OF THE CAC**

Chair Gee said a written report will be forthcoming.

## **PENINSULA CORRIDOR ELECTRIFICATION UPDATE**

Dave Couch, Director, Project Delivery, reported:

- At 65 percent design on Overhead Catenary System layout.
- Completed 95 percent design drawings and discussions with Union Pacific continue.
- Work is being done on advancement of conceptual design work and modifications for the Centralized Equipment Maintenance and Operating Facility.
- Pacific Gas and Electric scoping documents for infrastructure improvements and traction power substation were reviewed.
- Finalizing Power Quality and Protection Scheme studies.
- Monthly utility coordination meetings continued.
- Disadvantaged Business Enterprise design build contract goal is 5.2 percent.
- The master program schedule for the EMUs will be approved in the next few weeks.
- EMU outreach includes sample passenger seats, interior, exterior, bicycle and wheelchair lift renderings.
- Safety
  - Site specific work pan field visits
  - Fire/life safety committee meeting
  - Low-rail and hi-rail equipment inspected
  - Safety and Security Certification Review Committee meeting
  - Two-day safety and security workshop
  - Safety and Security Management Plan revisions
- Sixteen third party agreements have been executed.

Liria Larano, Deputy Chief, Caltrain Modernization, reported:

- Notice to proceed is expected to be issued this summer.
- During the past quarter \$50 million was spent and since the beginning of the project the total is \$200 million.
- The Risk Assessment Committee identified 241 risks at the start of the project and 137 have been closed. The top risk continues to be the Full Funding Grant Agreement (FFGA).
- Staff continues to monitor field work in areas that require environmental compliance.
- Small parcels of real estate need to be acquired. Staff has been focusing on segments Two and Four.

Seamus Murphy, Chief Communications Officer, reported:

- Fifty-three community presentations and stakeholder meetings have been held.
- Decisions have been made on the bike to seat ratio, onboard restrooms and upper doors. This year the design is progressing and next year the public will be able to take a virtual reality tour of the EMUs.
- Outreach tools include:
  - Targeted outreach, broad rider and public outreach
  - A dedicated website has been launched to help guide the design, share information and receive feedback
- Next steps:
  - Capture feedback on design elements
  - Regular updates to the Board

Chair Gee asked that the next quarterly update include a sample risk register and a funding partners oversight update.

Jim Hartnett, Executive Director, said there was good news in the budget deal between the administration and the legislative leaders. In the budget there are funds for the program and specific reference in the House to Caltrain Electrification Project. This is for the Fiscal Year (FY) 2017 budget, but will have to wait to see what happens in the FY2018 budget proposal by the president that will be coming out at the end of May or early June. Mr. Hartnett said it is extremely good news and an important sign to the Secretary of Transportation and the Federal Transit Administration that there is bipartisan support for the project. He said it puts the Secretary of Transportation in a better position to sign the grant agreement even before the FY2018 budget is proposed by the president.

Mr. Hartnett reported:

- Seat capacity issue and compliance with the FFGA document was included in the Board's reading file and available to the public on the back table.
- The funding for the 25<sup>th</sup> Avenue Grade Separation Project comes from multiple sources including the San Mateo County Transportation Authority, the city of

San Mateo and the California High Speed Rail Authority (CAHSRA). The CAHSRA has delayed its commitment of funding its portion pending clarity on the FFGA.

- Staff will present the results of the annual count survey in June and it will be posted on the Caltrain website at the end of July.
- Special events:
  - Service to Sharks and Giants
  - U2 concert at Levi Stadium
  - Bay to Breakers on May 21 with four scheduled pre-event trains and three post trains
- The 22<sup>nd</sup> Street Bridge is expected to open at the end of May and is the final bridge in the San Francisco Highway Bridges Project.
- The Los Gatos Creek Bridge Project is proceeding. There have been some issues due to rain and a shorter construction window now because of environmental conditions.
- The South San Francisco Station Improvement Project contract bids are due at the end of May with construction beginning this summer and completion in 2019.
- Redwood City Grade Crossing improvements are under way.

Director Dev Davis asked if the Los Gatos Creek Bridge Trail Project going to be completed on time. Mr. Hartnett said completion is scheduled for early 2018.

