



AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

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

November 4, 2010 – Thursday

10:00 a.m.

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Public Comment
Public comment by each individual speaker shall be limited to two minutes
4. Consent Calendar
Members of the public or Board may request that an item under the Consent Calendar be considered separately
 - a) Approval of Minutes of October 7, 2010
 - b) Approval of 2011 Board of Directors Meeting Calendar
 - c) Information on Conflict of Interest Code
 - d) Annual Adoption of Investment Policy and Authorization to Invest Monies with the Local Agency Investment Fund
 - e) Authorize Award of Contract to Interstate Grading & Paving, Inc. for the South San Francisco Station Parking Lot Rehabilitation Project in the Total Amount of \$446,000
5. Chairperson's Report
6. MTC Liaison Report
7. Report of the Citizens Advisory Committee
8. Report of the Executive Director
 - a) Caltrain Performance Report – September 2010
 - b) Peninsula Rail Program Update

RESOLUTIONS

9. Acceptance of Statement of Revenues and Expenses for June 2010 (unaudited)
10. Acceptance of Statement of Revenues and Expenses for September 2010

MOTION

MOTION

- | | |
|---|---------------|
| 11. Acceptance of the Quarterly Investment Report and Fixed Income
Market Review and Outlook for the Quarter Ended September 30, 2010 | MOTION |
| 12. Authorize Amending the Fiscal Year 2011 Capital Budget by
\$3.1 Million from \$33,488,086 to \$36,625,669 for the Santa Clara and
San Mateo Traffic Preemption Improvement Projects | RESOLUTION |
| 13. Authorize Entering into a Memorandum of Understanding with the
City of San Jose, the California High Speed Rail Authority and the
Santa Clara Valley Transportation Authority for the Design and
Development of the Diridon Rail Station | RESOLUTION |
| 14. Authorize Award of Contract to Valentine Corporation for the Station
Hardening Project in the Total Amount of \$1,518,369 | RESOLUTION |
| 15. Legislative Update | INFORMATIONAL |
| 16. Correspondence | |
| 17. Board Member Requests | |
| 18. General Counsel Report | |
| 19. Date/Time of Next Meeting
Thursday, December 2, 2010, 10 a.m. at San Mateo County Transit District Administrative
Building, Bacciocco Auditorium, 2 nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070 | |
| 20. 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 Caltrain 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.

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

Draft

**Minutes
October 7, 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, B. Fitzpatrick, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee, M. Martinez, D. Miller, S. Murphy, M. Simon

Chair Sean Elsbernd called the meeting to order at 10:04 a.m. Director José Cisneros led the Pledge of Allegiance.

PUBLIC HEARING TO ADDRESS ADOPTION OF UPDATED FEE SCHEDULE

JPB Secretary Martha Martinez said the public hearing was advertised in the *San Francisco Examiner* on September 19 and 26 and the *San Jose Post-Record* on September 20 and 27. She said the public hearing also was publicized through the JPB's printed agendas and the Caltrain website. To date no comments have been received.

Manager, Real Estate and Property Development Brian Fitzpatrick said the fee schedule reflects the costs of staff time for processing requests, particularly permission to enter JPB property. The fee schedule has not been updated since 1994. Mr. Fitzpatrick said staff recommends updating the fees.

Legal Counsel David Miller said staff has presented the item and adequate public notice was given for the hearing and the Board has met all legal obligations.

A motion (Gage/Lloyd) to close the public hearing was approved by all.

AUTHORIZE ADOPTION OF AN UPDATED PROPERTY CONVEYANCE POLICY AND FEE SCHEDULE

A motion (Cisneros/Lloyd) to approve the updated fee schedule was approved unanimously by roll call.

PUBLIC COMMENT

John Murphy, San Francisco, said he is very concerned about his commute tonight with the Giants playoff game at AT&T Park. Mr. Murphy said Caltrain tickets should be available for purchase from the Giants when customers buy their baseball tickets.

Shirley Johnson, San Francisco Bicycle Coalition (SFBC), shared a report written by BIKES Onboard titled "Caltrain Loses Ridership and Ticket Revenue by Denying Service to Cyclists."

Ms. Johnson said the report shows that Caltrain lost more than \$1 million last year by forcing cyclists back into their cars. Ms. Johnson said Caltrain can win these customers back by simply upgrading the remaining 12 consists to 80 bike spaces to stop bumping.

Andrew Ness, San Francisco, said he rides Caltrain daily from 4th & King to Hillsdale, Belmont or San Carlos. He said Caltrain is routinely denying service to paying customers due to insufficient bicycle capacity. Mr. Ness said Caltrain is losing revenue. He said there needs to be 80 bikes spaces per train to meet the demand of paying customers.

Doug DeLong, Mountain View, said whenever there is a special event there is overloading at the ticket vending machines. The use of a Clipper card could be a way out of this overloading because a passenger just has to tap the machine. Mr. DeLong said in the current budget there is \$2 million for transition costs to a potential new operating contractor, but would like to hear if the number may go up or down, if the same contractor is picked.

Greg Conlon, Atherton, said he would like to congratulate management for listening to the public's concerns over High Speed Rail (HSR) indicated by a change of attitude and direction of Caltrain. He said continued vigilance of putting up fences and quad gates along the right of way is necessary.

Jeff Carter, Burlingame, said he is looking forward to Caltrain providing good service for the Giants playoff games. He likes the idea of having the Giants sell Caltrain tickets when people purchase game tickets. He said it would be nice if the Giants would help underwrite some of the Caltrain service.

David Wilcox, San Carlos, said he is a member of the SamTrans CAC. At last night's CAC meeting the committee was asking about a bike committee. He would like to know when and where the committee meets and why don't the bicyclists go to the committee with their issues.

Andy Chow, Bay Rail Alliance, said on Tuesday there was a news article in the *San Mateo Daily Journal* on HSR's response to Caltrain's request to consider phasing. He said people can't always believe what they read in the news. Mr. Chow said the two agencies have different views and it appears to him that one agency understands reality and the other doesn't.

Director Ash Kalra submitted a letter from Forrest Williams thanking the Board for the opportunity to speak at last month's Board meeting and to reaffirm his position that Caltrain should find a long-term solution for South County service.

CONSENT CALENDAR

- 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

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

CHAIRPERSON'S REPORT

No report

METROPOLITAN TRANSPORTATION COMMISSION (MTC) LIAISON REPORT

MTC Commission Sue Lempert reported:

- The Clipper card is becoming a big success and the more people use it, the easier it is.
- The two big issues MTC has been discussing are the approval of the Oakland Airpporter and raising their targets for reducing emissions.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

CAC Chair John Hronowski reported on the September 29 meeting:

- The CAC supports the continuation of service to Gilroy and passed a motion in support of the budget proposal recommendation.
- Director of Rail Transportation Michelle Bouchard gave a presentation on the Bike Count and Dwell Time Study and recommendations. An ad hoc committee was created to weigh in on this matter and give recommendations.

REPORT OF THE EXECUTIVE DIRECTOR

Deputy CEO Chuck Harvey reported:

- Executive Director Michael Scanlon is attending the American Public Transportation Association (APTA) annual meeting and was elected chair for the coming year. Director Nat Ford was elected secretary-treasurer.
- A story appeared in local newspapers and on television this week that asserts there has been an overall increase in Caltrain salaries at a time when Caltrain is cutting service and raising fares. Staff has been working with this reporter for several weeks to help him understand how the agency is structured and how we manage and charge for work that is done for Caltrain. In spite of staff's best efforts, the story is fundamentally inaccurate and misinterprets information. Staff acknowledges the complexity in how SamTrans, as the managing agency partner for Caltrain is staffed, and how the resources are allocated for the three agencies that are managed. It is also important to state to the Board and to the public that Caltrain employees did not receive individual pay increases totaling 14 percent between 2007-2010. The difference in total wages applied to the Caltrain operating budget did increase 14 percent during this period, of which 9 percent of this amount is the result of additional staff hours being applied to the Caltrain operating budget. This increase in hours reflects a better accounting of the time agency staff spends on JPB business, which was verified by a cost allocation review conducted by the agency. These changes in operating wages were also reviewed and approved by this Board, as part of the annual budgeting process. The remainder of the increase is attributed to minor salary adjustments that were granted in 2008. Since that time there have been no salary increases for administrative staff. Employees have and will continue to take furlough days, 17 so far. Hiring for all but the most essential positions has been frozen and the San Mateo County Transit District (District) was reorganized to cut costs and employees have been laid off. The amount paid for operating wages to administer the Caltrain budget is a bargain compared to other transportation agencies. SamTrans has a total administrative staff of approximately 275 employees who are allocated to work on the SamTrans bus system, the San Mateo County Transportation Authority and the JPB. The actual staff hours charged to the JPB Operating Budget total between 40-50 full-time equivalent employees out of this total SamTrans staff. Those 40-50 full-time employees manage every aspect of the Caltrain service, from the

Amtrak contract, to marketing, planning, finance, procurement, information technology, human resources, safety and security. The wisdom of the JPB to appoint a managing agency partner that can share overhead costs across multiple business units has resulted in extremely low administrative staffing levels and costs for the JPB. The total cost for wages and benefits for administrative employees for the JPB Operating Budget represents 6.5 percent of the total annual Operating Budget for Caltrain. As a point of comparison, Metrolink operates a system which has the same average daily ridership as Caltrain with a stand alone dedicated administrative staff. Metrolink's administrative staff totals 209 employees. Even if Caltrain included its entire Capital Budget staff the total headcount would be about 100, 50 percent less than comparable commuter rail agency to the south of us. Caltrain has operated with very limited staffing levels and has allowed the JPB to apply a higher percentage of its funding to service its customers since it was formed in 1992. The success of Caltrain, since it was acquired by the JPB and managed by the District is undisputed. Staff runs a lean and effective system. Costs have been cut at every level to maintain services.

Chair Elsbernd wanted to confirm that there have been no salary increases other than the minor salary adjustments in 2008. Mr. Harvey said that is correct. He said starting in Fiscal Year 2009 all administrative employees at the District entered a salary freeze; there was a salary freeze in FY2010 and this freeze was carried over to FY2011.

Chair Elsbernd asked for more explanation on the 14 percent not being a pay raise. Mr. Harvey said the difference in total wages for 2007 through 2009 is 14 percent. So someone could make the mistake of saying everyone received a 14 percent wage increase. In fact, it is the difference in staff time charged to Caltrain.

- Monthly Performance Statistics – August 2010 compared to August 2009
 - a. Total Ridership was 1,105,852, an increase of 4.3 percent.
 - b. Average Weekday Ridership was 40,939, an increase of 2 percent.
 - c. Total Revenue was \$4,107,653, an increase of 7.6 percent.
 - d. On-time Performance was 92.9 percent, a decrease of 2.5 percent.
- An extra 5,320 passengers were carried for the 13 Giants games in September and October. Through the 84 home games this year total ridership increased 5 percent over 2009 carrying more than 417,000 riders. Additional service will be provided for the playoffs starting tonight.
- Stanford football service has carried an additional 863 passengers.
- There was an opera at AT&T Park on Friday, September 24 and the last two southbound trains carried an additional 1,450 passengers.
- Regular weekday service will operated on Thursday, November 11 for Veterans Day.
- The triennial onboard survey will be occurring during October. The purpose of this survey is to get a snapshot of who is riding and for future marketing campaigns.
- The redesigned *Caltrain Connection* newsletter received an APTA AdWheel award.
- Chase Bank is finishing up a four-week saturation ad campaign at the 4th & King Station and will be replaced by a saturation by the Hawaii Tourist Board for one month.
- The San Jose Sharks have wrapped a train and Target is in the process of wrapping two full trains.
- In recognition of Rail Safety Month, installation of 250 signs has begun along a 10-mile stretch of right of way between Menlo Park and Mountain View. These signs are part of a national test to study the effectiveness of signs in preventing suicides on the railroad. The phone number on the signs is routed directly to the Youth and Family Services Crisis

Intervention Center in San Carlos. Director Omar Ahmad was thanked for his participation in the event on September 27 where these signs were rolled out.

- A community meeting was held on September 30 in San Bruno to present the grade separation project to local residents. Staff, along with San Bruno City Council and San Bruno staff, presented the overall design, construction staging and schedule. The groundbreaking for this event has tentatively been set for October 26 and staff will update the Board when the time and date are confirmed.
- Chair Elsbernd and Santa Clara Valley Transportation Authority General Manager Michael Burns were thanked for calling staff on the evening of the Pacific Gas & Electric explosion in San Bruno to offer any mutual aid.
- The Bicycle Advisory Committee (BAC) has been formed. In the past year, Caltrain has increased onboard bicycle capacity by more than 30 percent. The impact of that capacity increase was studied and the key findings were presented to the BAC. Staff did note that the capacity issues and denied boardings occurred during peak periods. The train delays are more attributed to heavier overall ridership than bikes alone. There were 10 problematic trains identified during the study that have consistent bike capacity issues with denied boardings. After reviewing the strategies and the existing constraints, including fleet make up, consist turns, safety, operations, scheduling and non-bicycle passenger impacts and funding issues staff determined the best overall option is to eventually convert all gallery consists to two bike cars. The approximate cost for this conversion is \$30,000 per car or \$300,000 in total. The ability to fund these conversions is going to be based on the ability to attain capital money. Staff is going through grants and contingencies from prior projects to find money to do this work. Staff will be reporting back on the progress, but is committed to finding the money to do this conversion. Once the funding is secured, each conversion will take approximately one month with an overall timeframe of one year. In the interim, staff will be working progressively to adjust consists turns where possible to address a couple of the peak capacity trains as a first step in the conversion project.

Director Don Gage asked if the Giants trains are marked as a special train. Mr. Harvey said in the northbound direction none of the trains are marked. He said after the games there are two special trains that depart 4th & King.

Public Comment

Andy Chow, Bay Rail Alliance, said the statement about the staffing level of Caltrain is appropriate and people need to understand that is how government does business considering funding constraints. Mr. Chow said it is good to see Caltrain's ridership is increasing. He said recently the MTC Transit Sustainability Project's preliminary findings showed all transit agencies, for the past 10 years, have increased costs and decreased ridership; Caltrain actually increased ridership in the period and the cost per rider has gone down.

Shirley Johnson, SFBC, thanked Mr. Harvey for explaining the plan to increase bike capacity. She said the SFBC would like to partner with Caltrain to help write the funding applications.

Peninsula Rail Program (PRP) Update

PRP Director Bob Doty reported:

- There are a lot of significant milestones coming up in the near future. A new and improved website was rolled-out yesterday..

- A Supplemental Alternative Analysis was submitted in August. The 15 percent design will be released at the end of the month and staff is meeting with cities to discuss, in detail, the horizontal and vertical alignment options.
- The Supplemental Alternatives Analysis will be released by the end of the year. Staff will be preparing a document on how to read the Supplemental Alternatives Analysis so people can find information in the document.
- At the October 20 California High Speed Rail Authority (CHSRA) Board meeting the selection criteria for the American Recovery and Reinvestment Act (ARRA) first round funding will be announced. This criteria will be used to identify the initial segments of where money will go. The official announcement is scheduled for November 11 for the HSR board to identify which of the four segments actually gets the first round of ARRA funding to be awarded on January 28, 2011. Some money has already been received for environmental, but this award is the big share and a significant event.

Chair Elsbernd asked for further discussion on the letter that was sent from the JPB to the CHSRA. Mr. Doty said a meeting was setup between Mr. Scanlon and CHSRA CEO Roelof van Ark. He said the actual construction process is always in phases. Mr. Doty said things got misunderstood as something other than that. Mr. Scanlon was suggesting the phased approach as something staff supports because of the potential impact to Caltrain.

