Amended 2/2/22 4:00pm

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to Assembly Bill 361 (Gov. Code section 54953).

Directors, staff, and the public may participate remotely via Zoom at **https://zoom.us/j/91412776292?pwd=cVdKa01PK2FKdm1CSUwwZXR3RmlkUT09** or by entering Webinar ID: **914 1277 6292,** Passcode: **909765** in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press **#** when prompted for participant ID) for audio only. The video live stream will be available after the meeting at http://www.caltrain.com/about/bod/video.html

Public Comments: Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included in the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

February 3, 2022 – Thursday **9:00 a.m.**

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Public Comments for Items Not on the Agenda
   Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff to reply.
4. Consent Calendar
   Members of the Board may request that an item under the Consent Calendar be considered separately
   a. Approve Regular Meeting Minutes of January 6, 2022 — MOTION
   b. Renew Resolution Adopting Findings of a Proclaimed State of Emergency, Recommendations for Social Distancing, and Imminent Risks to Health and Safety from In-Person Meeting and Approve Meeting Remotely for 30 Days — RESOLUTION

c.	Receive Caltrain Key Performance Statistics – December 2021	MOTION
d.	Amend Resolution Establishing the Citizens Advisory Committee (CAC)	RESOLUTION
e.	Award of Contract for Clipper Next Generation Validator Site Preparation Project	RESOLUTION
f.	Increase Staff's Authority to Execute Contracts for Information Technology Licenses, Maintenance Services, and Professional Services under Resolution 2021-28 by an Aggregate Not-To-Exceed Amount of $1 Million for Fiscal Year 2022	RESOLUTION
g.	Report of the Chief Financial Officer (CFO)	INFORMATIONAL
h.	Accept Statement of Revenues and Expenses for the Period Ended December 31, 2021	MOTION
i.	State and Federal Legislative Update	INFORMATIONAL
j.	Accept Informational Update on Service Plan Monitoring and Analysis	INFORMATIONAL
k.	Metropolitan Transportation Commission (MTC)/Regional Update	INFORMATIONAL
l.	Approve National African-American History Month Resolution	RESOLUTION

5.	Approve Measure RR Bond Financing Transactions and Related Transaction Documents	RESOLUTION
6.	Draft Recommendation on Caltrain Governance	MOTION
7.	Reports	
	a. Report of the Citizens Advisory Committee	INFORMATIONAL
	b. Report of the Chair *(oral)*	INFORMATIONAL
	c. Report of the Local Policy Maker Group (LPMG) *(oral)*	INFORMATIONAL
	d. Report of the Transbay Joint Powers Authority (TJPA) *(oral)*	INFORMATIONAL
	e. Report of the Executive Director	INFORMATIONAL
	i. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report – December 2021	INFORMATIONAL

8. Correspondence
9. Board Member Requests
10. Date/Time of Next Regular Meeting: Thursday, March 3, 2022, at 9:00 am via Zoom (additional location, if any, to be determined)
11. Adjourn

Amended 2/2/22 4:00pm

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 *1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 2:30 pm; JPB WPLP Committee: Fourth Wednesday of the month, 3:00 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person. *Should Zoom not be operational, please check online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html .
Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or
TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that is distributed to a majority of the legislative body, will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

AGENDA ITEM #4a
FEBRUARY 3, 2022

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

DRAFT MINUTES OF JANUARY 6, 2022

MEMBERS PRESENT: C. Chavez (arrived 9:10am), D. Davis (Chair), J. Gee, S. Heminger (Vice Chair), G. Hendricks, D. Pine, C. Stone, S. Walton, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, D. Hansel, S. Petty, J. Harrison, A. Myles-Primakoff, K. Yin, P. Shrestha, B. Shaw, D. Santoro, C. Fromson, , A. Simmons, R. Barnard, L. Leung, D. Seamans, S. Wong

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 9:00 am and led the pledge of allegiance.

2. ROLL CALL

District Secretary Dora Seamans called the roll and a quorum was confirmed.

3. ADOPT FINDINGS OF A PROCLAIMED STATE OF EMERGENCY, RECOMMENDATIONS FOR SOCIAL DISTANCING, AND IMMINENT RISKS TO HEALTH AND SAFETY FROM IN-PERSON MEETING AND APPROVE MEETING REMOTELY FOR 30 DAYS

Motion/Second: Hendricks/Gee
Ayes: Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis
Noes: None
Absent: Chavez

4. GENERAL COUNSEL REPORT – CLOSED SESSION:

a. **Closed Session: Closed Session: Conference with Legal Counsel – Anticipated Litigation. Significant exposure to Litigation pursuant to Government Code Section 54956.9(b): One case**

5. GENERAL COUNSEL REPORT – REPORT OUT FROM ABOVE CLOSED SESSIONS

The Board convened in closed session at 9:06 am
The Board reconvened in regular session at 9:41 am

General Counsel James Harrison stated that there were no reportable actions.

6. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Jeff Carter, Millbrae, expressed condolences regarding Richard Gee.

Aleta Dupree, Oakland, commented on Clipper START.

Adrian Brandt, San Mateo County, commented on vaccinating staff, ridership, sick days, and tariffs.

Vaughn commented on the high speed rail in Tibet and the benefits of the electric railroad to the environment.

Cody commented on the monthly passholder concerned about the decrease in regularly scheduled trains.

7. CONSENT CALENDAR

a. Approve Regular Meeting Minutes of December 2, 2021 and Special Meeting Minutes of December 6, 2021

b. Receive Key Caltrain Performance Statistics – November 2021

c. Report of the Chief Financial Officer (CFO)

d. Accept Statement of Revenues and Expenses for the Period Ended November 30, 2021

e. Accept On-Call Transportation Planning and Consultant Support Services Update

f. Adopt 2022 Legislative Program

g. State and Federal Legislative Update

h. Metropolitan Transportation Commission (MTC)/Regional Update

Motion/Second: Hendricks/Stone
Ayes: Chavez, Gee, Hendricks, Pine, Stone, Walton, Zmuda, Heminger, Davis
Noes: None
Absent: None

8. DRAFT RECOMMENDATION ON CALTRAIN GOVERNANCE

Chair Davis noted all the prior meetings and additional work done by all Board members and provided a proposed framework for the discussion today to the Board.

Sebastian Petty, Deputy Chief of Planning, provided the presentation, which included the following:

- Review of the governance process
- Feedback on the straw proposal and overview of revised proposal (key changes)
- Board discussion and potential action

Michelle Bouchard, Acting Executive Director, thanked the Chair, the Board, and staff for their work and reiterated the need for Caltrain to focus on recovery, regional growth, and serving customers going forward.

<u>Public Comment</u>
Aleta Dupree, Oakland, commented on the document, supermajorities, and owed debts.

Jeff Carter, Millbrae, commented on moving forward for Caltrain operations, recovering ridership, supermajority concerns, paying debts and moving ahead.

Adrian Brandt, San Mateo County, commented on moving forward, re-focusing on ridership, optional language in the presentation, and seamlessness of motorists in Bay Area.

Jonathan Kass, San Francisco Bay Area Planning and Urban Research Association (SPUR), commented on refocusing on the service vision, ridership, customer patterns, major capital projects, and challenges ahead,

Don Cecil, San Mateo County Economic Development Agency (SAMCEDA), commented on focusing on pandemic recovery, PCEP, downtown extension, extending service to Gilroy, and reaching closure.

Adina Levin, Friends of Caltrain, commented on continuing services and reaching an agreement to focus on challenges of running Caltrain.

Nishant Kheterpal, San Francisco, commented on reaching an agreement to refocus on Caltrain regional works, capital projects, electrification, wrapping up governance discussions, and improving daily transit.

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

- Managing agency roles and repayment issues
- Whether the Board can have the managing agency answer questions
- Joint Powers Agreement (JPA) agreement and signatories
- Gilroy service responsibility
- JPB authority to enter into contracts
- JPB ability with hiring, firing, and evaluating managing agency staff
- Eliminating prior agreements and starting fresh with clearer agreements for future board members
- What it takes to change existing JPA
- Principal owed, SamTrans amount in 2008, and status of current repayment efforts
- Resolution 2020-42 and JPB's commitment to changes in the governance structure
- Oversight regarding hiring of Executive Director
- Metropolitan Transportation Commission's (MTC) letter regarding Right of Way (ROW) repayment
- Requesting non-credit repayments
- How the current managing agency best serves the interest of the JPB and Caltrain riders

Motion/Second: Stone/Pine – Moved, upon repayment of the $19.8 million, SamTrans to retain managing agency status
Ayes: Gee, Pine, Stone, Heminger
Noes: Chavez, Hendricks, Walton, Zmuda, Davis
Absent: None
Motion did not pass/failed.

Motion/Second: Davis/Hendricks **moved that upon repayment of the $19.8 million principal owed under the 2008 RPOAA amendment, SamTrans reconvey the Right of Way (ROW) title to the JPB in San Mateo County and relinquish their tenant-in-common, with repayment made in a non-credit manner (added to Part A of the term sheet).**
Ayes: Chavez, Gee, Hendricks, Pine, Walton, Zmuda, Heminger, Davis
Noes: Stone
Absent: None

Motion/Second: **Heminger/Stone moved to replace the date in Option Language A5 with a commitment for developing a deadline for an expeditious completion of work with Metropolitan Transportation Commission (MTC)**
Ayes: Chavez, Gee, Hendricks, Pine, Walton, Zmuda, Heminger, Davis
Noes: Stone
Absent: None

The Board break from 11:32 am to 11:37 am

The Board members continued their discussion, which included on the following:

- The Executive Director having full authority over staff
- Having an option for a simple majority (with a member from each county) on the decision to hire and fire the Caltrain Executive Director
- Interest Rates on repayment
- What is currently guiding the JPB
- San Mateo's current veto ability
- Agreed to hold an additional Special Meeting to further discuss governance issues, particularly the managing agency and executive director role, additional compensation to SamTrans, and shared equity.

9. REPORTS – *Items 9 a through 9 d.i were deferred to the next Regular Board meeting*

a. Report of the Citizens Advisory Committee

b. Report of the Chair *(oral)*

c. Report of the Transbay Joint Powers Authority (TJPA) *(oral)*

d. Report of the Executive Director

i. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report – November 2021

10. REPORT OF THE NOMINATING COMMITTEE

a. Election of Officers for 2022 (Hendricks/Pine /Zmuda)

Director Pine stated the nominating committee nominated Director Heminger Chair of Board and Charles Stone Vice Chair.

Public Comment

Aleta Dupree, Oakland, expressed appreciation for outgoing Chair Dev Davis.

Motion/Second: Pine/Chavez
Ayes: Chavez, Gee, Hendricks, Pine, Zmuda, Heminger, Davis
Noes: Stone
Absent: Walton

b. Resolution of Appreciation for Former Chair Dev Davis

Chair Heminger and Board Members expressed their thanks and appreciation to former Chair Davis.

Motion/Second: Chavez/Gee
Ayes: Chavez, Gee, Hendricks, Pine, Zmuda, Heminger, Davis
Noes: Stone
Absent: Walton

11. CORRESPONDENCE

Correspondence was available online.

12. BOARD MEMBER REQUESTS

Chair Davis requested Board members respond to District Secretary Seamans on future poll to schedule the special meeting.

13. DATE/TIME OF NEXT REGULAR MEETING:

Thursday, February 3, 2022 at 9:00 am via Zoom (additional location, if any, to be determined).

14. ADJOURN

The meeting adjourned at 1:43 pm in memory of Richard (Dick) Gee.

An audio/video recording of this meeting is available online at www.Caltrain.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6242 or by email to Board@Caltrain.com.

AGENDA ITEM #4b
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: James C. Harrison, General Counsel

SUBJECT: RENEW RESOLUTION ADOPTING FINDINGS OF A PROCLAIMED STATE OF EMERGENCY, RECOMMENDATIONS FOR SOCIAL DISTANCING, AND IMMINENT RISKS TO HEALTH AND SAFETY FROM IN-PERSON MEETING AND APPROVE MEETING REMOTELY FOR 30 DAYS

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends that the Board:

1. Renew Resolution No. 2022-01, dated January 6, 2022, adopting findings that: 1) there is a proclaimed state of emergency in California; and 2) local public health officials have recommended measures for social distancing; and 3) meeting in person would pose imminent risk to the health and safety of attendees.
2. Approve meeting remotely via teleconference for the next 30 days, pursuant to AB 361 (Government Code section 54953).

SIGNIFICANCE

On March 4, 2020, Governor Gavin Newsom declared a state of emergency, and issued subsequent executive orders suspending certain provisions of the Ralph M. Brown Act (the Brown Act) to allow local government agencies to meet remotely during the COVID-19 pandemic. His most recent executive order suspending provisions of the Act expired at the end of September; before its expiration, Governor Newsom signed Assembly Bill 361 (AB 361) into law on September 16, 2021, amending the Brown Act to permit local agencies to continue to use teleconferencing under certain conditions during a state of emergency.

AB 361 allows local agencies to make an initial determination to hold open meetings via teleconferencing when there is a proclaimed state of emergency and one of the following criteria described in section 54953(e)(1) of the Brown Act, as amended, is met:

A. State or local officials have imposed or recommended social distancing.
B. The local agency holds a meeting for the purposes of determining by majority vote if meeting in person would pose imminent health and safety risks to attendees.
C. The local agency holds a meeting after having determined by majority vote, as a result of the emergency, meeting in person would pose imminent risks to the health or safety of attendees.

Following the initial determination, a local agency must make the following findings by a majority vote every 30 days to renew the resolution and to continue to meet remotely: (1) the local agency has reconsidered the circumstances of the emergency; *and* (2) the state of emergency continues to directly impact the ability of the members to safely meet in person, *or* state or local officials continue to impose or recommend social distancing. Gov't Code § 54953(e)(3).

The Board of Directors previously adopted Resolution, 2022-01 on January 6, 2022, finding that there was a proclaimed state of emergency in California, that local public health officials had recommended measures for social distancing, and that meeting in person would pose imminent risk to the health and safety of attendees.

The Governor's declared state of emergency is still in place and transmission in the three JPB member counties continues to be extremely high according to CDC metrics while the recent surge of the Omicron variant of COVID-19 has led to renewed efforts to prevent and reduce transmission of COVID-19, including recommendations by federal, state, and local health officials for social distancing particularly when members of multiple households are congregating and the vaccination status of the attendees is unknown.

Given these conditions, staff recommend that the Board renew the resolution for Advisory, Committee, Regular and Special meetings to be conducted via teleconference for the next 30 days following this February 3, 2022 meeting pursuant to Government Code section 54953(e)(3).

BUDGET IMPACT

There is no budget impact associated with receiving this report.

BACKGROUND

The California Department of Public Health continues to refer California residents to guidance from the Centers for Disease Control and Prevention (CDC) on how to prevent the spread of COVID-19 and its variants. The CDC continues to recommend social distancing as a measure for individuals to protect themselves and others from infection with COVID-19.

Similarly, the San Mateo County Health Officer has advised that San Mateo County residents should continue to follow the recommendations of the CDC. According to the City and County of San Francisco public health guidance, its guidelines will align with those of the CDC (except when local conditions require more restrictive measures). Following the amendments to the Brown Act described above, on September 21, 2021, the County of Santa Clara Public Health Officer issued a Recommendation Regarding Continued Remote Public Meetings of Governmental Entities and advised that public bodies continue to meet remotely to the extent possible.

Prepared by James C. Harrison, General Counsel, Olson Remcho LLP

RESOLUTION NO. 2022-

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

RENEWING RESOLUTION ADOPTING FINDINGS THAT THERE IS A PROCLAIMED STATE OF EMERGENCY AND THAT MEETING IN PERSON POSES IMMINENT HEALTH AND SAFETY RISKS TO ATTENDEES AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD AND COMMITTEES FOR THE PERIOD OF FEBRUARY 3, 2022 TO MARCH 5, 2022

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency in the State of California; and

WHEREAS, the Brown Act, Government Code section 54953(e), was amended on September 16, 2021 to make provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, the Board of Directors previously adopted Resolution, 2022-01 on January 6, 2022, finding that the requisite conditions were met for the Peninsula Corridor Joint Powers Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, it has now been less than 30 days since the Board's adoption of this resolution, and to continue to meet remotely, the Board must renew its resolution pursuant to section 54953(e)(3), and make the following findings by a majority vote: (1) the Board has reconsidered the circumstances of the emergency; and (2) the state of emergency continues to directly impact the ability of the members to safely meet in person, *or* state or local officials continue to impose or recommend social distancing; and

WHEREAS San Mateo County, Santa Clara County, and San Francisco County public health officials continue to recommend measures to promote social distancing, and the rates of transmission of COVID-19 and its variants in all three counties are currently extremely high and continue to pose imminent risks for the health of attendees at indoor gatherings involving individuals from different households with unknown vaccination status; and

WHEREAS to help protect against the spread of COVID-19 and variants, and to protect the health and safety of the public, the Board of Directors wishes to take the actions necessary to comply with the Brown Act, as amended, to continue to hold its Board, Committee, and Advisory Committee meetings remotely via teleconference; and

WHEREAS the Board of Directors will continue to give notice of the meeting and post agendas as otherwise required by the Brown Act and allow members of the public to access the meeting and give ample opportunity for public comment; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors has reconsidered the circumstances of the emergency and finds that the state of emergency continues to directly impact the ability of the members to safely meet in person and state or local officials continue to impose or recommend social distancing; and

BE IT FURTHER RESOLVED that the Board renews Resolution No. 2022-01 and approves meeting via teleconference for all Regular and Special Board, Committee, and Advisory Committee Meetings of the JPB for the 30 days following this resolution, in accordance with Government Code section 54953 and other applicable provisions of the Brown Act.

Regularly passed and adopted this 3rd day of February 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

AGENDA ITEM #4c
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Joe Navarro
Deputy Chief, Rail Operations

SUBJECT: **CALTRAIN KEY PERFORMANCE STATISTICS – DECEMBER 2021**

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION
Staff Coordinating Council recommends that the Board receive the Performance Statistics Report for December 2021.

SIGNIFICANCE
Staff will provide monthly updates to the Caltrain Key Performance Statistics, Caltrain Shuttle Ridership, Communications and Marketing Promotions, and Digital Communications. It should be noted that this report reflects impacts from the COVID-19 pandemic.

BUDGET IMPACT
There is no budget impact.

MONTHLY UPDATE

December 2021

	FY2020	FY2021	FY2022	FY21 to FY22 % Change
Total Ridership	1,428,363	79,078*	255,679	223.3%
Average Weekday Ridership	62,480	3,162*	9,687	206.4%
Total Farebox Revenue	$ 7,860,476	$ 2,959,110	$ 2,742,162	-7.3%
On-time Performance	92.5%	95.3%	91.1%	-4.4%
Average Weekday Caltrain Shuttle Ridership	6,622	414	243	-41.3%

Fiscal Year to Date

	FY2020	FY2021	FY2022	FY21 to FY22 % Change
Total Ridership	9,588,331	550,190*	1,681,364	205.6%
Average Weekday Ridership	59,555	3,564*	10,474	193.9%
Total Farebox Revenue	$ 53,194,549	$ 17,938,465	$ 15,579,977	-13.1%
On-time Performance	93.3%	96.4%	93.9%	-2.6%
Average Weekday Caltrain Shuttle Ridership	8,500	967	253	-73.8%

** Adjusted after thorough review of data from past Fiscal Years*

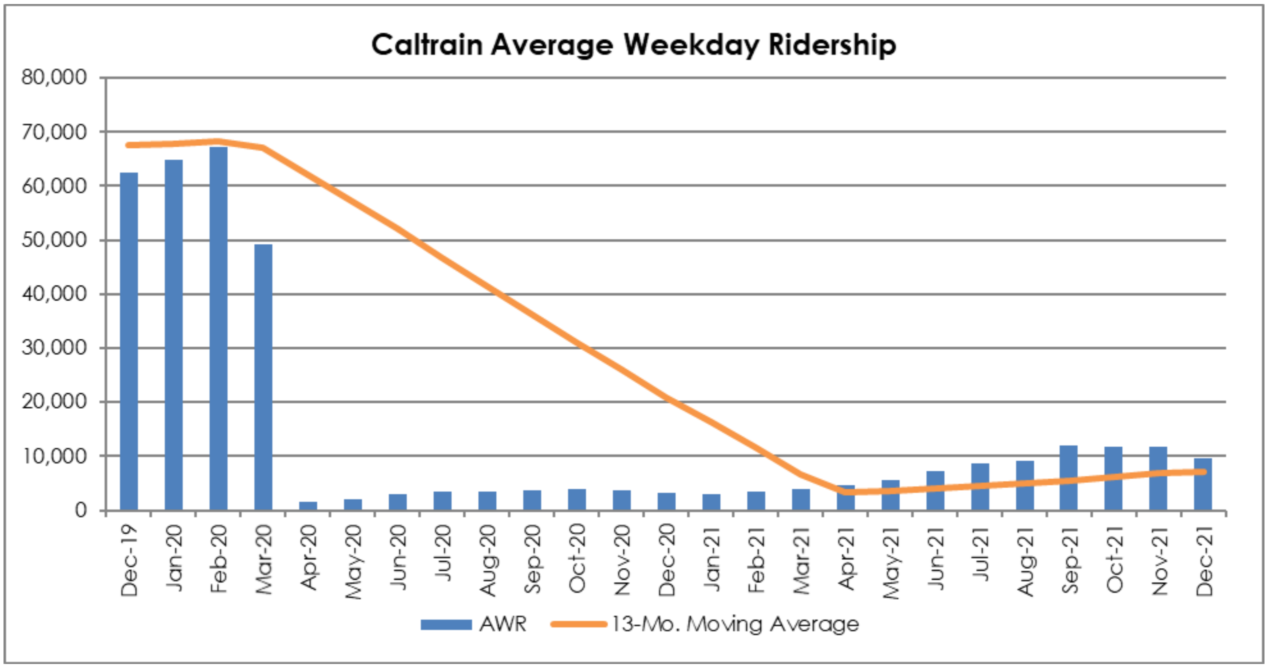
RIDERSHIP

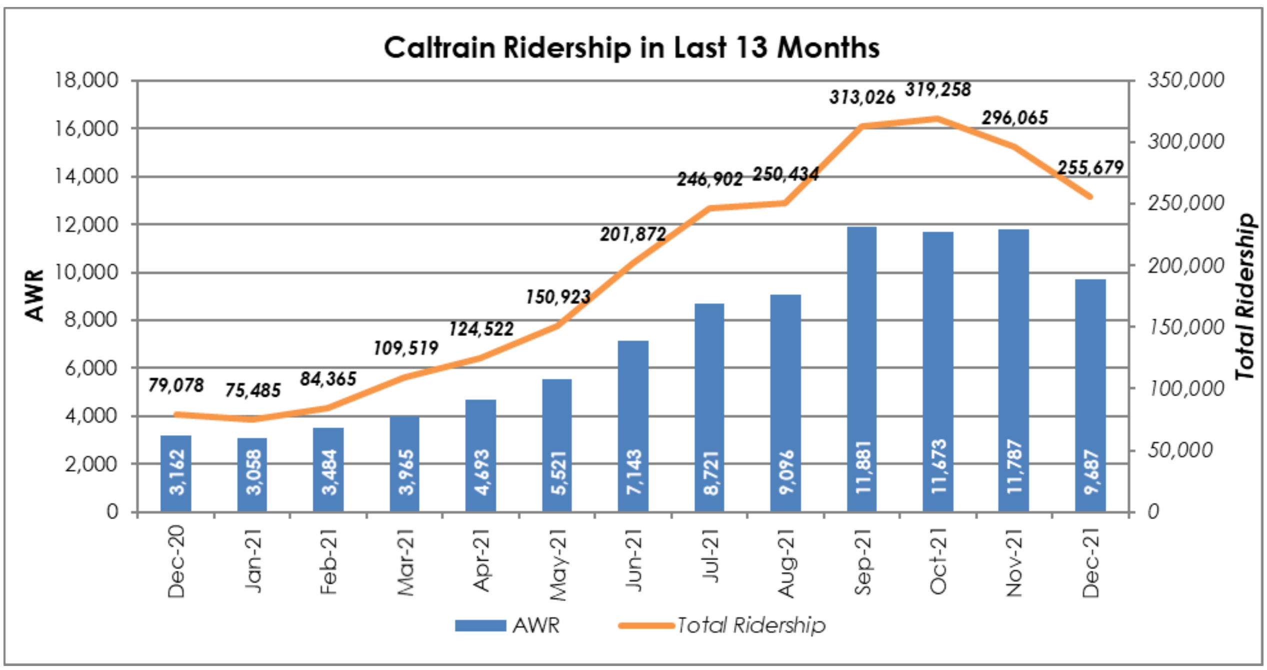
Since April 2020, ridership estimates have been developed using daily conductor counts at 14 key stations and Clipper tags at all stations due to significant impacts to ticket sales and usage patterns from the COVID-19 pandemic.

Both total and average weekday ridership increased from the same month in the prior year despite the rise of new COVID-19 variant.

Ridership recovery continues to be stronger on weekends compared to weekdays, namely:

- Average Saturday ridership increased by 275.1 percent to 5,723 from 1,526 from December 2020.
- Average Sunday ridership increased by 280.3 percent compared to 4,107 from 1,080 from December 2020.



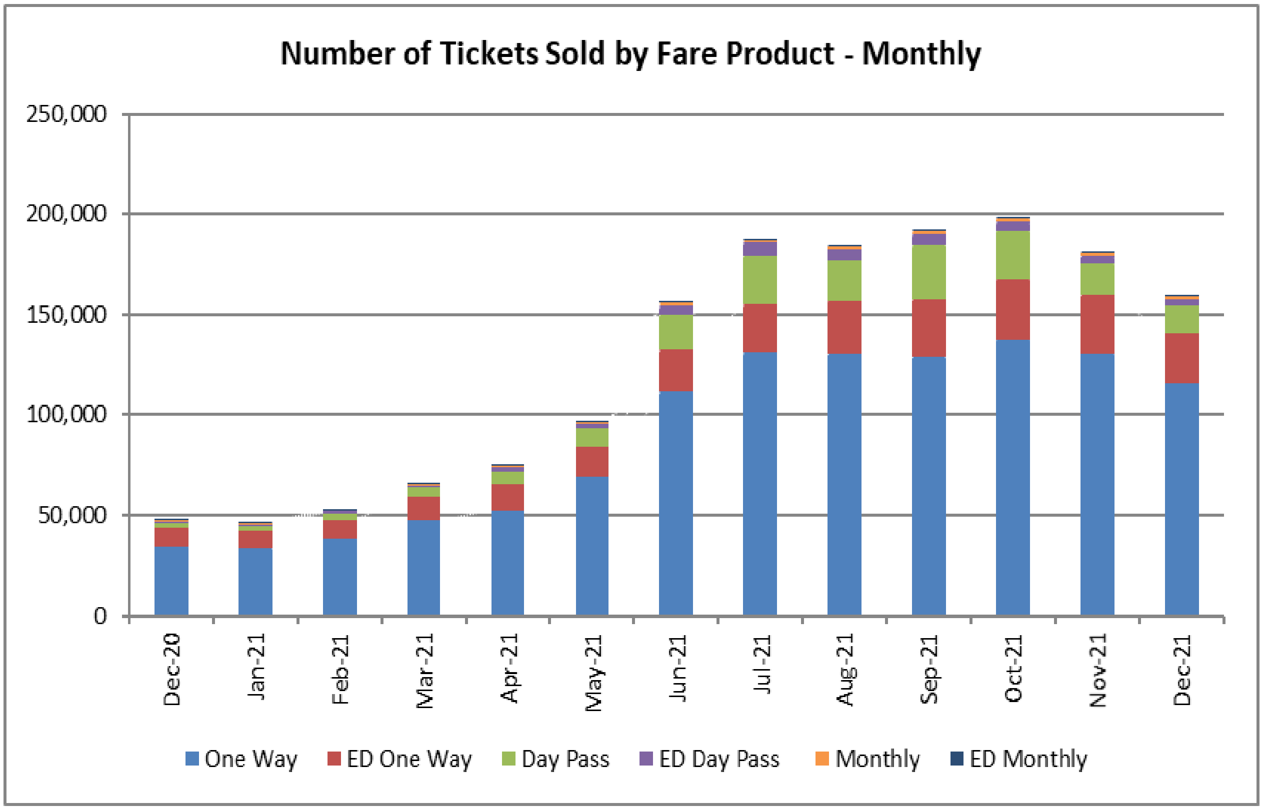


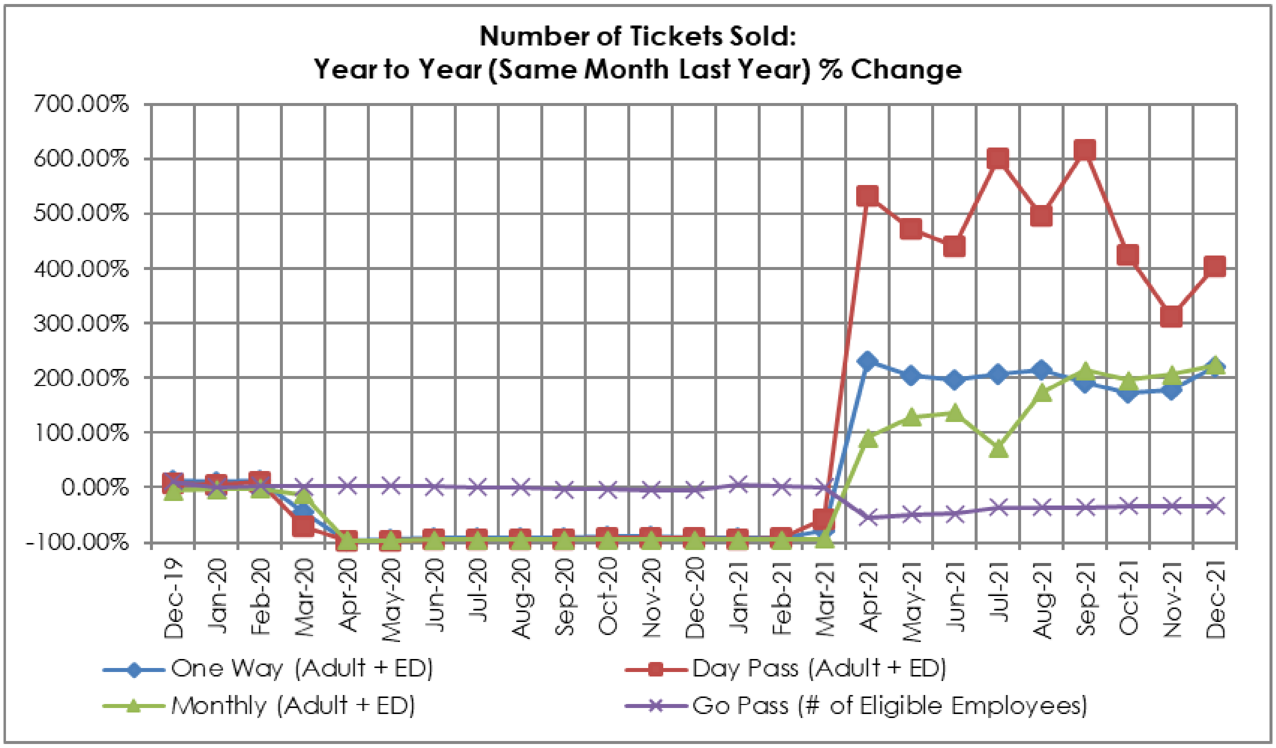
SHUTTLE AVERAGE RIDERSHIP

Shuttle AWR ridership for December 2021 was 243, a decrease of 41.3 percent compared to December 2020 (414). As of December 2021, eleven shuttle routes are operating. Additionally, the employer suspends two routes and six services that have been removed from the shuttle program since January 2021 due to operational, partner, or granting changes/losses.

TICKET SALES
Other ticket sales and farebox revenue statistics trended as follows:

- Eligible Go Pass Employees decreased to 57,719 from December 2020 (87,116).
- The participating Go Pass Companies decreased to 43 from December 2020 (117).
- Total Farebox Revenue decreased by 7.3 percent to $2,742,162 from December 2020 ($2,959,110).



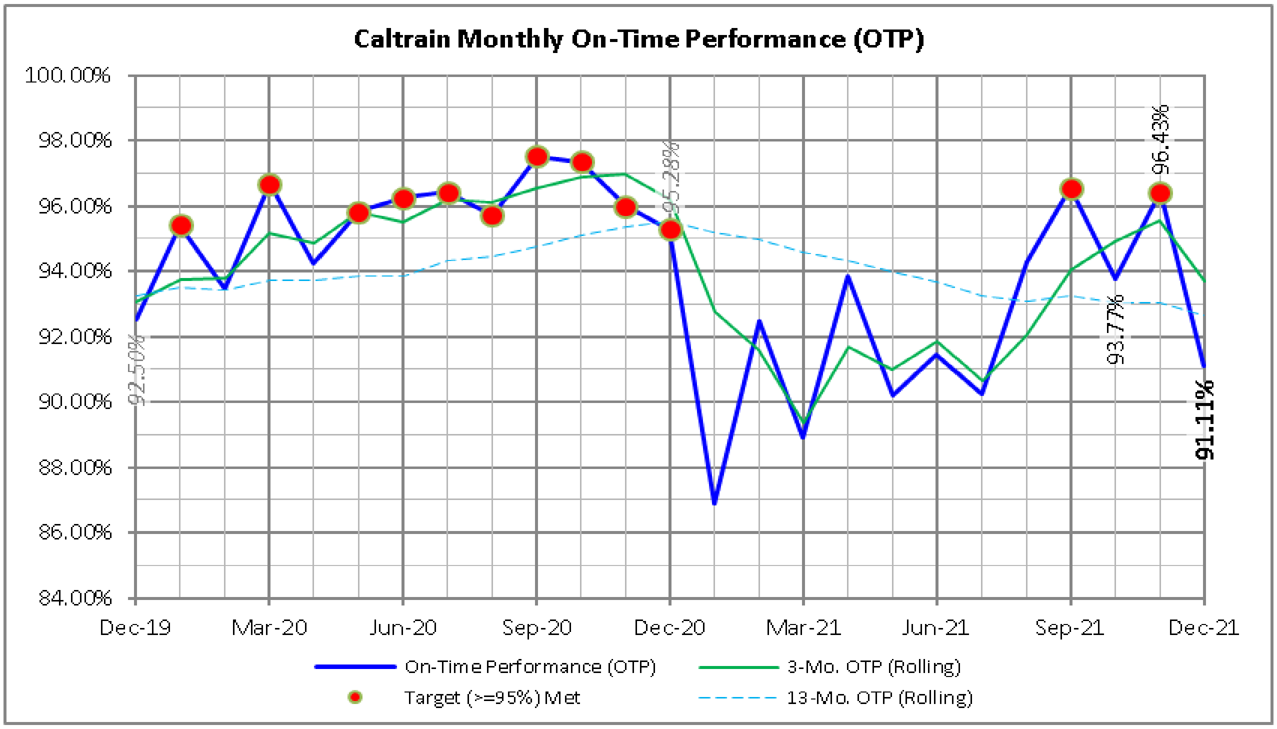


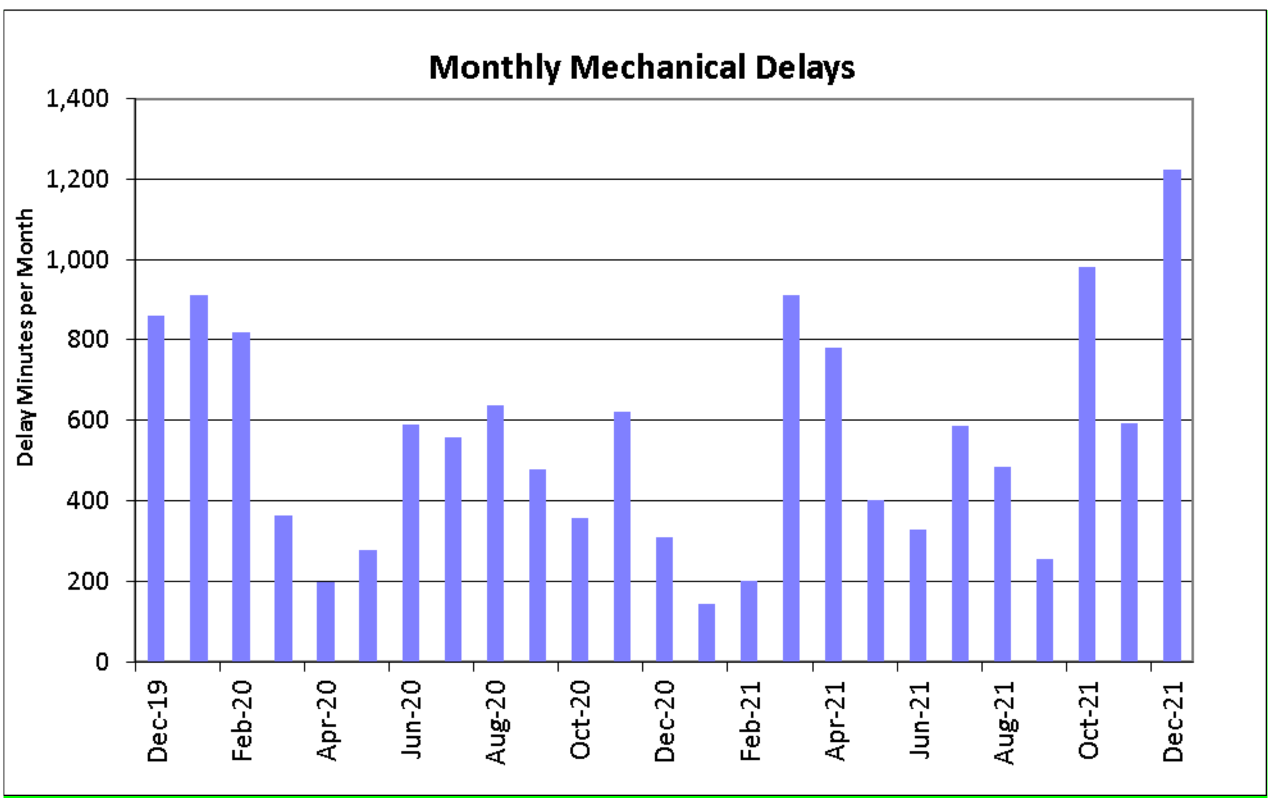
Note:

1. *Go Passes tracked by Monthly Number of Eligible Employees (not by Sales)*
2. *Starting in September 2021, ticket sales are derived from the Business Intelligence (BI) system that corrected One-Way ticket sales. The correction reduced total tickets by about 10%-15% when compared to the former methodology.*

ON-TIME PERFORMANCE (OTP)

In December 2021, OTP was 91.1 percent compared to 95.3 percent in December 2020.





Caltrain Communication and Marketing Campaigns for December 2021:

- Take Caltrain to the Game - 49ers Football, Sharks Hockey, Warriors Basketball (ongoing)
- Holiday Train Campaign
- Clipper Mobile (ongoing)
- 20% Off Caltrain Monthly Pass (ongoing)
- Clipper Start (ongoing)
- “Face Coverings Required” messaging to customers (ongoing)
- Press Release: "Cost of Caltrain Electrification Increases, Project on Track for 2024"
- Press Release: "Caltrain Provides Christmas Day & Christmas Eve Service"
- Press Release: "Caltrain Offers Free New Year’s Service, Additional Trains"

Notable Mention:

Our social footprint is still growing as engagement on Instagram, TikTok, and Twitter accounts continues to rise.

Digital Communications Report:

The month of December brought in a lot of different messaging, but the largest pieces were Holiday train and the Caltrain 12 days of Giveaways contest where we gave away Caltrain skateboard decks. With the uptick in Covid cases reminders of masks were continually sent out, as well as reminding people that the federal mask mandate was extended. Holiday service messaging around Christmas service and Free New Year’s Eve service rounded out the messaging.

December 2021 Highlights:

- Holiday Train
- 12 Days of Giveaways

Prepared by: Patrice Givens – Administrative Analyst II 650.508.6347
Robert Casumbal – Director, Marketing & Research 650.508.7924
Jeremy Lipps – Manager, Digital Communications 650.622.7845

AGENDA ITEM #4d
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: James C. Harrison, General Counsel

SUBJECT: **AMEND RESOLUTION ESTABLISHING THE CITIZENS ADVISORY COMMITTEE**

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends that the Board amend Resolution No. 1992-28 establishing the Citizens Advisory Committee (CAC) to clarify the scope of the CAC's role with respect to Measure RR. Specifically, staff recommends that the Board amend paragraph 5 of Resolution No. 1992-28 to read as follows (recommended amendments in italics):

> The Citizens Advisory Committee shall act as an advisory committee to the JPB. Its activities shall include seeking the views of various groups of users and potential users of public transit, and to develop proposals and recommendations for meeting the needs of these various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate. *The Citizens Advisory Committee shall serve as the independent oversight committee for the Measure RR sales tax as required by resolution of the Peninsula Corridor Joint Powers Board. In its capacity as the independent oversight committee, the Citizens Advisory Committee shall be responsible for verifying that the tax proceeds are invested in a way that is consistent with the purpose of the tax by: (1) receiving the annual independent audit of the receipt and expenditure of tax proceeds; (2) holding a public hearing; and (3) issuing an annual report to provide the public with information regarding how the tax proceeds are being spent.*

SIGNIFICANCE

More than 70% of voters in the City and County of San Francisco, and the Counties of San Mateo and Santa Clara (together, the "Counties") approved Measure RR on November 3, 2020. By voting in favor of Measure RR, the voters authorized an additional sales tax of 0.125% in the Counties for the next 30 years, which is estimated to generate approximately $100 million per year for the Caltrain rail service.

Prior to the passage of Measure RR, the Board of Directors adopted Resolution No. 2020-40, which identified the CAC as the independent oversight committee for Measure RR and described the CAC's duties with regard to its oversight role as follows: (1) verify that the tax proceeds are invested in a way that is consistent with the purpose of the tax; (2) receive the annual independent audit of the receipt and expenditure of tax proceeds; (3) hold a public hearing; and (4) issue an annual report to provide the public with information regarding how the tax proceeds are being spent. Measure RR, § 6(d).

The language of the resolution establishing the CAC, Resolution No. 1992-28, is very broad, stating that the JPB "wishes to create an organized forum for the community to provide information, ideas and comments to the Board." The CAC Bylaws describe its role as acting in an advisory capacity to the JPB, stating, "Its activities shall include seeking the views of various groups of users and potential users of Caltrain and ancillary transit facilities and to develop proposals and recommendations for meeting the needs of these various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate." Neither Resolution No. 1992-28 nor the CAC Bylaws specifically contemplate the type of oversight described in Measure RR, and therefore an amendment to Resolution No. 1992-28 will make clear CAC's responsibilities in this area.

BUDGET IMPACT

There is no budget impact associated with adopting this resolution.

BACKGROUND

Pursuant to Resolution No. 1992-28, which established the CAC, the committee is composed of three members from each county appointed by the JPB member agencies. The Board intended for the membership of the CAC to represent the demographics of the Counties as closely as possible, and the resolution articulated that the Committee's role was to be advisory only.

Effective January 1, 2018, Part 1.7 (commencing with Section 7286.65) of Division 2 of the Revenue and Taxation Code of the State of California was amended by California Senate Bill No. 797 to authorize the JPB to submit a regional measure proposing to impose a retail transactions and use tax of not more than 0.125 percent to be used for the operating and capital purposes of the Caltrain rail service. Consistent with this amendment, the Board adopted the language of Measure RR on August 6, 2020 and described the purpose of the tax to fund operating and capital expenses of the Caltrain rail service, and to support the operating and capital needs required to implement the Service Vision adopted by the JPB on October 3, 2019 as part of the Caltrain Business Plan.

The resolution authorizing Measure RR specifically identified the CAC as the independent oversight committee for Measure RR. Because the resolution establishing the CAC does not include this role, staff recommends that the Board amend the resolution to define the CAC's charge as the Measure RR independent oversight committee.

Prepared by James C. Harrison and Anna Myles-Primakoff, Olson Remcho LLP

RESOLUTION NO. 2022-

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

AMENDING RESOLUTION NO. 1992-28 ESTABLISHING THE CITIZENS ADVISORY COMMITTEE TO CLARIFY SCOPE OF THE CAC'S ROLE AS INDEPENDENT OVERSIGHT COMMITTEE FOR MEASURE RR

WHEREAS, on November 3, 2020, the voters of San Francisco City and County, Santa Clara County, and San Mateo County authorized Measure RR, an additional sales tax of 0.125% in the Counties for the next 30 years, which is estimated to generate approximately $100 million per year for the Caltrain rail service; and

WHEREAS, prior to the passage of Measure RR, the Board of Directors adopted Resolution No. 2020-40, which identified the CAC as the independent oversight committee for Measure RR, when authorized, and described the CAC's duties to: (1) verify that the tax proceeds are invested in a way that is consistent with the purpose of the tax; (2) receive the annual independent audit of the receipt and expenditure of tax proceeds; (3) hold a public hearing; and (4) issue an annual report to provide the public with information regarding how the tax proceeds are being spent; and

WHEREAS, the Board previously adopted Resolution No. 1992-28 establishing the Citizens Advisory Committee (CAC), using very broad language to describe the role of the CAC "as an advisory committee to the JPB. Its activities shall include seeking the views of various groups of users and potential users of public transit, and to develop proposals and recommendations for meeting the needs of these various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate."; and

WHEREAS, the language of Resolution No. 1992-28 does not address CAC's role in exercising oversight for Measure RR, and the Board wishes to amend the resolution to define the CAC's charge as the independent oversight committee; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors amend Resolution No. 1992-28 establishing the Citizens Advisory Committee (CAC) to clarify the scope of the CAC's role with respect to Measure RR. Specifically, the Board amends paragraph 5 of Resolution No. 1992-28 to read as follows (amendments in italics):

> The Citizens Advisory Committee shall act as an advisory committee to the JPB. Its activities shall include seeking the views of various groups of users and potential users of public transit, and to develop proposals and recommendations for meeting the needs of these various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate. *The Citizens Advisory Committee shall serve as the independent oversight committee for the Measure RR sales tax as required by resolution of the Peninsula Corridor Joint Powers Board. In its capacity as the independent oversight committee, the Citizens Advisory Committee shall be responsible for verifying that the tax proceeds are invested in a way that is consistent with the purpose of the tax by: (1) receiving the annual independent audit of the receipt and expenditure of tax proceeds; (2) holding a public hearing; and (3) issuing an annual report to provide the public with information regarding how the tax proceeds are being spent.*

Regularly passed and adopted this 3rd day of February 2022 by the following vote:

AYES:

NOES:

ABSENT:

____
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____
JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACT FOR CLIPPER NEXT GENERATION VALIDATOR SITE PREPARATION PROJECT**

☑ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Award a contract to the lowest, responsive and responsible bidder, Beci Electric, Inc. (Beci) of Oakland, California, for a total amount of $1,152,000 for the Clipper Next Generation Validator Site Preparation Project (Project).

2. Authorize the Executive Director or designee to execute a contract with Beci, in full conformity with the terms and conditions set forth in the solicitation documents, and in a form approved by legal counsel.

SIGNIFICANCE

The Metropolitan Transportation Commission is upgrading the Clipper Interface Devices on the next generation Clipper® validators, which read Clipper cards for all Bay Area Transit agencies. The Project scope consists of furnishing all labor, equipment and materials required to install the new Clipper next generation validators on station platforms and station buildings at 30 Caltrain passenger stations. The work includes installing electrical cables and conduits from the electrical panels to the desired validator locations according to the design plans for each station and installing mounting bolts to secure the validators to the ground.

The Project is anticipated to be completed by the end of summer 2022.

BUDGET IMPACT

The Project was first approved by the Board in Fiscal Year (FY) 2021 with a budget of $1.0 million. In FY2022, the Board approved an additional $1.560 million to be financed with federal funds ($1.248 million) and funds from Measure RR ($312,000). The total approved

Project funding of $2.560 million is sufficient to fully fund the current request of $1.152 million.

BACKGROUND

An Invitation for Bids (IFB), solicitation number 22-J-C-021, was advertised in a newspaper of general circulation and on the JPB procurement website. A 15% Disadvantaged Business Enterprises (DBE) goal was assigned to this Project. Prior to releasing the IFB, extensive outreach for DBEs was conducted via the statewide database. Four potential bidders attended the pre-bid meeting and two bids were received as follows:

Company	Bid Amount
Engineer's Estimate	**$942,251**
1. Beci Electric, Inc., Oakland, CA	$1,152,000
2. Royal Electric, Inc., Sacramento, CA	$1,797,797

Beci submitted all required bid documentation. Staff has determined, and legal counsel concurred, that the bid submitted by Beci is responsive.

The bid from Beci was approximately 22 percent higher than the engineer's estimate. Staff believes the pricing difference is attributable to a competitive market and significant increase in the cost of materials, including copper wire and cable required for the Project. According to the October 2021 Producer Price Index from the U.S. Bureau of Labor Statistics, the costs of copper wire and cable have increased by 26.3% in the past year.

Beci is a certified and verified DBE firm and will exceed the 15% DBE goal by self-performing 100% of the contract.

Beci is an established regional contractor with more than 36 years of construction experience. Staff contacted Beci's references and confirmed its experience and competency. Beci completed the JPB's Public Address System and Visual Message Signs Upgrade project at four Caltrain stations. Based upon these findings, staff concludes that Beci is appropriately qualified and capable of meeting the requirements of the contract and is, therefore, the lowest, responsive, and responsible bidder.

Prepared By:	Quoc Truong, Procurement Administrator III	650.508.7732
Project Manager:	Robert Tam, Manager, Technology Research & Dev	650.508.7969

RESOLUTION NO. 2022 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

AWARDING A CONTRACT TO BECI ELECTRIC, INC. FOR THE CLIPPER NEXT GENERATION VALIDATOR SITE PREPARATION PROJECT FOR A TOTAL AMOUNT OF $1,152,000

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued an Invitation for Bids (IFB), solicitation number 22-J-C-021, for the Clipper Next Generation Validator Site Preparation Project; and

WHEREAS, in response to the IFB, the JPB received two bids; and

WHEREAS, staff and legal counsel reviewed the bids and determined that Beci Electric, Inc. of Oakland, California (Beci) is the lowest, responsive and responsible bidder; and

WHEREAS, the Acting Executive Director recommends that a contract be awarded to Beci whose bid meets the requirements of the solicitation documents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to Beci Electric, Inc. for the Clipper Next Generation Validator Site Preparation Project for a total amount of $1,152,000; and

BE IT FURTHER RESOLVED that the Acting Executive Director or designee is authorized to execute a contract on behalf of the JPB with Beci in full conformity with all the terms and conditions of the solicitation documents and in a form approved by legal counsel.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____

JPB Secretary

AGENDA ITEM #4f
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **INCREASING STAFF'S AUTHORITY TO EXECUTE CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES, MAINTENANCE SERVICES, AND PROFESSIONAL SERVICES UNDER RESOLUTION 2021-28 BY AN AGGREGATE NOT-TO-EXCEED AMOUNT OF $1 MILLION FOR FISCAL YEAR 2022**

✓ Finance Committee Recommendation	☐ Work Program-Legislative-Planning Committee Recommendation	☐ Staff Coordinating Council Reviewed	☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) increase the aggregate authority delegated to the Executive Director or designee from $1 million to $2 million for award of contracts over $150,000 under Information Technology (IT) Resolution No. 2021-28 for Fiscal Year (FY) 2022.

SIGNIFICANCE

The JPB has expended $720,813 under IT Resolution 2021-28, leaving remaining authority of $279,187 for the balance of FY 2022.

The proposed increase to the cumulative delegated contract authority will allow the JPB to contract for new and renewed software licenses, as well as maintenance, support services and related professional services for proprietary software, without bringing individual contracts before the Board for approval. Most significantly, staff anticipates using the proposed increase to engage in the next phase of upgrades to Caltrain ticket vending machines (TVMs).

A quarterly report listing contracts awarded under IT Resolution No. 2021-28 during the prior quarter would continue to be submitted to the Board, and all other procurement policies and procedures would continue to be followed.

Increasing staff's authority to execute contracts pursuant to the IT Resolution for FY 2022 would expedite the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of IT support and license agreements.

BUDGET IMPACT

Funds for purchases planned under the higher IT Resolution threshold are programmed in the approved FY 2021 and 2022 Operating and Capital Budgets.

BACKGROUND

The Board approved IT Resolution No. 2021-28 on June 3, 2021, authorizing execution of contracts greater than $150,000 for IT licenses, maintenance services, and professional services, up to an aggregate not-to-exceed amount of $1 million, for FY 2022. Pursuant to IT Resolution No. 2021-28, the JPB executed Agreement 21-J-S-054 with Ventek Transit, Inc. to upgrade 21 existing TVMs (Phase 3) with Clipper functionality and replace obsolete components to extend the useful life of TVM's for a not-to-exceed amount of $720,813, leaving a remaining authority of $279,187 under IT Resolution No. 2021-28 for the balance of FY 2022. Option 1 to Agreement 21-J-S-054 allows the JPB to upgrade an additional 27 TVMs (Phase 4) for a not-to-exceed amount of $929,485, which exceeds the contract authority delegated to staff under IT Resolution No. 2021-28.