Director Pine said the Board previously was allocated \$73 million and now \$100 million, but this is all contingent on the Secretary of Transportation signing the FFGA. Mr. Hartnett said yes the money cannot be accessed until the FFGA is signed. He said the FFGA becomes a contractual obligation for the \$647 million and the \$173 million is the first part of the funding and each year after becomes part of the appropriations process.

#### Public Comment

Roland Lebrun, San Jose, said the seated capacity staff is showing now is 3,705 and should be 4,412. On the application to the Federal Transit Administration (FTA) the 3,705 is actually 3,403 and the new capacity was 3,768. He asked how staff arrived at 4,412 because the only way is by adding a third bike car and making them seven car EMUs. Mr. Lebrun said \$28 million has been spent, but the real issue is reserves have dropped another \$20 million. He said the \$150 million line of credit has been full expended.

Adina Levin, Friends of Caltrain, wanted to thank Caltrain, the business allies and elected officials for doing everything they can to support the funding for electrification.

Chair Gee said the capacity increase is probably missing a column to include capacity in 2014. He said when the grant application was submitted it showed original capacity before the Metrolink cars were added. Staff went back to the FTA about the application and capacity and FTA stated to stay with current application since Caltrain is first in line for funding.

### **STATEMENT OF REVENUES AND EXPENSES FOR MARCH 2017**

Kathleen Kelly, Interim Chief Financial Officer, said at last month's meeting it was requested this item be presented on a quarterly basis. She said overall things are better than February and projected to use \$5.2 million in reserves to balance the budget. Ms. Kelly said there have been improvements in fare and parking revenue. She said expenses are lower due to the Transit America (TASI) contract and significant savings in fuel.

Director Monique Zmuda asked when a reserve policy will be brought to the Board. Ms. Kelly said it will be brought to the June meeting.

Director Zmuda asked if it has been the practice to include reserves as part of the operating budget as essentially a plug-in figure for revenue that has not been realized. Ms. Kelly said yes.

Director Zmuda asked if the source of reserves is unspent funds at year end and/or increases to revenues that were not anticipated. Ms. Kelly said yes, but was referred to as carryover funds from the prior year.

Director Zmuda said in many agencies the reserves are often based on a certain number of months of operating and is this the direction staff is going. Ms. Kelly said the standard is three months.

Director Zmuda said in regards to the capital budget is there a certain amount of dollars that is typically set aside for capital expenses as opposed to operating. Ms. Kelly said it is more complicated for an agency such as this with significant outside funding.

### Public Comment

Roland Lebrun, San Jose, said there is \$28.6 million in reserves and last month there was \$46.4 million.

Motion/Second: Zmuda/Guilbault

Ayes: Bruins, Davis, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Yeager

### **KEY CALTRAIN PERFORMANCE STATISTICS MARCH 2017**

Michelle Bouchard, Chief Operating Officer, Rail, said there is a slight increase in ridership. The on-time performance (OTP) was 96.5 percent. She said this is the last month the 10 minute metric for OTP will be used. Ms. Bouchard said the standard metric of five minutes will be used.

### **CALTRAIN TRIENNIAL SURVEY**

Julian Jest, Market Research Specialist, reported:

- Objectives
  - Determine who our customers are
  - Measure whether we are meeting their needs
- Methodology
  - Onboard survey in October 2016
  - 74 percent response rate
- More than 67 percent ride Caltrain at least four days a week.
- One one-third have been riding for less than one year.
- 60 percent of riders chose the train over their car.
- Most customers commute to work.
- Monthly pass is most popular form of payment.
- Caltrain viewed as faster than other options.
- About one-third of new riders began riding Caltrain due to a change of company.
- Most people are walking to the stations.
- Overall experience rating increased slightly to 4.09 out of 5 from 4.04 in 2013.
- No barriers for 56 percent of riders using Clipper.
- Almost two-thirds of customers are accessing Caltrain information from the Caltrain website.
- Average distance to station was 18 miles.
- In 2016 the split was 41 percent female and 58 percent male riders.
- Majority of customers work full-time.
- 81 percent of riders have at least a college degree.
- English was the top language spoken at home.
- Minority ridership of Caltrain is increasing.
- 40 percent of Caltrain riders were born outside of the United States.
- Customers have a mean income of \$129,000.
- Santa Clara County had the highest county of residence.
- Next steps:
  - Inform future planning
  - Communicate with customers
  - Collaborate with the Metropolitan Transportation Commission (MTC) on Clipper improvements

Director Davis asked for in the future if the question on distance to station will be changed. She said she has taken this survey in past and there was an origin and destination question. Mr. Jest said the full report has the on and off stations.