Mr. Miller said there is further work and discussions, particularly with the shape and scope of the environmental process to implement the vision that Caltrain has outlined and staff will be reporting back.

Public Comment

Jeff Carter, Burlingame, said he is tired of hearing the fear mongering and lies from the anti-HSR people and the newspapers pick up on this and publish a lot of negative reports. He said the fact is if Caltrain and HSR are running at the surface or on an aerial structure it is going to be much more quieter and pleasant for the cities. Mr. Carter said this is not going to be an eyesore as people are painting it. He said there is a silent majority that supports HSR and people are not hearing from them because the city councils are listening only to the negatives and none of the positives. Mr. Carter doesn't understand why Belmont wants to go underground when it is already up on a berm. He said years ago Belmont/San Carlos held an election and the people voted to put the Caltrain separation on a berm and millions of dollars were spent to do this.

Pat Giorni, Burlingame, asked when this Board is going to move forward and certify the Caltrain [Electrification] Environmental Impact Report (EIR) that was put off a few months ago.

Mr. Miller said staff has been engaged in continuing discussions with those that have expressed some concern about the EIR and issues regarding funding.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR AUGUST 2010

Deputy CEO Gigi Harrington said farebox and parking revenue for August is slightly over budget, which reflects an increase in ridership. There are savings in both the operating contract and fuel budget expenses.

A motion (Lloyd/Ahmad) to accept the August 2010 statement was approved unanimously.

AUTHORIZE ADOPTION OF SERVICE CHANGES AND FARE INCREASES

Ms. Bouchard made the following points:

- Changes to the Codified Tariff will be implemented as early as October and will be revenue neutral. The changes include the discontinuation of the monthly pass grace period; discontinuing the use of an 8-ride ticket by more than one passenger; redefine youth to 17 years old and younger and allow for the purchase of a monthly parking permit with a single 8-ride ticket.
- In July the Board adopted a FY2011 budget with a \$2.3 million deficit.
- Staffed ticket offices in San Francisco and San Jose were closed effective October 11, which has a net savings of \$600,000.
- The fare and service recommendations will bridge the remaining \$1.7 million Operating Budget gap and be implemented on January 2011.
 - Increase the Go Pass from \$140 to \$155 with a net budget impact of \$150,000.
 - Increase zone fares by \$0.25 with a net budget impact of \$1.4 million.
 - Suspend four midday trains with a net budget impact of \$175,000.
- Staff is proposing a Baby Bullet weekend pilot service for a minimum of three months beginning in January 2011. There needs to be a 10 percent increase in ridership on the weekend for the service to cover the incremental costs.

Director Gage asked if it would be better to do the pilot program during the holiday season rather than starting in January. Ms. Bouchard said staff contemplated trying to get it in before the holiday season. However, this service is going to hinge on staff's ability to promote it and felt it would be best to start in January.

Ms. Lempert asked if the weekend bullet service will be timed with sports events and what will the midday service be like now. Ms. Bouchard said midday service would be every hour. She said in terms of the bullet service existing crews will be used. Staff will be evaluating this service the entire time and if it proves to be successful, it could be expanded and extended into the 2011 Giants season.

Public Comment

Jeff Carter, Burlingame, thanked Ms. Bouchard and staff for coming up with the current proposal and appreciate the fact the early morning trains were kept. He said he doesn't like the elimination of the use of an 8-ride ticket by more than one person and monthly pass grace period. Mr. Carter said it is a nice little perk for the monthly riders and should be retained. He hopes the board approves these changes and is doing whatever they can to find a permanent dedicated funding source before next year's disaster.

Vaughn Wolfe, Pleasanton, said he is in favor of the fare increase and the weekend Baby Bullet service. He said according to the Economic Policy Institute, even if employment grew at the rate that it did during the high point of the 1990's boom, 2.6 percent annually, we wouldn't see a pre-2008 level employment until January 2015. Mr. Wolfe said if people want the service they should pay for it. Mr. Wolfe would suggest the same thing for the bicyclists.

John Murphy, San Francisco, said about a month ago he started an online petition to drum up support for weekend Baby Bullet service and he is very excited to see staff is recommending it, even though he never submitted the petition. He said train 236 is one of the trains being eliminated and staff might consider moving the second bullet stop on train 332 from Menlo Park to Palo Alto.

Andy Chow, Bay Rail Alliance, said he is working with the Friends of Caltrain coalition, former Palo Alto Mayor Yoriko Kishimoto and Caltrain staff to find a long-term dedicated revenue source. Mr. Chow said for any dedicated funding package to be successful, people need to be convinced that Caltrain is a regional asset. He said it is good to see the weekend Baby Bullet pilot program and thinks it will be very successful.

Pat Giorni, Burlingame, said between January-March there isn't much happening to bring people to San Francisco and the weather is bad. She suggested the possibility of extending the weekend Baby Bullet service a couple of months past March and to not expect a 10 percent increase in the first three months of ridership, especially if conditions are not good.

Shirley Johnson, SFBC, said she knows staff had some very tough decisions and she commends them for listening to the public. She supports the closing of the staffed ticket offices, but the bicycle destination tags were available at these offices. Ms. Johnson would like the bicycle destination tags available on the trains and from conductors.

Director Ahmad said he appreciates what staff has done to close the \$10 million gap with \$1.7 million in cuts or 18 percent of the total problem. Director Ahmad would like to caution the riding public that there is a structural deficit and the amount of money it takes to run a railroad in a safe fashion and revenue don't match up. He said the problem Caltrain has is not \$1.7 million, but close to \$30 million and it will come to a head in July. Director Ahmad said he will be voting for staff's recommendations, but wished stronger action was done this year because next year's pain is not going to be acquitted.

A motion (Ahmad/Lloyd) to adopt the service changes and fare increases was approved unanimously by roll call.

STATE AND FEDERAL LEGISLATIVE UPDATE

- Government Affairs Manager Seamus Murphy reported:

STATE

Staff expects the State budget to be approved today. Other than allowing for the sale of infrastructure bonds to proceed, there will be little impact on public transportation. On specific legislation from last session, the governor signed two Caltrain-supported bills. The first one is SB 1371, which allows Proposition 1A connectivity funding recipients to advance spending of their programmed share of those funds and be reimbursed through the Letter of No Prejudice process by the State. The other bill is SB 987, which would extend the area included in a transit village development district from within a quarter-mile to within a half-mile of a transit station.

FEDERAL

Staff has been working on several Federal issues. Most of them were also areas of focus at APTA's annual meeting earlier this week. A bill was introduced in the House that would raise the cap on damages for railroads found guilty of gross negligence or willful misconduct from \$200 million to \$500 million. The cap also would be indexed to reflect the Consumer Price Index and the increase would be retroactive to affect ongoing settlement negotiations between Metrolink and the victims of the 2008 Chatsworth accident. Senator Dianne Feinstein's office has reached out to staff as she intends to introduce legislation in the Senate and asked for our thoughts and concerns. Staff reviewed the House version and determined

the bill would result in insurance premium increases of at least 30 percent for Caltrain and could complicate the agency's ability to procure adequate insurance coverage. Staff is working with APTA and industry peers during the Congressional recess to identify some alternatives to the House bill and will share those with Senator Feinstein so they can be included in her version of the bill she plans to introduce when Congress reconvenes after the election.

Congressman John Garamendi has introduced legislation that would eliminate or change many of the waivers and exceptions granted to transit agencies for Buy America regulations. APTA is working with the House Transportation and Infrastructure Committee to provide specific information on how this legislation would affect transit agencies and staff will be participating in the process. It is unlikely that the Garamendi bill will move this Congress, but changes to Buy America legislation is something staff thinks Congress will look at when they reauthorize Surface Transportation sometime next year.

ARRA includes a provision that increased the monthly amount that employers can offer in pre-tax benefits for transit riders to make the benefits equal to the benefits that employers offer for parking. Staff has contacted our delegation to urge them to extend those benefits at the existing level, ensuring that transit incentives are equal to parking incentives.

The Federal Housing Finance Agency has issued a draft guidance that would greatly restrict the imposition of private transfer agreements, which require that a percentage of the sale of private property in specified developments be collected and used to fund various transportation infrastructure, improvements and environmental mitigation. At least one Bay Area transit agency benefits from these agreements: BART, receives a percentage of the sale of each unit in a development near the Dublin/Pleasanton station. Staff is preparing comments that acknowledge the need for further regulation in this area, but also is urging the Federal Housing Finance Agency to preserve the ability of transit agencies to benefit from these agreements.

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

Mr. Murphy said this action is a result of APTA's petition to Congress. Tens of thousands of citizens around the country signed this petition urging Congress to approve long-term surface transportation reauthorization and staff wants to help in this effort. The administration, for the first time, included a vision for long-term reauthorization and staff feels now is the time to compel Congress to act on this legislation.

AUTHORIZE OPPOSITION OF PROPOSITION 23 ON CALIFORNIA'S NOVEMBER 2010 STATEWIDE BALLOT

Mr. Murphy said Director Ash Kalra requested staff bring this issue before the board. Proposition 23 would suspend implementation of AB 32, the Global Warming Solutions Act, until unemployment dips below 5.5 percent for four consecutive quarters. If Proposition 23 passes, it is unclear whether the provisions of AB 32 would ever be implemented due to the stringent nature of the unemployment level thresholds that need to be met.

A motion (Lloyd/Church) to call on Congress to approve long-term surface transportation reauthorization legislation and oppose Proposition 23 on California's November 2010 statewide ballot was approved unanimously by roll call.

CORRESPONDENCE

None

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE 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

GENERAL COUNSEL REPORT

Mr. Miller said in the Board's reading file is the result of the case that was filed against the CHSRA and the JPB. The plaintiffs in the suit were Mr. Brown and MOAVCO, Inc. and they were alleging there was waste being committed in connection with the planning for HSR between this agency and HSR. This follows on the heels of an earlier suit that legal counsel reported on, brought by the same attorney on behalf of other plaintiffs, alleging the same theories. In that case, the allegation was the JPB committed waste by entering into the agreement to plan for HSR, in conjunction with HSR. As previously reported the Peterson case against the JPB was dismissed by a Sacramento County judge and an agreement was reached with the plaintiffs that they would not file an appeal in return for waiver of cost. The matter before the Board is the second of those suits. This one is challenging on the same theory that the JPB entered into an agreement with HSR to enter into the right of way owned by the JPB without having taken the appropriate action to protect the interests of Caltrain. Nothing is further from the truth and that has been confirmed by the court, which also has dismissed this suit. Legal counsel has now negotiated with the plaintiff and they will not appeal and the judgment is final.

Closed Session: Pending Litigation Pursuant to Government Code Section 54956.9 (a) Celia 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

Adjourned to close session at 11:25 a.m.

Reconvened to open session at 11:38 a.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. Appropriate direction has been given to General Counsel with regards to this matter.

ADJOURNED

The meeting was adjourned in memory of Assistant District Secretary Nancy McKenna's mother and Director Ken Yeager's father.

Adjourned at 11:39 a.m.

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Martha Martinez
JPB Secretary

SUBJECT: **2011 BOARD OF DIRECTORS MEETING CALENDAR**

ACTION

Staff Coordinating Council (SCC) recommends that the Board approve the Meeting Calendar for 2011 (attached).

SIGNIFICANCE

The board's monthly meeting is scheduled for the first Thursday of each month at 10 a.m.

BUDGET IMPACT

There is no impact on the budget.

Prepared by: Martha Martinez, JPB Secretary

650.508.6242



Peninsula Corridor Joint Powers Board Meeting Calendar for 2011

Thursday – 10 AM	
January	6
February	3
March	3
April	7
May	5
June	2
July	7
August	4
September	1
October	6
November	3
December	1

The Board meets the first Thursday of the month.

All meetings are held in the Bacciocco Auditorium – Second Floor, 1250 San Carlos Ave., San Carlos.

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Martha Martinez
JPB Secretary

SUBJECT: **CONFLICT OF INTEREST CODE**

ACTION

This item is for information only. Following a 45-day written comment period, the Conflict of Interest Code will be presented to the Board for adoption.

SIGNIFICANCE

The California Political Reform Act, Government Code Section 87306.5 requires public agencies to review their Conflict of Interest Code in each even-numbered year to ensure they are up to date and meet the current legal requirements.

The attached Conflict of Interest Code has been revised and reviewed by Legal Counsel to incorporate requirements mandated by the State. The Appendix has been amended to conform with the positions and responsibilities for the JPB.

A “Notice of Intention to Amend the Conflict of Interest Code,” providing for a 45-day written comment period, will be posted following this meeting in accordance with the regulations of the Fair Political Practices Commission. After consideration of any comments that may be received, the Code will be presented to the Board for approval. After the Board adopts the Code, it will be sent to the Fair Political Practices Commission for review and approval.

BUDGET IMPACT

There is no impact to the budget.

BACKGROUND

1. The list of designated employees has been updated to delete the following positions because they no longer exist:
 - Chief Administrative Officer
 - Chief Development Officer
 - Manager, Capital Contracts

2. The list of designated employees has been updated to include the following new positions, which involve the making or participating in the making of decisions that may foreseeably have a material effect on financial interests, as defined in the Political Reform Act and implementing regulations:

Manager, Community Relations

Manager, Planning and Research

Manager, Programming and Monitoring

Staff Coordinating Council

Supervisor, Distribution

3. The list of designated employees has been updated to reflect current positions:

Deputy CEO, Finance and Administration (formerly Chief Financial Officer)

Deputy CEO, Operations and Engineering (formerly Chief Operating Officer)

Deputy Director, Sustainability (formerly Deputy Director Capital Program Support)

Director, Budgets and Grants (formerly Director, Capital Program Support)

Director, Rail Transportation (formerly Deputy Director, Rail Transportation)

Executive Officer, Customer Service and Marketing (formerly Chief Communications Officer)

Executive Officer, Planning and Development (formerly Director, Planning and Development)

Executive Officer, Public Affairs (formerly Special Assistant to the CEO)

Government Affairs Officer (formerly Government Relations Officer)

Manager, Budgets (formerly Manager, Financial Analyst and Projects)

Manager, Capital Projects & Environmental Planning (formerly Manager, Environmental Planning)

Manager, Customer Service (formerly Customer Service Manager)

Manager, Grants and Fund Programming (formerly Manager, Capital Programming and Grants)

Manager, IT Operations and Telecommunications (formerly Manager, Telecommunications)

Manager, Standards and Procedures (formerly Manager, Contract Planning)

Manager, Stations and Access (formerly Manager, Stations and Parking)

Peninsula Rail Program Director (formerly Rail Transformation Chief)

Program Manager, Engineering and Construction Administration (formerly Program Manager, Capital Contracts)

Supervisor, Sales (formerly Supervisor, Sales and Promotions)

PENINSULA CORRIDOR JOINT POWERS BOARD

CONFLICT OF INTEREST CODE

Adopted on February 7, 1990 by Resolution No. 1990-1
Approved by the California Fair Political Practices Commission
on October 3, 1990

Amended on December 2, 1992 by Resolution No. 1992-59
Approved by the California Fair Political Practices Commission
on July 6, 1993

Amended on March 2, 1995 by Resolution No. 1995-15
Approved by the California Fair Political Practices Commission
on March 31, 1995

Amended on December 5, 1996 by Resolution No. 1996-44
Approved by the California Fair Political Practices Commission
on April 14, 1997

Amended on December 7, 1998 by Resolution No. 1998-57
Approved by the California Fair Political Practices Commission
on May 20, 1999

Amended on December 18, 2000 by Resolution No. 2000-55
Approved by the California Fair Political Practices Commission
on July 17, 2001

Amended on January 9, 2003 by Resolution No. 2003-1
Approved by the California Fair Political Practices Commission
on September 6, 2004

Amended on December 2, 2004 by Resolution No. 2004 - 39

Amended on December 7, 2006 by Resolution No. 2006-50

Amended on February 5, 2009 by Resolution No. 2009-02

Amended on _____, 20__ by Resolution No. 20__ - __

PENINSULA CORRIDOR JOINT POWERS BOARD

CONFLICT OF INTEREST CODE FOR THE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) which contains the terms of the standard conflict of interest code and can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Peninsula Corridor Joint Powers Board.