Prepared By:	Shruti Ladani, Contract Administrator	650.622.7857
Project Manager:	Mehul Kumar, Executive Officer, IT	650.508.6206

RESOLUTION NO. 2022 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

***

INCREASING STAFF'S AUTHORITY TO EXECUTE CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES, MAINTENANCE SERVICES AND PROFESSIONAL SERVICES UNDER RESOLUTION NO. 2021-28 BY AN AGGREGATE NOT-TO-EXCEED AMOUNT OF $1 MILLION FOR FISCAL YEAR 2022

WHEREAS, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) approved Information Technology (IT) Resolution No. 2021-28 on June 3, 2021, authorizing execution of contracts greater than $150,000 for IT licenses, maintenance services, and professional services, up to an aggregate not-to-exceed amount of $1 million, for Fiscal Year (FY) 2022; and

WHEREAS, on August 31, 2021, Agreement 21-J-S-054 with Ventek Transit, Inc. was awarded under IT Resolution No. 2021-28 to upgrade 21 existing Ticket Vending Machines (TVMs) (Phase 3) with Clipper functionality and replace obsolete components to extend the useful life of TVMs for a not-to-exceed amount of $720,813, leaving a remaining authority of $279,187 under Resolution No. 2021-28 for the balance of FY 2022; and

WHEREAS, the JPB desires to exercise Option 1 to Agreement 21-J-S-054 to upgrade an additional 27 TVMs (Phase 4) for a not-to-exceed amount of $929,485; and

WHEREAS, the contracting authority established by IT Resolution No. 2021-28 does not have enough capacity for staff to exercise Option 1 to Agreement 21-J-S-054 under the previously-delegated authority; and

WHEREAS, staff recommends the Board increase the Executive Director's, or designee's, authority by $1 million to execute contracts greater than $150,000 with original equipment manufacturers, product licensors, and their authorized distributors and consultants to meet the JPB's technology requirements for FY 2022, consistent with the JPB’s procurement authority and policy, and all other terms of IT Resolution No. 2021-28, for a new aggregate not-to-exceed amount of $2 million.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby increases the aggregate not-to-exceed authority provided under Information Technology Resolution No. 2021-28 for Fiscal Year 2022 from $1 million to $2 million.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

____
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____
JPB Secretary

AGENDA ITEM #4g
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

DATE: January 20, 2022

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: January 24, 2022 Finance Committee Report of the Chief Financial Officer

HIGHLIGHTS

- Staff has met with rating agencies with respect to the PCEP bond issue. We are seeking a recommendation on the bond issue at the Finance Committee meeting, and will be bringing forward all documents for Board approval at its February meeting. Subsequent to the Board meeting, we will be posting the offering document and selling the bonds.

- The budget process is moving internally, and is on track for presentation of a preliminary budget at the Board's May meeting. Our Financial Planning & Analysis team is preparing the first forecast for FY22 – this will be shared with the Committee shortly.

- The Accounting team will be having its initial discussions with the independent auditor for the Fiscal Year 2022 audit shortly, with pre-audit work commencing in the spring.

- A presentation will be made at the Finance Committee meeting regarding the basis for cost allocation of Managing Agency (shared) expenses.

AGENDA ITEM #4h
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING DECEMBER 31, 2021**

☑ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the month of December 2021.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 31, 2021. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of December year-to-date actual, the Grand Total Revenue (page 1, line 19) is $4.9 million more than the approved budget. This is primarily driven by Measure RR (page 1, line13) and ARPA fund (page 1, line 15), partially offset by CRRSAA fund (page 1, line14). CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22.

Year to Date Expenses: As of December year-to-date actual, the Grand Total Expense (page 2, line 54) is $14.8 million lower than the approved budget. This is primarily driven by Rail Operator Service (page 2, line 24), Facilities and Equipment Maintenance (page 2, line 31), Wages and Benefits (page 2, line 38), Professional Services (page 2, line 41), Other Office Expenses and Services (page 2, line 43), and Measure RR Ballot Costs (page 2, line 49).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year actual and the budget may show noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of December 2021.

Prepared By:	Thwe Han, Accountant II	650-508-7912
	Jennifer Ye, Acting Director, Accounting	650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

December 2021

% OF YEAR ELAPSED 50.0%

		JULY TO DECEMBER				ANNUAL			
		CURRENT ACTUAL	APPROVED BUDGET	$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	$ VARIANCE	
	REVENUE								
	OPERATIONS:								
1	Farebox Revenue	15,579,977	15,004,000	575,977	3.8%	34,639,000	34,639,000	-	1
2	Parking Revenue	527,736	768,000	(240,264)	(31.3%)	1,536,000	1,536,000	-	2
3	Shuttles	675,875	801,948	(126,073)	(15.7%)	1,603,900	1,603,900	-	3
4	Rental Income	472,956	596,232	(123,276)	(20.7%)	1,192,466	1,192,466	-	4
5	Other Income	930,978	792,300	138,678	17.5%	1,584,608	1,584,608	-	5
6									6
7	TOTAL OPERATING REVENUE	18,187,522	17,962,480	225,042	1.3%	40,555,974	40,555,974	-	7
8									8
9	CONTRIBUTIONS:								9
10	AB434 Peninsula & TA Shuttle Funding	187,900	559,650	(371,750)	(66.4%)	1,119,300	1,119,300	-	10
11	Operating Grants	3,211,861	3,312,736	(100,875)	(3.0%)	6,525,471	6,525,471	-	11
12	JPB Member Agencies	-	-	-	.0%	-	-	-	12
13	Measure RR	49,281,113	43,288,460	5,992,653	13.8%	86,576,919	86,576,919	-	13
14	CRRSAA*	-	27,115,922	(27,115,922)	(100.0%)	27,115,922	-	(27,115,922)	14
15	ARPA	41,098,334	14,849,883	26,248,451	176.8%	14,849,883	41,098,334	26,248,451	15
16									16
17	TOTAL CONTRIBUTED REVENUE	93,779,208	89,126,651	4,652,557	5.2%	136,187,495	135,320,024	(867,471)	17
18									18
19	**GRAND TOTAL REVENUE**	**111,966,730**	**107,089,131**	**4,877,599**	4.6%	**176,743,469**	**175,875,998**	**(867,471)**	19

20 *CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22. A future FY22 budget action will be brought to the Board to clarify funding sources for the FY22 budget, including reserved funds from the FY21 actual results and/or additional funding made available from ARPA distributions. 20

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

December 2021

% OF YEAR ELAPSED 50.0%

	JULY TO DECEMBER				ANNUAL		
	CURRENT ACTUAL	APPROVED BUDGET	$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	$ VARIANCE
EXPENSE							
DIRECT EXPENSE:							
Rail Operator Service	43,412,449	48,006,576	(4,594,127)	(9.6%)	97,353,730	97,353,730	-
Security Services	3,336,205	3,743,258	(407,053)	(10.9%)	7,486,512	7,486,512	-
Shuttle Services	876,420	1,123,773	(247,353)	(22.0%)	2,723,200	2,723,200	-
Fuel and Lubricants*	5,082,677	5,217,426	(134,749)	(2.6%)	10,434,846	10,434,846	-
Timetables and Tickets	11,999	27,498	(15,499)	(56.4%)	55,000	55,000	-
Insurance	5,529,748	5,857,210	(327,462)	(5.6%)	5,857,210	5,857,210	-
Claims, Payments, and Reserves	488,250	410,004	78,246	19.1%	820,000	820,000	-
Facilities and Equipment Maintenance	1,648,385	3,901,311	(2,252,926)	(57.7%)	7,734,353	7,734,353	-
Utilities	1,097,027	1,276,302	(179,275)	(14.0%)	2,552,600	2,552,600	-
Maint & Services-Bldg & Other	586,078	836,465	(250,387)	(29.9%)	1,674,250	1,674,250	-
TOTAL DIRECT EXPENSE	**62,069,239**	**70,399,823**	**(8,330,584)**	(11.8%)	**136,691,701**	**136,691,701**	**-**
ADMINISTRATIVE EXPENSE							
Wages and Benefits	5,238,745	6,801,429	(1,562,684)	(23.0%)	12,301,799	12,301,799	-
Managing Agency Admin OH Cost	2,023,601	1,736,614	286,987	16.5%	3,470,871	3,470,871	-
Board of Directors	11,337	24,132	(12,795)	(53.0%)	48,275	48,275	-
Professional Services	2,518,925	4,355,324	(1,836,399)	(42.2%)	8,871,707	8,871,707	-
Communications and Marketing	159,379	162,746	(3,368)	(2.1%)	322,750	322,750	-
Other Office Expenses and Services	720,964	1,836,438	(1,115,474)	(60.7%)	3,654,614	3,654,614	-
TOTAL ADMINISTRATIVE EXPENSE	**10,672,951**	**14,916,683**	**(4,243,732)**	(28.4%)	**28,670,016**	**28,670,016**	**-**
TOTAL OPERATING EXPENSE	**72,742,189**	**85,316,506**	**(12,574,317)**	(14.7%)	**165,361,717**	**165,361,717**	**-**
Measure RR Ballot Costs	5,357,846	7,000,000	(1,642,154)	(23.5%)	7,000,000	7,000,000	-
Governance	325,427	1,000,002	(674,575)	(67.5%)	2,000,000	2,000,000	-
Debt Service Expense	1,307,268	1,190,874	116,394	9.8%	2,381,752	2,381,752	-
GRAND TOTAL EXPENSE	**79,732,731**	**94,507,382**	**(14,774,651)**	(15.6%)	**176,743,469**	**176,743,469**	**-**
NET SURPLUS / (DEFICIT)	**32,233,999**	**12,581,749**	**19,652,250**	156.2%	**-**	**(867,471)**	**(867,471)**

*** Fuel and Lubricants costs were reduced by a realized gain of $702,715 from the fuel hedge program.**

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF DECEMBER 31, 2021

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.203%	88,141	88,141
County Pool (Unrestricted)		Liquid Cash	0.863%	559,220	559,220
Other (Unrestricted)		Liquid Cash	0.050%	123,227,653	123,227,653
Other (Restricted)	**	Liquid Cash	0.050%	11,682,055	11,682,055
				$ 135,557,069	$ 135,557,069

Interest Earnings for December 2021	$ 3,900.35
Cumulative Earnings FY2022	$ 19,550.70

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment.
The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995).
The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

AGENDA ITEM #4i
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Casey Fromson
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

☐ Finance Committee Recommendation ☑ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) receives the attached memos. Staff will provide regular updates to the Board in accordance with the Legislative Program.

SIGNIFICANCE

The 2022 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Lori Low 650.740.6264
Government & Community Affairs Officer

January 18, 2022

TO: Caltrain Board of Directors

FM: Joshua W. Shaw, Matt Robinson & Michael Pimentel, Shaw Yoder Antwih Schmelzer & Lange
Mike Robson & Bridget McGowan, Edelstein Gilbert Robson & Smith LLC

RE: STATE LEGISLATIVE UPDATE – January 2022

General Update

The Legislature reconvened for the second year of the 2021-22 Legislative Session on Monday January 3. Two-year bills must pass out of the house of origin by end of January, and February 18 marks the bill introduction deadline for new bills.

The "Swing Space" where legislative offices are housed during the construction of the annex is up and running. However, in late-December, the Assembly announced to its employees it will reinstate its flexible work schedule until February 14, which allows staff to work remotely if necessary. It remains to be seen how the Capitol working dynamic will evolve as COVID case rates change in the winter and into spring.

2022-23 State Budget

On January 10, Governor Newsom released his proposed Fiscal Year (FY) 2022-23 budget, based on the latest economic forecasts available to the Governor and his Department of Finance. The $286.4 billion budget proposes to invest significant new state funding to address the Administration's top priorities, including pandemic response & relief, homelessness, transportation infrastructure, combatting climate change, wildfires, emergency response, and drought. The budget includes the following one-time investments in transportation infrastructure:

- **Priority Transit and Rail Projects** - $2 billion for transit and rail projects statewide that improve rail and transit connectivity between state and regional/local services.
- **Southern California Mobility Projects** - $1.25 billion to deliver critical projects in Southern California.
- **Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure -** $935 million to deploy 1,000 zero emission short-haul (drayage) trucks and 1,700 zero-emission transit buses and $1.1 billion for zero-emission trucks, buses, and off-road equipment and fueling infrastructure.
- **High Priority Grade Separations and Grade Crossing Improvements** - $500 million to support critical safety improvements throughout the state.
- **High-Speed Rail** - $4.2 billion to complete high-speed rail construction in the Central Valley, advance work to launch service between Merced and Bakersfield, advance planning and project design for the entire project, and leverage federal funds.

- **Active Transportation** - $750 million to General Fund to advance projects that increase the proportion of trips accomplished by walking and biking, increase the safety and mobility of non-motorized users, advance efforts to regional agencies to achieve GHG goals.
- **Climate Adaptation** - $400 million for state and local climate adaptation projects that support climate resiliency and reduce risks from climate impacts.
- **Emerging Opportunities** - $200 million to invest in demonstration and pilot projects in high carbon-emitting sectors, such as maritime, aviation, rail, and other off-road applications, as well as support for vehicle grid integration at scale.

When it comes to the one-time expenditure of funds for transportation infrastructure, the Metropolitan Transportation Commission, Bay Area's transit/transportation planning agency, submitted a letter to state leaders calling for a $10 billion investment in transit and transportation, with $5 billion going to transit (split between formula funding and competitive grants).

The Budget also reflects that the State Transit Assistance (STA) program will see revenues of approximately $854 million in FY 2022-23. Intercity and Commuter Rail would receive an estimated $283 million in FY 2022-23, and Low Carbon Transit Operations Program is expected to provide $182 million. Lastly, the Transit and Intercity Rail Capital Program is expected to receive approximately $473 million in FY 2022-23.

Beyond these direct investments in public transit and rail, the Governor's budget proposes $100 million to continue the Clean California Local Grant Program into 2023-24, which provides grants to cities, counties, transit agencies, tribal governments and other government agencies to beautify their communities and remove trash and debris.

Finally, the Governor is proposing $300 million in one-time General Fund ($75 million in 2022-23, and $225 million in 2023-24) for the Affordable Housing and Sustainable Communities program to support land-use, housing, transportation, and land preservation projects for infill and compact development that reduce greenhouse gas emissions. This supplements the existing annual Cap and Trade auction proceeds (20% of annual revenues) available for this program.

Grants

Transit and Intercity Rail Capital Program ($500 million - $600 million in Cycle 5) – The Transit and Intercity Rail Capital Program (TIRCP) provides grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Eligible projects include zero-emission vehicles and associate fueling or charging infrastructure of facility modifications.
Current Guidelines: Found here
Status: Funding cycle open; project applications due March 3, 2022

The CTC is currently hosting workshops (through April 2022) for the three SB 1 programs it oversees – the Solutions for Congested Corridors Program (SCCP), Local Partnership Program (LPP), and the Trade Corridor Enhancement Program (TCEP). The CTC will solicit applications for the next round of funding in Summer 2022 and announce project awards in Summer 2023. As a reminder, in late-2020, the California Transportation Commission awarded grants for three SB 1 programs – the Solutions for Congested Corridors Program, Local Partnership Program, and the Trade Corridor Enhancement Program.

Grade Separation Funding - Below is a list of the funding sources that we are aware of and/or that have been used to fund grade separations in the recent years. The funding sources below are managed across various state agencies and departments, including the Public Utilities Commission (PUC), the California State Transportation Agency (CalSTA), the California Transportation Commission (CTC), and Caltrans.

PUC Section 190 Grade Separation Program – The Program is a state funding program to grade separate crossings between roadways and railroad tracks and provides approximately $15 million annually, transferred from Caltrans. Agencies apply to the PUC for project funding.

State Transportation Improvement Program **–** The STIP, managed by Caltrans and programmed by the CTC, is primarily used to fund highway expansion projects throughout the state, but also supports grade separations. The STIP is programmed every two years (currently the 2018 STIP added $2.2 billion in new funding). Local agencies receive a share of STIP funding, as does the State. The STIP is funded with gasoline excise tax revenues.

Transit and Intercity Rail Capital Program **–** As discussed above, the TIRCP is managed by CalSTA and is available to fund rail and transit projects that reduce greenhouse gas emissions. The program receives funding from Cap and Trade and the recently created Transportation Improvement Fee to the tune of approximately $500 million per year. The TIRCP is programmed over five years, with the most recent cycle beginning in May 2018. Caltrain received $160 million for the CalMod project.

Proposition 1A **–** This $9.9 billion Bond Act is the primary funding source for the high-speed rail project and has been used to fund a very limited number of grade separation projects in the past, including in the City of San Mateo.

Caltrain

State Legislative Matrix 1/14/2022

Bill Number (Author)	Summary	Location	Position
AB 5 (Fong R) Greenhouse Gas Reduction Fund: High-Speed Rail Authority: K–12 education: transfer.	The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 25% of the annual proceeds of the fund to the High-Speed Rail Authority for certain purposes. This bill would suspend the appropriation to the High-Speed Rail Authority for the 2023–24 and 2024–25 fiscal years and would require the transfer of those amounts from moneys collected by the state board to the General Fund. The bill would specify that the transferred amounts shall be available, upon appropriation, to augment funding for K–12 education and to support full-time in-person instruction for all students. Amended: 3/17/2021	Assembly 2 year	Watch
AB 476 (Mullin D) Department of Transportation: state highways: part-time transit lane pilot program.	Existing law vests the Department of Transportation with full possession and control of the state highway system and associated real property. Existing law generally requires vehicles to be driven upon the right 1/2 of a roadway, defined to include only that portion of a highway improved, designed, or ordinarily used for vehicular travel. Existing law generally prohibits the driver of a vehicle from overtaking and passing another vehicle by driving off the paved or main-traveled portion of the roadway.This bill would require the Department of Transportation to establish a pilot program to authorize a transit operator or operators, in partnership with an eligible transportation agency, to operate part-time transit lanes, defined as designated highway shoulders that support the operation of transit vehicles during specified times. The bill would require the department by January 1, 2024, to develop guidelines for the safe operation of part-time transit lanes, as provided, a training program for transit operators to operate transit buses on the shoulders of highways within the state, and a program to identify transit buses authorized to be used or operated in part-time transit lanes within the state. The bill would require the eligible transportation agency to be responsible for all costs attributable to the project. Two years after commencing a project, the bill would require an operator or operators, in conjunction with the eligible transportation agency, to submit a report to the Legislature that includes certain information about the project.This bill contains other existing laws. Amended: 9/7/2021	Assembly 2 year	Watch
AB 629 (Chiu D) San Francisco Bay area: public transportation.	(1)Existing law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relative to providing public transit	Assembly 2 year	Watch

	services. This bill would require the commission on or before February 1, 2022, to submit a copy of a specified transit fare study undertaken by the commission to certain committees of the Legislature. The bill would require the commission to submit a report on or before January 1, 2023, to those entities on the progress of implementing the recommendations of that study.This bill contains other related provisions and other existing laws. Amended: 3/22/2021		
AB 703 (**Rubio, Blanca** D) Open meetings: local agencies: teleconferences.	Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the act to allow for teleconferencing subject to existing provisions regarding the posting of notice of an agenda, provided that the public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option, and that a quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction. The bill would require that, in each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the local agency also give notice of the means by which members of the public may observe the meeting and offer public comment and that the legislative body have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act, as provided.This bill contains other related provisions and other existing laws. Amended: 4/29/2021	Assembly 2 year	Watch
AB 823 (**Gray** D) High-Speed Rail Authority: trains powered by fossil fuel combustion engines.	The California High-Speed Rail Act creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law requires the high-speed rail system to be designed to use electric trains. Existing law authorizes the authority, upon receiving legislative or voter approval, to enter into contracts with private or public entities for the design, construction, and operation of high-speed trains.This bill would prohibit the authority from directly or indirectly using local, state, federal, or any other public or private funding to purchase, lease, operate, or maintain a passenger or freight train powered by a diesel engine or other type of fossil fuel combustion engine, and from enabling such a train to operate on authority-owned rail infrastructure designed for speeds in excess of 125 miles per hour, except as specified. Introduced: 2/16/2021	Assembly 2 year	Watch
AB 1116 (**Friedman** D) High-Speed Rail Authority:	Existing law creates the High-Speed Rail Authority with specified powers and duties related to the development and implementation of a high-speed train system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as	Assembly 2 year	Watch

oversight: Legislative Analyst's Office.	Proposition 1A at the November 4, 2008, statewide general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related rail purposes. This bill would require the Legislative Analyst's Office, for the purpose of reviewing the planning, financing, expenditures, and other elements of the statewide high-speed rail system, to review any materials submitted to the authority and documents the authority requests from contractors, consultants, or external parties, as specified, and to provide recommendations to the policy and budget committees of the Legislature regarding the statewide high-speed rail system and the development of shared mobility systems statewide. The bill would require the authority, and any entity contracting with the authority, to provide to the Legislative Analyst's Office any information that it requests and to permit representatives of the Legislative Analyst's Office to attend the authority's internal meetings. The bill would repeal these requirements on January 1, 2031. Introduced: 2/18/2021		
AB 1235 **(Patterson R)** High-speed rail: legislative oversight.	The California High-Speed Rail Act creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law requires the authority, on or before March 1, 2017, and every 2 years thereafter, to provide a project update report, approved by the Secretary of Transportation as consistent with specified criteria, to the budget committees and the appropriate policy committees of both houses of the Legislature, on the development and implementation of intercity high-speed train service, as provided.This bill would create the Joint Legislative High-Speed Rail Oversight Committee consisting of 3 Members of the Senate and 3 Members of the Assembly to provide ongoing and independent oversight of the high-speed rail project by performing specified duties, and would require the committee to make recommendations to the appropriate standing policy and budget committees of both houses of the Legislature to guide decisions concerning the state's programs, policies, and investments related to high-speed rail. The bill would require the authority to provide the committee with certain documents and information within prescribed timelines, and would require the authority to permit the chairperson of the committee, or the chairperson's designee, to attend meetings of any internal governance committees related to project oversight, as provided. Introduced: 2/19/2021	Assembly 2 year	Watch
AB 1260 **(Chen R)** California Environmental Quality Act: exemptions: transportation-related projects.	The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would further exempt from the requirements of CEQA projects by a public transit agency to construct or maintain infrastructure to charge or refuel zero-emission trains, provided certain requirements are met, including giving prior notice to the public and holding a noticed public meeting, as provided.This bill contains other existing laws. Amended: 7/6/2021	Inactive	Watch
ACA 1 **(Aguiar-Curry D)** Local government financing: affordable housing and public infrastructure: voter approval.	(1)The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable	Assembly Local Government	Support

	housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.This bill contains other related provisions and other existing laws. Introduced: 12/7/2020		
SB 674 (Durazo D) Public Contracts: workforce development: covered public contracts.	Existing law establishes the Labor and Workforce Development Agency, under the supervision of the Secretary of Labor and Workforce Development. Existing law establishes within the Labor and Workforce Development Agency, the Department of Industrial Relations, to foster, promote, and develop the welfare of the wage earners of California and to advance their opportunities for profitable employment, among other duties.This bill would require the Labor and Workforce Development Agency to create 2 programs, to be known as the California Jobs Plan Program and the United States Jobs Plan Program. The bill would require the programs to meet specified objectives, including supporting the creation and retention of quality, nontemporary full-time jobs, as specified, and the hiring of displaced workers and individuals facing barriers to employment. The bill would require, as a component of applications for covered public contracts, as defined, the creation of forms for each program that state the minimum numbers of proposed jobs that are projected to be retained and created if the applicant wins the covered public contract. These components of the application would be known as the California Jobs Plan and the United States Jobs Plan, which the bill would define. Pursuant to these definitions, applicants for covered public contracts would state the minimum number of jobs, proposed wages, benefits, investment in training, specific protections for worker health and safety, and targeted hiring plans for displaced workers and individuals facing barriers to jobs, as specified, in exchange for covered public contracts. The bill would require an applicant for a covered public contract that uses entirely state and local funds to complete a California Jobs Plan form, while applicants for covered public contracts that use any amount of federal funds would complete the United States Jobs Plan.This bill contains other related provisions and other existing laws. Amended: 8/30/2021	Assembly 2 year	Watch
SB 771 (Becker D) Sales and Use Tax Law: zero emissions vehicle exemption.	Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes.This bill, on or after January 1, 2022, would provide an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, a qualified motor vehicle, as defined, sold to a qualified buyer, as defined. The bill would provide that this exemption does not apply to specified state sales and use taxes from which the proceeds are deposited into the Local Revenue Fund, the Local Revenue Fund 2011, or the Local Public Safety Fund.This bill contains other related provisions and other existing laws. Amended: 5/11/2021	Assembly 2 year	Watch

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Caltrain
Federal Transportation Report as of January 14, 2022

CONGRESSIONAL UPDATE

Congress Begins 2022 With Social Spending, Government Funding Talks

- The Senate returned from recess on January 3, and the House returned on January 10.

- In December, Senate Majority Leader Chuck Schumer (D-NY) said that the Senate will consider the Build Back Better Act "very early in the new year so that every Member of this body has the opportunity to make their position known on the Senate floor."
  - However, Senator Schumer has yet to announce changes to the legislation that would address Senator Joe Manchin (D-WV)'s concerns about the bill's cost, potential impact on inflation, and expansive social programs such as those for paid family leave. With unified Republican opposition, the Majority Leader still needs the West Virginia Democrat's support to get the legislation passed by a simple majority vote.

- Congress is also working on the fiscal year (FY) 2022 appropriations bill to avoid a yearlong continuing resolution (CR)--the current CR expires on February 18. The Senate Appropriations and House Appropriations leadership began meeting on January 13 on a possible $1.4 trillion omnibus appropriations bill. Republicans remain opposed to several controversial policy provisions such as banning federal funding for abortions and funding for environmental justice.

- The Senate is also considering voting rights legislation, that the House has already passed, by attempting to end the filibuster.

ADMINISTRATION NEWS

Secretary Buttigieg Highlights DOT's Work to Combat Human Trafficking

- Department of Transportation (DOT) Secretary Pete Buttigieg has called upon all transportation stakeholders to join in the fight against human trafficking. Secretary Buttigieg's call to action follows the release of President Joe Biden's National Action Plan (NAP) to Combat Human Trafficking, a government wide approach that prioritizes combating human trafficking through prevention, protection, prosecution, and partnerships. As part of its commitment to support the NAP, DOT will increase stakeholder engagement, expand training and awareness for transportation employees and the traveling public, and continue to ensure that states permanently ban drivers convicted of human trafficking from operating a commercial motor vehicle for which a commercial driver's license or a commercial learner's permit is required.

DOT and DOE Launch Joint Effort to Build Out Nationwide Electric Vehicle Charging Network

- On December 14, DOT Secretary Buttigieg and Department of Energy Secretary Jennifer Granholm signed a memorandum of understanding to create a Joint Office of Transportation and Energy to support the deployment of $7.5 billion from the Infrastructure Investment & Jobs Act (IIJA) to build out a national electric vehicle (EV) charging network.

- The IIJA directs both agencies to collaborate on new programs and initiatives, including the new joint office, that will support the transition of the nation's transportation systems, which currently accounts for 29 percent of all U.S. carbon pollution, to EVs and other zero-carbon technologies.

- Both agencies are tasked with implementing investments in zero-emission vehicle passenger, transit, and heavy-duty vehicles that create cleaner and more affordable transportation options.

- The Joint Office of Energy and Transportation will largely focus on EV charging provisions in the IIJA, including:
    - Supporting the development of guidance and standards for the bill's EV charging programs.
    - Providing technical assistance to state and localities to strategically deploy EV charging infrastructure and provide the data and tools needed to help develop state EV charging plans.

TRANSIT

National Defense Authorization Act Enacted with Transit Provision

- The President signed into law the FY 2022 National Defense Authorization Act (NDAA) on December 27, 2021. The NDAA contained other non-defense related provisions, including one that will help facilitate creative ways to develop new, affordable housing units along transit lines.

- Specifically, the NDAA included H.R. 3680, *The Promoting Affordable Housing Near Transit Act.* This bill was supported by local and national housing organizations and will allow transit entities to transfer real property/unused land to a local government, local governmental authority or non-profit organization for the purposes of building affordable, transit-accessible housing for those who need it most. Additional details on the bill:
    - The asset must remain in public use for a minimum of five years after transfer.

- The overall benefit of the transfer is greater than what the government would receive in selling the asset, while factoring in fair market value.
- At least 40 percent of the housing units must be for tenants with incomes at or below 60 percent of the locality's median income. At least 20 percent of the units must be for tenants with incomes at or below 30 percent of the median income.
- The asset will remain in use for a minimum of 30 years after the date of transfer.

FTA Releases Bipartisan Infrastructure Fact Sheets for Transit Stakeholders

- The Federal Transit Administration (FTA) has posted fact sheets for the Bipartisan Infrastructure Law.

- The fact sheets include information on annual funding allocations, statutory references, eligible recipients, eligible activities, as well as details on new programs or changes to existing programs.

- The FTA held a webinar on January 7. The agency shared that:
    - FTA will publish its partial year apportionments by the end of January—due to the CR that is funding the federal agencies at current funding (FY 2021) levels. The final apportionments will be released once Congress passes the FY 2022 appropriations bills. FTA will also issue interim guidance on the changes and some of the new programs in the IIJA.

    - FTA will be issuing the IIJA NOFOs on a rolling basis. The first NOFOs will be for the Bus and Bus Facilities and Lo-No grant programs. FTA will announce the FY 2021 awards for Bus and Bus Facilities before issuing the new NOFO.

    - IIJA requires Buy America to be applied to construction materials. The Office of Management and Budget (OMB) will release this spring guidance. FTA will start enforcing it within 180 days of the bill being signed until law which should be mid May.

    - FTA is waiting for Census updates for urbanized area populations and will be requesting comments on its procedures over the next couple of months. FTA will start using this data for FY 2023 awards.

AGENDA ITEM #4j
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Executive Director, Caltrain

FROM: Sebastian Petty
Deputy Chief, Planning, Caltrain

SUBJECT: **INFORMATIONAL UPDATE ON SERVICE PLAN MONITORING AND ANALYSIS**

☐ Finance Committee Recommendation ☑ Work Program-Legislative-Planning Committee Recommendation ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION
None; this item is for information only.

SIGNIFICANCE
On August 30, 2021, Caltrain increased service from 70 trains per weekday to an unprecedented 104. This restoration allows the railroad to provide a competitive service offering as some employees return to in-office work and in-person education resumes. The service change also provides a further opportunity to continue implementation of the Equity, Connectivity Recovery and Growth Framework adopted by the Board in 2020 – with an emphasis on providing improved service at all times of day, a simplified set of stopping patterns, and coordinated connections with other transit operators at key regional transfer points. At the same time, Caltrain must manage the increase in service while still balancing constraints created by significant ongoing construction activities, staffing availability, and overall financial capacity.

Due to the dynamic and rapidly changing environment being caused by the ongoing COVID-19 pandemic, Caltrain staff has been continuously monitoring not only the traditional key performance indicators such as On-Time Performance and Average Daily Ridership, but also trends in the larger business environment that are outside of the agency's control, such as office space vacancy rates, return to work plans of regional employers, regional trends in travel behavior, and development activity along the corridor. At the February JPB meeting, staff will provide an update on this analysis and how these factors impact future service planning initiatives.

BUDGET IMPACT
There is no budget impact associated with receiving this informational update.

BACKGROUND
Starting in March of 2020, the emergence of the COVID-19 Pandemic resulted in a rapid and severe crisis for the railroad, with ridership plummeting by as much as 98%. Caltrain quickly implemented significant service cuts and has been restoring and adjusting service over subsequent months as the pandemic has continued.

At the June 2020 Board Meeting, staff announced that activity on the Caltrain Business Plan would pause and pivot toward COVID Recovery Planning efforts. At the September 2020 Board Meeting the Board adopted the Equity, Connectivity, Recovery & Growth Framework (the Framework) – a significant policy document that outlines Caltrain's approach to recovering from the COVID-19 Pandemic and growing the system in a manner consistent with the larger Business Plan process. The framework includes specific policies and actions that describe how Caltrain can recover in a way that emphasizes improving equity outcomes on the system and enhancing connectivity to the region's transit network.

The Equity, Connectivity, Recovery & Growth Framework was used to develop a reduced, 70 train per weekday service that was implemented at the end of 2020 and adjusted in March of 2020 to coincide with an update to BART's timetable. This service focused on initial implementation of the Framework by providing a simplified set of train patterns, improved midday and weekend service levels, and coordinated connections at the Millbrae BART station.

The recent service restoration builds off these improvements and not only restores service to pre-pandemic levels, but also provides additional enhancements to capture new ridership markets and adjust to changing travel behaviors. This includes increased train frequencies at most stations throughout the day, along with a variety of new limited and "Baby Bullet" express trains to provide a competitive and reliable transit service to the region.

Prepared by: Ted Burgwyn
Director, Rail Network and Operations Planning, Caltrain 650-551-6139

AGENDA ITEM #4k
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Casey Fromson
Chief Communications Officer

SUBJECT: **METROPOLITAN TRANSPORTATION COMMISSION (MTC)/REGIONAL UPDATE**

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION
None

SIGNIFICANCE
The Metropolitan Transportation Commission (MTC) provides planning, funding, coordination, and technical assistance to cities, counties, transit agencies, and other partners to bring the region together. The California Legislature created the MTC in 1970 to plan and provide a cohesive vision for the Bay Area's transportation system. The Commission's scope over the years has expanded to address other regional issues, including housing and development.

MTC is actively considering several key policy and funding decisions that affect Caltrain, and staff wants to ensure the Board is apprised of these decisions as well as other regional efforts

BUDGET IMPACT
No budget impact.

BACKGROUND

Key Regional Items This Month:

Caltrain Programming & Allocations Committee item

At January 12th's Programming & Allocations Committee meeting, MTC staff presented an update on Caltrain Governance discussions and the Electrification Project, including reimbursement for a $19.6M Right-of-Way repayment fronted by SamTrans several years ago. The $19.6M repayment to SamTrans from MTC for the Caltrain right-of-way purchase is a necessary component to advancing the JPB governance discussions. Acting Executive Director, Michelle Bouchard, participated in the meeting and provided opening remarks regarding the importance of the MTC Right-of-Way payment to the governance conversation, and to provide an update on the Electrification Project.

The Committee recommended the $19.6M funding commitment be subject to the following conditions:

1. Principal payment of $19.6 million constitutes full payment of any and all remaining MTC obligation for monies advanced by SamTrans for the purchase of the Caltrain right of way, with no expectation by SamTrans of future contributions by the Commission.
2. Inclusion of a policy statement affirming the JPB agreement around governance does not preclude recommendations forthcoming from the Network Management Business Case and/or the Regional Rail Study.
3. Inclusion in the recommendation that any future contemplated evaluation or reconvening of the Caltrain governance process include consultation with MTC regarding the status of ongoing regional governance processes including any network management recommendations that may have been adopted before that time.

The JPB Board has not had the opportunity to collectively contemplate these conditions, but staff has provided technical feedback to MTC to ensure accuracy of the information presented along with the conditions.

The Full Commission will vote on these conditions at their January 27th meeting.

Network Manager Business Process: Advisory Group

On Monday, January 10, 2022, MTC kicked off the Network Manager Business Process with the Study Advisory Group, composed of 7 operators, including Caltrain, and seven stakeholder representatives. The group elected a Chair (Dennis Mulligan/GGBTD) and Vice-Chair (Alicia John-Baptiste/SPUR).

MTC intends to act on recommendations this fall. The consultant team (VIA, Access Planning, KPMG, Sam Schwarz, Infrastrategies) explained their approach to the Business Case Analysis and how they will incorporate the preliminary network management models/paths developed during the 2021 Blue Ribbon Transit Recovery Task Force to arrive at the recommended Alternative for Regional Network Management. The study phases will be Scoping; Existing Conditions and Alternatives Refinement; Alternatives Analysis; Recommendations.

Advisory Group members and the public offered diverse comments on such topics as taking risks during a window of opportunity; having the institutional capacity to deliver on the organizational changes, and delivering quickly; having a process that is legible and accessible to the public; understanding the rider and user experience; growing public support for outcomes and funding; using equity principles; including labor in the process; connection with zero emissions buses/facilities; engagement with transit boards and elected leaders; helping people feel safe around transit.

The Advisory Group will convene next on February 7.

Bay Area Regional Rail Partnership Study

MTC hosted initial staff meetings for the Bay Area Regional Rail Partnership grant study in January with both a staff Technical Advisory Committee meeting and broader kick-off discussion. Caltrain staff participated in both meetings, met the selected consultant team for the effort and received initial project materials. Staff expects to provide expanded updates to the JPB on this effort as the workplan clarifies and the study moves forward.

Updated Transit Oriented Communities Policy

MTC is in the process of revising its TOD Policy, which is proposed to be renamed the Transit Oriented Communities (TOC) Policy. Originally adopted in 2005, the TOD Policy applied to a limited number of transit expansion corridors, and made regional funding for those transit corridors contingent upon meeting corridor-level thresholds for planned housing development. MTC's Priority Development Area Planning Program (previously called the Station Area Planning Program) was established to help jurisdictions meet TOD Policy requirements.

MTC began the policy update process in 2020. Staff is participating on the Technical Advisory Committee, which includes representatives from transit agencies, local jurisdictions, County Transportation Agencies (CTAs), and other transportation and housing organizations. To date, MTC has developed a draft policy approach, which was presented to the Joint MTC Planning Committee/ABAG Administrative Committee on January 14. The draft approach is designed to advance implementation of Plan Bay Area 2050, including developing land use expectations for all areas identified as Transit Rich Areas (TRAs) and/or planned as Priority Development Areas (PDAs), aligning regional discretionary funding to encourage desired land use-related outcomes, and providing planning and technical assistance grants to support policy implementation.

Like the 2005 TOD policy, the draft TOC Policy would require all new stations along transit expansion corridors to meet a set of requirements before regional discretionary funds are programmed for construction. However, the requirements would be expanded to include 1) minimum thresholds for densities for new residential and commercial development, 2) affordable housing and anti-displacement policies, 3) parking management policies, and 4) requirements related to station access and circulation. In addition, in locations where transit enhancements or improvement projects are planned (such as Caltrain electrification), future regional discretionary funds for jurisdictions (One Bay Area Grant funds) could be made contingent upon meeting the same requirements.

A refined Draft Policy will be presented to the MTC Policy Advisory Council in March, and the Draft Final Policy will be presented to the Joint MTC Planning Committee/ABAG Administrative Committee in April or May 2022.

<u>Other Regional Standing Items</u>

Regional Wayfinding and Mapping Efforts

No significant action or progress this month.

Prepared By: Jadie Wasilco 650.465.6301
Caltrain Government & Community Affairs Manager

RESOLUTION NO. 2022 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

RESOLUTION HONORING NATIONAL AFRICAN-AMERICAN HISTORY MONTH

WHEREAS, the first event was celebrated during a week in February 1926, encompassing the birthdays of Abraham Lincoln and Frederick Douglass, two key figures in the history of African-Americans, and in 1976 the week-long celebration was extended to the entire month of February; and

WHEREAS, African-Americans helped develop our nation in countless ways, those recognized, unrecognized, and unrecorded; and

WHEREAS, Caltrain believes every person has the freedom to feel valued and respected, and condemns racism in rhetoric or action; and

WHEREAS, Caltrain has created its first African-American Employee Resource Group that aims to advance a diverse and inclusive work environment with a particular focus on African-American current and future employees; and

WHEREAS, a 2020 survey showed that African-Americans make up 8% of Caltrain's ridership, and of those surveyed, 52% of African-American riders take Caltrain four or more days/week; and

WHEREAS, Caltrain serves a diverse population that continues to experience bias, discrimination, and unequal outcomes and/or treatment in numerous sectors including housing, employment, education, health and safety, and criminal justice; and

WHEREAS, Caltrain recognizes the long history of inequity and racism in transit that has excluded, targeted or oppressed people due to their color and race; and

WHEREAS, since the inception of Caltrain in the early 1990s, the rail agency has been a long-time supporter and sponsor of the annual MLK Jr. Celebration Train, which pays tribute to the 54-mile 1965 Selma to Montgomery March, and delivers celebrants to the traditional march in San Francisco that marks the holiday; and

WHEREAS, Caltrain commits to continuing its membership with the Government Alliance on Race and Equity to advance racial equity through mindful governance practices, review neutral policies and its impacts; and

WHEREAS, the Caltrain Board remains committed to the mission of promoting equity and protecting public health and will continue to advance the cause of diversity, access, equity and inclusion in its policies, programs and practices;

NOW, THEREFORE, BE IT RESOLVED that the Caltrain Board of Directors does hereby recognize February as National African-American Month and celebrate the immense contributions of African-Americans in the United States.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____

JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **APPROVE MEASURE RR BOND FINANCING TRANSACTIONS AND RELATED TRANSACTION DOCUMENTS**

☑ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff recommends the Board:

1. Authorize and approve the issuance of Measure RR Sales Tax Revenue Bonds (Bonds) in an aggregate principal amount not to exceed $140,000,000 and execution of all required documents including, but not limited to: a Third Supplemental Indenture of Trust, a Bond Purchase Agreement, and a Continuing Disclosure Agreement.
2. Approve the proposed form of Preliminary Official Statement placed on file with the JPB Secretary and authorizing the Acting Executive Director or the Chief Financial Officer to execute a final Official Statement in substantially the same form.
3. Approving the use of the proceeds of the Bonds to finance certain non-grant funded capital costs of the Peninsula Corridor Electrification Project (PCEP), to fund capitalized interest, and to pay certain costs of issuance.
4. Authorizing the Acting Executive Director and/or Chief Financial Officer to take the necessary steps to effectuate the issuance of the Bonds.

SIGNIFICANCE

The proposed action would enable the JPB to issue on a long-term basis Measure RR Sales Tax Revenue Bonds (Bonds) to finance certain capital costs of the Peninsula Corridor Electrification Project (PCEP) that are not funded with State or Federal grants.

Board authorization is required to (i) approve proceeding with the proposed debt and (ii) authorize staff to take such actions as are necessary to implement such proposed debt.

BUDGET IMPACT

All debt service on the Bonds will be repaid from Measure RR sales tax revenues and will not impact the JPB's operating budget. Annual debt service on the Bonds is projected at $9,562,000 commencing in Fiscal Year 2025-26 assuming interest rates as of January 10, 2022 plus 0.25%. The JPB intends to use Low Carbon Fuel Standards credits received after the commencement of electrified revenue services to fund annual debt service obligations on the Bonds.

In accordance with California Government Code Section 5852.1, the following information has been obtained by the JPB's Municipal Advisors and Underwriters and disclosed to the JPB in connection with the approval of the Bonds and Refunding Bonds:

(i) the estimated true interest cost of the Bonds (being the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds) is 3.0838% based on interest rates as of January 10, 2022 plus 0.25% (final rate to be set at pricing of the Bonds estimated to occur on February 15, 2022),

(ii) the estimated finance charges (being the sum of all fees and charges paid to third parties) is $752,000 for the Bonds,

(iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (iii) above to be paid from the principal amount of the Bonds and any reserves or capitalized interest paid or funded with the Bonds is $155,728,015, and

(iv) the estimated total payment amount of the Bonds (being the sum total of all payments the JPB will make to pay amounts under the Bonds, plus any financing costs not paid from proceeds of the Bonds) to the final maturity thereof is $273,872,306.

BACKGROUND

Staff has been working with the JPB's Municipal Advisors to implement a comprehensive financing plan that relies entirely on Measure RR sales tax revenues and will not have any adverse financial impact on the JPB's member agencies. The financing plan (the "Financing Plan") has three components:

- Replace the JPB's existing credit facilities in the aggregate amount of $200,000,000 with DNT Asset Trust (on behalf of JP Morgan), secured by certain Federal and State grants and a subordinate pledge of farebox revenues with new credit facilities with Wells Fargo Bank, in the same aggregate amount, secured by the same grants and a subordinate pledge of Measure RR revenues;
- Issue new money Measure RR sales tax revenue bonds in an amount up to $140,000,000 to finance certain non-granted funded additional costs associated with the PCEP project – such bonds to be repaid, to the extent possible, from the proceeds of low carbon fuel credits to be received by the JPB after the commencement of electrification revenue service; and
- Issue refunding Measure RR sales tax revenue bonds to refinance, in whole or in part, the JPB's $47,635,000 farebox revenue bonds issued in 2019.

Pursuant to Section 6586.5 of the California Government Code, each Member Agency has conducted a public hearing and, subsequent to conducting the public hearing, adopted a resolution approving the replacement of the JPB's existing credit facilities and issuance of the Bonds and Refunding Bonds, and making a finding of significant public benefit in accordance with the criteria specified in Section 6586.5 of the California Government Code.

On August 5, 2021, the JPB Board adopted Resolution No. 2021-45 approving the new credit facilities with Wells Fargo Bank. Those facilities were implemented on August 13, 2021.

Staff is not seeking to approve at this time the issuance of Measure RR sales tax bonds to refund the JPB's farebox revenue bonds as the debt service savings from such refunding are not sufficient to justify a refunding transaction under current interest rates.

Prepared By:	Derek Hansel, Chief Financial Officer	650.508.6466
	Connie Mobley-Ritter, Director, Treasury	650.508.7765

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY __, 2022

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:
S&P "[____]"
KBRA "[____]"
(See "Ratings" herein)

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Peninsula Corridor Joint Powers Board described herein, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that, interest on the Series 2022 Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$140,000,000*
PENINSULA CORRIDOR JOINT POWERS BOARD MEASURE RR SALES TAX REVENUE BONDS (GREEN BONDS), 2022 SERIES A

Dated: Date of Delivery **Due:** June 1, as set forth on the inside cover

The Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds), 2022 Series A (the "Series 2022 Bonds") are being issued to finance certain improvements to the Caltrain commuter rail service ("Caltrain") administered by the Peninsula Corridor Joint Powers Board (the "JPB"), including the electrification thereof, and to pay capitalized interest through the expected commencement of electrified revenue service and costs of issuance for the Series 2022 Bonds.

The Series 2022 Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Series 2022 Bonds will not receive instruments representing their interests in the Series 2022 Bonds purchased. Individual purchases of Series 2022 Bonds will be made in principal amounts of $5,000 or any integral multiple thereof.

Interest on the Series 2022 Bonds will be payable semiannually on June 1 and December 1, commencing June 1, 2022. Payments of interest on and principal of the Series 2022 Bonds will be paid to DTC. DTC will in turn remit such interest and principal to the DTC participants which will in turn remit such interest and principal to the beneficial owners of the Series 2022 Bonds. See "Appendix D - Book-Entry System."

The Series 2022 Bonds are subject to optional and mandatory redemption prior to their respective stated maturities, as described herein.

The Series 2022 Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2021, as amended and supplemented to date, including pursuant to a Third Supplemental Indenture of Trust dated as of March 1, 2022 (the "Indenture") between the JPB and U.S. Bank National Association, as trustee. The Series 2022 Bonds are limited obligations of the JPB, a joint exercise of powers agency, created by the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara Valley Transportation Authority (each, a "Member Agency"), secured by and payable from a certain revenues from sales and use tax on taxable transactions within the City and County of San Francisco, San Mateo County, and Santa Clara County (as more fully defined and described herein, the "Sales Tax Revenues"). Pursuant to the Indenture, the JPB may issue additional bonds and other obligations secured by and payable from the Sales Tax Revenues on a parity basis with the Series 2022 Bonds. See "Security and Source of Payment for the Bonds."

The Series 2022 Bonds are limited obligations of the JPB, payable from and secured solely by the Sales Tax Revenues and the other assets pledged therefor as provided in the Indenture. The Series 2022 Bonds do not constitute a general obligation of the JPB or any Member Agency and do not constitute an indebtedness or loan of the credit of any Member Agency or any political subdivision thereof. Neither the faith and credit of the JPB nor the faith and credit or taxing power of any Member Agency is pledged to the payment of the principal of and interest on the Series 2022 Bonds. The JPB has no taxing power.

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* Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2022 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of validity by Nixon Peabody LLP, Bond Counsel to the JPB. Certain matters will be passed upon for the JPB by its counsel, Olson Remcho LLP and for the Underwriters by Stradling Yocca Carlson & Rauth, a Professional Corporation. It is expected that the Series 2022 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about March __, 2022.

J.P. Morgan **Wells Fargo Securities**

Dated: February __, 2022.

MATURITY SCHEDULE

$140,000,000*
PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR SALES TAX REVENUE BONDS (GREEN BONDS),
2022 SERIES A

Maturity (June 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP†
2025	$2,560,000	%	%	%	
2026	2,690,000				
2027	2,825,000				
2028	2,965,000				
2029	3,110,000				
2030	3,270,000				
2031	3,430,000				
2032	3,605,000				
2033	3,785,000				
2034	3,970,000				
2035	4,170,000				
2036	4,380,000				
2037	4,600,000				
2038	4,830,000				
2039	5,070,000				
2040	5,325,000				
2041	5,590,000				
2042	5,870,000				

$34,055,000*, ___% Term Bonds Maturing June 1, 2047, Yield: ___%; CUSIP† No. ________

$33,900,000*, ___% Term Bonds Maturing June 1, 2051, Yield: ___%; CUSIP† No. ________

---

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. Neither the Peninsula Corridor Joint Powers Board nor the Underwriters nor their agents or counsel assume responsibility for the accuracy of such numbers.

PENINSULA CORRIDOR JOINT POWERS BOARD

BOARD MEMBERS

Representing the City and County of San Francisco
Steve Heminger, Chair
Shamann Walton, Boardmember
Monique Zmuda, Boardmember

Representing the San Mateo County Transit District
Charles Stone, Vice Chair
Jeff Gee, Boardmember
Dave Pine, Boardmember

Representing the Santa Clara Valley Transportation Authority
Glenn Hendricks, Boardmember
Cindy Chavez, Boardmember
Devora "Dev" Davis, Boardmember

OFFICERS

Acting Executive Director
Michelle Bouchard

Acting General Manager/Chief Executive Officer of San Mateo County Transit District
Carter Mau

Chief Financial Officer
Derek Hansel

Chief Operating Officer, Rail
Michelle Bouchard

Interim Chief Officer, Caltrain Modernization Program
Pranaya Shrestha

Chief of Staff
David Santoro

Chief Communication Officer
Casey Fromson

GENERAL COUNSEL
Olson Remcho, LLP
Oakland, California

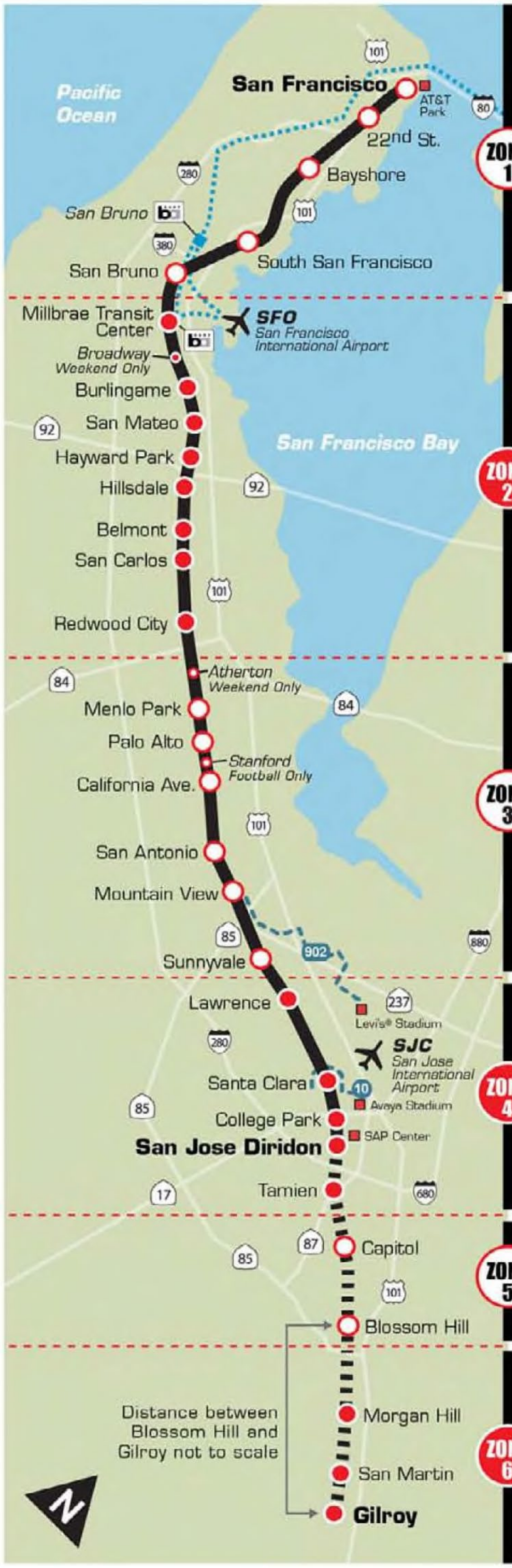
MUNICIPAL ADVISORS
PFM Financial Advisors LLC
San Francisco, California

Ross Financial
San Francisco, California

BOND AND DISCLOSURE COUNSEL
Nixon Peabody LLP
Los Angeles, California

TRUSTEE
U.S. Bank National Association
San Francisco, California

GREEN BONDS VERIFIER
Kestrel Verifiers
Eugene, Oregon



Pacific Ocean
San Francisco
AT&T Park
22nd St.
ZONE 1
Bayshore
San Bruno
South San Francisco
San Bruno
Millbrae Transit Center
SFO
San Francisco International Airport
Broadway Weekend Only
Burlingame
San Mateo
San Francisco Bay
Hayward Park
ZONE 2
Hillsdale
Belmont
San Carlos
Redwood City
Atherton Weekend Only
Menlo Park
Palo Alto
Stanford Football Only
California Ave.
ZONE 3
San Antonio
Mountain View
Sunnyvale
Lawrence
Levi's® Stadium
SJC
San Jose International Airport
Santa Clara
ZONE 4
Avaya Stadium
College Park
SAP Center
San Jose Diridon
Tamien
Capitol
ZONE 5
Blossom Hill
Distance between Blossom Hill and Gilroy not to scale
Morgan Hill
ZONE 6
San Martin
Gilroy

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This Official Statement does not constitute an offer to sell the Series 2022 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, broker, salesman or other person has been authorized by the Peninsula Corridor Joint Powers Board JPB (the "JPB") or the underwriters identified on the cover page of this Official Statement (the "Underwriters") to give any information or to make any representation other than that contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation or sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Series 2022 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2022 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The information set forth herein has been obtained from sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. No representation, warranty or guarantee is made by the Municipal Advisors identified herein as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the appendices hereto, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by either of the Municipal Advisors identified in this Official Statement.

