



**JPB Citizens Advisory Committee
1250 San Carlos Avenue, San Carlos, CA 94070
Bacciocco Auditorium, 2nd Floor**

May 16, 2012 - Wednesday

5:40 p.m.

STAFF LIAISON: Michelle Bouchard, Director of Rail

1. Pledge of Allegiance
2. Roll Call
3. Approval of Meeting Minutes of April 18, 2012
4. Public Comment
Public testimony by each individual speaker shall be limited to three minutes
5. Chairperson's Report (P. Bendix)
 - a. Certificate of Appreciation to Brian Wilfley
6. Support of JPB Resolution of High Speed Rail Early Investment Strategy for a Blended System Memorandum of Understanding (S. Murphy)
7. Fiscal Year 2013 Preliminary Operating and Capital Budgets (A. Chan)
8. Staff Report (M. Bouchard)
9. Committee Comments
10. Date, Time and Place of Next Meeting
June 20, 2012 at 5:40 p.m., San Mateo County Transit District Administrative Building, 2nd Floor Bacciocco Auditorium, 1250 San Carlos Avenue, San Carlos, CA
11. Adjournment

All items on this agenda are subject to action

CAC MEMBERS: **San Mateo County:** Paul Bendix (Chair), Gerald Graham, Vacant
San Francisco City & County: Kevin Gardiner, John Hronowski, Scott Klemmer (Vice Chair)
Santa Clara County: Bruce Jenkins, Cat Tucker, Brian Wilfley

INFORMATION TO THE PUBLIC

If you have questions on the agenda, please contact the Assistant District Secretary at 650.508.6279 or cacsecretary@caltrain.com. Agendas are available on the Caltrain Web site at www.caltrain.com.

JPB and Citizens Advisory Committee (CAC) meeting schedules are available on the Caltrain Web site.

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, CA, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The office is also accessible by SamTrans bus routes: 390, 391, 295, 260, and KX.

The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

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

Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three 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 Assistant District Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to cacsecretary@caltrain.com; or by phone at 650.508.6279, 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 public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board (JPB) Citizens Advisory Committee (CAC)
San Mateo County Transit District Administrative Building
1250 San Carlos Avenue, San Carlos CA 94070**

MINUTES OF APRIL 18, 2012

MEMBERS PRESENT: P. Bendix, K. Gardiner, G. Graham, J. Hronowski, S. Klemmer, C. Tucker

MEMBERS ABSENT: B. Jenkins, B. Wilfley

STAFF PRESENT: T. Bartholomew, M. Bouchard, N. McKenna

Chair Paul Bendix called the meeting to order at 5:45 p.m. John Hronowski led the Pledge of Allegiance.

Approval of Minutes

A motion (Hronowski/Tucker) to approve the minutes of March 21, 2012 was approved.

Public Comment

Jeff Carter, Burlingame, said last week he was on Train 276 and there were no announcements made that there was a delay until the train got to San Bruno when passengers were told the train would be at the station indefinitely until a car was removed from the tracks.

Chairperson's Report – Paul Bendix

Chair Bendix says he occasionally sees things online he finds interesting and would like to share with the committee. He asked if others would be interested in receiving information.

Assistant District Secretary Nancy McKenna said if the committee would like this done please email them to her and she will forward as to not violate the Brown Act.

Annual Passenger Counts

Director of Rail Michelle Bouchard reported:

- The data is used for evaluating service changes, identify trends in stations, times, trains and direction, validate revenue-based ridership estimates and identify potential access issues with parking capacity and connectivity.
- Headcounts are done on every weekday train averaged over five weekdays and every weekend train for one weekend only.
- The cost to conduct this exercise is approximately \$200,000.
- This was the first time bikes denied boarding were counted.
- Average weekday ridership has consistently increased since 2004 at 42,354.
- Approximately 80 percent of riders are in the peak periods.
- All, but two stations, had an increase in ridership over 2011.
- The top 10 stations continue to be the same since approximately 2009.

- All counties had double-digit increases in ridership with Santa Clara County having the largest at 14 percent.
- There was a slight increase in the 2012 ridership for Gilroy.
- There was robust growth on all service types, particularly those with shorter travel times, and this demonstrates the need for a family of services.
- The top five northbound trains with maximum loads are Trains 329, 323, 369, 319 and 217. The top five southbound trains with maximum loads are Trains 378, 324, 280, 372 and 314.
- Mid-day ridership increased despite reduction of four trains.
- Average weekday bicycle ridership had a 15.8 percent increase.
- On-board bike capacity was increased 31 percent in June 2011.
- Bikes deny were consistent with self-reporting and information shared in board reading files. Bike denials were reported on Trains 324, 369 and 378.
- The top five bicycle boarding stations are San Francisco, Palo Alto, Mountain View, Redwood City and San Jose Diridon.
- Ridership on the pilot weekend Baby Bullet service decreased but ridership remains robust.
- Next steps include:
 - Fiscal Year (FY) 2013 budget remains challenging with fuel prices increasing and relying heavily on one-time funding sources.
 - Staff remains very concerned about the projected budget deficit for FY2014 which will require additional one-time funds absent any dedicated revenue source for Caltrain operations.
 - Staff is looking at potential restoration of some of the mid-day service in the areas where there is potential growth. The restoration is relatively cheap because existing crews would be used. Staff wants to do this restoration at a time when the transition to the new operator is complete.