Designated employees shall file their statements with the Peninsula Corridor Joint Powers Board who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008). Statements for all designated employees will be retained by the Peninsula Corridor Joint Powers Board.

APPENDIX

<u>Designated Employees*</u>	<u>Disclosure Categories</u>
Associate Contract Officer	3
Attorney	1, 2
Chief Administrative Officer	1, 2
Chief Development Officer	1, 2
Chief Engineer, Track & Structures	1, 2
Chief of Protective Services	3
Construction Manager	3
Consultants**	1, 2
Contract Officer	3
<i>Deputy CEO, Finance and Administration</i> Chief Financial Officer	1, 2
<i>Deputy CEO, Operations and Engineering</i> Chief Operating Officer	1, 2
Deputy Director, Engineering Support	1, 2
Deputy Director, Rail Contracts Administration	3
Deputy Director, <i>Sustainability</i> Capital Program Support	3
<i>Director, Budgets and Grants</i> Director, Capital Program Support	1, 2
Director, Bus Transportation	3
Director, Contracts and Procurement	1, 2
Director, Engineering and Construction	1, 2
Director, Finance	3
Director, Human Resources	1
Director, Information Technology & Telecommunications	3
Director, Maintenance	1
Director-Deputy Director , Rail Transportation	3
Director, Risk Management	3
Disadvantaged Business Enterprises Officer	3
Executive Director	1, 2
<i>Executive Officer, Customer Service and Marketing</i> Chief Communications Officer	1, 2
<i>Executive Officer, Director</i> , Planning and Development	1, 2
<i>Executive Officer, Public Affairs</i> Special Assistant to the CEO	1, 2

<u>Designated Employees*</u>	<u>Disclosure Categories</u>
Government Affairs Relations Officer	3
JPB Secretary	3
Manager, Accessible Transit Services	3
Manager, Budgets	3
Manager, Budgets Financial Analysts & Projects	3
Manager, Capital Contracts	3
Manager, Capital Projects and Environmental Planning	1, 2
Manager, Community Relations	3
Manager, Customer Service Manager	3
Manager, Employee Relations and Civil Rights	3
Manager, Engineering	3
Manager, Finance Special Projects	3
Manager, Finance Treasury	1, 2
Manager, General Ledger	3
Manager, Government Affairs	3
Manager, Grant and Capital Accounting	3
Manager, Grants and Fund Programming Capital Programming & Grants	3
Manager, Information Technology Operations	3
Manager, IT Operations and Telecommunications	3
Manager, Maintenance of Way	3
Manager, Maintenance Rail Equipment	3
Manager, Marketing	1
Manager, Operations Technology	3
Manager, Planning & Research	1, 2
Manager, Planning and Research	1, 2
Manager, Programming and Monitoring	3
Manager, Rail Operations	3
Manager, Real Estate & Property Development	1, 2
Manager, Standards and Procedures Contract Planning	3
Manager, Stations and Access Parking	3
Manager, Strategic Development	2, 3
Manager, Technology Research and Development	3
Manager, TVM Program	3

<u>Designated Employees*</u>	<u>Disclosure Categories</u>
<i>Peninsula Rail Program Director</i> Rail Transformation Chief	1, 2
Program Manager	3
Program Manager, Construction Services	3
Program Manager, <i>Engineering and Construction</i> <i>Administration</i> Capital Contracts	1, 2
Project Manager	3
Public Information Officer	3
Senior Contract Officer	3
Senior Engineer	3
Senior Project Manager	3
<i>Staff Coordinating Council</i>	<i>1, 2</i>
Superintendent, Maintenance Technical Services	3
<i>Supervisor, Distribution</i>	<i>3</i>
Supervisor, Sales & Promotions	3

* The positions indicated below manage public investments, as defined by 2 Cal. Code of Regs. Section 18701(b), and shall file a statement of economic interests (full disclosure) pursuant to Government Code Section 87200. Consultants who manage public investments shall also file a statement of economic interests pursuant to Government Code Section 87200.

Board Members

Deputy CEO, Finance and Administration ~~Chief Financial Officer~~

** Consultants shall be included in the list of designated officials and employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any consultant from any provision of the Conflict of Interest Code.

DISCLOSURE CATEGORIES

- Category 1. All sources of income, investments and business positions in business entities.
- Category 2. Interests in real property.
- Category 3. Investments and business positions in business entities and sources of income which provide services, supplies, materials, machinery or equipment of the type utilized by the Peninsula Corridor Joint Powers Board.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **ANNUAL ADOPTION OF INVESTMENT POLICY
AND AUTHORIZATION TO INVEST MONIES WITH
THE LOCAL AGENCY INVESTMENT FUND**

ACTION

Staff Coordinating Council (SCC) recommends that the Board adopt the attached resolutions amending the Statement of Investment Policy (Investment Policy) and the delegation of authority as stated therein and authorizing the investment of Peninsula Corridor Joint Powers Board (JPB) monies in the Local Agency Investment Fund (LAIF).

SIGNIFICANCE

The Executive Director or his designee serves as the JPB's trustee for purposes of placing investments pursuant to the attached investment policy (Exhibit A). The Board of Directors, in accordance with *California Government Code Section 53646(a)*, may review and reauthorize this delegation of authority on an annual basis at a public meeting. The Board of Directors, in compliance with LAIF requirements, must also adopt a separate resolution authorizing monies to be invested in LAIF.

Staff, in conjunction with Legal Counsel has reviewed the attached Investment Policy and recommends the amendment of said policy to incorporate specific requirements for investment advisors executing portfolio transactions on behalf of the JPB and to reflect the name changes to the portfolio benchmarks made by Bank of America Corporation upon its acquisition of Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

BACKGROUND

The JPB's investments have always been in accordance with sound treasury management practices and complied with the objectives of safety, liquidity, and yield in that order of priority.

The JPB originally adopted its Investment Policy in August 1999 and has, from time to time, amended this policy.

On December 4, 2008 the JPB most recently amended this policy in four ways:

- (1) Changed the benchmark to 50 percent Merrill Lynch 0-1 year U.S. Government Securities and 50 percent Merrill Lynch 1-3 year U.S. Government Securities to better reflect JPB's investment plan, cash flow needs and current market conditions; (Page 7)
- (2) Changed the investment limitations for the U.S. Treasury Obligations and Obligations of U.S. Government Agencies or Sponsored Enterprises from 15 years to 11 years to be consistent with the maturity requirements in other parts of the Investment Policy; (Page 6)
- (3) Changed the rating requirement for Mortgage Backed Securities from A to AAA investment limitations of the JPB; (Page 7)
- (4) Required the Investment Advisor's monthly reporting to include a monthly market review, the Advisor's outlook for the market with a monthly strategy update for investing JPB funds, and a comparison of the JPB portfolio against the benchmark established by this policy in terms of duration and yield. (Page 8)

Staff proposes approval of the following amendments to the JPB Investment Policy:

- (1) Require the JPB's appointed investment advisor, at its sole discretion, to solicit three independent bids from SEC licensed brokerage institutions as defined in *California Government Code Section 53601.5* or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank prior to the execution of each transaction, with final selection made based on the best interests of the JPB. Investment advisors may also incur realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time subject, however, to the prior approval of the Executive Director or his designee. This amendment to the Investment Policy sets forth the requirement to continue JPB investment practices already in place, and reflects standard and prudent investment practices. (Page 6)
- (2) As of September 25, 2009, the name of the bond index used as a benchmark in the JPB's Investment Policy has been updated to reflect a merger in the market. Staff has incorporated the new index name into the Investment Policy, the BofA Merrill Lynch Index. (Page 8)

Prepared by: Lori Snow, Manager, Finance - Treasury

650.508.6425

August 5, 1999
Reaffirmed August 3, 2000
Amended August 2, 2001
Reaffirmed September 2002
Amended October 2003

Reaffirmed September 2004
Reaffirmed October 2005
Reaffirmed November 2006
Amended November 2007
Amended December 2008

Reaffirmed December 2009

EXHIBIT A

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

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

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

II. OBJECTIVE

The JPB's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the JPB to invest funds to the fullest extent possible. Idle funds of the JPB shall be invested in accordance with sound treasury management and in accordance with the provisions of *California Government Code Section 53600 et seq.* and this Policy.

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

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

III. POLICY

At all times, the JPB shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (*Government Code Section 53600 et seq.*). In addition, the JPB shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

The Executive Director or his designee of the JPB shall serve as the JPB's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis. The Investment Policy may be reviewed annually by the JPB's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*).

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
 - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The JPB shall operate only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification, Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investment within the meaning of this Investment Policy.
 - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term and fixed income securities maturing in less than one year are considered short-term cash equivalents.
 - c. **Return on Investment.** The JPB's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio's benchmark as described in

Section IV - Benchmarks. This benchmark takes into account the JPB's investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The JPB will limit its investments to the safest types of securities which include those backed by the U. S. Government or its agencies, those which have federal insurance on principal by the Federal Deposit Insurance Corporation (FDIC), or those having collateral backing of the invested principal as defined by this Investment Policy and/or the California Codes, and medium term notes as defined by *California Government Code Section 53601(j)*. Only first mortgages or government securities may be used for collateral on JPB deposits.

Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A-1/P-1/F-1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poor's.

The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and to maximize the rate of return when prudent to do so.

3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the JPB shall be held in safekeeping by the JPB's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
4. **Maturity of Investments.** Should the JPB decide to invest its cash in investments other than through a local agency investment fund (i.e. LAIF, SMCIF), the remaining maturity of a callable security shall be determined by its actual final stated maturity. The maturity of asset backed securities shall be considered the estimated maturity date of the tranche. With the adoption of this amended JPB Investment Policy, the JPB Board authorizes the Executive Director or his designee to invest in securities exceeding 5 years but not more than a remaining life exceeding 11 years, no more than 25 percent of the portfolio shall be invested in securities with a remaining life of 5 to 11 years, and the weighted

average maturity of the portfolio shall not exceed 5 years. The policy of maintaining a maximum dollar weighted maturity of 5 years leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment as well as coinciding with the expected use of the funds. The imposed maximum dollar weighted 5 year average maturity also limits the market risk to levels comparable to an intermediate income fund.

The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in the table under Section 9, Summary of Investments & Limitations of this policy.

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

The JPB's funds may also be invested in the instruments set forth below and in Sections 6 and 7 of this policy:

- a. **Time Deposits with Banks.** The JPB may invest in time deposits. In so doing, the following rules will be followed subject to the applicable statutory requirements:
- (1) No more than 5 percent of the total portfolio will be placed in any one financial institution.
 - (2) The issuing bank must carry short-term ratings of at least A-1/P-1/F-1 whose long-term rating is A or better by two of the three nationally recognized rating services (Standard & Poor's, Moody's Investor Services and Fitch's Ratings).
 - (3) Prior to placing each deposit, the Executive Director or his designee will survey the market in order to determine which stable financial institution offers the highest rate of interest.
- b. **U.S. Treasury Obligations.** The investment of JPB funds in U. S. Treasury Obligations may be undertaken in lieu of time deposits. Guaranteed by the U. S. Government, treasury obligations are considered one of the safest instruments, but the yield generally is lower than that of time deposits.

6. **Allowable Investment Instruments.** The JPB may also invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. These investment instruments may include:
- a. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States Government are pledged for the timely payment of principal and interest.
 - b. Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks or obligations, participations or other instruments of or issued by, a federal agency or a United States government-sponsored enterprise.
 - c. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.
 - d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Standard and Poor's or Fitch's Ratings.
 - e. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by *California Financial Code Section 5102*) or by a state-licensed branch of a foreign bank.
 - f. Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section only under specific statutory conditions.
 - g. Medium-term notes/corporate bonds of a maximum of five years' maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
 - h. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (g), inclusive, of this section and that comply with specific statutory restrictions.
 - i. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years maturity.

- j. Securities having collateral backing of the invested principal as defined by this Policy and/or the *California Government Code*. Only first mortgages or government securities may be used for collateral on the JPB's deposits.
7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the JPB to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).
8. **Prohibited Investments.** The JPB shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The JPB shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the JPB may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.
9. **Portfolio Transactions.** The JPB's investment advisors are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Investment advisors are to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.05*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The investment advisors, at their sole discretion and authority, will choose the broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the JPB. Investment advisors may incur realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time subject, however, to the prior approval of the Executive Director or his designee.
10. **Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

<u>Instrument</u>	<u>Limitations</u>		
	<u>Rating</u>	<u>% Of Fund</u> <u>Per Issuer</u>	<u>Maturity</u>
U.S. Treasury Obligations		100	11 years
Obligations of U.S. Agencies or Government Sponsored Enterprises		100	11 years

<u>Instrument</u>	<u>Limitations</u>			
	<u>Rating</u>	<u>% Of Fund</u>	<u>% Of Fund Per Issuer</u>	<u>Maturity</u>
Bankers Acceptances	A1/ P1/F1			
Domestic (\$500 million minimum assets)		15	10	180 days
Foreign (\$500 million minimum assets)		15	10	180 days
Collateralized Time Deposits Within the State of California		30	10	1 year
Negotiable Certificates of Deposits		10	5	5 years
Commercial Paper	A1/ P1/F1	15	10	270 days
(\$500 million minimum assets)	Additional	10	-	31 days*
*Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days				
Repurchase Agreements Secured by U.S.Treasury or Agency Obligation (102% collateral)		100	50	1 year
Reverse Repurchase Agreements & Security Lending		20	20	92 days
Corporate Bonds & Medium Term Notes Including Asset-Backed Bonds (two agencies)	A	30	10	5 years
Local Agency Investment Fund (LAIF)				Up to the current limit.
San Mateo County Investment Fund (SMCIF)				Up to the current limit.
Shares of Beneficial Interest Issued by Diversified Management Companies as defined in Government Code Section 53601		10	5	
Mortgage Backed Securities	AAA	20	5	5 years
No Inverse Floaters				
No Range Notes				
No Interest Only Strips Derived from a Pool of Mortgages				

IV. **BENCHMARKS**

All of the JPB's investment results shall be evaluated quarterly based on the following composite

index developed by the JPB's investment advisor.

50% BofA Merrill Lynch 0-1 Year U.S. Governments
50% BofA Merrill Lynch 1-3 Year U.S. Governments

V. REPORTING

On a monthly basis the Investment Advisor should submit an investment report which provides a market review, the Advisor's outlook for the market and strategy for investing JPB funds. The report will also compare the portfolio against the benchmark established by this policy in terms of duration and yield.

