AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

October 7, 2010 – Thursday 10:00 a.m.

1. Pledge of Allegiance

2. Call to Order/Roll Call

3. Public Hearing to Address Adoption of an Updated Property Conveyance Policy and Fee Schedule
   a) Authorize Adoption of an Updated Property Conveyance Policy and Fee Schedule — RESOLUTION

4. Public Comment
   Public comment by each individual speaker shall be limited to two minutes

5. Consent Calendar — RESOLUTIONS
   Members of the public or Board may request that an item under the Consent Calendar be considered separately
   a) Approval of Minutes of September 2, 2010
   b) Authorize Award of Contract to Transportation Technology, Inc. for Replacement of Caterpillar Locomotive, Separate Head-end (SEP-HEP) Power Units, Spare SEP-HEP Units, Product Support, Mechanical and Electric Spare Parts for a Total Estimated Cost of $2,873,736
   c) Authorize Award of Contract to West Bay Builders Inc. for the San Mateo Bridges Phase 1 – Foundation Improvements Project in the Total Amount of $2,674,000
   d) Information on Statement of Revenues and Expenses for June 2010

6. Chairperson's Report

7. MTC Liaison Report

8. Report of the Citizens Advisory Committee

9. Report of the Executive Director
   a) Caltrain Performance Report – August 2010
   b) Peninsula Rail Program Update

10. Acceptance of Statement of Revenues and Expenses for August 2010 — MOTION

11. Authorize Adoption of Service Changes and Fare Increases — RESOLUTION

12. Legislative Update — INFORMATIONAL

    a) Authorize Calling on Congress to Approve Long-Term Surface Transportation Reauthorization Legislation — RESOLUTION

    b) Authorize Opposition of Proposition 23 on California's November 2010 Statewide Ballot — RESOLUTION

13. Correspondence

14. Board Member Requests

15. Date/Time of Next Meeting
    Thursday, November 4, 2010, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

16. General Counsel Report
    a) Closed Session: Pending Litigation Pursuant to Government Code Section 54956.9 (a) Cecilia Rea, Individually, as Successor in Interest of Decedent Anthony Rea and Personal Representative of the Estate of Anthony Rea, and Dean Rea v Peninsula Corridor Joint Powers Board

17. Adjourn

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 JPB Website at www.caltrain.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus Routes: 260, 295, 390, 391, and KX.

The JPB meets regularly on the first Thursday of the month at 10 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 6 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to two minutes and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the JPB will provide for 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 public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 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 are 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 # 3 (a)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Board of Directors

THROUGH: Michael Scanlon
Executive Director

FROM: Marian Lee
Executive Officer, Planning and Development

SUBJECT: **PROPERTY CONVEYANCE POLICY AND FEE SCHEDULE UPDATE**

ACTION

Staff Coordinating Council proposes Board adoption of an updated *Policy Regarding Conveyance of Property Interests Involving Property Owned by the Peninsula Corridor Joint Powers Board* and *Fee Schedule*.

SIGNIFICANCE

The policy provides administrative guidance for processing requests by third parties involving encroachment requests or grants of property rights.

The updated policy includes only one policy change. The change would allow the Board to delegate broader authority to the Executive Director to issue permits, licenses and leases involving PCJPB-owned property. The proposed policy increases the Executive Director's authority to allow him to sign lease agreements terminable within five years or less. Currently, the Executive Director's authority extends only to agreements terminable upon 30-days notice. Other changes to the policy include a listing of the types of property access documents used by JPB and streamlined language aimed to minimize ambiguity of the original guidelines.

The fee schedule sets forth charges to third parties to enter JPB property. These fees cover administrative expenses associated with the review and approval of property entry requests and oversight of projects on JPB property. The current fee schedule has not been updated in more than 15 years. The updated fee schedule reflects actual expenses and is comparable to that of other transportation agencies. Key changes to the fee schedule are:

- Increases property access agreement fee from $900 to $1,500 ($500 for limited Encroachment Permits);
- Sets a staff time limit after which third party must enter into a Service Agreement to directly repay staff costs;
- Implements formal process for permittee to make one-time payment;

- Requires a processing fee for Service Agreements;
- Allows a Service Agreement progress payment schedule for projects valued at more than $50,000; and
- Delegates ability to waive fees to Executive Director

BUDGET IMPACT

The proposed changes are anticipated to promote administrative efficiencies and higher fee collection. Additional revenues realized will be reflected in future budget approvals.

BACKGROUND

The Board originally adopted a fee schedule in April 1992 and originally issued a policy for access to JPB property in April 1994, at which time the fee schedule was updated.

Prepared by: Brian W. Fitzpatrick, Manager, Real Estate and Property Development
650.508.7781

RESOLUTION NO. 2010 -

PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

*** * ***

POLICY REGARDING THE PROCESSING OF REQUESTS FOR CONVEYANCE OF PROPERTY INTERESTS INVOLVING PROPERTY OWNED BY PCJPB AND FEE SCHEDULE

WHEREAS, the Peninsula Corridor Joint Powers Board ("PCJPB"), as owner of various properties, receives numerous requests for the use of said properties by various public and private parties; and

WHEREAS, on April 7, 1994, pursuant to Resolution 1994-10, the Board adopted a "Revised Policy Regarding the Processing of and Action Upon Requests for Conveyance of Property Interests Involving the Peninsula Corridor Right of Way;" and

WHEREAS, in order to respond to requests to enter PCJPB property, including the Peninsula Corridor Right of Way, in an orderly fashion, staff has developed a new policy to govern such requests and a Fee Schedule that will allow the PCJPB to recoup costs associated with handling such requests;

WHEREAS, on October 7, 2010, the PCJPB Board of Directors held a properly noticed public hearing to consider the revised Fee Schedule; and

NOW, THERFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves the attached "Policy Regarding Processing of Requests for Conveyance of Property Interests Involving Property Owned by the Peninsula Corridor Joint Powers Board"; and

BE IT FURTHER RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves the attached Fee Schedule; and

.**BE IT FURTHER RESOLVED** that the Executive Director is authorized to approve or deny requests in accordance with the attached policy.

Regularly passed and adopted this 7th day of October 2010 by the following vote:

AYES:

NOES:

ABSENT:

_____
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____
JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD

POLICY REGARDING PROCESSING OF REQUESTS FOR CONVEYANCE OF PROPERTY INTERESTS INVOLVING PROPERTY OWNED BY THE PCJPB

In order to facilitate the timely processing of requests from third parties for rights to utilize portions of property which are owned by the Peninsula Corridor Joint Powers Board ("PCJPB"), including the Peninsula Corridor right-of-way, which, within San Mateo County, is co-owned with the San Mateo County Transit District, (collectively the "PCJPB-owned Property") PCJPB hereby establishes the following policy:

REVIEW OF ALL REQUESTS BY PCJPB PERSONNEL

Staff will process all third party requests for agreements granting interests in, or use of, PCJPB-owned Property, including leases, licenses, encroachment permits, crossings, easements, or other documents as may be appropriate (collectively "Property Access Agreements"). Staff will analyze each request for its compatibility with the current use, and anticipated future development, of the PCJPB-owned Property from an engineering feasibility and planning perspective. It will also review the project to estimate the level of legal and technical support the PCJPB will require to process the application and oversee the project.

The review will verify that (a) the request is compatible with current, and anticipated future, engineering and operational requirements and future potential uses of the property; (b) all applicable provisions of California Public Utilities Commission regulations; (c) for any PCJPB property on an operating railroad right-of-way, that the applicant's improvements are designed to meet the broadest range of possible transportation alternatives for the entire width of the right-of-way, to minimize disruption of current service and the necessity for later relocation; and (d) that the request is in full compliance with the requirements of applicable federal and state law including any conditions embodied in grants and conditions of financing for the property acquisition by the PCJPB or its predecessors in interest.

Staff will analyze each such request in accordance with this policy and, if it supports granting the request, will present the applicant with an estimate of PCJPB's processing and oversight costs, as applicable. Once the applicant has paid all necessary fees, and, if required, signed a Service Agreement to reimburse PCJPB for its actual costs, staff will develop a proposed form of Property Access Agreement based upon PCJPB's standard forms.

When the property involved is on an operating railroad right-of-way, or when such coverage is deemed necessary by the Executive Director or his designee, and in order to insure that adequate and uniform insurance coverage is obtained, PCJPB may, in its discretion, procure Railroad Protective Liability Insurance in its name and for the benefit of PCJPB and any rail carriers operating on the line in question. The PCJPB shall charge the applicant for the cost of that coverage as part of the other fees charged for the issuance of the Property Access Agreement. An applicant and/or its contractor may seek a waiver of this requirement so that it may provide its own Railroad Protective Liability Insurance, by demonstrating to the satisfaction of the Executive Director or his designee, that it can provide coverage that is equivalent to, or better

than, the RIMA Railroad Protective Form, and names PCJPB and any rail carriers operating on the line in question as named insureds.

Once negotiations with the applicant are complete, staff, with the assistance of the Attorney as necessary, shall prepare the final form of Property Access Agreement and will forward the agreement, all documentation, and a staff recommendation to the Executive Director of the PCJPB or his/her designee. As part of the Property Access Agreement, the applicant will be required to agree to the following conditions: Indemnification of the PCJPB from liability; relocation of applicant's facilities (at applicant's expense) if necessary for the development of the Property for transportation purposes, as determined by PCJPB, its successors or assigns; the agreement of the applicant to maintain and repair its improvements at its sole expense; a reservation of a right in favor of PCJPB to terminate for breach; and the requirement that the applicant and/or its contractor provide adequate insurance for the benefit of PCJPB, its successors and assigns.

If the request is within the authority of the Executive Director, as described below, the Executive Director or his/her designee shall decide whether or not to grant the request. If the request falls within the Board's authority, as described below, the Executive Director shall decide whether or not to recommend Board approval. Any decision by the Executive Director, or his/her designee, to deny a request falling within the Executive Director's authority, or to reject a recommendation to request Board approval, shall be final subject only to the right of any Board member to bring the matter before the Board.

AUTHORITY OF EXECUTIVE DIRECTOR

The Executive Director or his/her designee may approve Property Access Agreements without the prior approval of the Board, provided that the request will not have an adverse impact on the use or potential future development of PCJPB-owned Property for PCJPB purposes and that the following conditions are included in the agreement:

(1) The Property Access Agreement is for a term not more than five years;
(2) Maintenance and repair of any and all lessee or permittee-owned improvements shall be the responsibility of the lessee or permittee;
(3) When the property involved is on an operating railroad right-of-way, the lessee or permittee shall relocate the improvements at its expense, if necessary, to avoid interference with development of the right-of-way for public transportation purposes, as determined by the PCJPB, its successors or assigns; and
(4) The applicant shall indemnify the PCJPB against liability (including for the release of hazardous materials) arising out of permittee's or lessee's use of the property.
(5) The applicant has paid the appropriate amount of compensation as described in the PCJPB's Fee Schedule.

PCJPB BOARD REVIEW

The Board of Directors shall review and approve or disapprove all requests for Property Access Agreements of duration of more than five years, as well as any and all conveyances of permanent

property rights. The property interest may be granted provided the applicant pays appropriate compensation as set forth in the PCJPB's Fee Schedule.

AT-GRADE CROSSINGS

The PCJPB Board hereby enunciates a policy that requests for at-grade crossings of rail right-of-way be denied. If however, upon review, the PCJPB determines that the request is necessary to provide access to the adjacent property and no other feasible alternatives exist, the Property Access Agreement may include the grant of a temporary license for an at-grade crossing, which shall be terminable at will. The Property Access Agreement shall provide that upon termination of such agreement, if the applicant has no other feasible alternative access, the applicant shall construct a suitable over-crossing or under-crossing at its sole cost and expense.

The Executive Director may submit any of the foregoing requests to the Board for its approval. If the Executive Director does not approve a request or recommend Board action, the applicant will be notified of the decision, and no further action will be taken on the request, unless a member of the Board requests that the full Board decide upon the request.

TYPES OF AGREEMENTS

All forms of Property Access Agreements used by the PCJPB shall be approved by the Attorney. With the exception of leases, for which the lessee shall pay fair market rent, all applicants shall pay a Real Estate Processing Fee, as further set forth in the PCJPB's Fee Schedule. All required fees must be paid before the applicant is allowed to access PCJPB property or before staff commences any work on the applicant's request. Below is a list of the type of agreements issued by the PCJPB:

Service Agreement:
Purpose: Sets forth the terms and conditions under which the applicant will reimburse the PCJPB for all actual costs of providing the services and materials required to support the applicant's proposed project (including applicable general and administrative overhead costs) and for costs associated with processing the Property Access Agreement. A Service Agreement does not convey and property rights or right to use property.
Other Conditions: If the staff determines that the property access request will require more than 5 hours of staff time and/or more than 3 hours of the Attorney's time, the applicant shall enter into a Service Agreement with PCJPB.

Right of Entry Permit Agreement
Purpose: Allows third party access to PCJPB Property for a specified period of time to accomplish a specific activity, which generally involves construction work.
Other Conditions: Permittee (or agency contracting with Permittee) shall sign a Service Agreement to reimburse PCJPB for its costs and expenses, as necessary.