Cat Tucker asked if there is any update on the Silicon Valley Leadership Group and their efforts. Ms. Bouchard said the effort is pushing forward and they are going to help staff with polling to see if a ballot measure for Caltrain would be possible.

Mr. Hronowski asked if it is possible to add a sixth car on the more popular trains. Ms. Bouchard said staff is willing to look at anything, but the fleet is fairly constrained.

Chair Bendix said he rides on weekends and the service seems slow. He asked what's the cause of the decline in weekend ridership. Ms. Bouchard said she speculates there was a high amount of riders last year or bad weather this year on the Saturday the counts were done.

Scott Klemmer said when he rides on the weekends it is really slow. He said given the Baby Bullet ridership is lower than expected maybe the sweet spot for weekends service is limited trains.

Gerald Graham said it was encouraging to see the increases and he hopes Caltrain gets some sort of permanent funding.

Kevin Gardiner said in the correspondence file, passengers were happy with the use of the Gallery consists instead of the Bombardier consists on Train 324. He asked what the seating is on the Gallery and Bombardier cars. Ms. Bouchard said it is roughly a one-for-one, if there are 32 additional bike slots there are 32 additional seats on the Bombardiers. The reasons the Bombardiers operate on certain trains is the capacity balance between bikes and passengers, the Bombardier consists offer a smoother ride and they have two doors for boarding versus one door and stairs.

Chair Bendix asked if anyone has thought about the impact of ridership on Caltrain with electrification over the next 10 years. Ms. Bouchard said staff has ridership modeling and there is great potential with the ability to stop more often.

Mr. Klemmer said there have been a few delays over the last few weeks and a sure way for people to go back to driving is not passing information on to passengers when there is a delay.

Chair Bendix left at 6:40 p.m.

Vice Chair Klemmer took over the meeting.

Public Comment

Doug DeLong, Mountain View, said it would be nice if the operator of Warm Planet Bike Facility would get it clear that he is running a business and be a little less political. If he would not have accommodated all the extra bicycles he wouldn't have kept hidden the fact that there is an excess of demand in San Francisco for a couple of years and he would have a profitable business that wouldn't have required a subsidy and staff could have been doing something about increasing the capacity at the facility. It is pretty clear the Warm Planet Bike Facility is a big contributor to the bike bumping in San Francisco because people are forced to take their bikes on the train because there is not sufficient storage capacity.

Jeff Carter, Burlingame, said he started riding Southern Pacific when ridership was only 14,000. Over the years he has attended dozen of meetings where politicians said Southern Pacific needed to be replaced with BART because no one will ride the trains. Today's ridership proves these people were completely wrong. In regards to bicyclists, he has heard people say Caltrain shouldn't cater to bicyclists and this is not the attitude people should have. It is a lot cheaper to provide a bicycle space versus a parking spot. He said there is not enough weekend service with trains operating hourly.

Andy Chow, Redwood City, asked if the stations with increased ridership have bike parking facilities. He said shoulder peak ridership is a problem because that is when kids get out of school.

Staff Report – Michelle Bouchard

Ms. Bouchard reported:

- Performance for March 2012 versus March 2011
 - Weekday ridership increased 14.4 percent.

- o Fare revenue is approximately \$500,000 above budget.
 - o Year-to-date revenue is \$43 million, 23 percent above last year.
- Baseball season started on Friday, April 13 and ridership was standing room only. Ridership is averaging about 4,500 additional passengers per game.
- A group of employees will be participating in the Out of the Darkness Suicide Prevention and Awareness Walk on June 9. It is an 18-mile walk from dusk to dawn in San Francisco.
- Operator transition is going well with 40 days until TransitAmerica takes over from Amtrak. Currently a new group of engineers are being qualified on the right-of-way. All new engineers currently operate on other properties and are Federal Railroad Administration certified, but need to be qualified on the local rules for the area. The qualification is occurring on non-revenue trains after hours and on the weekends on the Gilroy extension.
- The South Terminal Project is finishing up and there are still questions when ACE and Capitol Corridor will be stopping at Santa Clara. Staff is working out details with Union Pacific on their schedule and use of station.
- CAC recruitment for four positions, one in each county plus the vacancy in San Mateo is ongoing. There has been a great response with an excess of 20 applications. The deadline to apply is April 30.