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

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held by the JPB;
2. Description of any of the JPB's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the JPB or under management by any outside party that is not a local agency or the State of California Local Agency Investment Funds, a current market value as of the date of the report and the source of this valuation;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
5. Statement that the JPB has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

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

RESOLUTION NO. 2010-
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

**AMENDING AND ADOPTING THE STATEMENT OF INVESTMENT POLICY
FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD**

WHEREAS, in accordance with applicable State law, the Peninsula Corridor Joint Powers Board (JPB) is required to adopt an investment policy; and

WHEREAS, in August of 1999, the JPB adopted a Statement of Investment Policy; and

WHEREAS, the JPB has amended its Statement of Investment Policy from time to time, most recently in December 2008; and

WHEREAS, the JPB may annually render a statement of said investment policy to the Board of Directors for review and approval pursuant to Section 53646 of the State of California Government Code; and

WHEREAS, the Executive Director and staff have presented the amended Statement of Investment Policy to the Board of Directors; and

WHEREAS, staff recommends approval and adoption of the aforementioned amended Statement of Investment Policy to add specific requirements for investment advisors executing portfolio transactions on behalf of the JPB and to reflect the name change of the benchmark due to Bank of America Corporation's acquisition of Merrill Lynch, and appointment of the Executive Director (or his designee) as trustee for purposes of placing investments pursuant to the aforementioned policy.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board approves and adopts the Statement of Investment Policy attached hereto as Exhibit A, as amended; and

BE IT FURTHER RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby appoints its Executive Director (or his designee) as the trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 4th day of November 2010 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

RESOLUTION NO. 2010-

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

**AUTHORIZING INVESTMENT OF PENINSULA CORRIDOR JOINT POWERS
BOARD MONIES IN LOCAL AGENCY INVESTMENT FUND**

WHEREAS, pursuant to Government Code Section 16429.1, a Local Agency Investment Fund was created in the State Treasury for the deposit of local agency monies for purposes of investment by the State Treasurer; and

WHEREAS, staff has determined that the deposit and withdrawal of Peninsula Corridor Joint Powers Board monies in the Local Agency Investment Fund in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment are in the best interests of the Peninsula Corridor Joint Powers Board and recommends that the Board authorize same.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board does hereby authorize the deposit and withdrawal of Peninsula Corridor Joint Powers Board monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein; and

BE IT FURTHER RESOLVED that the Executive Director (or his designee) shall be authorized to order the deposit or withdrawal of Peninsula Corridor Joint Powers Board monies in the Local Agency Investment Fund.

Regularly passed and adopted this 4th day of November 2010 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

C.H. (Chuck) Harvey
Deputy CEO

SUBJECT: **AUTHORIZE AWARD OF A CONTRACT TO INTERSTATE GRADING
& PAVING, INC. FOR THE SOUTH SAN FRANCISCO STATION
PARKING LOT REHABILITATION PROJECT**

ACTION

Staff Coordinating Council (SCC) recommends that the Board:

1. Award the subject contract to the lowest responsive and responsible bidder, Interstate Grading & Paving, Inc. in the total amount of \$446,000.
2. Authorize the Executive Director, or his designee, to execute a contract in full conformity with the terms and conditions of the solicitation documents.

SIGNIFICANCE

Award of this construction contract will improve the South San Francisco Station parking lot and bring it up to acceptable Caltrain standards. The project proposes to install additional lighting, repave the existing parking lot to address drainage issues, and provide parking curbs and re-striping.

BUDGET IMPACT

Funding for this contract is fully budgeted in the Fiscal Year 2010 Caltrain Capital Budget. No additional funding is required.

BACKGROUND

The South San Francisco Station parking lot is in sub-standard condition and needs to be improved to acceptable Caltrain standards. The existing parking lot pavement is in poor condition, has drainage issues, and has inadequate lighting. The project will address these concerns. In order to address future parking demand, the project will also increase the number of parking spaces from 47 to 74 spaces. In order to minimize disruption to Caltrain patrons, a minimum of 40 parking spaces will be maintained for use throughout construction.

Invitations for Bids (IFBs) were distributed throughout the construction industry. The solicitation was 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). Ten bids, including one from a DBE firm, ranging from \$446,000 to \$780,000 were received and opened publicly. The three lowest bids are listed below.

	Company	Total Bid Amount
	<i>Engineer's Estimate</i>	<i>\$936,000</i>
1.	Interstate Grading & Paving, Inc.	\$446,000
2.	Pavex Construction Company	\$486,000
3.	O'Grady Paving, Inc.	\$494,000

Interstate Grading & Paving, Inc. (IGP) was deemed to be the apparent low bidder with a bid that was 52 percent lower than the engineer's estimate. Staff attributes the wide range of bids and the large discrepancy between the engineer's estimate and the low bid to the downturn in the economy which resulted in a large pool of bidders and increased competition among bidders.

Staff and legal counsel determined that IGP submitted a complete bid package, satisfied all of the applicable legal requirements and that IGP's bid was responsive to the solicitation requirements. IGP is an established Bay Area contractor that recently completed a satisfactory paving project at the SamTrans South Base. Reference checks confirm that IGP is an experienced and competent contractor, and has performed considerable work for local cities and counties. Therefore, staff concludes that IGP is appropriately qualified and capable of meeting the requirements of the contract and is the lowest responsive, responsible bidder.

The DBE Office reviewed the IFB prior to release and encouraged bidders to provide subcontracting opportunities to small businesses, including DBEs. IGP intends to engage two subcontractors (both non-DBEs) for electrical and some concrete work, and will perform the bulk of the contract with its own labor force. While there is no DBE participation on this contract, staff has determined that IGP complied with the DBE requirements.

Contract Officer: Patrick May
Project Manager: Allan Fung

650.508.7732
650.508.7790

RESOLUTION NO. 2010-

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

*** * ***

**AUTHORIZING AWARD OF CONTRACT TO
INTERSTATE PAVING & GRADING, INC.
FOR THE SOUTH SAN FRANCISCO STATION PARKING LOT REHABILITATION
PROJECT AT A TOTAL COST OF \$446,000**

WHEREAS, the Peninsula Corridor Joint Powers Board (“JPB”) solicited bids for the South San Francisco Station Parking Lot Rehabilitation Project; and

WHEREAS, in response to the JPB’s invitation for bids, ten firms submitted bids; and

WHEREAS, staff and General Counsel have reviewed the bids; and

WHEREAS, the Executive Director has recommended that a contract be awarded to the lowest responsive, responsible bidder, Interstate Paving & Grading Inc., whose bid meets all 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 Interstate Paving & Grading, Inc. of South San Francisco, Ca., for the South San Francisco Station Parking Lot Rehabilitation Project for a total cost of \$446,000; 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 Interstate Paving & Grading, Inc., in full conformity with all the terms and conditions of the contract documents.

Regularly passed and adopted this 4th day of November, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chair, Peninsula Corridor Joint Powers Board

JPB Secretary

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 SEPTEMBER 2010

For September 2010, Caltrain average weekday ridership (AWR) increased 3.8 percent over ridership for September 2009. AWR based on ticket sales was 41,309 for September 2010, an increase of 1,514 compared to September 2009. AWR has trended upward compared to last year for three of the last four months. The total number of passengers for the month of September 2010 was 1,072,574, representing a 3.4 percent increase from last year's September total of 1,037,076.

In September 2010, on-time performance was 93.4 percent, as compared to 92.1 percent in September 2009, an increase of 1.3 percent but still below the standard of 95 percent. Contributing factors included one trespasser fatality, various signal and mechanical issues as well as speed restrictions on two days related to extreme heat.

Average weekday shuttle ridership was estimated at 5,562. Overall shuttle ridership is down 8 percent. For the station shuttles, the Millbrae-Broadway shuttle averaged 98 daily riders. The Belmont-Hillsdale shuttle averaged 71 daily riders. The weekend Tamien-San Jose shuttle averaged 53 riders per day.

Caltrain Promotions – September 2010

San Francisco Giants – The only thing better than opening day is September baseball when your team is in the hunt for a playoff spot. As the Giants heated up during the home(run) stretch, the fans continued to take Caltrain to the game. Caltrain carried an additional 417,745 customers to the diamond through the end of the regular season, an increase of 5 percent compared to last season.

Stanford football – A hidden jewel along the Caltrain line shines every time Stanford football plays at The Farm: the Stanford Stadium Caltrain Station, located a short walk from the gridiron. Caltrain promoted service to the games via customer take ones (paid for by Stanford), mention in the summer issue of *Weekend Edition* and fall issue of *Track the Fun*, a news release, web banner ads, live radio reads during the football games and a Caltrain web button. Caltrain carried an extra 863 customers to two games in September.

Stanford Scavenger Hunt – The annual Stanford freshman scavenger hunt used to test the limits of the Caltrain system. However, Caltrain marketing staff developed a collaborative relationship with Stanford that now allows operations to plan for the increased crowds and Caltrain to pre-sell Day passes to the group to guarantee receipt of fares. More than 940 scavenger hunters headed to San Francisco the last weekend in September.

San Jose Sharks – With the Stanley Cup clearly in their sights, the San Jose Sharks took to the ice for exhibition games at the end of September. With the San Jose Diridon Caltrain Station located across the street from the Shark Tank, taking the train is as good as a hat trick. Service to the hockey games was promoted through customer take ones (funded by the Sharks), onboard ad card, news release, fall edition of *Track the Fun*, Caltrain web button and radio reads on the Sharks flagship station (KFOX). More than 315 hockey fans rode Caltrain to the three exhibition games.

ClipperSM – Caltrain staff continued to educate customers about the transition of paper Monthly passes and 8-ride tickets onto the Clipper card. The two fare products will be available only on the regional fare payment card by early 2011.

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

650.508.6471
650.508.6248

Table A

September 2010

	FY2010	FY2011	%Change
Total Ridership	1,037,076	1,072,574	3.4%
Average Weekday Ridership	39,795	41,309	3.8%
Total Revenue	\$3,721,990	\$4,001,879	7.5%
On-time Performance	92.1%	93.4%	1.3%*
Caltrain Shuttle Ridership	6,043**	5,562	-8.0%

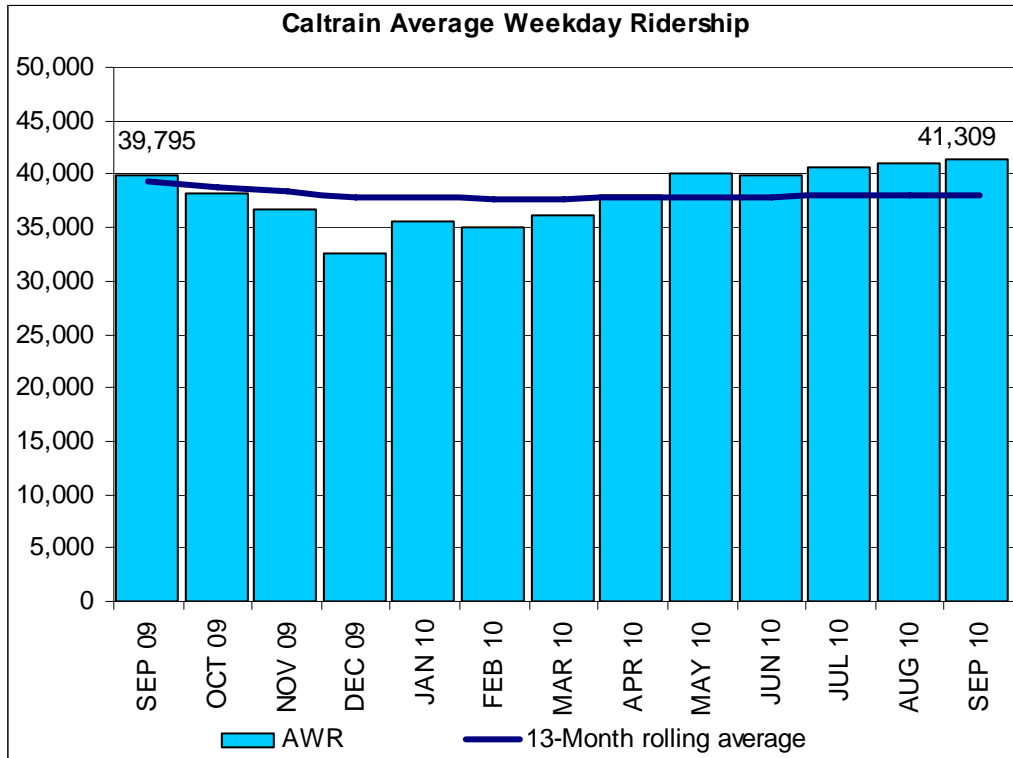
Year to Date

	FY2010	FY2011	%Change
Total Ridership	3,196,652	3,261,408	2.0%
Average Weekday Ridership	40,265	40,982	1.8%
Total Revenue	\$11,431,189	\$12,061,542	5.5%
On-time Performance	94.0%	93.3%	0.7%*
Average Caltrain Shuttle Ridership	5,630**	5,468	-2.9%

* numeric difference of the percentages

**FY10 shuttle figures have been adjusted to reflect corrected number of days operated per month

Graph A



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 JUNE 30, 2010 AND SUPPLEMENTAL INFORMATION
YEAR END RESULTS - UNAUDITED**

ACTION

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

SIGNIFICANCE

Year End Revenue - Unaudited: For June of Fiscal Year 2010, *Total Operating Revenue* (line 7) is \$127,972 or 0.3 percent **better** than budget. Within total operating revenue *Farebox Revenue* (line 1), *Parking Revenue* (line 2) and *Shuttles* (line 3) together are \$1,275,355 or 2.7 percent **worse** than budget offset by *Other Income* (line 5) which is \$1,356,694 or 90.9 percent **better** than budget, mainly due to an unbudgeted increase in shared track revenue, and *Rental income* (line 4) which is \$46,633 or 2.8 percent **better** than budget. Compared to the prior year, *Total Operating Revenue* (line 7) is \$2,306,986 or 4.8 percent **higher** driven by *Other Income* (line 5), which is \$2,437,677 or 593.0 percent **higher** due to an increase in shared track revenue and prior year investment losses.

Year End Expense - Unaudited: *Grand Total Expenses* (line 44) show a favorable variance of \$7,438,775 or 7.7 percent. *Total Operating Expense* (line 31) is \$6,540,133 or 7.6 percent **better** than budget. Within total operating expense *Contract Operating & Maintenance* (line 23) is \$2,531,505 or 4.2 percent **better** than budget, *Fuel* (line 25) is **better** than budget by \$3,532,620 or 25.5 percent, *Facilities and Equipment Maintenance* (line 28) is **better** than budget by \$477,582 or 29.3 percent and *Utilities* (line 29) are **better** than budget by \$315,979 or 21.2 percent. *Total Administrative Expense* (line 40) is \$898,642 or 9.1 percent **better** than budget.

Compared to prior year, *Grand Total Expenses* (line 44) are \$1,324,228 or 1.5 percent **lower**. The decrease in expense is mainly due to *Contract Operating & Maintenance* (line 23) and *Fuel* (line 25) which together are \$1,951,405 or 2.8 percent **lower** than the prior year.

The savings of \$3.8 million from *Other Sources* (line 13) and \$2.4 million of the FY 2010 surplus has been included in the FY2011 adopted Operating Budget.

Budget Revisions: There are no budget revisions for the month of June 2010.

