

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF DECEMBER 21, 2020

MEMBERS PRESENT: D. Davis(Chair), R. Collins, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, P. Skinner, K. Yin, G. Martinez, M. Reggiardo, L. Leung, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 1:30 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans confirmed all Board Committee members were present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on Valley Transportation Authority (VTA) surplus used to extend 32 trains to Gilroy, address equity issue, and increasing service before using Measure RR funds.

4. APPROVE MEETING MINUTES OF NOVEMBER 23, 2020

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

5. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING NOVEMBER 30, 2020

Derek Hansel, Chief Financial Officer, noted that there was no presentation and he was available to answer any questions.

Director Monique Zmuda inquired about how the current actual long-term debt expense was derived compared to the budget.

Mr. Hansel replied that it was accrued on a percentage basis, the current actual reflects actual payments made, and other factors included drawing down more on the line of credit than what was budgeted. Mr. Hansel stated that he could provide more information at the next meeting.

Motion/Second: Zmuda/ Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

6. AUTHORIZING EXECUTION OF AMENDMENT FIVE TO THE CONTRACT FOR PROVISION OF RAIL OPERATIONS, MAINTENANCE AND SUPPORT SERVICES WITH TRANSITAMERICA SERVICES, INC. TO EXTEND THE CONTRACT FOR FIVE YEARS THROUGH JUNE 30, 2027

Michelle Bouchard, Chief Operating Officer, provided the presentation, which included background on the agreement and the proposed contract extension, objectives, performance of TransitAmerica Services, Inc. (TASI), and negotiated terms. She spoke about promoting a smooth transition to electrified service, fully incorporating all Positive Train Control (PTC) system requirements, and how the terms eliminated the third conductor requirement. She noted that staff recommended that the JPB execute an operations and maintenance contract for 5 years concluding in Fiscal Year 2027.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following:

- Improved ticket checking with Clipper machines
- Existing contract expiration and increased and existing costs
- TICI (offshoot of American Railroad, assessment of maintenance program)
- FTA PMO overseeing the electrification program
- Reduced GNA (general and administration) costs
- Train and engine crew books
- Performance metrics (quarterly, annually, points, etc.)
- Safety oversight (certified, training, incident reports) versus security
- Third conductor requirement (plans to go over 8 cars) and impact on personnel
- Contract bundling (scope of work allowing flexibility to move personnel from operations to capital without negotiating with multiple vendors) provides single management organization to manage everything

Public comment

Roland Lebrun, San Jose, inquired about the amounts for maintenance, bundled contracts, 16-car trains, and duplicate security. Mr. Lebrun commented on TASI customer experiences and requested listing the contract and monthly governance negotiation reports. He also suggested five one-year extensions.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES

Grace Martinez, Deputy CFO, noted that the Board directed staff in August to procure an accounting firm independent of the one used by the District. She stated that a request for proposal (RFP) was set out in September, three firms were invited for interviews, and it was determined that Brown Armstrong was most responsive to the RFP. Staff recommended award of contract for five-year base term not to exceed \$330,909 and one term five-year renewal.

The Board members had a discussion and staff provided further clarification in response to the Board comments, which included the following: costs, start date and the size of the new firm, and if any applicants were small business enterprises (SBE).

Chair Davis requested this item go to the full Board agenda as it was discussed as part of governance.

Motion/Second: Zmuda/Collins
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

8. AWARD A SOLE SOURCE AGREEMENT TO HOWARD PERMUT LLC TO PROVIDE GOVERNANCE ADVISORY SERVICES IN THE NOT-TO-EXCEED AMOUNT OF \$200,000

Michelle Bouchard, Chief Operating Officer, noted that as part of working with the Governance Process Ad Hoc committee to make a recommendation on governance to the Joint Powers Board by the end of this year, they would like to bring Howard Permut, LLC in to participate in board workshops toward making a recommendation.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions, which included the following: if the firm was local, did the contract include travel expenses, and would the firm be available on Zoom during the next Board meeting should there be questions.