Ms. Tucker asked if there is a marketing program to encourage ridership from Gilroy and to reach out to new riders. Ms. Bouchard said Executive Officer Customer Service and Marketing Rita Haskin would be the best to ask and she will reach out to her to provide information.

Mr. Klemmer asked if Caltrain has reached out to the large companies that have provide shuttle buses. It seems like Caltrain could partner with Facebook or Google to help get their employees to work who are coming from Gilroy.

Mr. Graham asked if staff had an answer about his original funding question from last month. He said Deputy CEO Chuck Harvey said Caltrain got \$250 million from the State to buy the right a way and asked for clarification because he thought the money was put up by the three counties. San Mateo advanced San Francisco's share and part of Santa Clara's share so was this in addition to the State funds? Ms. Bouchard said it was local funding but will speak to staff and respond back next month.

Committee Comments

None

Date, Time and Location of Next Meeting:

May 16, 2012 at 5:40 p.m., San Mateo County Transit District Administrative Building, 2nd Floor Bacciocco Auditorium, 1250 San Carlos Avenue, San Carlos, CA.

Meeting adjourned at 7:00 p.m.

**AGENDA ITEM # 10
MAY 3, 2012**

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Marian Lee
Director, Caltrain Modernization Program

SUBJECT: **HIGH-SPEED RAIL EARLY INVESTMENT STRATEGY FOR A
BLENDED SYSTEM MEMORANDUM OF UNDERSTANDING (MOU)**

ACTION

The Staff Coordinating Council recommends the Board approve the following:

- Approval of the *High-Speed Rail Early Investment Strategy for a Blended System in the San Francisco to San Jose Segment known as the Peninsula Corridor of the Statewide High-Speed Rail System MOU* (attachment "A");
- Authorization for the Executive Director to enter into the MOU on behalf of the JPB.

SIGNIFICANCE

Based on the California High-Speed Rail Authority (CHSRA) Business Plan (April 2012), the Metropolitan Transportation Commission has developed a MOU reflecting regional agreement on leveraging high-speed rail Prop 1A funding with local, state and federal funding to implement the Caltrain's advanced signal system and electrification projects.

This is the first time that a realistic funding strategy has been defined for modernizing the Caltrain system reflected in the Caltrain 1999 and 2004 strategic plans.

BUDGET IMPACT

Budget to implement the MOU will be included in the FY2013 budget subject to MOU approval by the signatories and CHSRA budget approval by the state legislature. Prop 1A funding will be amended into the budget as it is made available by the State.

BACKGROUND

The overall intent of the MOU is to jointly support and pursue the implementation of a statewide high-speed rail system that utilizes a blended system and operational model on the peninsula corridor to support a one-seat ride between the Transbay Transit Center in San Francisco and Los Angeles.

The MOU is specific to project investments that upgrade existing rail service and prepare for a future high-speed train project that is limited to infrastructure necessary to support a blended system, which will primarily be a two-track system shared by both Caltrain and high-speed rail as well as other passenger and freight services.

The blended system is comprised of several interrelated capital projects. The early investment projects are the Caltrain Electrification Infrastructure and Advanced Signal System projects. The remaining inter-related capital projects are Downtown Extension (DTX) project, San Jose Diridon Station, Millbrae BART/Caltrain Station and Core Capacity upgrades to stations, tunnels, bridges, passing tracks (to be determined) and other track modifications and rail crossing improvements including grade separations (to be determined).

The funding plan included in the MOU is for the Caltrain Electrification Infrastructure and Advanced Signal System projects only.

All projects will be environmentally analyzed and cleared according to CEQA and NEPA regulations, including updating and recirculation of the Caltrain Electrification EA/FEIR completed in 2009. Caltrain, as the owner of the rail right-of-way and project implementer will plan, design and construct the projects in a way that respects the communities through which Caltrain operates to the maximum extent feasible.

Prepared By: Marian Lee
 Director, Caltrain Modernization Program

650.622.7843

RESOLUTION NO. 2012- 18

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

* * *

**AUTHORIZING APPROVAL OF THE HIGH-SPEED RAIL EARLY INVESTMENT
STRATEGY FOR A BLENDED SYSTEM MEMORANDUM OF UNDERSTANDING**

WHEREAS, the Peninsula Corridor Joint Powers Board owns the Caltrain right of way and is charged with oversight and management of that right of way in such a manner that it assures that the Peninsula commuter rail service survives and thrives and does so to the extent possible in harmony with the communities in which it operates; and