Prepared by: Rima Lobo, Manager, Financial Services
David Ramirez, Accountant

650.508.6274
650.508.6417

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

FISCAL YEAR 2010

JUNE 2010

Unaudited

% OF YEAR ELAPSED 100.0%

		MONTH	YEAR TO DATE				ANNUAL		
		CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% REV BUDGET	APPROVED BUDGET	REVISED BUDGET	% REV BUDGET
		(AS PROJECTED)							
	REVENUE								
	OPERATIONS:								
1	Farebox Revenue	3,804,794	43,271,656	42,732,343	43,762,048	97.6%	43,762,048	43,762,048	97.6%
2	Parking Revenue	194,550	2,032,022	2,407,234	2,598,890	92.6%	2,598,890	2,598,890	92.6%
3	Shuttles	45,945	1,079,760	1,044,510	1,098,504	95.1%	1,098,504	1,098,504	95.1%
4	Rental Income	145,033	1,660,773	1,729,433	1,682,800	102.8%	1,682,800	1,682,800	102.8%
5	Other Income	353,504	411,107	2,848,784	1,492,090	190.9%	1,492,090	1,492,090	190.9%
6									
7	TOTAL OPERATING REVENUE	4,543,826	48,455,318	50,762,304	50,634,332	100.3%	50,634,332	50,634,332	100.3%
8									
9	CONTRIBUTIONS:								
10	AB-434-Peninsula Feeder Shuttle	83,333	1,017,177	1,000,000	1,000,000	100.0%	1,000,000	1,000,000	100.0%
11	Operating Grant	7,037	132,456	1,139,617	2,316,867	49.2%	2,316,867	2,316,867	49.2%
12	JPB Member Agencies	3,284,715	39,416,584	39,416,585	39,416,585	100.0%	39,416,585	39,416,585	100.0%
13	Other Sources	0	2,019,214	0	3,787,512	0.0%	3,787,512	3,787,512	0.0%
14									
15	TOTAL CONTRIBUTED REVENUE	3,375,085	42,585,431	41,556,202	46,520,964	89.3%	46,520,964	46,520,964	89.3%
16									
17	GRAND TOTAL REVENUE	7,918,911	91,040,749	92,318,506	97,155,296	95.0%	97,155,296	97,155,296	95.0%
18									
19									
20	EXPENSE								
21									
22	OPERATING EXPENSE:								
23	Contract Operating & Maintenance	6,313,390	59,411,130	57,894,380	60,425,885	95.8%	60,425,885	60,425,885	95.8%
24	Shuttles (Including Peninsula Pass)	211,454	2,971,338	2,852,141	2,926,120	97.5%	2,926,620	2,926,120	97.5%
25	Fuel	899,746	10,741,684	10,307,029	13,839,649	74.5%	13,839,649	13,839,649	74.5%
26	Timetables & Tickets	14,643	217,408	173,346	210,000	82.5%	210,000	210,000	82.5%
27	Insurance	985,998	4,536,943	5,035,000	4,535,000	111.0%	4,535,000	4,535,000	111.0%
28	Facilities and Equipment Maintenance	185,178	1,140,857	1,150,064	1,627,646	70.7%	1,595,296	1,627,646	70.7%
29	Utilities	190,747	1,407,992	1,177,521	1,493,500	78.8%	1,502,400	1,493,500	78.8%
30	Services	111,192	1,071,803	1,084,316	1,156,130	93.8%	1,155,630	1,156,130	93.8%
31	TOTAL OPERATING EXPENSE	8,912,348	81,499,155	79,673,797	86,213,930	92.4%	86,190,480	86,213,930	92.4%
32									
33	ADMINISTRATIVE EXPENSE:								
34	Wages & Benefits	720,396	5,382,201	5,926,855	6,323,513	93.7%	6,318,279	6,323,513	93.7%
35	Board Of Directors	1,316	9,008	12,148	12,300	98.8%	12,300	12,300	98.8%
36	Professional Services	291,839	1,835,958	1,612,035	1,951,594	82.6%	1,976,628	1,951,594	82.6%
37	Communications/Marketing	23,230	198,159	157,568	265,000	59.5%	265,000	265,000	59.5%
38	Other Office Expense and Services	115,593	1,349,672	1,231,243	1,286,084	95.7%	1,289,734	1,286,084	95.7%
39									
40	TOTAL ADMINISTRATIVE EXPENSE	1,152,374	8,774,998	8,939,849	9,838,491	90.9%	9,861,941	9,838,491	90.9%
41									
42	Long Term Debt Expense	91,906	766,596	1,102,875	1,102,875	100.0%	1,102,875	1,102,875	100.0%
43									
44	GRAND TOTAL EXPENSES	10,156,628	91,040,749	89,716,521	97,155,296	92.3%	97,155,296	97,155,296	92.3%

" % 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.



BOARD OF DIRECTORS 2010

SEAN ELSBERND, CHAIR
 MARK CHURCH, VICE CHAIR
 OMAR AHMAD
 JOSÉ CISNEROS
 NATHANIEL P. FORD, SR.
 DON GAGE
 ASH KALRA
 ARTHUR L. LLOYD
 KEN YEAGER

MICHAEL J. SCANLON
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JUNE 30, 2010

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
-----	-----	-----	-----	-----
Local Agency Investment Fund (Restricted)	Liquid Cash	0.528%	\$ 2,000,000	\$ 2,003,288
Local Agency Investment Fund (Unrestricted)	Liquid Cash	0.528%	20,183,441	20,216,618
Investment Portfolio (Unrestricted)	Liquid Cash	3.046%	9,754,565	9,699,709
-----	-----	-----	-----	-----
			\$ 31,938,006	\$ 31,919,614
Accrued Earnings for June 2010	\$32,467.18	(1)		
Cumulative Earnings FY2010	\$347,539.49			

(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 # 10
NOVEMBER 4, 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 SEPTEMBER 30, 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 September 2010 and supplemental information.

SIGNIFICANCE

Revenue: For September of Fiscal Year 2011, *Total Operating Revenue* (line 7) is \$477,322 or 3.5 percent **better** than budget. Within total operating revenue, *Farebox Revenue* (line 1), *Parking Revenue* (line 2) and *Rental Income* (line 4) together are \$609,866 or 4.9 percent **better** than budget offset by *Shuttles* (line 3) and *Other Income* (line 5) which together are \$132,544 or 13.5 percent **worse** than budget. Compared to the prior year, *Total Operating Revenue* (line 7) is \$639,304 or 4.8 percent **higher**.

Expense: *Grand Total Expenses* (line 47) show a favorable variance of \$3,577,452 or 13.5 percent. *Total Operating Expense* (line 33) is \$3,023,928 or 12.9 percent **better** than budget. Within total operating expense, *Contract Operating & Maintenance* (line 23) and *Fuel* (line 26) together are \$2,643,279 or 13.6 percent **better** than budget. *Total Administrative Expense* (line 42) is \$553,523 or 20.4 percent **better** than budget.

Compared to prior year, *Grand Total Expenses* (line 47) are \$1,151,866 or 5.3 percent **higher**. The increase in expense is mainly due to *Fuel* (line 26) and *Insurance* (line 28) which together are \$1,708,429 or 47.6 percent **higher** offset by *Contract Operating & Maintenance* (line 23) which is \$519,916 or 3.7 percent **lower** than the prior year.

Budget Revisions: There are no budget revisions for the month of September 2010.

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

650.508.6274
650.508.6417

September 2010

25.0%

10/21/10 11:06 AM



BOARD OF DIRECTORS 2010

SEAN ELSBERND, CHAIR
MARK CHURCH, VICE CHAIR
OMAR AHMAD
JOSE CISNEROS
NATHANIEL P. FORD, SR.
DON GAGE
ASH KALRA
ARTHUR L. LLOYD
KEN YEAGER

MICHAEL J. SCANLON
EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF SEPTEMBER 30, 2010

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
-----	-----	-----	-----	-----
Local Agency Investment Fund (Restricted)	Liquid Cash	0.500%	\$ 2,000,000	\$ 2,003,830
Local Agency Investment Fund (Unrestricted)	Liquid Cash	0.500%	28,814,276	28,869,451
Investment Portfolio (Unrestricted)	Liquid Cash	3.552%	6,187,660	6,161,023
Other (Unrestricted)	Liquid Cash	0.050%	1,518,475	1,518,475
-----	-----	-----	-----	-----
			\$ 38,520,411	\$ 38,552,778

Accrued Earnings for September 2010	\$30,208.27	(1)
Cumulative Earnings FY2011	\$92,373.31	

(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 1.001914850 as reported by LAIF for quarter ending September 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.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director / CEO

FROM: Gigi Harrington
Deputy CEO

**SUBJECT: QUARTERLY INVESTMENT REPORT AND
FIXED INCOME MARKET REVIEW AND OUTLOOK**

ACTION

Staff Coordinating Council (SCC) recommends that the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended September 30, 2010.

SIGNIFICANCE

The Joint Powers Board's (JPB) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on October 15, 2010 in order to meet the 30 day requirement.

BUDGET IMPACT

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

BACKGROUND

The JPB is required by state law to submit quarterly reports within 30 days of the end of the quarter covered by the report. The report is required to include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,

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

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on page 6. The schedule separates the investments into three groups: The Investment Portfolio which is managed by CSI Capital Management, Inc. ("CSI"); Liquidity funds which are managed by JPB staff; and Trust funds which are managed by a third party trustee. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds while the bond covenants govern the management and reporting of the Trust funds.

CSI provides the JPB a current market valuation of all the assets under its management for each quarter. The valuation is provided by FT Interactive Data, the major operating division of Interactive Data Corporation, (IDC). IDC is a leading provider of global securities data. They offer one of the largest information databases with current and historical prices on securities traded in all major markets including daily evaluations for more than 2.5 million fixed income securities.

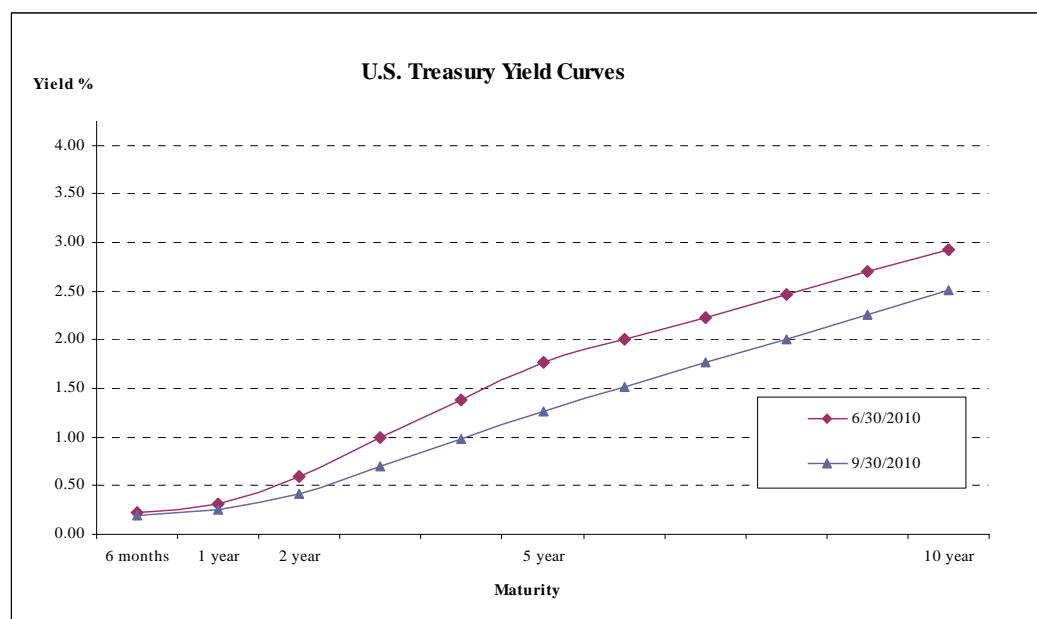
Due to the nature of securities which are bought and sold in a principal market, such as fixed income securities, multiple market values may exist for a given security at any given time. CSI has chosen IDC as an unbiased estimator of these prices based on their leading role as a provider of end of the day pricing, an evaluation of their methodology and the experience of their evaluation staff. Unfortunately, given the recent volatility in the markets not every security is currently supported or accurately reflected by IDC. Therefore at the end of the quarter, CSI surveyed a number of Wall Street firms to get an accurate market value of the securities held in JPB's portfolio. These surveys reflect the levels at which someone is actually willing to purchase the securities held by JPB. In the case of money market instruments, which are not supported by IDC, CSI uses adjusted cost.

The Liquidity funds managed by JPB staff are considered to be cash equivalents and therefore market value is considered to be equal to book value, (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share, book and market value are equal and rate of income is recalculated on a daily basis.

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The JPB has the ability to meet its expenditure requirements for the next six months.

DISCUSSION

Market Review and Outlook



Data Source: Bloomberg

Amidst only modest fanfare, the National Bureau of Economic Research recently declared that the worst economic recession since the Great Depression officially ended in June of 2009. Since then, our economy has managed to see modest improvement thanks in large part to outsized stimulus measures. Notably absent has been any meaningful improvement in either the residential housing market or the ranks of the unemployed. Given the critical nature of these markets in the proper functioning of our economy, many have deemed this recovery a disappointment.

To be fair, it is important to make the distinction between a *contraction* and a *crisis*. Contractions are regular occurrences with modest setbacks and fairly rapid recoveries. Crises are infrequent in nature, longer in duration and more severe in their consequences. Like any recovery from a serious illness, a period of gradual improvement, occasionally requiring some additional attention, should be expected.

Using the metrics of common contractions to describe the aftermath of a crisis is likely to lead to a sense of disappointment or a misdiagnosing of real improvement as somehow falling short of the mark. Even worse, a wrong diagnosis could lead to an inappropriate policy response or improper allocation in an investment portfolio.

Since we find ourselves in the aftermath of a financial crisis, additional attention will be required. If history serves as a guide, we need to be prepared for a prolonged period of mediocre growth, higher than normal unemployment and a challenging environment for home prices. Furthermore, both our economy and financial markets remain vulnerable to an outside shock. By the same logic, however, we should acknowledge that the “crisis” is behind us and that

while the road ahead is long and not without its challenges, with enough time and the proper medicine it is nonetheless the road to recovery.

At this critical juncture in our recovery, the speed at which the economy can reasonably return to full health will largely be the result of the policy prescribed. Having already lowered interest rates to near nothing, our options are limited. Federal Reserve Chairman Bernanke recently signaled a change in monetary policy by paving the way for an additional form of monetary stimulus alternatively known as quantitative easing, or debt monetization.

The ultimate goal of this policy is to increase economic growth, create jobs and fight deflation in an environment where additional fiscal stimulus is limited. The fact that we have to resort to these measures is bad news in itself. The long-term effects of quantitative easing are not well understood and may have serious consequences, such as promoting additional asset bubbles or higher than desired inflation. The short-term effects are visible in the form of unnaturally low interest rates and a weaker dollar.

The exceptionally low level of interest rates today can have a positive and negative impact on the economy. Low interest rates help homeowners lower their mortgage payments and allow corporations to lower their cost of capital. Low interest rates also reduce the income available to those living off of fixed investments such as CDs and bonds. Interest rates as low as they are today, however, have an even more dire aspect. They have deprived investors of a reasonable return from a traditionally safe investment. In fact, *real* interest rates (the yield on a bond after deducting expected inflation) for U.S. Treasury securities are negative out to five years. To put it another way, investors wishing for the safety of U.S Treasury Notes as long as five years to maturity can expect to lose purchasing power after taking into account the impact of inflation.

For our policymakers, exceptionally low interest rates are a means to an end — a lower dollar. To be sure, a lower dollar may be the single most important economic variable these policymakers can influence to bring about their desired goals. A lower dollar should help make goods and services produced in the United States more competitive in the global economy, resulting in a faster pace of growth and more jobs. A lower dollar is also an important factor in helping to reduce our current account and trade deficits, a necessary outcome if we are to ever meaningfully improve our over-reliance on debt.

Our trading partners, however, are unlikely to take a decline in the dollar lightly. For decades, many of these countries have built their economies on exports to the United States. As we rein in our spending and make foreign goods more expensive, we present a major threat to the primary engine of growth for these countries. Indeed, we have recently seen efforts by Japan, Brazil, China, Chile, South Korea and Russia to prevent their currencies from appreciating too much against the dollar. It is our belief that the role of currencies is likely to become an increasing factor in the relations between trading partners as well as in the global macroeconomic outlook in general.

Strategy

Over the foreseeable future we expect interest rates to move gradually higher. Currently the portfolio's sensitivity to a change in interest rates is below that of the benchmark. The current

low rate environment leaves the bond market without much of a yield cushion to avoid negative rates of returns should interest rates begin to rise more than already anticipated by the market.