Public comment

Roland Lebrun, San Jose, commented on whether ad hoc committees are subjected to the Brown Act and referred this matter to the new legal counsel.

Motion/Second: Collins/Zmuda
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

9. AUTHORIZATION TO RECEIVE FUNDING FOR THE ATHERTON CALTRAIN STATION CLOSURE PROJECT AND AMEND TO INCREASE THE FISCAL YEAR 2021 CAPITAL BUDGET FROM \$82,334,772 TO \$86,459,772

Peter Skinner, Director of Grants & Fund Management, stated that this would provide the executive director the authority to help fund the Atherton Station closure project. He explained that the funds would be used for installing permanent fencing, design of the quad gates at Watkins Avenue, and contributing to the town for access and site improvement studies.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding using non-constant warning at Atherton.

Public comment

Roland Lebrun, San Jose, commented on budgeting for initial planning and outreach for potential future stations with collaboration with Redwood City and Atherton.

Adrian Brandt, San Mateo County, commented on the non-constant warning time at Fair Oaks Lane for electrification disrupting the quiet zoning in Atherton.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

10. BACKGROUND ON GRADE SEPARATION PROJECTS AND PROCESS

Sebastian Petty, Deputy Chief of Planning, provided the presentation and noted a gap between the regulatory requirement for grade separation and the desires of communities along the corridor. He stated that over the last 30 years, grade separation projects have occurred exclusively in San Mateo County because they set aside a dedicated source of funding (Measure A sales tax) specifically for grade separation projects. Mr. Petty stated that the desired 24 grade separations would take cost \$10 billion and this was included in the Plan Bay Area 2050 submittals. Mr. Petty walked through the purpose, background, regulation, safety, usage, existing gate downtimes, funding (section 190 and section 130 program), city-led closure plans, and corridor wide strategies.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following: whether the 25th Ave grade separation was included in the corridor wide cost estimates, whether Caltrain is asking for Federal funding, raising profiles, fatalities statistics, differentiating between improvements and separations, and high speed rail funding grade separations in the future.

Public comment

Roland Lebrun, San Jose, commented on Section 190, the Broadway grade separation, the 25th Ave grade separation being done first, and the design of the adjacent stations being a problem due to no passing tracks.

Adrian Brandt, San Mateo County, commented on the Redwood City grade separation designs for passing of local trains by express trains needing a four-track approach, and 90 percent of deaths at crossings are suicides and should be excluded as a safety issue.

Aleta Dupree, Oakland, commented on having a completely grade separated corridor and making each project expandable to four tracks.

11. ON-CALL TRANSPORTATION PLANNING AND CONSULTANT SUPPORT SERVICES UPDATE

Melissa Reggiardo, Caltrain Planning Manager, stated that this was started two years ago to address Caltrain's evolving needs, six firms were selected in response to the November 2019 RFP and the contracts would be effective July 2020. Ms. Reggiardo noted that updates would occur quarterly and they are making a concerted effort to spread work across all six primes.

Lawrence Leung, Rail Contracts & Budget Manager, provided details on the quarterly report including information on new work directives or amendments.

Public comment

Roland Lebrun, San Jose, commented on working on a \$12 million spread on a \$15 million contract and previous management.

The Board members thanked staff for their efforts and expressed appreciation for the transparency in the report.

12. COMMITTEE MEMBER REQUESTS

Chair Davis requested an amendment to the TASI contract staff report to mention capital costs for the full board.

Chair Davis requested the following:

- More information on the TASI contract performance metrics and line item savings with current TASI contract from previous TASI contract
- The Award of Contract for Financial Audit Services on the full Board agenda.

13. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, January 25, 2021 at 1:30 pm via Zoom

14. ADJOURN

The meeting adjourned at 3:30 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?> Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.