WHEREAS, the Peninsula Corridor Joint Powers Board has been provided with such an opportunity in the proposal that it enter into a Memorandum of Understanding (MOU) with various state, regional and local transportation agencies that, among other purposes, enunciates support for a state high-speed rail system that utilizes a blended system and facilitates an early investment funding plan for a Caltrain and high-speed rail blended system in the Peninsula corridor; and

WHEREAS, more particularly, the Metropolitan Transportation Commission (MTC) has prepared an MOU titled *High Speed Rail Early Investment Strategy for a Blended System in the San Francisco to San Jose Segment known as the Peninsula Corridor of the Statewide High-Speed Rail System* specifically concerning investments that upgrade existing rail service and prepare for a future high-speed train project, limited to infrastructure necessary to support a blended system, which will primarily be a two-track system shared by Caltrain, high-speed rail and other passenger and freight services; and

WHEREAS, the MOU reflects regional consensus on combining Proposition 1A funding with local, state and federal funding to implement two early investment projects - the Caltrain Electrification Infrastructure Project and the Advanced Signal System Project; and

WHEREAS, the MOU is to be signed by agencies, including the Peninsula Corridor Joint Powers Board (JPB), directly involved in the planning, funding, construction and/or operations related to the blended system; and

WHEREAS, the MOU has been approved by the CHSRA and MTC; and

WHEREAS, the other MOU parties consisting of the Peninsula Corridor Joint Powers Board (JPB), San Francisco County Transportation Authority (SFCTA), San Mateo County Transportation Authority (SMCTA), Santa Clara Valley Transportation Authority (VTA), City of San Jose, City and County of San Francisco, and Transbay Joint Powers Authority (TJPA) are committed to seeking approvals by their respective Boards.

WHEREAS, the Staff Coordinating Council has recommended approval of the MOU attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the JPB approves the *High Speed Rail Early Investment Strategy for a Blended System in the San Francisco to San Jose Segment known as the Peninsula Corridor of the Statewide High-Speed Rail System* MOU and authorizes the Executive Director, or his designee, to execute the MOU in a form approved by General Counsel, coupled with the authority to approve non-substantive minor changes that may be proposed by other parties, subject to the following understandings and conditions:

- The MOU is specific to project investments that upgrade existing rail service and prepare for a future high-speed train project that is limited to infrastructure necessary to support a blended system, which will primarily be a two-track system shared by both Caltrain and high-speed rail and will be designed to continue to support existing passenger and freight rail tenants.
- The JPB, as owner of the Peninsula rail corridor right-of-way and operator of the Caltrain system, will exercise its authority to preserve and protect the integrity of the rail corridor for the benefit of its constituents.
- The JPB, as the owner of the Peninsula rail corridor right-of-way and operator of the Caltrain system will be the lead agency to plan, environmentally study, and oversee the design and construction of the early investment project.
- The projects will be planned, designed and constructed in a manner that respects community partners and stakeholders and actively seeks participation by affected parties and interests.

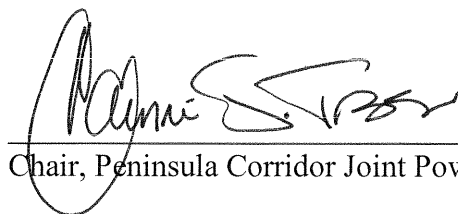
- In parallel with implementing the early investment projects, additional funding will be sought to advance all of the interrelated capital projects ultimately needed for introduction of a blended system.
- In order to address outstanding questions and issues that remain relative to the early investment projects the JPB will continue with its planning process and update/ recirculate the Caltrain Electrification EA/FEIR completed in 2004.

Regularly passed and adopted this 3rd day of May, 2012 by the following vote:

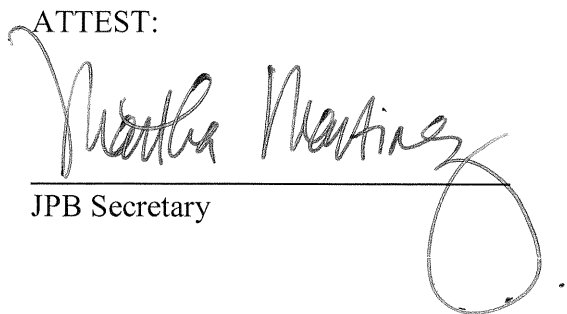
AYES: CISNEROS, DEAL, KALRA, KNISS, LLOYD, NOLAN,
YEAGER, TISSIER

NOES: NONE

ABSENT: COHEN



Chair, Peninsula Corridor Joint Powers Board

ATTEST:


JPB Secretary

MEMORANDUM OF UNDERSTANDING

HIGH SPEED RAIL EARLY INVESTMENT STRATEGY FOR A BLENDED SYSTEM IN THE SAN FRANCISCO TO SAN JOSE SEGMENT KNOWN AS THE PENINSULA CORRIDOR OF THE STATEWIDE HIGH-SPEED RAIL SYSTEM