Given our outlook and the current level of uncertainty in the markets, we are comfortable keeping the portfolio's exposure to a change in interest rates below that of the benchmark.

As of the end of the quarter, the JPB's portfolio consisted of approximately 16.3 percent FDIC guaranteed Corporate Bonds, 83.7 percent Agency Securities, 0 percent US Treasury securities and 0 percent Cash Equivalents; see Exhibit 6.

Budget Impact

The portfolio's performance is reported on a total economic return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses). For the quarter ending September 30, the portfolio returned **0.23** percent. This compares to the benchmark return of **0.36** percent. The Performance graph in Exhibit 3 shows the relative performance of the JPB's portfolio since inception. The Growth of a Thousand Dollars graph in Exhibit 4 shows the cumulative performance over this same time frame for the portfolio.

The portfolio's yield to maturity, the return the portfolio will earn in the future if all securities are held to maturity is also reported. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending September 30, the portfolio's yield to maturity was 0.38 percent. The benchmark's yield to maturity was 0.30 percent.

Another method of measuring the portfolio's yield to maturity is the yield of the portfolio at cost. This calculation is based on the value of the portfolio at cost and does not include any unrealized gains or losses as part of its computation. As of the end of the quarter the portfolio's rate of return on investments, at cost, was 1.81 percent.

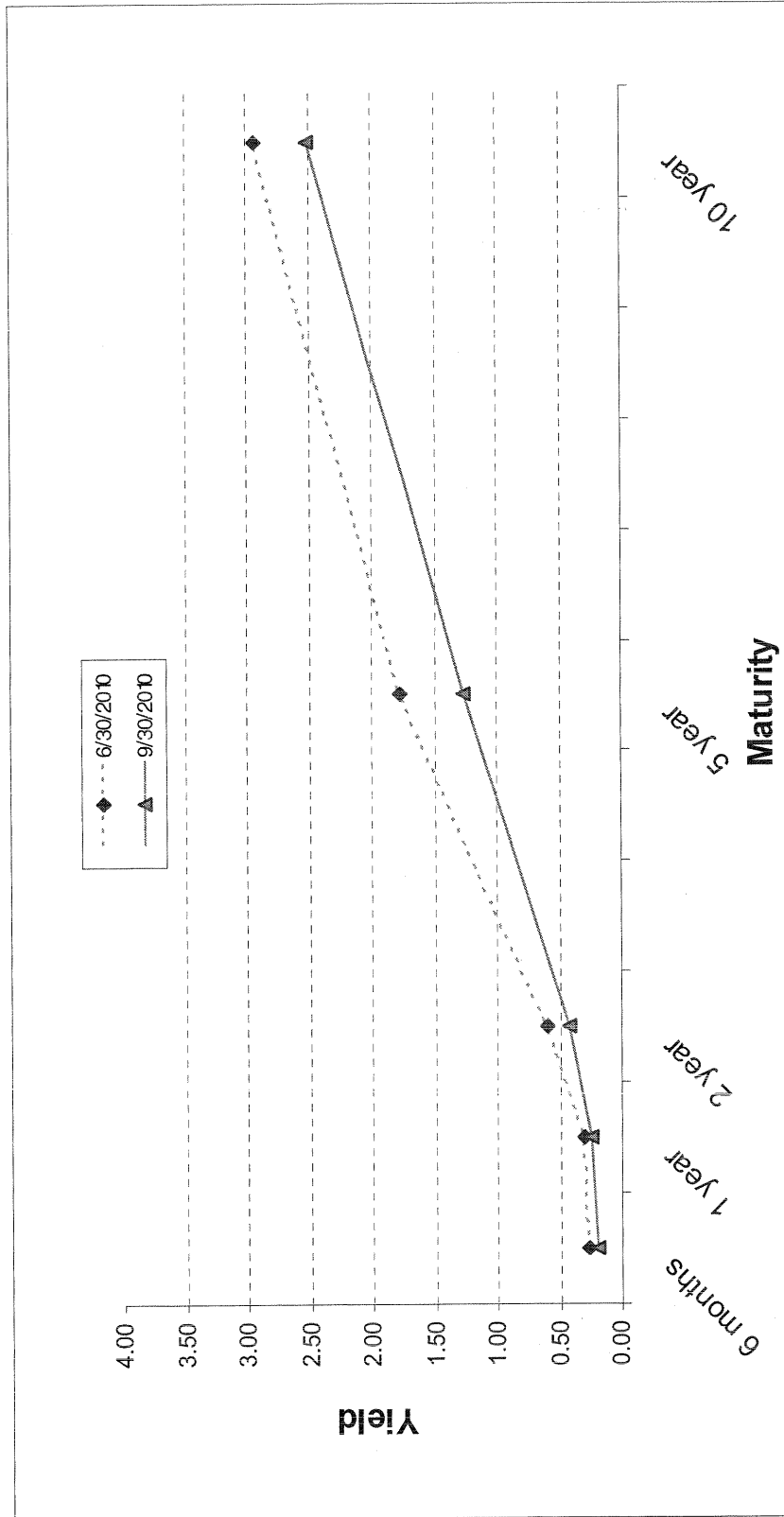
EXHIBIT 1

**PENINSULA CORRIDOR JOINT POWERS BOARD
REPORT OF INVESTMENTS
FOR QUARTER ENDED SEPTEMBER 30, 2010**

TYPE	DATE OF MATURITY	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
<u>FUNDS MANAGED BY CSI CAPITAL MANAGEMENT, INC.:</u>						
<u>INVESTMENT PORTFOLIO:</u>						
CORPORATE BONDS						
JP Morgan Chase & Co.	12-01-10	500,000	504,605	502,033	4,375	506,408
Bank of America Corp.	12-23-10	500,000	503,120	501,738	2,314	504,051
GOVERNMENT BONDS						
FHLB	09-09-11	1,000,000	1,038,438	1,031,875	2,292	1,034,167
FNMA	11-15-11	2,000,000	2,131,250	2,111,875	40,611	2,152,486
FHLM	01-15-13	2,000,000	2,018,068	2,013,502	7,389	2,020,891
TOTAL FUNDS MANAGED BY CSI CAPITAL MANAGEMENT, INC.						
		6,000,000	6,195,480	6,161,023	56,980	6,218,003
<u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u>						
BANK OF AMERICA CHECKING LAIF						
			1,518,475	1,518,475	0	1,518,475
			30,814,276	30,814,276	35,822	30,850,098
TOTAL FUNDS MANAGED BY DISTRICT STAFF						
			32,332,751	32,332,751	35,822	32,368,573
<u>TRUST FUNDS MANAGED BY THIRD PARTY TRUSTEE:</u>						
First American Treas. Oblig. Cl D Corp Tr						
			857,588	857,588	0	857,588
TOTAL FUNDS MANAGED BY THIRD PARTY TRUSTEE						
			857,588	857,588	0	857,588
TOTAL AS OF SEPTEMBER 30, 2010						
		6,000,000	39,385,818	39,351,361	92,802	39,444,163

EXHIBIT 2

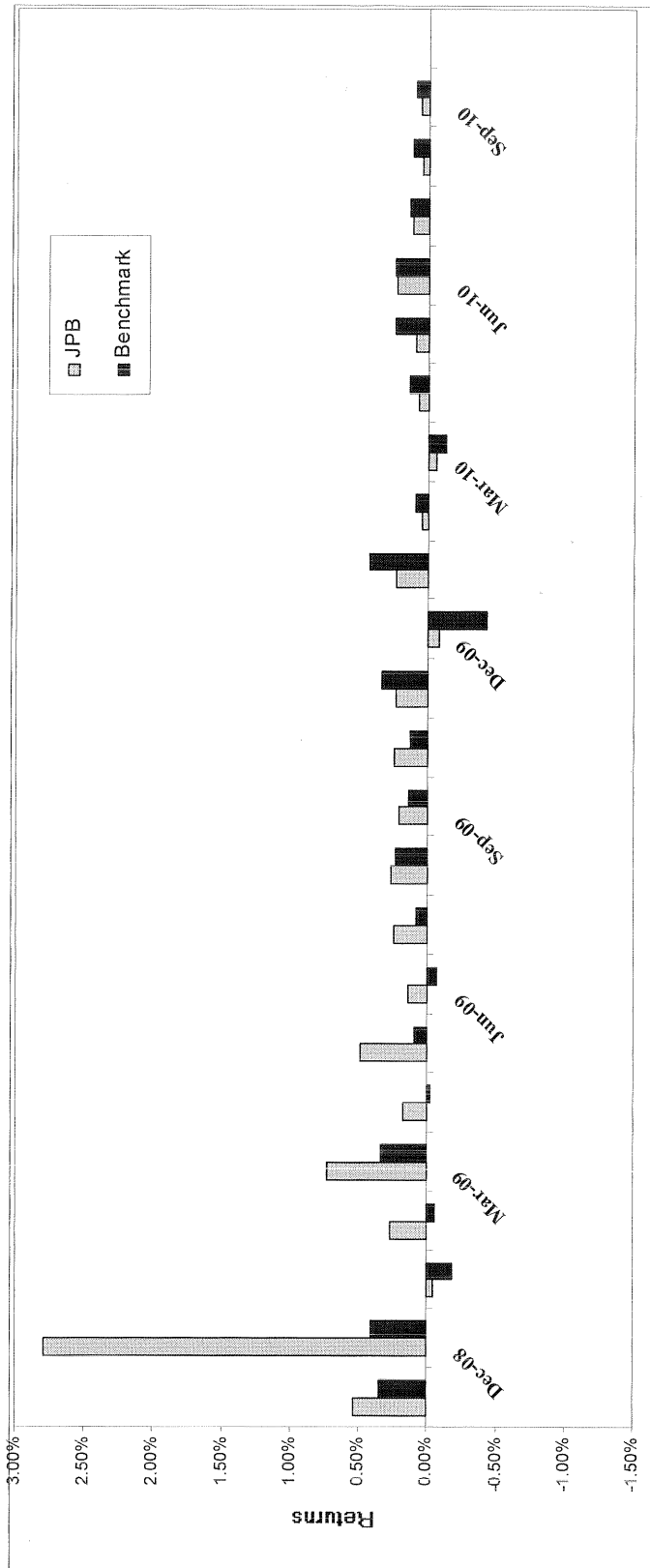
Peninsula Corridor Joint Powers Board
Historical Yield Curve



Data Source: Bloomberg

CSI Capital Management, Inc.

Peninsula Corridor Joint Powers Board Monthly Review – Account vs. Benchmark Rolling 24 Months



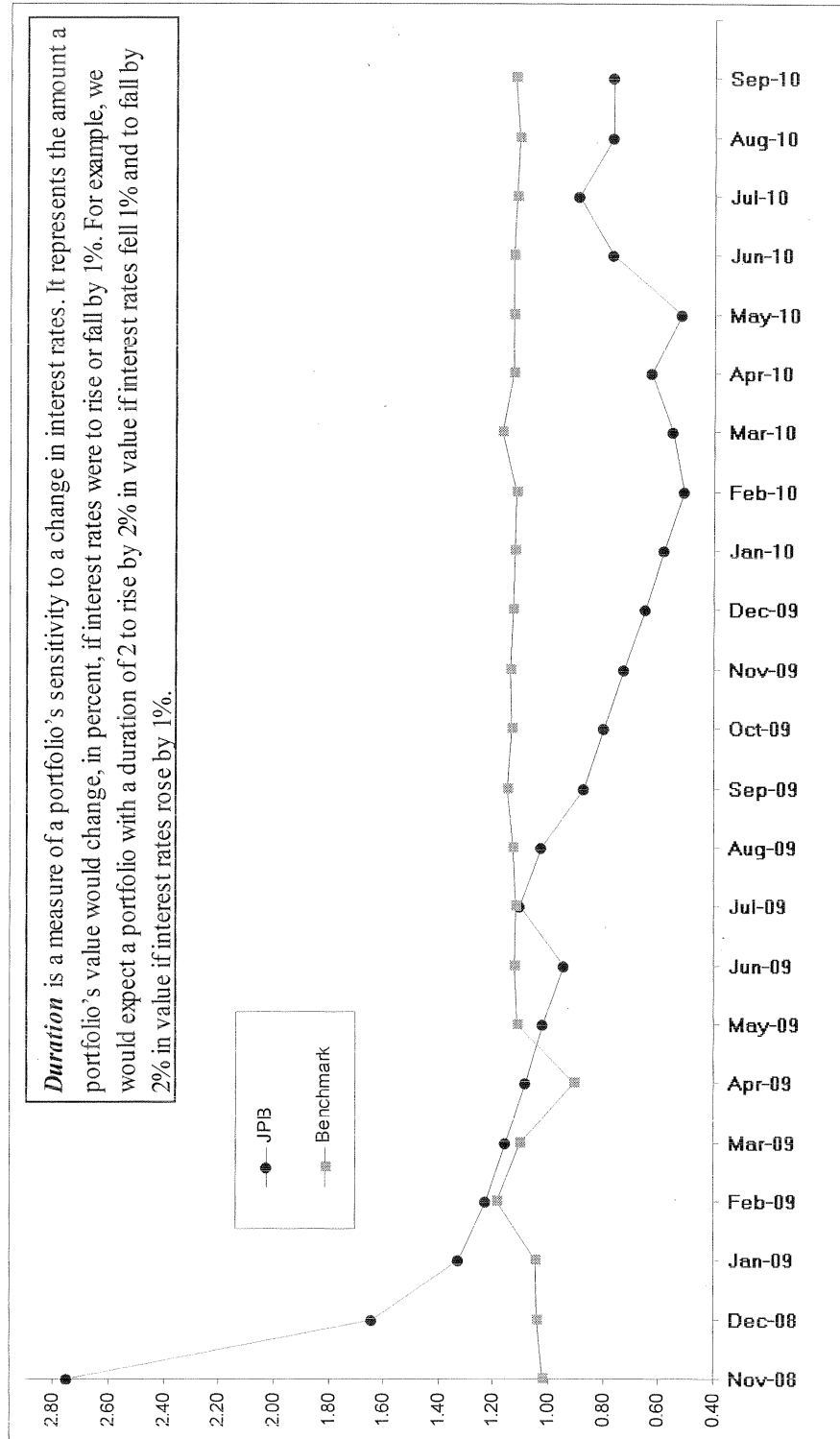
Trailing 12 Months	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Trailing 12
MONTHLY PERFORMANCE DATA													
JPB	0.25%	0.24%	-0.08%	0.23%	0.05%	-0.05%	0.07%	0.10%	0.24%	0.12%	0.05%	0.06%	1.29%
Benchmark	0.13%	0.34%	-0.42%	0.43%	0.10%	-0.12%	0.14%	0.25%	0.25%	0.14%	0.12%	0.10%	1.46%

EXHIBIT 3

CSI Capital Management, Inc.

EXHIBIT 4

Peninsula Corridor Joint Powers Board Duration vs. Benchmark



CSI Capital Management, Inc.

EXHIBIT 5

CSI Capital Management, Inc.