Director Davis asked what the intent of the question was. Mr. Jest said it was to give a better picture of how customers get to their starting station.

Director Zmuda asked what travel direction was the survey distributed. Mr. Jest said it was done on north and southbound trains and across of variety of times, both peak and off-peak.

#### Public Comment

Jeff Carter, Millbrae, said it concerns him that the high income demographics are published and people see the high income and people claim fares are too low. He said low income riders have abandoned the service since 2007 because the fares are too high for some high. Mr. Carter said there has been discussion of a means fare and MTC has said it is a daunting task. He said ridership and Go Pass usage has to be fully studied as it relates to fares. Mr. Carter said there is competition for Caltrain with the technology buses that are free and a lot of the technology campuses have free parking.

Adina Levin, Friends of Caltrain, said income is going up. She said research show that service workers drive and technology workers don't.

George Kranen, Belmont, said parents don't want their kids riding public transportation, including Caltrain. He said he doesn't know what to do about the perception.

Chair Gee asked that a copy of the full survey be sent to the Board.

#### **PRELIMINARY FISCAL YEAR 2018 OPERATING BUDGET**

Ms. Kelly reported:

- Total preliminary revenues are \$130.3 million which is an increase of \$3.2 million over FY2017.
- Member contributions allocation formula is based on morning weekday boardings.
- Over the years member contributions have gone down.
- Total expenses are \$151 million and the largest expense is for the rail operator contract.
- FY2018 budget includes five new full-time equivalents (FTEs) positions and only a portion of the time is charged to the operating budget. Most of the time is charged to the JPB capital budget or to the SamTrans operating budget.
- The use of \$20.7 million in reserves will be used to balance the budget.
- With the structural deficit the JPB could be out of reserves by 2019 and why there is a need to find a dedicated funding source.

Director Davis asked if staff is asking the Board to approve the budget before the proposed fare increase. Ms. Kelly said yes because the budget has to be approved by July 1. She said ideally they would be done at the same time, but need to have a public hearing for the fare increase. Ms. Kelly said the Board can approve the budget with the deficit and amend the budget after the fare increase.

Director Davis asked why the public hearing can't happen sooner. Ms. Kelly said there are requirements for a public meeting. The first is to call for the hearing today and then a certain amount of time to receive public comment.

Director Jeannie Bruins said there is some context missing such as what is the number of FTEs today and is the Deputy Chief Rail Operations a part-time position. Ms. Kelly said it is taking an existing position and upgrading it so what is reflected in the presentation is the cost to upgrade the position.

Director Bruins said the Board needs to understand how many full-time FTEs and how many part-time FTEs are being paid for. She said the shuttle service in San Mateo County is being funded and is this being done in the other two counties as well. Security services for San Mateo County is highlighted, but three counties are served by the service so what happens in the other counties. Director Bruins said the TASI contract is going up 5 percent and not sure how the contract works and is reviewed. She asked if staff is looking at any longer-term resolutions for the structural problem. Ms. Kelly said the long-term structural problem is part of the Business Plan and staff can bring it back with the budget in June.

Director Zmuda asked how does the Board and staff go about fixing structural problems in the long-term. She asked if there is a policy that allows the Board to approve an unbalanced budget. Director Zmuda said one option could be to approve a budget that has fewer expenses in the short-term while considering a fare increase and the revenue that will come in from it. Director Zmuda asked if the \$30 million debt service bonds are callable, has staff been repaying on a schedule and is there any plan of repaying them early. Ms. Kelly said she doesn't believe so and that is why there is a line item in the budget each year.

Director Zmuda said she assumes the sheriff's contract is with the San Mateo County Sheriff's. Mr. Hartnett said yes.