BY AND AMONG THE FOLLOWING PARTIES (PARTIES)

**CALIFORNIA HIGH SPEED RAIL AUTHORITY (AUTHORITY)
METROPOLITAN TRANSPORTATION COMMISSION (MTC)
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY (SFCTA)
SAN MATEO COUNTY TRANSPORTATION AUTHORITY (SMCTA)
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
CITY OF SAN JOSE
CITY AND COUNTY OF SAN FRANCISCO
TRANSBAY JOINT POWERS AUTHORITY (TJPA)**

Recitals

Whereas, the California High-Speed Rail AUTHORITY (AUTHORITY) is responsible for planning, building and maintaining an 800-mile statewide high-speed rail system and improved mobility through the development of safe, clean, reliable rail technology; and

Whereas, the AUTHORITY, in partnership with the Federal Railroad Administration is advancing a California High-Speed Train (HST) network that links the major metropolitan areas of the State of California utilizing corridors into and through Southern, Central and Northern California; and

Whereas, the AUTHORITY has responsibility for planning, construction and operation of high-speed passenger train service in California and is exclusively charged with accepting grants, fees and allocations from the state, from political subdivisions of the state and from the federal government, foreign governments, and private sources; and

Whereas, the AUTHORITY's 2012 Business Plan proposes to incrementally develop the HST system utilizing a blended system approach that will coordinate the development and operations of HST with existing passenger rail systems, improving, enhancing and expanding the integration of high-speed and regional/local passenger rail systems; and

Whereas, this blended approach requires a series of incremental investments in the Peninsula corridor to prepare for integrated service and operations and the AUTHORITY recognizes the need for a collaborative effort with regional and local agencies to identify early investment projects along existing rail corridors that improve service, safety and efficiency, and create linkages between HST and local passenger rail service; and

Whereas, a blended system will remain substantially within the existing Caltrain right-of-way and will accommodate future high-speed rail and modernized Caltrain service along the Peninsula corridor by primarily utilizing the existing track configuration on the Peninsula; and

Whereas, this MOU is specific to project investments that upgrade existing rail service and prepare for a future high-speed train project that is limited to infrastructure necessary to support a blended system, which will primarily be a two-track system shared by both Caltrain and high-speed rail and will be designed to continue to support existing passenger and freight rail tenants; and

Whereas, local transportation improvement projects are required to be included in a Regional Transportation Plan (Plan), and the Metropolitan Transportation Commission, working closely with local agencies is charged with developing the Plan every four years to provide guidance for transportation investments within the San Francisco Bay Area and with development of regional transportation strategies to address the needs of the Bay Area; and

Whereas, on December 19, 2001, MTC adopted the Regional Transit Expansion Program of Projects (Resolution 3434) which includes the Transbay Transit Center Phase 2 Downtown Extension and Caltrain Electrification projects as regional priorities for transit expansion; and

Whereas, the Sustainable Communities and Climate Protection Act of 2008 (SB 375, Steinberg, Statutes of 2008) requires the Plan to include a Sustainable Communities Strategy (SCS), showing evidence of integrated planning, goals that establish and strengthen the crucial linkages between the economy, land use development and the regional transportation system to improve access to jobs, education, healthcare, and other amenities in ways that improve the overall quality of life in the Bay Area, and the blended system on the Peninsula corridor in the California High-Speed Rail program is consistent with achieving SB 375 goals to reduce greenhouse gas emissions; and

Whereas, all PARTIES are involved in the planning, funding, construction and/or operation of heavy and light rail transit, buses, and/or commuter train services in the Peninsula corridor and are considering intermodal service integration, including linkages to the proposed HST service; and

Whereas, it is the intent and purpose of this MOU to strengthen the working relationship between the PARTIES to facilitate the development and implementation of projects that will improve local passenger rail service and operations while preparing designated HST corridors for eventual HST operation to achieve region-wide systems integration of rail service in Northern California; and

Whereas, local transportation improvement projects are required to be environmentally evaluated according to CEQA and NEPA regulations and where necessary, existing environmental approval covering incremental improvements to the Peninsula corridor will be updated to reflect evolving local and regional conditions and concerns; and

Whereas, incremental improvements and the blended system project will be planned, designed and constructed in a way that supports local land use and Transit Oriented Development policies along the Peninsula corridor; and

Now, THEREFORE, it is mutually understood and agreed to by the PARTIES as follows:

To jointly support and pursue the implementation of a statewide high-speed rail system that utilizes a blended system and operational model on the Peninsula corridor and that has its northern terminus at the Transbay Transit Center in San Francisco as specified in law, and its southern limit at Mile Post 51.4 at the Tamien Station in San Jose. The blended system will support and benefit operation of both Caltrain and future high-speed train service.