Peninsula Corridor Joint Powers Board
Growth of One Thousand Dollars
Rolling 24 months

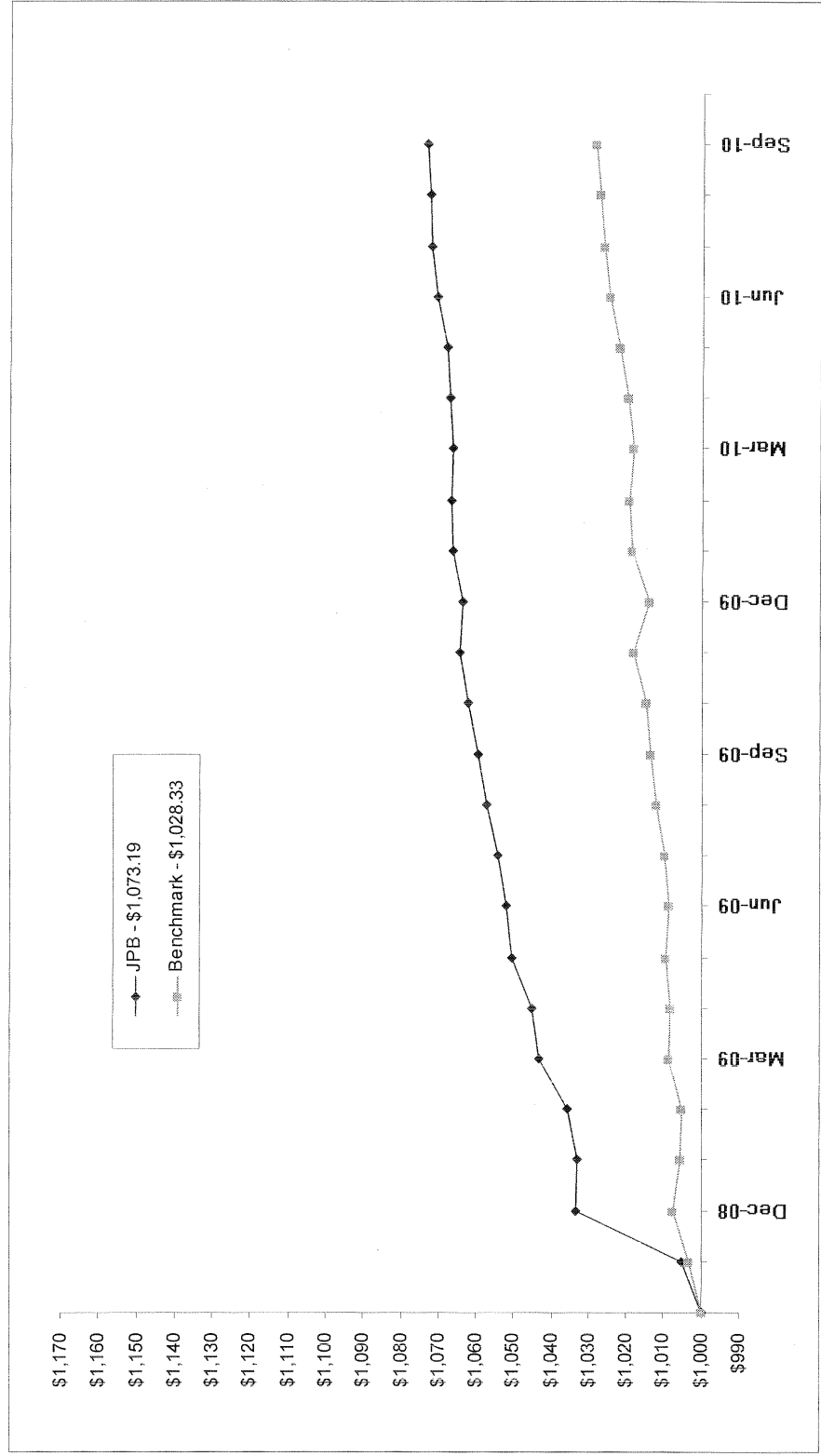
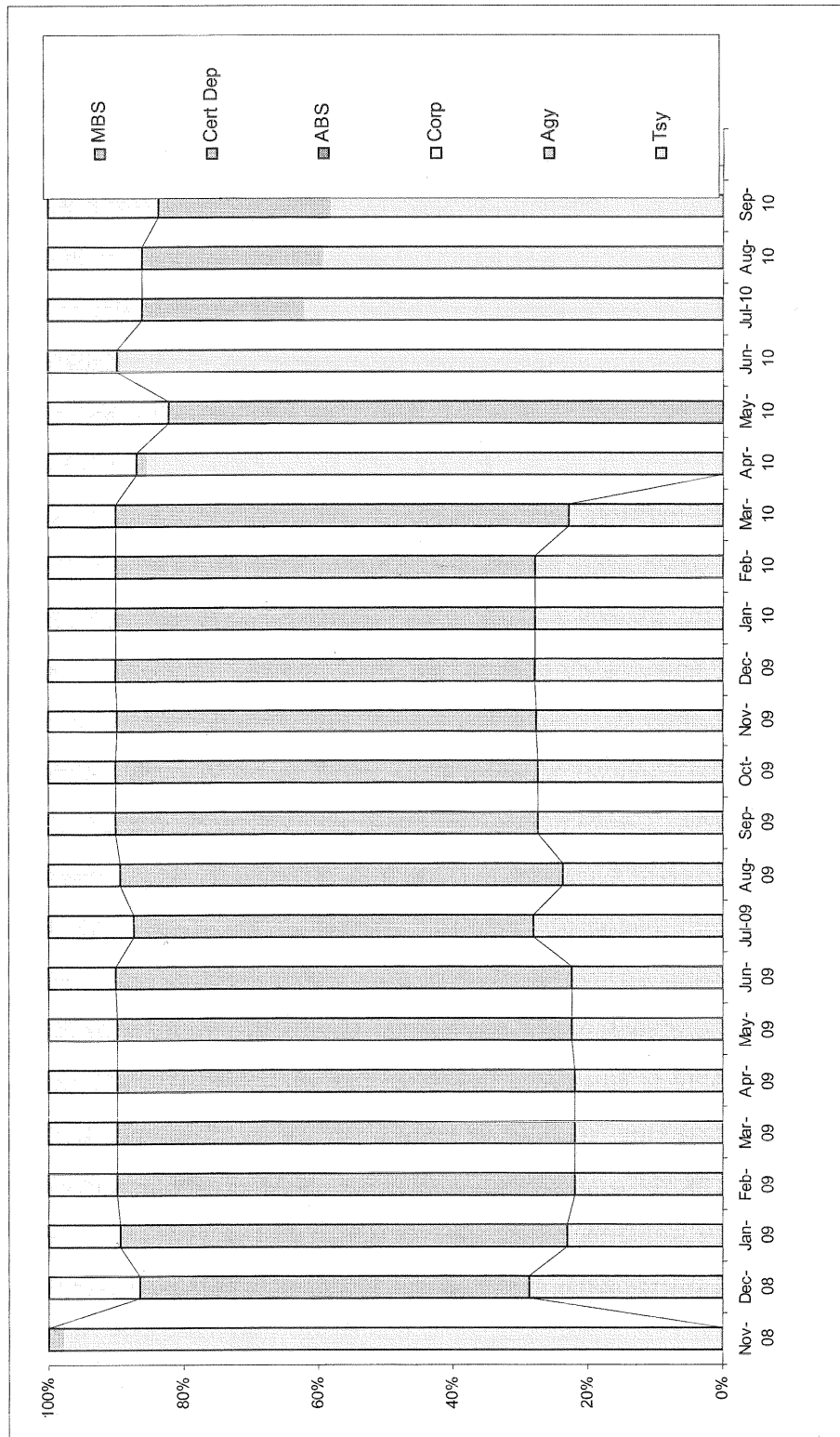


EXHIBIT 6

**Peninsula Corridor Joint Powers Board
Percent of Assets Held by Type**



CSI Capital Management, Inc.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

**SUBJECT: AUTHORIZE AMENDING AND INCREASING THE FISCAL YEAR 2011
CALTRAIN CAPITAL BUDGET IN THE AMOUNT OF \$3,137,583
FOR TRAFFIC PREEMPTION AT-GRADE RAIL CROSSINGS
IMPROVEMENTS FOR A TOTAL BUDGET OF \$36,625,669**

ACTION

Staff Coordinating Council (SCC) recommends the Board take the following actions:

- 1) Increase the Fiscal Year 2011 Capital Budget by \$2,749,767 and \$387,816 respectively, to include the Santa Clara and San Mateo County Traffic Preemption Improvement projects. As a result of this change, the total authorized amount for the FY2011 Caltrain Capital Budget would increase from \$33,488,086 to \$36,625,669, as per Attachment A.
- 2) Authorize the Executive Director to execute a service contract to receive programmed Federal Highway Administration (FHWA) Section 130 Railroad/Highway At-Grade Crossing grant funds for the Santa Clara and San Mateo County Traffic Preemption Improvement projects, in a total amount of \$3,137,583, through the State Department of Transportation (Caltrans)/.
- 3) Authorize the Executive Director to execute Memoranda of Understanding with the cities of Mountain View, Palo Alto and Redwood City, and with the County of Santa Clara, for the traffic preemption improvement work located within these jurisdictions.

SIGNIFICANCE

The FY2011 Caltrain Capital Budget is proposed to be increased to include \$3,137,583 of funding from Caltrans under the FHWA Section 130 Railroad/Highway At-Grade Crossing program to fund the Santa Clara and San Mateo County Traffic Preemption Improvement projects. The scope of the Santa Clara County Traffic Preemption Improvement project includes upgrades to signalized traffic intersections adjacent to crossings at Churchill Avenue and West Meadow Drive in Palo Alto, and Castro Street and South Rengstorff Avenue in Mountain View. The scope of the San Mateo County Traffic Preemption Improvement project includes upgrades to the signalized traffic intersection adjacent to the crossing at Brewster

Avenue in Redwood City, and pedestrian channelization devices at Third Avenue in San Mateo. Improvements to train detection will be performed in conjunction with the improvements to signalized traffic intersections.

The estimated total cost of the two Traffic Preemption Improvement projects is \$3,137,583. The funds allocated by Caltrans will cover 100 percent of the estimated project costs. The JPB is in the process of establishing agreements with all the jurisdictions in which the crossing improvements will be made. The JPB will complete all design work with the approval of the local jurisdictions, and the local partners will implement the construction at the signalized traffic intersections with JPB oversight. The JPB will take the lead on the train detection work and the pedestrian channelization in San Mateo.

BUDGET IMPACT

No JPB member contributions are required for the proposed Capital Budget amendment. The funds for the Santa Clara and San Mateo County Traffic Preemption Improvement projects will be fully funded by Caltrans, through the FHWA's Section 130 Railroad/Highway At-Grade Crossing program.

BACKGROUND

The Joint Powers Board approved, and subsequently amended, the FY2011 Capital Budget on July 1, 2010 and September 2, 2010, respectively, for a total amount of \$33,488,086. The proposed amendment as discussed above would increase the Capital Budget to an authorized total of \$36,625,669.

The JPB annually adopts a Capital Budget to accompany the Operating Budget. The purpose of the Capital Budget is to implement a balanced program of projects that gives the JPB the ability to meet its goals and objectives as set forth in the Short Range Transit Plan and the related Rapid Rail Plan.

The FHWA's Section 130 Railroad/Highway At-Grade Crossing program was established to reduce the number and severity of highway accidents by eliminating hazards and improving safety for vehicles, trains and pedestrians at existing railroad crossings. The program is administered through Caltrans, which has allocated \$3,137,583 to construct the proposed improvements.

Prepared by: Éva Goode, Manager, Budgets

650.508.7914

ATTACHMENT A

Proposed Funding Plan								
Federal		State		Other		JPB		
								FY2011 TOTAL
Amount	Source	Amount	Source	Amount	Source	Amount	Source	

Stations	Systemwide Station Improvements - SOGR	Design / Constr	9,430,000	4,093,000	500,000	4,837,000
ROW/Signals	Los Gatos Creek Bridge Replacement	Design	12,423,000	3,893,154	1,400,000	7,129,846
ROW/Signals	FY11 System Track Rehab	Constr	7,000,000	-	7,000,000	-
ROW/Signals	Signal System Rehab	Constr	12,000,000	5,200,000	900,000	5,900,000
ROW/Signals	Rail Operations Control System	Constr	10,215,000	7,700,000	2,515,000	-
ROW/Signals	CEMOF Pipe Repair	Constr	96,000	-	96,000	-
ROW/Signals	Santa Clara Traffic Preemption Improvements	Des/Constr	2,749,767	-	2,749,767	-
ROW/Signals	San Mateo Traffic Preemption Improvements	Des/Constr	387,816	-	387,816	-
Rolling Stock	Rolling Stock Equipment, including but not limited to: Gallery Car SOGR, F40 SEP-HEP Overhaul/Replacement, F40 Locomotive Overhaul	Procurement	29,138,361	5,771,859	7,619,945	10,846,557

						500,000	Members	500,000
1,120,000	FTA					280,000	Members	1,400,000
5,897,664	ARRA/FTA			450,000	\$350KAB664 \$100K Sale of Assets	652,336	Members	7,000,000
2,012,000	FTA			503,000	TBD	900,000	Members	2,515,000
				96,000	Vendor			96,000
2,749,767	FHWA							2,749,767
387,816	FHWA							387,816
2,019,945						5,600,000	Members	7,619,945
14,187,192				1,049,000		7,932,336		23,168,528

23,168,528

1	Narrow Banding Project	Final Design / Constr	2,170,141	1,564,000	606,141	-
2	Caltrain Safety Fencing Program	Constr	8,988,019	4,519,128	1,000,000	3,468,891
3	Payment Card Industry Data Security Standard	Procurement	291,000		291,000	-
4	Update of Suicide Prevention Signs	Constr	110,000	-	110,000	-

						606,141	Members	606,141
		1,000,000	Prop 1B					1,000,000
						291,000	Members	291,000
						110,000	Members	110,000
-	1,000,000					1,007,141		2,007,141

2,007,141

1	PRP - Program Implementation & Management	Support		10,858,600	5,610,000	TBD
2	Communications Based Overly Signal System	Final Design / Construction	231,000,000	3,075,000	3,850,000	224,075,000

		2,805,000	CHSRA			2,805,000	Members	5,610,000
1,250,000	FRA	2,600,000	PTMISEA					3,850,000
1,250,000		5,405,000				2,805,000		9,460,000

9,460,000

1	Capital Program Management	Support			434,050	
2	Capital Project Development	Support			565,950	
3	Capital Contingency - Engineering	Support			330,000	
4	Capital Contingency - Rail Services	Support			660,000	

						434,050	Members	434,050
						565,950	Members	565,950
						330,000	Members	330,000
						660,000	Members	660,000
						1,990,000		1,990,000

1,990,000

Total Budget Request	36,625,669
-----------------------------	-------------------

15,437,192	6,405,000	1,049,000	13,734,477
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11/4/2010

RESOLUTION NO. 2010 –

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

*** * ***

**AUTHORIZING AMENDMENT TO THE FISCAL YEAR 2011 CAPITAL BUDGET
IN THE AMOUNT OF \$3,137,583 FOR TRAFFIC PREEMPTION AT-GRADE RAIL
CROSSINGS IMPROVEMENTS FOR A TOTAL BUDGET OF \$36,625,669**

WHEREAS, pursuant to Resolution Nos. 2010-39 and 2010-44 adopted on July 1, 2010 and September 2, 2010, respectively, the Peninsula Corridor Joint Powers Board (JPB) adopted and subsequently amended the Fiscal Year 2011 Capital Budget for a total authorized budget of \$33,488,086; and

WHEREAS, the JPB is eligible to receive funds from Caltrans under the Federal Highway Administration (FHWA) Section 130 Railroad/Highway At-Grade Crossing program for at-grade crossing improvements in San Mateo and Santa Clara Counties; and

WHEREAS, the JPB has identified four crossings within Santa Clara County and two within San Mateo County in need of traffic preemption improvements which will upgrade signalized traffic intersections adjacent to the crossings and improve train detection; and

WHEREAS, the total cost of the improvements will be \$3,137,583 million and will be funded entirely by Caltrans, through the FHWA's Section 130 Railroad/Highway At-Grade Crossing program; and

WHEREAS, the Staff Coordinating Council recommends that the JPB approve the amendment to the FY2011 Capital Budget, and additionally, approve the execution of a service contract with Caltrans to receive the FHWA's Section 130 Railroad/Highway At-Grade Crossing program funding described above.