License Agreement
Purpose: Allows a semi-permanent facility to be on operating property.
Other Conditions: Licensee shall sign a Service Agreement to reimburse PCJPB for its costs and expenses, as necessary;

Encroachment Permit
Purpose: Allows third parties access to non-operating PCJPB property for a specific purpose and a limited duration when a Right of Entry Permit, License Agreement or Lease is not appropriate and when no construction is to occur on the property.

Lease Agreement
Purpose: Allows a third party use of non-operating right-of-way for a defined period. This agreement is typically used went the third party is a commercial business leasing PCJPB property for fair market rent.

Easement Agreement:
Purpose: Provide permanent property rights to the grantee for a specific purpose.
Other Conditions: Licensee shall sign a Service Agreement to reimburse PCJPB for its costs and expenses, as necessary.

PENINSULA CORRIDOR JOINT POWERS BOARD

FEE SCHEDULE

FEES BY REAL ESTATE AGREEMENT TYPE

Note: The below agreement types are defined in the Peninsula Corridor Joint Powers Board's (PCJPB) "Policy Regarding Processing of Requests for Conveyance of Property Interests Involving Property Owned by the Peninsula Corridor Joint Powers Board".

Right of Entry Permit Agreement
Real Estate Processing Fee: $1500
Annual Permit Payment: $1500, if work continues for more than 1 year.

License Agreement
For a Transverse Encroachment (perpendicular to right-of-way):
Real Estate Processing Fee: $1500
Annual License Payment: $1500
For a Longitudinal Encroachment (parallel to right-of-way), or for fiberoptics facilities:
Processing Fee of $1500,
Annual Rent: fair market value (as determined by staff, not less than $1500);

Encroachment Permit
Real Estate Processing Fee: $500

Lease Agreement
Real Estate Processing Fee: None
Monthly Rent: fair market value (as determined by staff, not less than $500/mo.)

Easement Agreement
Real Estate Processing Fee: $1500.
Payment of lump sum fair market value of the easement as determined by staff

SERVICE AGREEMENTS AND ASSOCIATED FEES

Purpose
If staff determines that a request to access property will require more than 5 hours of staff time and/or more than 3 hours of the Attorney's time, which costs are covered by the various Real Estate Processing Fees above, the applicant shall enter into a Service Agreement with PCJPB. The Service Agreement sets forth the terms and conditions under which the applicant will reimburse PCJPB for all actual costs of providing the services and materials required to support the applicant's proposed project (including applicable general and administrative overhead costs) and for costs associated with processing the Property Access Agreement. A Service Agreement does not convey property rights or right to use property.

Service Agreement Administrative Fee
A Service Agreement Administrative Fee will be assessed on an applicant requiring a Service Agreement to conduct work over PCJPB property. The purpose of Service Agreement Administrative Fee is to recoup costs associated with project set-up, including those of Finance, Engineering and Risk Management. The amount of the Service Agreement Administrative Fee will depend on the value of the project over PCJPB Property, as shown:

Value of Project	Fee
Less than $20,000	$250
$20,001 and above	$500

Amendment to Service Agreement Administrative Fee
When the applicant initiates an amendment to the Service Agreement (such as a change of scope), then an additional Service Agreement Administration Fee shall be assessed to recoup additional costs incurred by Finance, Engineering and Risk Management due to the project change. The amount of the Amendment to Service Agreement Administrative Fee will depend on the value of the project over PCJPB property, as shown above:

Exception
If the District initiates amendment(s), the Service Agreement Amendment Fee may be waived. The determination will be made by the Executive Director or his designee.

Payment Policy
Service Agreements Valued under $50,000:
Service Agreements with an estimated cost of less than $50,000 or Service Agreements that will be completed in 120 days or less require full prepayment.

Service Agreements Valued over $50,000:
If the Service Agreement has an estimated total project cost of more than $50,000 or will last more than 120 days, a payment option may be pre-arranged on a case-by-case basis. A minimum 10% deposit with monthly progress billings or a deposit based on a cash flow analysis with monthly progress billings (whichever is greater) may be arranged and approved at the discretion of staff. Payments under a progress billing are due 30 days following the date of invoice. All overdue balances due to PCJPB not contested in writing, by the due date shall bear interest at the rate of 1.5% per month, compounded monthly, from the due date. Additionally, PCJPB may require that all work cease until all payments are received in full.

Service Agreement Payment Schedule

Total Project Cost	Service Agreement Duration	Payment Terms
< $50,000	Any duration	Full Prepayment
Any amount	< 120 days	Full Prepayment
> $50,000	> 120 days	Minimum 10% deposit with monthly progress billings or a deposit based on a cash flow analysis prepared by PCJPB with monthly progress billings, whichever is greater (approved on a case-by-case basis).

REASON FOR FEES

The Purpose of the Real Estate Processing Fee and the Service Agreement Administrative Fee is to recoup costs associated with staff time to negotiate and draft the real estate document, legal time for review of documents and staff time to set up and monitor the project. The Annual License Payment and Annual Permit Payment represent the value of the encumbrance to the property created by the agreement.

FEE EXCEPTIONS IN GENERAL

Only the Executive Director or his designee has the authority to waive any fee. The decision to waive the fee will be determined on a case-by-case-basis depending on the circumstances.

PRE-PAYMENT OF ANNUAL FEES

Any third party applicant may choose to pay a one-time fee in lieu of an Annual License Payment or Annual Permit Payment. This fee will be 10 times the Annual License Payment or Annual Permit Payment Annual Fee.

REGULAR REVIEW OF FEES

All fees shall be reviewed regularly by staff and updated as PCJPB's cost of processing permits increases. Annual License Payments and Annual Permit Payments shall be reviewed regularly by staff and updated to reflect current property values.

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

Draft

Minutes
September 2, 2010

MEMBERS PRESENT: O. Ahmad, M. Church, J. Cisneros, S. Elsbernd (Chair), D. Gage, A. Kalra, A. Lloyd, K. Yeager

MEMBERS ABSENT: N. Ford

MTC LIAISON: S. Lempert

STAFF PRESENT: M. Bouchard, B. Doty, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Chair Sean Elsbernd called the meeting to order at 10:03 a.m. Director Mark Church led the Pledge of Allegiance.

PUBLIC HEARING FOR CONSIDERATION OF SERVICE SUSPENSIONS AND FARE CHANGES

JPB Secretary Martha Martinez said the public hearing was advertised in the *San Francisco Chronicle* and *San Mateo County Times* on August 11 and 19, the *San Jose Metro News* on August 8 and 18 and *Gilroy Dispatch* and *El Observador* on August 13. She said the public hearing was also publicized through the JPB's printed agendas, Take Ones placed on trains, station flyers and information placed on the Caltrain website. In addition, a news release announcing the proposed service suspensions and fare changes was circulated to local news media. Four community meetings were held on August 19 at the San Francisco 4th & King. San Jose Diridon, Gilroy Caltrain stations and at Caltrain headquarters. To date, more than 1,500 comments have been received.

Director Ken Yeager arrived at 10:05 a.m.

Director Rail Transportation Michelle Bouchard provided the following information:

- Tariff changes to support the Clipper transition are expected to be revenue neutral with implementation as early as October.
- Staff is proceeding with the closure of the San Francisco and San Jose Caltrain ticket offices in October and the elimination of station agent positions. The estimated net savings will be $700,000.
- The fare and service change options were chosen to retain ridership and revenue, reduce costs and retain the highest net benefit.
- Service suspension options include:
    - Suspension of Gilroy service -- six-month net savings of $385,000
    - Suspension of all weekend service -- a six-month net savings of $209,000
    - Suspension of midday/early morning/late evening weekday service -- six-month net savings of $590,000

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- Fare increase options include:
    - Increase the GO Pass from $140 to $155 – six month revenue increase of $150,000
    - Increase the base, one-way fare by 25 cents – six month revenue increase of $900,000
    - Increase the fare 25 cents per zone – six month revenue increase of $1.4 million

Chair Elsbernd asked what the expected ridership loss would be for zone increases.
Ms. Bouchard said staff assumes an elasticity rate of .1

- More than 1,500 comments were received and most people prefer a fare increase to service cuts.
- There was strong input to retrain weekend and Gilroy service.
- Based on feedback, staff is recommending against further consideration of suspension of weekend and Gilroy service.
- Options under consideration are:
    - Increase GO Pass pricing.
    - One of the two fare increases levels.
    - Elimination of eight midday and early morning/late evening weekday trains.
- Next steps include:
    - Receive and consider public testimony.
    - Develop a final recommendation for Board consideration at the October 7 meeting.
    - Implement fare and service changes in January 2011.
- The projected deficit for Fiscal Year (FY) 2012 is $30 million and it is unknown if there is a service model that can operate at FY2012 projected revenue levels.

MTC Commissioner Sue Lempert asked what the ridership is on existing late night and early morning trains that are under consideration. Ms. Bouchard said on an annual basis 80,000 riders would be impacted by the midday suspensions and 84,000 riders in the evening.

Public Comment
Forrest Williams, San Jose, said he is in favor of staff's recommendations to not eliminate Gilroy service. He said expanded marketing and commercial advertising could generate revenue.
Mr. Williams said staff should involve the community to help Caltrain and offer incentives to those who bring riders to the system.

Brian Adams, Bellarmine College Preparatory, thanked staff for continuing the Gilroy service.

Shirley Johnson, San Francisco Bicycle Coalition (SFBC), said there is a positive option to increasing ridership and revenue by increasing onboard bicycle capacity. She said unreliable service forces bicyclists into their cars and Caltrain loses $1 million in ticket revenue.
Ms. Johnson said with reliable bike capacity service, cuts would not have to occur.

Doug DeLong, Mountain View, asked if the 10-ride ticket could be brought back since the validators will no longer be used. He said the ticket agent in San Jose helps the mobility impaired and hopes this service stays. Mr. DeLong said Amtrak has a volunteer program called "Station Hosts" that helps to provide a certain amount of human contact at stations where it isn't

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economically feasible to have a station agent. Staff may consider this for implementation on Caltrain.

Jean McCown, Stanford University, said the GO Pass is a very good value for employers and Caltrain. If this increase is implemented, Stanford University will have experienced a 130 percent increase in the GO Pass price over the last eight years. Ms. McCown said over the last eight years Stanford University has increased its Marguerite Shuttle fleet from 20 buses to 42 to accommodate ridership increases generated mostly by Caltrain ridership. She said continued increase to the GO Pass will make employers look for other options to fund their employees' transit options.

John Hronowski, JPB Citizens Advisory Committee (CAC), said the CAC created an ad hoc committee to discuss the fare and service changes. The ad-hoc committee supports the 25-cent per zone increase, the GO Pass increase and the discontinuation of the staff ticket offices. Mr. Hronowski said the ad hoc committee is glad the weekend service cuts and elimination of Gilroy service are off the table for now and discourages the elimination of any morning, midday or event trains.

Pat Giorni, Burlingame, said what is missing are all the bike comments asking for increased capacity. She said the spare cab cars should be used to turn the one-bike-car consists into two bike car consists.

John Murphy, San Francisco, said he no longer takes the trains on the weekends because of the time it takes to travel. He suggests express and limited stop service on weekends that will improve service for riders.

Jeff Carter, Burlingame, said he is glad the elimination of weekend and Gilroy service is off the table, but the service, as a whole, must be considered. The early morning trains may have low ridership, but provide a vital service to those who must be at work before 6:30 a.m. Mr. Carter said trains should be consolidated in the midday, not early morning. He asked what the JPB is doing to get funding for Caltrain.

Jeffrey Oldham, San Jose, said every month Caltrain refuses service to paying customers with bicycles. During the months of June and July more than 300 bicyclists were bumped. He said this is revenue Caltrain is losing.

Brian Brackney, San Francisco, said he is against a fare increase for the disabled ticket and the closure of the San Francisco ticket office. He said, if the ticket office is closed, tickets should be sold at the Safeway across from the 4th and King Caltrain Station and at other locations.

Andrew Ness, San Francisco, said he has been denied boarding with his bike at 4th and King because of insufficient bike capacity when there are empty seats. Caltrain should replace empty seats with bike racks.

Marby Lee, Morgan Hill City Council, said she is very appreciative Gilroy service is being kept this year, but is concerned about future service. She said staff needs to look at the schedules to Gilroy and adjust accordingly to help people get on the trains and get to work.

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Steve Tate, Mayor of Morgan Hill, said he appreciates staff's recommendation to keep service to South County. He said Morgan Hill wants to partner with Caltrain and staff to save the service.

Brian Sullivan, Morgan Hill Chamber of Commerce, thanked staff for keeping the Gilroy service. He said the Chamber and the cities of Gilroy and Morgan Hill are willing to work with staff and Caltrain to see if long-term solutions can be found.

Shirley Ingalls, Mountain View, said she purchases a monthly pass and her ticket only gets checked once or twice during the month. She said there is a possibility people are not purchasing tickets and are riding free because conductors are not checking tickets. Ms. Ingalls said the closure of staff offices is great. She said the grace period for monthly passes should be discontinued because from the 20th of each month passes can be purchased for the next month. Ms. Ingalls asked that weekend service not be suspended.