To jointly recognize a defined set of Inter-related Program of Projects that is consistent with the AUTHORITY's phased implementation plan and with a blended system operation of the corridor and achieves objectives that include but are not limited to system capacity and connectivity for Caltrain, HST and freight; public safety; operational efficiency; effectiveness and connectivity.

To generally describe, identify and work to fully fund an Inter-related Program of Projects known as the Corridor Electrification Infrastructure Project, Advanced Signal System (also known as Positive Train Control), the Downtown Extension to the Transbay Transit Center, which is the Proposition 1A designated northern terminus of high-speed rail, new high-speed stations at San Jose Diridon Station and a Millbrae BART/Caltrain Station with a connection to San Francisco International Airport, and a Core Capacity project of needed upgrades to stations, tunnels, bridges, potential passing tracks and other track modifications and rail crossing improvements including improvements and selected grade separations required to accommodate the mixed traffic capacity requirements of high-speed rail service and commuter services.

To recognize that of the set of Inter-related Program of Projects, the most substantial and tangible early-investment benefits will be realized when two essential projects are identified for an Initial Investment Strategy to secure, at the earliest possible date, the benefits of the blended system for the traveling public and an Initial Investment Strategy is needed to provide the groundwork upon which future construction can more readily progress.

To recognize that the two Inter-related projects for Initial Investment Strategy are the Corridor Electrification Infrastructure Project that includes the needed rolling stock to operate revenue service; and the Advanced Signal System project and to adopt as part of this MOU, the funding plans needed to move as expeditiously as possible toward construction of these two essential projects.

To work toward the implementation of the Initial Investment Strategy to the maximum extent feasible and that the PARTIES shall endeavor to incorporate the Electrification Infrastructure and Advanced Signal System projects into their respective plans and that the AUTHORITY shall reflect this MOU in its Business Plan by December 31, 2012.

That the aforementioned projects will need to be environmentally analyzed and cleared according to CEQA and NEPA guidelines as appropriate, including updating and recirculation of the Caltrain Electrification EA/FEIR completed in 2009.

That the AUTHORITY will endeavor in good faith to secure approval and release of \$600 million of Proposition 1A funds and \$106 million of Proposition 1A "connectivity" funds

consistent with the funding plans contained in this MOU as required to complete at the earliest possible date, the Corridor Electrification Infrastructure and Advanced Signal System projects.

That the AUTHORITY will endeavor in good faith to secure approval of Proposition 1A "connectivity" funds for Bay Area project sponsors consistent with and in accordance with the schedule and project expenditure plan approved and as amended by the California Transportation Commission.

That the AUTHORITY will work with funding partners to assist in seeking and releasing the funds necessary to implement the Electrification Infrastructure Project and Advanced Signal System project. Local agencies may provide local funds, real property, or in-kind resources as matching funds where matching funds are required to qualify for grant funds. PARTIES agree to work together to identify the appropriate amounts and types of local resources that may be used to support the completion of the Electrification Infrastructure Project and the Advanced Signal System Project.

That the AUTHORITY and appropriate PARTIES will coordinate to obtain funding using a mutually agreed-upon strategy. In the event that funding for the program is constrained by statute, recession of existing law, change in funding requirements or eligibility, reduction in funding level or availability, the AUTHORITY and the PARTIES shall takes steps to notify each other as needed in a timely manner.

FUNDING PLAN

Program Costs and Proposed Funding for Peninsula Corridor Projects: Electrification and Advance Signal System

Program Costs (in \$ millions, year of expenditure)	
Advance Signal System / Positive Train Control (PTC)	\$231
Electrification and Electric Multiple Units (EMUs)	\$1,225
Total	\$1,456

Program Funding (in \$ millions)	
Source	Amount
JPB Contributions	\$180
JPB Local - Currently Available	\$11
Caltrain PTC	\$4
Subtotal Local	\$195
Prop 1A Connectivity	\$106
Prop 1A High Speed Rail Authority	\$600
Prop 1B Caltrain	\$24
Subtotal State	\$730
Federal RR Admin. for PTC	\$17
Federal Transit Admin prior/current obligations	\$43
Federal Transit Admin future obligations	\$440
Subtotal Federal	\$500
MTC Bridge Tolls	\$11
BAAQMD Carl Moyer	\$20
Subtotal Regional	\$31
Total	\$1,456

See Next Page for Notes.