This Official Statement contains forecasts, projections and estimates that are based on current expectations or assumptions. When included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements which speak only as of the date of this Official Statement. Any such statements inherently are subject to a variety of risks and uncertainties which could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, and various other events, conditions and circumstances, many of which are beyond the control of the JPB. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the JPB that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The JPB disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the JPB's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The achievement of certain results or other expectations contained in such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The JPB does not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The JPB maintains a website and a separate website for the Caltrain Modernization Program. However, the data and information presented therein are not incorporated by reference in this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2022 Bonds.

The Series 2022 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state.

In connection with this offering, the Underwriters may effect transactions which stabilize or maintain the market price of such Series 2022 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell such Series 2022 Bonds to certain dealers, dealer banks, banks acting as agent for certain purchasers, and institutional investors at prices lower than the public offering price stated on the inside cover page of this Official Statement, and said public offering price may be changed from time to time by the Underwriters.

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OFFICIAL STATEMENT

$140,000,000[*]
Peninsula Corridor Joint Powers Board
Measure RR Sales Tax
Revenue Bonds (Green Bonds),
2022 Series A

INTRODUCTION

General

This Official Statement, which includes the cover page and appendices hereto, sets forth certain information in connection with the offering of the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds), 2022 Series A (the "Series 2022 Bonds"). This introduction is not a summary of the Official Statement. It is only a brief description of and partial guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. All capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in Appendix C - "DEFINITIONS AND SUMMARY OF THE INDENTURE" or in the hereinafter defined Indenture.

Peninsula Corridor Joint Powers Board

The Peninsula Corridor Joint Powers Board (the "JPB") is a joint exercise of powers agency organized under Chapter 5 of Division 7 of Title 1 of the Government Code (the "JPA Act"). Since 1992, the JPB has administered the operation of the commuter rail service which has served San Francisco peninsula communities for more than 150 years and is the oldest commuter service west of the Mississippi River. The commuter rail service administered by the JPB, known as Caltrain ("Caltrain"), provides commuter rail service from its northern terminus in San Francisco, extending 77 miles to its southern terminus in Gilroy, south of San José.

The JPB was created pursuant to a joint exercise of powers agreement (the "Joint Powers Agreement"), entered into by the City and County of San Francisco ("CCSF"), a city and county chartered pursuant to Article XI, Sections 3, 4, 5 and 6 of the Constitution of the State of California, the San Mateo County Transit District ("SamTrans"), a public transit district organized and existing under the provisions of the San Mateo County Transit District Act, being Part 15 of Division 10 of the Public Utilities Code of the State of California, and the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District ("VTA"), a public transit district organized and existing under the provisions of the Santa Clara Valley Transportation Authority Act, being Part 12 of Division 10 of the Public Utilities Code of the State of California. Each of CCSF, SamTrans and VTA is hereinafter referred to as a "Member Agency" and CCSF, SamTrans and VTA are hereinafter collectively referred to as the "Member Agencies." See "THE JOINT POWERS BOARD" herein.

The original term of the Joint Powers Agreement expired on October 18, 2001. Pursuant to the terms of the Joint Powers Agreement, the Joint Powers Agreement continues in full force and effect on a year-to-year basis, until such time as two or more Member Agencies withdraw pursuant to the terms of the

[*] Preliminary, subject to change.

Joint Powers Agreement. A Member Agency may withdraw pursuant to the terms of the Joint Powers Agreement upon one year's prior notice given at the end of any Fiscal Year. The Joint Powers Agreement requires that the parties must undergo mediation of the issues giving rise to the withdrawal notice, such mediation to be provided through the Metropolitan Transportation Commission, a regional transportation planning, coordinating and financing agency for the nine-county San Francisco Bay Area. If two or more Member Agencies withdraw, the Joint Powers Agreement terminates at the end of the Fiscal Year following expiration of the one-year's notice given by the second Member Agency to withdraw from the agreement. Upon termination of the Joint Powers Agreement and following discharge of all obligations due by the JPB, any property interest remaining in the JPB shall be disposed of and the proceeds or property shall be allocated in accordance with a separate agreement to be entered into between the parties. See "THE JOINT POWERS BOARD" herein. The "separate agreement" referenced in the Joint Powers Agreement is governed by the Member Agencies' 1991 Real Property Ownership Agreement ("RPOA"), which provides that the assets of the JPB will not be sold as long one Member Agency of the JPB continues to operate a minimum of 44 trains per day, provided that if that Member Agency discontinues providing a minimum level of service (44 trains per day) for seven consecutive years, the assets of the JPB shall be sold. The RPOA further provides that the proceeds from the sale of the JPB's assets shall first be used to satisfy any contractual obligations, including bondholders; provided, however, that what constitutes an asset of JPB would likely need to be decided by a court, which JPB can provide no assurance as to how a court would decide. Notwithstanding the foregoing and pursuant to the CDTFA Agreement (as defined herein), it is the JPB's expectation that so long as any of the Series 2022 Bonds are outstanding, the Sales Tax (as defined herein) will continue to be collected and transmitted directly to Trustee (as defined herein) for payment on the Series 2022 Bonds.

No assurance can be given that the Joint Powers Agreement will be renewed nor can any assurance be given that two or more Member Agencies will not withdraw pursuant to the terms of the Joint Powers Agreement, thereby terminating the Joint Powers Agreement. Nor can any assurance be given that if the Joint Powers Agreement is terminated pursuant to its terms, Caltrain will continue to be operated until such time as all of the Series 2022 Bonds have been paid.

Authorization for Issuance of the Series 2022 Bonds

The Series 2022 Bonds will be issued pursuant to Article 4 of the JPA Act and an Indenture of Trust, dated as of August 1, 2021, as supplemented and amended, including pursuant to a Third Supplemental Indenture of Trust dated as of March 1, 2022 (as so supplemented and as it may hereinafter be further supplemented and amended from time to time pursuant to its terms, the "Indenture"), between the JPB and U.S. Bank National Association, as trustee (the "Trustee").

Purpose and Application of Proceeds of the Series 2022 Bonds

Proceeds of the Series 2022 Bonds will be used to: (i) finance costs of certain improvements to the Caltrain system, including the electrification thereof, as more fully described below under the caption "PLAN OF FINANCE – 2022 Project;" (ii) pay capitalized interest on the Series 2022 Bonds through the expected commencement of electrified revenue service; and (iii) pay costs of issuance of the Series 2022 Bonds. See "ESTIMATED SOURCES AND USES" herein.

Security and Source of Payment for the Series 2022 Bonds

The Series 2022 Bonds are limited obligations of the JPB and are payable as to both principal and interest, and any premium upon redemption thereof, solely from Revenues (as defined herein) as provided in the Indenture and described herein. Revenues consist of all Sales Tax Revenues (as defined herein) and certain amounts held by the Trustee in certain funds and accounts established under the Indenture. Sales

Tax Revenues consist of all amounts available for distribution to the JPB on account of the imposition of a retail transactions and use tax (the "Sales Tax") levied in the incorporated and unincorporated territory of the City and County of San Francisco, the County of San Mateo, and the County of Santa Clara (the "Counties"), at the rate of one-eighth of one percent (1/8%) after deducting amounts payable by the JPA of a fee paid to the California Department of Tax and Fee Administration (the "CDTFA") in connection with the collection and disbursement of the Sales Tax pursuant to the agreement between the CDTFA and the Issuer, and accepted by the Trustee (the "CDTFA Agreement"). The Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization (the "BOE") into three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the BOE, including, as of July 1, 2021, the Sales Tax.

The Sales Tax is levied pursuant to Resolution No. 2020-40 (the "Resolution"), which was adopted by the Board of Directors of the JPB (the "Board") on August 6, 2020, pursuant to the provisions of the Joint Powers Agreement. The Sales Tax was approved by more than two-thirds of the electors in the counties voting on a ballot measure ("Measure RR") to authorize the Sales Tax at the general election held in the counties on November 3, 2020. Collection of the Sales Tax commenced on July 1, 2021, and will expire on June 30, 2051. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS" herein.

Additional Senior Lien Debt

Additional bonds, notes and other obligations (the "Senior Lien Debt") secured by the pledge made pursuant to the Indenture and payable from the Revenues (including Sales Tax Revenues) equally and ratably with the Series 2022 Bonds as provided in the Indenture may be issued or incurred subject to the satisfaction of certain conditions of the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Obligations of the JPB Payable from Sales Tax Revenues – Additional Senior Lien Bonds," "– Refunding Senior Lien Bonds," and "– Senior Lien Obligations" herein. The Series 2022 Bonds and any additional bonds and notes authorized by, and at any time Outstanding under, the Indenture are referred to collectively herein as the "Bonds."

Subordinate and Junior Obligations

Additional obligations secured by the pledge made pursuant to the Indenture and payable from the Revenues (including Sales Tax Revenues) on a basis subordinate to the Senior Lien Debt (including the Series 2022 Bonds) and senior to Junior Obligations (as defined below) as provided in the Indenture (the "Subordinate Obligations") may be issued or incurred subject to the satisfaction of certain conditions of the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Obligations of the JPB Payable from Sales Tax Revenues – Subordinate Obligations" and "Refunding Subordinate Obligations" herein.

Additional obligations may also be secured by the pledge made pursuant to the Indenture and payable from the Revenues (including Sales Tax Revenues) on a basis subordinate to the Senior Lien Debt (including the Series 2022 Bonds) and Subordinate Obligations as provided in the Indenture (the "Junior Obligations") may be issued or incurred subject to the satisfaction of certain conditions of the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Obligations of the JPB Payable from Sales Tax Revenues – Junior Obligations" herein.

The JPB currently has outstanding two credit facilities, each with a maximum amount of $100,000,000 permitted to be outstanding at any time, and each secured as Subordinate Obligations under the Indenture, with Wells Fargo, National Association ("Wells Fargo"). One credit facility (the "PCEP Facility") is available to assist the JPB in meeting its cash flow needs in connection with the Peninsula

Corridor Electrification Project (hereinafter referred to as the "Peninsula Corridor Electrification Project" or the "PCEP Project"), and the JPB has drawn approximately $[60,000,000] thereunder as of February 4, 2022. See "THE JOINT POWERS BOARD – Capital Initiatives – Peninsula Corridor Electrification Project" herein. The other credit facility (the "Working Capital Facility," and together with the PCEP Facility, the "Credit Facilities") is available to fund working capital of the JPB, and the JPB has drawn approximately $[36,000,000] thereunder as of February 4, 2022. The Credit Facilities each mature on August 16, 2024, unless extended pursuant to the terms thereof; provided, further, however, that subject to certain conditions precedent set forth in each of the Credit Facilities, each of the Credit Facilities may be repaid over a five-year period after August 16, 2024. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Outstanding Indebtedness Secured by Sales Tax Revenues" and "THE JOINT POWERS BOARD – Existing Indebtedness" herein.

The purchase of the Series 2022 Bonds involves risks, certain of which are discussed under "INVESTMENT CONSIDERATIONS" below.

No Reserve Fund for Series 2022 Bonds

There will be no reserve fund established for the Series 2022 Bonds.

Impact of COVID-19 Pandemic

In response to the spread of the novel strains of coronavirus collectively called SARS-CoV-2, which cause the disease known as COVID-19 ("COVID-19"), the Governor of the State (the "Governor") declared a state of emergency in the State on March 4, 2020. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and on March 13, 2020, the President of the United States declared a national state of emergency. The State and the Counties imposed significant restrictions on economic and other activity within the Counties beginning in March 2020.

Beginning in early 2021, the State and the Counties implemented a phased approach for terminating the restrictions originally placed on businesses and activities in March 2020, and as of June 15, 2021, nearly all restrictions imposed by the State and the Counties (including physical distancing and capacity limits on businesses) have been terminated. Although pursuant to the re-opening plan certain restrictions on activities were eased, restrictions were also re-imposed in various jurisdictions (including the Counties) as local conditions warranted, and such restrictions may be and have been renewed as the COVID-19 pandemic continues.

The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus and its variants; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) existing actions that have been taken, and new actions that may be taken in the future, by governmental authorities to contain or mitigate the outbreak; (v) the acceptance of and effectiveness (especially against any new variants of the virus) of vaccines; (vi) the impact of the outbreak on the local, national or global economy; (vii) the impact of the outbreak and actions taken in response to the outbreak on Sales Tax Revenues and the JPB; and (viii) temporary and permanent changes to consumers' spending habits. To date, the economic effects of the COVID-19 outbreak have not resulted in a material reduction in Sales Tax Revenues but the JPB is unable to predict the ongoing impact of the COVID-19 outbreak. For a more complete discussion on the COVID-19 pandemic and its impact on the JPB and potential impact on Sales Tax Revenues, see "INVESTMENT CONSIDERATIONS – Impacts of COVID-19 Pandemic" herein.

Other

Brief descriptions of the Series 2022 Bonds, the Indenture, the security and source of payment for the Series 2022 Bonds, the Joint Powers Agreement and the JPB are presented herein. Such references and descriptions do not purport to be comprehensive or definitive. All references herein to various documents are qualified in their entirety by reference to the forms thereof, all of which are available at the offices of the JPB.

THE SERIES 2022 BONDS

General Terms and Provisions

The Series 2022 Bonds will be issued in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof (each, an "Authorized Denomination"), will be dated their date of delivery, and will bear interest from such date at the rates set forth on the inside cover of this Official Statement, payable on June 1 and December 1 of each year, commencing June 1, 2022 (each, an "Interest Payment Date") until maturity or redemption prior to maturity as described herein. Interest on the Series 2022 Bonds will be calculated on the basis of a 360-day year, comprised of twelve 30-day months.

The Series 2022 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC," and, together with any successor securities depository, the "Depository"). DTC will act as Depository for the Series 2022 Bonds so purchased. Individual purchases will be made in book-entry form. Purchasers will not receive a bond certificate representing their beneficial ownership interest in Series 2022 Bonds. So long as Cede & Co. is the registered owner of the Series 2022 Bonds, as nominee of DTC, references herein to Bondholders, Holders or Owners of the Series 2022 Bonds shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of Series 2022 Bonds. In this Official Statement, the term "Beneficial Owner of the Series 2022 Bonds" shall mean the person for whom a participant in DTC acquires an interest in Series 2022 Bonds.

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, principal of and interest on the Series 2022 Bonds will be payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to its participants for subsequent disbursement to Beneficial Owners of the Series 2022 Bonds. See Appendix D - "BOOK-ENTRY SYSTEM" herein.

In the event the use of the book-entry system is discontinued, principal of the Series 2022 Bonds will be payable upon surrender thereof at the designated office of the Trustee. All interest payable on the Series 2022 Bonds will be paid by check mailed by first-class mail on each Interest Payment Date to the person in whose name each Series 2022 Bond is registered in the registration books maintained by the Trustee as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding the Interest Payment Date (each, a "Record Date"), provided that registered owners of $1,000,000 or more in aggregate principal amount of Series 2022 Bonds may request payment by wire transfer to an account within the United States, such request to be submitted in writing and received by the Trustee on or before the applicable Record Date for such Interest Payment Date, in accordance with the provisions set forth in the Indenture.

Redemption Provisions

Optional Redemption

Optional Redemption of Series 2022 Bonds. The Series 2022 Bonds maturing on or before June 1, 20[__] shall not be subject to redemption prior to their respective stated maturities. The Series 2022 Bonds maturing on or after June 1, 20[__] shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part, in Authorized Denominations, on any date on or after June 1, 20[__] at a redemption price equal to the principal amount of Series 2022 Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Series 2022 Bonds maturing on June 1, 20[__], will also be subject to redemption in part, by lot, from Mandatory Sinking Fund Payments required by the Indenture on each June 1 on or after June 1, 20[__], at the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Mandatory Sinking Fund Payments will be sufficient to redeem (or pay at maturity) the following principal amounts of such Series 2022 Bonds on the dates set forth below:

Sinking Account Payment Date (June 1)	**Sinking Account Payment**
	$
*	

* Final Maturity

The Series 2022 Bonds maturing on June 1, 20[__], will also be subject to redemption in part, by lot, from Mandatory Sinking Account Payments required by the Indenture on each June 1 on or after June 1, 20[__], at the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Mandatory Sinking Account Payments will be sufficient to redeem (or pay at maturity) the following principal amounts of such Series 2022 Bonds on the dates set forth below:

Sinking Account Payment Date (June 1)	**Sinking Account Payment**
	$
*	

* Final Maturity

Purchase in Lieu of Mandatory Redemption. The JPB reserves the right at all times to purchase any of its Series 2022 Bonds on the open market. In lieu of mandatory redemption, the JPB may surrender to the Trustee for cancellation Series 2022 Bonds purchased on the open market, and such Series 2022 Bonds shall be cancelled by the Trustee. If any Series 2022 Bonds are so cancelled, the JPB may designate the Mandatory Sinking Fund Payments or portions thereof within the Series 2022 Bonds so purchased that are to be reduced as a result of such cancellation.

Selection of Series 2022 Bonds for Redemption. While the Series 2022 Bonds are in book-entry form and so long as DTC acts as Depository for the Series 2022 Bonds, whenever provision is made for redemption of less than all of the Series 2022 Bonds of any maturity, applicable provisions for selection of Series 2022 Bonds to be redeemed under DTC's book-entry system shall apply. See Appendix D - "BOOK-ENTRY SYSTEM" herein. In the event that the use of the book-entry system is discontinued, whenever provision is made for redemption of less than all of the Series 2022 Bonds of any maturity, the Trustee shall select the Series 2022 Bonds of the such maturity to be redeemed by lot or by such other method as the JPB shall specify and in Authorized Denominations.

Notice of Redemption; Conditional Notice. The Trustee shall give notice of redemption not less than 20 days nor more than 60 days prior to the redemption date to each registered owner of a Series 2022 Bond designated for redemption, such notice to be given by first class mail, email or other electronic means or overnight delivery. The Trustee shall also give written notice of redemption to the Electronic Municipal Market Access System, known as EMMA, maintained by the Municipal Securities Rulemaking Board, which is the Repository identified in the Continuing Disclosure Agreement being entered into in connection with the Series 2022 Bonds. Neither failure by the Trustee to deliver such notice to the Repository, nor failure of any registered owner or Repository to receive such notice nor any defect therein shall affect the sufficiency of the proceedings for the redemption of any of the Series 2022 Bonds.

With respect to any notice of optional redemption of Series 2022 Bonds, such notice may state that such redemption shall be may be conditional and rescinded and cancelled if for any reason on the date fixed for redemption moneys are not available or otherwise held in trust in the 2022 Series A Bonds Redemption Fund for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2022 Bonds called for redemption

Any notice given pursuant to the provisions of the Indenture described herein may be rescinded by written notice given to the Trustee by the JPB and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same parties, as notice of such redemption was given.

For so long as the Series 2022 Bonds are in book-entry form, all notices of redemption and all other notices described under this caption, shall be delivered to DTC, as Depository. Neither the JPB nor the Trustee can or do give any assurance that any such notice will be distributed by DTC to Beneficial Owners or that any such notice will be distributed on a timely basis. See Appendix D - "BOOK-ENTRY SYSTEM" herein.

Cessation of Interest. Interest on all Series 2022 Bonds for which notice of redemption has been given pursuant to the provisions of the Indenture and for which funds have been provided to the Trustee for the payment thereof shall cease to accrue on the redemption date. Such Series 2022 Bonds shall cease to be entitled to any lien, benefit or security under the Indenture on the redemption date and the registered owners of such Series 2022 Bonds shall have no rights in respect thereof except to receive payment from the funds provided to the Trustee therefor.

The Series 2022 Bonds have been verified by Kestrel Verifiers as Green Bonds [and Climate Bond Certified]. See ["DESIGNATION OF THE SERIES 2022 BONDS AS GREEN BONDS – CLIMATE BOND CERTIFIED"] and Appendix H – "[GREEN BOND VERIFIER'S EXHIBIT]" herein.

PLAN OF FINANCE

Application of Proceeds

Proceeds of the Series 2022 Bonds will be used to: (i) finance costs of certain improvements to the Caltrain system, including the electrification thereof, as more fully described below under the heading "2022 Project" (ii) pay capitalized interest on the Series 2022 Bonds through the expected commencement of electrified revenue service; and (iii) pay costs of issuance of the Series 2022 Bonds. See "ESTIMATED SOURCES AND USES" herein.

2022 Project

The JPB intends to apply a portion of the proceeds of the Series 2022 Bonds to finance costs of the PCEP Project, which will provide for electrification of the existing Caltrain rail corridor from San Francisco to San José, including the installation of an overhead contact system over the rail system to provide power to the electric powered rolling stock and the design and procurement of a fleet of 133 electric powered rail cars. See "THE JOINT POWERS BOARD – Capital Initiatives – Peninsula Corridor Electrification Project."

ESTIMATED SOURCES AND USES

Estimated sources and uses of funds are set forth below:

Sources:	
Principal Amount of Series 2022 Bonds	$
[Net Original Issue Premium]	
Total Sources	$
Uses:	
Deposit to 2022 Series A Bonds Construction Account	$
Deposit to 2022 Series A Bonds Capitalized Interest Account	
Costs of Issuance[(1)]	
Total Uses	$

(1) Costs of Issuance include underwriters' discount, legal fees, municipal advisor fees and expenses, rating agency fees, green bond verifier fees and other miscellaneous expenses. For a description of the underwriter's discount, see "UNDERWRITING" herein.

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DEBT SERVICE REQUIREMENTS*

The following table sets forth principal and interest payments with respect to the Series 2022 Bonds.

Fiscal Year Ending June 30	Principal	Interest	Annual Debt Service
2022	-	$	$
2023	-		
2024	-		
2025	$2,560,000		
2026	2,690,000		
2027	2,825,000		
2028	2,965,000		
2029	3,110,000		
2030	3,270,000		
2031	3,430,000		
2032	3,605,000		
2033	3,785,000		
2034	3,970,000		
2035	4,170,000		
2036	4,380,000		
2037	4,600,000		
2038	4,830,000		
2039	5,070,000		
2040	5,325,000		
2041	5,590,000		
2042	5,870,000		
2043	6,165,000		
2044	6,470,000		
2045	6,795,000		
2046	7,135,000		
2047	7,490,000		
2048	7,865,000		
2049	8,260,000		
2050	8,670,000		
2051	9,105,000		
Total	$140,000,000	$	$

THE 2020 MEASURE RR SALES AND USE TAX

Since its inception in 1991 pursuant to the Joint Powers Agreement, the JPB has had no dedicated source of funding other than passenger fares. Instead, the JPB has relied on contributions from the Member Agencies to fulfill its financial requirements in its operating and capital budgets. On August 6, 2020, the JPB's Board of Directors adopted Resolution No. 2020-40 (the "Resolution"), pursuant to provisions of the Joint Powers Agreement, in order to provide dedicated funding for the operation, maintenance, and capital needs of Caltrain and to authorize the imposition of the Sales Tax with voter approval.

* Preliminary, subject to change.

On November 3, 2020, more than two-thirds of the voters in the Counties approved Measure RR implementing the Sales Tax. The Sales Tax is a retail transactions and use tax of one eighth of one percent (1/8%) imposed for a period of 30 years beginning July 1, 2021 on the gross receipts from the sale of all tangible personal property put into use in the incorporated and unincorporated territory of the Counties and a use tax at the same rate on the storage, use, or other consumption in the Counties of such property purchased from any retailer for storage, use or other consumption in the counties, subject to certain exceptions. Revenues from the Sales Tax may be used by the JPB or a successor agency to finance the operation and capital purposes of Caltrain pursuant to Measure RR and the Resolution.

Collection of the Sales Tax is administered by the CDTFA. The CDTFA, after deducting a fee for administering the 2020 Measure RR Sales Tax, remits the remaining Sales Tax Revenues to the Trustee to satisfy the JPB's obligations with respect to the Series 2022 Bonds, other Senior Lien Debt, Subordinate Obligations, and Junior Obligations. Such direct transmittal by the CDTFA to the Trustee commenced August 18, 2021. The remaining Sales Tax Revenues are then remitted to the JPB. The estimated fee that the CDTFA intends to charge the JPB for the Fiscal Year 2021-22 to collect the Sales Tax is $3,300,000. The fee that the CDTFA is authorized to charge for collection of the Sales Tax is determined by State legislation; there can be no assurances that this fee or the method for determining the amount of the fee will be the same in the future. This fee may be increased or decreased by legislative action.

Many categories of transactions are exempt from the state-wide transaction, sales and use tax and from the Sales Tax. The most important are sales of food products for home consumption; prescription medicine; edible livestock and their feed; seed and fertilizer used in raising food for human consumption; and gas, electricity and water when delivered to consumers through mains, lines, and pipes. In addition, "Occasional Sales" (*i.e.*, sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the state-wide sales and use tax and from the Sales Tax.

Historical Sales Tax Revenues

Collection of the Sales Tax commenced on July 1, 2021. As a result, the JPB cannot provide a history of Sales Tax Revenues generated by Measure RR. However, each Member Agency receives sales tax revenues from at least one sales tax measure in their respective counties. The table below shows sales tax revenues for the past fifteen years from these Member Agency sales tax measures, calculated on the basis of generally accepted accounting principles during the current Fiscal Years, adjusted to reflect a one-eighth of one percent (1/8%) retail transactions and use tax, as a proxy for Sales Tax Revenues that the JPB might have received had collection of the Sales Tax commenced at an earlier time. Sales Tax Revenues are reported net of fees charged by the State for collection and distribution of the tax.

ANNUAL SALES TAX REVENUES†
Net of State Collection Fees
(Dollars in Thousands)
Fiscal Years Ended June 30, 2007- 2021

Fiscal Year Ended June 30	San Francisco County(1)	SamTrans(2)	Santa Clara VTA(3)	Total Transaction Tax Revenues	Adjusted Transaction Tax Revenues(4)	Annual Percentage Change
2007	76,910	66,198	163,676	306,784	76,696	4.6%
2008	79,556	68,667	163,038	311,261	77,815	1.5
2009	71,132	60,015	137,642	268,789	67,197	-13.6
2010	68,164	58,488	140,037	266,689	66,672	-0.8
2011	75,172	63,514	153,602	292,288	73,072	9.6
2012	81,165	69,370	166,567	317,102	79,276	8.5
2013	85,754	73,859	176,716	336,329	84,082	6.1
2014	93,931	77,606	186,431	357,968	89,492	6.4
2015	100,279	80,975	199,221	380,475	95,119	6.3
2016	102,137	79,705	205,418	387,260	96,815	1.8
2017	101,922	80,975	209,005	391,902	97,976	1.2
2018	100,970	87,797	207,588	396,355	99,089	1.1
2019	115,671	100,729	237,877	454,277	113,569	14.6
2020(5)	99,269	91,641	209,828	400,738	100,185	-11.8
2021	86,530	93,833	220,574	400,937	100,234	0.0

(1) Proposition K, 0.5%
(2) Proposition A, 0.5%.
(3) 1976 Sales Tax, 0.5%
(4) Reflects amounts from Total Sales Tax Revenues adjusted to reflect a one-eighth of one percent (1/8%) retail transactions and use tax, as a proxy for Sales Tax Revenues that the JPB might have received had collection of the Sales Tax commenced at an earlier time.
(5) Reflects fiscal year in which sales tax receipts first reflected impacts of the COVID-19 pandemic.
† Totals may not add due to independent rounding, data reflects year in which sales tax occurred, not when the Counties received revenue.

For a summary of historical taxable retail sales within the counties see the tables entitled "City and County of San Francisco, Taxable Sales" and "County of San Mateo, Taxable Sales," and "County of Santa Clara, Taxable Sales in APPENDIX B - "ECONOMIC AND DEMOGRAPHIC DATA PERTAINING TO THE THREE CALTRAIN COUNTIES - CITY AND COUNTY OF SAN FRANCISCO, COUNTY OF SAN MATEO, AND COUNTY OF SANTA CLARA."

Projected Sales Tax Revenues

The JPB currently projects it will collect Sales Tax Revenues in an amount of approximately $106 million for Fiscal Year ending June 30, 2022.

State Sales Tax and Other Sales Taxes Levied within the Counties

In addition to the Sales Tax, various retail transactions and use taxes (referred to in this section as sales taxes) are levied within the counties. In the CCSF, the Bay Area Rapid Transit District ("BART") levies a sales tax at the rate of 0.50% for transportation purposes which will not expire. The San Francisco County Public Finance Authority levies a retail transaction and use tax within the CCSF at the rate of 0.25%

for transportation purposes which will not expire. The San Francisco County Transportation Authority levies a 0.50% sales tax (Measure K) for transportation purposes which will not expire.

In San Mateo County, a retail transactions and use tax is levied at the rate of 0.50%, which expires on March 31, 2048. In addition to the 0.50% Proposition A sales tax, SamTrans also levies a 0.50% sales tax (Measure W), with half of receipts administered by San Mateo County Transportation Authority to improve transit and relieve traffic which expires on June 30, 2049. San Mateo County Transportation Authority also levies a 0.50% Measure A sales tax for transportation purposes, which expires on December 31, 2033.

In Santa Clara County, a retail transactions and use tax is levied at the rate of 0.125% which expires on June 30, 2051. The VTA levies a sales tax at the rate of 0.50% which does not expire. The VTA also levies a sales tax at the rate of 0.50% for transportation purposes which expires on March 31, 2036. Santa Clara VTA BART levies an operating and maintenance transactions tax of 0.125% which expires on June 30, 2042. The VTA levies a sales tax at a rate of 0.50% (also known as the Silicon Valley Transportation Solutions Tax) to enhance transit, highways, expressways and active transportation, which expires March 31, 2047.

In addition, a number of cities have sales tax measures with various uses and expiration dates.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2022 BONDS

Pledge of Sales Tax Revenues and Other Amounts

The Series 2022 Bonds are limited obligations of the JPB, payable solely from, and secured by a pledge of: (i) all Revenues; and (ii) all amounts, including proceeds of the Senior Lien Bonds when issued and the Notes, held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Senior Lien Bond Rebate Fund and the Note Rebate Fund, the respective accounts in the Note Construction Fund (each of which shall secure only the applicable Note), any Senior Lien Bonds Project Fund for any Senior Lien Bonds other than the Series 2022 Bonds (which shall secure only the Senior Lien Bonds the proceeds of which were deposited therein) any Senior Lien Bonds Costs of Issuance Fund for any Senior Lien Bonds other than the Series 2022 Bonds (which shall secure only the Senior Lien Bonds the proceeds of which were deposited therein), any Senior Lien Reserve Fund for any Senior Lien Bonds other than the Series 2022 Bonds (which shall secure only the Senior Lien Debt specifically identified in a Supplemental Indenture or Supplemental Indentures as secured thereby), any Subordinate Obligations Reserve Fund (which shall secure only the Subordinate Obligations specifically identified in a Supplemental Indenture or Supplemental Indentures as secured thereby) and any fund or account established under a Supplemental Indenture that secures only specifically identified Senior Lien Debt, Subordinate Obligations or Junior Obligations (which shall secure only the obligations so identified) or any rebate fund established under a Supplemental Indenture), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The collateral described above shall constitute a first lien on such collateral with respect to the Senior Lien Debt, including the Series 2022 Bonds. As defined in the Indenture, "Revenues" means all Sales Tax collected by the CDTFA after deducting amounts payable by the JPB to the CDTFA for costs and expenses for its services in connection with the Sales Tax (such net amounts being the "Sales Tax Revenues"), together with (i) all investment earnings on amounts held by the Trustee in the funds and accounts under the Indenture (other than amounts deposited in the Senior Lien Bond Rebate Fund and the Note Rebate Fund), and (ii) all Swap Revenues. The pledge of Sales Tax Revenues and all amounts held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Senior Lien Bond Rebate Fund, the Note Rebate Fund) shall be irrevocable until all of the Senior Lien Bonds, all Senior Lien Obligations, the Note, all other Subordinate Obligations, and all Junior Obligations, and amounts owed in connection therewith are no longer Outstanding. The JPB is not currently a party to any Interest Rate Swap Agreements. See "APPENDIX C— DEFINITIONS AND SUMMARY OF THE INDENTURE - Definitions" for, among other things, the definitions of "Interest Rate Swap Agreement," "Senior Lien Bonds," "Senior Lien Debt," "Senior Lien Obligations," "Subordinate Obligations," "Junior Obligations," and "Swap Revenues."

Neither the faith and credit nor the taxing power of the Counties, the State, the Member Agencies, or any political subdivision or agency thereof, other than the JPB, to the extent of the Revenues and certain other amounts held by the Trustee under the Indenture, is pledged to the payment of the principal of or interest on the Series 2022 Bonds. The JPB has no power to levy any taxes other than the Sales Tax to pay the principal of, redemption premium, if any, or interest on the Series 2022 Bonds.

Revenue Fund, Allocation of Sales Tax Revenues

So long as there are any Senior Lien Bonds or any Senior Lien Obligations, Subordinate Obligations or Junior Obligations Outstanding, the JPB will, pursuant to the Indenture, assign and cause Sales Tax Revenues to be transmitted by CDTFA directly to the Trustee. The Trustee shall forthwith deposit such Sales Tax Revenues in a trust fund under the Indenture, designated the "Sales Tax Revenue Fund," when and as received by the Trustee.

Flow of Funds. So long as there are any Senior Lien Bonds or any Senior Lien Obligations, Subordinate Obligations or Junior Obligations Outstanding, in each month on the day following the receipt of the Sales Tax Revenues as provided in the Indenture, the Trustee shall withdraw from the Sales Tax Revenue Fund an amount sufficient, with other funds, if any, provided to the Trustee and previously used in such month to make such deposits, to make deposits in the following respective accounts and funds in the following amounts, in the following order of priority:

(a) to the credit of the Senior Lien Interest Account an amount equal to the Aggregate Accrued Senior Lien Interest for the following calendar month less any Senior Lien Excess Deposit held in the Senior Lien Interest Account plus any Senior Lien Deficiency with respect to the Senior Lien Interest Account plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the Senior Lien Interest Account or another special account to be used to make such payment;

(b) to the credit of the Senior Lien Principal Account an amount equal to the Aggregate Accrued Senior Lien Principal for the following calendar month less any Senior Lien Excess Deposit held in the Senior Lien Principal Account plus any Accrued Senior Lien Premium for the following calendar month and any Senior Lien Deficiency with respect to the Senior Lien Principal Account plus any amount of principal and premium, if any, which has become due and has not been paid and for which there are insufficient funds in the Senior Lien Principal Account or another special account to be used to make such payment;

(c) to the credit of any Senior Lien Reserve Funds the amounts necessary to increase the amounts on deposit in such funds to the applicable reserve requirements identified in the Supplemental Indentures pursuant to which the Senior Lien Debt secured by such funds was issued or incurred; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they shall be allocated pro rata between the Senior Lien Reserve Funds based on the amounts required to be deposited in such funds;

(d) to the credit of the Note Interest Fund and any Subordinate Obligations Interest Fund(s), an amount equal to the Aggregate Accrued Subordinate Interest (including any interest on any Lender Fees and Expenses) for the following calendar month less any Subordinate Obligations Excess Deposit held in the Note Interest Fund and any Subordinate Obligations Interest Fund(s) plus any Subordinate Obligations Deficiency with respect to the Note Interest Fund and any Subordinate Obligations Interest Fund(s) plus any amount of interest that has become due and has not been paid and for which there are insufficient funds in the Note Interest Fund or Subordinate Obligations Interest Fund(s), as applicable, or another special account to be used to make such payment; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they shall be allocated pro rata between the Note Interest Fund and any other Subordinate Obligations Interest Fund(s) based on the amount required to be deposited in such funds;

(e) to the credit of the Note Principal Fund and any Subordinate Obligations Principal Fund(s), an amount equal to the Aggregate Accrued Subordinate Principal (including the amount of any Lender Fees and Expenses) for the following calendar month less any Subordinate Obligations Excess Deposit held in the Note Principal Fund and any Subordinate Obligations Principal Fund(s) plus any Accrued Subordinate Premium for the following calendar month and any Subordinate Obligations Deficiency with respect to the Note Principal Fund and any Subordinate Obligations Principal Fund(s) plus any amount of principal and premium, if any, that has become due and has not been paid and for which there are insufficient funds in the Note Principal Fund or Subordinate Obligations Principal Fund(s), as applicable, or another special account to be used to make such payment; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they shall be allocated pro rata between the Note Principal Fund and any other Subordinate Obligations Principal Fund(s) based on the amount required to be deposited in such funds;

(f) to the credit of any Subordinate Obligations Reserve Funds the amounts necessary to increase the amounts on deposit in such funds to the applicable reserve requirements identified in the Supplemental Indentures pursuant to which the Subordinate Obligations secured by such funds was issued or incurred; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they shall be allocated pro rata between the Subordinate Obligations Reserve Funds based on the amounts required to be deposited in such funds;

(g) to the Junior Obligations Fund to the credit of accounts to be created within the Junior Obligations Fund by the Trustee pursuant to the Indenture for the deposit of funds to pay Junior Obligations. The Trustee is hereby instructed to create such accounts and subaccounts within the Junior Obligations Fund for each type or Series, if any, of Junior Obligation as such obligations arise and to credit such accounts in such amounts and at such times as shall be needed to provide for payment of such Junior Obligations under the Supplemental Indenture or Supplemental Indentures relating to such obligations. The credit of Revenues to such accounts shall be made in accordance with the rank of the pledge created by such Junior Obligations. Notwithstanding the foregoing, however, if there shall be insufficient Revenues in any Fiscal Year to make all of the foregoing deposits, such Revenues shall be allocated to the accounts within the Junior Obligations Fund on a pro rata basis based on the amounts required to be deposited therein during such Fiscal Year among all such Junior Obligations issued or entered into on a parity basis in accordance with the rank of the pledge created by such Junior Obligations;

(h) to the credit of any Junior Obligations Reserve Funds the amounts necessary to increase the amounts on deposit in such funds to the applicable reserve requirements identified in the Supplemental Indentures pursuant to which the Junior Obligations secured by such funds was issued or incurred; provided that in the event the Sales Tax Revenues are not sufficient to make all such deposits, they shall be allocated pro rata between the Junior Obligations Reserve Funds based on the amounts required to be deposited in such funds.

All remaining Sales Tax Revenues, after making the foregoing allocations, shall be available to the JPB for all lawful JPB purposes and the Trustee shall, to the full extent practicable, transfer the remaining Sales Tax Revenues to the JPB on the same day as the allocation thereof (or, if such day is not a Business Day, no later than the following Business Day). The pledge of Revenues under the Indenture made shall be irrevocable until the Senior Lien Bonds, the Senior Lien Obligations, any Note, all Subordinate Obligations and all Junior Obligations are no longer Outstanding. Under the Indenture, once the Trustee has transferred the remaining Sales Tax Revenues to the JPB, such Sales Tax Revenues shall no longer constitute "Revenues," are released from the lien of the Indenture, and no longer secure the Indenture Obligations (including the Series 2022 Bonds). Accordingly, in making an investment decision, investors in the Series 2022 Bonds should not consider any amounts that have been or may in the future be transferred by the Trustee to the JPB or provided to the JPB by other sources.

No Reserve Fund for Series 2022 Bonds

There will not be a reserve fund securing the Series 2022 Bonds established under the Third Supplemental Indenture.

Obligations of the JPB Payable from Sales Tax Revenues

The JPB may issue additional Senior Lien Bonds and Senior Lien Obligations on a parity basis with the Senior Lien Bonds, as described below. The JPB shall not issue any Indebtedness secured by the Sales Tax Revenues that ranks senior to the Senior Lien Debt. The JPB may incur Subordinate Obligations and Junior Obligations as described below.

Additional Senior Lien Bonds. In addition to the Series 2022 Bonds, the JPB may by Supplemental Indenture establish one or more Series of Senior Lien Bonds, payable from Revenues and secured by the pledge made under the Indenture, and the JPB may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Senior Lien Bonds of any Series so established, in such principal amount as shall be determined by the JPB, but only, with respect to each additional Series of Senior Lien Bonds issued subsequent to the Series 2022 Bonds, and such subsequent issuance of Senior Lien Bonds, upon compliance by the JPB with the provisions set forth in the Indenture and any additional requirements set forth in said Supplemental Indenture, including, but not limited to the following:

(a) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the JPB to that effect, which Certificate of the JPB shall be filed with the Trustee.

(b) The aggregate principal amount of the additional Senior Lien Bonds being issued under the Indenture shall not cause the JPB to exceed any limitation imposed by the Resolution or any other law or by any Supplemental Indenture and the issuance of such additional Series of Senior Lien Bonds and the expected use of proceeds thereof is in compliance with the provisions of the JPA Act and the Resolution, as evidenced by the delivery of a Certificate of the JPB to that effect, which Certificate of the JPB shall be filed with the Trustee.

(c) The JPB shall file with the Trustee a certificate prepared by or on behalf of the JPB showing that the amount of Sales Tax Revenues collected during any 12 consecutive calendar months specified by the JPB within the most recent 18 calendar months immediately preceding the date on which such additional Series of Senior Lien Bonds will become Outstanding shall have been at least equal to 2.0 times Maximum Annual Debt Service on all Senior Lien Debt then Outstanding and the additional Series of Senior Lien Bonds then proposed to be issued, which certificate shall also set forth the computations upon which such certificate is based; provided that if the Resolution is amended to increase the rate of the Sales Tax under the applicable provisions of law and such increased rate was not in effect during all or any portion of the 12-consecutive-calendar month period, then the JPB may add to the amount of Sales Tax Revenues for such period an amount equal to the amount of Sales Tax Revenues that would have been generated if the increased rate were in effect for the full period, as calculated by the JPB using such reasonable assumptions as it determines.

Refunding Senior Lien Bonds. The JPB may authorize Refunding Senior Lien Bonds without compliance with the provisions described under the heading "Additional Senior Lien Bonds" above to refund any Senior Lien Debt provided that the Trustee shall have been provided with a certificate of the JPB to the effect that Maximum Annual Debt Service on all Senior Lien Debt Outstanding following the issuance of such Refunding Senior Lien Bonds is less than or equal to Maximum Annual Debt Service on all Senior Lien Debt Outstanding prior to the issuance of such Refunding Senior Lien Bonds. Such Refunding Senior Lien Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

(a) the principal or Redemption Price of the Outstanding Senior Lien Debt to be refunded;

(b) all expenses incident to the calling, retiring or paying of such Outstanding Senior Lien Debt and the Costs of Issuance of such Refunding Senior Lien Bonds;

(c) any Swap Termination Payment under any Interest Rate Swap Agreement that was entered into in connection with the Senior Lien Bonds or Senior Lien Obligations to be refunded;

(d) interest on all Outstanding Senior Lien Debt to be refunded to the date such Senior Lien Debt will be called for redemption or paid at maturity;

(e) interest on the Refunding Senior Lien Bonds from the date thereof to the date of payment or redemption of the Senior Lien Bonds or Senior Lien Obligations to be refunded; and

(f) funding a reserve fund for the Refunding Senior Lien Bonds, if applicable.

Senior Lien Obligations. The JPB may authorize and issue Senior Lien Obligations (which includes all indebtedness, obligations for borrowed money, or any other obligations of the JPB other than Senior Lien Bonds that has a senior lien on the Revenues), provided that the following conditions to the issuance or incurrence of such Senior Lien Obligations are satisfied:

(a) such Senior Lien Obligations have been duly and legally authorized by the JPB for any lawful purpose;

(b) the Certificates of the JPB described under clauses (a) (if such Senior Lien Obligations are being issued other than for refunding purposes) and (b) under the heading "Additional Senior Lien Bonds" shall be filed with the Trustee;

(c) (1) Such Senior Lien Obligations are being issued or incurred for purposes of refunding in compliance with the requirements for the issuance of Refunding Senior Lien Bonds set forth in the Indenture or (2) the JPB shall have placed on file with the Trustee a certificate of the JPB, upon which the Trustee may conclusively rely certifying (on the basis of calculations made no later than the date of sale or incurrence of such Senior Lien Obligations, as applicable) that the requirements set forth in the Indenture relating to the issuance of an additional Series of Senior Lien Bonds have been satisfied with respect to such Senior Lien Obligations, which certificate shall also set forth the computations upon which such certificate is based; and

(d) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Senior Lien Obligations and the JPB shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Senior Lien Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Senior Lien Obligations).

Other Senior Debt Not Permitted. The JPB may not issue any Indebtedness secured by the Sales Tax Revenues on a basis senior to the lien on Sales Tax Revenues securing the Senior Lien Bonds and Senior Lien Obligations.

Subordinate Obligations. Under the Indenture, the JPB may issue Subordinate Obligations which are secured by a lien and charge on the Revenues subordinate to the lien and charge on the Revenues that secures the Senior Lien Debt (including the Series 2022 Bonds), and senior to the lien and charge on Sales Tax Revenues that secures the Junior Subordinate Obligations, and such issuance of Subordinate shall occur upon compliance by the JPB with the provisions set forth in the Indenture and any additional requirements set forth in said Supplemental Indenture, including, but not limited to the following:

(a) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the JPB to that effect, which Certificate of the JPB shall be filed with the Trustee.

(b) The aggregate principal amount of the additional Subordinate Obligations being issued under the Indenture shall not cause the JPB to exceed any limitation imposed by the Resolution or any other law or by any Supplemental Indenture and the issuance of such additional Subordinate Obligations and the expected use of proceeds thereof is in compliance with the provisions of the JPA Act and the Resolution, as evidenced by the delivery of a Certificate of the JPB to that effect, which Certificate of the JPB shall be filed with the Trustee.

(c) The JPB shall file with the Trustee a certificate prepared by or on behalf of the JPB showing that the amount of Sales Tax Revenues collected during any 12 consecutive calendar months specified by the Issuer within the most recent 18 calendar months immediately preceding the issuance of such additional Subordinate Obligations shall have been at least equal to 1.5 times Maximum Annual Debt Service on the Senior Lien Debt and Subordinate Obligations then Outstanding and the additional Subordinate Obligations then proposed to be issued, which certificate shall also set forth the computations upon which such certificate is based; provided that if the Resolution is amended to increase the rate of the Sales Tax under the applicable provisions of law and such increased rate was not in effect during all or any portion of the 12-consecutive-calendar month period, then the JPB may add to the amount of Sales Tax Revenues for such period an amount equal to the amount of Sales Tax Revenues that would have been generated if the increased rate were in effect for the full period, as calculated by the JPB using such reasonable assumptions as it determines.

Refunding Subordinate Obligations. The JPB may authorize and issue Refunding Subordinate Obligations under the Indenture without compliance with the provisions described under paragraphs (a) and (c) under the heading "Subordinate Obligations" to refund any Senior Lien Debt or Subordinate Obligations provided that the Trustee shall have been provided with a certificate of the JPB to the effect that Maximum Annual Debt Service on all Senior Lien Debt Outstanding and Subordinate Obligations Outstanding following the issuance of such Refunding Subordinate Obligations is less than or equal to Maximum Annual Debt Service on all Senior Lien Debt Outstanding and Subordinate Obligations Outstanding prior to the issuance of such Refunding Subordinate Obligations. Such Refunding Subordinate Obligations may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

(a) the principal or Redemption Price of the Outstanding Senior Lien Debt and Subordinate Obligations to be refunded;

(b) all expenses incident to the calling, retiring or paying of such Senior Lien Debt and Subordinate Obligations Debt and the Costs of Issuance of such Refunding Subordinate Obligations;

(c) any Swap Termination Payment under any Interest Rate Swap Agreement that was entered into in connection with the Senior Lien Bonds, Senior Lien Obligations or Subordinate Obligations to be refunded;

(d) interest on all Outstanding Senior Lien Debt or Subordinate Obligations to be refunded to the date such Senior Lien Debt or Subordinate Obligations will be called for redemption or paid at maturity;

(e) interest on the Refunding Subordinate Obligations from the date thereof to the date of payment or redemption of the Senior Lien Bonds, Senior Lien Obligations or Subordinate Obligations to be refunded; and

(f) funding a reserve fund for the Refunding Subordinate Obligations, if applicable.

Junior Obligations. Under the Indenture, the JPB may by Supplemental Indenture entered into pursuant to the Indenture, issue Junior Obligations, subject to the limitations set forth in the JPA Act, the Resolution, and the Supplemental Indenture establishing such Junior Obligations, which are secured by a junior subordinate lien and charge on Revenues and other amounts and secured by the pledge made under the Indenture or such applicable Supplemental Indenture, and are subordinate to the lien and charge on the Revenues that secure the Senior Lien Debt (including the Series 2022 Bonds) and Subordinate Obligations. The JPB may issue Junior Obligations without satisfying any financial tests.

Outstanding Indebtedness Secured by Sales Tax Revenues

Upon the issuance of the Series 2022 Bonds, the Series 2022 Bonds will be the only Senior Lien Bonds Outstanding, and, as of the date of this Official Statement, the JPB has no Senior Lien Obligations Outstanding.

The JPB's payment obligations under the Credit Facilities and the Initial Notes are secured under the Indenture by Sales Tax Revenues (and certain funds) as Subordinate Obligations, and therefore such pledge of Sales Tax Revenues (and certain funds) is subordinate to the pledge and lien on Sales Tax Revenues (and certain funds) securing the Series 2022 Bonds, any subsequent Senior Lien Bonds, and any subsequent Senior Lien Obligations. Wells Fargo may make advances of up to $100,000,000 under each of the PCEP Credit Facility and Working Capital Credit Facility, for a maximum aggregate amount of up $200,000,000 to be advanced under the Credit Facilities. As of February 4, 2022, the JPB has drawn the amount of [$60,163,578.95] under the PCEP Credit Facility and the amount of [$35,522,152.07] under the

Working Capital Credit Facility. After the issuance of the Series 2022 Bonds, the JPB may draw upon the Credit Facilities, from time to time (and re-draw following additional principal repayments), up to the maximum principal amount thereof.

See Appendix C - "DEFINITIONS AND SUMMARY OF THE INDENTURE – Issuance of Senior Lien Bonds," "— Issuance of Additional Senior Lien Bonds," "— Issuance of Refunding Senior Lien Bonds," "— Issuance of Senior Lien Obligations," "— Issuance of Subordinate Obligations," "— Issuance of Refunding Subordinate Obligations" and "— Junior Obligations" herein.

THE JOINT POWERS BOARD

Background and Organization

The Peninsula Corridor Joint Powers Board originated in a joint powers entity formed in 1988 by a joint powers agreement among CCSF, SamTrans and VTA for the purpose of conducting planning studies related to the transfer of responsibility for the administration of Caltrain from the State of California to the county level. Under a 1980 purchase-of-service agreement between the California Department of Transportation and Southern Pacific Transportation Company ("SPT"), State and local agencies subsidized the Caltrain commuter rail service which was operated by SPT. Based upon the planning studies conducted by the joint powers entity and its negotiation of an agreement to purchase the rail corridor right-of-way ("ROW") between San Francisco and San José and perpetual trackage rights between San José and Gilroy from SPT, the three parties to the joint powers agreement amended and restated the then-existing joint powers agreement in 1991 to form the Peninsula Corridor Joint Powers Board. The 1991 joint powers agreement provided for an expansion of powers to transform the existing joint powers entity from a planning entity to an operating entity and provided for the allocation among the parties of the administrative, capital and operating expenses attendant to ownership of the ROW and operation of Caltrain. The 1991 joint powers agreement was further amended in 1994 and was restated in its entirety in 1996 to modify the basis for allocation of administrative, operating, and capital costs and to make certain other changes. The joint powers agreement as restated in 1996 is herein referred to as the "Joint Powers Agreement."

Current Status of Joint Powers Agreement

The original term of the Joint Powers Agreement expired on October 18, 2001. Pursuant to the terms of the Joint Powers Agreement, the Joint Powers Agreement continues in full force and effect on a year-to-year basis, until such time as two or more Member Agencies withdraw pursuant to the terms of the Joint Powers Agreement. A Member Agency may withdraw pursuant to the terms of the Joint Powers Agreement upon one year's prior notice given at the end of any Fiscal Year. The Joint Powers Agreement requires that the parties must undergo mediation of the issues giving rise to the withdrawal notice, such mediation to be provided through the Metropolitan Transportation Commission, a regional transportation planning, coordinating and financing agency for the nine-county San Francisco Bay Area. If two or more Member Agencies withdraw, the Joint Powers Agreement terminates at the end of the Fiscal Year following expiration of the one-year's notice given by the second Member Agency to withdraw from the agreement. Upon termination of the Joint Powers Agreement and following discharge of all obligations due by the JPB, any property interest remaining in the JPB shall be disposed of and the proceeds or property shall be allocated in accordance with a separate agreement to be entered into between the parties. The "separate agreement" referenced in the Joint Powers Agreement is governed by the Member Agencies' 1991 Real Property Ownership Agreement ("RPOA"), which provides that the assets of the JPB will not be sold as long one Member Agency of the JPB continues to operate a minimum of 44 trains per day, provided that if that Member Agency discontinues providing a minimum level of service (44 trains per day) for seven consecutive years, the assets of the JPB shall be sold. The RPOA further provides that the proceeds from the sale of the JPB's assets shall first be used to satisfy any contractual obligations, including bondholders;

provided, however, that what constitutes an asset of JPB would likely need to be decided by a court, which JPB can provide no assurance as to how a court would decide. Notwithstanding the foregoing and pursuant to the CDTFA Agreement, it is the JPB's expectation that so long as any of the Series 2022 Bonds are outstanding, the Sales Tax will continue to be collected and transmitted directly to Trustee for payment on the Series 2022 Bonds.