H.J. Jost, Mountain View, said he is a Caltrain commuter, but has been using the train less because there is no up-to-date information when there are accidents and breakdowns. He said there needs to be out of the box thinking for cost cutting. Mr. Jost asked if there is a need for two to four conductors per train. He said the train is not competitive to driving.

Yoriko Kishimoto, Palo Alto, said there is a definite theme of partnerships. There are a number of people who are creating a "Friends of Caltrain" group to work with Caltrain on long-term dedicated funding.

Arcady Goldmints, Sunnyvale, said it is disappointing that service wasn't considered with fewer resources. There is no need for two conductors on a train. Mr. Goldmints said MetroLink is a proof-of-payment system, with only one conductor, and it works just fine. He said Gilroy service takes too long because there is too much dwell time at some locations.

Kathleen McLoughlin, Redwood City, said by having express weekend service, revenue would increase. She proposed an express train surcharge.

Natasha Flaherty, Belmont, said she depends on Caltrain as her designated driver.
Ms. Flaherty said there needs to be more than hourly service in the late evening. She said she was overcharged by a ticket vending machine by $1.75 and wants her money back.

Matthew Rosso, Gilroy, asked what Caltrain is doing to increase awareness. He said billboards along highways should be used to advertise Caltrain. Mr. Rosso said the ticket offices should be more of an outreach for customers. He said service takes too long from Gilroy and maybe some stations should be skipped in South County.

Betty Leon, San Benito County Local Transportation Authority, said the Authority has made a commitment to riders to coordinate bus service with Caltrain.

Julio Magalhães, Palo Alto, said he is a regular Caltrain rider. He asked that weekend service not be suspended and to also consider Baby Bullet service on weekends. Mr. Magalhães said people have very flexible schedules so midday and late evening service should not be cut. He said by raising fares it would close the budget deficit and service would not have to be cut. He urged staff to look for other funding sources.

Draft

Yeh Ching Chi, San Francisco, said she needs Caltrain. Ms. Chi said the public needs to know why Caltrain has no money. She said there is a need for more bike racks. Ms. Chi said staff should work with local transit agencies to coordinate better time transfers. She said there should be a tax for public transportation only.

Jack Dinsdale, Transportation Communications Union representing the ticket clerks, said the ticket clerks are needed at San Francisco and San Jose to assist passengers and solve problems.

Jody Lyle, Mountain View, said she rides midday and late night and if these trains are cut she will have to find other means of transportation.

Paul Gordenev, Burlingame, said he was on the JPB CAC from 1980-1990 and at that time the CAC made the recommendation that Caltrain have three goals for the future of the system: find dedicated funding, electrify the system and have four tracks between San Francisco and San Jose.

Keith Reicher, Morgan Hill, said he would rather take Caltrain than drive. He said ridership could be increased by offering WiFi service on Caltrain. Mr. Reicher said by wrapping trains it would increase revenue. He also suggested having promotions for faithful riders.

Ed DeLanoy, San Carlos, said Caltrain is a great pioneer, but staff needs to keep moving forward with High Speed Rail (HSR).

Legal Counsel David Miller said the agency has broadly advertised this hearing and has met all the legal requirements. Staff will now consider all the comments received today and present a recommendation to the Board for action at the October 7 meeting. Mr. Miller said the Board can now close the public hearing.

A motion (Lloyd/Ahmad) to close the public hearing was approved.

Ms. Bouchard said, on daily basis, about 160 riders would be affected with the midday cuts and about 168 riders for the early morning or late evening trains.

Director Don Gage said it would be helpful for the Board to look at scenarios like the cost of retrofitting bike cars. He said during the dot.com era, South County had robust ridership and now people need to talk up Caltrain to get people back on the train. Director Gage said there isn't an agency that doesn't want a permanent source of funding, but a permanent source of funding isn't sales tax.

Executive Director Michael Scanlon said Caltrain doesn't have a financial problem; it is the San Mateo County Transit District (SamTrans) with the financial problem. Caltrain gets about 43 percent from the farebox and SamTrans gets about 18 percent. Mr. Scanlon said Caltrain can't pull enough riders to the system to correct the financial problem. He said the peak hour trains are already jammed.

Mr. Scanlon said in 2005 this agency reinvented itself and increased ridership by 50 percent and revenue by 100 percent. He said staff is opposed to most of the recommendations, too, but this has to be done to keep the doors open. Mr. Scanlon said there is a $30 million deficit next year. Under that funding scenario, there will be service only during the weekday peak, between

Draft

6 a.m. - 9 a.m. and 3 p.m. - 7 p.m. Mr. Scanlon said there will be no Gilroy, weekend, evening, or special event service and complete closures of stations. He said this is more than a one dimensional problem. Mr. Scanlon said passengers need to spread the word about Caltrain. He said staff will try and make the recommendation as painless as possible but it is only putting off, for a matter of months, the day of reckoning.

Director Omar Ahmad said staff is trying to fill a $2.3 million gap for FY2011, but the problem is closer to $30 million. He said the Board should not declare victory by doing the $2.3 million spreadsheet shuffle. Director Ahmad said the Board needs to get to the reality that there is a significant hole and there needs to be a complete restructure of how service is provided and what is going to happen. He said advertising is not likely to be a savior in this case. Director Ahmad looks forward to what the service model is for $30 million. He said this is going to be a reboot of the service and prefers taking stronger action today.

PUBLIC COMMENT

Pat Giorni, Burlingame, said the Bike Dwell and Onboard Study was presented to the Bicycle Advisory Committee (BAC) last week. She thanked staff for producing this report. Ms. Giorni said she did her own dwell stop study at Palo Alto and her findings were consistent with the report.

John Murphy, San Francisco, said Caltrain's outreach was put in a few newspapers. He said he did an online petition for keeping weekend and Gilroy service. Mr. Murphy said Caltrain has a very loyal, smart, politically active ridership base that will go to bat for Caltrain, but they want to feel that the little things will be addressed.

Jeff Carter, Burlingame, said a few months ago Caltrain declared a fiscal emergency and he urged Caltrain to do whatever it takes to change the laws and requirements that force capital funding to not be used for operating funds. He said the Santa Clara Valley Transportation Authority (VTA) is moving ahead with the BART to San Jose extension and they should take a lesson from SamTrans on the BART to San Francisco International Airport service. Mr. Carter said SamTrans gave more than $200 million to buy into the system, but is has almost bankrupted them. He said the number one project for SamTrans, VTA and San Francisco Municipal Transportation Authority is to take care of Caltrain.

Brian Brackney, San Francisco, said onboard payment should be reinstated on Caltrain; there should be a surcharge for the bullet trains; and service to San Jose on weekends is needed.

Ed DeLanoy, San Carlos, said policy questions lie with the Board and not staff.

Shirley Johnson, SFBC, thanked staff for creating the BAC. The bike count showed the dwell problem is not caused by bicyclists, but total ridership.

CONSENT CALENDAR

a. Approval of Minutes of July 1, 2010
b. Authorize Ratification of the Award of an Emergency Contract to Technology Engineering and Construction, Inc. in the Amount of $94,292 for the Repair of the Centralized Equipment Maintenance and Operations Facility (CEMOF) Industrial Waste Pipeline and Approve an Amendment to Increase the Fiscal Year 2011 Caltrain Capital Budget by $96,000

Draft

c. Call for a Public Hearing on October 7, 2010 to Address Adoption of an Updated Property Conveyance Policy and Fee Schedule
d. Information of Statement of Revenues and Expenses for June 2010

The Board approved the consent calendar (Gage/Lloyd).

CHAIRPERSON'S REPORT
Appointment of Citizens Advisory Committee (CAC) Member John Hronowski, Representing San Francisco County.
Chair Elsbernd said eight applications were received and the San Francisco County Selection Committee is recommending the reappointment of John Hronowski to a three-year term.

The Board approved the CAC appointment of John Hronowski (Cisneros/Ahmad).

Appointment of CAC Member Sepi Richardson, Representing San Mateo County
Director Mark Church said the San Mateo County Selection Committee recommends the reappointment of Sepi Richardson.

The Board approved the CAC appointment of Sepi Richardson (Church/Ahmad).

METROPOLITAN TRANSPORTATION COMMISSION (MTC) LIAISON REPORT
No report

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)
- CAC Chair Mr. Hronowski thanked the Board for his and Ms. Richardson's reappointments.
- He said the CAC did not meet in August.

REPORT OF THE EXECUTIVE DIRECTOR
No report

Peninsula Rail Program (PRP) Update
PRP Director Bob Doty said the California HSR Board voted unanimously to recertify the environmental document.

Steve Emslie, City of Palo Alto, thanked staff for their great efforts to bring everyone in the Technical Working Group and Policy Working Group together. As HSR becomes more definite and alternatives are being refined, the Board should consider exploring ways of communicating with the various stakeholders to help the groups understand the implications for both implementation of HSR, as well as for the continued operations and upgrade at Caltrain.

Greg Conlon, Atherton, said there is no consensus that the alternatives being considered are valid. He said the rejection by HSR of both the tunnel and covered trench is very brash. Mr. Conlon thinks this Board is a culprit and needs to stop and listen to what is going on because there will be a very unhappy constiuent of riders.

Nadia Naik, Californians Advocating Responsible Rail Design (CARRD), said the Palo Alto City Council is working on a draft and has not taken a formal position yet of a vote of no confidence. She supports the Board considering a more formal relationship in talking to the cities. Ms. Naik said communicating through the media is not helping.

Draft

Pat Giorni, Burlingame, said it is time to dissolve the PRP. The public has great respect for Mr. Doty, but now he is being split between two authorities.

Mr. Scanlon said the potential funding through the high speed rail grants has great promise for Caltrain to modernize and electrify this railroad and in essence to cut in half any financial problem we have. Mr. Scanlon said from the outset this agency has dilegently protected, not only the interests of this rail service and this right of way, but also the communities through which it passes. He said there have been no negotiations about right of way as of yet -- it is way too early and way premature. Mr. Scanlon said because we have not chosen to engage in a highly visible arguments in the press does not mean we haven't been steadfast in our responsibility.

He said Mr. Doty is serving two masters, but unfortunately the public and the stakeholders do not see Mr. Doty as Caltrain anymore. He has become identified with HSR. Mr. Scanlon said it is incumbent upon all of us to work towards a better future for this community. That seems to be getting lost in arguments over things that are not facts, they are fiction, premature, they are rumors, and there are a whole lot of people that have well meaning concerns about this project and we owe it to them to respond to that. Mr. Scanlon said there are a significant number of people who just want to kill the train and kill HSR. He said that should not be tolerated because we owe it to ourselves and to future generations to make sure that we do everything possible to make this community more livable for the years ahead.

Mr. Scanlon said he remains personally convinced that you can build a HSR, commuter rail, electrified modern system through these communities in a much less intrusive way then the existing system that was put in in 1864 and is pushing all this pollution into the air.

Mr. Scanlon thanked Bruce Shelton, a fine conductor and resident historian, for providing valuable historical perspective by noting on August 18 that it was exactly 150 years ago on that date that the San Francisco and San Jose railroad was founded. It would take until January 16, 1864 before the line was completed, three years and five months. Mr. Scanlon said those who built the railroad were visionary and that he wants to make sure is a legacy recorded so the future generations know who had vision, who had courage and who was running to stay the course. He said he is signed up to do this right and to protect these communities, but to those who are arguing HSR would divide these communities, he said it will do just the opposite and joint communities that are currently divided by a rail system built 150 years ago.

Mr. Scanlon said there is a lot of work to be done, but that he is not ready to join the naysayers. The Memorandum of Understanding between Caltrain and HSR has a clause indicating either party can opt out of the agreement in 30 days. Read that and reflect upon it. It is an excellent document that is an excellent relationship and we need to go forward. This is going to be difficult work, but it is not the time to throw in the towel and future generations would be ashamed of us if we threw in the towel.

Director Yeager left at 11:55 a.m.

Jeff Carter, Burlingame, said there is too much misinformation on HSR. He said the railroad was here first; is fenced in a lot of places; and off limits to the public so it already divides the communities. Mr. Carter said he doesn't understand how the HSR program is going to divide

Draft

and destroy communities. He said there is no way thousands of homes are going to be taken away. Mr. Carter said the truth needs to get out, but the silent majority supports HSR.

DESIGNATION OF SEPTEMBER AS "RAILROAD SAFETY MONTH"
Chair Elsbernd presented the proclamation to Michael Garb, Chief Executive Officer, Youth and Family Enrichment Services.

Ms. Lempert left at 12:05 p.m.

Mr. Garb said this is the only organization in San Mateo County that answers suicide prevention calls. The agency is part of the national suicicide prevention hotline. Mr. Garb said his agency is funded by San Mateo County, along with some funding from private organizations.

Director Art Lloyd said, as a member of Operation Lifesaver, he is glad to support this motion.

A motion (Lloyd/Church) to designate September as "Railroad Safety Month" was approved unanimously.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR JULY 2010
A motion (Church/Ahmad) to accept the July statement was approved unanimously.