Funding Plan Notes:

1. Caltrain Joint Powers Board (JPB) Local Contribution is \$60 million from San Mateo sales tax, \$60 million from VTA sales tax, and \$60 million from San Francisco (\$23 million from sales tax, \$37 million from Regional Transportation Improvement Program (RTIP)/local/other). Each agency's contribution, including Proposition 1A Connectivity funds as outlined in Note 2, is contingent upon the \$60 million each from the other two JPB partners.
2. Prop 1A Connectivity is \$42 million from Caltrain, \$26 million from VTA, and \$38 million from BART (2nd priority for BART after receipt of \$150 million for railcars).
3. Prop 1B Caltrain is \$20 million Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), \$4 million State-Local Partnership Program (SLPP).
4. FTA Prior/Current Obligations is \$16 million for electrification in prior years, \$27 million for EMUs in FY12.
5. FTA Future Obligations is \$315 million for electric multiple units (EMUs), \$125 million from fixed guideway caps. Funds will be programmed in accordance with MTC Transit Capital Priorities process between approximately FY2012-2013 and FY2022-2023.
6. Bridge Tolls is from Regional Measure 1 (RM1) West Bay Rail Reserve.
7. Bay Area Air Quality Management District (BAAQMD) funds to be confirmed.
8. Assumes that all local sources, Prop 1B PTMISEA, all federal sources, and bridge tolls can be used as match to Prop 1A funds, totaling \$726 million in matching funds for \$706 million in Prop 1A funds.
9. Other potential future funding sources could be substituted if secured, including federal Transportation Investment Generating Economic Recovery (TIGER) funds (such as current Caltrain application for \$44 million), State Interregional Transportation Improvement Program (ITIP) funds, and private financing.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **PRELIMINARY FISCAL YEAR 2013 OPERATING BUDGET**

ACTION

This report is submitted for informational purposes only. No policy action is requested at this time.

SIGNIFICANCE

The preliminary FY2013 Peninsula Corridor Joint Powers Board (JPB) Operating Budget is almost, but not yet fully balanced. Attachment A shows an operating budget of ~~\$111.0~~ **111.4** million, an increase of ~~\$4.6~~ **5.0** million, or ~~4.3~~ **4.7** percent, over the FY2012 revised budget. ~~Expenditures exceed revenues by approximately \$848,000.~~

Fiscal Year 2013 Revenue Projections

Total revenues for FY2013 are projected to be ~~\$110.4~~ **111.4** million. Revenues include the following significant components:

FY2013 Operating Revenue for Caltrain is projected to be \$69.4 million.

- Farebox Revenue is projected to be \$60.3 million,
- Parking Revenue is projected to be \$3.3 million, which reflects a daily and monthly parking increase resulting in an additional \$312,000 in revenues.
- Total Contributed Revenue is projected to be ~~\$40.8~~ **42.0** million which includes the following:
 - **AB434 & TA Shuttle Funding is projected to \$2.2 million which includes the San Mateo County Transportation Authority (TA) shuttle funding of \$1.2 million.**

- Operating Grants are projected to be \$6.3 million consisting of \$ 5.3 million in State Transit Assistance formula funds and \$1.0 million in preventative maintenance funding.
- JPB Member Agency contributions are projected to be \$33.5 million and is consistent with agreed upon framework between the partner agencies. The total projected contributions for each member agency are as follows:
 - San Mateo - \$14.0 million
 - Santa Clara - \$13.7 million
 - San Francisco - \$5.8 million

Fiscal Year 2013 Expense Projections

Grand Total Expense for FY2013 is projected to be ~~\$111.0~~ **111.4** million and include the following significant components:

- Operating Expenses for Caltrain are projected at ~~\$95.9~~ **96.3** million.
 - Rail Operator Service is projected to be \$59.5 million.
 - Possible Additional Service/Other includes a preliminary projection of \$375,000 for an additional 6 trains effective September 1, 2012 and \$1,150,000 for possible labor compliance matters specifically to cover the contingency of the JPB not receiving a favorable special wage determination ruling by the Department of Industrial Relations applicable to hourly wage rates paid to TASI maintenance of way workers.
 - Security Services costs are projected to be \$3.8 million, primarily due to a contracted increase for the Sheriff's Transit Police.
 - Shuttle Service costs are projected to be \$4.4 million. For FY2013 the JPB and TA shuttles are combined under the JPB budget. The projected increase of \$1.4 million is due to the inclusion of the TA's share and the rate increases charged by the JPB's private contractors of the shuttle services.
 - Fuel costs are projected to be ~~\$16.8~~ **17.2** million in FY2013 based on a projected fuel price of \$3.38 per gallon. Staff will monitor the fuel price during year and may recommend an amendment to the budget based on year-to-date actuals. Staff is investigating the renewal of the fuel hedging program implemented during the past two years. The fuel hedge program assists with reducing volatility and uncertainty in the fuel budget.
- Administrative expenses are projected to be \$13.9 million, of which \$5.6 million is for administrative wages and benefits and \$3.5 million is for the San Mateo County Transit District Managing Agency Administrative Overhead costs. The partner agencies agreed in 2011 to include the revised share of the SamTrans' administrative overhead costs in the

FY2013 operating budget based on recommendations included in the Indirect Cost Allocation Plan (ICAP) study that was conducted by Maximus.