No assurance can be given that the Joint Powers Agreement will be renewed nor can any assurance be given that two or more Member Agencies will not withdraw pursuant to the terms of the Joint Powers Agreement, thereby terminating the Joint Powers Agreement. Nor can any assurance be given that if the Joint Powers Agreement is terminated pursuant to its terms, Caltrain will continue to be operated until such time as all of the Series 2022 Bonds have been paid.

Caltrain Commuter Rail Service

The Caltrain commuter rail service runs from San Francisco, along the Peninsula Corridor, to San Jose and Gilroy, spanning 77 miles and serving 31 stations. Caltrain connects three counties, the City and County of San Francisco, the County of San Mateo, and the County of Santa Clara (herein referred to as the "Caltrain Counties"), and acts as a vital link for the 19 cities located along the corridor. Caltrain connects with other transit services including Bay Area Rapid Transit ("BART"), San Francisco Municipal Transportation Agency ("SFMTA"), SamTrans, Santa Clara Valley Transportation Authority ("VTA"), Capital Corridor, Altamont Corridor Express ("ACE"), Amtrak Coast Starlight, Dumbarton Express, and Highway 17 Express. Weekday service is provided between San Francisco, San Jose, and Gilroy. Weekend service is provided between San Francisco and San Jose.

Currently, Caltrain operates 104 weekday trains and 32 weekend trains. Three types of weekday service operate between San Francisco and San Jose: (i) express service (referred to as the "Baby Bullet express service"); (ii) limited-stop service; and (iii) local-stop service. Travel time between San Francisco and San Jose is approximately 65 minutes for Baby Bullet express service, varies between approximately 75 to 85 minutes for limited-stop service and varies between approximately 100 to 110 minutes for local-stop service depending on the station stops and stopping patterns. Weekday service operates from Gilroy northbound during the morning peak and to Gilroy southbound during the evening peak. On weekends, Caltrain serves 24 stations between San Francisco and San Jose Diridon and Tamien stations and operates a unified weekend schedule on Saturday and Sundays. Weekend local-stop service operates approximately every 60 minutes. See the Caltrain map in the front portion of this Official Statement. As more fully described below under the caption "Capital Initiatives – Peninsula Corridor Electrification Project," electrification of the rail corridor between San Francisco and San Jose is in progress.

In addition to its regularly scheduled service, Caltrain monitors event ridership year-round and may modify service or operate additional service for events at Oracle Park and Chase Center in San Francisco, Levi's Stadium in Santa Clara and SAP Center in San Jose. Select regular trains make special stops at Stanford Stadium for football games and other major sporting events. Extra trains may operate during annual events including Independence Day, New Year's Eve, Bay to Breakers, Gay Pride Weekend, and Fleet Weekend. Special trains have operated on a charter basis for events, such as the annual Martin Luther King, Jr. Birthday celebration held in San Francisco in January and the Gilroy Garlic Festival held in Gilroy in July. Caltrain also operates the annual Holiday Train, a goodwill community event, in December.

Pursuant to an agreement between the JPB and TransitAmerica Services, Inc. ("TASI"), operations of Caltrain is provided by TASI, which is responsible for rail operations, maintenance and support services. Services are provided in the following areas: Administrative/Safety, Operations and Dispatch, Maintenance of Equipment, Track, Communications and Signals, Stations, Constructions Support and State of Good Repair. The agreement (herein referred to as the "TASI Operating Agreement") was approved by the governing board of the JPB on September 1, 2011, and TASI began operating Caltrain on May 26, 2012. The base term of the TASI Operating Agreement expired on June 30, 2017 and was extended to June 30, 2022, through the exercise of the options years. Subsequently, the JPB and TASI negotiated an amendment to the TASI Operating Agreement, which further extended the term thru June 30, 2027.

All personnel who operate the Caltrain commuter rail service are employees of TASI. Currently, there are 11 collective bargaining agreements in place between TASI and its employees. Pursuant to the federal Railway Labor Act, employees of TASI have a right to strike conditioned upon exhaustion of a specified dispute resolution process, which includes mediation. The JPB has never experienced a strike on Caltrain during the term of the TASI Operating Agreement nor during the term of its contract with the prior operator of the Caltrain commuter rail service, which was in effect from the time the JPB assumed responsibility for administration of Caltrain until the TASI began operating Caltrain pursuant to the TASI Operating Agreement.

Governance

The governing board of the JPB consists of nine members, each member serving at the pleasure of the party appointing such member, selected as follows:

Representing the City and County of San Francisco

(1) An appointment of the Mayor of CCSF;

(2) An appointment of the Board of Supervisors of CCSF;

(3) An appointment of the San Francisco Municipal Transportation Agency (the "SFMTA");

Representing the San Mateo County Transit District

(4) Member of SamTrans Board of Directors (the "SamTrans Board") designated by the SamTrans Board;

(5) Member of SamTrans Board appointed by the San Mateo County Board of Supervisors;

(6) Member of SamTrans Board appointed by the City Selection Committee of the Council of Mayors of San Mateo County;

Representing the Santa Clara Valley Transportation Authority

(7) Member of VTA Board of Directors (the "VTA Board") representing the City of San José or the County of Santa Clara, as appointed by the VTA Board;

(8) Member of VTA Board representing the County of Santa Clara or a city in Santa Clara County other than the City of San José, as appointed by the VTA Board;

(9) The County of Santa Clara's representative to the MTC, or if this person declines to serve, then the MTC appointee of the Cities Selection Committee, or if this person also declines to serve, then a member of the VTA Board, as appointed by the VTA Board.

The current members of the governing board of the JPB are as follows:

Representing the City and County of San Francisco

Steve Heminger was appointed to the governing board of the JPB in March 2020 as the SFMTA appointee. He currently serves as Chair of the governing board of the JPB. He is the former executive director of the MTC.

Shamann Walton was appointed to the governing board of the JPB in April 2019 as the Board of Supervisors' appointee. Mr. Walton currently serves as President of the Board of Supervisors of the City and County of San Francisco

Monique Zmuda was appointed to the governing board of the JPB in April 2017 and again in January 2020 as the Mayor's appointee. Ms. Zmuda served as the former deputy controller for the City and County of San Francisco.

Representing the San Mateo County Transit District

Jeff Gee was reappointed to the governing board of the JPB in January 2020 as the San Mateo County City Selection Committee representative. Mr. Gee serves on the City Council of Redwood City.

Dave Pine was appointed to the governing board of the JPB in January 2017 by the San Mateo County Board of Supervisors. Mr. Pine currently serves on the San Mateo County Board of Supervisors.

Charles Stone was appointed to the governing board of the JPB in January 2018 as the SamTrans representative. Mr. Stone serves on the City Council of the City of Belmont. He currently serves as Vice Chair of the governing board of the JPB.

Representing the Santa Clara Valley Transportation Authority

Glenn Hendricks was appointed to the governing board of the JPB in January 2020 by the VTA. Mr. Hendricks currently serves as the Chair of the VTA and on the City Council of the City of Sunnyvale.

Cindy Chavez was appointed to the governing board of the JPB in January 2018 by the Santa Clara County Board of Supervisors. She currently serves on the VTA Board and on the Santa Clara County Board of Supervisors.

Devora "Dev" Davis was appointed to the governing board of the JPB in March 2017 by the City of San José. She currently serves as an alternate on the VTA Board and as a member of the City Council of the City of San José.

Administration and Staffing

Pursuant to the 1996 Joint Powers Agreement and a 2008 amendment to the Real Property Ownership Agreement, SamTrans has been appointed as managing agency (the "Managing Agency") for Caltrain and may serve in that role unless and until it no longer chooses to do so. Among other responsibilities, the Managing Agency is required to administer the contract for the operation of Caltrain's commuter rail service, maintain and manage the ROW and other system assets unless otherwise delegated by the governing board of the JPB to another Member Agency, implement capital programs, seek, obtain and administer grants, prepare and submit financial reports, recommend changes in fare structure and scheduling and levels of Caltrain service, and prepare capital and operating budgets. Employees of SamTrans, acting in its capacity as Managing Agency, function as JPB staff. For a discussion of the revenues and expenses of the JPB, see Appendix A - "PENINSULA CORRIDOR JOINT POWERS

BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 – Statements of Revenues, Expenses, and Changes in Net Position."

Pursuant to the Joint Powers Agreement, the General Manager/Chief Executive Officer of the Managing Agency serves as the Executive Director of the JPB. Currently, however, SamTrans has appointed Carter Mau as Acting General Manager/Chief Executive Officer of SamTrans, effective April 9, 2021. The SamTrans board has designated Michelle Bouchard as the Acting Executive Director of Caltrain and the JPB. The Chief Financial Officer of the Managing Agency serves as the Chief Financial Officer of the JPB.

On August 6, 2020, the Board of the JPB adopted Resolution No. 2020-42, requiring a vote of at least six (6) members of the Board to expend in excess of $40 million in revenue from the Measure RR Sales Tax in any fiscal year until the three member agencies agree on changes to the governance structure that would enable the majority of the JPB board to appoint an Executive Director to operate Caltrain, provided that the member agencies reach agreement to reimburse SMCTA for its investment in Caltrain. The JPB board continues to discuss governance options and procedures but has not, to date, adopted any governance recommendations or changes.

Executive Management

Michelle Bouchard, Acting Executive Director, designated in April 2021. Prior her appointment as Acting Executive Director, Ms. Bouchard served as the former Chief Operating Officer, Rail, since September 2015. Prior to September 2015, Ms. Bouchard was the Group Manager leading the operations and maintenance aspects of BART and Oakland Airport Connector projects for BART. Before joining BART, Ms. Bouchard worked in Rail Transportation at the JPB for fourteen years, serving as Director, Rail Transportation for five years before joining BART. Ms. Bouchard holds a BA in Economics from Brown University and an MS in Urban and Regional Planning from London School of Economics.

Carter Mau, Acting General Manager/Chief Executive Officer of SamTrans was appointed in April 2021 and he also serves as Executive Director of San Mateo County Transportation Authority (the "SMCTA"). Mr. Mau served as the BART (San Francisco Bay Area Rapid Transit District) Assistant General Manager in a number of areas, including Budget, Administration, and Strategic and station area planning. He returned to SamTrans as the Deputy GM/CEO in 2018, and prior to 14 years serving at BART, he served in the SamTrans and Caltrain grants management and planning departments. Mr. Mau graduated from San Francisco State University with a Bachelor of Arts in Urban Studies and from the Mineta Transportation Institute at San Jose State University with a Master of Science in Transportation Management.

Derek Hansel, Chief Financial Officer, became the Chief Financial Officer of the JPB effective June 26, 2017 concurrent with his appointment as Chief Financial Officer of SamTrans. Mr. Hansel also serves as Chief Financial Officer of the SMCTA and Acting Chief Administrative Officer for SamTrans and the SMCTA. Prior to his appointment as Chief Financial Officer, Mr. Hansel served as Assistant Director of Finance for the City of San José from January 2015 to June 2017. Prior to his appointment as Assistant Director of Finance for the City of San José, Mr. Hansel served as Executive Director of the New Jersey Educational Facilities Authority from April 2012 to December 2014 and as Assistant Chief Financial Officer of the Pennsylvania Turnpike Commission from October 2009 to April 2012.

Pranaya Shrestha, became Interim Chief of the Caltrain Modernization Program in September 2021 Mr. Shrestha has 30 years of rail experience, including experience with 25kV AC commuter rail and DC light rail systems, and design-build project delivery successes with federal recognition. Mr. Shrestha has worked with the Federal Transit Administration (FTA) and has established solid working relationships that have resulted in successfully delivering federally funded projects. He has finished 19 major transit projects totaling more than $9 billion, and has worked on transit projects in Denver, Los Angeles, San Francisco, Portland, Orlando, and Seattle.

David Santoro joined Caltrain as the Chief of Staff in August of 2021 after 24 years of private and public transportation experience. He is responsible for managing the daily operation of JPB staff resources and providing strategic guidance, effective leadership, and contributing to the organization's vision, mission, and values. Prior to joining Caltrain, David served as the Acting Executive Vice President of Strategy & Customer Environment at New York City Transit. He started his transportation career as a locomotive Engineer to Sr. Manager of Terminal Operations for the Union Pacific Railroad.

Casey Fromson became the Caltrain Chief Communication Officer in December 2021. Casey has been a dedicated public servant for over 15 years and has been a driving force behind successful coalition building efforts that led to a historic federal funding agreement for a once-in a generation rail project, two local transportation funding measures, and several state and federal laws. Prior to her appointment as Chief Communications Officer, she was the Caltrain Director of Government and Community Affairs. Before moving to California and joining Caltrain, Casey spent seven years in Washington D.C. working on a wide portfolio of legislative and appropriation issues for U.S. Senator Patty Murray (WA) and U.S. Rep. Anna Eshoo (CA-18).

Capital Initiatives

Peninsula Corridor Electrification Project

The PCEP Project, which will provide for electrification of the existing Caltrain rail corridor from San Francisco to San José, is comprised of an infrastructure component and a rolling stock component. The infrastructure component includes installation of an overhead contact system over the rail system to provide power to the electric powered rolling stock. The rolling stock component includes the design and procurement of a fleet of 133 electric powered rail cars. To limit the impact to regular train service, night work is scheduled to occur between 8:00 p.m. and 6:00 a.m. when there are fewer regular service trains. Substantial completion of the PCEP Project is currently expected by the first quarter of 2024, and electrified revenue service is currently expected by September of 2024.

Monthly reports relating to the PCEP Project are included as an agenda item for each regularly scheduled meeting of the governing board of the JPB and are available on the JPB website at http:www.caltrain.com/about/bod.html. However, the data and information presented on such website are not incorporated by reference in this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2022 Bonds.

PCEP Project Funding Plan

The original budget for the PCEP Project cost for 2017 Funding Plan was $1.98 billion. Funding was provided pursuant to a funding plan developed by the JPB and finalized in 2017 (the "2017 Funding Plan"). In December of 2021, the JPB adopted an updated budget for the PCEP Project for $2.44 billion. JPB is actively putting a funding plan together to support the additional $462 million for the PCEP Project budget. The additional $462 million budget includes a $90 million project contingency and $18.5 million incentives for early completion of key project milestones.

The JPB has identified a number of known sources, as well as a number of alternatives for additional federal and State grant funding that it is actively pursuing. The table below identifies the total amount needed to complete the PCEP Project, funding for the PCEP Project that has been secured, and funding for the PCEP Project that is currently anticipated to be secured.

PCEP Project Funding Sources and Uses Table

Funding Uses		
Electrification	$	1,749,139,438
Electric Multiple Unit Trains		693,551,258
Total Funding Uses	**$**	**2,442,690,696**
Funding Sources		
Previously Secured Funding		
Federal	$	977,676,000
State		741,000,000
Regional		59,430,000
Local		202,146,533
New Additional Funding		
Federal American Rescue Plan Act Capital Investment Grants		52,400,000
Series 2022 Bond Proceeds		150,000,000
Measure RR PAYGO		60,000,000
Remaining Funding Need		
Potential State/Federal/local Funds		200,038,163
Total Funding Sources	**$**	**2,442,690,696**

In order to obtain the $200,038,163 of remaining funding currently anticipated to be needed to complete the PCEP Project, JPB staff have been seeking additional resources from State, Federal, and local levels. To date, JPB staff have met with officials from the Federal Transit Administration, the Federal Railroad Administration, and the Department of Transportation, State and Federal delegation members, key Federal committee staff, the State of California Governor's Office, and key State committee staff to underscore the PCEP Project's many benefits, including job creation, greenhouse gas reduction, and connection to regional and State mobility priorities such as high speed rail. The JPB believes there are opportunities in the upcoming State budget for additional transportation funding.

The JPB could also source funding for the PCEP Project by utilizing Sales Tax Revenue, the issuance of additional bonds secured by Sales Tax Revenue, or through funding from the Member Agencies. If other Caltrain resources are insufficient to address the shortfall (including those funding items discussed above), JPB would entertain discussions with its Member Agencies about their ability to fund a portion of such costs. For further discussion regarding contributions from Member Agencies, see "Operating Contributions and Other Operating Assistance – Member Agency Operating Contributions" below, and Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 - Note 7 - Operating Assistance."

As part of certain funding secured by the JPB from the Federal government, the Federal Transit Administration required a $200 million "supercontingency". This supercontingency was effectuated through what is known as the "Four Party Agreement" among SamTrans, the VTA, the San Francisco

County Transportation Authority, and the Metropolitan Transportation Commission. In the Four Party Agreement, each of the four parties pledged an amount up to $50 million to cover project funding shortfalls beyond the original PCEP Project budget. While the other elements of the funding plan described above demonstrate the JPB's intention to develop funding alternatives other than reliance on the Four Party Agreement, the Four Party Agreement remains in full force and effect. The JPB is required to pursue alternative sources of "own-source" funding described in the paragraphs above prior to drawing upon funds provided by the "Four Party Agreement".

Status of PCEP Project Cost Expenditure

The table below includes the following information: the total cost of each component of the PCEP Project, costs expended to date in furtherance of the PCEP Project, estimated amounts to be spent to complete the PCEP Project, and percent completion of the PCEP Project to date.

PCEP Project Expenditure
(Dollars in Millions)

	Cost to Date	Estimate to Complete	Total
Electrification	$1,085	$664	$1,749
Electric Multiple Unit Trains	317	376	693
Total	$1,402	$1,040	$2,442
Percent Complete	57%		

Other Major Capital Initiatives

2040 Service Vision. In the fall of 2019, the JPB adopted the 2040 Service Vision (the "2040 Service Vision") for the Caltrain corridor. The adoption of the 2040 Service Vision was the culmination of work on the JPB's long range business plan and articulates a built out "end state" for the Caltrain corridor, showing how Caltrain service can be expanded over time in a manner that best leverages and integrates the various major capital projects planned and contemplated in the corridor. The 2040 Service Vision is not a single project, rather it is a blue print that helps the railroad direct and plan its capital program and engagement in regional initiatives in a manner that supports the continuous improvement and orderly expansion of the Caltrain service.

Capital Planning

Capital Planning Process. As part of its capital planning process and in order to comply with requirements imposed by various federal, state, regional and local sources of funding for capital improvement projects, the JPB develops various planning documents from time to time.

Short Range Transit Plans. Historically, the JPB has prepared a 10-year short range transit plan (each, an "SRTP") to guide service and capital planning in the near and medium-term and to satisfy the planning requirement imposed by the MTC, acting in its capacity as regional planning agency. The purpose of each SRTP is to develop a financially feasible operating and capital plan and to identify any major issues and challenges which the JPB will need to address during the planning period covered by the SRTP. The most recent SRTP was adopted by the JPB in 2019 and covers fiscal years 2018-2027 (the "Existing SRTP"). The JPB began preparing an updated SRTP to harmonize the document with 2040 Service Vision when the requirement to produce SRTPs was temporarily suspended by MTC in 2020. The requirement to develop an SRTP has now been reinstated and the JPB is beginning work and plans to complete this document in fiscal year 2023.

Capital Improvement Programs. Included in each SRTP is a capital improvement program (each, a "CIP") which outlines the capital improvements required to support the service and operating assumptions included in the SRTP. The CIP included in the Existing SRTP (herein referred to as the "Existing CIP") includes approximately $3 billion of projects focused on: (i) maintaining assets in a state of good repair; (ii) implementing operational enhancements; and (iii) modernizing the Caltrain system. Projects within the 10-year Existing CIP are grouped into four key program areas: (i) support and contingency, which includes costs associated with planning, programming and development activities related to capital projects and an annual set-aside for unforeseen and emergency capital expenditures; (ii) state of good repair; (iii) Caltrain modernization; and (iv) reliability and enhancements. Projects identified under the state of good repair program area include rehabilitation and maintenance activities required to maintain existing and planned structures, facilities and rolling stock. Projects identified under operational enhancements program area include capital projects designed to improve Caltrain system performance. Projects identified under the modernization program area include certain of the projects described above under the caption "Peninsula Corridor Electrification Project" and "Other Major Capital Initiatives – Caltrain Modernization Program". The JPB anticipates that this CIP will undergo a substantial update over the coming fiscal year in conjunction with the development of the new SRTP described under the heading "Short Range Transit Plans".

Capital Improvement Funding. The Existing SRTP assumed that funding would be provided from sources expected to be available and/or committed over the fiscal years 2018-2027 time period based on fund programming policies in effect as of the date of adoption of the Existing SRTP, June 6, 2019. Funding sources for the CIP included in the Existing SRTP include federal, state and local funding sources. All references to the state as a funding source under this caption refer to the State of California.

- Federal funding sources include: (i) FTA Section 5307 urbanized area formula funds and Section 5337 state of good repair grants; (ii) Congestion Mitigation and Air Quality Improvement Program funds; (iii) Surface Transportation Program funds; and (iv) FTA Core Capacity Program funds.

- State funding sources include: (i) Proposition 1B Funds; (ii) Proposition 1A Funds; (iii) State Transportation Improvement Program funds; (iv) Regional Transportation Improvement Program funds; (v) Cap and Trade Program Funds; and (vi) funds provided by the California Public Utilities Commission for at-grade crossing improvements and rail grade separation projects.

- Local funding sources include: (i) funds provided by the Member Agencies; (ii) funds provided by the SMCTA, consisting of sales tax revenues collected within the County of San Mateo pursuant to Measure A; (iii) Regional Bridge Toll Measure Funds; and (iv) Carl Moyer Funds.

All projects identified in the Existing CIP are subject to identification of funding. As of June 2019, funding was not identified for all projects identified in the Existing CIP and, as of the date hereof, funding has not been identified for all projects identified in the Existing CIP. See Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITOR'S REPORT YEARS ENDED JUNE 30, 2021 and 2020 - "Management's Discussion and Analysis - Overview of the Financial Statements - Capital Program" and Note 8 thereto. The JPB continues to work to identify additional funding sources to implement the Existing CIP included in the Existing SRTP. Except as otherwise described herein under the caption "THE JOINT POWERS BOARD - Existing Indebtedness" the JPB does not currently anticipate the issuance of additional Bonds to fund any portion of the Existing CIP.

Ridership Information

The table below includes the following information: total passengers, number of weekday trains, average weekday ridership, average weekday passenger miles Fiscal Years ending June 30, 2008 through June 30, 2021. All numbers have been rounded.

Peninsula Corridor Joint Powers Board
Ridership Information
Fiscal Years Ending June 30, 2008 - June 30, 2021

Fiscal Year	Total Passengers	Number of Weekday Trains(1)	Average Weekday Ridership	Average Weekday Passenger miles
2008	10,914,621	98	36,421	905,807
2009	11,359,225	98	37,989	986,370
2010	10,611,734	90(2)	35,061	972,090
2011	12,574,233	86(2)	41,448	955,680
2012	12,999,293	92	43,430	935,680
2013	16,427,450	92	54,934	1,203,276
2014	17,759,504	92	59,340	1,289,840
2015	18,995,161	92	63,852	1,594,429
2016	18,355,641	92	62,444	1,653,782
2017	18,648,850	92	64,248	1,388,058
2018	18,504,880	92	64,022	1,400,566
2019	17,662,773	92	62,452	1,355,375
2020(3)(4)	13,692,716	70	49,181	1,078,705
2021(3)(4)	1,263,084	104	3,961	86,888

(1) Number of trains scheduled based on public timetable in effect at the end of each Fiscal Year.
(2) Reduction in the number of weekday trains due to budget constraints from the economic recession.
(3) Fiscal Year 2020 and 2021 data reflects impacts from the COVID-19 pandemic.
(4) Fiscal Year 2020 and 2021 data are preliminary pending National Transit Database review.

Sources: (i) Federal Transit Administration National Transit Data Base - Total Passengers, Average Weekday Ridership, Average Weekday Passenger Miles and (ii) Peninsula Corridor Joint Powers Board Caltrain Service History- Number of Weekday Trains.

Operating Contributions and Other Operating Assistance

In addition to farebox revenues and Sales Tax Revenues, the JPB receives operating contributions provided by the Member Agencies and operating assistance from State and local sources. Neither such operating contributions nor such operating assistance constitute Sales Tax Revenues. For a discussion of Member Agency contributions and other operating assistance, see Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 - Note 7 - Operating Assistance."

Member Agency Operating Contributions. Each of the Member Agencies has provided operating contributions to the JPB, which were previously calculated in accordance with an allocation methodology based on the average mid-weekday boarding data including Gilroy, and are intended to make up the amount necessary to cover the shortfall between total JPB operating expenses and the total of Farebox Revenues, Sales Tax Revenues, and all other revenue sources. Pursuant to the Joint Powers Agreement, each Member Agency agrees to share in the operating costs associated with the Caltrain services.

The following table presents information concerning Member Agency operating contributions for the five Fiscal Years ended June 30, 2021. All numbers have been rounded.

Peninsula Corridor Joint Powers Board
Member Agency Operating Contributions
Fiscal Year Ended June 30, 2017 - June 30, 2021
Member Agency

Fiscal Year	CCSF	SamTrans	VTA	Total Member Agency Operating Contributions
2017	$5,578,014	$6,480,000	$8,390,000	$20,448,014
2018	5,310,959	6,169,761	8,967,294	20,448,014
2019	7,023,648	7,634,400	10,789,952	25,448,000
2020	8,078,932	9,156,123	10,800,000	28,035,055
2021	7,832,547	8,876,887	11,230,797	27,940,231

Source: Peninsula Corridor Joint Powers Board.

Based on the Fiscal Year ending June 30, 2022 Operating Budget and Capital Budget, the JPB assumes that there will be zero member contributions for both operating and capital needs.

Other Operating Assistance. In addition to the operating contributions provided by the Member Agencies identified in the table above, the JPB receives operating assistance from state and local sources. All references to the state as a funding source under this caption refer to the State of California. State funding for operating assistance is provided through the State Transit Assistance Program, which is funded from a portion of the proceeds of a California statewide sales tax on diesel fuel allocated to the State Transit Assistance Program through the State budget process. Local funding for operating assistance is provided from funding provided primarily by the Bay Area Air Quality Management District from the Transportation Fund for Clean Air, which is funded from revenues collected from a surcharge on vehicles registered in the San Francisco Bay Area. The following table presents information concerning such other operating assistance for the five Fiscal Years ended June 30, 2021. All numbers have been rounded.

Peninsula Corridor Joint Powers Board
Other Operating Assistance
Fiscal Year Ended June 30, 2017 - June 30, 2021

Fiscal Year	State	Local	Total Other Operating Assistance
2017	$ 4,324,362	$ 716,722	$ 5,041,084
2018	4,265,650	632,025	4,897,675
2019	8,989,853	632,350	9,622,203
2020	11,003,688	877,933	11,881,621
2021	10,425,394	2,469,885	12,895,279

Source: Peninsula Corridor Joint Powers Board.

Based on the Fiscal Year ending June 30, 2022 Operating Budget and Capital Budget, each adopted by the governing board of the JPB on June 3, 2021, for the Fiscal Year ending June 30, 2022, the JPB projects receiving other operating assistance in the amount $6,605,471, comprised of (i) state operating assistance in the amount of $6,425,471 and (ii) local operating assistance in the amount of $180,000.

The federal government passed several stimulus packages in response to the COVID-19 pandemic. Included in these were aid for transit agencies across the nation. The JPB received approximately $64.6 million (including approximately $23.1 million in Fiscal Year ended June 30, 2020 and $41.5 million in Fiscal Year ended June 30, 2021) from the Coronavirus Aid, Relief, and Economic Security Act (CARES), approximately $46.7 million in Fiscal Year ended June 30, 2021 from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the JPB expects to receive approximately $77.2 million in Fiscal Year ending June 30, 2022 from the American Rescue Plan Act (ARPA).

Financial Reporting

Basis of Accounting. The JPB accounts for its transactions in a single enterprise fund and maintains its records using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the JPB has elected to apply all applicable GASB pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Significant Accounting Policies. For a discussion of the significant accounting policies of the JPB, see Appendix A - "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 - Note 2 - Summary of Significant Accounting Policies."

Revenues and Expenses for Caltrain Commuter Rail Service

For a discussion of the revenues and expenses of the JPB, see Appendix A - "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 – Statements of Revenues, Expenses, and Changes in Net Position."

Existing Indebtedness

Existing Indebtedness Secured by Lien on Sales Tax.

2021 Credit Facilities. In August 2021, the JPB secured the PCEP Facility in order to assist the JPB in meeting its cash flow needs in connection with the PCEP Project. The amount outstanding at any one time under the PCEP Facility may not exceed $100,000,000. Funds drawn by the JPB pursuant to the PCEP Facility constitute loans made to the JPB by the provider of the PCEP Facility. Such loans are secured as Subordinate Obligations by the Revenues (including Sales Tax Revenues) under the Indenture pursuant to a certain First Supplemental Indenture of Trust, dated August 1, 2021, between the JPB and the Trustee.

In addition, the JPB secured the Working Capital Facility in order to fund working capital of the JPB. The amount outstanding at any one time may not to exceed $100,000,000. Funds drawn by the JPB pursuant to the Working Capital Facility constitute loans made to the JPB by the provider of the Working Capital Facility. Such loans are secured as Subordinate Obligations by the Revenues (including Sales Tax Revenues) under the Indenture pursuant to a certain Second Supplemental Indenture of Trust, dated August 1, 2021, between the JPB and the Trustee.

Any funds drawn by the JPB pursuant to the PCEP Facility or the Working Capital Facility are due and payable on August 16, 2024 (subject to certain conditions set forth in each Credit Facility extending payments due thereunder for a five-year period from August 16, 2024). In the event any funds drawn under the PCEP Facility or Working Capital Facility have not been paid as required under the terms of each Credit Facility, the JPB may issue additional Bonds or incur other debt in order to refinance any obligation incurred and outstanding under the PCEP Facility and/or the Working Capital Facility. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2022 BONDS - Obligations of the JPB Payable from Sales Tax Revenues."

Existing Indebtedness Not Secured by Lien on Sales Tax.

Long-Term Indebtedness. The JPB's Farebox Revenue Bonds, 2019 Series A (the "2019 Series A Bonds") comprise the only outstanding long-term indebtedness of the JPB not secured by the Sales Tax.

Leveraged Lease Transactions. For information concerning the Leveraged Lease Transactions, see Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 - Note 14 - Leasing Transactions."

Insurance

The JPB is self-insured for a portion of its public liability and damage to property. All rolling stock is insured at full replacement value. Total insurable values covering all rolling stock, real and personal property, tunnels, bridges and stations exceeds $1 billion. The JPB carries a $400,000,000 loss limit per occurrence. Terrorism coverage is included. Flood and earthquake coverage is excluded. No flood insurance has been purchased because the only property located within any known flood zone consists of four parcels which are vacant. Earthquake coverage continues to be cost prohibitive and the JPB has not purchased any earthquake coverage. Settlements have not exceeded coverages in any of the past three (3) Fiscal Years.

As of the date of this Official Statement, coverage provided by self-insurance and excess coverage (purchased by or for the JPB) is summarized as follows:

Type of Coverage	Self-Insured Retention	Excess Insurance
Railroad Liability and Property of Others	$2,000,000 Self-Insured Retention	$300,000,000 per Occurrence/ Annual Aggregate ($200,000,000 carried by the JPB and $100,000,000 carried by the Caltrain operator, TASI), and $23,000,000 excess coverage for a total of $323,000,000
Real and Personal Property	$250,000 Maximum Self-Insured Retention	$400,000,000
Public Officials Liability	$75,000 Self-Insured Retention	$15,000,000 Aggregate
Special Events Liability	$25,000 per Occurrence	$2,000,000 per Occurrence/ $4,000,000 Aggregate
Environmental Liability	$50,000 Self-Insured Retention	$10,000,000 2-Year Policy Aggregate

For additional information concerning current insurance coverage, see Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2020 - Note 10 - Insurance Programs."

Investment Policy and Investments

The governing board of the JPB originally adopted a Statement of Investment Policy (as amended and reaffirmed from time to time, the "Investment Policy") in August 1999. The Investment Policy, which was most recently amended and reaffirmed by action of the governing board of the JPB on October 7, 2021, provides guidelines for the prudent investment and cash management of the funds under the purview of the JPB. The goal of the Investment Policy is to establish investment objectives in accordance with the provisions of California Government Code Section 53600 et seq. and investment guidelines to ensure that funds under the purview of the Investment Policy are prudently invested to preserve capital, provide necessary liquidity, and achieve a market-average rate of return over an economic cycle consistent with the JPB's goals of preserving principal and minimizing the risk of diminishing principal. The Investment Policy designates the Executive Director of the JPB or a designee of the Executive Director to serve as the JPB's trustee for purposes of placing investments pursuant to the Investment Policy.

See Appendix G - "PENINSULA CORRIDOR JOINT POWERS BOARD STATEMENT OF INVESTMENT POLICY" herein. See also Appendix A – "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITORS REPORT YEARS ENDED JUNE 30, 2021 AND 2021 - Note 3 - Cash and Investments."

All amounts held on deposit by the Trustee in the funds and accounts established under the Indenture will be invested as directed by the JPB in Investment Securities. See Appendix C - "DEFINITIONS AND SUMMARY OF THE INDENTURE - The Indenture – Investment by the Issuer" herein.

Pension and Retiree Healthcare Benefits

As indicated above, SamTrans is Managing Agency for the JPB. All functions of the JPB are performed by SamTrans employees who function as JPB staff. JPB personnel costs represent an allocation of the cost of SamTrans employees. Employees who operate the Caltrain commuter rail service pursuant to the TASI Operating Agreement are not employees of SamTrans and are not eligible to participate in pension and post-retirement healthcare benefits provided to SamTrans employees. Pension and other post-retirement healthcare benefits are provided to SamTrans employees through the California Public Employees Retirement System. A portion of the costs of such pension and post-retirement health care benefits are allocated to the JPB. The following table presents information concerning costs allocated to the JPB for the five Fiscal Years ended June 30, 2021.

Peninsula Corridor Joint Powers Board
Pension and Other Post-Retirement Health Care Benefits
Fiscal Year Ended June 30, 2017 - June 30, 2021

Fiscal Year	Pension	OPEB Benefits	Total
2017	$1,233,576	$390,372	$1,623,948
2018	1,168,431	378,733	1,547,164
2019	1,664,609	551,466	2,216,074
2020	2,056,772	268,070	2,324,842
2021	2,314,566	300,552	2,615,118

Source: Peninsula Corridor Joint Powers Board.

INVESTMENT CONSIDERATIONS

Purchase of the Series 2022 Bonds involves certain investment risks. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) and the legal documents described herein in making a judgment as to whether the Series 2022 Bonds are an appropriate investment. Potential investors are advised to consider the following factors, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the Series 2022 Bonds. The factors listed below, among others, could adversely affect the level of Sales Tax Revenues and the ability of the JPB to pay principal of and interest on the Series 2022 Bonds. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive, and the order of presentation does not necessarily reflect the relative importance of the various risks.

Economy

The Series 2022 Bonds are secured by a pledge of Sales Tax Revenues, which consist of the Sales Tax less an administrative fee paid to the CDTFA. The level of Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the Counties, which is, in turn, dependent upon the level of economic activity in the Counties and in the State generally. As a result, any substantial deterioration in the level of economic activity within the County or in the State could have a material adverse impact upon the level of Sales Tax Revenues and therefore upon the ability of the JPB to pay principal of and interest on the Series 2022 Bonds. See "THE 2020 MEASURE RR SALES AND USE TAX – Historical Sales Tax Revenues" above for a discussion on tax revenues from the Member Agencies' existing sales tax measures, as a proxy for Sales Tax Revenues that the JPB might have received had collection of the Sales Tax commenced at an earlier time.

For information relating to economic conditions within the Counties and the State, see APPENDIX B – "ECONOMIC AND DEMOGRAPHIC DATA PERTAINING TO THE THREE CALTRAIN COUNTIES - CITY AND COUNTY OF SAN FRANCISCO, COUNTY OF SAN MATEO, AND COUNTY OF SANTA CLARA."

Impacts of COVID-19 Pandemic

Background Regarding COVID-19 and Government Responses. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the WHO and has led to emergency declarations by government authorities of the United States, the State, and local governments.

In response to the emergency, the State and other local governments imposed significant restrictions on economic and other activity within the County and parts thereof beginning in March 2020. While some of those restrictions have been lifted, some have been re-imposed. It is unknown when and whether restrictions will to be eased or will be reinstated or intensified.

The COVID-19 pandemic and government responses to it have negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide.

Regarding administration of sales and use taxes, the Governor of California (the "Governor") issued executive orders at the outset of the COVID-19 pandemic requiring the CDTFA to provide, where appropriate, extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by social distancing measures related to COVID-19; providing a three-month extension for tax returns and tax payments for all businesses filing a return for less than $1,000,000 in taxes and extending the statute of limitations and deadlines to file a claim or appeal for refund for taxes and fees administered by CDTFA; and allowing businesses with less than $5 million in annual taxable sales to defer payment on up to $50,000 in sales and use tax liability without incurring any penalties or interest. As the COVID-19 pandemic continues, the JPB cannot predict whether such measures will again become necessary.

Impact of COVID-19 on Sales and Transaction Taxes in the Counties. At the onset of the COVID-19 pandemic and the shelter in place mandates that the Bay Area implemented to combat the spread of COVID-19, it was expected that these restrictions would have a negative impact on the economy, workforce, and sales taxes. But while most of the Bay Area's technology and other workers were working remotely, online retail transactions increased. Such increase in online retail transactions has prevented sales taxes within the JPB's jurisdiction from the precipitous decline that was anticipated at the outset of the COVID-19 pandemic. The State has benefitted greatly from the passage of AB-147 which required that out of state retailers, including those in the online and mail order businesses must pay sales, transaction, and use taxes applicable to retail transactions that take place locally, including Measure RR Sales Tax. AB-147 also required marketplace facilitators to collect and pay sales and transaction taxes on behalf of the third party vendors using their platforms. AB-147 is estimated to have added over $3.5 million to the San Mateo Transit District's transaction tax revenues in Fiscal Year 2020-2021.

For example, while the San Mateo County Transit District's Proposition A transaction tax declined 9% from Fiscal Year ended June 30, 2019 to Fiscal Year ended June 30, 2020, it increased 2% in Fiscal Year ended June 30, 2021 from Fiscal Year ended June 30, 2020, and Fiscal Year ended June 30, 2022 is projected to reflect a 9% growth from Fiscal Year ended June 30, 2021. This growth rate is partially because the pandemic impacts subsided, and prices are increasing and consumer spending power is still strong.

However, the expectation is that the online shopping trend that develop during the pandemic will likely continue for the foreseeable future.

The Bay Area regions are experiencing different economic and related recovery speeds from the pandemic impacts. Santa Clara County transaction tax revenues has surpassed the pre-pandemic levels; San Mateo County is approaching pre-pandemic levels; while San Francisco is seeing a slower recovery. San Francisco is still waiting for workers to return to the office, international travelers and return of business travelers. All of these aspects are expected to see a longer recovery period than other areas that were not as reliant on those sectors. Despite these potential risks, Measure RR Sales Tax is projected to generate about $106 million for Fiscal Year ending June 30, 2022 and is expected to continue trending up in Fiscal Year ending June 30, 2023 as the economy and workforce keep on path of returning to normal. While economic conditions have been improving, the emergence of new variants of the COVID-19 virus and the effectiveness of current vaccines to prevent the spread of these new variants present continuing risks for the economy of the Bay Area which cannot be predicted at this time.

Operational Impacts of COVID-19 on the JPB. COVID-19, and the changes it brought to the workplace as we knew it, has had a more dramatic impact on Caltrain's ridership than any other occurrence in its history. With ridership dropping by 97 percent in the early days of the shelter-in-place orders, the pandemic posed a unique and serious challenge to Caltrain as the service also adapted to comply with social distancing, masking and other measures to slow the pandemic. Caltrain's historical reliance on farebox revenues to fund its operations, together with the fact a significant proportion of Caltrain's riders are office workers who can work from home, made the JPB especially vulnerable to a drastic drop in ridership, resulting in substantial decline in operating revenues. Despite these challenges, Caltrain has made several adjustments in order to protect the health and safety of its riders and employees.

In fall 2020, Caltrain adopted the Bay Area Healthy Transit Plan. This regional transit plan outlines best practices for frequent cleaning, personal protective equipment, face coverings, physical distancing, ventilation, and touchless fares in order to ensure that public transit is safe for all Bay Area residents and transit employees. As riders return to public transportation, surveys show that passengers want assurance that steps have been taken to make that ride as safe as possible. To provide that assurance, transit agencies throughout the Bay Area have agreed upon common commitments based on the industry's best health-related practices to strengthen trust in riding public transportation. The plan was crafted using guidance and best practices from the California Department of Public Health, U.S. Centers for Disease Control and Prevention, and the World Health Organization, as well as other transit agencies from around the world. The plan calls for improving the operation and maintenance of transit agencies, as well as encouraging safer behaviors among riders. Riders are required to wear face coverings, practice physical distancing and hand washing, minimize verbal activities that could help to spread COVID-19, and use a reloadable card or mobile apps for touchless payment.

With the rollout of vaccines and reopening of the Bay Area region throughout the spring of 2021, Caltrain's ridership began trending upward. From September to November 2021 there were approximately 12,000 riders per weekday. Caltrain saw a strong demand for special event services, with trains to and from San Francisco Giants baseball games in particular, attracting significant numbers of riders throughout the spring and into the fall with the San Francisco Giants playoff run. Weekend ridership recovery has increased at a faster rate than weekday ridership but still well below pre-COVID-19 ridership levels. Although ridership has historically been lower in December due to the holidays, preliminary data shows that the rise of the Omicron variant has also had a negative impact on recent ridership totals.

Caltrain began operating a new schedule in December 2020 designed to increase ridership by improving service for essential workers and transit-dependent riders, consistent with key service components of the Caltrain Framework for Equity, Connectivity, Recovery, and Growth. The schedule provided riders with more frequent off-peak and weekend train service, as, during the pandemic, Caltrain's ridership had skewed toward essential workers who are more likely to travel during off-peak times. Caltrain observed that demand for midday and weekend trips remains comparatively more resilient, and the schedule reflects that. Caltrain increased its service at the end of August 2021 to 104 weekday trains, coinciding with the planned resumption of in-office work and in-person schooling by many employees and educational institutions along the Caltrain corridor. The new service maintained the higher levels of off-peak service and also includes the return of the Baby Bullet and other peak-hour services aimed at attracting the returning commuter market.

Although Caltrain ridership has continued to increase in recent months, ridership recovery is still largely impacted by the delayed resumption of in-office work for many companies located along the corridor due to surges in COVID-19 cases. The JPB cannot predict whether companies will continue remote work and modifying their return to office work plans as a result of COVID-19 variants that have emerged or may emerge in the future.

In September 2020, the Caltrain Board voted to suspend certain fare increases over the next year to help ensure the system continued to be accessible to riders. Caltrain also has taken additional steps during the pandemic to enhance affordability by providing low-income riders with a 50% discounted fare through the Clipper START means-based fare pilot program, and offered 50% off all fares to entice riders back into the system for the month of September 2021.

Collection of the 2020 Measure RR Sales Tax

The Sales Tax is imposed upon the same transactions and items subject to the sales tax levied state-wide by the State, with limited exceptions. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the state-wide sales tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. For a further description of the Sales Tax, see "THE 2020 MEASURE RR SALES TAX."

Other State Sales Taxes; Future JPB Plans

In addition to the Sales Tax levied by the JPB, the State also imposes a 7.25% State-wide retail transactions and use tax. With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the retail transactions and use tax levied State-wide by the State. The State Legislature or the voters within the State through the initiative process could change or limit the transactions and items upon which the State Sales Tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax, and the Sales Tax Revenues, collected. In addition, any future increases in the State Sales Tax or the other retail transactions and use taxes levied and applicable in the Counties, including pursuant to voter approval, during the term of the Series 2022 Bonds, of an increase in the Sales Tax or of a new retail transactions and use tax, could have an adverse effect on consumer spending decisions and consumption, potentially resulting in a reduction in Sales Tax Revenues. See "THE MEASURE RR SALES TAX" herein.

Termination of Joint Powers Agreement

The original term of the Joint Powers Agreement expired on October 18, 2001. Pursuant to the terms of the Joint Powers Agreement, the Joint Powers Agreement continues in full force and effect on a year-to-year basis, until such time as two or more Member Agencies withdraw pursuant to the terms of the Joint Powers Agreement. A Member Agency may withdraw pursuant to the terms of the Joint Powers Agreement upon one year's prior notice given at the end of any Fiscal Year. Upon termination of the Joint

Powers Agreement, and following discharge of all obligations due by the JPB, any property interest remaining in the JPB shall be disposed of and the proceeds or property shall be allocated in accordance with a separate agreement to be entered into between the parties. See "THE JOINT POWERS BOARD – Current Status of Joint Powers Agreement" herein. The "separate agreement" referenced in the Joint Powers Agreement is governed by the Member Agencies' 1991 Real Property Ownership Agreement ("RPOA"), which provides that the assets of the JPB will not be sold as long one Member Agency of the JPB continues to operate a minimum of 44 trains per day, provided that if that Member Agency discontinues providing a minimum level of service (44 trains per day) for seven consecutive years, the assets of the JPB shall be sold. The RPOA further provides that the proceeds from the sale of the JPB's assets shall first be used to satisfy any contractual obligations, including bondholders; provided, however, that what constitutes an asset of JPB would likely need to be decided by a court, which JPB can provide no assurance as to how a court would decide. Notwithstanding the foregoing and pursuant to the CDTFA Agreement, it is the JPB's expectation that so long as any Bonds are outstanding, the Sales Tax will continue to be collected and transmitted directly to Trustee for payment on the Series 2022 Bonds.

No assurance can be given that the Joint Powers Agreement will be renewed nor can any assurance be given that two or more Member Agencies will not withdraw pursuant to the terms of the Joint Powers Agreement, thereby terminating the Joint Powers Agreement. Nor can any assurance be given that if the Joint Powers Agreement is terminated pursuant to its terms, Caltrain will continue to be operated until such time as all of the Series 2022 Bonds have been paid.

Changes in Funding Sources for Operational and Capital Needs

In addition to contributions for operational and capital needs provided by the Member Agencies, federal, state, regional and local grant programs provide funding for JPB operational and/or capital needs. Funding pursuant to such programs is generally subject to the availability and/or appropriation of funds as well as the satisfaction of various conditions applicable to a specific program. Should the JPB fail to satisfy conditions applicable to a specific program, the granting agency may not disburse, may cease disbursing or may delay disbursing funds to the JPB, and, in some circumstances, the JPB could be obligated to return all or a portion of previously disbursed funds to the granting agency. Should the JPB for any reason be unable to obtain and apply funds from such programs on a timely basis or become obligated to reimburse any portion of such funds, including as a result of any failure to satisfy specified conditions applicable to a specific program, it could adversely affect the financial condition of the JPB and its ongoing operations.

Bankruptcy and Related Risks

JPB. Although an involuntary bankruptcy case cannot be filed against the JPB, the JPB is authorized to file a bankruptcy petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") under certain circumstances. Should the JPB file for bankruptcy, there could be adverse effects on the holders of the Series 2022 Bonds.

In a Chapter 9 bankruptcy, the pledge of Sales Tax Revenues to the Trustee for the benefit of owners of the Series 2022 Bonds will be enforceable only if a bankruptcy court determines that the Sales Tax Revenues are "special revenues" as defined in Chapter 9 ("Special Revenues"). If a bankruptcy court rules that the Sales Tax Revenues constitute Special Revenues, the court could further rule that the pledge is subordinate to the payment of necessary operating expenses with respect to the projects to be funded by the JPB from Sales Tax Revenues. Furthermore, it is uncertain which expenses would be considered "necessary operating expenses."

The outcomes of Chapter 9 proceedings are difficult to predict. If a bankruptcy court concludes that the Sales Tax is a general retail transactions and use tax levied to finance the general purposes of the JPB as well as the JPB's projects, the court could rule that the Sales Tax Revenues do not constitute Special Revenues. If the Sales Tax Revenues are not Special Revenues, the owners of the Series 2022 Bonds would no longer be entitled to any lien on the Sales Tax Revenues and may be treated as general unsecured creditors of the JPB. In addition, there may be delays in payments on the Series 2022 Bonds while a bankruptcy court considers the various issues attendant to a JPB bankruptcy proceeding. Furthermore, a bankruptcy proceeding of the JPB could have an adverse effect on the liquidity and value of the Series 2022 Bonds.

Climate Change and Sea Level Rise

In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission the California Environmental Protection Agency, the MTC, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from project sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property is at risk of flooding from 100-year flood events as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly $100 billion (in 2000 dollars). Two-thirds of this at-risk property is concentrated in the San Francisco Bay Area, which includes the geographic area served by Caltrain, indicating that this region is particularly vulnerable to impacts associated with sea-level rise due to extensive development on the margins of the San Francisco Bay.

The JPB is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the local economy and the amount of Sales Tax Revenues collected by the JPB.

Climate Change Regulations

The U.S. Environmental Protection Agency (the "EPA") has taken steps towards the regulation of greenhouse gas ("GHG") emissions under existing federal law. On December 14, 2009, the EPA made an "endangerment and cause or contribute finding" under the Clean Air Act, codified at 40 C.F.R. 1. In the finding, the EPA determined that the body of scientific evidence supported a finding that six identified GHGs – carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride – cause global warming, and that global warming endangers public health and welfare. The EPA also found that GHGs are a pollutant and that GHG emissions from motor vehicles cause or contribute to air pollution. This finding requires that the EPA regulate emissions of certain GHGs from motor vehicles.

Regulation by the EPA can be initiated by private parties or by governmental entities other than the EPA. On July 11, 2008, the EPA issued an Advanced Notice of Proposed Rulemaking (the "ANPR") relating to GHG emissions and climate change. The final rule, the Mandatory Reporting of Greenhouse Gases Rule (74 FR 56260), requires reporting of GHG data and other relevant information from large stationary sources and electricity and fuel suppliers.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including the State, and have been proposed on the federal level. The State passed Assembly Bill 32, the "California Global Warming Solutions Act of 2006," which requires the State-wide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, the California Air Resources Board ("CARB") made the final adjustments to its implementation of Assembly Bill 32: the "California Cap-and-Trade Program" (the "Program") which was implemented in January 2012. The Program covers regulated entities emitting 25,000 metric tons of carbon dioxide equivalent (MtCO2e) per year or more and entities in certain listed industries, including major industrial sources, electricity generating facilities, and fuel suppliers. Non-covered entities are encouraged to opt-in and voluntarily participate in the Program. It is expected that the Program will result in rising electricity and fuel costs, which may adversely affect the Counties and the local economy.

The JPB is unable to predict what additional federal or State laws and regulations with respect to GHG emissions or other environmental issues (including but not limited to air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the local economy or the amount of Sales Tax Revenues collected by the JPB. The effects, however, could be material.

Seismic Risks

Caltrain operates in a seismically active region. Active earthquake faults underlie the San Francisco Bay Area, most notably the Hayward Fault and the San Andreas Fault. On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the San Francisco Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of San Francisco. The Loma Prieta earthquake registered 6.9 on the Richter scale of earthquake intensity and caused fires and collapse of and structural damage to buildings, highways and bridges in the San Francisco Bay Area. In 2014, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey, the California Geological Society, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of magnitude 6.7 or larger will occur in the San Francisco Bay Area by the year 2043. Though neither the Napa earthquake nor the Loma Prieta earthquake caused any significant damage to the Caltrain right-of-way, such earthquakes may be very destructive. A major earthquake could cause significant damage and service disruptions and could adversely affect economic activity in the geographic area served by Caltrain. A decline in economic activity resulting from earthquakes could have a material adverse impact upon the level of Sales Tax Revenues and therefore upon the ability of the JPB to pay principal of and interest on the Series 2022 Bonds.

Proposition 218 and Future Initiatives

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution. Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Transportation Authority. The Sales Tax received the approval of more than two-thirds of the voters as required by Article XIIIC. However, Article XIIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting revenues of the JPB or the JPB's ability to levy and cause the collection of the Sales Tax. The nature and impact of these measures cannot be predicted by the JPB.

No Reserve Fund

There will be no reserve fund established for the Series 2022 Bonds.

Loss of Tax Exemption

As discussed under "TAX MATTERS" herein, interest on the Series 2022 Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2022 Bonds, as a result of acts or omissions of the JPB subsequent to the issuance of the Series 2022 Bonds. Should interest become includable in federal gross income, the Series 2022 Bonds are not subject to redemption by reason thereof and will remain Outstanding until maturity or earlier redemption.

No Acceleration Upon Default

The payment of the principal of and interest on the Series 2022 Bonds may not be accelerated upon any Event of Default under the Indenture. In addition, or an increase in the interest rate on the Series 2022 Bonds will not be automatically increased upon the occurrence of an event of default under the Indenture. In the event of default by the JPB, each Holder will have the right to exercise the rights set forth in the Indenture, subject to the limitations set forth therein. Neither the Trustee nor the Holders have any rights to exercise any remedies against any assets of the JPB other than the Sales Tax Revenues and other assets pledged pursuant to the Indenture, subject to the terms of the Indenture.