ACCEPTANCE OF THE QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET REVIEW AND OUTLOOK FOR THE QUARTER ENDED JUNE 30, 2010
A motion (Gage/Ahmad) to accept the report was approved unanimously.

UPDATE ON THE EXECUTION OF THE FUEL HEDGING PROGRAM
No discussion on item.

STATE AND FEDERAL LEGISLATIVE UPDATE
Government Affairs Manager Seamus Murphy said a couple of items passed through the State Assembly that staff is supporting and will be asking the governor to sign.

- SB1371 allows Proposition 1A connectivity funding recipients to advance their programmed share of Proposition 1A funding and be reimbursed through a Letter of No Prejudice process. Mr. Murphy said Caltrain has $41 million for electrification as part of the Proposition 1A connectivity pot.
- AB987 is a bill that has been approved for a second time; the governor didn't sign it last session. The bill recasts the area in a transit village development district to include all land within a half-mile instead of a quarter-mile of the transit station.

Director Ash Kalra asked if staff is taking a position on Proposition 23. Mr. Murphy said staff hasn't talked about bringing it to the Board. The only measure the Board has endorsed on the November ballot is Proposition 22, but if the Board would like, staff could bring something back to the October meeting. The Board requested this item be brought back for discussion next month.

QUARTERLY CAPITAL PROGRESS REPORT
No discussion

Draft

Public Comment

Doug DeLong, Mountain View, said many of the capital projects are moving along well, but noticed the Signal Optimization Project is having serious issues and asked why it hasn't it been brought to the Board's attention. Deputy CEO Chuck Harvey said the Signal Optimization Project is a project that added intermediate signals at four locations along the right of way with the intent of improving the service reliability of the trains. He said two of the four control points are up and operational and the other two were engineered with a wireless solution because of the expense required in trenching and hardwiring at those control points. Mr. Harvey said staff is having a technical problem with the solution. He said the control points are not operational at this time and the engineering and project delivery team are working with both the designers and contractor to find a solution. Mr. Harvey said he will update the Board as the project moves along.

CORRESPONDENCE

None

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

Thursday, October 7, 2010, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

GENERAL COUNSEL REPORT

Closed Session: Pending Litigation Pursuant to Government Code Section 54956.9 (a)
Celia Rea, Individually, as Successor in Interest of Decendent Anthony Rea and Personal Representative of the Estate of Anthony Rea, and Dean Rea v Peninsula Corridor Joint Powers Board

Mr. Miller said the Board of Directors will convene in closed session as permitted by the Brown Act to consider a litigation matter listed on the agenda.

Adjourned to close session at 12:15 p.m.

Reconvened to open session at 12:57 p.m.

Mr. Miller said the Board met in closed session to hear a report from counsel on a matter of litigation as listed on the agenda, Rea v Joint Powers Board. After due consideration a motion will be considered at this time to authorize settlement of this case and to delegate appropriate authority to the Chair and Executive Director to effect settlement on terms outlined by General Counsel and contingent upon the settlement being arrived at to in turn authorize amendment to the operating budget in the amount of $990,000 from reserves.

The motion carried and was approved unanimously by roll call.

ADJOURNED

Adjourned at 12:59 p.m.

AGENDA ITEM # 5 (b)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: C.H. (Chuck) Harvey
Deputy CEO

Gigi Harrington
Deputy CEO

SUBJECT: **AWARD OF A CONTRACT FOR REPLACEMENT OF CATERPILLAR LOCOMOTIVE, SEPARATE HEAD-END (SEP-HEP) POWER UNITS, SPARE SEP-HEP UNITS, PRODUCT SUPPORT, AND MECHANICAL AND ELECTRICAL SPARE PARTS**

ACTION

Staff Coordinating Council (SCC) recommends that the Board:

1. Award a contract to Transportation Technology, Inc. (TTI) for engine replacement of eleven Caterpillar F40 locomotive, 3406 Separate Head-End (SEP-HEP) power units and product support for a total estimated cost of $1,642,125; and
2. Authorize the Executive Director to execute an option for the replacement of up to seven additional SEP-HEP power units, one spare complete SEP-HEP power unit and product support, as funding is made available, and if it is in the best interest of the Peninsula Corridor Joint Powers Board (JPB) to do so, for a total estimated cost of $1,119,469; and
3. Authorize the Executive Director to execute an option for the replacement of one additional spare complete SEP-HEP power unit and purchase of mechanical and electrical spare parts, as funding is made available, and if it is in the best interest of the JPB to do so, for a total estimated cost of $112,142; and
4. Authorize the Executive Director or his designee to execute a contract in full conformity with the terms and conditions of the bid documents.

SIGNIFICANCE

The current SEP-HEP units, consisting of a diesel engine and electrical-generating alternator installed as a unit in the locomotive's engine compartment, have been in service since 2005, have reached the end of their life-cycle expectation and are now due for engine replacement. Award of this contract for the replacement of eleven locomotive SEP-HEP units, including one spare, will assure continued functionality of the equipment and avoid unscheduled repairs that could disrupt Caltrain service.

The option portion of the contract will complete replacement of the seven remaining F40 locomotives SEP-HEP power units, provide one additional complete spare SEP power unit and mechanical and electrical spare parts. The fleet of F40 locomotives will then be reliable for

supplying the Caltrain passenger cars with electrical power for the next five years.

BUDGET IMPACT

Funding for the base contract will come from Fiscal Year 2010 Caltrain Capital Budget funds previously approved for this project. Funding for contract options will come from approved Fiscal Year 2011 capital funds, and any future year funding as it becomes available. No additional member contributions are required at this time.

BACKGROUND

A SEP-HEP unit consists of a separately-mounted diesel engine and an electrical generating alternator located in a locomotive's engine compartment. The unit provides needed electrical power to operate lighting, heating, ventilation, air conditioning and door operating systems, among others, on passenger cars of the train sets. Normal service life between major overhaul of the units is four to five years. The separately-mounted engine and alternator are removable as a unit from the engine compartment of the locomotives and the majority of the work on the removed unit will be accomplished at the JPB's Centralized Equipment Maintenance and Operations Facility in San Jose, CA. Each locomotive undergoing SEP-HEP unit replacement or overhaul will be removed from fleet use for only seven to ten days, on a rotational basis, and no disruption of Caltrain service is expected because of this work.

The Caterpillar C15 SEP-HEP power units that will be applied under this contract will meet emission levels required to upgrade the current SEP-HEP units from Tier I level to Tier III level, which is the highest standard that can be obtained without requiring major construction change to the structure of the locomotive car-body while also being compliant with Environmental Protection Agency mandates for diesel engine emissions.

The JPB issued an Invitation for Bids for the replacement of installed Caterpillar F40 Locomotive, 3406 SEP-HEP power units, a spare complete SEP-HEP power unit with an option for the replacement of up to seven additional SEP-HEP power units, one spare complete SEP-HEP power unit together with spare parts and product support. A single bid was received as follows:

Engineer's Estimate	$2,953,118
Transportation Technology, Inc., Yonkers, NY	$2,873,736

Staff and legal counsel reviewed TTI's bid and determined that it is responsive and responsible. Additionally, since only a single bid was received, staff was required to perform a cost analysis of TTI's bid. Staff conducted the cost/price analysis and determined TTI's bid to be fair and reasonable. The JPB has had prior favorable experience with TTI as it was the Contractor for the 2005, F40 Locomotive, SEP-HEP Replacement Project and the 2008, MP36 Locomotive SEP-HEP Replacement Project. Both projects were completed successfully, on schedule, within budget, and TTI supported the warranty period without any concerns by staff.

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The Disadvantaged Business Enterprise (DBE) Program Officer also reviewed TTI's bid and determined that it met the DBE requirements of the IFB. TTI is a woman-owned business,

previously certified as a DBE by the Maryland Department of Transportation.

Staff surveyed the four firms that attended the pre-bid conference but did not submit a bid. Results of this survey yielded reasons for not submitting a bid that ranged from initially overlooking the bond requirement and then not having enough time to get one in place for the bid, to not having a local installer in the Bay Area requiring extra cost to fly in crews, to a failed attempt to team with another firm. The survey results confirm that the bid specifications were not overly restrictive; that there was adequate competition, and that for reasons beyond staff's control, no other bidders chose to submit bids.

Contract Officer:	Luis F. Velásquez	650.508.7731
Project Manager:	Stephen Coleman, Manager, Rail Equipment	408.793.5440

RESOLUTION NO. 2010-

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD

STATE OF CALIFORNIA

*** * ***

AUTHORIZING AWARD OF A CONTRACT FOR REPLACEMENT OF CATERPILLAR LOCOMOTIVE, SEPARATE HEAD-END (SEP-HEP) POWER UNITS, SPARE SEP-HEP UNITS, PRODUCT SUPPORT AND SPARE PARTS AT A TOTAL ESTIMATED COST OF $2,873,736

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) has solicited bids for the replacement of up to eighteen Caterpillar F40 locomotive 3406 Separate Head-End (SEP-HEP) power units, two complete spare SEP-HEP units, product support, and mechanical and electrical spare parts; and

WHEREAS, in response to the JPB's Invitation for Bids (IFB), the JPB received a single bid from Transportation Technology, Inc. (TTI) of Yonkers, New York; and

WHEREAS, staff and legal counsel have reviewed TTI's bid and determined that it is responsive and responsible; and

WHEREAS, staff performed a cost/price analysis on TTI's bid and has determined that the pricing offered by TTI is fair and reasonable; and

WHEREAS, the Executive Director recommends that a contract be awarded to TTI whose bid meets the requirements of the solicitation documents and whose pricing has been determined to be fair and reasonable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to Transportation Technology, Inc. of Yonkers, New York, for the replacement of eleven Caterpillar F40 locomotive SEP-HEP power units at a total estimated cost of $1,642,125, including product support and sales tax and

delivery, based upon the requirements of the JPB and at the unit prices TTI submitted; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute a contract on behalf of the Peninsula Corridor Joint Powers Board with Transportation Technology, Inc. in full conformity with the terms and conditions of the contract documents and negotiations; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to execute an option for the replacement of up to seven additional SEP-HEP power units and one spare complete SEP-HEP power unit at a total estimated cost of $1,119,469 including product support, sales tax and delivery, based upon the requirements of the JPB and at the unit prices TTI submitted, provided that exercise of such option is in the best interest of the JPB; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to execute an option for the replacement of one additional spare complete SEP-HEP power unit, and purchase of mechanical and electrical spare parts at a total estimated cost of $112,142 including product support, sales tax and delivery, based upon the requirements of the JPB and at the unit prices TTI submitted, provided that exercise of such option is in the best interest of the JPB.

Regularly passed and adopted this 7th day of October, 2010 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____

JPB Secretary

AGENDA ITEM # 5 (c)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: **AWARD OF A CONTRACT TO WEST BAY BUILDERS, INC. FOR THE SAN MATEO BRIDGES PHASE 1 – FOUNDATION IMPROVEMENTS PROJECT**

ACTION

Staff Coordinating Council (SCC) recommends that the Board:

1. Award a contract to the lowest responsive and responsible bidder, West Bay Builders, Inc. of Novato, CA, for the San Mateo Bridges Phase 1 – Foundation Improvements Project, in the total amount of $2,674,000.
2. Authorize the Executive Director or his designee to execute a contract in full conformity with the terms and conditions of the solicitation.

SIGNIFICANCE

Award of this construction contract will provide for foundation improvements of the railroad bridges at Poplar, Santa Inez, Monte Diablo and Tilton avenues in San Mateo.

BUDGET IMPACT

Funding for this contract has been fully budgeted in Fiscal Year 2009 and prior budget years. No additional funding will be required.

BACKGROUND

The Peninsula Corridor Joint Powers Board (JPB) owns railroad bridges over Poplar, Santa Inez, Monte Diablo and Tilton avenues in San Mateo. The work to be performed under the contract improves the seismic reliability of these bridges but does not preclude any construction to accommodate high speed rail. The bridge foundation improvements are critical for maintaining the infrastructure in a "State of Good Repair" and for providing reliable commuter service.

The San Mateo Bridges Phase 1 – Foundation Improvements Project will rehabilitate abutments, and retrofit bent columns on the four bridges in San Mateo. Construction work will include work on existing utilities and is expected to be completed in approximately one year.
Bids for the San Mateo Bridges Phase 1 – Foundation Improvement Project were originally received and opened publicly on May 13, 2010. In the interest of fairness, staff and legal counsel recommended the rejection of all bids and re-advertisement of the project, as several bidders

were confused about the bid requirements under the Supplemental Technical Provisions. At the July 1, 2010, Peninsula Joint Power Board Meeting, the JPB approved a motion to reject all bids and re-advertise the San Mateo Bridges Phase 1 – Foundation Improvements Project.