Mr. Hartnett said the budget is balanced when approved, but is balanced using excess funds available from prior years which were then called one-time funds. The reserves were built up from years that the budget did better than adopted either because revenues were up or expenses were down or a combination of both. Mr. Hartnett recalls this same discussion when he was on the Board in the early 2000's and then general manager Mike Scanlon would say we are balancing the budget again this year with one-time funds. He said there were times when member contributions were double and the budget was being balanced with one-time funds. Mr. Hartnett said the one-time funds or reserves were built up from staff's conservative budgeting. He said with the reduced partner contributions and a more sober budgeting process the picture becomes clearer that the time is running out to use one-time funds to balance the budget.

Director Pine said the farebox recovery and the impressive growth of Caltrain is an accomplishment, but there still is a daunting financial picture. He said it is harder when only two partners are willing to invest and one isn't.

#### Public Comment

Roland Lebrun, San Jose, said this is the best operating budget presentation he has seen in the last seven years. He said the fuel cost is \$14.1 million and Santa Clara Valley Transportation Authority is currently budgeting at \$2.25 per gallon. Mr. Lebrun said Senate Bill 1 (SB1) will contribute \$6.5 million to the budget. He said the issue is the managing agency fee to SamTrans. Bay Area Rapid Transit (BART) provides the same service for Capitol Corridor for approximately \$5 million a year. Mr. Lebrun said every year in June the Board has the opportunity to terminate the administration contract with SamTrans.

Jeff Carter, Millbrae, said BART was faced with similar circumstances of a tight budget, possible fare increases and a reduction in service hours. However, the State stepped in and provided some funding so why can't Caltrain go to the State and get some funding. Mr. Carter said Caltrain is the only agency that doesn't have its own dedicated source of funding. He asked what the elasticity is if there is a fare increase and will there be a loss in ridership.

Andy Chow, Redwood City, said he is alarmed that the member contributions have been staying the same for over a decade. He said certain agencies in certain counties have additional taxes approved, but yet can't contribute, but can spend money on a portion of a rail system in their area.

Director Gee said when staff returns in June for consideration of the budget that they look into and address the questions asked today. He asked the Board members to reach out to staff if they have questions or need context and history on some of these contracts.

#### **PRELIMINARY FISCAL YEAR 2018 CAPITAL BUDGET**

Ms. Kelly said member contributions are remaining at \$5 million each and staff was hoping it would be \$7.5 million. Staff had to go back and look at projects to move forward. The current deficit for the FY2018 Capital Budget is \$3.2 million. Ms. Kelly said staff will bring back a balanced budget in June.

Ms. Kelly reported:

- Total funding sources are \$56.3 million
- Total capital project cost is \$59.5 million
- FY2018 Capital Projects:
  - State of Good Repairs (SOGR) - \$30.9 million
  - Legal Mandates - \$1.2 million
  - Improvements and Enhancements - \$25.2 million
  - Planning/Studies - \$2.2 million
- A total of \$41 million is being deferred in the FY2018 Capital Program and includes \$34.8 million in state of good repair, \$3.2 million in operational improvements and \$2.6 million in project development fund.

Director Zmuda said because the capital budget is separate from the operating budget are there any savings from prior years rolled into this budget. Ms. Kelly said yes.

Director Bruins said she would prefer having a longer view like a five-year capital program. She asked if these are projects already started or are new projects. Ms. Bouchard said there are a couple of new projects that have received funding for a few years. She said the South San Francisco Station Improvement Project is a new project, but has been in design and Control Point Brittan had previously received \$5 million and this is the last piece needed to complete the work.

#### Public Comment

Roland Lebrun, San Jose, said the way to balance the budget is to terminate all activities on the Los Gatos Creek Bridge while staff waits for a comprehensive redesign and this would save \$5 million. He asked why is money being wasted on Tunnel 1 if San Francisco is going to abandon it after the Downtown Extension is built. Mr. Lebrun said State and Federal funds are being redirected from San Francisco to the 25<sup>th</sup> Avenue Grade Separation Project. He asked why does staff have to budget \$8.3 million for Bombardier overhaul for Metrolink cars when the Board has already approved \$11 million in farebox revenue bonds. Mr. Lebrun said he is opposed to any further work on the South San Francisco Station until the station redesign and this project doesn't qualify for Section 5337 SOGR funding.

Adina Levin, Friends of Caltrain, said a few years ago there were capital budget challenges and the SOGR of aging equipment was slowed down and that resulted in increased breakdowns and passenger delays.