Cybersecurity

The JPB, like many other public and private entities, relies on computers, digital networks and other systems to conduct financial and operational activities. As the recipient and provider of personal, private, or other electronic sensitive information, the JPB is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computers and sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the JPB's systems for the purposes of misappropriating assets, or information, or causing operational disruption and damage.

While the JPB has taken certain cybersecurity precautions, no assurances can be given that the security and operational control measures of the JPB, will be successful in guarding against any and every cyber threat or breach. The cost of remedying damage or disruption caused by cyber-attacks, could be substantial and may well be in excess of any applicable insurance coverages.

RATINGS

Kroll Bond Rating Agency, Inc. ("KBRA") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), have assigned ratings of "_____," and "____" respectively, to the Series 2022 Bonds.

A rating reflects only the views of the rating agency assigning such rating and is not a recommendation to buy, sell or hold Series 2022 Bonds. An explanation of the significance of a rating may be obtained from the rating agency assigning such rating. Certain information and materials were provided by the JPB to each of the above-identified rating agencies to be considered in evaluating the Series 2022 Bonds. Generally, a rating agency bases its rating on such information and materials and on investigations, studies and assumptions of its own. There is no assurance that any rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency assigning such rating if in its judgment, circumstances so warrant. The JPB undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of any rating may have an adverse effect on the marketability or market price of the Series 2022 Bonds.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2022 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2022 Bonds. Pursuant to the Indenture and the Tax and Nonarbitrage Certificate, dated as of the issue date (the "Tax Certificate"), the JPB has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the JPB has made certain representations and certifications in the Indenture and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the JPB described above, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

State Taxes

Bond Counsel is also of the opinion that interest on the Series 2022 Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Series 2022 Bonds nor as to the taxability of the Series 2022 Bonds or the income therefrom under the laws of any state other than California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2022 Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2022 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2022 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2022 Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2022 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2022 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2022 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2022 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2022 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2022 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2022 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2022 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2022 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series

2022 Bonds may occur. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2022 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2022 Bonds may affect the tax status of interest on the Series 2022 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2022 Bonds, or the interest thereon, if any action is taken with respect to the Series 2022 Bonds or the proceeds thereof upon the advice or approval of other counsel.

[DESIGNATION OF THE SERIES 2022 BONDS AS GREEN BONDS – CLIMATE BOND CERTIFIED

The information set forth below concerning (i) the Climate Bonds Initiative ("CBI") and the process for obtaining certification from CBI, and (2) Kestrel Verifiers in its role as a verifier with respect to the certification of the Series 2022 Bonds as Climate Bond Certified, all as more fully described below, has been extracted from materials provided by CBI and Kestrel Verifiers. Additional information relating to CBI and the certification process can be found at www.climatebonds.net. The CBI website is included for reference only and the information contained therein is not incorporated by reference in this Official Statement.

In connection with the Series 2022 Bonds and the PCEP Project, the JPB applied to the CBI for designation of the Series 2022 Bonds as "Climate Bond Certified." CBI is an independent not-for-profit organization that works solely on mobilizing the bond market for climate change solutions. CBI has established a certification program that provides criteria for eligible projects to be considered a Certified Climate Bond. Rigorous scientific criteria ensure that financed activities are consistent with the 1.5 degrees Celsius warming target declared in the 2015 Paris Agreement which exists within the United Nations Framework Convention on Climate Change, to address greenhouse-gas-emissions mitigation, adaptation, and finance. The CBI certification program is used globally by bond issuers, governments, investors and the financial markets to prioritize investments which genuinely contribute to addressing climate change.

The CBI standards use credible, science-based, widely supported guidelines about what should and should not be considered a qualifying climate-aligned investment to assist investors in making informed decisions about the environmental credentials of a bond. In order to receive the CBI certification, the JPB engaged Kestrel Verifiers, a third-party CBI Approved Verifier, to provide verification to the CBI Certification Board that the Series 2022 Bonds meet the CBI standards and relevant sector criteria. Kestrel Verifiers reviewed and provided verification to CBI, and CBI certified the Series 2022 Bonds as Climate Bonds on [DATE]. Kestrel Verifiers will also provide a Post-Issuance Report to CBI as to whether the proceeds of the Series 2022 Bonds have been allocated properly.

The terms "Climate Bond Certified" and "Green Bonds" are solely for identification purposes and are not intended to provide or imply that the owners of the Series 2022 Bonds are entitled to any security other than that described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS."

The certification of the Series 2022 Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2022 Bonds or the PCEP Project, including but not limited to the Official Statement, the transaction documents, JPB or the management of JPB.

The certification of the Series 2022 Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the JPB and is not a recommendation to any person to purchase, hold or sell the Series 2022 Bonds and such certification does not address the market price or suitability of the Series 2022 Bonds for a particular investor. The certification also does not address the merits of the decision by the JPB or any third party to participate in any nominated project and does not express and should not be deemed to be an expression of an opinion as to the JPB or any aspect of the PCEP Project (including but not limited to the financial viability of the PCEP Project) other than with respect to conformance with CBI's standards for Certified Climate Bonds.

In issuing or monitoring, as applicable, the certification, CBI and Kestrel Verifiers have assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to CBI and Kestrel Verifiers. CBI does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any nominated project or the JPB.

In addition, CBI does not assume any obligation to conduct (and it has not conducted) any physical inspection of any nominated project. The certification may only be used with the Series 2022 Bonds and may not be used for any other purpose without CBI's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Series 2022 Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

Approved Verifier for Third Party Verification of Climate Bond

JPB has engaged Kestrel Verifiers to provide a Verification on the Series 2022 Bonds' conformance with the Climate Bond Standard V3.0. Kestrel Verifiers has determined that the projects and activities to be financed with the proceeds of the Series 2022 Bonds satisfy the Climate Bond Standard V3.0 and the Transport Sector Criteria (Version 2). Accredited as an "Approved Verifier" by the Climate Bonds Initiative, Kestrel Verifiers evaluates bonds against the Climate Bonds Initiative Standards and Criteria in all sectors worldwide. Kestrel's Climate Bond Verifier's Report can be found in Appendix H.]

CONTINUING DISCLOSURE

Pursuant to the Indenture, the JPB will covenant for the benefit of the Holders and Beneficial Owners of the Series 2022 Bonds to provide certain financial information and operating data relating to the JPB (each, an "Annual Report") by not later than eight months following the end of the JPB's Fiscal Year (presently June 30), commencing with the Annual Report for the Fiscal Year ending June 30, 2022, and to provide notices of the occurrence of certain enumerated events. Each Annual Report will be filed by U.S. Bank National Association acting as dissemination agent (the "Dissemination Agent") on behalf of the JPB with the Municipal Securities Rulemaking Board (the "MSRB"). Notices of enumerated events, if any, will be filed by the Dissemination Agent on behalf of the JPB with the MSRB. A copy of the proposed form of Continuing Disclosure Agreement to be entered into between the JPB and the Dissemination Agent is set forth in Appendix E - "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto. The covenants of the JPB described under this caption have been made in order to assist J.P. Morgan Securities LLC, and Wells Fargo, National Association, the Underwriters, in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

LITIGATION

No litigation is pending, or to the best knowledge of the JPB, threatened, against the JPB concerning the validity of the Series 2022 Bonds. The JPB is not aware of any litigation pending or threatened against the JPB questioning the existence of the JPB or contesting the JPB's ability to issue the Series 2022 Bonds or to receive the amounts pledged pursuant to the Indenture.

The JPB is subject to a number of lawsuits in the normal course of its business. In the opinion of general counsel to the JPB, there are no claims or actions, threatened or pending which, if determined adversely to the JPB, either individually or in the aggregate, could have a material adverse effect on the financial condition of the JPB and thereby the ability of the JPB to pay principal of and interest on the Series 2022 Bonds.

AUDITED FINANCIAL STATEMENTS

The financial statements of the JPB for the Fiscal Years ended June 30, 2021 and 2020, included in Appendix A to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent auditors, as stated in their report herein. See Appendix A - "PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITOR'S REPORT YEARS ENDED JUNE 30, 2021 AND 2020" Brown Armstrong Accountancy Corporation was not requested to consent to the inclusion of their report in Appendix A, nor has Brown Armstrong Accountancy Corporation undertaken to update their report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong Accountancy Corporation with respect to any event subsequent to the date of their report.

MUNICIPAL ADVISORS

The JPB has retained PFM Financial Advisors LLC, San Francisco, California, and Ross Financial, San Francisco, California, to serve as municipal advisors (the "Municipal Advisors") with respect to the issuance of the Series 2022 Bonds. Compensation of the Municipal Advisors is contingent upon the issuance of the Series 2022 Bonds.

LEGAL MATTERS

The validity of the Series 2022 Bonds and certain other legal matters are subject to the approving opinion of Nixon Peabody LLP, Bond Counsel to the JPB. A complete copy of the proposed form of the opinion to be delivered by Bond Counsel is attached hereto as Appendix F. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Approval of certain other legal matters will be passed upon for the JPB by its counsel, Olson Remcho, and for the Underwriters, by their counsel, Stradling Yocca Carlson & Rauth, a professional corporation.

UNDERWRITING

The Series 2022 Bonds are being purchased by the Underwriters pursuant to a bond purchase agreement, to be dated the date of sale of the Series 2022 Bonds (the "Bond Purchase Agreement"). The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2022 Bonds if any are purchased at a purchase price of $______________ (representing the principal amount of the Series 2022 Bonds, less an underwriter's discount of $_________, plus a net original issue premium of $___________). The obligation of the Underwriters to purchase the Series 2022 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Series 2022 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2022 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2022 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2022 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

J.P. Morgan Securities LLC ("JPMS"), one of the underwriters of the Series 2022 Bonds, has entered into negotiated dealer agreements (each, a Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL will purchase Series 2022 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022 Bonds that such firm sells.

The Underwriters are initially offering the Series 2022 Bonds to the public at the public offering yields indicated on the inside cover of this Official Statement but the Underwriters may offer and sell the Series 2022 Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriters) at yields higher than the public offering yields stated on the inside cover of this Official Statement and the public offering yields may be changed from time to time by the Underwriters.

OTHER MATTERS

This Official Statement is not to be construed as a contract or agreement between the JPB and the purchasers, Holders or Beneficial Owners of any of the Series 2022 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the JPB since the date hereof.

Additional information may be obtained upon request from the office of the JPB at 1250 San Carlos Avenue, San Carlos, California 94070-2400, Attention: Chief Financial Officer, (650) 508-6466.

The execution and delivery of this Official Statement have been duly authorized by the JPB.

PENINSULA CORRIDOR JOINT POWERS BOARD

By: ____
Chief Financial Officer

APPENDIX A

PENINSULA CORRIDOR JOINT POWERS BOARD INDEPENDENT AUDITOR'S REPORT YEARS ENDED JUNE 30, 2021 AND 2020

APPENDIX B

ECONOMIC AND DEMOGRAPHIC DATA PERTAINING TO THE THREE CALTRAIN COUNTIES

CITY AND COUNTY OF SAN FRANCISCO,

COUNTY OF SAN MATEO,

AND

COUNTY OF SANTA CLARA

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ECONOMIC AND DEMOGRAPHIC DATA PERTAINING TO THE THREE CALTRAIN COUNTIES

The information set forth in this Appendix B is provided as general information and has been obtained from sources that the Peninsula Corridor Joint Powers Board believes to be reliable. Neither the Peninsula Corridor Joint Powers Board nor the Underwriters are making any representations as to the accuracy or completeness of the information included in this Appendix B and will not undertake to update any information set forth in this Appendix B.

General

The San Francisco Bay Area encompasses the nine counties which border San Francisco Bay. The Caltrain commuter rail service provided by the Peninsula Corridor Joint Powers Board (the "JPB") operates in the City and County of San Francisco, the County of San Mateo and the County of Santa Clara (each, a "Caltrain County," and hereinafter collectively referred to as the "Caltrain Counties"). The City and County of San Francisco occupies approximately 47 square miles, the County of San Mateo occupies approximately 531 square miles and the County of Santa Clara occupies approximately 1,316 square miles. All capitalized terms used and not otherwise defined in this Appendix B shall have the meanings set forth in the front portion of this Official Statement.

The City and County of San Francisco occupies the tip of a peninsula (the "San Francisco Peninsula") situated between the Pacific Ocean and San Francisco Bay (the "Bay") and is separated from Marin County and other northerly California counties by the Golden Gate, which forms the entrance to the Bay and is spanned by the Golden Gate Bridge. The County of San Mateo is located directly south of the City and County of San Francisco on the San Francisco Peninsula. The County of Santa Clara is located east of the County of San Mateo and the County of Santa Cruz and is bordered by the County of Alameda and a portion of the Bay on the north, the County of Stanislaus and the County of Merced on the east, and the County of San Benito on the south.

City and County of San Francisco. The City and County of San Francisco represents approximately 24.5% of the total population of the three Caltrain Counties as of January 1, 2021. The population of the City and County of San Francisco increased approximately 0.39% between 2016 and 2021.

County of San Mateo. The County of San Mateo ("San Mateo County") comprises approximately 21.4% of the population of the three Caltrain Counties as of January 1, 2021. The population of San Mateo County decreased approximately 0.24% between 2016 and 2021.

County of Santa Clara. The County of Santa Clara ("Santa Clara County") comprises approximately 54.1% of the population of the three Caltrain Counties as of as of January 1, 2021. The population of Santa Clara County increased approximately 0.30% between 2016 and 2021. Santa Clara County is the largest Caltrain County and is the sixth largest county in the State of California.

Demographics and Economic Information

This table highlights San Mateo County's total population, total personal and per capita income, and percentage of unemployed residents.

POPULATION, INCOME, AND UNEMPLOYMENT RATES
COUNTY OF SAN MATEO

Fiscal Year	Population[1]	Total Personal Income (in millions)[2]	Per Capita Personal Income[2]	Average Unemployment Rates[3]
2021	765,245*	$109,064**	$142,274**	3.1%[4]
2020	771,061	105,887**	138,130**	6.9%
2019	771,160	102,803	134,107	2.1%
2018	770,927	98,568	128,230	2.3%
2017	769,401	90,766	118,047	2.7%
2016	767,099	82,046	107,670	3.3%
2015	759,155	78,607	102,639	3.3%
2014	758,581	71,111	93,802	4.2%
2013	750,489	65,656	87,501	5.7%
2012	740,738	64,765	87,523	7.0%

(1) Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
(2) Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.
(3) Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.
(4) Most current data available, through November 2021.
* 2021 Population growth is based on 0.4% growth from 2020.
** Personal Income and Per Capita Personal Income data for 2020 and 2021 is based on an estimated three percent annual increase over 2019. Source data for table is fiscal year 2020 San Mateo County Annual Comprehensive Financial Report.
Source: County of San Mateo fiscal year 2020 Annual Comprehensive Financial Report.

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This table highlights the City and County of San Francisco's total population, total personal and per capita income, and percentage of unemployed residents.

POPULATION, INCOME, AND UNEMPLOYMENT RATES CITY AND COUNTY OF SAN FRANCISCO

Fiscal Year	Population(1)	Total Personal Income (in millions)(2)	Per Capita Personal Income(2)	Average Unemployment Rates(3)
2021	875,010*	$127,789**	$144,131**	3.3%(4)
2020	889,783	124,067	140,493	7.8%
2019	886,885	120,945	137,196	2.2%
2018	885,716	115,445	131,083	2.4%
2017	878,697	106,007	120,576	2.9%
2016	871,613	96,161	109,760	3.4%
2015	862,004	89,533	103,867	4.0%
2014	852,469	77,233	90,600	5.2%
2013	841,138	72,858	86,619	6.5%
2012	825,863	70,574	85,455	8.1%

(1) Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
(2) Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.
(3) Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.
(4) Most current data available, through November 2021.
* 2021 Population growth is based on 0.4% growth from 2020.
** Personal Income and Per Capita Personal Income data for 2021 is based on an estimated three percent annual increase over 2020. Source data for table is fiscal year 2020 San Francisco County Annual Comprehensive Financial Report.
Source: County of San Francisco fiscal year 2020 Annual Comprehensive Financial Report.

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This table highlights Santa Clara County's population, total personal and per capita income, and percentage of employed residents.

POPULATION, INCOME AND UNEMPLOYMENT RATES
COUNTY OF SANTA CLARA

Fiscal Year	Population	Total Personal Income (in millions)[1,2]	Per Capita Personal Income[2]	Average Unemployment Rates[3]
2021	1,934,171	$215,353	$111,146	3.2%[4]
2020	1,945,166	213,221	110,046	7.0%
2019	1,944,733	211,110	108,956	2.5%
2018	1,943,579	209,020	107,877	2.7%
2017	1,937,008	190,002	98,032	3.2%
2016	1,928,438	170,673	88,920	4.0%
2015	1,903,209	158,729	82,756	3.9%
2014	1,879,196	141,874	74,883	5.2%
2013	1,856,416	130,624	70,151	6.8%
2012	1,828,496	122,259	66,535	8.7%

(1) Bureau of Economic Analysis U.S. Department of Commerce.
(2) Actual data is available through 2018. Years 2019, 2020, and 2021 data are preliminary and assume a 1% increase over prior year.
(3) California Employment Development Department. Not seasonally adjusted.
(4) Most current data available, through November 2021.
Source: County of Santa Clara fiscal year 2020 Annual Comprehensive Financial Report.

The table below shows population for the three Caltrain Counties for the calendar years 2016 through 2021. Between 2016 and 2021, population in the three Caltrain Counties increased by approximately 0.20%

HISTORICAL POPULATION
2016-2021

	2016	2017	2018	2019	2020	2021	Percent Change 2016-2021
City and County of San Francisco	871,613	878,697	885,716	886,885	889,783	875,010	0.39%
San Mateo County	767,099	769,401	770,927	771,160	771,061	765,245	(0.24)%
Santa Clara County	1,928,438	1,937,008	1,943,579	1,944,733	1,945,166	1,934,171	0.30%
Total Three Caltrain Counties	3,567,150	3,585,106	3,600,222	3,602,778	3,606,010	3,574,426	0.20%

Source: California Department of Finance.

This table presents the top ten principal employers in San Mateo County for 2019 and 2011.

PRINCIPAL EMPLOYERS
COUNTY OF SAN MATEO

		2019*			2011		
Employers in San Mateo County	**Business Type**	**Number of Employees**	**Rank**	**Percent of Total County Employment**	**Number of Employees**	**Rank**	**Percent of Total County Employment**
Facebook Inc.	Social Network	15,407	1	3.91%	2,000	10	0.57%
Genentech Inc.	Biotechnology	10,023	2	2.54%	8,600	1	2.43%
Oracle Corp.	Hardware and Software	7,656	3	1.94%	7,000	3	1.98%
County of San Mateo	Government	5,640	4	1.43%	5,979	2	1.69%
Gilead Sciences Inc	Biotechnology	4,000	5	1.02%			
YouTube	Online Video-Streaming Platform	2,384	6	0.61%			
Sony Interactive Entertainment	Interactive Entertainment	1,650	7	0.42%			
Robert Half International Inc.	Personnel Services	1,642	8	0.42%			
Electronic Arts Inc.	Interactive Entertainment	1,478	9	0.38%	2,000	9	0.57%
SRI International	Nonprofit Research Institute	1,418	10	0.36%			
Kaiser Permanente	Health Care				3,855	4	1.09%
Visa Inc	Global Payments Technology				3,100	5	0.88%
Mills-Peninsula Health Services	Health Care				2,500	6	0.71%
San Mateo Community College District	Public Education				2,115	7	0.60%
Safeway Inc	Retail Grocer				2,075	8	0.59%
Total		51,298		13.03%	39,224		11.11%

* The latest information available for principal employers in San Mateo County.

Source: San Francisco Business Times - 2020 Book of Lists; California Employment Development Department (provided by San Mateo County Controller's office) from the fiscal year 2020 County of San Mateo Annual Comprehensive Financial Report.

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This table presents the top ten principal employers in San Francisco County for 2019 and 2010.

PRINCIPAL EMPLOYERS
CITY AND COUNTY OF SAN FRANCISCO

	2019*			2010		
Employers in San Francisco City and County	**Number of Employees**	**Rank**	**Percent of Total City Employment**	**Number of Employees**	**Rank**	**Percent of Total City Employment**
City and County of San Francisco	36,910	1	6.68%	25,488	1	5.59%
University of California, San Francisco	34,690	2	6.28%	11,639	2	2.55%
San Francisco Unified School District	10,257	3	1.86%			0.00%
Salesforce	9,100	4	1.65%			0.00%
Wells Fargo & Co	7,296	5	1.32%	9,089	3	1.99%
Kaiser Permanente	6,659	6	1.20%	3,490	9	0.77%
United	6,153	7	1.11%			0.00%
Sutter Health	6,134	8	1.11%			0.00%
Uber Technologies Inc.	5,500	9	1.00%			0.00%
Gap, Inc.	4,500	10	0.81%	3,783	8	0.83%
California Pacific Medical Center				6,600	4	1.45%
State of California				5,465	5	1.20%
United States Postal Service				4,369	6	0.96%
PG&E Corporation				4,080	7	0.90%
San Francisco State University				3,243	10	0.71%
Total	127,199		23.02%	77,246		16.95%
Total City and County Employment	552,650		455,683			

* The latest information available for principal employers in San Francisco County.

Source: Fiscal year 2020 County of San Francisco Annual Comprehensive Financial Report. Total City and County of San Francisco employee count is obtained from the State of California Employee Development Department. City and County of San Francisco data provided by Office of the Controller's Payroll and Personnel Services. All other data is obtained from the San Francisco Business Times Book of Lists.

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This table lists the largest employers in the Silicon Valley, which encompass Santa Clara County and the surrounding areas.

PRINCIPAL EMPLOYERS
COUNTY OF SANTA CLARA

Employers in Santa Clara County	Nature of Operations	2020 Estimated Number of Employees	2020 Rank	2011 Estimated Number of Employees	2011 Rank
Apple Inc.	Computer Electronics	25,000	1	10,000	5
Alphabet Inc./Google Inc.	Search, Advertising and Web Software	23,000	2	7,700	7
County of Santa Clara	County Government	18,570	3	15,481	2
Stanford University	Research University	15,576	4	11,569	4
Facebook Inc.	Online Social Networking Service	15,407	5		
Tesla Motors Inc.	Electric Vehicle Designer & Manufacturer	15,000	6		
Stanford Health Care	Health System	14,143	7	5,775	11
Cisco Systems Inc.	Computer Network Equipment Manufacturer	13,683	8	17,335	1
Kaiser Permanente	Integrated Healthcare Delivery Plan	12,500	9	13,500	3
University of California Santa Cruz	Public University	8,915	10	4,252	16
Safeway	Supermarket Chain	8,509	11		
Gilead Sciences Inc.	Biotechnology Company	8,268	12		
Intel Corporation	Semiconductor	7,975	13	5,241	13
City of San Jose	City Government	7,728	14	5,910	10
Applied Materials Inc	Semiconductor Equipment Manufacturer	6,200	15		
Nvidia Corp	Graphics and Digital Media Processors	6,000	16		
Target Corp	Merchandise Retailer	5,500	17		
Juniper Networks Inc	Computer Network Equipment Manufacturer	5,130	18	3,040	25
San Mateo County	County Government	5,103	19	5,495	12
Stanford Children's Health	Specializes in the Care of Babies, Children, Adolescent and Expectant Mothers	5,005	20	3,500	24
Lockheed Martin Space Systems Co.	Aerospace	4,300	21	7,600	8
Pajaro Valley Unified School District	Public School District	4,108	22		
Department of Veterans Affairs, Palo Alto Health Care System	Veterans Hospital	3,900	23	3,587	23
San Jose State University	Public University	3,727	24		
SAP	Cloud Business Software Company	3,500	25		
Total		246,747		119,985	
Total County Employment		1,024,900		780,100	

Source: Silicon Valley/San Jose Business Journal July 2020 from the fiscal year 2020 County of Santa Clara Annual Comprehensive Financial Report.

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Employment. The table below sets forth information regarding the size of the labor force, employment and unemployment rates for the three Caltrain Counties, the State of California and the United States for calendar years 2017 through 2021.*

LABOR FORCE - EMPLOYMENT/UNEMPLOYMENT
ANNUAL AVERAGES 2017-2021

	2017	**2018**	**2019**	**2020**	**2021***
City and County of San Francisco					
Labor Force	563,400	568,700	579,600	556,100	565,600
Employment	546,800	555,000	566,600	512,500	546,800
Unemployment Rate	2.9%	2.4%	2.2%	7.8%	3.3%
San Mateo County					
Labor Force	445,200	449,000	456,300	433,900	445,000
Employment	433,000	438,800	446,800	404,100	431,300
Unemployment Rate	2.7%	2.3%	2.1%	6.9%	3.1%
Santa Clara County					
Labor Force	1,038,000	1,042,500	1,048,200	1,020,700	1,037,100
Employment	1,004,400	1,014,800	1,021,600	949,400	1,004,200
Unemployment Rate	3.2%	2.7%	2.5%	7.0%	3.2%
State of California					
Labor Force	19,173,800	19,263,900	19,353,700	18,821,200	19,178,900
Employment	18,246,800	18,442,400	18,550,500	16,913,100	18,138,400
Unemployment Rate	4.8%	4.3%	4.2%	10.1%	5.4%
United States					
Labor Force	160,320,000	162,075,000	163,539,000	160,742,000	162,099,000
Employment	153,337,000	155,761,000	157,538,000	147,795,000	155,797,000
Unemployment Rate	4.4%	3.9%	3.7%	8.1%	3.9%

* Most current data available, through November 2021.

Sources: State of California data: California Employment Development Department, Labor Market Information Division. United States data: U.S. Department of Labor, Bureau of Labor Statistics.

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The table below shows nonagricultural employment for the three Caltrain Counties by industry sector for calendar year 2020.*

ANNUAL AVERAGE NONAGRICULTURAL EMPLOYMENT
BY INDUSTRY SECTOR
Calendar Year 2020*

	City and County of San Francisco	San Mateo County	Santa Clara County	Total
Natural Resources, Mining and Construction	23,100	19,600	48,800	91,500
Manufacturing	12,300	24,300	166,000	202,600
Trade, Transportation and Utilities	72,900	61,800	115,800	250,500
Information	55,600	49,800	105,900	211,300
Financial Activities	60,400	22,700	37,700	120,800
Professional and Business Services	198,300	81,800	236,600	516,700
Educational and Health Services	91,600	50,200	170,200	312,000
Leisure and Hospitality	59,600	29,900	70,300	159,800
Other Services	21,900	10,500	21,800	54,200
Government	96,900	30,400	91,200	218,500
Total	692,600	381,000	1,064,300	2,137,900

* Most current data available.
Source: California Employment Development Department.

Taxable Sales

The table below sets forth historical taxable sales for the three Caltrain Counties for calendar years 2016 through 2020.*

TAXABLE SALES
CALTRAIN COUNTIES
Calendar Years 2016 through 2020*
(Dollars in Thousands)

	2016	2017	2018	2019	2020*
City and County of San Francisco	$19,437,168	$19,473,871	$20,342,721	$20,957,132	$14,025,878
San Mateo County	15,821,971	16,736,449	17,547,097	18,286,057	15,746,083
Santa Clara County	42,128,430	43,149,031	45,353,074	47,001,964	46,005,925
Total Caltrain Counties†	$77,387,569	$79,359,351	$83,242,892	$86,245,153	$75,777,886

* Most current data available.
† Totals may not add due to rounding.
Source: California Department of Tax and Fee Administration.

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Construction Activity

The three tables below set forth information regarding building permits and valuations for the three Caltrain Counties for the calendar years 2017 through 2021.* Totals may not add due to independent rounding.

BUILDING PERMITS AND VALUATIONS
Calendar Years 2017 through 2021
(Dollars in Thousands)

City and County of San Francisco†

	2017	2018	2019	2020	2021*
New Single-dwelling	$ 24,912	$ 30,193	$ 31,284	$ 22,182	$ 33,271
New Multi-dwelling	1,695,078	1,506,515	983,200	873,194	882,351
Additions, alterations	835,963	695,029	715,519	660,558	727,227
Total Residential	$2,555,954	$2,231,737	$1,730,003	$1,555,933	$1,642,850
New Commercial	$1,112,074	$ 695,383	$ 287,887	$ 446,475	$ 371,689
New Industrial	–	–	–	–	–
Other	25,104	94,615	91,483	14,025	27,752
Additions, alterations	858,281	1,503,557	1,082,573	793,448	552,145
Total Nonresidential	$1,995,459	$2,293,555	$1,461,943	$1,253,947	$951,586
Total Valuation	$4,551,412	$4,525,292	$3,191,946	$2,809,881	$2,594,436
Single-Family Units	46	95	135	65	95
Multi-Family Units	4,211	5,089	3,208	2,127	2,109
Total Units	4,257	5,184	3,343	2,192	2,204

* Most current data available, through October 2021.
† Totals may not add due to independent rounding.
Source: Construction Industry Research Board and California Homebuilding Foundation.

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San Mateo County†

	2017	2018	2019	2020	2021*
New Single-dwelling	$ 338,186	$ 328,086	$ 486,257	$ 273,328	$ 320,131
New Multi-dwelling	210,997	192,526	322,897	154,591	206,622
Additions, alterations	503,351	414,580	365,785	310,316	219,413
Total Residential	$1,052,535	$ 935,192	$1,174,939	$738,234	$746,165
New Commercial	$1,063,427	$1,475,655	$ 713,679	$ 360,544	$ 258,107
New Industrial	500	–	–	–	–
Other	279,184	102,790	87,465	96,007	87,830
Additions, alterations	1,047,886	962,361	618,727	923,425	441,234
Total Nonresidential	$2,390,996	$2,540,806	$1,419,871	$1,379,975	787,171
Total Valuation	$3,443,531	$3,475,999	$2,594,810	$2,118,210	$1,533,336
Single-Unit Permit	411	492	497	548	602
Multi-Unit Permit	1,169	1,037	1,049	439	583
Total Permits	1,580	1,529	1,546	987	1,185

* Most current data available, through October 2021.
† Totals may not add due to independent rounding.
Source: Construction Industry Research Board and California Homebuilding Foundation.

Santa Clara County†

	2017	2018	2019	2020	2021*
New Single-dwelling	$ 732,652	$ 629,787	$ 693,033	$ 465,532	$ 502,541
New Multi-dwelling	1,027,652	1,014,904	567,727	384,856	366,785
Additions, alterations	547,992	556,190	555,483	314,179	284,858
Total Residential	$2,308,296	$2,200,881	$1,816,242	$1,164,567	$1,154,184
New Commercial	$1,150,170	$1,835,683	$2,101,931	$1,262,339	$499,793
New Industrial	118,567	32,080	41,876	72,481	7,229
Other	303,729	244,948	835,896	99,284	175,421
Additions, alterations	1,786,850	2,030,225	2,467,939	1,382,406	636,088
Total Nonresidential	$3,359,316	$4,142,936	$5,447,642	$2,816,510	$1,318,531
Total Valuation	$5,667,612	$6,343,818	$7,263,885	$3,981,077	$2,472,715
Single-Unit Permit	2,022	1,734	1,814	1,329	1,462
Multi-Unit Permit	6,629	5,946	3,216	2,245	2,525
Total Permits	8,651	7,680	5,030	3,574	3,987

* Most current data available, through October 2021.
† Totals may not add due to independent rounding.
Source: Construction Industry Research Board and California Homebuilding Foundation.

APPENDIX C

DEFINITIONS AND SUMMARY OF THE INDENTURE

APPENDIX D

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A (the "Series 2022 Bonds"). The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the front portion of this Official Statement or in Appendix C – "Definitions and Summary of the Indenture."

The following information has been obtained from DTC, and neither the Peninsula Corridor Joint Powers Board (the "JPB") nor J.P. Morgan Securities LLC nor Wells Fargo, National Association (the "Underwriters") makes any representation as to its accuracy or completeness. For further information, beneficial owners should contact DTC in New York, New York.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners, are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the JPB and the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022 Bonds and redemption proceeds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the JPB, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest, including upon redemption, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the JPB or the Trustee. Under such circumstances in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered in accordance with the provisions set forth in the Indenture.

The JPB may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Peninsula Corridor Joint Powers Board (the "Issuer") and U.S. Bank National Association, as trustee (the "Trustee") and as dissemination agent (the "Dissemination Agent") in connection with the issuance of $______________ Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2021 (as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Third Supplemental Indenture of Trust, dated as of March 1, 2022, hereinafter collectively referred to as the "Indenture"), between the Issuer and the Trustee. The Issuer, the Dissemination Agent and the Trustee covenant and agree as follows:

SECTION 1. **Purpose of this Disclosure Agreement**. This Disclosure Agreement is being executed and delivered by the Issuer, the Trustee and the Dissemination Agent for the benefit of the Holders and Beneficial Owners (as such term is defined herein) of the Bonds and in order to assist the Participating Underwriter (as such term is defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. **Definitions**. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

Beneficial Owner shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Disclosure Representative shall mean the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as an Authorized Representative of the Issuer shall designate in writing to the Trustee and Dissemination Agent from time to time.

Dissemination Agent shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by an Authorized Representative the Issuer and which has filed with the Trustee and Dissemination Agent a written acceptance of such designation.

Listed Events shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Agreement.

Participating Underwriter shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

Rule shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SEC shall mean the Securities and Exchange Commission or any successor agency thereto.

State shall mean the State of California.

SECTION 3. **Provision of Annual Reports**.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than eight (8) months after the end of the Issuer's Fiscal Year (presently June 30), commencing with the Annual Report for the Fiscal Year ending June 30, 2021, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the Repository, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than five (5) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent and the Trustee may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report. If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Issuer and the Dissemination Agent to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice, in electronic format, to the Repository, such notice to be in substantially the form attached as Exhibit A to this Disclosure Agreement.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. **Content of Annual Reports**. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, dated February [__], 2022, relating to the Bonds (the "Official Statement") and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) Measure RR Sales Tax Revenues collected by or on behalf of the Issuer as of the most recently ended fiscal year of the Issuer.

(c) A summary of all Indenture Obligations Outstanding as of the most recently ended fiscal year of the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the Repository. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. **Reporting of Listed Events**.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event, such notice to be provided in accordance with the provisions set forth in Section 6:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. tender offers;

7. defeasances;

8. rating changes; or;

9. bankruptcy, insolvency, receivership or similar event of the obligated person.

<u>Note</u>: for the purposes of the event identified in subsection (9) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event, such notice to be provided in accordance with the provisions set forth in Section 6:

1. unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. modifications to rights of Bond holders;

3. optional, unscheduled or contingent Bond calls;

4. release, substitution, or sale of property securing repayment of the Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the Issuer person or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional paying agent or the change of name of a trustee.

8. Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material.

9. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(a) or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, whether because of a notice from the Dissemination Agent pursuant to Section 5(d) or otherwise, the Issuer shall within ten (10) Business Days of occurrence file a notice of such occurrence or cause a notice of such occurrence to be filed with the Repository. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this Section 5(c) any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

(d) The Dissemination Agent shall, within one (1) Business Day, or as soon thereafter as reasonably practicable, of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the Disclosure Representative promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(h). For purposes of this Disclosure Agreement "actual knowledge" of the occurrence of such Listed Events shall mean actual knowledge by the officer at the Corporate Trust Office of the Trustee and Dissemination Agent with regular responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events described in Section 5(b). In the absence of such direction from the Issuer (upon which the Dissemination Agent may conclusively rely), the Dissemination Agent shall not report such event. The

* "Financial Obligation," as defined in the Rule, means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing planned debt obligation; or (iii) guarantee of (i) or (ii).

Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Listed Event.

(e) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), whether because of a notice from the Dissemination Agent pursuant to Section 5(d) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(f) If the Issuer has determined that knowledge of the occurrence of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 5(h).

(g) If in response to a request under Section 5(d), the Issuer determines either (i) that a Listed Event has not occurred or (ii) that a Listed Event described in Section 5(b) has occurred but would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(h) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event described in Section 5(b), the Dissemination Agent shall file a notice of such occurrence with the Repository, such notice to be provided in accordance with the provisions set forth in Section 6.

SECTION 6. **Format for Filings with the Repository**. Any notice, report or filing with the Repository pursuant to this Disclosure Agreement must be submitted in electronic format, in word searchable pdf format, accompanied by such identifying information as is prescribed by the Repository. Until otherwise designated by the Repository or the SEC, filings with the Repository are to be made through the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb/org.

SECTION 7. **Termination of Reporting Obligation**. The obligations of the Issuer, the Trustee and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. **Dissemination Agent**. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer and the Trustee. The Dissemination Agent shall not be responsible for filing any report in a form not eligible for filing or not provided to it by the Issuer in a timely manner.

SECTION 9. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Trustee and the Dissemination Agent may amend this Disclosure Agreement (and the Trustee and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided, neither the Trustee nor the Dissemination Agent shall be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment relates to the provisions of Section 3(a), Section 4, Section 5(a) or Section 5(b), such amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account the waiver proposed, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either: (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture with respect to amendments to the Indenture which require the consent of Holders; or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in a filing with the Repository; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. **Additional Information**. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. **Default**. In the event of a failure of the Issuer or the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. **Duties, Immunities and Liabilities of Trustee and Dissemination Agent**. Article XI of the Indenture, including, without limitation, Section 11.03 of the Indenture, is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture, and the Trustee and the Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's respective negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and the Trustee and payment of the Bonds. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Bondholders, or any other party.

SECTION 13. **Notices**. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Peninsula Corridor Joint Powers Board 1250 San Carlos Avenue San Carlos, California 94070-2400 Attention: Chief Financial Officer Telephone: (650) 508-6946
With a copy to:	Peninsula Corridor Joint Powers Board 1250 San Carlos Avenue San Carlos, California 94070-2400 Attention: Director of Treasury Telephone: (650) 508-7765
With an additional copy to:	debt@samtrans.com
To the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) 677-3599
To the Dissemination Agent:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services Telephone: (415) 677-3599

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices may also be given by email or other electronic means.

SECTION 14. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. **Counterparts**. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _________.

PENINSULA CORRIDOR JOINT POWERS BOARD

By_______________________________________
Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee and Dissemination Agent

By_______________________________________
Authorized Officer

Exhibit A

Notice to Repository of Failure to File Annual Report

Name of Issuer: Peninsula Corridor Joint Powers Board (the "Issuer")

Name of Issue: Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A

Date of Issuance: ___________

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section [__] of the Third Supplemental Indenture of Trust, dated as of March 1, 2022, as supplemented and amended, between the Issuer and U.S. Bank National Association, as trustee. [The Issuer anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

U.S. BANK NATIONAL ASSOCIATION,
as dissemination agent

cc: Peninsula Corridor Joint Powers Board

APPENDIX F

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX G

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF INVESTMENT POLICY

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August 5, 1999
Reaffirmed August 3, 2000
Amended August 2, 2001
Reaffirmed September 2002
Amended October 2003
Reaffirmed September 2004
Reaffirmed October 2005
Reaffirmed November 2006
Amended November 2007
Amended December 2008
Reaffirmed December 2009
Amended November 2010
Reaffirmed November 2011
Amended November 2012
Reaffirmed November 2013
Reaffirmed November 2014
Amended August 2016
Amended September 2017
Reaffirmed October 2019
Amended November 2020
Reaffirmed October 2021

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

This Statement of Investment Policy (Investment Policy) sets forth the investment guidelines for the prudent investment and cash management of the Peninsula Corridor Joint Powers Board's (PCJPB) funds. It is the goal of this Investment Policy to establish investment objectives in accordance with the provisions of the *California Government Code, Section 53600 et seq.* (hereafter "*Code*"), and investment guidelines to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and achieve a market-average rate of return over an economic cycle consistent with the PCJPB's goals of preserving principal and minimizing the risk of diminishing the principal.

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the PCJPB's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*). Irrespective of these policy provisions, should the provisions of the Code be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The PCJPB's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the PCJPB to invest funds to the fullest extent possible. Idle funds of the PCJPB shall be invested in accordance with sound treasury management and in accordance with the provisions of the *Code* and this Investment Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. PCJPB officials shall act in accordance with written procedures and the Investment Policy, and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.

The PCJPB's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the PCJPB. The third objective is to achieve a return on its invested funds.

III. BENCHMARKS

Investment performance will be compared to the performance benchmark selected by the PCJPB, which approximates the PCJPB's portfolio and the specific restrictions on the PCJPB's portfolio in accordance with applicable current legislation by the State of California. The benchmark will be reviewed periodically to ensure it remains appropriate and consistent with the PCJPB's risk and return expectations.

IV. POLICY

At all times, the PCJPB shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (including the *Code*). In addition, the PCJPB shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

The Executive Director of the PCJPB, or his designee, shall serve as the PCJPB's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis.

1. **Criteria for Selecting Investments**. Criteria for selecting investments and the order of priority are:

   a. Safety. The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The PCJPB shall operate only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, 6, and Section 7, are deemed to constitute safe investments within the meaning of this Investment Policy.

   b. Liquidity. An adequate percentage of the portfolio, in the approximate amount of six months' operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term, and fixed income securities maturing in less than one year are considered short-term cash equivalents. All funds available for investment shall be directed to the managers of the PCJPB's investment portfolio.

   c. Return on Investment. The PCJPB's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio's benchmark as described in the section entitled "Objective" (see above). This benchmark takes into account the PCJPB's investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification**. The PCJPB will focus on diversification and invest in securities consistent with the diversification limits established by this policy and consistent with California Government Code.

3. **Safekeeping and Custody**. All security transactions, including collateral for repurchase agreements, will be executed on a Delivery versus Pay Basis (DVP). The assets of the PCJPB shall be held in safekeeping by the PCJPB's safekeeping agent, or secured through

third party custody and safekeeping procedures. A due bill or other substitutions will not be acceptable.

4. **Maturity of Investments**. The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this Investment Policy.

   The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds**. As far as possible, all money belonging to or in the custody of the PCJPB including money paid to the PCJPB to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

6. **Allowable Investment Instruments**. The PCJPB also may invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. This Policy may be more restrictive than *California Government Code* regarding the limitations of certain investment types, as shown in the table in Section 10. These investment instruments include but are not limited to:

   a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, pursuant to *California Government Code Section 53601(b)*.

   b. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises, pursuant to *California Government Code Section 53601(f)*.

   c. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (*California Public Utilities Code Section 11501, et seq.*). Pursuant to *California Government Code Section 53601(g)*.

d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 40 percent of the agency's money may be invested in eligible commercial paper. The agency may invest no more than 10 percent of its total investment assets in the commercial paper and medium-term notes of any single issuer pursuant to *California Government Code Section 53601(h)*.

e. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by *California Financial Code Section 5102*), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(i)*.

f. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements as defined in *California Government Code Section 53601(j)*.

g. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(k)*. The agency may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

h. Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as described by *California Government Code Section 53601(l)*.

i. Local government investment pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 as described by *California Government Code Section 53601(p)*.

j. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 53601(o)*.

k. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Pursuant to *California Government Code 53601(c)*

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Pursuant to *California Government Code 53601(d)*.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Pursuant to *California Government Code 53601(e)*

l. Supranational obligations including United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(q)*.

m. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; or Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poor's.

7. **<u>Local Agency Investment Fund & San Mateo County Investment Pool</u>**. The Board of Directors also authorizes the PCJPB to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).

8. **<u>Prohibited Investments</u>**. The PCJPB shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The PCJPB shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the PCJPB may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.

9. **<u>Portfolio Transactions</u>**. The PCJPB's investment advisors are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Investment advisors are to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The investment advisors, at their sole discretion and authority, will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the PCJPB. Investment advisors may incur Realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time.

10. **<u>Summary of Instruments & Limitations</u>**. Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above and in the table below. Limitations set in this Policy may be more restrictive than required by *California Government Code*:

Instrument	Credit Rating	% of Fund	% of Fund per Issuer	Maximum Maturity
(a) U.S. Treasury Obligations		100	N/A	15 years
(b) Obligations of U.S. Agencies or Government Sponsored Enterprises		100	N/A	15 years
(c) Bankers' Acceptances		40	30	180 days
(d) Commercial Paper	A1/P1/F1	40	10	270 days
Local agencies with less than $100M of investment assets under management may invest no more than 25% of the agency's money in eligible commercial paper				
(e) Negotiable Certificates of Deposit		30	N/A	5 years
(f) Repurchase Agreements		100	N/A	1 year
Reverse Repurchase Agreements & Securities Lending		20	N/A	92 days

(g) Medium Term Corporate Notes	"A" category (split rated issues not allowed)	30	10	5 years
(h) Shares of beneficial interest issued by diversified management companies		20	10	N/A
(i) Local Government Investment Pools		100	N/A	N/A
(j) Asset-backed and mortgage-backed securities	"AA" category	20	N/A	5 years
(k) Municipal Obligations		100	N/A	10 years
(l) Supranational Obligations	"AA" category	30%	N/A	5 years
Local Agency Investment Fund			Up to current state limit	
San Mateo County Investment Fund			Up to current state limit	

11. <u>Oversight</u>.

a. Quarterly, the Executive Director shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall include the following information:

1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the PCJPB;

2. description of any of the PCJPB's funds, investments or programs that are under the management of contracted parties, including lending programs;

3. for all securities held by the PCJPB or under management by any outside party that is not a local agency or the State of California LAIF, a current market value as of the date of the report and the source of this valuation;

4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and

5. statement that the PCJPB has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

b. Annually, the Executive Director shall perform, or cause to be performed, an independent audit of the PCJPB's assets as reported for the investment program's activities. It is to be conducted in such a way as to determine compliance with the

PCJPB's Investment Policy and State Codes. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.

c. If the PCJPB places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF(or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1¬3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

APPENDIX H

[GREEN BOND VERIFIER’S EXHIBIT]

RESOLUTION NO. 2022 -

PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF ITS MEASURE RR SALES TAX REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $140,000,000, APPROVING THE FORMS OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND A CONTINUING DISCLOSURE AGREEMENT TO BE EXECUTED IN CONNECTION THEREWITH, AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF MEASURE RR SALES TAX REVENUE BONDS

WHEREAS, the Peninsula Corridor Joint Powers Board (the "JPB"), a public entity duly organized and existing as a joint exercise of powers agency under and by virtue of the laws of the State of California, created pursuant to the Joint Exercise of Powers Agreement-Peninsula Corridor Project, made and entered into as of October 3, 1996 (the "JPA Agreement"), among the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District, the City and County of San Francisco and the San Mateo County Transit District (each, a "Member Agency," and, hereinafter collectively referred to as the "Member Agencies"), oversees and operates the Caltrain commuter rail service ("Caltrain"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the JPA Agreement, the JPB is authorized to issue debt, including revenue debt, from time to time to finance the costs of public capital improvements, including mass transit facilities and vehicles, whenever there are significant public benefits (as such term is defined in the Act) from doing so; and

WHEREAS, on November 3, 2020, the voters in the City and County of San Francisco, San Mateo County and Santa Clara County approved Measure RR, which provides the JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable transactions in those counties (the "Measure RR Sales Tax"), the collection of which commenced on July 1, 2021 and currently expires in thirty (30) years; and

WHEREAS, the JPB previously entered into a revolving credit facility pursuant to a certain Credit Agreement, dated as of August 1, 2021 (the "PCEP Facility") between the JPB and Wells Fargo, National Association ("Wells Fargo"), with an amount available to be drawn and outstanding at any one time not to exceed $100,000,000, in order to assist the JPB in meeting its cash flow needs in connection with the Peninsula Corridor Electrification Project (the "Peninsula Corridor Electrification Project" or the "PCEP Project"). The JPB issued a Tax-Exempt Note and a Taxable Note (the "PCEP Facility Notes") to evidence amounts borrowed by the JPB under the PCEP Facility. The PCEP

Facility Notes are secured by a subordinate lien on Measure RR Sales Tax revenues pursuant to an Indenture of Trust, dated as of August 1, 2021 (the "Master Indenture") as amended and supplemented by a First Supplemental Indenture of Trust, dated August 1, 2021 (the "First Supplemental Indenture"), between the JPB and U.S. Bank, National Association (the "Trustee"); and

WHEREAS, in addition, the JPB entered into a revolving credit facility pursuant to a Credit Agreement, dated as of August 1, 2021 (the "Working Capital Facility", and together with the PCEP Facility, the "Credit Facilities") between the JPB and Wells Fargo with an amount available to be drawn and outstanding at any one time not to exceed $100,000,000 to fund working capital of the JPB. The JPB issued a Tax-Exempt Note and a Taxable Note (the "Working Capital Facility Notes", and together with the PCEP Facility Note, the "Notes") to evidence amounts borrowed by the JPB under the Working Capital Facility. The Working Capital Facility Notes are secured by a subordinate lien on Measure RR Sales Tax revenues under the Master Indenture as amended and supplemented by a certain Second Supplemental Indenture of Trust, dated August 1, 2021 (the "Second Supplemental Indenture"), between the JPB and the Trustee; and

WHEREAS, to facilitate completion of capital projects, the JPB also intends to utilize and leverage the Measure RR Sales Tax and issue its sales tax revenue (hereinafter referred to as the "Additional PCEP Obligations," and together with the Credit Facilities, the "Financing Plan") in an aggregate principal amount not to exceed $140,000,000, to fund a portion of additional capital costs associated with completing the PCEP Project, capitalized interest through the expected commencement of electrified revenue service and transaction costs; and

WHEREAS, the JPB anticipates that completion of the PCEP Project will enable the JPB to (i) meet current and future transportation demand between San José and San Francisco; (ii) offset roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce greenhouse gas emissions; (v) provide electrical infrastructure compatible with contemplated future high-speed rail service; and (vi) enhance safety throughout the Caltrain system; and

WHEREAS, the indebtedness incurred by the Additional PCEP Obligations will be secured by a senior lien on the Measure RR Sales Tax Revenues pursuant to the Master Indenture, as amended and supplemented by a Third Supplemental Indenture of Trust (the "Third Supplemental Indenture"), by and between the JPB and the Trustee; and

WHEREAS, the Additional PCEP Obligations will be designated as the "Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds)" or such other designation as specified in the Third Supplemental Indenture; and

WHEREAS, while Measure RR Sales Tax revenues will be pledged to repay the Additional PCEP Obligations, the JPB also anticipates repaying the Additional PCEP Obligations from a portion of the proceeds from the sale of low carbon fuel standards credits that it expects to receive following the commencement of Caltrain electric revenue service; and

WHEREAS, there has been prepared and placed on file with the Secretary of the governing body of the JPB (hereinafter referred to as the "JPB Secretary") a proposed form of the Third Supplemental Indenture; and

WHEREAS, J.P. Morgan Securities and Wells Fargo, National Association (collectively, the "Underwriters") intend to purchase the Additional PCEP Obligations pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), which Bond Purchase Agreement is proposed to be entered into between the Underwriters and the JPB; and

WHEREAS, there has been prepared and placed on file with the JPB Secretary a proposed form of Bond Purchase Agreement; and

WHEREAS, in order to facilitate the offering of the Bonds by the Underwriters, the JPB proposes to approve, execute and deliver an Official Statement (the "Official Statement") describing the Additional PCEP Obligations and certain related matters; and

WHEREAS, there has been prepared and placed on filed with the JPB Secretary a proposed form of Official Statement describing the Additional PCEP Obligations and certain related matters; and

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15(c)2-12(b)(5) ("Rule 15(c)2-12"), the JPB proposes to enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with the Trustee, acting as dissemination agent; and

WHEREAS, there has been prepared and placed on file with the JPB Secretary a proposed form of Continuing Disclosure Agreement; and

WHEREAS, in order to accomplish the foregoing, it will be necessary for the JPB to enter into or approve and deliver the following agreements and instruments, forms of which have been prepared and placed on file with the JPB Secretary prior to this meeting:

(1) Third Supplemental Indenture;

(2) Bond Purchase Agreement;

(3) Official Statement; and

(4) Continuing Disclosure Agreement.

WHEREAS, the JPB desires to authorize the replacement of the issuance of the Additional PCEP Obligations, and to authorize the taking of such other actions as shall be necessary to consummate the issuance of the Additional PCEP Obligations, as described in the Third Supplemental Indenture, Bond Purchase Agreement, Official Statement, and the Continuing Disclosure Agreement (hereinafter collectively referred to as the "Financing Documents") and herein, and to authorize the taking of various actions in connection therewith; and

WHEREAS, each of the Member Agencies within whose geographic boundaries the Caltrain commuter rail service operates, conducted a public hearing, each of which public hearing was duly noticed, concerning the Financing Plan for purposes of Section 6586.5 of the Government Code of the State of California (the "Government Code"); and

WHEREAS, subsequent to the applicable public hearing, the governing body of each of the Member Agencies adopted a resolution or resolutions approving the Financing Plan for purposes of Section 6586.5 of the Government Code, each of which resolutions also made a finding of significant public benefit in accordance with the criteria specified in Section 6586.5 of the Government Code; and

WHEREAS, in accordance with Government Code Section 5852.1, the JPB has obtained and disclosed the information required thereby in the staff report accompanying this Resolution; and

NOW THEREFORE, BE IT RESOLVED by the governing body of the PENINSULA CORRIDOR JOINT POWERS BOARD as follows:

Section 1. **Findings**. The JPB hereby finds and determines that the foregoing recitals are true and correct.