As a result, Invitations for Bids (IFBs) were distributed throughout the construction industry. The solicitation was re-advertised in a newspaper of general circulation and on the JPB's procurement website. Solicitation notices also were sent to potential bidders and disadvantaged business enterprises (DBEs). Eleven bids were received and opened publicly on August 12, 2010. The three lowest bids are listed below:

	Company	**Total Bid Amount**
	Engineer's Estimate	*$4,000,000*
1.	West Bay Builders, Inc.	$2,674,000
2.	William P. Young Construction, Inc.	$2,767,572
3.	Robert A. Bothman, Inc.	$2,769,510

Staff reviewed the bids and determined that West Bay Builders' bid was responsive to the bid solicitation requirements. West Bay Builders was deemed to be the apparent low bidder with a bid that was 33 percent lower than the engineer's estimate.

Staff and Legal Counsel verified that West Bay Builders satisfied all of the applicable legal requirements. Company reference checks confirm that West Bay Builders is an experienced and competent contractor. Therefore, staff concludes that West Bay Builders is appropriately qualified and capable of meeting the requirements of the contract, and is the lowest responsive and responsible bidder.

The DBE Office reviewed the IFB prior to release and established a 3.6 percent contract goal for underutilized disadvantaged business enterprises in accordance with Federal highway-aid requirements of the California Department of Transportation. Although West Bay Builders only met a portion of the contract goal (or approximately 1 percent of the contract total), it met the remaining DBE requirements through good faith efforts. West Bay Builders' level of DBE participation was similar to those of the other aforementioned bidders.

Contract Officer: Helen Hoang 650.508.7964
Project Manager: Rafael Bolon 650.622.7805

RESOLUTION NO. 2010-

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

*** * ***

AUTHORIZING AWARD OF CONTRACT TO
WEST BAY BUILDERS, INC.
FOR THE SAN MATEO BRIDGES PHASE 1 – FOUNDATION IMPROVEMENTS
PROJECT AT A TOTAL COST OF $2,674,000

WHEREAS, the Peninsula Corridor Joint Powers Board ("JPB") previously solicited bids for the San Mateo Bridges Phase 1 - Foundation Improvements Project, and staff and legal counsel recommended the rejection of all bids and re-advertisement of the project; and

WHEREAS, on July 1, 2010, the JPB unanimously approved a motion to reject all bids and re-advertise the San Mateo Bridges Phase 1 – Foundation Improvements Project; and;

WHEREAS, staff re-advertised and re-solicited bids for the San Mateo Bridges Phase 1 – Foundation Improvements Project; and

WHEREAS, in response to the JPB's invitation for bids, eleven firms submitted bids; and

WHEREAS, staff and General Counsel have reviewed the bids, and determined that the bid submitted by the lowest bidder, West Bay Builders, Inc., meets the requirements of the solicitation documents; and

WHEREAS, the Executive Director recommends that a contract be awarded to the lowest responsive, responsible bidder, West Bay Builders, Inc., 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 West Bay Builders, Inc. of Novato,

CA., for the San Mateo Bridges Phase 1 – Foundation Improvements Project for a total cost of $2,674,000; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is authorized to execute a contract on behalf of the Peninsula Corridor Joint Powers Board with West Bay Builders, Inc., in full conformity with all the terms and conditions of the solicitation.

Regularly passed and adopted this 7th day of October, 2010 by the following vote:

AYES:

NOES:

ABSENT:

_____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____

JPB Secretary

AGENDA ITEM # 5 (d)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **INFORMATION ON STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING JUNE 30, 2010**

The Finance Division engages in many activities following the end of the June 30 fiscal year both to close out the old fiscal year and set up the new fiscal year. The demands of these activities require a longer time to produce a complete Statement of Revenues and Expenses than allowed by the normal board meeting cycle. Consequently, staff will present a Statement of Revenues and Expenses for June at the November 4 meeting of the Board of Directors.

Prepared by: Patricia Reavey, Director of Finance 650.508.6434

AGENDA ITEM # 9 (a)
OCTOBER, 7 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: **KEY CALTRAIN PERFORMANCE STATISTICS AUGUST 2010**

For August 2010, Caltrain average weekday ridership (AWR) increased 2.0 percent over ridership for August 2009. AWR based on ticket sales was 40,939 for August 2010, an increase of 785 compared to August 2009. The total number of passengers for the month of August 2010 was 1,105,852, representing a 4.3 percent increase from last year's August total of 1,060,624.

In August 2010, on-time performance was 92.9 percent, as compared to 95.4 percent in August 2009. This represents a decline of 2.5 percentage points and can be attributed to signal problems and speed restrictions caused by abnormally high temperatures on August 24.

Average weekday shuttle ridership was estimated at 5,281. Overall shuttle ridership is down 2.3 percent. For the station shuttles, the Millbrae-Broadway shuttle averaged 98 daily riders. The Belmont-Hillsdale shuttle averaged 64 daily riders. The weekend Tamien-San Jose shuttle averaged 47 riders per day.

Caltrain Promotions – August 2010

San Francisco Giants – The August trade deadline passed and Caltrain customers decided not to trade the train for another means to the ballpark. Baseball ridership is still healthy, carrying an additional 337,248 customers so far this season, an increase of 3 percent from last season.

Clipper℠ – Caltrain staff continued to make more station visits to promote the Clipper card. This is one of a number of ways that Caltrain staff is making its customers aware of the smart card program and also informing them that beginning early next year the only way to get a Monthly Caltrain Pass or 8-ride Ticket is to load it onto a Clipper card.

Ringling Bros. & Barnum & Bailey Circus – Caltrain once again partnered with the circus to encourage fun seekers to take Caltrain to the Big Top in San Jose. The service was promoted through ad cards that were paid for by the circus and posted on the trains, a mention in the summer issue of Weekend Edition and under "Fun Destinations" on the Caltrain website. As part of the partnership, the circus offered a $5 discount on tickets to those who brought their Caltrain ticket to the box office.

Service and Fare change meetings – While not considered a textbook promotion, Caltrain undertook an extensive information campaign to notify its customers and the community about public meetings and the upcoming public hearing regarding proposed fare and service changes. Elements used were public notices, onboard take ones, station flyers, station visual message signs, public address announcements, conductor announcements and news releases.

Prepared by:	Ted Yurek, Senior Planner	650.508.6471
	Rita Haskin, Executive Officer	650.508.6248

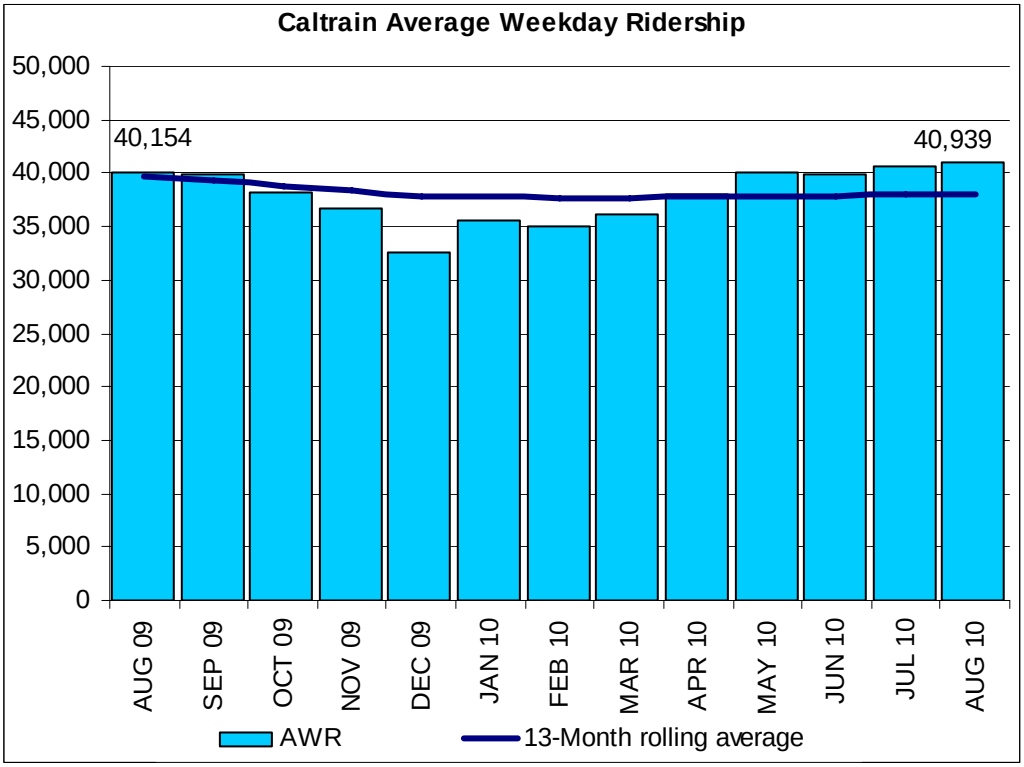
Table A

August 2010	FY2010	FY2011	%Change
Total Ridership	1,060,624	1,105,852	4.3%
Average Weekday Ridership	40,154	40,939	2.0%
Total Revenue	$3,819,252	$4,107,653	7.6%
On-time Performance	95.4%	92.9%	-2.5%*
Caltrain Shuttle Ridership	5,404	5,281	-2.3%

Year to Date	FY2010	FY2011	%Change
Total Ridership	2,159,576	2,188,833	1.4%
Average Weekday Ridership	40,500	40,818	0.8%
Total Revenue	$7,709,200	$8,059,663	4.5%
On-time Performance	94.8%	93.2%	-1.6%*
Average Caltrain Shuttle Ridership	5,424	5,181	-4.5%

* numeric difference of the percentages

Graph A



AGENDA ITEM # 10
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **STATEMENT OF REVENUE AND EXPENSE FOR THE PERIOD ENDING AUGUST 31, 2010 AND SUPPLEMENTAL INFORMATION**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenue and Expense for the month of August 2010 and supplemental information.

SIGNIFICANCE

Revenue: For August of Fiscal Year 2011, *Total Operating Revenue* (line 7) is $206,902 or 2.3 percent ***better*** than budget. Within total operating revenue *Farebox Revenue* (line 1), *Parking Revenue* (line 2) and *Rental Income* (line 4) together are $291,610 or 3.4 percent ***better*** than budget offset by *Shuttles* (line 3) and *Other Income* (line 5) which together are $84,708 or 12.9 percent ***worse*** than budget. Compared to the prior year, *Total Operating Revenue* (line 7) is $392,659 or 4.4 percent ***higher***.

Expense: *Grand Total Expenses* (line 47) show a favorable variance of $1,952,384 or 11.1 percent. *Total Operating Expense* (line 33) is $1,575,402 or 10.0 percent ***better*** than budget. Within total operating expense *Contract Operating & Maintenance* (line 23) is $883,681 or 8.9 percent ***better*** than budget. *Total Administrative Expense* (line 42) is $376,982 or 21.6 percent ***better*** than budget.

Compared to prior year, *Grand Total Expenses* (line 47) are $1,211,764 or 8.4 percent ***higher***. The increase in expense is mainly due to *Fuel* (line 26) and *Insurance* (line 28) which together are $1,573,756 or 63.2 percent ***higher*** offset by *Contract Operating & Maintenance* (line 23) and *Administrative Expenses* (line 42) which together are $451,270 or 4.1 percent ***lower*** than the prior year.

Budget Revisions: As per board minutes dated September 2, 2010, the board approved a budget adjustment to increase Insurance and Other Sources – use of reserves by $990,000.