Director Gee said a number of context issues will be presented in the Caltrain Business Plan presentation and asked the timing of it.

Director Bruins said because of the complexity of this it would help to have visuals of the various projects with all the revenue sources.

**CALL FOR A PUBLIC HEARING AT THE JULY 6, 2017 MEETING FOR PROPOSED CODIFIED TARIFF CHANGES EFFECTIVE OCTOBER 1, 2017**

Mr. Murphy said:

- Calling for the public hearing will allow staff to prepare the analysis that is required to make these changes.
- The last fare increase in 2015 increased the base fare from \$3.25 to \$3.75, corresponding increases to the Day Pass, 8-ride ticket and monthly pass. Daily parking was increased from \$5 to \$5.50 and monthly parking from \$50 to \$55.
- The Short-Range Transit Plan assumes a fare increase every two years and this is consistent with that timing.
- The Go Pass Program was started in 2000. In January 2016 the pass was increased from \$180 to \$190. Currently there are 121 participants and 77,000 eligible users.
- Proposed changes being considered are:
  - Go Pass increased from \$190 to \$285
  - Zone fare increased from \$2 to \$2.25 per zone
  - Monthly Pass based on 15 days per month rather than 13 days per month
  - Eliminate the discounted 8-ride ticket
  - Monthly parking fees based on 15 days per month (\$82.50) rather than 10 days per month (\$55)
  - Establish a pilot program that provides a weekend and evening discount
- Next Steps:
  - Public outreach onboard trains, stations, public meeting and electronic
  - Title VI and California Environmental Quality Assurance Analysis
  - July 6 – Public Hearing
  - August 3 – Board Adoption
  - October 1 – Implementation
  - January 2018 – Go Pass and Flex Fare Effective
- The revenue potential in FY2018 would be \$9.4 million and \$14.8 million in FY2019.

Director Rose Guilbault said she is concerned about raising fares and pricing out a segment of riders. She asked if there might be other alternatives such as the Go Pass to incentivize companies to provide to their contractors or service providers that work for them. Director Guilbault said companies are concerned about environmental impact and those that cannot afford the service are driving. She asked when the MTC equity fare study will be completed. Mr. Murphy said the Caltrain Comprehensive Fare Study will be completed soon and will have recommendations by the end of the year. He said MTC has completed their study and have some recommendations, but are hard to implement. There are challenges with implementing them on an agency-by-agency basis. Mr. Murphy said the Caltrain Fare Study is looking at the MTC recommendations and findings and will assess how to apply those to the Caltrain

system so these impacts can be avoided and make sure this is a system that everyone can afford. He said the findings won't be available to support a decision on the fare changes being proposed in July. The fare study will look at off-peak fare changes and how off peak discounts can address equity concerns too.

Director Joël Ramos said it is important for the public and the riders to understand that staff is trying to better manage the parking and ensure there will always be spaces available. He said he doesn't know how often it happens that people arrive at a station and can't find parking so they end up driving the entire way. Director Ramos said there needs to be 15 percent availability even if it means lowering it, so the parking is utilized to the best of its capacity. He said this could also mean raising the price of parking to the point where there is space available for those that need it. Director Ramos said staff needs to make sure SamTrans riders are aware of the proposed off-peak fare. Mr. Hartnett said SamTrans service supports Caltrain. He said an average ride on SamTrans is 15 minutes and the average ride on Caltrain is over 20 miles.

Director Bruins asked if the changes were informed by the preliminary study. Mr. Murphy said the Go Pass was accelerated, but subsequent findings don't support this decision, but future ones do.

Director Davis asked how staff arrived at increasing the monthly parking fees, but leaving the daily fee the same and are parking fees the same at all lots. Mr. Murphy said the fee is the same at all lots. Staff has seen a decline in daily parking revenue and monthly revenues increase over the last several years. Mr. Murphy said staff chose to adjust the monthly parking to 15 days to make it consistent with the monthly pass, both from a revenue standpoint and to simplify the overall system.

Director Davis asked what was thinking of having the parking fee the same at all lots regardless of where it is on the peninsula. Mr. Murphy said the Comprehensive Fare Study does have an element that looks at parking and will be looking at congestion based parking options for the Board to consider.