Section 2. **Authorization of Issuance of the Bonds**. The issuance of the Additional PCEP Obligations in an amount not to exceed $140,000,000 is hereby authorized and approved. The Acting Executive Director of the JPB, the Chief Financial Officer of the JPB, and the Director of Treasury of the JPB, each acting alone (each, an "Authorized Representative"), is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver the Additional PCEP Obligations in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the general counsel to the JPB (the "General Counsel"), may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. **Approval of Third Supplemental Indenture**. The proposed form of Third Supplemental Indenture placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver, a Third Supplemental Indenture, in substantially said forms, with such changes therein as the Authorized Representative executing the same, with the advice of General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the Additional PCEP Obligations shall be as provided in the Additional PCEP Obligations and the Third Supplemental Indenture, as finally executed and delivered, the approval by the JPB of said final forms of the Additional PCEP Obligations to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (which shall not exceed the expiration of Measure RR) coupons (not to exceed 5% per annum), interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the Additional PCEP Obligations shall be as provided in the Third Supplemental Indenture, as finally executed and delivered, the approval by the JPB of said final form of Third Supplemental Indenture to be conclusively evidenced by the execution and delivery thereof.

Section 4. **Application of Proceeds of the Bonds**. The proceeds of the Additional PCEP Obligations shall be applied to finance the costs of the PCEP Project, capitalized interest through the expected commencement of electrified revenue service and costs of issuance related thereto, all in accordance with and as more particularly described in the Third Supplemental Indenture as finally executed and delivered.

Section 5. **Approval of Bond Purchase Agreement**. The proposed form of Bond Purchase Agreement placed on file with the JPB Secretary prior to this meeting is hereby approved. The sale of the Additional PCEP Obligations to the Underwriters at the principal amount thereof, less an underwriter's discount of not to exceed 0.50% of such principal amount, less any original issue discount, plus any original issue premium, in accordance with said form of Bond Purchase Agreement, is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Bond Purchase Agreement in connection with the sale by the JPB and the purchase by the Underwriters, such Bond Purchase Agreement to be in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. **Approval of Preliminary Official Statement**. The proposed form of Preliminary Official Statement placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver to the Underwriters a final Official Statement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute copies of said Official Statement, as finally executed, to persons who may be interested in the purchase of Additional PCEP Obligations and is hereby directed to deliver such copies to all actual purchasers of Additional PCEP Obligations.

The execution by either Authorized Representative of a certificate deeming the Official Statement in preliminary form final on behalf of the JPB for purposes of

Rule 15c2-12, and the distribution of the Official Statement, in such preliminary form as shall be deemed final by either Authorized Representative, is hereby authorized and approved.

Section 7. **Approval of Continuing Disclosure Agreement**. The proposed form of Continuing Disclosure Agreement attached to the Preliminary Official Statement and placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Continuing Disclosure Agreement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. **Approval of Engagement of Green Bond Verifier**. The engagement of Kestrel Verifiers ("Kestrel") as the verifier of the Additional PCEP Obligations as green bonds or a similar climate-related designation is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver any engagement or other documentation relating to engaging Kestrel as the verifier of the Additional PCEP Obligations as green bonds or a similar climate-related designation.

Section 9. **Completion of Financing**. Each Authorized Representative, the JPB Secretary and other appropriate staff of the JPB are each hereby authorized and directed, for and in the name and on behalf of the JPB, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates, documents, instruments and instructions, including, without limitation, the Financing Documents, the certificates concerning the representations in any of the Financing Documents, disclosure certificates, no-litigation certificates, signature certificates, tax certificates, investment instructions, any other green bond designation services, and contracts for rebate compliance services or other post-issuance compliance services, including, but not limited to, post-issuance tax-compliance services, and to do any and all things and take any and all actions which may be necessary or advisable to effectuate the actions which the JPB has approved in this Resolution, and to carry out, consummate and perform the duties of the JPB set forth in the Financing Documents and in all other documents executed in connection with the Financing Plan.

Section 10. **Authorized Representative; Subsequent Actions**. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of Financing Documents or by any of the other documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any investment of the proceeds of the Additional PCEP Obligations, any investment or reinvestment of the amounts held on deposit in any of the funds and accounts established by the Master Indenture and the Financing Documents, any amendment of any of the Master Indenture or Financing Documents, any amendment of any other agreements, documents or certificates authorized by this Resolution, may be given or taken or made, as applicable, by any Authorized

Representative without further authorization or direction by the governing body of the JPB, and each Authorized Representative is hereby authorized and directed to give any such approval, consent, direction, notice, order, request or other action and to take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution.

Section 11. **Severability of Invalid Provisions**. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution which shall continue in full force and effect.

Section 12. **Effective Date**. This Resolution shall take effect immediately upon its passage.

Regularly passed and adopted this 3rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

____

JPB Secretary

THIRD SUPPLEMENTAL INDENTURE OF TRUST

between

PENINSULA CORRIDOR JOINT POWERS BOARD

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

relating to:

PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR SALES TAX REVENUE BONDS, SERIES 2022

Dated as of January 1, 2022

(Supplemental to the Indenture of Trust dated as of August 1, 2021)

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THIRD SUPPLEMENTAL INDENTURE OF TRUST

This **THIRD SUPPLEMENTAL INDENTURE OF TRUST**, dated as of January 1, 2022 (this "**Third Supplemental Indenture**"), is between the **PENINSULA CORRIDOR JOINT POWERS BOARD**, a public entity duly organized and existing as a joint exercise of powers agency under and by virtue of the laws of the State of California (the "**Issuer**"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "**Trustee**"), and amends that certain Indenture of Trust, dated as of August 1, 2021 (the "**Master Indenture,**" and the Master Indenture, as previously amended and amended by this Third Supplemental Indenture, the "**Indenture**"), between the Issuer and the Trustee;

W I T N E S S E T H:

WHEREAS, the Issuer is duly organized and existing pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and created pursuant to a Joint Powers Agreement, made and entered into on October 3, 1996 (as more fully defined in Section 1.01 of the Indenture, the "**JPA Agreement**"), by and between the Santa Clara Valley Issuer, formerly known as the Santa Clara County Transit District, the City and County of San Francisco, and the San Mateo County Transit District; and

WHEREAS, the Issuer is authorized to issue from time to time indebtedness payable in whole or in part from revenues of the Sales Tax; and

WHEREAS, the Issuer previously issued its Peninsula Corridor Joint Powers Board Promissory Note (PCEP Tax-Exempt) and its Peninsula Corridor Joint Powers Board Promissory Note (PCEP Taxable) pursuant to the First Supplemental Indenture of Trust, dated as of August 1, 2021 (the "**First Supplemental Indenture**"), between the Issuer and the Trustee, as Subordinate Obligations under the Indenture; and

WHEREAS, the Issuer previously issued its Peninsula Corridor Joint Powers Board Promissory Note (Working Capital Tax-Exempt) and its Peninsula Corridor Joint Powers Board Promissory Note (Working Capital Taxable), pursuant to the Second Supplemental Indenture of Trust, dated as of August 1, 2021 (the "**Second Supplemental Indenture**"), between the Issuer and the Trustee, as Subordinate Obligations under the Indenture; and

WHEREAS, the Indenture provides for the issuance of Senior Sales Tax Revenue Bonds (Limited Tax Bonds) pursuant to a Supplemental Indenture; and

WHEREAS, the Issuer has determined to issue its Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds), 2022 Series A (the "**2022 Series A Bonds**" or the "**Series 2022 Bonds**") pursuant to the terms of this Third Supplemental Indenture and for the purposes as further described herein; and

WHEREAS, all acts, conditions, and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into this Third Supplemental Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Supplemental Indenture; and

NOW, THEREFORE, the Issuer and the Trustee, each in consideration of the representations, warranties, covenants and agreements of the other as set forth herein, mutually represent, warrant, covenant and agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Definitions. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture, as amended by this Third Supplemental Indenture. The following definitions shall apply to the terms used in this Third Supplemental Indenture unless the context clearly requires otherwise.

"**Authorized Denominations**" means, with respect to the Series 2022 Bonds, $5,000 and any integral multiple thereof.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement of the Issuer relating to the Series 2022 Bonds.

"**Interest Payment Date**" means for the Series 2022 Bonds each December 1 and June 1, commencing [December 1, 2022] and, in any event, the final maturity date or redemption date of each Series 2022 Bond.

"**Issue Date**" means, with respect to the Series 2022 Bonds, the date on which the Series 2022 Bonds are first delivered to the purchasers thereof.

"**Record Date**" means, with respect to the Series 2022 Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

"**Redemption Price**" means, with respect to any 2022 Series A Bond or a portion thereof, 100% of the principal amount thereof to be redeemed, plus the applicable premium, if any, payable upon redemption thereof pursuant to such 2022 Series A Bond or this Third Supplemental Indenture.

"**Series 2022 Bonds**" means the 2022 Series A Bonds.

"**Third Supplemental Indenture**" means this Third Supplemental Indenture, dated as of January 1, 2022, between the Issuer and the Trustee, as amended and supplemented from time to time.

"**2022 Series A Bonds**" means the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A.

"**2022 Series A Bonds Capitalized Interest Account**" means the 2022 Series A Bonds Capitalized Interest Account established pursuant to Section 5.01(a)(iv).

"**2022 Series A Bonds Construction Account**" means the 2022 Series A Bonds Construction Account established pursuant to Section 5.01(a)(iii).

"**2022 Series A Costs of Issuance**" means the Costs of Issuance relating to the 2022 Series A Bonds.

"**2022 Series A Bonds Costs of Issuance Account**" means the 2022 Series A Bonds Costs of Issuance Account established pursuant to Section 5.01(a)(i).

"**2022 Series A Bonds Proceeds Fund**" means the 2022 Series A Bonds Proceeds Fund established pursuant to Section 3.01(g)(i) in which the proceeds from the sale of the 2022 Series A Bonds are initially deposited by the Trustee and held prior to being transferred in accordance with Section 3.01(g)(i).

"**2022 Series A Bonds Project**" [means the Project that consists of certain improvements to the Caltrain system, including the electrification thereof to be financed and/or reimbursed from the proceeds of the 2022 Series A Bonds, as more fully described in the 2022 Series A Bonds Tax Certificate].

"**2022 Series A Bonds Redemption Fund**" means the 2022 Series A Bonds Redemption Fund established pursuant to Section 5.01(a)(v) in which any proceeds received by the Trustee by or on behalf of the Issuer shall be deposited by the Trustee and used to redeem the 2022 Series A Bonds.

"**2022 Series A Bonds Tax Certificate**" means that certain Tax Certificate executed on behalf of the Issuer in connection with the issuance of the 2022 Series A Bonds and relating to the requirements of the Code.

SECTION 1.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article I.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Third Supplemental Indenture, refer to the Indenture.

ARTICLE II
FINDINGS, DETERMINATIONS AND DIRECTIONS

SECTION 2.01 Findings and Determinations.

(a) **Findings and Determinations**. The Issuer hereby finds and determines that the Series 2022 Bonds shall be issued as Senior Lien Bonds pursuant to Article III of the Indenture and upon the issuance of the Series 2022 Bonds, any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State.

(b) **Recital in Bonds**. There shall be included in each of the definitive Series 2022 Bonds, and also in each of the temporary Series 2022 Bonds, if any are issued, a certification and recital that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by that Series 2022 Bond and in the issuing of that Series 2022 Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State and the Act and that said Series 2022 Bond, together with all other indebtedness of the Issuer payable out of Revenue, is within every debt and other limit prescribed by the Constitution and statutes of the State and the Act and, and that such certification and recital shall be in such form as is set forth in the form of the Series 2022 Bond attached hereto as Exhibit A and Exhibit B.

(c) **Effect of Findings and Recital**. From and after the issuance of the Series 2022 Bonds, the findings and determinations herein shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the Series 2022 Bonds is at issue, and no bona fide purchaser of any such Series 2022 Bond containing the certification and recital shall be required to see to the existence of any fact, or to the performance of any condition, or to the taking of any proceeding, required prior to such issuance, or to the application of the purchase price for such Series 2022 Bonds.

ARTICLE III
AUTHORIZATION AND PURPOSE OF SERIES 2022 BONDS

SECTION 3.01 PRINCIPAL AMOUNT, DESIGNATION, AND SERIES.

(a) **Principal Amount, Designation and Series**. Pursuant to the provisions of this Indenture and the provisions of the Act, a Series of Senior Lien Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of $[2022A PAR]. Such Series of Senior Lien Bonds shall be designated as, and shall be distinguished from Senior Lien Bonds of all other Series by the title, "Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds (Green Bonds), [2022 Series A]."

(b) **Purpose**. The 2022 Series A Bonds are issued for the purpose of providing funds to (a) finance or refinance costs of the 2022 Series A Bonds Project; (b) fund a deposit to the 2022 Series A Bonds Capitalized Interest Account, and (c) pay the 2022 Series A Bonds Costs of Issuance.

(c) **Form, Denomination, Numbers and Letters**. The Series 2022 A Bonds shall be issued as Book-Entry Bonds in fully registered form in Authorized Denominations and shall be numbered from one upward in consecutive numerical order preceded by the letter "R" prefixed to the number. The 2022 Series A Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the 2022 Series A Bonds and as the form of the certificate of authentication as such form shall be completed based on the terms of the 2022 Series A Bonds set forth herein.

(d) **Date, Maturities and Interest Rates**.

(1) Date, Maturities and Interest Rates of the 2022 Series A Bonds. The 2022 Series A Bonds shall be dated their Issue Date, shall bear interest from that date at the following rate per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, and shall mature on June 1 in the following year in the following amount:

Maturity Date (June 1)	Principal Amount	Interest Rate
	$	%

The initial Interest Payment Date with respect to the 2022 Series A Bonds is [December 1, 2022].

(2) Payment of Interest and Principal on the Series 2022 Bonds. Interest on each Series 2022 Bond shall be payable on each Interest Payment Date for such Series 2022 Bond until the principal sum of such Series 2022 Bond has been paid; provided, however, that if at the maturity date of any Series 2022 Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof, in full accordance with terms of the Indenture, such Series 2022 Bond shall then cease to bear interest. Principal and premium, if any, on the Series 2022 Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of the Trustee.

As long as the Series 2022 Bonds are Book-Entry Bonds, principal of and interest on the Series 2022 Bonds shall be payable by wire transfer to DTC in lawful money of the United States of America. Otherwise, interest shall be mailed by first class mail on each interest payment date to the Owners thereof as of the Record Date; provided, however, that Owners of $1,000,000 in aggregate principal amount of Series 2022 Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer. Each Series 2022 Bond shall pay interest to the Owner thereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

(e) **Conditions to Delivery of Series 2022 Bonds**. Each Series 2022 Bond shall be executed and delivered as authorized by this Third Supplemental Indenture and the Indenture upon receipt of payment therefor from the purchaser thereof; provided, however, that as the initial Series of Senior Lien Bonds under the Indenture, the issuance of the Series 2022 Bonds is not required to comply with the provisions of Section 4.02 or Section 4.03 of the Master Indenture.

(f) **No Reserve Fund**. No reserve is established with respect to the Series 2022 Bonds.

(g) **Disposition of Proceeds of Series 2022 Bonds**.

(i) Disposition of 2022 Series A Bonds Proceeds. The net proceeds from the sale of the 2022 Series A Bonds in the amount of $[__________] shall initially be received by the Trustee and deposited in the 2022 Series A Bonds Proceeds Fund, which the Trustee shall establish and hold, and shall then be immediately deposited by the Trustee as follows:

(1) transfer the amount of $[__________] to the 2022 Series A Bonds Capitalized Interest Account;

(2) transfer the amount of $[__________] to the 2022 Series A Bonds Construction Account; and

(3) deposit the remaining amount of $[__________] to the 2022 Series A Bonds Costs of Issuance Account of the Senior Lien Bonds Costs of Issuance Fund.

ARTICLE IV

REDEMPTION AND PURCHASE OF SERIES 2022 BONDS

SECTION 4.01 REDEMPTION PROVISIONS.

(a) **Notice of Optional Redemption of Series 2022 Bonds**. For purposes of the Series 2022 Bonds, each notice of redemption shall be mailed by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to each Owner. Notice of redemption to the Owners shall be given by first class mail, email or other electronic means or overnight delivery. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Series 2022 Bonds to which such notice relates, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Series 2022 Bonds of such maturity, to be redeemed and, in the case of Series 2022 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series 2022 Bonds the redemption price thereof, or the redemption price of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2022 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Issuer nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Issuer nor the Trustee shall be liable for any inaccuracy in such numbers. Failure of any Owner to receive any notice of redemption or any defect therein shall not affect the sufficiency of any proceedings for redemption.

The Issuer may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request of the Issuer to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

(b) **Optional Redemption of Series 2022 Bonds**.

(1) Optional Redemption of 2022 Series A Bonds. The 2022 Series A Bonds maturing on or before June 1, 20[__] shall not be subject to redemption prior to their respective stated maturities. The 2022 Series A Bonds maturing on or after June 1, 20[__] shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part, in Authorized Denominations, on any date on or after June 1, 20[__] at a redemption price equal to the principal amount of 2022 Series A Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

(a) **Sufficient Funds Required for Optional Redemption.** Any optional redemption of Series 2022 Bonds and notice thereof may be conditional and rescinded and cancelled pursuant to the provisions of Section 4.02 if for any reason on the date fixed for redemption moneys are not available or otherwise held in trust in the 2022 Series A Bonds Redemption Fund for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2022 Bonds called for redemption.

(b) **Notice to Trustee of Optional Redemption**. The Issuer shall give the Trustee written notice at least thirty (30) days (or such lesser time period acceptable to the Trustee) before any date fixed for the redemption of any Series of Series 2022 Bonds called for redemption pursuant to this Section 4.02, designating the maturity or maturities of the Series 2022 Bonds to be redeemed, the portions thereof to be redeemed and the fact and date of such redemption. Any optional redemption of any Series of Series 2022 Bonds and notice thereof may be provided as a conditional notice and rescinded and cancelled pursuant to Section 4.01(e)(ii).

(c) **Selection of 2022 Series A Bonds for Optional Redemption**. The Issuer shall designate which maturities of 2022 Series A Bonds are to be called for optional redemption pursuant to Section 4.01(b)(1). If less than all 2022 Series A Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the 2022 Series A Bonds of such maturity date to be redeemed, from the Outstanding Bonds of such maturity not previously called for redemption, in Authorized Denominations, by lot or by such other method as the securities depository shall use, or if no such method is prescribed by the securities depository, as the Trustee determines to be fair and reasonable, and shall promptly notify the Issuer in writing of the numbers of the 2022 Series A Bonds so selected for redemption. For purposes of such selection, 2022 Series A Bonds and maturity shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term Bonds are designated for redemption, the Issuer may designate which Mandatory Sinking Fund Payments under Section 4.01(f)(i), or portions thereof, that are to be reduced as allocated to such redemption.

(i) Sufficient Funds Required for Optional Redemption. Any optional redemption of Series 2022 Bonds and notice thereof shall be rescinded and cancelled pursuant to the provisions of Sections 4.01(a) and 4.01(e)(ii) of the Indenture if for any reason on the date fixed for redemption moneys are not available or otherwise held in trust in the 2022 Series A Bonds Redemption Fund for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on such Series 2022 Bonds called for redemption.

(ii) Conditional Notice of Redemption; Rescission. Any notice of optional redemption of the Series 2022 Bonds delivered in accordance with Section 4.01(a) may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Issuer shall not be required to redeem such Series 2022 Bonds and the redemption shall be cancelled and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the Issuer may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the Series 2022 Bonds, rescind and cancel such notice of redemption by Written Request of the Issuer to the Trustee, and any optional redemption of Series 2022 Bonds and notice thereof shall be rescinded and cancelled and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled pursuant to the provisions of Section 4.01(a). Any optional redemption of Series 2022 Bonds and notice thereof shall be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available or otherwise held in trust in the 2022 Series A Bonds Redemption Fund for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2022 Bonds called for optional redemption and such failure to optionally redeem the Series 2022 Bonds called for redemption shall not be a default hereunder.

(d) **Mandatory Redemption of 2022 Series A Bonds From Sinking Fund Installments**.

(i) Mandatory Redemption of 2022 Series A Bonds. The 2022 Series A Bonds that are Term Bonds are subject to mandatory redemption prior to their stated maturity, in part, by lot, from Mandatory Sinking Fund Payments on each June 1 on or after June 1, 20[__], in the principal amount equal to the Mandatory Sinking Fund Payment due on such date at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Fund Payments for the 2022 Series A Bonds that are Term Bonds maturing on June 1, 20[__] shall be due in such amounts and on such dates as follows:

Redemption Date (June 1)	*Sinking Fund Installment*
†	$

† Final Maturity

(ii) Selection of 2022 Series A Bonds from Mandatory Sinking Fund Payments. If less than all 2022 Series A Bonds maturing by their terms on any one date are to be redeemed at any one time with Mandatory Sinking Fund Payments, the Trustee shall select the 2022 Series A Bonds of such maturity to be redeemed, from the Outstanding Bonds of such maturity not previously called for redemption, in minimum denominations of $5,000, by lot or by such other method as the securities depository shall use, or if no such method is prescribed by the securities depository, as the Trustee determines to be fair and reasonable. The Trustee shall promptly notify the Authority in writing of the 2022 Series A Bonds so selected for redemption. For purposes of such selection, 2022 Series A Bonds of each maturity shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

(e) **Purchase In Lieu of Redemption**. In lieu of mandatory redemption, the Authority may surrender to the Trustee for cancellation any 2022 Series A Bonds purchased by the Authority, and such 2022 Series A Bonds shall be cancelled by the Trustee. If any 2022 Series A Bonds are so cancelled, the Authority may designate the Sinking Fund Installments or portions thereof with respect to any Term Bonds of the 2022 Series A Bonds that are to be reduced as a result of such cancellation, in an aggregate amount equal to the principal amount of 2022 Series A Bonds of such series and maturity so purchased and cancelled. The Authority covenants and agrees that any 2022 Series A Bonds so purchased by the Authority in lieu of mandatory redemption will be surrendered promptly to the Trustee for cancellation.

ARTICLE V
ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

Section 5.01 FUNDS, ACCOUNTS AND APPLICATION.

(a) **Funds and Accounts**. The following funds and accounts are hereby established in connection with the Series 2022 Bonds:

(i) 2022 Series A Bonds Costs of Issuance Account. To ensure the proper application of such portion of proceeds from the sale of the 2022 Series A Bonds or funds of the Issuer to be applied to pay Costs of Issuance, there is hereby established the 2022 Series A Bonds Costs of Issuance Account within the Senior Lien Bonds Costs of Issuance Fund, such account to be held by the Trustee.

(ii) 2022 Series A Bonds Proceeds Fund. To provide a fund for the proceeds from the sale of the 2022 Series A Bonds to be initially deposited by the Trustee and held prior to being transferred in accordance with Section 3.01(g)(i), there is hereby established the 2022 Series A Bonds Proceeds Fund, such fund to be held by the Trustee. Following the transfers set forth in Section 3.01(g)(i), the 2022 Series A Bonds Proceeds Fund shall be closed.

(iii) 2022 Series A Bonds Construction Account. To ensure the proper application of such portion of proceeds from the sale of the 2022 Series A Bonds to be applied to pay Costs of the 2022 Series A Bonds Project, there is hereby established the 2022 Series A Bonds Construction Account within the Senior Lien Bonds Project Fund, such fund to be held by the Trustee.

(iv) 2022 Series A Bonds Capitalized Interest Account. To ensure the proper application of such portion of proceeds from the sale of the 2022 Series A Bonds to be applied to pay interest on the 2022 Series A Bonds until completion of the 2022 Series A Project, there is hereby established the 2022 Series A Bonds Capitalized Interest Account within the Senior Lien Bonds Project Fund, such fund to be held by the Trustee.

(v) 2022 Series A Bonds Redemption Fund. To ensure the proper application of proceeds received by the Trustee by or on behalf of the Issuer for the purpose of redeeming the 2022 Series A Bonds, there is hereby established the 2022 Series A Bonds Redemption Fund, such fund to be held by the Trustee.

(b) **2022 Series A Bonds Costs of Issuance Account**. The monies set aside and placed in the 2022 Series A Bonds Costs of Issuance Account shall remain therein until from time to time expended for the purpose of paying the Costs of Issuance. On [__________], 2022 any amounts remaining in the 2022 Series A Bonds Costs of Issuance Account shall be transferred to the 2022 Series A Bonds Construction Account and the 2022 Series A Bonds Costs of Issuance Account will be closed.

Before any payment from the 2022 Series A Bonds Costs of Issuance Account shall be made by the Trustee, the Issuer shall file or cause to be filed with the Trustee a requisition of the Issuer (each a "Requisition"), such Requisition to be signed by an Authorized Representative and to include: (i) the item number of such payment; (ii) the name and address of the person to whom each such payment is due, which may be the Issuer in the case of reimbursement for costs theretofore paid by the Issuer; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; and (v) that obligations in the stated amounts have been incurred by the Issuer and are presently due and payable and that each item thereof is a proper charge against the 2022 Series A Bonds Costs of Issuance Account and has not been previously paid from said account.

(c) **2022 Series A Bonds Construction Account.** Moneys in the 2022 Series A Bonds Construction Account shall be applied as provided in this Section.

(i) Before any payment from the 2022 Series A Bonds Construction Account shall be made by the Trustee, the Issuer shall file or cause to be filed with the Trustee a Requisition, such Requisition to be signed by an Authorized Representative and to include and shall generally be in the form set forth as Exhibit D hereto.

(ii) When the Issuer determines that the 2022 Series A Bonds Project has been completed, a Certificate of the Issuer shall be delivered to the Trustee by the Issuer stating: (1) the fact and date of such completion; (2) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the 2022 Series A Bonds Construction Account is to be maintained in the full amount of such claims until such dispute is resolved); and (3) that the Trustee is to transfer the remaining balance in the 2022 Series A Bonds Construction Account, to the extent of any deficiency therein, and then to the Senior Lien Debt Service Fund.

(d) **<u>2022 Series A Bonds Capitalized Interest Account</u>.** Moneys in the 2022 Series A Bonds Capitalized Interest Account shall be applied as provided in this Section.

(i) Interest on the 2022 Series A Bonds shall be paid from the 2022 Series A Bonds Capitalized Interest Account until the Issuer has received the Certificate of the Issuer pursuant to Section 5.01(c)(ii) hereof. If there are any amounts remaining in the 2022 Series A Bonds Capitalized Interest Account after the receipt of said Certificate of the Issuer, the Trustee shall transfer the remaining balance to the Senior Lien Debt Service Fund.

(e) **<u>2022 Series A Bonds Redemption Fund</u>.** Moneys in the 2022 Series A Bonds Redemption Fund shall be applied towards the redemption of the 2022 Series A Bonds in accordance with written instructions set forth in a Certificate of the Issuer.

ARTICLE VI
MISCELLANEOUS

Section 6.01 <u>MISCELLANEOUS</u>.

(a) **<u>Continuing Disclosure</u>**. The Issuer covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, dated the date of issuance of the Series 2022 Bonds, executed by the Issuer. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or of the Holders of at least twenty-five (25%) aggregate principal amount of the Series 2022 Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section.

(b) **<u>Severability</u>**. If any covenant, agreement or provision, or any portion thereof, contained in this Third Supplemental Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Third Supplemental Indenture, and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Third Supplemental Indenture and the Series 2022 Bonds issued pursuant hereto shall remain valid, and the Owners of the Series 2022 Bonds shall retain all valid rights and benefits accorded to them under this Indenture, the Act, [the Refunding Bond Law][, as applicable], and the Constitution and statutes of the State.

(c) **<u>Parties Interested Herein</u>**. Nothing in this Third Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Trustee, and the Owners of the Series 2022 Bonds, any right, remedy or claim under or by reason of this Third Supplemental Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this

Third Supplemental Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, and the Owners of the Series 2022 Bonds.

(d) **Headings Not Binding**. The headings in this Third Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Supplemental Indenture.

(e) **Notice Addresses**. Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed to the Notice Address for the appropriate party or parties as provided in Exhibit C hereto. Any such entity by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses.

(f) **Notices to Rating Agencies**. The Trustee shall provide notice to the Rating Agencies of the following events with respect to the Series 2022 Bonds, as applicable:

(i) Change in Trustee;

(ii) Amendments to the Indenture; and

(iii) Optional redemption or defeasance of the Series 2022 Bonds.

(g) **Indenture to Remain in Effect**. Save and except as amended and supplemented by this Third Supplemental Indenture, the Indenture shall remain in full force and effect.

(h) **Effective Date of Third Supplemental Indenture**. This Third Supplemental Indenture shall take effect upon its execution and delivery.

(i) **Execution in Counterparts**. This Third Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties hereto have executed this Third Supplemental Indenture by their officers thereunto duly authorized as of the date first above written.

PENINSULA CORRIDOR JOINT POWERS BOARD

By:____
Chief Financial Officer

Attest:

By:________________________________
Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:____
Authorized Officer

[Signature page to Third Supplemental Indenture]

EXHIBIT A

FORM OF 2022 SERIES A BOND

No. R-- ______________ **$_____________________**

PENINSULA CORRIDOR JOINT POWERS BOARD
SALES TAX REVENUE BOND
(LIMITED TAX BOND)
2022 SERIES A

INTEREST RATE	**MATURITY**	**ISSUE DATE**	**CUSIP**
____%	June 1, 20__	____, 2022	___

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: ______________________________DOLLARS

PENINSULA CORRIDOR JOINT POWERS BOARD, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Issuer"), for value received, hereby promises to pay (but solely from Revenues as hereinafter referred to) in lawful money of the United States of America, to the registered Holder or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon from the Issue Date set forth above until the principal hereof shall have been paid, at the Interest Rate set forth above payable on each June 1 and December 1 commencing [December 1], 2022 (each, an "Interest Payment Date"). The principal of and premium, if any, on this Bond are payable to the registered Holder hereof upon presentation and surrender of this Bond at the Corporate Trust Office, in St. Paul, Minnesota or at such other Corporate Trust Office hereinafter designated for the presentation place of Bonds for payment, of U.S. Bank National Association, as trustee (together with any successor as trustee under the hereinafter defined Indenture, the "Trustee"). Interest on this Bond shall be paid by check drawn upon the Trustee and mailed on the applicable Interest Payment Date to the registered Holder hereof as of the close of business on the Record Date at such registered Holder's address as it appears on the Bond Register. As used herein, "Record Date" means the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

This Bond is one of a duly authorized issue of bonds of the Issuer, designated as "San Diego County Regional Transportation Issuer Sales Tax Revenue Bonds (Limited Tax Bonds)" (the "Bonds"), of the series designated above, all of which are being issued pursuant to the provisions of the Joint Powers Act, California Government Code Section 6500 et seq. (the "Act"), , and an Indenture, dated as of August 1, 2021, as supplemented, including as supplemented by a Third Supplemental Indenture, dated as of January 1, 2022 (the "Third Supplemental Indenture"), each between the Issuer and the Trustee, hereinafter referred to collectively as the "Indenture." Said authorized issue of Bonds is not limited in aggregate principal amount and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture provided. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Indenture.

THIS BOND IS A LIMITED TAX BOND OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM REVENUES AS DEFINED AND PROVIDED IN THE INDENTURE AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE AND THE ISSUER IS NOT OBLIGATED TO PAY THIS BOND EXCEPT FROM REVENUES AND THOSE CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE ISSUER, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED HEREIN) OF THE ISSUER IS NOT PLEDGED, FOR THE PAYMENT OF THE BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE BONDS. THE BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE ISSUER OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Reference is hereby made to the Indenture and the Law for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Revenues and certain other funds and the rights of the registered Holders of the Bonds and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Issuer and the registered Holder from time to time of this Bond, and to all the provisions thereof the registered Holder of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the Indenture.

This Bond is payable as to both principal and interest, and any premium upon redemption hereof, exclusively from the Revenues and other funds pledged under the Indenture, which consist primarily of the amounts available for distribution to the Issuer on and after July 1, 2021 on account of the retail transactions and use tax imposed in the Counties of Santa Clara, San Francisco and San Mateo pursuant to the Act, after deducting amounts payable by the Issuer to the CDTFA for costs and expenses for its services in connection with the retail transactions and use taxes collected pursuant to the Law, all as provided in the Indenture, and the Issuer is not obligated to pay the principal of and interest on this Bond except from Revenues and certain other funds pledged thereunder.

This Bond is deliverable in the form of a fully registered Bond in denominations of $5,000 and any multiple thereof (such denominations being referred to herein as "Authorized Denominations").

Optional Redemption Provisions

The Bonds of the Series of which this Bond is a part shall be subject to optional redemption as specified in the Indenture.

Amendments and Modifications

The rights and obligations of the Issuer and of the Beneficial Owners and registered Holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Holders of the Bonds.

Transfer and Exchange Provisions

This Bond is transferable or exchangeable as provided in the Indenture, only upon the bond registration books maintained by the Trustee, by the registered Holder hereof, or by his or her duly authorized attorney, upon surrender of this Bond at the Corporate Trust Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any charges therein prescribed.

Persons Deemed Holders

The person in whose name this Bond is registered shall be deemed and regarded as the absolute Holder hereof for all purposes, including receiving payment of, or on account of, the principal hereof and any redemption premium and interest due hereon.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Act, and that this Bond, together with all other indebtedness of the Issuer payable out of Revenue, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and the Act.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF the PENINSULA CORRIDOR JOINT POWERS BOARD has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representatives all as of the Issue Date set forth above.

PENINSULA CORRIDOR JOINT POWERS BOARD

By: ______________________________________

____

(Seal)

Attest:

____

____

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the 2022 Series A Bonds described in the within mentioned Indenture and was authenticated on the date set forth below.

Date of Authentication: ____, 2022.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: ______________________________
Authorized Officer

[DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
TAX IDENTIFICATION NUMBER OF ASSIGNEE

____

____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoint

____

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature:

____

(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the registered Holder as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

____

Notice: Signature must be guaranteed by an eligible guarantor firm.

EXHIBIT B

RESERVED

EXHIBIT C

NOTICE ADDRESSES

To the Issuer:

To the Trustee:

U.S. Bank National Association
[One California Street, Suite 1000
San Francisco, California 94111]
Attention: [__________]
Telephone No.: [__________]
Facsimile No.: [__________]
Email: [__________]

To the Rating Agencies:

Standard & Poor's Ratings Services
Attention: Surveillance
55 Water Street, 38th Floor
New York, New York 10041
Telephone No.: 212-438-2000
Facsimile No.: 212-438-2157
Email: pubfin_structured@spglobal.com

Moody's Investors Service
Attention: MSPG Surveillance
99 Church Street, 9th Floor
New York, New York 10007

Fitch Ratings
Attention: Surveillance
One State Street Plaza
New York, New York 10004

EXHIBIT D

Form of Requisition — 2022 Series A Bonds Construction Account of the Senior Lien Bonds Project Fund

REQUISITION NO. __

The undersigned, _____________, hereby certifies as follows:

1. I am the ______________ of the Peninsula Corridor Joint Powers Board, a public entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority").

2. Pursuant to the provisions of that certain Indenture of Trust, dated as of August 1, 2021 (the "Indenture"), and the Third Supplemental Indenture of Trust, dated as of January 1, 2022 (the "Third Supplemental Indenture"), each between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned, acting on behalf of the Issuer, does hereby authorize disbursement of funds from the 2022 Series A Bonds Construction Account of the Senior Lien Bonds Project Fund (the "Construction Fund") created pursuant to Section 5.01(a)(3) of the Third Supplemental Indenture in connection with the payment of the Costs of the 2022 Series A Bonds Project (as such term is defined in the Third Supplemental Indenture) being financed with the proceeds of the 2022 Series A Bonds (as such term is defined in the Third Supplemental Indenture).

[TBD IF ADDITIONAL INFORMATION IS NEEDED FOR TAX-EXEMPT FOR TAXABLE DRAWS/SUBACCOUNTS]

TOTAL DISBURSEMENT AMOUNT AUTHORIZED: $_________

4. The undersigned, acting on behalf of the Issuer, hereby certifies that: (a) the Costs of the 2022 Series A Bonds Project in the amount set forth herein have been incurred by the Issuer and are presently due and payable; and (b) that each item is a proper charge against the Construction Fund and has not been previously paid from the Construction Fund.

5. The undersigned, acting on behalf of the Issuer, hereby certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Exhibit A to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Dated: _____________

PENINSULA CORRIDOR JOINT POWERS BOARD

By:___________________________________
Authorized Representative

EXHIBIT A

2022 Series A Bonds Construction Account of the Senior Lien Bonds Project Fund

Party To Be Paid	Payment Amount	Nature of Expenditure	Payment Instructions
	$____________		

$[____________]
PENINSULA CORRIDOR
JOINT POWERS BOARD
MEASURE RR SALES TAX
REVENUE BONDS (GREEN BONDS),
2022 SERIES A

BOND PURCHASE AGREEMENT

____________, 2022

Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, California 94070

Ladies and Gentlemen:

1. Agreement to Purchase Bonds.

The Peninsula Corridor Joint Powers Board (the "Issuer") and J.P. Morgan Securities LLC acting on behalf of itself and as Representative (the "Representative") of Wells Fargo, National Association (each an "Underwriter" and, together with the Representative, the "Underwriters"), are entering into this Bond Purchase Agreement (the "Agreement"), to provide for the purchase and sale of the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 22 Series A (the "Bonds"). The Bonds have been authorized pursuant to a Resolution adopted by the governing body of the Peninsula Corridor Joint Powers Board (the "Board") on ____________, 202_ (the "Bond Resolution"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2021, (the "Master Indenture") as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Third Supplemental Indenture of Trust, dated as of [________] 1, 2022, (the "Third Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the Issuer and U.S. Bank National Association ("U.S. Bank"), as trustee. The Bonds are payable solely from Revenues (consisting of Sales Tax Revenues) and other assets pledged therefor, as defined in the Indenture.

The Representative represents that it has been duly authorized by the other Underwriter to act hereunder on its behalf and has full authority to take such action as it may deem advisable in respect of all matters pertaining to this Agreement and that the Representative has been duly authorized to execute this Agreement. Any action taken under this Agreement by the Representative will be binding upon all the Underwriters.

The Representative, on behalf of the Underwriters, hereby offers to purchase all (but not less than all) of the Bonds from, and to enter into this Agreement with the Issuer. This offer is subject to acceptance by the Issuer at or before 5:00 P.M., California Time, on the date hereof (the "Effective Date") and, if not so accepted, will be subject to withdrawal by the Representative by written notice delivered to the Issuer at any time prior to acceptance. The Issuer shall accept by its execution of this

Agreement. Upon such execution, the Agreement will be binding upon the Underwriters and the Issuer. This Agreement is effective as of the Effective Date.

Terms used but not defined in this Agreement shall have the meaning assigned in the Preliminary Official Statement, dated February _, 2022 (the "Preliminary Official Statement").

2. Description and Purchase of Bonds.

The proceeds of the sale of the Bonds will be used to (i) finance costs of certain improvements to the Caltrain system, including the electrification thereof, as more fully described in the Preliminary Official Statement, (ii) pay capitalized interest on the Bonds through the commencement of revenue service, and (iii) pay the costs of issuance of the Bonds.

Payment of the principal of and interest on the Bonds will be secured solely from Revenues as provided in the Indenture. Revenues consist of all Sales Tax Revenues and certain amounts held by the Trustee in certain funds and accounts established under the Indenture. Sales Tax Revenues consist of all amounts available for distribution to the Issuer on account of the imposition of a retail transactions and use tax (the "Sales Tax") levied in the incorporated and unincorporated territory of the City and County of San Francisco, the County of San Mateo, and the County of Santa Clara (the "Counties"), at the rate of one-eighth of one percent (1/8%) after deducting amounts payable by the Issuer of a fee paid to the California Department of Tax and Fee Administration (the "CDTFA") in connection with the collection and disbursement of the Sales Tax pursuant to the Agreement for State Administration of Peninsula Corridor Joint Powers Board's Transactions and Use Taxes dated July 1, 2021 (the "CDTFA Contract"), between the Issuer and the CDTFA, and accepted by the Trustee.

The Sales Tax is levied pursuant to Resolution No. 2020-40 (the "Sales Tax Resolution") adopted by the Board on August 6, 2020, pursuant to the provisions of Chapter 5 of Division 7 of Title 1 of the Government Code. The Sales Tax was approved by more than two-thirds of the electors in the Counties voting on a ballot measure ("Measure RR") to authorize the Sales Tax at the general election held in the Counties on November 3, 2020. Collection of the Sales Tax commenced on July 1, 2021 and will expire on June 30, 2051.

The Underwriters shall purchase from the Issuer, and the Issuer shall sell to the Underwriters, all (but not less than all) of the Bonds on the Closing Date (as hereinafter defined) at the purchase price for each series of Bonds set forth below. The Bonds shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to optional and mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in Schedule I. The Bonds otherwise shall be as described in the Official Statement and the Indenture. The Underwriters' agreement to purchase the Bonds from the Issuer is made in reliance upon the Issuer's representations, covenants and warranties and on the terms and conditions set forth in this Agreement.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Representative, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent or a fiduciary of the Issuer, the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of an Underwriter, have advised or are currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement and the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

3. Purchase Price.

The purchase price of the Bonds is $_____________ (representing the principal amount of the Bonds, [plus][less] original issue [premium][discount] of $____________, less an Underwriters' discount of $__________). The purchase price for each series of Bonds shall be payable on the Closing Date by the Underwriters by wire transfer in immediately available funds.

4. Liquidated Damages.

If the conditions to the obligations of the Underwriters contained in this Agreement shall not be satisfied by the Issuer or if the obligations of the Underwriters shall be terminated for any reason permitted herein, all obligations of the Underwriters hereunder may be terminated by the Representative at or at any time prior to the Closing Date by written notice to the Issuer and neither the Underwriters nor the Issuer shall have any further obligations hereunder. In the event that the Underwriters fail to accept and pay for the Bonds at the Closing (as hereinafter defined), other than for a reason permitted by this Agreement, the amount of one percent (1.0%) of the principal amount of the Bonds will be accepted by the Issuer as liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters and the acceptance of such amount shall constitute a full release and discharge of all claims and rights of the Issuer against the Underwriters.

5. Public Offering.

The Underwriters agree to make a bona fide public offering of all the Bonds initially at prices set forth on Schedule I hereto. After such initial public offering, the Underwriters reserve the right to change such offering prices from time to time as the Underwriters deem necessary.

6. Establishment of the Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Schedule II, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Nixon Peabody LLP ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Schedule I attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the

Representative, the Issuer or Bond Counsel.] For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

> (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,
>
> (B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an Underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) Any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

7. Official Statement.

The Issuer hereby consents to and ratifies the use and distribution by the Underwriters of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, the final Official Statement, dated as of the date hereof (the “Official Statement”) with respect to the Bonds in connection with the public offering and sale of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriters was “deemed final” by the Issuer as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), except for permitted omissions. In accordance with Section 7(a) hereof, the Issuer agrees, at its cost, to provide to the Underwriters copies of the Official Statement. To the extent required by applicable the Municipal Securities Rulemaking Board (the “MSRB”) Rules, the Issuer hereby confirms that it does not object to distribution of the Preliminary Official Statement and the Official Statement in electronic form.

(a) The Issuer shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Agreement (but in any event not later than one business day prior to the Closing Date), copies of a final Official Statement in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the Securities and Exchange Commission (the “SEC”) and the MSRB.

(b) The Issuer authorizes the Representative to file, to the extent required by applicable SEC or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access system (“EMMA”)) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If a supplemented or amended Official Statement is prepared in accordance with Section 7(c), the Representative also shall make any filings of the supplemented and amended Official Statement required by applicable SEC or MSRB rule.

(c) During the period ending on the 25th day after the hereinafter defined End of the Underwriting Period, the Issuer (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the Issuer, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriters, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the Issuer shall prepare and furnish to the Underwriters, at the Issuer's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Issuer and the Underwriters, as the Underwriters may reasonably request.

(d) For purposes of this Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (A) the Closing Date or (B) when the Underwriters no longer retain an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriters on or prior to the Closing Date, the Issuer may assume that the End of the Underwriting Period is the Closing Date.

8. Representations and Warranties of the Issuer.

The Issuer hereby represents and warrants to the Underwriters that:

(a) The Issuer is duly organized and existing under the constitution and laws of the State of California (the "State") and has full legal right, power and authority under the constitution and laws of the State to adopt the Sales Tax Resolution and the Bond Resolution, to execute and deliver this Agreement, the CDTFA Contract, the Indenture, the Continuing Disclosure Agreement, dated the Closing Date (the "Continuing Disclosure Agreement"), between the Issuer and U.S. Bank as trustee and dissemination agent (collectively, the "Issuer Documents") and the Official Statement, to issue, sell and deliver the Bonds as described herein, and to carry out and to consummate the transactions contemplated by the Sales Tax Resolution, the Bond Resolution, the Issuer Documents and the Official Statement.

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds, (ii) the issuance and sale of the Bonds upon the terms set forth herein and as contemplated by the Bond Resolution, the Indenture and the Official Statement and (iii) the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents.

(c) The Bonds will be issued in conformity with the provisions of the Bond Resolution and the Indenture and will be entitled to the benefit and security of the Indenture, including the pledge or application thereunder of the Sales Tax Revenue.

(d) This Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms; the other Issuer Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms; and the Bonds, when issued, authenticated and delivered in accordance with the Indenture, will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms; in all cases, except as the enforceability of this Agreement, the other Issuer Documents and the Bonds may be limited by application of limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity, the exercise of judicial discretion, limitations on legal remedies against public entities in the State and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, "Creditors' Rights Laws").

(e) As of the time of acceptance hereof and as of the time of the hereinafter defined Closing, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Issuer is not in breach of or default in any material respect under its joint exercise of powers agreement or its bylaws or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing.

(f) The adoption of the Sales Tax Resolution and the Bond Resolution, execution and delivery of the Bonds and the Issuer Documents, and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the Sales Tax Revenue or the property or assets, if any, of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds, the Sales Tax Resolution, the Bond Resolution and the Issuer Documents.

(g) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained or will be obtained prior to the Closing, except for: (i) such authorizations, approvals, consents and orders (if any) as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (ii) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

(h) The Preliminary Official Statement as of its date and as of the date hereof did not and does not, and the Official Statement as of its date does not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, the Issuer makes no statement (i) regarding information permitted to be excluded from the Preliminary Official Statement under Rule 15c2 12 and (ii) as to information in the Preliminary Official Statement and the Official Statement under the caption "UNDERWRITING," information in "Appendix D - BOOK-ENTRY SYSTEM" and information relating to the Depository Trust Company (the "DTC") or its book-entry only system (collectively, the "Excluded Information").

(i) The audited financial statements of the Issuer contained in Appendix A to the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the Issuer as of the dates indicated and for the periods therein specified and are set forth in accordance with generally accepted accounting principles consistently applied, and, since the date thereof, and except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Issuer since June 30, 2021 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) As of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory authority, public board or body pending with respect to which the Issuer has been served with process or, to the knowledge of the Representative of the Issuer executing this Agreement, threatened against the Issuer: (i) questioning the existence of the Issuer or the titles of its authorized representatives to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the pledge or collection by the Issuer of the Sales Tax Revenue or the making of any other required deposits with respect to the Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Issuer to, issue the Bonds, adopt the Sales Tax Resolution or the Bond Resolution or enter into the Issuer Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Issuer or would result in any material adverse change in the ability of the Issuer to pledge or apply the Sales Tax Revenue or to pay debt service on the Bonds, or (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax.

(k) The Issuer has received all licenses, permits or other regulatory approvals required (if any) for the pledge, collection and/or application by the Issuer of the Sales Tax Revenue and the Issuer is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.

(l) The Issuer will undertake, pursuant to the Indenture and the Continuing Disclosure Agreement, to timely post on EMMA (or otherwise file as required by the MSRB) the information required by Rule 15c2-12 and, unless otherwise described in the Preliminary Official Statement and the Official Statement, the Issuer has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(m) The Issuer has the legal authority to apply proceeds of the Bonds for the purposes contemplated by the Bond Resolution and the Indenture.

(n) Any certificate signed by an authorized representative of the Issuer and delivered to the Representative shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

9. Representations and Warranties of the Underwriters**.**

The Underwriters hereby represent and warrant to the Issuer that:

(a) The Underwriters are entities duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization.

(b) This Agreement has been duly authorized, executed and delivered by the Representative on behalf of the Underwriters and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriters enforceable in accordance with its terms, except as the enforceability of this Agreement may be limited by application of Creditors' Rights Laws.

(c) It is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(d) The Underwriters are as of the date hereof, and will be, as of the Closing Date, in full compliance with the requirements of MSRB Rule G-37 ("Rule G-37"), including all reporting requirements, in so far as Rule G-37 relates to the issuance and sale of the Bonds.

10. Covenants of the Issuer.

The Issuer hereby covenants with the Underwriters that:

(a) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the Issuer shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Sales Tax Revenue or other assets, properties, funds or interests that will be pledged as security or be available as a source of payment for the Bonds pursuant to the Indenture.

(b) The Issuer shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request, (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for distribution of the Bonds; provided that the Issuer shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other jurisdiction or to file any general or special consent to service of process under the laws of any jurisdiction in which the Issuer is not now so subject.

(c) The Issuer shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds.

11. Closing.

(a) At 9:00 A.M., Pacific Time, on ___________, 2022, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer shall deliver or cause to be delivered to the Representative (i) the Bonds in book-entry form through the Fast Automated Securities Transfer delivery system of DTC, duly executed and authenticated; and (ii) the documents, certificates and opinions hereinafter mentioned in

Section 12 hereof at the offices of Bond Counsel in San Francisco, California or at such other place as shall be mutually agreed upon by the Issuer and the Representative. The Representative will accept such delivery and pay the purchase price of the Bonds as set forth in Section 3 hereof in immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." The Bonds shall be delivered in definitive form, duly executed by the Issuer and authenticated in the manner set forth in the Indenture. The Bonds shall be made available to the Representative for purposes of inspection at least one business day prior to the Closing Date.

(b) The Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Bonds (or, if so provided in Schedule I hereto, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds.

12. Closing Conditions.

The Underwriters have entered into this Agreement in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and upon the accuracy of the statements to be contained in the documents and instruments to be delivered at the Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, accept delivery of and pay for the Bonds are subject, at the option of the Underwriters, to the performance by the Issuer of its obligations required to be performed under this Agreement at or prior to the Closing and shall also be subject to the following additional conditions:

(a) The Representative shall receive on the Closing Date, in form and substance satisfactory to Nixon Peabody LLP, as bond counsel ("Bond Counsel") and to the Representative, each of the following items:

(i) The approving opinion of Bond Counsel, addressed to the Issuer dated the Closing Date, and in substantially the form included as Appendix F to the Official Statement.

(ii) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, and in substantially the form attached hereto as Exhibit A.

(iii) The opinion of Hanson Bridgett LLP as counsel to the Issuer ("Issuer's Counsel") addressed to the Underwriters and the Issuer, dated the Closing Date, and in substantially the form attached as Exhibit B hereto.

(iv) The opinion of counsel to U.S. Bank, addressed to the Underwriters and the Issuer, dated the Closing Date, addressing the matters set forth below:

(A) U.S. Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is authorized to exercise trust powers;

(B) U.S. Bank had all requisite power, authority and legal right to execute and deliver the Master Indenture and has all requisite power, authority and legal right to execute and deliver the Third Supplemental Indenture and the Continuing Disclosure

Agreement (hereinafter collectively referred to as the "Bank Documents") and to perform its obligations under the Bank Documents;

(C) U.S. Bank has duly authorized, executed and delivered the Bank Documents. Assuming the due authorization, execution and delivery thereof by the Issuer, the Bank Documents are the legal, valid and binding agreements of U.S. Bank, enforceable in accordance with their terms against U.S. Bank;

(D) To our knowledge, no consent, approval, authorization or other action of any governmental agency or regulatory authority having jurisdiction over U.S. Bank that has not been obtained by U.S. Bank is required for the authorization, execution, delivery and performance by U.S. Bank of the Bank Documents;

(E) To our knowledge, there is no litigation pending against U.S. Bank to restrain U.S. Bank's participation in, or in any way contesting the powers of U.S. Bank with respect to, the transactions contemplated by the Bank Documents; and

(F) To our knowledge, the execution and delivery of the Bank Documents by U.S. Bank and compliance with the provisions of the Bank Documents by U.S. Bank will not violate any provisions of any law or regulation governing U.S. Bank or any order of any governmental authority having jurisdiction over U.S. Bank or any agreement or other instrument to which U.S. Bank is party or by which U.S. Bank is bound.

(v) The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriters ("Underwriters' Counsel"), addressed to the Underwriters, dated the Closing Date, to the effect that: (A) the Bonds are exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and (B) the Continuing Disclosure Agreement meets the requirements of Rule 15c2-12. In addition, such counsel shall state in its letter containing the foregoing opinion or in a separate letter addressed to the Underwriters that, without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based solely on their participation in meetings and telephone conferences at which representatives of the Issuer, PFM Financial Advisors LLC and Ross Financial (the "Municipal Advisors"), Bond Counsel, the Underwriters and others were at various times present, nothing has come to the attention of such counsel that would lead such counsel to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of this Agreement, and in the Official Statement, as of its date and as of the date of such letter, contained or contains any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the Preliminary Official Statement, information permitted by Rule 15c2-12 to be omitted, and as to the Preliminary Official Statement and the Official Statement, the financial statements of the Issuer, any other financial, forecast, technical or statistical data, and any information in the Official Statement regarding DTC or as to the Excluded Information.

(vi) A certificate dated the Closing Date of an authorized representative of the Issuer to the effect that:

(A) the representations and warranties of the Issuer contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(B) the Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing;

(C) no event affecting the Issuer has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, excluding the Excluded Information, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the Issuer to restrain or enjoin the issuance, execution or delivery of the Bonds or in any manner questioning the proceedings or authority for the issuance of the Bonds or affecting directly or indirectly the validity of the Bonds or of any provisions made or authorized for their payment or contesting the existence of the Issuer or the title of any of its authorized representatives to their respective offices.