Prepared by: Rima Lobo, Manager, Financial Services 650.508.6274
David Ramires, Accountant 650.508.6417

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2011

August 2010

% OF YEAR ELAPSED **16.7%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET (AS PROJECTED)	% REV BUDGET
REVENUE								
OPERATIONS:								
Farebox Revenue	4,107,653	7,709,200	8,059,663	7,800,096	103.3%	43,353,719	43,353,719	18.6%
Parking Revenue	207,345	255,094	393,452	378,526	103.9%	2,271,159	2,271,159	17.3%
Shuttles	104,008	184,476	209,705	250,928	83.6%	1,505,578	1,505,578	13.9%
Rental Income	155,911	276,583	301,377	284,260	106.0%	1,696,200	1,696,200	17.8%
Other Income	203,273	508,605	362,420	405,905	89.3%	2,435,440	2,435,440	14.9%
TOTAL OPERATING REVENUE	4,778,190	8,933,958	9,326,617	9,119,715	102.3%	51,262,096	51,262,096	18.2%
CONTRIBUTIONS:								
AB434 Peninsula Feeder Shuttle	83,333	166,667	166,667	166,666	100.0%	1,000,000	1,000,000	16.7%
Operating Grants	1,212,101	11,154	1,212,740	1,623,869	74.7%	6,327,389	6,327,389	19.2%
JPB Member Agencies	2,924,177	6,569,436	5,848,357	5,848,352	100.0%	35,090,130	35,090,130	16.7%
Other Sources	-	-	-	866,768	0.0%	6,200,000	7,190,000	0.0%
TOTAL CONTRIBUTED REVENUE	4,219,611	6,747,257	7,227,764	8,505,655	85.0%	48,617,519	49,607,519	14.6%
GRAND TOTAL REVENUE	**8,997,801**	**15,681,215**	**16,554,381**	**17,625,370**	**93.9%**	**99,879,615**	**100,869,615**	**16.4%**
EXPENSE								
OPERATING EXPENSE:								
Contract Operating and Maintenance	4,569,012	9,412,088	9,062,711	9,946,392	91.1%	62,285,336	62,285,336	14.6%
Operator Contract Transition Costs	-	-	-	-	0.0%	2,000,000	2,000,000	0.0%
Shuttles (incl Peninsula Pass)	251,174	505,333	507,900	557,605	91.1%	3,345,631	3,345,631	15.2%
Fuel	946,955	1,747,258	2,219,152	2,694,579	82.4%	14,146,389	14,146,389	15.7%
Timetables and Tickets	2,275	31,884	2,275	31,750	7.2%	190,500	190,500	1.2%
Insurance	1,440,335	743,570	1,845,432	1,801,661	102.4%	4,870,000	5,860,000	31.5%
Facilities and Equipment Maint	74,038	131,152	142,199	200,639	70.9%	1,213,000	1,213,000	11.7%
Utilities	116,145	85,632	203,583	274,127	74.3%	1,642,800	1,642,800	12.4%
Services	72,421	148,111	135,433	187,334	72.3%	1,126,610	1,126,610	12.0%
TOTAL OPERATING EXPENSE	**7,472,355**	**12,805,028**	**14,118,685**	**15,694,087**	90.0%	**90,820,266**	**91,810,266**	**15.4%**
ADMINISTRATIVE EXPENSE								
Wages and Benefits	483,957	1,030,925	903,558	1,086,908	83.1%	6,521,825	6,521,825	13.9%
Board of Directors	104	1,640	1,004	2,050	49.0%	12,300	12,300	8.2%
Professional Services	128,528	193,794	214,618	365,913	58.7%	2,122,724	2,122,724	10.1%
Communications and Marketing	2,572	31,227	5,662	44,140	12.8%	227,840	227,840	2.5%
Office Expense and Other	117,996	214,795	245,646	248,459	98.9%	1,365,539	1,365,539	18.0%
TOTAL ADMINISTRATIVE EXPENS	**733,157**	**1,472,381**	**1,370,488**	**1,747,470**	78.4%	**10,250,228**	**10,250,228**	**13.4%**
Long Term Debt Expense	91,906	183,813	183,813	183,813	100.0%	1,102,875	1,102,875	**16.7%**
Service Adjustment/Fare and Revenue Changes		-	-	-	0.0%	(2,293,754)	(2,293,754)	**0.0%**
GRAND TOTAL EXPENSE	**8,297,418**	**14,461,222**	**15,672,986**	**17,625,370**	88.9%	**99,879,615**	**100,869,615**	**15.5%**

"% OF YEAR ELAPSED" provides a general measure for evaluating overall progress against the annual budget. When comparing it to the amounts shown in the "% REV BUDGET" column, please note that individual line items reflect variations due to seasonal activities during the year.

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PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF AUGUST 31, 2010

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Restricted)	Liquid Cash	0.513%	$ 2,000,000	$ 2,003,288
Local Agency Investment Fund (Unrestricted)	Liquid Cash	0.513%	28,264,276	28,310,736
Investment Portfolio (Unrestricted)	Liquid Cash	3.045%	7,188,860	7,174,398
Other (Unrestricted)	Liquid Cash	0.050%	849,635	849,635
			$ 38,302,772	$ 38,338,057

Accrued Earnings for August 2010	$30,101.53	(1)
Cumulative Earnings FY2011	$62,165.04	

(1) Earnings do not include prior period adjustments

* The market value of Local Agency Investment Fund (LAIF) was derived from the fair value factor of 1.001643776 as reported by LAIF for quarter ending June 30, 2010.

** 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 # 11
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: **APPROVAL OF SERVICE AND FARE CHANGES TO BALANCE THE FY2011 BUDGET**

ACTION

Following extensive public outreach, feedback and evaluation, the Staff Coordinating Council recommends the Board take the following action of service and fare changes that, in combination with the planned closure of staffed ticket sales offices, will bridge the Fiscal Year 2011 $2.3 million operating budget gap:

- Suspend four limited midday trains 236, 237, 256 and 257
- Increase the Full Fare zone charge by $0.25 and corresponding changes to related fare media
- Increase GO Pass pricing to from $140 to $155

Further, Staff Coordinating Council recommends that the Board direct staff to implement a minimum of a 3-month weekend Baby Bullet demonstration in response to customer comments.

The changes above would go into effect January 1, 2011

The Staff Coordinating Council also recommends approval of the following changes to the Caltrain Codified Tariff to prepare Caltrain for the transition to Clipper:

- Allow a charge for the purchase of a Clipper fare card as established by the Metropolitan Transportation Commission
- Discontinue the Monthly Pass grace period
- Discontinue use of 8-ride Ticket by more than one passenger
- Redefine youth to 17 years old and younger
- Allow the purchase of a monthly Parking Permit with a single 8-ride Ticket

The changes to the codified tariff would go into effect October 2010.

The fares and service changes recommended above will be in effect for the remainder of FY 2011, however staff will continue to update the Board on its preparation for the FY2012 budget since it is projected that the severity of the financial challenges may require additional drastic service reductions and fare increases.

SIGNIFICANCE

At its July 2010 board meeting, the JPB adopted an operating budget with a $2.3 million budget gap with the understanding that the gap would be closed by utilizing a combination of fare increases and service suspensions. Following that meeting, staff conducted a comprehensive outreach process, culminating with a public hearing held at the September 2, 2010 JPB meeting. Staff has further evaluated all of the public input and developed a series of scenarios containing options that could be employed to bridge the operating budget gap for FY2011. The table below represents three such scenarios:

Proposed change	Option 1	Option 2	Option 3
Eliminate Station Agents	$ 600,000	$ 600,000	$ 600,000
Increase Go Pass	$ 150,000	$ 150,000	$ 150,000
Increase zone fare ($0.25)		$ 1,400,000	$ 1,400,000
Increase base fare ($0.25)	$ 900,000		
Cut 8 weekday trains	$ 590,000		
Cut 4 weekday midday trains		$ 175,000	
Cut 6 weekday trains (midday and evening)			$ 255,000
Total	**$ 2,240,000**	**$ 2,325,000**	**$ 2,405,000**

Based on the options presented above, staff is recommending Option 2 since it covers the budget gap and preserves more service for customers. Option 2 also reflects the broad preference that customers have for fare increases over service reductions. This is supported by the final public comment summary (attached).

During the outreach process, customers recommended that Caltrain could increase revenue by offering weekend Baby Bullet service. Staff is developing a pilot project to provide two round-trip Baby Bullet trains per weekend day that will be operated for three months, initially, and may be extended for a limited time following evaluation. There is minimal cost to try this revenue-enhancement plan as a demonstration project because the service would utilize existing crews and equipment.

BUDGET IMPACT

Ticket Offices

The closure of staffed ticket offices was part of the outreach process but was not subject to the public hearing. The closure of staffed ticket offices at San Francisco and San Jose Diridon stations, scheduled for October 11, 2010 was initially estimated to yield a savings of $700,000 for FY2011. Since the public hearing, staff has revised its plan to retain one additional extraboard clerk position to allow for reliable customer service coverage in San Francisco. Therefore the revised savings from the ticket office closure is $600,000 for FY2011. In preparation for these closures, staff has reached out to customers at both San Jose and

San Francisco stations to educate them about the closure and provide options for purchasing their tickets and passes.

Service Suspensions of up to Eight Weekday Trains

The early morning, midday and late evening service suspensions would reduce service by eight trains, resulting in an 82 train weekday schedule. When these options are evaluated separately, the suspension of four midday trains is estimated to net $175,000 in savings while the elimination of four trains in the early morning and late evening is estimated to have net savings of $160,000. The net savings that would accrue from their combined suspension is greater than the sum of their net savings individually due to the ability to eliminate more labor resources. The estimated net savings would be $590,000. Staff is recommending only the reduction of the four midday trains and that reduction would be implemented in January 2011.

Base Fare Increase or Zone Fare Increase

A $0.25 increase on the base fare is estimated to result in $0.9 million in additional fare revenue and constitutes an overall increase of 5.1 percent. A $0.25 increase on the zone fare is estimated to result in $1.4 million in additional fare revenue and constitutes an overall increase of 7.2 percent

Caltrain's last overall fare increase took place in January 2009 and was a $0.25 increase on the base fare. Staff is recommending the zone fare increase for FY 2011 and this increase would be effective in January 2011.

The attached "Commuter Rail Comparison" shows that with either level of fare increase, Caltrain fares are now competitive with its peers and are not under-priced. The estimates above both include a moderate adjustment for ridership lost due to fare elasticity.

GO Pass

An analysis of surveys provided by participating companies reveals that the GO Pass program is underpriced. Increasing the cost of each pass from $140 to $155 brings the cost closer to the goal of revenue neutrality and would result in an estimated $150,000 of additional revenue.

Codified Tariff - Clipper℠ Implementation

Modifications to the Codified Tariff to reflect Clipper℠ implementation are not expected to have budgetary impacts; rather, they will aid in the transition away from paper Monthly and 8-ride tickets.

Weekend Baby Bullet Demonstration

Staff is developing a refined timetable for this demonstration. Stations to be served will be chosen by a combination of ridership and the viability of the stop as a destination. The times that trains operate will be determined by high ridership demand slots and the desire to allow

customers to spend at least 4 hours in a desired destination. All of this is constrained by the assumption that the service must be provided using a single crew. The total incremental cost for the pilot project is estimated to be $107,000. Staff estimates that cost will be offset by $82,620 in revenue with a total net cost of $24,380 for the initial three months. The net cost of this program is proposed to be funded with fuel savings accrued from the first 6 months of FY2011 operation.

BACKGROUND

A public hearing was held at the September 2 board meeting to receive comment on a range of service suspensions and fare increases. This was the culmination of an outreach effort that included four drop-in Public Meetings on August 19, 2010 and the ability to comment via e-mail, phone and printed mail.

In summary, more than 1,700 comments were received regarding the various proposals. The five top comment categories were:

- Maintain weekend service (288)
- Maintain Gilroy service (277)
- Increase fares (251)
- Add bike capacity (238)
- Maintain morning/evening service (159)

The proposed service reductions are exempt from review under the California Environmental Quality Act as a result of the JPB's June 3, 2010 declaration of a fiscal emergency. In addition, the fare changes are exempt from CEQA under Section 21080(b)(8) of the Public Resources Code as they are needed to meet the operating expenses of the agency. Finally, the potential impact of the recommended service changes upon minority and low-income populations has been analyzed as required by Title VI of the Civil Rights Act of 1964, and it has been determined that these actions will not have disproportionate impacts upon such populations.

Prepared by: Michelle Bouchard, Director, Rail Transportation 650.508.6420

FY 2011 SERVICE AND FARE CHANGES COMMENT SUMMARY

Increase Fare and/or Fees								Service Suspension									
$0.25 base		$0.25 zone		Go Pass		Parking		Agnst	Midday Red.		Morn/Even Red.		Weekend		Gilroy		
For	Agnst	For	Agnst	For	Agnst	For	Agnst	reduction	For	Agnst	For	Agnst	For	Agnst	For	Agnst	Bikes
227	58	24	10	44	6	58	23	103	23	80	20	159	18	288	35	277	238

As of September 9, 2010 at the close of public comments:

1,126 people provided comments

1,691 total comments received on specific topics

Commuter Rail Fare Comparison

Agency	City	One-way Track Miles	Zones	Max. Fare Per Mile Cash	Max. Fare Per Mile Pass	One-way Cash Fare Base	One-way Cash Fare Max.	Monthly Pass Base	Monthly Pass Max.
Caltrain *(current)*	San Francisco-SJ	46.9	4	$0.165	$0.100	$2.50	$7.75	$66.25	$205.50
w/ Gilroy ext.		76.8	6	$0.146	$0.088	$2.50	$11.25	$66.25	$298.25
$0.25 base increase	San Francisco-SJ	46.9	4	$0.171	$0.103	$2.75	$8.00	$73.00	$212.00
w/ Gilroy ext.		76.8	6	$0.150	$0.090	$2.75	$11.50	$73.00	$304.75
$0.25 zone increase	San Francisco-SJ	46.9	4	$0.181	$0.109	$2.50	$8.50	$66.25	$225.25
w/ Gilroy ext.		76.8	6	$0.163	$0.098	$2.50	$12.50	$66.25	$331.25
ACE (1-1-09)	Stockton-San Jose	85.0	5	$0.138	$0.080	$3.50	$11.75	$72.75	$300.00
BART (7-1-09)	Pittsburg-SFO	51.5	n/a	$0.212	$0.189	$1.75	$10.90	$68.91	$429.19
Coaster (7-1-09)	San Diego	42.0	4	$0.155	$0.098	$5.00	$6.50	$144.00	$182.00
MBTA (6-2-10)	Boston	49.5	9	$0.157	$0.115	$1.70	$7.75	$59.00	$250.00
Metra (2-1-10)	Chicago	63.1	12	$0.135	$0.078	$2.25	$8.50	$58.05	$217.35
Metrolink (8-1-09)	Los Angeles	83.0	n/a	$0.169	$0.110	$4.75	$14.00	$103.25	$402.00
Metrolink (7-1-10)	Los Angeles	83.0	n/a	$0.175	$0.117	$5.00	$14.50	$106.75	$426.75
Sounder (6-2-10)	Seattle	39.4	5	$0.121	$0.099	$2.75	$4.75	$99.00	$171.00
VRE (6-2-10)	Washington, D.C.	55.0	9	$0.187	$0.118	$2.90	$10.30	$79.60	$285.50
Average		61.3	7	$0.161	$0.110	$3.29	$9.88	$87.92	$295.98

Notes:

For comparative purposes, the Caltrain information is shown from San Francisco to San Jose and from San Francisco to Gilroy.