NOW, THEREFORE, BE IT RESOLVED that the Peninsula Corridor Joint Powers Board approves an amendment to the FY2011 Capital Budget to include the Santa Clara and San

Mateo County Traffic Preemption Improvement projects for a total authorized capital budget increase for FY2011 of \$3,137,583, from \$33,488,086 to \$36,625,669; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or his designee, to take the following actions:

- 1) Execute, on behalf of the JPB, a service contract with Caltrans to receive \$3,137,583 of FHWA Section 130 Railroad/Highway At-Grade Crossing program funds and to take such additional actions as may be necessary to give effect to this resolution.
- 2) Execute, on behalf of the JPB, Memoranda of Understanding with the cities of Mountain View, Palo Alto and Redwood City, and with the County of Santa Clara, for the construction work associated with each jurisdiction.

Regularly passed and adopted this 4th day of November 2010, by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Marian Lee
Executive Officer,
Planning and Development

Mark Simon
Executive Officer,
Public Affairs

**SUBJECT: AUTHORIZATION TO EXECUTE A MEMORANDUM OF
UNDERSTANDING RELATING TO THE DESIGN AND
DEVELOPMENT OF THE DIRIDON MULTI-MODAL RAIL STATION**

ACTION

The Staff Coordinating Council (SCC) recommends that the Board authorize the Executive Director to sign a Memorandum of Understanding (MOU) with the City of San Jose, the California High Speed Rail Authority (CHSRA) and the Santa Clara Valley Transportation Authority (VTA) regarding the design and development of the Diridon Station.

SIGNIFICANCE

The intent of the MOU is to formalize ongoing coordination among key agencies to ensure that the Diridon Station area is developed and expanded in a way that is mutually beneficial.

The MOU affirms the recently created Diridon Station Joint Policy Advisory Committee (Diridon JPAC) as serving in an advisory capacity on matters that promote the vision of the station area.

The Diridon JPAC consists of representatives of the JPB, City of San Jose, VTA, the Bay Area Rapid Transit District (BART), CHSRA, the Metropolitan Transportation Commission, with Ex Officio representation from the California State Assembly. The Diridon JPAC is staffed by the VTA.

BUDGET IMPACT

There is no impact to the budget.

BACKGROUND

The MOU was an initiative by the City of San Jose, which has a vision to create a “Grand Central Station of the West” at the Diridon Station area. Current planning activities provide opportunities for a vision that includes transit-oriented development and ballpark development in

the Diridon Station area, Caltrain modernization, high-speed rail and the BART extension project.

The MOU clearly states JPB's interests in ensuring the safety of the commuter rail system, bringing the system into a "state of good repair," advancing reliability projects and modernizing the Caltrain corridor between San Francisco and San Jose. It also states that JPB, as the owner and operator of the Diridon Station, retains all ownership interests and responsibilities and maintains final approval on any issue that would impact Caltrain operations.

The MOU has been approved by the CHSRA Board and the Diridon JPAC. It is expected that the VTA Board and the City of San Jose City Council will consider approval in December 2010.

Prepared by: Marian Lee, Executive Officer, Planning & Development
Mark Simon, Executive Officer, Public Affairs

650.622.7843
650.508.6340

RESOLUTION NO. 2010 -
PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA

* * *

**AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING
RELATING TO THE DESIGN AND DEVELOPMENT OF THE
DIRIDON MULTI-MODAL RAIL STATION**

WHEREAS, the City of San Jose, has a vision to create a “Grand Central Station of the West” at the Diridon Station area, in and around property owned by the Peninsula Corridor Joint Powers Board (JPB); and

WHEREAS, to implement this vision, the City initiated a Memorandum of Understanding (MOU) by and among the City of San Jose, the California High Speed Rail Authority (CHSRA), the Santa Clara Valley Transportation Authority (VTA), and JPB; and

WHEREAS, to further implement its vision, the City created, and VTA provides the staffing support to, the Diridon Station Joint Policy Advisory Committee (Diridon JPAC), consisting of representatives from the JPB, City of San Jose, VTA, the Bay Area Rapid Transit District (BART), CHSRA, the Metropolitan Transportation Commission (MTC), with Ex Officio representation from the California State Assembly; and

WHEREAS, the MOU affirms that the Diridon JPAC is to serve in an advisory capacity on matters that promote the vision of the Diridon Station area and formalizes ongoing coordination among the key agencies to ensure that the Diridon Station area is developed and expanded in a way that is mutually beneficial; and

WHEREAS, the MOU sets forth the JPB’s interests in ensuring the safety of the commuter rail system, bringing the system into a “state of good repair,” advancing reliability

projects and modernizing the Caltrain corridor between San Francisco and San Jose and it affirms that the JPB, as the owner and operator of the Diridon Station, retains all ownership interests and responsibilities and maintains final approval on any issue that would impact Caltrain operations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or his designee, to enter into a Memorandum of Understanding relating to the design and development of the Diridon Station with the City of San Jose, the California High Speed Rail Authority and Santa Clara Valley Transportation Authority, in a form acceptable to legal counsel; and

BE IT FURTHER RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to take any other actions necessary to give effect to this Resolution.

Regularly passed and adopted this 4th day of November 2010 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

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

SUBJECT: **AUTHORIZING AWARD OF A CONTRACT TO VALENTINE
CORPORATION FOR THE STATION HARDENING PROJECT**

ACTION

Staff Coordinating Council (SCC) recommends that the Board:

1. Award a contract to the lowest responsive and responsible bidder, Valentine Corporation, for the Station Hardening Project, in the total amount of \$1,518,369.
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 contract will provide a high security perimeter of physical barriers around three Caltrain stations (San Francisco, Millbrae and San Jose Diridon).

BUDGET IMPACT

Funding for this contract has been budgeted in prior-year approved Caltrain capital budgets. No additional funding is required at this time.

BACKGROUND

The Station Hardening Project will install a perimeter of physical barriers around three Caltrain stations by means of a pre-engineered bollard system. The bollards are steel structures embedded in a concrete foundation meant to prevent a vehicular attack on the stations.

This project resulted from a Threat and Vulnerability Study conducted under the auspices of the Department of Homeland Security. The results of the study identified perimeter security at certain stations as vulnerabilities and allowed the JPB to apply for the Department of Homeland Security Transit Safety Grant Program (TSGP) funds to mitigate the vulnerabilities.

Invitations for Bids (IFBs) were distributed throughout the construction industry. The solicitation was 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). Four bids (including one from a DBE firm) were received and opened publicly. The four bids are listed below:

	Company	Total Bid Amount
	<i>Engineer's Estimate</i>	<i>\$1,148,766.00</i>
1.	Valentine Corporation	\$1,518,369.00
2.	Rodan Builders, Inc.	\$1,537,000.00
3.	Gordon N. Ball, Inc.	\$1,567,765.00
4.	Dahl Taylor & Associates (DBE firm)	\$1,787,728.00

Staff reviewed the bids and determined Valentine Corporation was responsive to the solicitation requirements. Valentine Corporation was deemed to be the apparent low bidder with a bid that was 32 percent higher than the engineer's estimate. The higher bid price is a reflection of the highly specialized nature of the bollard project.

Staff and legal counsel determined that Valentine Corporation submitted a complete bid package and satisfied all of the applicable legal requirements. Staff thoroughly evaluated the bid from Valentine Corporation for responsiveness to the solicitation requirements as well as supplemental information requested to assess Valentine's experience qualifications for purposes of responsibility, and determined that it is responsive and responsible. Company reference checks confirm that Valentine Corporation is an experienced and competent contractor. Accordingly, staff concludes that Valentine Corporation is the lowest responsive, responsible bidder.

The DBE Office reviewed the IFB prior to release and encouraged bidders to provide subcontracting opportunities to small businesses, including DBEs. Valentine Corporation intends to engage two subcontractors, a DBE firm for electrical work and a state-certified small business firm for concrete cutting. Valentine Corporation complied with the DBE requirements.

Contract Officer: Helen Hoang
Project Manager: Patrick Kitto

650.508.7964
650.508.7798

RESOLUTION NO. 2010-

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

*** * ***

**AUTHORIZING AWARD OF CONTRACT TO
VALENTINE CORPORATION FOR STATION HARDENING PROJECT
AT A TOTAL COST OF \$1,518,369**

WHEREAS, the Peninsula Corridor Joint Powers Board (“JPB”) solicited bids for the Station Hardening Project; and

WHEREAS, in response to the JPB’s invitation for bids, four firms submitted bids; and

WHEREAS, staff and General Counsel have reviewed the bids; and

WHEREAS, the Executive Director has recommended that a contract be awarded to the lowest responsive, responsible bidder, Valentine Corporation, whose bid meets all the requirements of the solicitation documents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby award a contract to Valentine Corporation of San Rafael, CA, for the Station Hardening Project for a total cost of \$1,518,369; 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 Valentine Corporation in full conformity with all the terms and conditions of the contract documents.

Regularly passed and adopted this 4th day of November, 2010 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: 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

2010 Election

Staff will provide an overview of the impact of the November 2 elections.

High Speed Rail

On November 4, the California High Speed Rail Authority will consider criteria that will guide the selection of a corridor to receive what is remaining of the State's \$2.25 billion American Recovery and Reinvestment Act (ARRA) award.

The proposed criteria strongly indicate that ARRA funds will be directed to whichever corridor receives the bulk of Fiscal Year 2011 Federal High Speed and Intercity Passenger Rail Program (HSIPR) funds.

FEDERAL ISSUES

High Speed Rail

On October 28, the Federal Railroad Administration was expected to award \$2.5 billion in grants from the 2010 HSIPR appropriation.

California was to receive \$902 million, with \$715 million awarded to one of the Central Valley corridors. The San Francisco-to-San Jose corridor was to receive \$16 million for the North Terminal project the 4th and King Street station in San Francisco. The project includes

construction of new platforms that will accommodate eventual high-speed rail service and allow Caltrain to continue to serve the station during high-speed rail construction.

Proposed Federal Emissions Rules

The Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) recently issued a Notice of Proposed Rulemaking (NPRM) to establish new federal emissions standards for medium and heavy-duty engines including transit buses.

The proposal targets a 10 percent reduction in bus emissions and fuel consumption by 2018. Staff is reviewing the proposal to determine if these new standards could impact the Caltrain shuttle program and whether comments will be necessary.

Prepared By: Seamus Murphy, Manager, Government Affairs

650.508.6388

**Peninsula Corridor Joint Powers Board
End of Session Legislative Matrix**

Bill ID/Topic	Location	Summary	Position
<u>AB 231</u> <u>Huber D</u> Environment: California Environmental Quality Act: overriding consideration.	ASSEMBLY CHAPTERED 9/29/2010 - Chaptered by the Secretary of State, Chapter Number 432, Statutes of 2010	<p>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.</p> <p>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.</p> <p>Last Amended on 8/20/2010</p>	
<u>AB 289</u> <u>Galgiani D</u> High-speed rail.	ASSEMBLY VETOED 9/30/2010 - Vetoed by the Governor	<p>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.</p> <p>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. Last Amended on 8/27/2010</p>	

**Peninsula Corridor Joint Powers Board
End of Session Legislative Matrix**

Bill ID/Topic	Location	Summary	Position
<u>AB 619</u> <u>Blumenfield D</u> Transportation projects: high-speed rail.	ASSEMBLY VETOED 9/30/2010 - Vetoed by the Governor	<p>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.</p> <p>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.</p> <p>Last Amended on 7/15/2010</p>	
<u>AB 987</u> <u>Ma D</u> Transit village development districts.	ASSEMBLY CHAPTERED 9/27/2010 - Chaptered by the Secretary of State, Chapter Number 354, Statutes of 2010	<p>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.</p> <p>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. Last Amended on 8/18/2010</p>	Support

Peninsula Corridor Joint Powers Board End of Session Legislative Matrix

Bill ID/Topic	Location	Summary	Position
<u>AB 1405</u> <u>De Leon D</u> California Global Warming Solutions Act of 2006: California Climate Change Community Benefits Fund.	ASSEMBLY VETOED 9/30/2010 - Vetoes by the Governor	<p>The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020.</p> <p>The act requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. The act authorizes the state board to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the act, and requires the revenues collected pursuant to that fee to be deposited into the Air Pollution Control Fund and be available, upon appropriation by the Legislature, for purposes of carrying out the act. This bill would establish the California Climate Change Community Benefits Fund, and would require a minimum of 10% of revenues generated for the state each year from the state sale of compliance instruments for market-based compliance mechanisms pursuant to the act, other than revenues collected for administrative purposes, to be deposited into that fund. The moneys in the fund would be used, upon appropriation by the Legislature, in the most impacted and disadvantaged communities, as defined, to fund programs or projects that reduce greenhouse gas emissions or mitigate direct health, or environmental, impacts of climate change through competitive grants, loans, or other funding mechanisms. The Secretary for Environmental Protection would be required to administer moneys appropriated from the fund and would be required to establish criteria and procedures, and meet other requirements in connection with implementation, as provided. Last Amended on 8/20/2010</p>	
<u>AB 1830</u> <u>Jones D</u> High-Speed Rail Authority.	ASSEMBLY VETOED 9/30/2010 - Vetoes by the Governor	<p>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.</p> <p>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</p>	
<u>AB 2324</u> <u>John A. Perez D</u> Transit: public transit facilities.	ASSEMBLY CHAPTERED 9/30/2010 - Chaptered by the Secretary of State, Chapter Number 675, Statutes of 2010	<p>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.</p> <p>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.</p>	

**Peninsula Corridor Joint Powers Board
End of Session Legislative Matrix**

Bill ID/Topic	Location	Summary	Position
		Last Amended on 8/20/2010	
<u>SB 455</u> <u>Lowenthal</u> D High-speed rail.	SENATE VETOED 9/30/2010 - Vetoed by the Governor	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	
<u>SB 870</u> <u>Ducheny</u> D 2010-11 Budget.	SENATE CHAPTERED 10/8/2010 - Chaptered by the Secretary of State, Chapter Number 712, Statutes of 2010	This bill would make appropriations for support of state government for the 2010-11 fiscal year. This bill contains other related provisions. Last Amended on 10/7/2010	
<u>SB 964</u> <u>Alquist</u> D Workforce development program: high-speed rail.	SENATE VETOED 9/30/2010 - Vetoed by the Governor	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. Last Amended on 6/30/2010	

**Peninsula Corridor Joint Powers Board
End of Session Legislative Matrix**

Bill ID/Topic	Location	Summary	Position
<u>SB 965</u> <u>DeSaulnier D</u> High-speed rail.	SENATE VETOED 9/30/2010 - Vetoed by the Governor	<p>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.</p> <p>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. Last Amended on 8/20/2010</p>	Support if amended
<u>SB 1320</u> <u>Hancock D</u> Transit fare evasion and passenger misconduct: administrative adjudication.	SENATE CHAPTERED 9/29/2010 - Chaptered by the Secretary of State, Chapter Number 493, Statutes of 2010	<p>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.</p> <p>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. Last Amended on 8/9/2010</p>	

**Peninsula Corridor Joint Powers Board
End of Session Legislative Matrix**

Bill ID/Topic	Location	Summary	Position
<u>SB 1371</u> <u>Correa D</u> Transportation: bond funded projects: letter of no prejudice.	SENATE CHAPTERED 9/24/2010 - Chaptered by the Secretary of State, Chapter Number 292, Statutes of 2010	<p>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.</p> <p>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.</p> <p>Last Amended on 8/16/2010</p>	