(vii) Evidence that the Bonds have received ratings of ___, __, and __ by Kroll Bond Rating Agency, Inc. ("KBRA") and S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P") respectively, which are in effect as of the Closing Date.

(viii) A certificate of an officer of U.S. Bank, acceptable to the Representative, dated the Closing Date, to the effect that the Bank Documents have been duly authorized, executed and delivered by U.S. Bank and the Bonds have been authenticated in accordance with the Indenture by a duly authorized officer or signatory of U.S. Bank; and an incumbency certificate of U.S. Bank, in form and content acceptable to the Representative and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of U.S. Bank who have authenticated the Bonds and executed and delivered the Bank Documents.

(ix) A tax certificate executed by a duly authorized representative of the Issuer, in form and substance satisfactory to Bond Counsel.

(x) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized representative of the Issuer.

(xi) A copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by a representative of the Issuer.

(xii) A copy of the joint exercise of powers agreement, entered into on October 3, 1996, by the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District.

(xiii) Certified copies of the Sales Tax Resolution, the Bond Resolution, and the Issuer Documents.

(xiv) A certified copy of the Master Indenture and executed copies of the Third Supplemental Indenture, the Continuing Disclosure Agreement, the Credit Agreement, dated as of August 1, 2021 (the "PCEP Facility"), between the Issuer and Wells Fargo, National Association and the revolving credit facility pursuant to a credit agreement, dated as of August 1, 2021 (the "Working Capital Facility"), between the Issuer and Wells Fargo, National Association.

(xv) A certified copy of each of the resolutions (each a "Member Resolution") adopted by the Santa Clara Valley Transportation Authority, the San Mateo County Transit District and the City and County of San Francisco (each a "Member Agency") in connection with the issuance of the Bonds.

(xvi) A certificate of an authorized officer of each Member Agency, acceptable to the Representative, dated the Closing Date, to the effect that such Member Resolution was duly adopted at a meeting of the governing body of the Board which was called and held pursuant to law and with all required notice and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of such Member Resolution, which Member Resolution has not been amended, modified or rescinded since their adoption

(xvii) Such additional legal opinions, certificates, instruments and other documents as the Underwriters or Bond Counsel reasonably may request, in form and substance satisfactory to the Representative or Bond Counsel, as the case may be, to evidence (A) compliance by the Issuer with legal requirements reasonably relating to the transactions contemplated by the Official Statement and this Agreement, (B) the truth and completeness, as of the date thereof and as of the time of the Closing, of the statements and information contained in the Official Statement, (C) the truth and completeness, as of the time of the Closing, of the representations and warranties of the Issuer contained in this Agreement and the certificates and other documents referred to in this Agreement, and (D) the due performance or satisfaction by the Issuer at or prior to the Closing of all agreements then to be satisfied.

(b) At the time of the Closing, the representations and warranties of the Issuer contained in this Agreement shall be true, complete and correct in all material respects as if made on and as of the Closing Date; the Issuer shall have complied with all agreements and satisfied all the conditions on its part to be performed at or prior to the Closing; the Bonds shall have been duly executed and delivered and authenticated; the Official Statement shall have been executed and delivered by the Issuer at or prior to the Closing in sufficient time to permit the Underwriters to comply with their obligations under Rule 15c2-12; the Issuer Documents and all other financing or operative documents required in connection with the issuance of the Bonds shall have been duly executed and delivered by the appropriate parties thereto; the Sales Tax Resolution and the Bond Resolution, the Issuer Documents and such other financing or operative documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative; the proceeds of the sale of the Bonds shall have been paid to the Issuer or its designee for deposit for use as described in the Official Statement, the Sales Tax Resolution, the Bond Resolution and the Issuer Documents; and the Issuer shall have adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by this Agreement and as described in the Official Statement.

13. Termination Events.

The Underwriters shall have the right to cancel their obligation to purchase the Bonds, by written notice to the Issuer terminating the obligation of the Underwriters to accept delivery and make any payment for the Bonds, if, between the Effective Date and the Closing Date, in the reasonable judgement of the Underwriters, the market price or marketability of the Bonds at the initial offering price, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, by reason of any of the following (each a "Termination Event"):

(a) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release or other form of official notice) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, with respect to federal or state taxation upon interest received or obligations of the general character of the Bonds;

(b) legislation enacted, introduced in the Congress or recommended for passage in an official notice from the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Bonds are not exempt from registration under the Securities Act or that the Indenture is not exempt from qualification under the Trust Indenture Act;

(c) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence or escalation of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States;

(d) the declaration of a general banking moratorium by federal, New York or California authorities or the general suspension of trading on any national securities exchange;

(e) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(f) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(g) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(h) the withdrawal, downgrading or negative change in credit watch status of any rating assigned to the Bonds by a nationally recognized securities rating agency;

(i) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the Sales Tax Resolution, the Bond Resolution, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(j) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Underwriters, to materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields) of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Representative, all obligations of the Issuer and the Underwriters under this Agreement shall terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 14 hereof

14. Payment of Expenses.

(a) The Issuer shall pay or cause to be paid, and the Underwriters shall be under no obligation to pay, the expenses and costs incident to the authorization, issuance, delivery and sale of the Bonds to the Underwriters, including but not limited to: (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of this Agreement and the other Issuer Documents and the cost of preparing, issuing, and delivery of the Bonds; (b) fees charged by any rating agency for rating the Bonds; (c) fees and disbursements of U.S. Bank incurred in connection with acting as Trustee and as Dissemination Agent and fees of counsel to U.S. Bank; (d) fees and disbursements of Issuer Counsel; (e) fees and disbursements of Bond Counsel; (f) fees and disbursements of the Municipal Advisors, and any accountants or other experts or consultants retained by the Issuer; and (g) the cost of electronic distribution of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and electronic distribution of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriters. The Issuer shall pay for all incidental costs (including, but not limited to transportation, lodging and meals of Issuer personnel) paid by the Underwriters on behalf of the Issuer in connection with the marketing, issuance and delivery of the Bonds. Expenses and costs payable by the Issuer pursuant to this Agreement may be paid from Bond proceeds to the extent permitted by the Tax Certificate and the Indenture.

(b) The Underwriters shall pay and the Issuer shall be under no obligation to pay expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds, including, but not limited to: (i) the costs of qualifying the Bonds for sale in the various states chosen by the Underwriters; (ii) all advertising expenses in connection with the offering of the Bonds; (iii) the fees and disbursements of Underwriters' Counsel and "blue sky" expenses, if any; and (iv) all fees of the California Debt and Investment Advisory Commission, CUSIP fees and out-of-pocket disbursements and expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, except as provided in (a) above.

15. Notices.

All notices ("Notices") provided for in this Agreement shall be in writing delivered to the applicable Notice Address set forth below (or at such other address as may have been designated by written Notice) and may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

Issuer:

Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, California 94070
Attention: Derek Hansel, Chief Financial Officer

Underwriters:

J.P. Morgan Securities LLC
as Representative
560 Mission Street, Floor 3
San Francisco, California 94105
Attention: Michael Carlson, Managing Director

16. Authority of Representative.

The Representative represents and warrants to the Issuer that it is duly authorized to enter into this Agreement on behalf of itself and the other Underwriter and to take all actions required or contemplated to be performed by the Underwriters under this Agreement.

17. Governing Law; Venue.

The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Any and all disputes or legal actions or proceedings arising out of this Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction for matters arising in the County of San Mateo, San Mateo, California; provided that the Issuer may waive the requirement of venue. By execution of and delivery of this Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

18. Parties in Interest; Force and Effect.

This Agreement is made solely for the benefit of the Issuer and the Underwriters (including their successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriters; or (b) delivery of and payment for the Bonds pursuant to this Agreement. The agreements contained in Section 14 and this Section 18 shall survive any termination of this Agreement.

19. Entire Agreement.

This Agreement, when accepted by the Issuer, shall constitute the entire agreement among the Issuer and the Underwriters with respect to the subject matter hereof and is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

20. Section Headings.

Section headings have been included in this Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Agreement.

21. Severability.

In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

22. Counterparts.

This Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

23. Signatures.

Upon execution by the Issuer and the Representative, this Agreement shall be binding upon the Issuer and the Underwriters as of the Effective Date.

Very truly yours,

J.P. MORGAN SECURITIES LLC,
as Representative of the Underwriters

By: ________________________________
Authorized Officer

Accepted

THE PENINSULA CORRIDOR
JOINT POWERS BOARD

By: ________________________________
Derek S. Hansel
Chief Financial Officer[/Acting Chief Administrative Officer]

SCHEDULE I

TERMS OF THE BONDS

$[____________]
PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR SALES TAX REVENUE BONDS,
2022 SERIES A

Maturity Date (October 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Initial Offering Price***	***10% Test Used***	***Hold-the-Offering-Price Rule Used***

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or before June 1, 20[__] shall not be subject to redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, 20[__] shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part, in Authorized Denominations, on any date on or after June 1, 20[__] at a redemption price equal to the principal amount of Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Bonds maturing on June 1, 20__, will also be subject to redemption in part, by lot, from Mandatory Sinking Account Payments required by the Indenture on each June 1 on or after June 1, 20__, at the principal amount of the Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Mandatory Sinking Account Payments will be sufficient to redeem (or pay at maturity) the following principal amounts of such Bonds on the dates set forth below:

Sinking Account Payment Date	***Sinking Account Payment***
	$

*

* Maturity.

SCHEDULE II

FORM OF ISSUE PRICE CERTIFICATE

This certificate is furnished by, J.P. Morgan Securities LLC acting on behalf of itself and as Representative (the "Representative") of Wells Fargo, National Association (each an "Underwriter" and, together with the Representative, the "Underwriters"), in connection with the Bond Purchase Agreement dated _____________, 2022 (the "Purchase Agreement"), between the Underwriters and the Peninsula Corridor Joint Powers Board (the "Issuer") for the sale of $__________ aggregate principal amount of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A (the "Bonds").

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. ***Sale of the Maturities.*** [As of the date of this certificate, for each Maturity, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Appendix I hereto.]

[OR: If at least 10% of each maturity sold at initial offering price to the public at pricing:

(a) As of the Sale Date, all of the Bonds were the subject of a bona fide offering to the Public for purchase at the respective initial offering prices listed in Schedule 1 hereto (the "Initial Offering Prices"). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1 hereto.]

2. [Delete if at least 10% of each Maturity sold per above:] [***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) The Representative offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Purchase Agreement, the Representative agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Representative would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement will contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement will contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Representative has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. Defined Terms.

(a) [General Rule Maturities means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."

(b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule 1 hereto as the "Hold-the-Offering-Price Maturities" (if any).

(c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) Issuer means the Peninsula Corridor Joint Powers Board.

(e) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____________, 2022.

(h) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriters to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, as bond counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

Dated: ___________, 2022.

J.P. MORGAN SECURITIES LLC,

as Representative of the Underwriters

By:____
Authorized Officer

APPENDIX I TO SCHEDULE II

MATURITIES

EXHIBIT A

FORM OF SUPPLEMENTAL BOND COUNSEL OPINION

[Closing Date]

J.P. Morgan Securities LLC
San Francisco, California

Wells Fargo, National Association
Los Angeles, California

Peninsula Corridor Joint Powers Board Measure RR
Sales Tax Revenue Bonds, 2022 Series A
(Supplemental Opinion)

Ladies and Gentlemen:

This letter is addressed to you, as Underwriters (the "Underwriters"), pursuant to Section 12(a)(2) of the Bond Purchase Agreement, dated _____________, 2022 (the "Bond Purchase Agreement"), between you and the Peninsula Corridor Joint Powers Board (the "Issuer"), providing for the purchase of $__________ aggregate principal amount of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A (the "Bonds"). The Bonds are being issued pursuant to a Master Indenture, dated as of August 1, 2021, as supplemented and amended, including as supplemented and amended by a Third Supplemental Indenture, dated as of January 1, 2022 (herein collectively referred to as the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or, if not defined in the Indenture, in the Bond Purchase Agreement.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Issuer concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Issuer. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the Issuer, we have reviewed the Bond Purchase Agreement, the Indenture, the Tax Certificate, certain portions of the preliminary official statement of the Issuer dated February __, 2022, with respect to the Bonds (the "Preliminary Official Statement") and of the official statement of the Issuer, dated _____________, 2022, with respect to the Bonds (the "Official Statement"), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Tax Certificate and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities similar to the Issuer in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Bond Purchase Agreement has been duly executed and delivered by, and is a valid and binding agreement of, the Issuer.

3. The statements contained in the Official Statement under the captions "THE SERIES 2022 BONDS" (excluding any references to Cede & Co., The Depository Trust Company ("DTC") and the book-entry system), "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2022 BONDS," "TAX MATTERS," Appendix C – "DEFINITIONS AND SUMMARY OF THE INDENTURE" and Appendix F – "PROPOSED FORM OF OPINION OF BOND COUNSEL," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and the form and content of our Bond Opinion, are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in numbered paragraph 3 above), completeness or fairness of any of the statements contained in the Preliminary Official Statement or in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Preliminary Official Statement or the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as bond counsel to the Issuer in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the Issuer, its counsel, the municipal advisors to the Issuer, and others, during which the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Issuer

and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel to the Issuer, we advise you as a matter of fact and not opinion that (a) as of the date of the Preliminary Official Statement, no facts had come to the attention of the attorneys in our firm rendering legal services with respect to the Preliminary Official Statement which caused us to believe as of that date that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) as of the date of the Official Statement and as of the date hereof, no facts had come to the attention of the attorneys in our firm rendering legal service with respect to the Official Statement which caused us to believe as of the date of the Official Statement and as of the date hereof that the Official Statement contained any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, we expressly exclude from the scope of this paragraph and express no view or opinion about (i) any difference in information contained in the Preliminary Official Statement compared to what is contained in the Official Statement, whether or not related to pricing or sale of the Bonds, and whether any such difference is material and should have been included in the Preliminary Official Statement, and (ii) with respect to both the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about litigation, including the litigation involving Parsons Transportation Group and its subcontractors, any management discussion and analysis, any statements about compliance with prior continuing disclosure undertakings, Appendices A, B, D, E and G, or any information about book-entry, DTC, ratings, Rating Agencies, the Underwriters or underwriting. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel to the Issuer. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters in connection with the original issuance of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

NIXON PEABODY LLP

EXHIBIT B

FORM OF ISSUER COUNSEL OPINION

[Closing Date]

Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, California 94070-1306

J.P. Morgan Securities LLC
San Francisco, California

Wells Fargo, National Association
Los Angeles, California

Re: *$_________________ Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A*

Ladies and Gentlemen:

We have acted as counsel to the Peninsula Corridor Joint Powers Board (the "Board") in connection with the issuance of $__________ aggregate principal amount of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A (the "Bonds") pursuant to the provisions of an Indenture of Trust, dated as of August 1, 2021 (the "Master Indenture"), as supplemented by the First Supplemental Indenture, dated as of August 1, 2021 (the "First Supplemental Indenture"), the Second Supplemental Indenture, dated as of August 1, 2021 (the "Second Supplemental Indenture") and the Third Supplemental Indenture, dated as of January 1, 2022 (the "Third Supplemental Indenture"), each between the Board and U.S. Bank National Association, as trustee (the "Trustee"). The Master Indenture, as supplemented and amended by the First, Second, Third, and Third Supplemental Indentures and as it may hereinafter be further supplemented and amended from time to time pursuant to its terms, is referred to herein as the "Indenture." The Bonds will be purchased by J.P. Morgan Securities LLC and Wells Fargo, National Association, as Underwriters (the "Underwriters"), pursuant to a Bond Purchase Agreement, dated as of _____________, 2022 (the "Bond Purchase Agreement"), between the Board and J.P. Morgan Securities LLC, as Representative of the Underwriters. Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Indenture, or if not defined in the Indenture, in the Bond Purchase Agreement.

We have been asked to render our opinion in connection with the Bonds to the Board and the Underwriters pursuant to Section 12((a)(iii) of the Bond Purchase Agreement. In doing so we rely, as to certain factual matters, upon a certificate dated as of the date hereof and executed by the Chief Financial Officer of the Board. We have also obtained such other assurances and opinions as to factual matters, made such investigations of fact and law, and done such other things as we have determined necessary in order to render this opinion. In particular, we have examined originals, certified copies or copies otherwise identified to our satisfaction as true copies of the following:

1. The Indenture;

2. The Bond Purchase Agreement;

3. The CDTFA Contract;

4. The Joint Powers Agreement, made and entered into on October 3, 1996 (the "JPA Agreement"), among the Santa Clara County Transit District, now known as the Santa Clara Valley Transportation Authority, the San Mateo County Transit District and the City and County of San Francisco (each a "Member Agency");

5. Resolution No. 2020-40 adopted by the governing body of the Board on August 6, 2020 (the "Sales Tax Resolution");

6. Resolution No. 202_-_ adopted by the governing body of the Board on _____________, 202_ (the "Bond Resolution");

7. Resolutions adopted by each Member Agency in connection with the Bonds;

8. The Preliminary Official Statement of the Board, dated February _, 2022 with respect to the Bonds (the "Preliminary Official Statement");

9. The Official Statement of the Board, dated _____________, 2022 with respect to the Bonds (the "Official Statement");

10. The Tax Certificate, dated the date hereof (the "Tax Certificate") executed and delivered by the Board;

11. The Continuing Disclosure Agreement, dated the date hereof (the "Continuing Disclosure Agreement"), between the District and U.S. Bank National Association, as Trustee and as dissemination agent; and

12. The Closing Certificate of the Board, dated the date hereof.

In our examination of these documents we have assumed the genuineness of all documents submitted to us as originals, the genuineness of all signatures appearing on such documents (other than the signatures of the Board), and the conformity to the originals thereof of all documents submitted to us as copies of documents.

On the basis of the foregoing, and subject to the assumptions and qualifications set forth in this letter, it is our opinion that:

1. The Board is duly organized and validly existing under the Constitution and laws of the State of California and the JPA Agreement, and has all requisite power and authority thereunder: (a) to adopt the Sales Tax Resolution and the Bond Resolution and to execute, deliver and perform its obligations under the Bonds, the Indenture, the CDTFA Contract, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate (hereinafter collectively referred to as the "Board Documents"); (b) to issue the Bonds; (c) to pledge the Revenues as contemplated by the Indenture and the Bond Purchase Agreement; and (d) to carry out and consummate the transactions on its part contemplated by the Board Documents and the Official Statement.

2. The JPA Agreement constitutes the valid, binding and legal obligation of each of the Member Agencies enforceable in accordance with its terms, has not been modified, supplemented, or

amended and remains in full force and effect on and as of the date hereof. All filings required to be made by the laws of the State of California with respect to the JPA Agreement have been made.

3. Each of the Member Agencies has taken all action required to be taken by such Member Agency under Section 6586.5 of the Government Code of the State of California and the JPA Agreement and any other applicable law that is a condition to issuance of the Bonds or is otherwise material to the validity of the Bonds.

4. The Board has taken all actions it is required to take prior to the date hereof to effectuate the transactions contemplated by the Board Documents and the Official Statement, and the Board has duly authorized the execution and delivery of, and the performance of its obligations under, the Board Documents and the Bonds.

5. The Sales Tax Resolution and the Bond Resolution were each duly adopted at a meeting of the governing body of the Board which was called and held pursuant to law and with all required notice and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Sales Tax Resolution and the Bond Resolution, which Sales Tax Resolution and Bond Resolution have not been amended, modified or rescinded since their adoption.

6. The Bonds and the other Board Documents have been duly authorized, executed and delivered by the Board and constitute the legal, valid and binding obligations of the Board enforceable in accordance with their respective terms.

7. The adoption of the Sales Tax Resolution and the Bond Resolution and the execution and delivery by the Board of the Bonds and the other Board Documents, and compliance with the provisions thereof, do not conflict with or constitute on the part of the Board a violation of any applicable California constitutional, statutory or regulatory provision, or, to our current actual knowledge, any applicable judgment or decree, and do not conflict with or constitute on the part of the Board a breach of or default under the JPA Agreement, or, to our current actual knowledge, any indenture, trust agreement, loan agreement, bond, note, or other instrument to which the Board is a party or is otherwise subject or by which it is bound.

8. Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, no litigation or proceeding has been served on the Board, is pending or, to our current actual knowledge, is threatened, challenging the creation, organization or existence of the Board or contesting the powers of the Board or its authority with respect to the Bonds, the Sales Tax Resolution, the Bond Resolution, the JPA Agreement or the other Board Documents or the pledge or collection of Sales Tax Revenue or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or any of the transactions referred to in the Board Documents or contemplated thereby or in any way contesting the validity or enforceability of the Bonds, the Sales Tax Resolution, the Bond Resolution, the JPA Agreement or the other Board Documents or contesting in any way the completeness or accuracy of the Official Statement.

9. Without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement, nothing has come to our attention which leads us to believe that the statements and information contained in the Preliminary Official Statement, as of the date of the Preliminary Official Statement and as of the date of the Bond Purchase Agreement, and the Official Statement, as of the date of the Official Statement and as of the date hereof, under the headings "Introduction," "Plan of Finance," "The Joint Powers Board," and "Litigation" (excluding therefrom

any financial or statistical data, as to which we express no opinion), contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading (provided, however, that we render no opinion with respect to the statements or information contained in the Preliminary Official Statement or the Official Statement other than those expressly referred to above).

10. No authorization, approval, consent or any other action by any person, board or body, public or private, other than such authorizations, approvals and consents which have been duly and validly obtained, which approvals that have been obtained include the approval of the governing body of the Board and the approval of each Member Agency, is required for the valid authorization, execution and delivery of, and performance by the Board of its obligations under, the Board Documents, the issuance of the Bonds and the authorization and distribution of the Preliminary Official Statement and the Official Statement.

11. To our current actual knowledge, the Board is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any indenture, trust agreement, loan agreement, bond, or other instrument to which the Board is a party or is otherwise subject, which breach or default would materially adversely affect the Board's ability to enter into or perform its obligations under the Board Documents, and to our current actual knowledge, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Board's ability to enter into or perform its obligations under the Board Documents.

In connection with the foregoing, (a) our opinions as to the legal effect of the Board Documents and the JPA Agreement are qualified by reference to bankruptcy, insolvency or other laws affecting creditors' rights generally, such as reorganization, arrangement, fraudulent conveyance and moratorium, and the availability of equitable remedies; (b) our opinions as to matters of law are limited solely to applicable laws of the United States and of the State of California; (c) our opinions do not include any opinion regarding the laws of any jurisdiction respecting securities regulation or usury; (d) our opinions do not include any opinion regarding indemnification, choice of law, choice of forum or waiver provisions contained in any document referenced herein; and (e) our opinions are based on the law as it currently exists on the date hereof.

As used herein, the phrase "current actual knowledge" shall mean the knowledge that those attorneys in our firm who have performed services in connection with the transaction described herein currently have or have obtained from an interview with such officers and responsible employees of the Board as we have determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth herein and from inspection of documents that such individuals have made available to us in response to our inquiries. We have not conducted any inspection or inquiry other than such inspections and inquiries as are prudent and customary in connection with our representation of the Board.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. The opinions expressed herein are valid as of the date hereof, and we disclaim any responsibility to advise you of any changes of fact or law occurring after this date. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose; provided, however, the opinion may be included in the transcript of documents prepared in connection with the delivery of the Bonds.

Very truly yours,

HANSON BRIDGETT, LLP

AGENDA ITEM #6
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

FROM: Michelle Bouchard
Acting Executive Director

SUBJECT: **DRAFT RECOMMENDATION ON CALTRAIN GOVERNANCE**

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION

Staff has developed a *revised recommendation related to Caltrain's governance for discussion and potential action by the JPB at its February 2022 meeting. The revised recommendation (Attachment A) incorporates the motions approved by the JPB at its January 2022 meeting, deletes outdated process references, and highlights outstanding option issues. At the request of the Chair, staff has prepared a matrix (Attachment B) that identifies six issues upon which the Chair would like to focus the Board's attention, including the Chair's proposals for how to address each item. Based on discussion at the JPB meeting, the Board may make a motion or motions to approve all or a portion of the language included in the revised recommendation and matrix.*

SIGNIFICANCE

The Peninsula Corridor Joint Powers Board (JPB) had committed to developing and approving a governance recommendation by December 31, 2021. At its November 4, 2021 meeting, the Board reviewed and discussed a draft "straw proposal" on governance developed by Acting Executive Director Michelle Bouchard and then subsequently reviewed and discussed a revised recommendation at its January 6, 2022 meeting.

Since the January JPB meeting, staff has worked in consultation with Chair Heminger to develop a recommended path forward. The revised recommendation (Attachment A) reflects feedback received by staff at the January meeting, including the incorporation of two motions adopted by the JPB during the meeting. Attachment B has been developed by staff based on direction from Chair Heminger and presents six issues for further Board discussion, including a proposal from the Chair for each item.

Additionally, since the January meeting, the MTC Commission has taken an action to effectuate the payment of $19.6 million to the San Mateo County Transit District as reimbursement for its initial investment in the Caltrain Right of Way. The text of this resolution is included in Attachment C.

BUDGET IMPACT

There is no budget impact associated with receiving this report or taking any actions.

Prepared by: Sebastian Petty, Deputy Chief, Caltrain Planning

ATTACHMENT A

DRAFT GOVERNANCE RECOMMENDATION FOR DISCUSSION

February 2022

*The following draft document outlines a **revised** recommendation related to Caltrain's governance for discussion and potential action by the JPB at its February 2022 meeting. This revision is based on the version of the term sheet provided to the JPB at its January 2022 meeting has been developed by staff based on input received at that meeting and in subsequent consultation with Chair Heminger.*

Changes from the version of the recommendation presented to the JPB in January are included and fall into two categories

1. *The two motions adopted by the JPB at the January meeting have been added to the text of the recommendation and highlighted in grey*

2. *Option language included in the prior version has been removed (redline deletions shown). Discussion of these and other issues has been moved to an accompanying matrix **(Attachment B)***

DRAFT GOVERNANCE RECOMMENDATION FOR DISCUSSION

JANUARY 2022, CLEAN VERSION

PART A: AFFIRMATIONS & STATEMENTS

1) **Affirmation of Intent to Address Resolution 2020-42:** Resolution 2020-42 contemplated that the JPB would recommend governance changes by December 31, 2021, including enabling a majority of the JPB to appoint its own Executive Director and providing for the reimbursement of SMCTD for its investment in Caltrain. The resolution further provided that the expenditure of more than $40 million annually from Measure RR revenues would be subject to a supermajority vote until such time as the JPA has been amended to modify the JPB's governance structure in a manner satisfactory to the three member agencies. The proposed recommendation represents a step forward by authorizing the JPB to appoint its own Executive Director and providing a mechanism for the repayment of the outstanding principal owed to SMCTD under the 2008 amendment to the Real Property Ownership Agreement, together with interest, and it provides the member agencies with the opportunity to evaluate whether these structural changes are satisfactory before considering an amendment of the JPA.

2) **Affirmation of SMCTD as the Managing Agency for Caltrain.** The San Mateo County Transit District (SMCTD) will remain as the managing agency for Caltrain.

3) **Affirmation regarding Effect of Repaynent SMCTD:** Upon repayment in a non-credit form of the outstanding balance of $19.8 million owed to SMCTD under the 2008 amendment to the 1991 Real Property Ownership Agreement, SMCTD will reconvey its interest in title to the Right of Way to the JPB, and its right to convert its investment in the purchase of the Right of Way into an equity interest will be extinguished. ***[1.6.22 JPB Motion]***

4) **Affirmation of JPB Appointment of General Counsel and Auditor.** As of 2021, the JPB has appointed, and will maintain, both its own general counsel and auditor separate from those of any of the Joint Powers Agreement (JPA) Member Agencies.

5) **Affirmation of Rail Service Provider Contract.** The following recommendation does not alter the ongoing contractual relationship between the JPB and its selected Rail Service Provider whereby the contractor maintains responsibility for providing the JPB with rail operations, maintenance and support services that include administration/safety; operations and dispatch; maintenance of equipment, track, communications and signals, and stations; construction support; and state of good repair.

6) **Statement Related to Regional Governance.** The following recommendation does not preclude Caltrain's ongoing participation in processes related to potential regional governance changes. Further, the JPB commits to work with stakeholders, including the Metropolitan Transportation Commission, to develop a deadline for

expeditious consideration of regional governance recommendations. ***[1.6.22 JPB Motion]***

PART B: BASIC RECOMMENDATION

1) Caltrain Executive Director

a) SMCTD will designate a separate, permanent Caltrain Executive Director position ("Caltrain ED"). Although this position will remain as an SMCTD employee, the Caltrain ED will exclusively report to, and take direction from, the JPB.

b) SMCTD will delegate authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED position to the JPB.

c) [See Attachment B]

~~**OPTION LANGUAGE**~~
~~The decision to hire and fire the Caltrain Executive Director shall be subject to a supermajority vote of seven members of the JPB.~~
~~**-OR-**~~
~~The decision to hire and fire the Caltrain Executive Director shall be subject to a simple majority vote of five members of the JPB.~~

2) Staff Reporting

a) As the managing agency, SMCTD will employ all staff supporting the JPB. Staff support will come in two forms;

i) Direct Support will include SMCTD staff who work exclusively on Caltrain and who ultimately report to the Caltrain ED. The Caltrain ED will have full authority over these staff within the parameters set by SMCTD employment policy – including the ability to hire, fire or modify positions. The following functions will be provided as direct support through dedicated staff.

(1) All functions and staff already providing direct support within the existing "Rail Division" including;
(a) Rail Operations and Maintenance
(b) Rail Planning
(c) Rail Contracts and Budgets
(d) Rail Development (capital program management, capital program delivery, engineering, and quality assurance/ quality control)
(e) The PCEP (CalMod) Program

(2) Additional direct support will be provided through dedicated staff in the following areas:
(a) Executive administration (eg chief of staff)
(b) Finance (eg finance director supported by shared services staff)

(c) Communications, government and external affairs (eg communications director supported by shared services staff)
(d) Grants
(e) Real Estate
(f) ***[See Attachment B]*****~~OPTION LANGUAGE: Other functions determined by the JPB Board necessary to avoid a conflict-of-interest between SMCTD and Caltrain~~**

ii) Shared Services will include SMCTD staff who support the railroad under the terms of a service agreement to be negotiated between SMCTD and the JPB whereby a portion of their time is allocated to Caltrain. This agreement will be developed pursuant to the process described in Part D of this recommendation and will be periodically revisited, evaluated, and adjusted as mutually agreed to by both SMCTD and the JPB.

Staff working under this arrangement will report through the SMCTD General Manager. The following functions will be included in the shared services category.

(1) Human Resources
(2) Contracts and Procurement
(3) Information Technology
(4) Civil Rights
(5) Marketing and Customer Service
(6) Accounting and Treasury

PART C: RIGHT OF WAY REPAYMENT AND REVERSION

1) Right of Way Repayment

The above recommendation and the continued effectiveness of any enacting agreements will be contingent on the repayment to SMCTD of monies advanced for the purchase of the Caltrain right of way (ROW) in a full and timely manner. Repayment discussions are ongoing with the JPA Member Agencies and the Metropolitan Transportation Commission (MTC). Once agreed to, repayment shall occur as described below.

a) All repayment of both principal and interest to SMCTD will be from non-San Mateo County sources, and will be in full satisfaction of the 2008 amendment to the Real Property Ownership Agreement (RPOA).

b) SMCTD will be repaid the principal amount owed under the terms of the 2008 amendment to the RPOA - $19.8 million- in full within 12 months after execution of an agreement between JPB and SMCTD (as described in section D-1).

Specifically and pursuant to the terms of the 2008 amendment to the RPOA, repayment will be made as shown;

(1) $0.2 million will be repaid by the City and County of San Francisco
(2) $19.6 million will be repaid by the Metropolitan Transportation Commission

c) *Additionally, in consideration of the time elapsed since 2008 and the willingness of SMCTD to consider changes to the management of the JPB outside of the terms of the JPA and the RPOA, SMCTD will be compensated an additional sum. The final method and details of this compensation including amount, methodology and schedule of payment will be negotiated by a JPB Ad Hoc Committee prior to SMCTD's consideration of this recommendation.*

2) Reversion

If the repayment of both the principal and interest owed has not occurred in full by the final negotiated schedule of dates, the above recommendation and any enacting agreements will be void and the managing agency arrangement will revert to the written terms of the Joint Powers Agreement and the 1991 Real Property Ownership Agreement, as amended in 2008. Critically, this incudes having the SMCTD General Manager serve as Executive Director of Caltrain with full authority over the appointment and organization of all staff supporting the railroad.

PART D: IMPLEMENTATION

1) Form of Agreements:

Should the JPB reach agreement on a governance recommendation similar to the one described above, implementation would occur through a series of actions and agreements.

a) The JPB Chair would appoint an Ad Hoc Committee to negotiate the details of additional compensation to SMCTD as described in section C-1-c
b) The JPB would ~~then~~ adopt a resolution on governance that outlines the details of its recommendation ~~at its February 6, 2022 meeting~~ and would delegate to the Acting Executive Director the authority to negotiate a detailed Memorandum of Understanding (MOU) with SMCTD that enacts the recommended changes to the management structure of Caltrain.
c) The SMCTD Board would consider the JPB adopted recommendation, and provided that it agrees, would, acting as the managing agency, delegate to its Acting General Manager the authority to negotiate the MOU with the Caltrain Acting ED. The MOU, which would be completed no more than six months from delegation to the Acting General Manager, would address:
   i) The process and procedures related to the appointment, evaluation and termination of the Caltrain ED position

ii) The reporting structure and details of the revised direct and shared services staffing arrangements for those areas of the organization supporting Caltrain
iii) The negotiation of a shared services agreement in which shared services provided to Caltrain by SMCTD would be defined, periodically evaluated, and adjusted as agreed.
iv) A timeline and process whereby both the assets of the JPB and the provision of shared services would be documented for the JPB and the JPA member agencies

d) In consideration of these changes, the JPB would agree to;
i) Secure the repayment of the principal and interest owed to SMCTD in accordance with the amounts and timeframes described in Part 2
ii) Acknowledge that should this repayment not occur as agreed to that the management of Caltrain would revert to original arrangement as described in the JPA

e) The JPB and SMCTD would enter into a shared services agreement to define the types and levels of services to be provided by SMCTD to the JPB, cost allocation for shared employees, performance metrics, and rates.

f) It is understood that the JPA member agencies will consider any needed actions to effectuate repayment as negotiated and recommended by the JPB Ad Hoc Committee

2) Timeframe and Evaluation:

It is contemplated that the term of the agreement between SMCTD and the JPB described above would run through a final schedule of negotiated dates, when all monies owed to SMCTD including both principal and interest will have been repaid. At that time, the JPB and JPA members would reconvene to consider whether to either modify the terms of the agreement, including whether to proceed with formal modifications to the JPA and RPOA. If the parties do not reach agreement with respect to changes to the agreement, the agreement would automatically be extended for another five-year period. This re-evaluation would occur every five years.

Attachment B

Governance Issues for Discussion – Chair Proposal

#	Issue	Options for Resolution
1	**Repayment of ROW Principal to SMCTD** The MTC Commission has taken action to fulfill repayment of the $19.6 million in principal owed to SMCTD subject to certain conditions related to the JPB's consideration of ongoing regional governance studies (see attachment C for full text of the MTC Action).	- Chair Proposal: The conditions included in the MTC Commission's action are consistent with the language regarding regional participation which the JPB adopted by motion at its January meeting. Recommendation language could be lightly reworded to fully incorporate the specific studies referenced in the text of the Commission's resolution. - Other Options: The language could remain as written.
2	**Appointment and termination process for the Caltrain Executive Director** The proposed recommendation includes a provision whereby the JPB would have the authority to both appoint and terminate the Caltrain ED position. Prior versions of the recommendation have included various alternatives regarding the required voting process for these actions.	- Chair Proposal: Language could be added indicating that the decision to hire and fire the Caltrain Executive Director shall be subject to a simple majority vote of five members of the JPB, provided that at least one Director appointed from each county is in the majority. - Other Options: The Board could recommend either of the voting approaches suggested previously in January (either a simple majority or a 7-vote requirement).
3	**Dedicated staff support** The recommendation contemplates expanding the number of Caltrain dedicated positions beyond those that exist today to include specific additional functions. At the January meeting, option language was included in the proposal that would allow for additional dedicated positions to be specified by the JPB if necessary to avoid a conflict with SMCTD. During the meeting, a suggestion was made that the language should reflect that this decision would be subject to the mutual agreement of the JPB and SMCTD. This option was	- Chair Proposal: An additional bullet would be added to section B-2-a-2 of the recommendation stating that direct support would, in addition to the named functions, also include "Other functions determined mutually by the JPB Board and SMCTD necessary to avoid a conflict-of-interest between SMCTD and Caltrain". - Other Option: section B-2-a-2 could remain as written without the added clause.

	not discussed at the January meeting and the language has been removed from the body of the MOU and included here.	
4	**Clarification of the managing agency role** The proposed recommendation affirms SMCTD as the managing agency for Caltrain and also includes a number of functional changes to the nature of the managing agency relationship. As currently written, however, the recommendation does not include language that explicitly addresses the role of the managing agency as refined based on the recommendation.	- Chair Proposal: Language could be added to the recommendation to clarify the role of the managing agency as modified, such as by stating that "the role of the managing agency would be to support the JPB through the employment of staff and the provision of shared services" and that the JPB would indemnify SMCTD for carrying out these functions. - Option: The language could remain as written.
5	**Payment of interest and/or additional compensation to SMCTD** The recommendation contemplates payment of additional compensation to SMCTD for time elapsed and its willingness to consider changes to the managing agency relationship. As written, this compensation would be negotiated via a JPB Ad Hoc committee.	- Chair Proposal: The recommendation could remain as written and the Chair could formally appoint an Ad Hoc committee of the JPB to negotiate additional compensation. - Other Option: Alternatively, the JPB could request that the JPA member agencies negotiate additional compensation amongst themselves.
6	**Path to Implementation** As written, the recommendation would be effectuated as an MOU between the JPB and SMCTD. The JPA member agencies would not be required to vote on the recommendation to make it effective and any potential amendment to the JPA would be considered only after such time as any agreed to payments to SMCTD had been completed.	- Chair Proposal: The recommendation could remain as written. - Other Options: An alternative approach would involve bypassing the proposed MOU and moving directly to incorporate the recommended changes via an amendment to the JPA, which would require the unanimous agreement of all JPA member agencies.

Metropolitan Transportation Commission

January 26, 2022 **Agenda Item 12b - 21-1663**

MTC Resolution No. 4509. Caltrain Right-of-Way Repayment to SamTrans

Subject:

Approval of a funding commitment for a $19.6 million payment to the San Mateo County Transit District (SamTrans) to satisfy the terms of a 2007 settlement agreement related to the purchase of Caltrain right of way (ROW). MTC Resolution No. 4509 sets forth the timing and conditions of the funding commitment.

Background:

At the January 12, 2022 Programming and Allocations Committee, the Committee approved a motion directing staff to present to the Commission for approval a resolution committing $19.6 million in grant funding to SamTrans as repayment for their fronting of funds for the purchase of the Caltrain ROW. This payment would represent the last and final MTC payment to retire the principal identified in the Real Property Ownership Agreement (RPOA), amended in 2008, between the Santa Clara Valley Transportation Authority, San Francisco City and County, and SamTrans.

The Committee recommended the commitment be subject to the following conditions:

- Principal payment of $19.6 million constitutes full payment of any and all remaining MTC obligation for monies advanced by SamTrans for the purchase of the Caltrain right of way, with no expectation by SamTrans of future contributions by the Commission.
- Inclusion of a policy statement affirming the JPB agreement around governance does not preclude recommendations forthcoming from the Network Management Business Case and/or the Regional Rail Study.
- Inclusion in the recommendation that any future contemplated evaluation or reconvening of the Caltrain governance process include consultation with MTC regarding the status of ongoing regional governance processes including any network management recommendations that may have been adopted before that time.

Note that the language has been modified slightly based on direction from the Committee to work with JPB staff on mutually agreeable language.

Staff is currently evaluating potential fund sources and will work with SamTrans to identify a source that is agreeable to both agencies for use on a program or project of SamTrans choice and that meets eligibility requirements. Staff proposes that the programming action occur within calendar year 2022, with an accelerated goal of bringing back a recommendation by June 2022.

Issues:

None

Recommendations:

Adopt MTC Resolution No. 4509

Attachments:

- Attachment A: MTC Resolution No. 4509

Therese W. McMillan

Date: January 26, 2022
W.I.: 1515
Referred by: Commission

ABSTRACT

Resolution No. 4509

Funding commitment of $19.6 million to the San Mateo County Transit District (SamTrans) representing the last and final MTC payment to retire the principal identified in the Real Property Ownership Agreement (RPOA) related to the purchase of the Caltrain right of way, amended in 2008, between the Santa Clara Valley Transportation Authority, San Francisco City and County, and SamTrans.

The resolution includes the following attachment:

Attachment A – Timing and conditions of funding commitment

Further discussion of this action is contained in the Metropolitan Transportation Commission summary sheet dated January 26, 2022.

Date: January 26, 2022
W.I.: 1515
Referred by: Commission

RE: MTC Funding Commitment to SamTrans to Retire Caltrain Right of Way Principal Payment

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4509

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code § 66500 et seq.; and

WHEREAS, MTC adopted the FY 2021-22 fund estimate, including the distribution and apportionment of Transportation Development Act (TDA), State Transit Assistance (STA), State of Good Repair (SGR) Program, Assembly Bill (AB) 1107 sales tax, Low Carbon Transit Operations (LCTOP) cap-and-trade auction revenues, and transit-related bridge toll funds (MTC Resolution No. 4450, revised); and

WHEREAS, the San Mateo County Transit District (SamTrans) provided $82 million for the 1991 Purchase Sale and Option Agreement to the Peninsula Joint Powers Board for the purchase of the Caltrain Mainline Right of Way; and

WHEREAS, in the Real Property Ownership Agreement (RPOA), amended in 2008, the Santa Clara Valley Transportation Authority, San Francisco City and County, and SamTrans agreed to reset the amount of the additional contribution attributable to VTA and San Francisco at $53.3 million. Of the $43.3 million to be paid by MTC, approximately 80 percent would be paid on behalf of VTA, and 20 percent on behalf of San Francisco; and

WHEREAS MTC has paid $23.7 million of the $43.3 million as identified in the fund estimate (MTC Resolution No. 4450, revised); now, therefore, be it

RESOLVED, that MTC shall identify $19.6 million in federal, state or other grant funding to retire the remaining principal payment and program, allocate or otherwise direct these funds to SamTrans for an eligible program or project subject to the timing and conditions set forth in Attachment A; and, be it further

RESOLVED, that this $19.6 million payment represents the last and final payment by MTC related to the RPOA.

.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was approved by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held
in San Francisco, California, and at other remote
Locations, on January 26, 2022.

Timing and Conditions of MTC Payment to SamTrans to Retire Caltrain Right of Way Principal Payment

MTC shall identify $19.6 million in federal, state or other grant funding to retire the principal payment identified in the Real Property Ownership Agreement (RPOA) and program, allocate or otherwise direct these funds to SamTrans for an eligible program or project subject to the following conditions:

- Principal payment of $19.6 million constitutes full payment of any and all remaining MTC obligation for monies advanced by SamTrans for the purchase of the Caltrain right of way, with no expectation by SamTrans of future contributions by the Commission.
- Inclusion of a policy statement affirming the JPB agreement around governance does not preclude recommendations forthcoming from the Network Management Business Case and/or the Regional Rail Study.
- Inclusion in the recommendation that any future contemplated evaluation or reconvening of the Caltrain governance process include consultation with MTC regarding the status of ongoing regional governance processes including any network management recommendations that may have been adopted before that time.

MTC shall take a programming or allocation action to operationalize this funding commitment within calendar year 2022, with an accelerated goal of bringing back a recommendation for action by June 2022.

AGENDA ITEM #7a
FEBRUARY 3, 2022

CITIZENS ADVISORY COMMITTEE (CAC)
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)
SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

DRAFT MINUTES OF JANUARY 19, 2022

MEMBERS PRESENT:	A. Brandt, P. Flautt (Vice Chair), R. Jaques (Alternate), L. Klein, R. Kutler, P. Leung, M. Pagee (Alternate), JP. Torres, D. Tuzman, E. Shapiro, B. Shaw (Chair)
MEMBERS ABSENT:	None
STAFF PRESENT:	R. Bartholomew, H. Chan, H. Flores, C. Harvey, C. Kwok, J. Navarrete, J. Navarro, R. Scarpino

Due to COVID-19, this meeting was conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspends certain requirements of the Ralph M. Brown Act.

Chair Brian Shaw called the meeting to order at 5:40 p.m. and led the Pledge of Allegiance.

APPROVAL OF MINUTES OF DECEMBER 15, 2021
Member Rosalind Kutler questioned her conflicting attendance as present and absent in December's meeting minutes. December's meeting minutes will reflect Rosalind's time of arrival.

Motion/Second: Klein / Leung
Ayes: Brandt, Flautt, Kutler, Shapiro, Shaw, Torres, Tuzman
Abstain: None
Absent: None

Amended meeting minutes were approved.

CHAIRPERSON'S REPORT
Chair Brian Shaw reported that Stanford's staff is back to working from home and may have affected Caltrain's ridership. He also noted that he was unable to provide last month's Citizen's Advisory Committee report to the Board due to the length of the meeting.

COMMITTEE COMMENTS
Member Kutler advised that essential workers, including herself, continue to ride Caltrain and noticed a split pattern; essential worker ridership is trending up, and students riding

are down. She also stated that the conductors are working hard in terms of social distancing and doing a good job. Lastly, she mentioned that more riders are wearing masks.

Member Adrian Brandt commented on the ridership chart included in the CAC packet and mentioned potential reasons for the drop in ridership for December and January. He then requested the vaccination status of customer facing staff and urged staff to make this a priority. He then voiced his concern regarding dual speed check crossing gate solution, however then mentioned that there is a filing with the FRA for a wireless overlay that will keep the gates from going down when trains are stopped at a station. Member Brandt requested staff to share these types of topics at an earlier point going forward, as this information is public knowledge.

PUBLIC COMMENT

Jeff Carter, Millbrae, via Zoom Q&A, requested staff to host an open house to display the EMUs. In addition to the website, he also suggested creating brochures and take-ones with the benefits the EMUs will bring to get the public excited about electrification. He then suggested adding the weekend ridership to the ridership chart as those numbers may reflect a higher ridership than weekdays. He then asked what other railroads are electrified with Constant Time Warning. Lastly, he mentioned his disappointment with the potential change in the governance structure.

Aleta Dupree, via Zoom Q&A, requested the committee to emphasize the importance to the board, the need for the committee reports be explained publicly during the board meetings. She then asked whether the final foundation has been installed and suggested it be a newsworthy event. She then stated that regarding governance Samtrans does a good job as the administrator of this railroad. Lastly, she encouraged staff to continue the work with Clipper START.

Roland Lebrun, San Jose, via Zoom Q&A, shared his disappointment with the construction of the Overhead Contact System (OCS). Lastly, he made a personal comment.

RAIL OPERATIONS OVERVIEW / MAINTAINING THE RAILROAD

Joe Navarro, Deputy Chief, Rail Operations, and his staff, Rob Scarpino, Director, Railroad Infrastructure Maintenance, Christiane Kwok, Manager, Rail Operations, Henry Flores, Deputy Director, Rail Vehicle Maintenance, Chris Harvey, Manager, Rail Operations, Rick Bartholomew, Manager, Engineering Signals and Grade Crossing and Hubert Chan, Manager, Stations and Communications Maintenance, presented Maintaining the Railroad presentation. The full presentation can be found on caltrain.com.

<u>Committee Comments:</u>

Track and Right of Way:

Member Brandt asked whether the freight speed limit is 50mph because the timetable and speed limit indicate as such; Mr. Scarpino responded that it is 60mph. Member Brandt then noted that the class that Caltrain is maintaining allows 90mph, however currently limited to 79mph because of a federal rule. Mr. Scarpino responded that there are several reasons. Member Brandt then asked what Caltrain's grinding schedule is. Mr. Scarpino responded that Caltrain is not currently grinding. Lastly, Member Brandt asked about pumps at grade crossings and Mr. Scarpino reviewed the various responsibility for pumping.

Member Kutler asked whether the work completed during the winter is within scope. Mr. Scarpino responded that Caltrain is hit hard with weather and completes seasonal work to ensure the railroad is maintained.

Mechanical:
Member Brandt asked who is responsible for putting the locomotives on hotel power at the terminals during overnight layovers. Mr. Flores responded that the mechanical department is responsible for that. Member Brandt shared a complaint regarding idling trains overnight. Mr. Flores responded that the matter has since been resolved.

Member Kutler asked about the MERV filters. Mr. Flores explained the MERV rating and how they are used at Caltrain; Member Brandt further explained the grade of MERV filters.

Crossings and Signals:
Member Brandt asked, with electrification and rolling blackouts, what is the plan to keep the railroad running. Mr. Bartholomew responded that Caltrain will still be able to run trains unless there is a total shutdown. Mr. Navarro stated that Caltrain is in negotiations with PG&E.

Communications:
Member Brandt asked what type of repairs are being done with PTC. Mr. Chan stated that although Caltrain fields the calls, the repairs are being completed by the contractor. Mr. Navarro stated that the repairs are usually having to do with the wireless communication, however there are both hardware and software adjustments. Member Brandt asked when the system will be turned over to Caltrain. Mr. Chan responded that it would happen once there is a final acceptance of the project. Mr. Navarro stated that TASI is currently being trained on repairing PTC issues.

Stations:
Member Brandt asked whether all the bike lockers have been outsourced to BikeLink. Mr. Chan stated that completion of the transition is currently in progress.

Operations:
Member Kutler shared that she among many others in her district heavily rely on Caltrain for transportations needs. She also mentioned other countries require proof of vaccination to board public transportation.

Member Tuzman confirmed that the staff referred to on the slides are contracted TASI staff, and Mr. Harvey confirmed. Member Tuzman then requested that the presentation be uploaded to the website.

Member Brandt also asked for the presentation to be uploaded to the website. He then asked questions about staffing and extra board. Mr. Harvey explained and provided details. Mr. Navarro also provided additional details.

Special Service:
Member Brandt asked how Caltrain handles Clipper card fares at the Stanford station. Ms. Kwok responded that the conductors use handheld devices to tag passengers on and off at that station.

Fare Enforcement:
Member Brandt asked whether the train stops when conductors are handling difficult situations with passengers. Mr. Navarro responded that the train is stopped when the conductor feels unsafe.

Public Comments:
Aleta Dupree, via Zoom Q&A, requested the presentation be uploaded to the website, requested all future presentations be uploaded before the meeting, and requested a similar presentation from the electrification.

Jeff Carter, Millbrae, via Zoom Q&A, requested the presentation be uploaded to the website prior to the CAC meetings. He then stated that it is essential to run the railroad during a power outage. Jeff asked whether single tracking is still possible during maintenance or would both tracks need to be closed. He suggested single tracking around the maintenance work so that service is not interrupted.

STAFF REPORT UPDATE
Joe Navarro, Deputy Chief, Rail Operations reported (The full report can be found on caltrain.com):

On-time Performance (OTP) –

- **December:** The December 2021 OTP was 91.1% compared to 95.3% for December 2020.
    - **Vehicle Strikes –** There were three vehicle strikes on December 1, 2 and 29.
    - **Trespasser Strike –** There was one trespasser strike on December 2.
    - **Vehicles on Tracks –** There were two days, December 6 and 23, with a vehicle on the tracks that caused train delays.
    - **Mechanical Delays –** In December 2021 there were 1225 minutes of delay due to mechanical issues compared to 308 minutes in December 2020.
- **November:** The November 2021 OTP was 96.4% compared to 96% for November 2020.
    - **Vehicle Strikes –** There was one vehicle strike on November 11.

Committee Comments:
Member Brandt asked for the status of the Hayward Park set out tracks. Mr. Navarro responded that the matter had been resolved. Member Brandt then asked for vaccination or status with customer facing employees. Mr. Navarro stated that he is waiting for decisions to be made next week and will provide a status once rolled out. Chair Shaw shared what is being done at Stanford and asked staff to consider an onsite vaccination center to lessen the barriers of getting vaccinated.

Public Comments:
Jeff Carter, Millbrae, via Zoom Q&A, requested the following topics for future agendas; Go Pass cost per rider factor, Clipper data availability and additional ridership data.