Director Davis said if these increases cannot be implemented until October 1 she feels this is all happening very quickly and would like to push the public hearing to August and have a little more information at the next meeting about these proposed changes in more detail. She said she feels this is too fast to go to the public with this information without the Board having a more detailed discussion.

Director Bruins said the Board needs to trust staff and the intention is to have the public hearing and listen to the public. She said the worse time to get input from the public is during the summer vacation times. Mr. Hartnett said it is not just the public hearing, but there is an outreach effort before the hearing to inform the public of the changes.

Director Bruins asked what the schedule is for the outreach. Mr. Murphy said it will begin right away with the call for the public hearing in July and staff will start scheduling meetings in each of the three counties. He said there will be outreach at every station, including Gilroy, and at all times of the day.

Director Davis asked if the public hearing in July includes a compilation of all the feedback received. Mr. Murphy said yes.

#### Public Comment

Tom Harrington, Chair, Mountain View Management Transportation Association (MTA) MVgo, said on behalf of the members of MVgo he wants to express their concerns on the proposed fare changes. The MTA is a non-profit organization formed by various businesses and land owners for the purpose of collaborating on transportation demand management programs that will reduce single occupancy vehicle trips to and within Mountain View so the future growth and mobility can be maintained. Mr. Harrington said two elements that are key to the success of their organization's objective is the regional mass traffic infrastructure and the cost and/or incentive to use public transportation and other transportation demand services. He said the proposed increases in fares and elimination of discount offers will be a disincentive to those commuters who use Caltrain regularly. He said while they are understanding of the economic challenges in the industry they are hopeful that other options will be pursued to reduce the financial impact of commuters which would likely result in a significant increase in traffic congestion in the region.

Jeff Carter, Millbrae, said the Caltrain farebox recovery is quite high and VTA has a farebox recovery of 11 percent, SamTrans is 23 percent and San Francisco Municipal Transportation Authority is under 30 percent. He said is it fair that Caltrain has to collect such a high farebox recovery compared to other transit systems. Mr. Carter said why trash the monthly pass by going from 13 days to 15 days. He said currently it is 26.5 times the one-way Clipper fare and going to 15 would make the monthly pass 30 times the one way Clipper fare and that is an increase of 13.2 percent. When this is added with the per zone increase it is going to increase the price of monthly pass holders around 20 percent. Mr. Carter said a monthly pass should be economical for people who ride four days per week. He asked if the employees who use the Go Pass here at SamTrans have to pay for it.

Adina Levin, Friends of Caltrain, thanked Director Davis for her comment on the misalignment of timing. She said the last time Caltrain raised fares there was no good explanation of why, but needed it for budget reasons. Ms. Levin said there needs to be more explanation of the fare study prior to making these fare changes.

Roland Lebrun, San Jose, said the last time there was a fare increase there was a loss of 2,000 riders. He said the only ticket type that has increased is the 8-ride ticket and now this is being eliminated. Mr. Lebrun said he strongly supports increasing the Go Pass. He said the real solution is to address the expenses getting out of control.

Drew, San Mateo, said 15 to 20 years ago the system went from distance base to zone fares. He said he struggles with why he pays \$3.50 to go one station and uses a Clipper Card tagging on and off and why the fares can't incorporate distance.

Motion/Second: Guilbault/Bruin

Ayes: Bruins, Davis, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Yeager

Director Davis left at 12:50 p.m.

**AUTHORIZE AN AMENDMENT WITH ARINC, INC. FOR THE RAIL OPERATIONS CONTROL SYSTEM MODIFICATION CONTRACT TO INCREASE THE C CONTRACT BY \$1 MILLION**

Director Bruins said if the Communications-based Overlay Signal System (CBOSS) stays on schedule will this amendment cover the cost. Ms. Bouchard said there are two elements to this. The first is attached to deliverables to the control system at CP Brittan and reconfigurations as part of the capital program. The second is support of the CBOSS program. Ms. Bouchard said if there are significant delays, there could be an additional request for funds.

Public Comment

Roland Lebrun, San Jose, asked the Board to direct staff to reach out to Metrolink and ask them how there were able to meet the December 2015 deadline for Positive Train Control. He said had staff proceeded with this they would have discovered that Metrolink terminated their contract with ARINC in February 2014 for systemic failures to meet deadlines.