BART fares are mileage based, not zone based. BART does not offer a monthly pass, it offers a 6.25% discount for high value tickets.

Date of 6-2-10 indicates current fares of unknown effective date

Sounder has a base fare of $2.55 plus 5.5 cents/mile, minimum $2.75.

Max. Fare/Mile = maximum one-way cash fare or monthly pass / one-way track miles

Metra fare increase 2-1-10 did not increase monthly pass prices

Some system comparisons use sample lines, not max zone or entire system

RESOLUTION NO. 2010 -

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

APPROVAL OF SERVICE SUSPENSIONS, FARE INCREASES AND ASSOCIATED CODIFIED TARIFF REVISIONS TO BALANCE THE FY2011 BUDGET AND ASSIST IN THE TRANSITION TO THE CLIPER FARE CARD

WHEREAS, the Peninsula Corridor Joint Powers Board ("JPB") faces a financial crisis of significant proportions that has resulted in the declaration of "fiscal emergency" as that term is defined in Section 21080.32 of the California Environmental Quality Act ("CEQA"); and

WHEREAS, among the factors contributing to the fiscal emergency are (1) the depletion of one-time funding source revenues, (2) the inability of JPB member agencies to sustain their annual operating subsidies for FY2011 in part due to a reduction of funding from the State of California, and (3) ridership decreases that have resulted in lower fare revenue; and

WHEREAS, one of the consequences of the fiscal emergency faced by the JPB has been the need to consider possible reductions in overall Caltrain service and possible fare and service fee changes; and

WHEREAS, although reductions in transit service generally require an evaluation of the potential environmental impact of such actions, Section 21080.32 of CEQA provides a statutory exemption for the reduction or elimination of existing transit service, facilities, programs or activities by a transit agency as a result of a declared fiscal emergency caused by failure of agency revenues to adequately fund programs and facilities; and

WHEREAS, a fiscal emergency exists when an agency is projected to have "negative working capital" within one year from the date the agency declares that a fiscal emergency exists; and

WHEREAS, on June 3, 2010 the Board of Directors, following a public hearing and after responding verbally to comments regarding the fiscal emergency declaration immediately thereafter, adopted Resolution 2010-27, declaring a fiscal emergency; and

WHEREAS, on September 2, 2010, the JPB held a public hearing to present detailed information regarding various service suspensions and revenue generation options and to provide the public an opportunity to comment on the proposals; and

WHEREAS, the JPB has considered all comments received at the public hearing, at four public meetings held on August 19, 2010, and via e-mail, phone and US post; and

WHEREAS, the JPB has determined that, among the range of options presented to it, that the following measures will enable it to balance the FY2011 budget: 1) suspension of the operation of two midday trains in each direction on weekdays; 2) increase the zone fare by $0.25 and all other fare categories by a proportionally corresponding amount; and 3) increase GO Pass pricing from $140 to $155 per employee; and

WHEREAS, the JPB proposes to adopt the following changes to the Codified Tariff to facilitate migration and increased deployment of the Clipper[SM] card electronic payment system that replaces in name the TransLink card: 1) allow for the Metropolitan Transportation Commission to set and collect a fee for initial purchase of Clipper[SM] cards; 2) discontinue the monthly pass grace period; 3) discontinue use of 8-ride by more than one passenger per ticket or card; 4) redefine the definition of youth to be 17 years old and younger; and 5) allow the purchase of a monthly parking permit with a single 8-ride ticket; and

WHEREAS, in response to suggestions offered by members of the public during the public outreach process, the staff coordinating council recommends that the Board approve

implementation of a weekend Baby Bullet demonstration service for a period of at least three months; and

WHEREAS, modification of fares and fees necessary to meet the operating expenses of the JPB are exempt from CEQA pursuant to Section 21080(b)(8); and

WHEREAS, the potential impact of the proposed midday service suspension and the zone fare increases upon minority and low-income populations has been analyzed as required by Title VI of the Civil Rights Act of 1964, and it has been determined that these actions will not have disproportionate impacts upon such populations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board, having explored and considered several alternative scenarios for changing the service schedule, the fares and the fees of its transportation service, with public input having been taken and considered, and having made judgments and estimates of savings and revenue increases of the different scenarios, finds that the necessary and prudent steps to implement the following actions effective January 1, 2011 will be to: 1) eliminate two midday trains in each direction on weekdays; 2) increase the full adult zone fare by $0.25 and other fare categories by a proportionally corresponding amount; 3) increase the GO Pass fare from $140 to $155 per employee; and 4) take the following action effective October 20, 2010: adopt the changes delineated above to the Codified Tariff to facilitate migration and increased deployment of the Clipper[SM] card electronic payment system that replaces in name the TransLink card; and

BE IT FURTHER RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board approves implementation of a weekend Baby Bullet demonstration service for a period of at least three months commencing January 1, 2011, with the understanding that the Executive Director will provide an evaluation of the program to the Board of Directors in

March, 2011 and, based thereon, his decision to eliminate the program or extend it through June 30, 2011; and

BE IT FURTHER RESOLVED that the Board of Directors, having declared that a "Fiscal Emergency" exists within the definition of section 21080.32 of the California Public Resources Code, is taking the above-described actions in order to ensure adequate funding for its programs and facilities; and

BE IT FURTHER RESOLVED that the Board of Directors finds that the modifications of fares and charges are necessary to meet the operating expenses of the JPB; and

BE IT FURTHER RESOLVED that the Board of Directors finds that the proposed fare, fee and service changes will have no possible adverse impacts on the environment; and

BE IT FURTHER RESOLVED that the Board of Directors directs staff to make any required filings under CEQA with the relevant county officers to support the above-described actions.

Regularly passed and adopted this 7th day of October, 2010 by the following vote:

AYES:

NOES:

ABSENT:

_____

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____

JPB Secretary

AGENDA ITEM # 12
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

Staff will provide regular updates to the Board consistent with the approved Legislative Program.

STATE ISSUES

Statewide Unfunded Transit Needs Assessment:

In a cooperative venture with the Sacramento Area Council of Governments, the California Transit Association (CTA) is soliciting proposals from qualified consultants to conduct a study to assess California's statewide unfunded public transit needs. This study will serve as a part of an assessment of the State's overall unfunded transportation infrastructure over a 10-year planning horizon. The California Transportation Commission intends to use this information in its role as an advisory body to the Legislature and governor in addressing the State's future transportation funding needs.

Staff will be working with the CTA and the Metropolitan Transportation Commission to ensure an expeditious and accurate flow of transit needs information to the selected consultant.

FEDERAL ISSUES

FY 2011 Appropriations:

Only two of the dozen FY 2011 appropriations measures (Transportation-HUD and Military Construction-Veterans Affairs) have passed the House and none has passed the Senate.

None of these measures is expected to be considered prior to the November election. Congressional appropriators are discussing conducting a post-election, lame-duck session that would consider a multi-bill omnibus package containing all 12 spending measures.

If the election results in Republicans capturing a majority in either chamber, it is highly unlikely that incumbent Republican lawmakers will cooperate with this plan, preferring to wait until a new Congress begins in January.

In the meantime, House and Senate Appropriations Committee leaders are developing a Continuing Resolution (CR) to maintain funding for Federal programs at FY 2010 levels after the end of the Federal fiscal year on September 30. Appropriations Committee staff reports indicate that such a measure could extend for six weeks.

Tax Extenders Legislation – Jobs Creation and Tax Cut Act of 2010:
Last week Senator Max Baucus, D-Montana, introduced legislation that would extend several tax provisions over the next fiscal year. Included among these provisions is the extension of tax credits for the purchase of alternative fuel for public transportation vehicles.

Staff has supported the extension of this provision to preserve a valuable incentive for transit agencies exploring the use of alternative fuel vehicles.

Prepared By: Seamus Murphy, Manager, Government Affairs 650.508.6388

Peninsula Corridor Joint Powers Board
State Legislative Matrix as of 9-14-10

Bill ID/Topic	Location	Summary	Position
AB 231 **Huber D** Environment: California Environmental Quality Act: overriding consideration.	ASSEMBLY ENROLLMENT 8/31/2010 - In Assembly. Concurrence in Senate amendments pending. Urgency clause adopted. Senate amendments concurred in. To enrollment. (Ayes 57. Noes 10. Page 6942.)	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 (EIR) 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. The 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. For projects whose environmental impacts can not be mitigated to less than significance, existing law authorizes a lead agency to find that specified overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment. If an EIR has been prepared and certified for a program, plan, policy, or ordinance, a lead agency is required to use a tiered EIR for a later project if the lead agency determines that the later project is consistent with the program, plan, policy, or ordinance, and satisfies other criteria. This bill would authorize a lead agency, until January 1, 2016, to incorporate by reference a finding of overriding consideration made in a prior EIR for a later project if specified conditions are met, including that the lead agency determines that the later project's significant impacts on the environment are not greater than or different from those identified in the prior EIR. This bill contains other related provisions. **Last Amended on 8/20/2010**	
AB 289 **Galgiani D** High-speed rail.	ASSEMBLY ENROLLMENT 8/31/2010 - In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To enrollment. (Ayes 56. Noes 18. Page 6922.)	Existing law, 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, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. The federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the federal American Recovery and Reinvestment Act of 2009 (ARRA) provide funding for allocation nationally to high-speed rail projects. This bill would require federal high-speed rail funds received on a reimbursement basis from ARRA to be deposited in the federal trust fund. The bill would require certain ARRA funds to be used for planning and engineering, and for capital costs, for the high-speed train system consistent with federal law and regulations and specified provisions of SB 965 of the 2009-10 Regular Session. The bill would identify the corridors eligible for federal PRIIA funds. The above provisions would become operative only if SB 965 is also enacted and becomes operative. This bill contains other related provisions and other existing laws. **Last Amended on 8/27/2010**	

Peninsula Corridor Joint Powers Board
State Legislative Matrix as of 9-14-10

Bill ID/Topic	Location	Summary	Position
AB 619 **Blumenfield D** Transportation projects: high-speed rail.	ASSEMBLY ENROLLED 9/3/2010 - Enrolled and to the Governor at 3 p.m.	Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law gives the authority the power to, among other things, enter into contracts with private or public entities for the design, construction, and operation of high-speed trains. Existing law, the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill would require any entity applying for a contract with the authority for goods or services related to the high-speed train network, as specified, to affirmatively certify whether it had any direct involvement in the deportation of any individuals to extermination camps, work camps, concentration camps, prisoner of war camps, or any similar camps between specified dates during World War II. The bill would also require the authority to acknowledge and note the importance of complying with this certification, as provided. **Last Amended on 7/15/2010**	
AB 987 **Ma D** Transit village development districts.	ASSEMBLY ENROLLED 9/3/2010 - Enrolled and to the Governor at 3 p.m.	Existing law, the Transit Village Development Planning Act of 1994, authorizes a city or county to create a transit village plan for a transit village development district. A transit village development district is required to include all land within not less than 1/4 mile of the exterior boundary of the parcel on which is located a transit station, as defined. This bill would recast the area included in a transit village development district to include all land within not more than 1/2 mile of the main entrance of a transit station and make additional legislative findings. The bill also would make technical, non-substantive changes. This bill contains other related provisions. **Last Amended on 8/18/2010**	Support
AB 1830 **Jones D** High-Speed Rail Authority.	ASSEMBLY ENROLLED 9/3/2010 - Enrolled and to the Governor at 3 p.m.	Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, authorizes $9.95 billion in general obligation bonds for high-speed rail development and other related purposes. The federal American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for allocation nationally to high-speed rail projects. This bill would require the authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws. **Last Amended on 8/20/2010**	