JPB CAC Work Plan

February 16, 2022
- Mt View Castro Grade Sep & Access Project
- Flow of Customer Information / Website Design
- Property that Caltrain owns

March 16, 2022
- Constant Warning
- Caltrain Marketing Campaign
- Applications for Conductor iPhones

April 20, 2022
-

May 18, 2022
-

June 15, 2022
-

Suggested Items:
- Go Pass cost per ride factors – requested by Chair, Brian Shaw on 6/19/19
- San Mateo County Climate Action Plan – requested by Member Rosalind Kutler on 10/16/19
- MTC Means-Based Discount Fare program update
- Caltrain connections with other agencies – requested by Member Rosalind Kutler on 12/18/19
- Update on grade crossing pilot six months after installation – requested by Member, Patrick Flautt on 12/18/19
- Operating Costs – requested by Member Adrian Brandt on 2/13/20
- Rail Corridor Use Policy – requested by Member Anna Dagum on 10/21/20

- Industry Safe Functionality
- Blue Ribbon Task Force
- Clipper Data Availability
- Construction Obstacles
- Wireless Solution Technology – requested by Member Adrian Brandt on 12/8/21
- Redwood City Station Development - requested by Member Adrian Brandt on 12/8/21
- Code of Conduct
- Dual speed check installation/Constant Warning, Downtown Extension, elevated four track station, future Dumbarton Rail extension and the Google campus being planned at the Diridon station, PCEP project wireless overlay system and level boarding and the status of fully vaccinated staff - requested by Member Adrian Brandt on 12/15/21
- Transit Oriented Development & historic station preservation outreach - requested by Member Patricia Leung on 12/15/21
- Equity evaluation on the most recent schedule change and Go Pass qualification requirements - requested by Member Rosalind Kutler on 12/15/21
- Staffing structure, Governance Update, Visual Messaging Display rollout plan, Equity Plan implementation/update and periodic updates from Government Affairs regarding funding sources and how infrastructure bills may impact Caltrain - requested by Member David Tuzman on 12/15/21
- Caltrain Wayfinding improved, specifically with single tracking - requested by Member Jean-Paul Torres on 12/15/21
- Conductor's communication tools and how they may interface with the public. Regional trip planning and availability for riders that do not have access to mobile devices - requested by Alternate Member Melody Pagee on 12/15/21
- Regional connections between transit agencies - requested by Alternate Member Rob Jaques on 12/15/21
- Distance-based fares on Caltrain. Deep dive on it from a practical standpoint - requested by Chair, Brian Shaw on 12/15/21

DATE, TIME, AND LOCATION OF NEXT REGULAR MEETING:
The next meeting will be February 16, 2022, at 5:40 pm, San Mateo County Transit District Administrative Building, 2nd Floor Bacciocco Auditorium, 1250 San Carlos Avenue, San Carlos, CA.

Adjourned at 7:59 pm.

Memorandum

Date: January 24, 2022

To: Board of Directors

From: Michelle Bouchard, Acting Executive Director

Subject: February 3, 2022 JPB Board Meeting Executive Director's Report

---

- **On-time Performance**
  - **Through January 23:** The January 2022 OTP was 96.2% compared to 86.9% for January 2021.
  - **December:** The December 2021 OTP was 91.1% compared to 95.3% for December 2020.
    - **Trespasser Strike –** There was one trespasser strike on December 2.
    - **Vehicle Strikes –** There were two vehicle strikes on December 1 and 2.

- **Caltrain NorCalMLK Celebration Train –** Caltrain's annual Celebration Train was cancelled on Dr. Martin Luther King Jr. Day this year due to the coronavirus (COVID-19) pandemic.

  Caltrain operated a modified schedule for the holiday on Monday, January 17, with hourly local service starting in the early morning and one roundtrip train from Gilroy.

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San Carlos, CA 94070-1306 650.508.6269

- **CAC Meeting –** The Citizens Advisory Committee met on Wednesday, January 19, via teleconference. The Rail Operations team provided a presentation on Maintaining the Railroad. Joe Navarro, Deputy Chief – Rail Operations, provided the Staff Report. The next CAC meeting is scheduled for Wednesday, February 16, via teleconference or San Carlos.

- **BATAC Meeting –** The Bicycle & Active Transportation Advisory Committee met via teleconference on Thursday, January 20. Brent Pearse, Transportation Planner – VTA, provided a VTA Central Bikeway Study presentation. Alvin Piano, Project Manager - Caltrain & Jim Lightbody, Project Manager – the City of Mountain View, delivered a presentation on the Mountain View Transit Center Grade Separation & Access Project. Lori Low, Government & Community Affairs Officer & Dan Provence, Principal Planner – Caltrain, provided the Staff Report, Bike Bump Report YTD 2022, SSF Station Update & an eLocker Update. The next BATAC meeting is scheduled for Thursday, March 17, via teleconference or San Carlos.

- **Holiday Service –** During the following Holidays, Caltrain will operate the following schedules:

  - **President's Day** – Monday, February 21, 2022 – **Modified Schedule**

- **Special Event Service**

  <u>**Services Performed:**</u>
  The March Executive Director's Report will include the January special events ridership.

  - **San Francisco 49ers –** The 49ers hosted one game in December. Total ridership alighting and boarding at Mountain View station was 807, a decrease of 12% compared to the average ridership per game during November 2021. Year-to-date ridership is 6,983, a decrease of 57% compared to 2019.

    The 49ers hosted one game in January.

  - **Golden State Warriors –** The Warriors hosted seven games in December. The total additional ridership for December was 2,629. The average ridership per game was 376, an increase of 10% compared to November 2021. Year-to-date additional ridership is 6,411, a decrease of 42% compared to 2019 (10,985).

    The Warriors hosted nine games in January.

- **San Jose Sharks –** The Sharks hosted seven games in December. Two games (Vancouver Canucks on 12/21 and Edmonton Oilers on 12/23) were postponed. Total post game additional riders boarding at San Jose Diridon was 572. The average ridership per game for December was 82, a decrease of 4% compared to November 2021. Year-to-date additional ridership is 1,401, a decrease of 76% compared to 2019 (5,753).

  The Sharks hosted five games in January.

<u>Services Scheduled:</u>

- **San Jose Sharks –** The SJ Sharks will host six regular season games in February. Staff will continuously monitor service with SAP Center.

- **Golden State Warriors –** The Warriors will host five regular season games in February. Staff will continuously monitor service with Chase Center.

- **Capital Projects**

The Capital Projects information is current as of January 14, 2022, and is subject to change between January 14 and February 3, 2022 (Board Meeting).

- **South San Francisco Station Improvements:** This project replaces the existing side platforms with a new centerboard platform, construction of a new connecting pedestrian underpass to the two new plazas in downtown South San Francisco to the west and the shuttle area to the east. Upon completion, the hold-out rule at this station will be removed that currently impacts overall system operational efficiency.

  On September 20, passengers began boarding and disembarking from the new centerboard platform, and the temporary platform was demolished. The ribbon-cutting ceremony planned for January 13, 2022, was postponed due to COVID precautions. Minor “punch list” work items remain, which will be completed over the next two months, which will close out the project.

- **Burlingame Broadway Grade Separation Project:** This project will grade separate the railroad alignment at Broadway, between Carolan and California Avenues, in the City of Burlingame and remove the current at-grade crossing. As part of this project, the Broadway Station will become elevated, and the hold-out rule at this station will be eliminated, impacting operational efficiency.

Currently, this project is funded for the design phase through local funds (San Mateo County Transportation Agency Measure A and the City of Burlingame). The City of Burlingame is the project's sponsor, with Caltrain acting as the lead agency for implementation.

An agreement was reached between Caltrain and the City of Burlingame to proceed with the design and construction of a center-boarding platform and incorporate certain value engineering designs, particularly related to the structural design, which will reduce overall project cost.

The current schedule forecasts advertisement for the construction contract by late-2023. Construction scheduled to occur from early 2024 to mid-2027. Advance utility relocations are expected to begin in late 2022. The Team is evaluating the potential use of the Construction Manager/General Contractor, or "CM/GC" project delivery approach, to address project risk and site constraints.

- **Guadalupe River Bridge Replacement:** JPB proposes to replace the MT-1 railroad bridge and extend the MT2 railroad bridge over the Guadalupe River in the City of SanJose, Santa Clara County, California. The proposed project is located north of Willow Street and east of State Route (SR) 87 between Tamien & Diridon stations.

The total project cost is estimated at $45 million has reached 100% design completion. Bid advertisement expected in April 2022 with expected Board award in Summer 2022.

The primary issue facing this project is the resolution of scope and budget issues with UPRR. Per the Trackage Rights Agreement, a binding arbitration hearing was held in December 2021. The final ruling is scheduled for March 7, 2022. Resolution of these issues may alter the bid advertisement date and construction schedule.

- **Rengstorff Avenue Grade Separation:** JPB, in partnership with the City of Mountain View, propose to grade separate the existing at-grade Caltrain tracks from the roadway crossing at Rengstroff Avenue in the City of Mountain View. This project will help improve public safety for pedestrians, cyclists, vehicles, and trains while improving the overall traffic flow and travel reliability.

The project entails constructing a new full depressed intersection, major grading work, new paving & bicycle lanes with special barriers, retaining walls, new elevated railroad tracks & pedestrian bridges, utility relocation, drainage & pump station facilities, and landscaping.

The project is currently in preliminary design and had expected 35% design submittal in late 2021. However, submittal delivery has been delayed to March 2022 due to additional geotechnical investigation and traffic studies. In addition, the county continues to review the geometric design layout for sight and stopping distances, and the transition grades. The preliminary total budgeted estimate is approximately $280 million. Most of the funds will come from the City of Mountain View (thru VTA-Measure "B" sales tax), State, Federal, local, and other grants.

Currently, construction is expected to start in early 2025, pending securing funds, and complete in late 2027.

- **Ticket Vending Machine (TVM) Rehabilitation:** This project will upgrade the existing TVM Server and retrofit and refurbish existing TVM machines so that the machines can perform the functions planned for the current Clipper program. The new machines will be able to dispense new Clipper cards (excluding discount Clipper cards that require verification of eligibility) and have the ability to increase the cash values of existing Clipper cards. In addition, the scope of the original contract was increased to include upgrades to the credit card reader and database.

  Phase 1 was completed in October 2020 to develop a prototype Clipper TVM. Phase 2 for the retrofitting of 12 additional TVM's was completed in March 2021. The agreement for the award of Phase 3 for upgrading another 21 TVM's was executed in late September. The completion of Phase 3 is expected by early 2022. Phase 4 for the upgrading of another 27 TVM's will be added to the project as the approved FY21 capital funding has just recently become available. Phase 5 funds to upgrade the remaining 27 TVM's (contained in the FY22 Capital Budget) are not yet available. A request for Board approval to add Phase 4 and an option for adding Phase 5, when funds are available, is planned for early 2022.

- **Mary and Evelyn Avenue Traffic Signal Preemption Project:** This project will perform upgrades to train approach warning systems at Mary Avenue and Evelyn Avenue crossings in Sunnyvale. Project will improve vehicle safety at the at-grade crossings by increasing traffic signal advance warning times for approaching trains in order to clear vehicles at the crossings. Project will mimic the 2014 completed traffic signal preemption project in Redwood City, Palo Alto, and Mountain View. This project is being funded through the State of California Public Utilities Commission Section 130 program to eliminate hazards at grade crossings.

The Notice to Proceed for construction was issued to the Caltrain contract operator, TASI, in February 2021. TASI completed the installation of new traffic signal preemption equipment and advance signal preemption was successfully cutover and tested in July 2021. Integrated testing with the City of Sunnyvale's traffic controller is pending the City's construction completion that is forecasted for early 2022.

- **Churchill Avenue Grade Crossing Improvements:** This project will improve safety, pedestrian and bicycle access to the Churchill Avenue crossing in the City of Palo Alto. The project scope includes widening sidewalks, associated relocation of pedestrian gates, and installing new vehicle pavement markings and markers. This project is coordinated with the City of Palo Alto's own design for the crossing.

  The project began in December 2019. The 100% design was received in October 2021. The City's 100% design received in November 2021 and was incorporated into JPB's Issue for Bid documents that are now are being finalized for advertisement. Construction is forecast to occur from mid-2022 to early 2023.

- **Broadband Wireless Communications:** This project will provide wireless communication systems to enhance railroad operations and maintenance capabilities and provide Wi-Fi capability for passengers. This project is funded through a Transit and Intercity Rail Capital Program (TIRCP) grant.

  Proposals were received at the end of December 2021 and are under review by an Evaluation Committee at Caltrain. This will be followed by interviews with shortlisted proposers, system demonstrations of their proposed systems, contract negotiations, and contract award in the spring/summer of 2022. Design and Construction is planned from mid-2022 until late-2023.

- **Bayshore Station Bridge Painting:** This project will perform rehabilitation of the coatings of the existing steel pedestrian overpass bridge at the Bayshore Station in Brisbane. The bridge's paint coatings are in need of rehabilitation with surface rust that needs to be addressed along with a complete repainting of the bridge to bring the structure to a state of good repair.

  The project completed finalizing the Issue for Bid construction bid documents, and the contract was advertised for bids on December 10, 2021. The bid opening is on Friday, January 14, 2022. Construction is expected to commence in Spring/Summer 2022 and complete in the Winter of 2022.

- **Mountain View Transit Center Grade Separation and Access:** The purpose of the Mountain View Transit Center (MVTC) Grade Separation and

Access Project is to improve safety at Castro Street in the city of Mountain View by replacing the existing at-grade crossing at Castro Street with a grade-separated pedestrian and bicycle underground crossing.

JPB Environmental Planning group is working to obtain environmental clearance through the California Environmental Quality Act (CEQA). A board action for CEQA adoption will be done concurrently with approval and award of the Final Design Contract in mid-2022. Issuance of the Request for Proposal for Final Design occurred on January 12, 2022, with the award of the design contract in Summer 2022. The planned schedule is to issue an Invitation for Bids (IFB) for construction by the end of 2024.

The project team has worked with the “Technical Working Group” (TWG) that is comprised of JPB, City of Mountain View, and VTA staff for the review of the final design Request for Proposal (RFP) deliverables as required in the executed Cooperative Agreement. In addition, the team is evaluating the potential use of alternative contract delivery methods to address project risk and site constraints.

- **Watkins Avenue Grade Crossing Improvements:** This project includes the design and construction of four quadrant (“quad”) gates at the Watkins Avenue Grade crossing located in Atherton, California. This project is related to the executed Memorandum of Understanding (MOU) regarding the ‘Town of Atherton Station Closure’ between the Town and Caltrain.

  In July 2021, a work directive was issued to the design consultant to complete the final design activities. JPB Staff, including Engineering and Maintenance conducted a kick-off meeting with Town of Atherton staff regarding scope, schedule, and input for the conceptual design. In addition, JPB Staff conducted a field diagnostic meeting with the California Public Utilities Commission (CPUC) and the Town of Atherton to obtain the necessary information and requirements from CPUC for the final design. The 35% design for the safety improvements at the grade crossing has been completed and reviewed. The 65% design is now in progress.

  The current schedule forecast reflects a construction period from January 2023 to December 2023, which complies with executed MOU.

- **MP-36 Locomotive Mid-Life Overhaul Project:** Perform mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and replacement of Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or replaced with new material. The project work is occurring off-site at the contractor's facility location. The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 & 928. In order to maintain daily service, only 1 to 2 of these locomotives are released at a time for overhaul work that is expected to take approximately 8 months per locomotive. Due to this restriction, the overall completion of this work is expected to take approximately 4 years.

The first vehicle, #927, was shipped to the vendor's facility at Mare Island (Vallejo) in July 2020 for overhaul. Its return to Caltrain was delayed from early-2021 until the end of December 2021 due to COVID-19 related impacts to the vendor's supply chain, availability of testing staff due to travel restrictions, and an increase in the scope of needed repairs. Vehicle #927 is currently undergoing acceptance testing by Alstom and TASI at CEMOF in San Jose. Vehicle #924 was shipped to the vendor's facility in November 2020 and is currently 18% completed, it has been completely stripped, and both the main and HEP engines are being over-hauled. Vehicle # 925 is being prepared and inspected at CEMOF for delivery to Alstom's facility in Mare Island for overhaul.

AGENDA ITEM #9e(i)
FEBRUARY 3, 2022

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Pranaya Shrestha
Chief Officer, Caltrain Modernization Program

SUBJECT: **PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP) MONTHLY PROGRESS REPORT – DECEMBER 2021**

☐ Finance Committee Recommendation ☐ Work Program-Legislative-Planning ☐ Staff Coordinating Council Reviewed ☐ Staff Coordinating Council Recommendation

ACTION
Staff Coordinating Council recommends the Board receive the Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report (MPR). The MPR is available online under "Reports and Presentations" at this webpage: http://www.caltrain.com/projectsplans/CaltrainModernization/CalMod_Document_Library.html No action required.

SIGNIFICANCE
Staff prepares and submits a report covering the PCEP on a monthly basis.

BUDGET IMPACT
There is no impact on the budget.

BACKGROUND
The MPR is intended to provide funding partners, stakeholders, and the public a PCEP overview and an overall update on project progress. This document provides information on the scope, cost, funding, schedule, and project implementation.

Prepared By: Pranaya Shrestha 720.757.9191
Interim Chief Officer, Caltrain Modernization Program

Caltrain Modernization Program
Peninsula Corridor Electrification Project (PCEP)

December 2021
Monthly Progress Report

December 31, 2021

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

The PCEP scope of work includes installation of an overhead contact system, construction of traction power facilities, modification of the existing signaling and grade crossing protection system to make it compatible with the electrified railroad, substation improvements at Pacific Gas and Electric (PG&E) substations, and modifications at existing tunnels and at Caltrain's maintenance facility. It also includes the design, manufacturing, assembly, testing, and delivery of the EMUs.

Caltrain has set very ambitious goals for PCEP since in spring 2021. Experts and task forces were brought to deliver these goals for the last quarter of 2021.

1.2 Recent Accomplishments

Caltrain and Balfour Beatty Infrastructure, Inc. (BBII) have established new mechanisms to ensure a collaborative approach to Project delivery. Upon receiving Peninsula Corridor Joint Powers Board (JPB) approval on December 6, 2021, Caltrain executed three change orders that resolved all commercial dispute through October 2021. In addition, a revised program budget from the original $1.98 billion to $2.44 billion was adopted by JPB.

As of December 31, 2021, the current budget forecast shows the current Board adopted budget of $2.44 billion. The project cost is on track and remains sufficient to complete the Project and start revenue service in 2024. No draw down occurred to the Risk Pool of $50 million and project contingency of $40 million. No new award of Project incentive pool of $18.5 million.

The project team has successfully completed the following notable activities (additional activities can be found in the individual sections which follow):

- Bring on experienced and success driven leader who has successfully delivered similar projects.
- Complete budget review and refinement.
- Complete risk workshop at three levels (project, industry experts, and contractor).
- Complete organization assessment.
- Complete agency exposure analysis.
- Complete global settlement with the Contractor.
- Commence partnering at three levels (CEO, senior project leadership, and project team).
- Complete re-baseline of Project schedule.
- Complete Readiness Review of Segment 4.
- Set up a risk and incentive pools.
- Support development and adoption of a new Program budget.

1.3 Upcoming work

For the next six months, the PCEP team has set additional goals as described below:

- Eliminate the major risk to the Project by completing all overhead contact system (OCS) foundations by January 31, 2022.
- Streamline and provide more transparency in reports for the Board, funding partners, and the public by January 31, 2022.
- Submit final Recovery/Remediation Plan to FTA and California High Speed Rail by February 11, 2022.
- Complete Segment 2 first major signal system cutover by April 8, 2022.
- Take delivery of the first train set by April 29, 2022.
- Refresh the Program Management Plan by June 30, 2022.
- Energize Segment 4 and start testing trains on Segment 4 by May 31, 2022.

The PCEP Project is currently on budget and on time for achieving Revenue Service in fall of 2024.

1.4 Critical Items

The major risks to the Project are below:

- Delay of two speed check design, installation, and testing.
- $410 million program funding gap.
- Late completion of Signal Phase Study impact to OCS/TPS Commissioning.
- Delays in parts supply chain affecting vehicle production.
- System integration and interface with existing operational systems testing and duration and resources.
- Different site condition resulting in duct bank construction delay impacting signal cutover schedule.

The first has been mitigated with the global settlement with the Contractor. Currently, the remaining items do not impact budget or schedule; however, if they are not resolved in a timely manner, they have the potential to impact budget and schedule.

2.0 SAFETY

Safety consists of both activities and reports conducted by the Safety team and the pursuit of Safety Certification.

2.1 Construction Safety

2.1.1 Introduction

Safety and security requirements and plans are necessary for compliance with applicable laws and regulations related to safety, security, and emergency response activities.

Project Reportable Injury Rate for 2021

The Project RIR for 2021 is at 1.24, as shown in Figure 2-1 below. This includes BBII and all of their subcontractors. The National average for this type of work is 2.50, as the red line in Figure 2-1 shows. The overall project RIR from inception of construction in 2017 through November 2021 is at 1.71, well below the national average as indicated above. No additional safety incentive reward remains for BBII until the end of the Project.

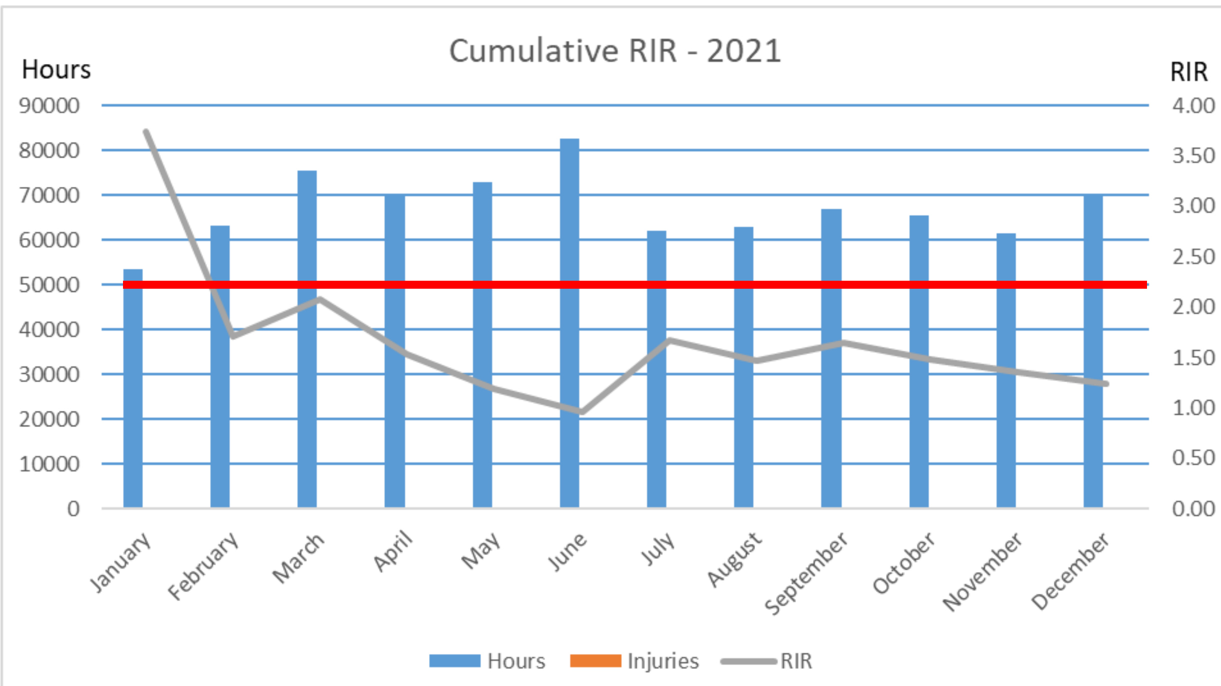

Figure 2-1 Cumulative project Reportable Injury Rate (RIR) for 2021

2.1.2 Completed Work

Safety staff coordinate with contractors to review and plan the implementation of contract program safety requirements. Safety project coordination meetings continue to be conducted on a monthly basis to promote a clear understanding of project safety requirements as defined in contract provisions and program safety documents.

2.1.3 Upcoming Work

Safety awareness training is ongoing, and all employees will have received training prior to the energization of Segment 4. BBII has scheduled the OCS safety awareness training course, Look Up and Live, for all its employees and subcontractors on February 8 and 9, 2022.

OCS Safety Awareness Training is scheduled for Caltrain employees and for PCEP project employees for the beginning of January 2022 with multiple dates to ensure everyone has an opportunity to attend virtually. Members of the Transit Police received the OCS Awareness Training as well as the TPS-2 site familiarization in November of 2021.

The Fire/Life Safety Committee continues to work with the San Jose and Santa Clara Fire Departments on Emergency Preparedness in preparation for the energization of Segment 4.

All contractors and subcontractors have COVID-19 plans in place that meet federal, state, and local requirements.

2.1.4 Issues

Table 2-1. Safety Team issues identified and actions taken for December 2021

Issues	Actions
N/A	N/A

2.2 Safety Certification

2.2.1 Introduction

Safety and Security Certification continues as packages for Segment 4 are being assembled by the BBII team and the PCEP Safety team. The latest Certification Element Items List (CEIL) update shows 10 packages completed (Design and Construction/ Testing) with 7 awaiting construction verification by the BBII QA/QC team.

2.2.2 Completed Work

Signal cutovers 1, 2A, 2B, 3, and 4 have been completed and necessary paperwork submitted and granted a Temporary Use Notice (TUN). There are 4 Design Criteria Certification Checklists (DCCCs) currently under development and/or waiting for BBII sign-off before they are submitted to the JPB.

2.2.3 Upcoming Work

Although there will not be any formal Safety Certification of Segment 4, all Design Criteria Conformance Checklists (DCCC) and Construction Specification Checklists (CSCC) will be completed and reviewed by the Safety and Security Certification Review Committee (SSCRC) and other technical experts as needed. A Certificate of Operational Conformance will be issued by BBII to the Project for Segment 4 prior to energization. This will provide necessary documentation that Segment 4 is ready for energization and testing of the EMUs. Formal certification will come after the completion and testing/commissioning of the entire alignment and prior to the start of revenue service.

Additional activities include the review of the completed Design Criteria Certification Checklists and the cross referencing to the Construction Specification Criteria checklists and Test reports.

Packages for Operational Conformance will include: Traction Power Systems (TPS), Overhead Contact System (OCS), Bridge attachments, Grounding/bonding, Highway crossings, Communications, Train control/signals and SCADA.

2.2.4 Issues

Table 2-2. Safety Certification issues identified and actions taken for December 2021

Issues	Actions
N/A	N/A

3.0 PROGRAM MANAGEMENT

Program management covers schedule, cost, risk and change management.

3.1 Schedule

3.1.1 Introduction

PCEP has a Master Program Schedule (MPS) which illustrates the timeline of major elements of the PCEP program and can be seen in Figure 3.1.

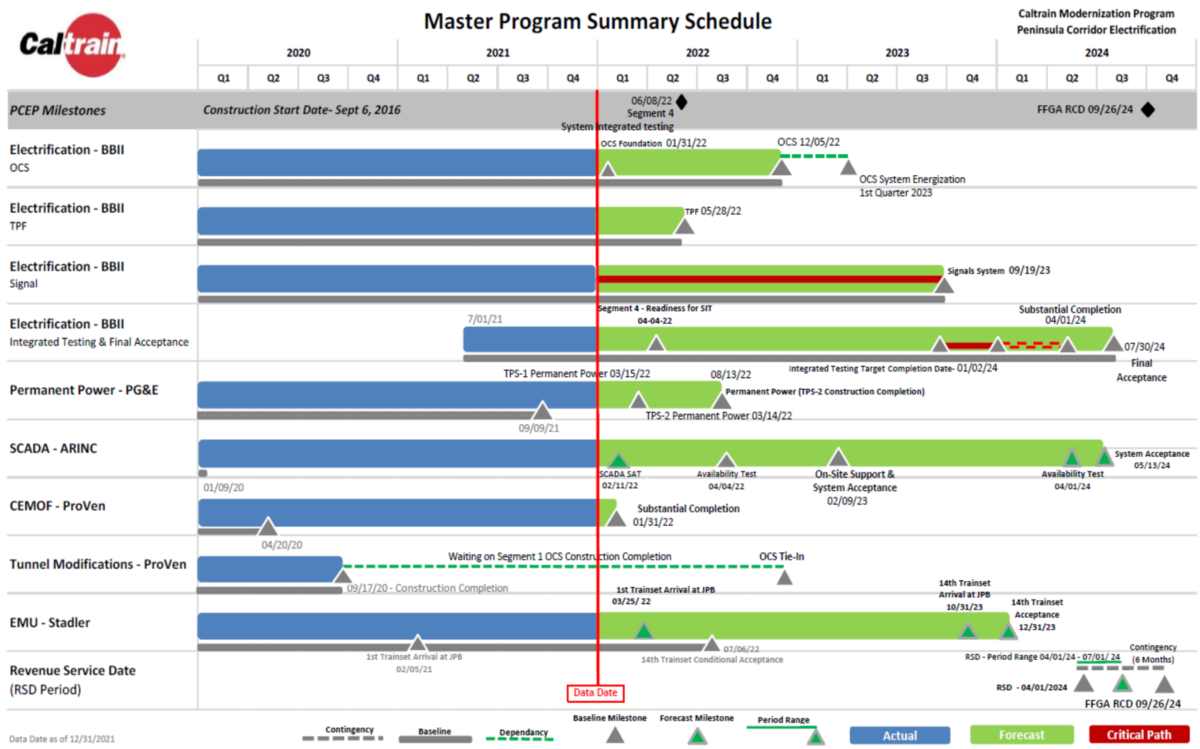

Figure 3-1. Master Program Summary Schedule

3.1.2 Completed Work

The JPB has approved BBII's re-baseline schedule as part of the global settlement with a substantial completion date of April 1, 2024 and Final Acceptance of July 31, 2024.

As of December 31, 2021, the overall delay to the critical path is 0 days.

3.1.3 Upcoming Work

The Revenue Service Date (RSD) is forecasted to occur between April 1, 2024 and July 1, 2024. The new proposed revised FFGA RCD is September 26, 2024.

The current critical path for PCEP includes the design, installation, and testing of the signal and crossing modifications required to make the signal system compatible with the electrified railroad, followed by the integrated testing and cutover.

3.1.4 Issues

Table 3-1. Schedule issues identified and actions taken for December 2021

Issues	Actions
COVID-19 and supply chain challenges impact Stadler's November progress schedule, resulting in a 19-day schedule delay on the first trainset arrival at the JPB site	- The new forecast delivery date is March 25, 2022. - The revised 14th transit delivery date is forecasted in October of 2023. Conditional acceptance of the 14th trainset by the end of 2023 will support electrification Revenue Service Date. - JPB is in the process of reviewing Stadler's re-baseline production schedule as per contract requirements.

3.2 Cost and Budget

3.2.1 Introduction

This section presents an update of program cost and budget. On December 6th, 2021, the JPB adopted new Program budget of $2,442,690,697. Table 3-2 depicts program costs through December of 2021 and current program cost at completion is the same as the newly adopted budget.

Tables 3-3 provides status of two major types of program contingency drawdown:

1. As part of global settlement, a shared risk contingency pool in the amount of $50 million was established to manage risks and mitigation proactively and collaboratively together with design-build contractor.
2. Program contingency of $40 million is established to cover non-BBII potential changes and unknow unknows.

Table 3-2. Budget Summary/Estimates at Completion (EAC)

Description of Work	Re-Baseline Current Budget (A)[1]	Cost This Month (B)[2]	Cost To Date (C)[3]	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) = (A) – (E)
Electrification	$1,749,139,438	$44,612,678	$1,129,552,170	$619,587,268	$1,749,139,438	$0
EMU	$693,551,258	$2,808,673	$319,926,409	$373,624,849	$693,551,258	$0
PCEP TOTAL	**$2,442,690,697**	**$47,421,351**	**$1,449,478,579**	**$993,212,118**	**$2,442,690,697**	**$0**

1. Column A "Current Budget" includes executed change orders and awarded contracts.
2. Column B "Cost This Month" represents the cost of work performed this month.
3. Column C "Cost To Date" includes actuals (amount paid) and accruals (amount of work performed) to date.

Table 3-3 Contingency Drawdown Balance

Transfer	Description	Contingency
BBII Shared Risk Pool	Previously Reported Balance	**$50,000,000**
	No Changes This Month	$0
	BBII RISK POOL REMAINING BALANCE	**$50,000,000**
Transfer	**Description**	**Contingency**
Project Contingency	Previously Reported Balance	**$40,000,089**
	No Changes This Month	$0
	PROJECT CONTINGENCY REMAINING BALANCE	**$40,000,089**

Table 3-4 provides a detailed status of Design-Build Contractor incentives as result of the global settlement.

Table 3-4. BBII Incentives

Incentives	Budgeted	Awarded	Balance
Contract Incentive:			
Quality	$1,250,000	$1,000,000	$250,000
Safety	$2,500,000	$875,000	$1,625,000
Community Outreach	$2,500,000	$1,750,000	$750,000
DBE	$900,000	$0	$900,000
Total Contract Incentive	**$7,150,000**	**$3,625,000**	**$3,525,000**
Milestone Incentive:			
Early Signal and Crossing Cutover	$4,000,000	$0	$4,000,000
Early Project Substantial Completion (NTE)	$8,000,000	$0	$8,000,000
Early Revenue Service	$3,000,000	$0	$3,000,000
Total Milestone Incentive	**$15,000,000**		**$15,000,000**

3.2.2 Issues

Table 3-5. Schedule issues identified and actions taken for December 2021

Issues	Actions
Additional funding setup for $410M Funding Gap	Actively pursuing additional State and Federal funding sources. Dedicated task force has been established at the executive level.

3.3 Risk

3.3.1 Introduction

The risk management process is conducted in an iterative fashion throughout the life of the project. This process identifies new risks, resolves or manages other risks, modifies any potential impacts and severity these risks have based on the current situation. The Risk Management team's progress report includes a summary on the effectiveness of the Risk Management Plan, any unanticipated effects, and any correction needed to handle the risk appropriately. All risks are graded from 1 to 50.

3.3.2 Completed Work

Table 3-6. Top five risk items and mitigation actions as of December 2021

ID	RISK DESCRIPTION	Grade
010	**Risk:** Stadler's sub-suppliers fall behind schedule or delays in parts supply chain result in late completion of vehicles. **Mitigation:** Stadler expedites parts and develops secondary sources to address problematic suppliers. Stadler focuses on keeping supply chair flowing.	20
267	**Risk:** Additional property acquisition is necessitated by change in design. **Mitigations:** 1. Identify new parcels well before they are needed for construction — to be conducted by Project delivery team and Contractor. 2. Expedite development of plats and legals. 3. Enter work directives for appraisal and acquisition before parcels are identified. 4. Coordinate to integrate property acquisition schedule into overall project schedule — to be conducted by Project team.	18
314	**Risk:** The contractor may not complete signal and communication design, installation, testing, and cutover for the Two-speed Check (2SC) modifications on time. 1. Mitigations: 2. Streamline design reviews (in process). 3. Initiate construction prior to IFC (in process). 4. Consolidate locations for cutover, where possible (in process). 5. Add an additional cutover team through Balfour/MRS (in process). 6. Reduce service and three-week single track during cutover period to maximize access and cutover work windows — to be conducted by railroad. 7. Submit timely cutover planning documents and SSWPs with appropriate level of detail — to be conducted by Contractor.	18
333	**Risk:** Remediation of issues associated with the CEMOF pit may result in additional costs and additional time to issue the charge order and implement the work. **Mitigations:** 1. Obtain outcome of independent engineer. 2. Get contractor to implement. 3. Issue change order.	16
303	**Risk:** Extent of differing site conditions and associated redesign efforts results in delays to the completion of the electrification contract and increases program costs. **Mitigations**: 1. Define process for resolving DSCs to clear locations for foundation installation. 2. Develop “playbook” of responses to RFIs associated with responding to DSCs. 3. Add additional potholing crews to increase production and deal specifically with DSCs. 4. Organize PCEP staff to expedite responses to RFIs. 5. BBI to empower field supervision to identify and respond to obstacles. **6.** Implement “as-built” process where foundations can be moved, and location is subsequently included in “as-built” rather than waiting on design.	15

3.3.3 Upcoming work

Efforts to incorporate the Rail Activation Committee risks into PCEP risk register have been initiated, and now only require Risk Assessment Committee approval. The global settlement will also be incorporated into risk register. Finally, the next risk refresh will be scheduled.

3.3.4 Issues

Table 3-7. Risk issues identified and actions taken for the month of December 2021

Issues	Actions
Contractor-owned risk updating is lagging	Initiated inquiries to JPB staff and consultants as "proxy risk owners." Reduced average update from over 100 days to approximately 67 days.

3.4 Change Management

3.4.1 Introduction

The change management process establishes a formal administrative work process associated with the initiation, documentation, coordination, review, approval, and implementation of changes that occur during the design, construction, or manufacturing of the PCEP. The change management process accounts for impacts of the changes and ensures prudent use of contingency.

3.4.2 Completed Work

The PCEP team concluded the global settlement with design-build contractor and resolved outstanding change orders through October 31, 2021. The Change Management Board (CMB) approved three change order listed below in December 2021.

- **CCO-253 – Constant Time Warning / Two Speed Check Solution:** Resolves the dispute regarding cost responsibility for the 2SC Solution and is to provide for the design, construction, and completion of the 2SC Solution. (Cost: $89,780,202)
- **CCO-254 – Global Project Cost Resolution:** Resolves all pending change order disputes known to the parties as of October 31, 2021 and establishes a $50,000,000 Risk Allowance to address future unknown events. (Cost: $136,337,784)
- **CCO-255 – Global Project Time Resolution:** Settles all disputes with BBII regarding additional costs arising from the extension of the project schedule. This Change Order also includes remaining existing incentives of $3,525,000 and the new incentives of $15,000,000 if BBII finishes work before certain benchmark milestone dates. (Cost: $120,557,342)

3.4.3 Upcoming Work

There are ongoing change management activities associated with the initiation, documentation, coordination, review, approval, and implementation of changes that occur during the design, construction, or manufacturing of the PCEP.

3.4.4 Issues

Table 3-8. Change Management issues identified and actions taken for December 2021

Issues	Actions
Proven Claims Negotiation	Dedicated negotiation team is assigned to reach settlement with Tunnel and CEMOF Contractor including resolution of outstanding change orders.
ARINC Contract Time Extension	Commence discussion with ARINC management team to confirm site support period to align new baselines schedule including 1,000-hour availability test to be performed when the system is in production for the entire alignment.

4.0 CONSTRUCTION

This section covers the various elements of construction.

4.1 Infrastructure

4.1.1 Introduction

The Electrification component of the PCEP includes installation of 138 miles of wire and overhead catenary system (OCS) for the distribution of electrical power to the EMUs. The OCS will be powered from a 25 kilovolt (kV), 60-Hertz, single phase, alternating current supply system consisting of two traction power substations (TPS), one switching station (SWS), and seven paralleling stations (PS). Electrification infrastructure will be constructed using a DB delivery method.

4.1.2 Completed Work

Table 4-1. OCS / Electrification

Segment	Status
OCS Foundations	
Segment 1	39 foundations remaining
Segments 2, 3 and 4	Complete
OCS Poles	
Segments 1 and 2	758 poles remaining
CEMOF, Segments 3 and 4	Complete
OCS Wire	
Segments 1 and 2	Anticipated to be complete by 7/15/22
Segments 3 and 4	Complete

- **Traction power facilities:** Approximately 80% of traction power facilities work is complete, with remaining work to include energization, commissioning, and testing.
- **Grounding and bonding:**
  - Ground rods and fences have been installed in S4.
  - Installation of bonding and grounding in CEMOF has begun.
- **CEMOF:** The CEMOF Modifications project will provide work areas to perform on new EMUs. Current work accomplished includes:
  - Pit investigation and survey layout. Completed independent evaluation of pit settlement.
  - Removed transformer protection and cleaned Parts Storage Building.

4.1.3 Upcoming Work

- **Traction power facilities:** All traction power facility work is anticipated to be completed by the third quarter of 2022.
- **Grounding and bonding:**
  - Continue bonding and grounding fences in S4.
  - Test bonding and grounding in S4.
  - Continue bonding and grounding in CEMOF.
- **CEMOF:**
  - Implement north pit repair.

- Install interior window and clean-up.
- Complete fire alarm for Parts Storage Building.

4.1.4 Issues

Table 4-2. Infrastructure issues identified and actions taken for December 2021

Issues	Actions
OCS / Electrification	
Continued discovery of unforeseen obstructions during drilling	Continue to mitigate through design solutions.
PG&E overhead power lines in conflict with the equipment for installing the foundation	Work with PG&E to schedule required shutdowns for installation.
Grounding and bonding	
N/A	N/A
CEMOF	
Open NCRs	Working to close these during January 2022.
Ongoing Segment 3 signal house placement coordination	Continue weekly Friday workshops with BBII.
Continuing ongoing DSC and shallow conflicts	Resolve on case-by-case basis with program best practices through ongoing workshops/RFIs/DVRs

4.2 Communications, Signaling, and Grade Crossings

4.2.1 Introduction

The existing railroad signal system is incompatible with an electrified rail system. PCEP therefore requires modification to existing signal locations, and the addition of new signal locations and associated infrastructure. Once all required signal and communications modifications are completed, the signal locations are cutover and put into operational service.

This aspect of PCEP includes furnishing a complete and integrated communications system for both signals and traction power subsystems, utilizing existing fiber optic backbone infrastructure. It comprises modifications to the fiber optics backbone as well as additional communications networking equipment on the wayside and data center locations at Menlo Park and San Jose.

It also covers the final kit installations and testing of the replacement, upgraded, or modified signaling and grade crossing equipment along the alignment to be compatible with the electrification system, and fully capable with PTC and other rail operations system interfaces.

4.2.2 Completed Work

Segment 4 cutovers have all been completed, and are in beneficial use, including in 21 locations. Phase 2 work for the Segment 2 cutover was completed on December 13, 2021.

4.2.3 Upcoming Work

A tentative completion date for Phases 3 and 4 of Segment 2 is slated for April 2, 2022. Also, in a Go/No-Go discussion to be conducted in January 2022, all parties will discuss their readiness for the March cutover.

Communications networking equipment and testing is ongoing. All communications in Segment 4 are functioning for sub-system testing prior to Milestone #1 completion. A few locations still require permanent power from PG&E.

4.2.4 Issues

Table 4-3. Infrastructure issues identified and actions taken for the month of December 2021

Issues	Actions
Minor in-field condition changes have arisen	Working through issues resolution process.
Fiber break identified on buffer tubes 11 and 12	MRS have tested and identifying design and infrastructure mitigations.
Continued fiber and communications network issues	Work closing with Caltrain systems, Rail operations team and BBII/MRS collaboratively to ensure no impact to Signal and Crossing cutovers

4.3 EMU (Rolling Stock)

4.3.1 Introduction

The procurement of EMUs, or trainsets, from Stadler consists of a Base Order of 96 railcars, plus an Option Order of an additional 37 railcars, for a total of 133 railcars. The cars from these two orders will be combined and delivered as 19 seven-car Trainsets. The Base Order is funded from PCEP, and Option Order funded by a Transit and Intercity Rail Capital Program (TIRCP) grant. One more Option for additional cars is available.

4.3.2 Completed Work

With the completion of the 4,000-mile simulated service test, dynamic type testing was completed at Transportation Technology Center, Inc. (TTCI) in Pueblo, CO. Production continued on Trains 3 through 16.

The Buy America (BA) interim audit report was completed, and concluded that Stadler is on track to meet BA requirements. However, BA certificates from Stadler suppliers are still pending and are required for the post-delivery audit that will take place in Q2 2022.

Additional completed work includes:

- Continued routine testing on Trains 3 through 7.
- Shipment of 93 car shells from Stadler Switzerland, with 89 arriving at Stadler's Salt Lake City facility. Four additional car shells are in transit/holding.

4.3.3 Upcoming Work

The following tasks remain:

- Approve re-baselined schedule.
- Prepare to receive first EMU on-site.
- Continue EMU operators' training the trainer to support EMU testing.

4.3.4 Issues

Table 4-4. EMU (Rolling Stock) issues identified and actions taken for December 2021

Issues	Actions
Stadler/global supply chain issues	Stadler is sourcing additional suppliers for redundancy.
Stadler/global labor shortage/turnover issues	Stadler is looking for new ways to recruit labor.

4.4 PG&E / Interconnection

4.4.1 Introduction

The PCEP will require a 115-kV interconnection to supply power from the PG&E substations to the Caltrain substations in San Jose and South San Francisco. Construction of the interconnections will be performed by PG&E under an amendment to Supplemental Agreement No. 2.

4.4.2 Completed Work

The following work for the Single-Phase Study was completed:

- Model validation for FMC/TPS-2.
- Performance of 10 sample fault cases for discussion with PG&E with the goal of reducing the number of fault cases to be studied.
- Continued model validation work for East Grand/TPS-1.

4.4.3 Upcoming Work

The following work is planned for the Single-Phase Study:

- Fault study for FMC/TPS-2.
- Complete model validation for East Grand/TPS-1.

4.4.4 Issues

Table 4-5. PG&E / Interconnection issues identified and actions taken for December 2021

Issues	Actions
N/A	N/A

4.5 Systems Integration

4.5.1 Introduction

System Integration is an essential element of the PCEP deliver; a successful system integration requires thorough and comprehensive planning, coordination, and adequate testing.

4.5.2 Completed and Ongoing Work

The PCEP system integration program is highlighted below:

- **Sequencing:** The team has collaborated across various entities to build up a strong testing and commissioning sequence that describes dependencies not only from the contractor, but also from any other third-party stakeholders. This has been instrumental in allowing the team to plan the work, resourcing requirements and most importantly, deliverables. These updates are provided to the team on a weekly basis.
- **On-site Inspection:** As part of Construction, on-site inspectors have been deployed to validate the work done and complete punch-list walks. From construction, the contractor is now transitioning to testing systems, and resources with systems knowledge plan to be deployed for the testing phase.
- **Readiness review workshop:** The first workshop was held on December 14, 2021. The purpose of this was workshop was to understand the state of readiness (based on FTA's Oversight Procedure 54 – Readiness for Service) for Milestone 1. This benefited both the Agency and the Contractor through collaboration and alignment on goals. Because a workshop has already occurred, a follow-up assessment is scheduled in the next 60 days.
- **PCEP System Integration meetings:** These are held to identify, monitor, and determine appropriate resolution(s) for systems integration issues, and are chaired by the Systems Integration Director. Due to the importance of integration going forward as the PCEP project enters the testing and commissioning phase, these meetings have been made weekly. There is an emphasis on surfacing and resolving technical issues amongst sub-systems. Issues are tracked and followed-up in individual meetings through the course of the week.

4.5.3 Issues

Table 4-6. Systems issues identified and actions taken for the month of December 2021

Issues	Actions
Detailed schedule – lack of details to track on a weekly basis	- Small workshop deployed with the Contractor to resolve and JPB is working on key delivery dates for JPB items (e.g. PG&E power, EMUs, etc.) – workshops ongoing in late December and early January. - Result to be seen in Testing and Commissioning meetings, and level of detail visible through these meetings.
CDRLs not delivered on-time / prior to testing	- Sub-system workshops set up to address these items and peer review them prior to formal submission. - Additional focus on planning.
Lack of System Integration resources	- The Contractor has remedied this by bringing back one key resource, but the resource is not local. This resource requires additional support. Therefore, regular workshops / meetings are being set up to ensure work is progressing.
PG&E temporary power availability is delayed which will impact segment 4 completion	- Several back-and-forth with PG&E. Issues need to be escalated to senior management level. - Regular calls with PG&E to get ahead of some of these issues (some are being resolved through this), whereas others require escalation and management support
Late PG&E approval of Single-Phase Study	- Work with Stadler for RFI responses - Hold a workshop with PG&E to address their concerns issues

4.6 Testing and Commissioning

4.6.1 Introduction

The Testing and Commissioning is a smaller group to determine and track testing and resources that will need to be coordinated among the various contracts and suppliers. This meeting is the primary interface to the PCEP Design-Build team at this time.

4.6.2 Completed Work

For December 2021, a logic diagram for system integration testing and completion of Segment 4 was established. A SCADA Point to Point test was also performed.

4.6.3 Upcoming Work

Test and Commissioning is coordinated through meetings held every two weeks with the contractor to monitor and gauge progress of testing. One of the major challenges faced was ensuring proper planning and sequencing. This has been remedied through various group meetings held with the intent of clarifying the “what” and the “when.” Given systems integration testing to start in Q2 2022, the same diligence is now being applied to the integrated testing side so it can be fully developed for integrated testing.

Other work that remains to be completed includes the following:

- Completion of SCADA Point-to-Point Testing.
- Network Cutover: Issues in December resolved. Work progressing as planned.
- SCADA Cutover: To be conducted in February.
- PG&E Temporary Power: To be conducted in February; management support required.
- OCS and Power Integrated Test Procedures.

- Integrated Testing**:** Test procedures and planning will continue.

4.6.4 Issues

Table 4-7. Testing and Commissioning issues identified and actions taken for December 2021

Issues	Actions
Lack of planning, plans and procedures from Contractor	- Schedule discussion initiated and ongoing – Contractor to consolidate and coordinate all key items, showing dependencies. Work in progress. - Readiness Workshop requested and held on December 14, 2021.

4.7 Intermediate Milestone #1

4.7.1 Introduction

Milestone #1 is the milestone tied to allowing EMUs to start testing onsite within limits of Segment 4. In order to achieve this, 115kV power must be activated and a substantial portion of the integrated testing shall be performed.

4.7.2 Completed Work

During the month of December, the Project team developed a detailed schedule showing the logic and sequence of testing activities. The team began planning for integration and interdependencies from other contractors. The team also began planning for inspectors to witness testing onsite and develop punch list items.

A Readiness Workshop was held on December 14. During the workshop, the following future steps were identified :

- Follow contract (CDRLs on time) and meet dates.
- The Contractor shared with the JPB that it was tight on resources, and plans to add additional resources in the first quarter of 2022.

The Readiness Workshop conducted a Segment 4 Readiness Assessment, shown in Table 4-8.

Table 4-8. Segment 4 Readiness Assessment

Readiness Status	OCS	Comms	Power	Signals
Construction				
Testing				
Integrated Testing				

Green: On track and progressing well / Completed
Yellow: On track / ongoing – need to be monitored
Red: Need development from the Contractor

4.7.3 Upcoming Work

The following tasks remain to be completed:

- Commencement of joint Segment 4 Signal and Infrastructure walk-through.
- Completion of the bonding and grounding for Segment 4.
- Completion of breaker and circuit testing.
- Sectionalization Test for OCS activation.
- PG&E Review of Test Reports.
- Segment 4 TPS/OCS energization.
- Performance of dead car pull tests.
- Live run with EMU.

4.7.4 Issues

Table 4-9. Intermediate Milestone #1 issues identified and actions taken for December 2021

• Issues	Actions
Lack of integrated testing planning, plans and procedures	- Follow up readiness workshop action items, develop comprehensive test cases and procedures.
Late PG&E review of OCS/TPS Test report	- Develop master tracking sheet to endure PG&E receive all the reports needed for energization
Continues Delay approval of Signal Phase Study by PG&E will impact Milestone one completion date	- Work with Stadler for RFI responses - Hold a workshop with PG&E to address their concerns issues - Escalated at the executive level and perform weekly check in.

5.0 QUALITY ASSURANCE

5.1 Introduction

The Quality Assurance (QA) staff performs technical reviews for planning, implementing, evaluating, and maintaining an effective program to verify that all equipment, structures, components, systems, and facilities are designed, procured, constructed, installed, and maintained in accordance with established criteria and applicable codes and standards throughout the design, construction, startup, and commissioning of the PCEP.

5.2 Completed Work

- **Non Conformance Reports:** A total of six open Non-conformance reports (NCR) are under review by Caltrain and BII.
- **QA Audit Findings Status:** No open findings or observations were identified this month.
- **BA Status:**
  - A meeting with PMOC and BA consultants was held on November 15, 2021 to respond to BA questions. PMOC/BA consultants commented that the BBII cost report provided to the Project did not validate compliance to BA based on current FTA BA reporting requirements. The end products must be categorized by components, subcomponent and percentage of domestic/non-domestic materials shown.
  - JPB consulted with external legal counsel pertaining to BA and received recommended language for JPB to send a letter to BBII notifying them of current FTA reporting requirements to validate FTA BA compliance.
  - BBII Material Receiving Reports continue to be reviewed by JPB QA for BA compliance.

5.3 Upcoming Work

There are ongoing quality assurance activities around technical reviews for planning, implementing, evaluating, and maintaining an effective program to verify that all equipment, structures, components, systems, and facilities are designed, procured, constructed, installed, and maintained in accordance with established criteria and applicable codes and standards throughout the design, construction, startup, and commissioning of the PCEP.

5.4 Issues

Table 5-1. Quality Assurance issues identified and actions taken for December 2021

Issues	Actions
UPRR has identified switch machine isolation concerns and system ductbank trough clearance issues for the track that they maintain.	JPB Operations to resolve.
BBII BA Compliance Report	JPB external legal counsel provided language outlining FTA reporting requirements. PCEP issued a letter to BBII on 1/5/21, outlining reporting requirements to validate BBII BA compliance.
Closure of overdue JPB NCRs	JPB Engineering to facilitate closure of NCRs

6.0 PUBLIC RELATIONS

6.1 Introduction

The Community Relations and Outreach team coordinates all issues with all jurisdictions, partner agencies, government organizations, businesses, labor organizations, local agencies, residents, community members, other interested parties, and the media. In addition, the team oversees the BBII's effectiveness in implementing its Public Involvement Program.

6.2 Completed Work

The following public relations actions were taken in December 2021:

- The Project team launched a 2021 Year in Review video and webpage highlighting Electrification successes throughout the year.
- The Project team supported an infrastructure-focused press conference in San Francisco with House Speaker Nancy Pelosi on December 11, 2021.
- The Project team held various outreach meetings with key local, state, and federal elected officials regarding budget need.
- The Project team sent out the following notices about construction activities:
  - E. Evelyn Avenue Lane Closure
  - King Street Lane Closure
  - Stevens Creek Pedestrian Bridge Work
  - State Route 87 Lane Closure
  - Sunnyvale Paralleling Station Gantry Installation

6.3 Upcoming Work

The Community Relations and Outreach team are planning the OCS foundation completion celebration event. The team will also prepare a public notification to address the service impact related to the cutover three-week signal track planned for March.

6.4 Issues

Table 6-1. Public Relations issues identified and actions taken for December 2021

Issues	Actions
N/A	N/A