Motion/Second: Bruins/Guilbault

Ayes: Bruins, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Davis, Yeager

**AUTHORIZE AMENDMENT TO CONTRACTS WITH HDR ENGINEERING, INC. AND RAIL SURVEYORS AND ENGINEERS, INC. FOR PROVISION OF ON-CALL GENERAL ENGINEERING CONSULTANT DESIGN SERVICES TO INCREASE THE CONTRACTS BY AN AGGREGATE TOTAL AMOUNT OF \$8,250,000**

Director Zmuda asked if the increases in design had been anticipated or is this new work. Ms. Kelly said it is things that happened ahead of when staff expected them to occur.

Motion/Second: Pine/Ramos

Ayes: Bruins, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Davis, Yeager

**AUTHORIZE AWARD OF 12 ON-CALL CONTRACTS FOR INFORMATION TECHNOLOGY SUPPORT SERVICES FOR AN AGGREGATE NOT-TO-EXCEED AMOUNT OF \$11.1 MILLION FOR A THREE-YEAR BASE TERM**

Public Comment

Roland Leburn, San Jose, said HNTB is one of the primary engineering contractors and doesn't belong on this list.

Motion/Second: Ramos/Guilbault

Ayes: Bruins, Guilbault, Pine, Ramos, Zmuda, Gee

Absent: Davis, Yeager

Director Guilbault left at 12:57 p.m.

**LEGISLATIVE UPDATE**

Josh Shaw, Shaw Yoder, provided a report on SB1.

- SB1 draws on several existing funding sources including gasoline excise tax increase.
- Two new funding sources: value-based fee on vehicles and fee on zero-emission vehicles.
- Includes loan repayments
  - The transit funding is distributed by diesel sales tax increase, transportation improvement fee, and a \$706 million loan repayment
- State Transit Assistance Program will increase 137 percent in Fiscal Year 2018-2019 over FY2017-2018.
- Transit and Intercity Rail Capital Program will increase 486 percent.
- Intercity and Commuter Rail Program will allocate to the Peninsula Corridor Joint Powers Board in FY2018-2019.
- Five-Year snapshot for Caltrain is \$24 million.
- Assembly Constitutional Amendment 5 will go to the voters in next June and protects new SB1 revenues from future borrowing.

Chair Gee asked if there is a timeline for the formulas will be agreed upon. Mr. Shaw said some are set and is just a matter of when the dollars start to flow. The California State Transportation Agency has until 2020 to develop the program for Transit and Intercity Rail.

**REGIONAL MEASURE 3 (RM3) UPDATE**

Mr. Murphy said RM3 would increase bridge tolls by \$1 to \$3. He said this is a measure that would be enacted through State legislation and goes to the voters in June 2018. Mr. Murphy said the Bay Area delegation is working with transit agencies to put an Expenditure Plan together that would be included in the legislation. The MTC is also

helping to guide the process as the administrative body for the bridge tolls. Mr. Murphy said there are several projects of critical importance to this agency and Caltrain as the funding partner. He said the the operations at the San Francisco Transbay Terminal and CalMod 2.0 which is the full conversion of the fleet to electric, procurement of additional electric trains to operate longer trains to increase capacity, extend platforms to accommodate longer trains, raised platforms to achieve level boarding and the downtown extension to the Transbay Terminal are all included on the list.

Director Zmuda asked what the timeline was for getting the priorities in print and agreed upon with all the transit agencies. Mr. Murphy said transit agencies are bringing this item before their boards this month and submitted to the delegation. Some agencies have already submitted preliminary lists to their legislative delegation. Mr. Murphy said he will provide an update at the June meeting.

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

Thursday, June 1, 2017, 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.

#### **GENERAL COUNSEL REPORT**

- a) **Closed Session: Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Peninsula Corridor Joint Powers Board. v. Parsons Transportation Group et al; San Mateo County Superior Court Case No. Case No. 17CIV00888**
  
- b) **Closed Session: Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Parsons Transportation Group v. Peninsula Corridor Joint Powers Board et al; San Mateo County Superior Court Case No. Case No. 17CIV00786**

Recessed to closed session at 1:08 p.m.

Reconvened to open session at 1:30 p.m.

Joan Cassman, Legal Counsel, said the Board received a status both items involving the CBOSS project and no action was taken.

Adjourned at 1:32 p.m.