Peninsula Corridor Joint Powers Board
State Legislative Matrix as of 9-14-10

Bill ID/Topic	Location	Summary	Position
AB 2324 **John A. Perez D** Transit: public transit facilities.	ASSEMBLY ENROLLED 9/9/2010 - Enrolled and to the Governor at 4:30 p.m.	Existing law prohibits a person from knowingly possessing specified weapons and other items within any sterile area, as defined, of an airport or passenger vessel terminal, except as specified. This bill would make it a misdemeanor, punishable as specified, for any person to knowingly possess at a public transit vehicle facility, as defined, specified weapons, if a notice is posted at the facility, as specified. By creating a new crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. **Last Amended on 8/20/2010**	
SB 455 **Lowenthal D** High-speed rail.	SENATE ENROLLED 9/8/2010 - Enrolled. To Governor at 3:30 p.m.	Existing law creates the High-Speed Rail Authority with specified powers and duties relative to development and implementation of a high-speed train system. The authority is composed of 9 members, including 5 members appointed by the Governor. This bill would provide that the members of the authority appointed by the Governor are subject to appointment with the advice and consent of the Senate. **Last Amended on 8/19/2010**	
SB 964 **Alquist D** Workforce development program: high-speed rail.	SENATE DESK 9/3/2010 - Correctly enrolled. Held at Desk pursuant to Joint Rule 57.	Existing law, the California High-Speed Train Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill would require the authority to contract with the Employment Development Department to develop a labor market assessment of the workforce and identify the education and skills needed for construction, operation, and maintenance of the high-speed train system. The bill, in that regard, would require the department to consult and work cooperatively with the Mineta Transportation Institute at the California State University at San Jose and to consult with other workforce assessment efforts, as specified. The bill would require the authority and the department to form an advisory committee, as specified, to advise the authority and the department on the availability of skilled labor relative to the high-speed train project and on options for workforce training programs in that regard. The bill would require the labor market assessment to be submitted to the Legislature and incorporated into the authority's biennial revised business plan. This bill contains other related provisions. **Last Amended on 6/30/2010**	

Peninsula Corridor Joint Powers Board
State Legislative Matrix as of 9-14-10

Bill ID/Topic	Location	Summary	Position
SB 965 **DeSaulnier D** High-speed rail.	SENATE ENROLLED 9/8/2010 - Enrolled. To Governor at 3:30 p.m.	Existing law, the California High-Speed Train Act, creates the High-Speed Rail Authority to develop and implement a high-speed train system in the state, with specified powers and duties. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill, subject to appropriation by the Legislature, would require the authority to expend federal funds made available by the federal American Recovery and Reinvestment Act of 2009 (ARRA) for specified high-speed rail purposes. The bill would require the authority to take various actions in that regard. The bill would also require the authority to submit to the Legislature and the Legislative Analyst an expenditure plan for the federal funds within 60 days of finalization of a cooperative agreement with the federal government. The bill would make legislative findings and declarations relative to federal funds to be made available to the state by ARRA for high-speed rail purposes. The bill would exempt the Transbay Transit Center project in San Francisco from these provisions. This bill contains other related provisions. **Last Amended on 8/20/2010**	

Peninsula Corridor Joint Powers Board
State Legislative Matrix as of 9-14-10

Bill ID/Topic	Location	Summary	Position
SB 1320 **Hancock D** Transit fare evasion and passenger misconduct: administrative adjudication.	SENATE ENROLLED 9/2/2010 - Enrolled. To Governor at 5 p.m.	Existing law provides that it is an infraction, punishable by a fine not to exceed $250 and by specified community service, to evade the payment of any fare of, or to engage in passenger misconduct on or in a facility or vehicle of, a public transportation system. Existing law authorizes the City and County of San Francisco and the Los Angeles County Metropolitan Transportation Authority to adopt and enforce an ordinance to impose and enforce civil administrative penalties for fare evasion or passenger misconduct, other than by minors, on or in a transit facility or vehicle in lieu of the criminal penalties, with specified administrative adjudication procedures for the imposition and enforcement of the administrative penalties, including an initial review and opportunity for a subsequent administrative hearing. Fare evasion and passenger misconduct violation penalties are deposited in the general fund of the City and County of San Francisco or the County of Los Angeles, as applicable. This bill would authorize the Santa Clara Valley Transportation Authority, the Sacramento Regional Transit District, Long Beach Transit, Foothill Transit, and the Alameda-Contra Costa Transit District to adopt and enforce a similar administrative adjudication ordinance. Fare evasion and passenger misconduct violation penalties would be deposited in the general fund of the county in which the citation is administered. This bill contains other related provisions. **Last Amended on 8/9/2010**	
SB 1371 **Correa D** Transportation: bond funded projects: letter of no prejudice.	SENATE ENROLLED 9/8/2010 - Enrolled. To Governor at 4 p.m.	Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, provides for the issuance of $9.95 billion in general obligation bonds for high-speed rail and related purposes, including $950 million to be allocated by the California Transportation Commission to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail transit systems in connection with or otherwise related to the high-speed train system. This bill would allow an eligible recipient for funding for capital improvements to intercity and commuter rail lines and urban rail transit systems in connection with or otherwise related to the high-speed train system under the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to apply to the California Transportation Commission for a letter of no prejudice relating to those projects. The bill would authorize the commission to develop guidelines to implement these provisions. This bill contains other related provisions and other existing laws. **Last Amended on 8/16/2010**	Support

AGENDA ITEM # 12 (a)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **CALLING ON CONGRESS TO PASS LONG-TERM SURFACE TRANSPORTATION REAUTHORIZATION**

ACTION

Staff Coordinating Council (SCC) recommends the Board adopt a resolution calling on Congress to pass long-term surface transportation reauthorization.

SIGNIFICANCE

This resolution urges Congress to pass a long-term surface transportation authorization that increases Federal investment in public transportation and is consistent with core principles expressed by the American Public Transportation Association (APTA).

This action is consistent with the Peninsula Corridor Joint Power Board's (JPB) adopted 2010 Federal Legislative Program, which includes a goal of ensuring that "authorized funding supports long-term transportation investment needs."

The JPB would benefit from long-term reauthorization through increased and more predictable programmatic funding levels and potential operating assistance.

BUDGET IMPACT

This action would result in no immediate budget impact. When passed, surface transportation authorization legislation will include funding for programs that contribute to the JPB operating and capital budgets.

BACKGROUND

On August 10, 2005, the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This law guaranteed funding for highways, highway safety, and public transportation. Since the expiration of the SAFETEA-LU on September 30, 2009, Congress has extended current funding levels.

These levels, which have been extended since their expiration in 2009, do not adequately support public transportation needs. Consistent, long-term Federal funding is critical to maintain public

transportation systems in a state of good repair, fund capital programs to expand services and support more efficient and sustainable transit operations.

APTA has identified core principles for surface transportation reauthorization including increased investment in public transportation and new emergency operating assistance resulting in job creation, reduced dependence on foreign energy, enhanced environmental benefits, and reduced traffic congestion.

APTA's efforts also include circulation of an online petition calling on Congress to approve long-term reauthorization.

The Obama Administration recently announced a vision for surface transportation authorization that has potential to meet APTA's core principles and would include front-loaded authorization and appropriation of $50 billion in transportation investments.

Prepared By: Seamus Murphy, Manager, Government Affairs 650.508.6388

RESOLUTION NO. 2010-

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

*** * ***

CALLING ON CONGRESS TO APPROVE LONG-TERM SURFACE TRANSPORTATION REAUTHORIZATION LEGISLATION

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) operates the Caltrain commuter rail service, a fundamental component of the regional transportation network, serving more than 40,000 passengers on the average weekday and providing vital mobility options for Bay Area residents; and

WHEREAS, recent Caltrain capital and operating revenue reductions have resulted in limited capital improvements, reduced service and increased fares; and

WHEREAS, an increase in consistent, long-term Federal funding is critical to maintaining public transportation systems in a state of good repair, funding capital programs to expand services and supporting more efficient and sustainable transit operations; and

WHEREAS, long-term surface transportation authorization will help bolster the economic recovery and reduce unemployment by creating 36,000 jobs for every $1 billion spent on public transportation; and

WHEREAS, despite the need for increased funding, Congress has extended the previous surface transportation authorization multiple times since its expiration on September 30, 2009 instead of authorizing new, increased, long-term funding that will adequately meet the nation's public transportation needs; and

WHEREAS, the American Public Transportation Association (APTA) has identified core principles for surface transportation reauthorization including increased investment in public transportation and new emergency operating assistance, which would result in job creation, reduced dependence on foreign energy, enhanced environmental benefits, and reduced traffic congestion; and

WHEREAS, the Obama Administration recently announced a vision for surface transportation authorization that has potential to meet APTA's core principles and would include front-loaded authorization and appropriation of $50 billion in transportation investments.

NOW, THEREFORE, BE IT RESOLVED, that the Peninsula Corridor Joint Powers Board of Directors calls on Congress to approve long-term surface transportation reauthorization; and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be transmitted to the Senate and the House of Representatives of the United States of America; and

BE IT FURTHER RESOLVED, that the Board encourages Caltrain supporters` to sign APTA's online petition asking Congress to proceed with reauthorization.

Regularly passed and adopted this 7th day of October 2010, by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____

JPB Secretary

AGENDA ITEM # 12 (b)
OCTOBER 7, 2010

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Mark Simon
Executive Officer, Public Affairs

SUBJECT: **OPPOSITION OF PROPOSITION 23 ON CALIFORNIA'S NOVEMBER 2010 STATEWIDE BALLOT**

ACTION

Staff Coordinating Council (SCC) recommends the Board adopt a resolution opposing Proposition 23, a measure on the November 2, 2010 statewide ballot that would block implementation of AB 32, the California Global Warming Solutions Act of 2006.

SIGNIFICANCE

This measure would allow the implementation of AB 32 only when California's unemployment rate drops to 5.5 percent or less for four consecutive quarters. Unemployment has reached this level three times in the last 30 years and has only been below 5.5 percent for four consecutive quarters twice since 1999.

AB 32 requires that the State reduce overall greenhouse gas emissions to 1990 levels by 2020. SB 375, the land use, housing and transportation companion of AB 32, requires metropolitan planning organizations to develop and adopt sustainable communities strategies consistent with AB 32.

As a policy, AB 32 and SB 375 are consistent with the priorities expressed in the Board's approved 2010 State Legislative Program, which includes a goal of ensuring "equitable implementation of AB 32 and SB 375."

Since AB 32 was approved and signed into law, staff has been working closely with agencies responsible for its implementation to promote public transit and its critical role in the State's greenhouse gas reduction strategies.

BUDGET IMPACT

This action would result in no immediate budget impact.

BACKGROUND

In 2006, AB 32 was passed by the California Legislature and signed into law. This landmark clean energy and air pollution control law mandates that the State reduce greenhouse gas emissions, and hold polluters accountable for reducing air pollution that threatens human health and contributes to global climate change.

AB 32 authorizes the California Air Resources Board (CARB) to implement the State's emissions reduction strategies. In 2008, CARB approved the AB 32 Scoping Plan, which specifies a range of GHG reduction actions including direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, market-based mechanisms such as a cap-and-trade system, and an AB 32 program implementation regulation to fund the program.

In its capacity as the agency responsible for implementing AB 32, SB 375 requires CARB to establish regional emissions reduction targets through integrated land use, housing and transportation planning. Regional targets for the Bay Area include reducing greenhouse gas emissions from passenger vehicles 7 percent by 2020 and 15 percent by 2035.

The expansion and improvement of Caltrain service on the Peninsula to accommodate higher density development near job centers and transit corridors will likely be a key element of the Bay Area's sustainable communities strategy.

Prepared By: Seamus Murphy, Manager, Government Affairs 650.508.6388

RESOLUTION NO. 2010-

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

*** * ***

OPPOSITION OF PROPOSITION 23, WHICH WOULD BLOCK
AB 32- THE CALIFORNIA GLOBAL WARMING SOLUTIONS ACT OF 2006

WHEREAS, the California State Legislature passed AB 32, the California Global Warming Solutions Act of 2006, as a landmark clean energy and air pollution control law that would lower greenhouse gas emissions to 1990 levels by 2020, and would hold polluters accountable for reducing air pollution that threatens human health and contributes to global climate change; and

WHEREAS, the Peninsula Corridor Joint Powers Board (Caltrain) supports AB 32's emissions reduction goals and recognizes the role that public transportation plays in providing solutions to climate change; and

WHEREAS, Caltrain manages a commuter rail service that helps reduce greenhouse gas emissions by providing over 40,000 daily riders with a clean, safe, reliable alternative to vehicular travel; and

WHEREAS, station areas along the Caltrain corridor have been identified as regional Priority Development Areas with potential for reducing greenhouse gas emissions by enhancing opportunities for transit oriented development; and

WHEREAS, as job and population growth continue, Caltrain will need to expand service to meet growing regional public transportation needs consistent with the goals and policies adopted in its 2004-2023 Strategic Plan; and

WHEREAS, Proposition 23 would, except under economic conditions unlikely to occur in the foreseeable future, block implementation of AB 32, thereby eliminating the requirement that greenhouse gas emissions be reduced to 1990 levels by 2020, and eliminating the requirement that major polluters report and reduce greenhouse gas emissions; and

WHEREAS, if implemented under current and foreseeable economic conditions, Proposition 23 could suppress regional and statewide economic expansion and slow job growth by eliminating opportunities for expanded public transit alternatives, reducing incentives for the creation of more livable and sustainable communities along public transportation corridors and curtailing emerging clean technology industries.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Peninsula Corridor Joint Powers Board does hereby oppose Proposition 23; and

BE IT FURTHER RESOLVED, that Caltrain will continue to support the greenhouse gas emissions reduction goals of AB 32.

Regularly passed and adopted this 7th day of October 2010, by the following vote:

AYES:

NOES:

ABSENT:

_____
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

_____
JPB Secretary