Going forward, JPB staff will continue discussions with MTC and the JPB partner agencies in an effort to identify funding sources to provide a balanced budget proposal for FY2014. This will be challenging. JPB's reserves are below reasonable levels and JPB partners continue to experience reductions in their own sources of revenues.

The lack of a dedicated source of funding for Caltrain requires a substantial percentage of operating costs to be funded out of general funds from each partner. JPB will continue to work with its partner agencies, MTC, as well as other stakeholders, including the Silicon Valley Leadership Group and Friends of Caltrain, in an attempt to identify and secure a permanent, dedicated funding source for future operations.

The JPB Budget Sub-committee will also continue its on-going efforts concerning funding for Caltrain as extraordinary financing problems are on the horizon for next fiscal year.

Prepared by: Ladi Bhuller, Manager, Budgets

650.508.7755

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
BUDGET PROPOSAL
FY2013

	<u>FY2011</u> <u>ACTUAL</u> A	<u>FY2012</u> <u>ADOPTED</u> B	<u>FY2012</u> <u>REVISED</u> C	<u>FY2013</u> <u>PROPOSED</u> D	<u>INC(DEC)</u> <u>FY12 REVISED</u> <u>to FY13PROPOSED</u> E = D-C	<u>% INC(DEC)</u> <u>FY12 REVISED</u> <u>to FY13 PROPOSED</u> F = E/C	
REVENUE							
OPERATIONS:							
1 Farebox Revenue	49,025,572	50,644,719	54,019,757	60,293,443	6,273,686	11.6%	1
2 Parking Revenue	2,501,190	2,776,600	2,987,854	3,299,590	311,736	10.4%	2
3 Shuttles	1,075,016	1,148,579	1,148,579	1,384,230	235,651	20.5%	3
4 Rental Income	1,733,170	1,737,240	1,737,240	1,868,760	131,520	7.6%	4
5 Other Income	2,814,080	2,913,060	2,913,060	2,527,430	(385,630)	-13.2%	5
6 TOTAL OPERATING REVENUE	57,149,028	59,220,198	62,806,490	69,373,453	6,566,963	10.5%	6
7							7
CONTRIBUTIONS:							
9 AB434 & TA Shuttle Funding	1,000,000	1,000,000	1,000,000	2,184,271	1,184,271	118.4%	9
10 Operating Grants	7,314,877	9,222,450	9,271,706	6,310,982	(2,960,724)	-31.9%	10
11 JPB Member Agencies	35,090,130	25,337,256	25,337,256	33,500,000	8,162,744	32.2%	11
12 Other Sources		9,000,000	9,000,000	0	(9,000,000)	-100.0%	12
13 TOTAL CONTRIBUTED REVENUE	43,405,007	44,559,706	44,608,962	41,995,253	(2,613,709)	-5.9%	13
14							14
15 GRAND TOTAL REVENUE	100,554,035	103,779,904	107,415,452	111,368,706	3,953,254	3.7%	15
16							16
EXPENSE							
OPERATING EXPENSE:							
20 Rail Operator Service	55,102,497	58,661,660	58,661,660	59,497,650	835,990	1.4%	20
21 Possible Additional Service/Other				1,525,000	1,525,000	100.0%	21
22 Security Services	3,628,623	4,060,113	4,177,411	3,837,534	(339,877)	-8.1%	22
23 Rail Operator Extra Work	133,204	130,000	130,000	110,000	(20,000)	-15.4%	23
24 Contract Operating & Maintenance	58,864,324	62,851,773	62,969,071	64,970,184	2,001,113	3.2%	24
25 Operator Contract Transition Costs	80,027	3,200,000	4,700,000	0	(4,700,000)	-100.0%	25
26 Shuttle Service	2,885,841	2,984,550	2,984,550	4,410,504	1,425,954	47.8%	26
27 Fuel	12,931,549	14,660,380	15,160,380	17,198,522	2,038,142	13.4%	27
28 Timetables and Tickets	181,605	161,000	161,000	147,200	(13,800)	-8.6%	28
29 Insurance	7,310,271	4,870,000	4,870,000	5,100,500	230,500	4.7%	29
30 Facilities and Equipment Maint	1,201,921	1,037,260	1,037,260	1,534,560	497,300	47.9%	30
31 Utilities	1,496,075	1,596,835	1,596,835	1,696,870	100,035	6.3%	31
32 Maint & Services-Bldg & Other	1,114,011	1,171,760	1,171,760	1,286,880	115,120	9.8%	32
33 TOTAL OPERATING EXPENSE	86,065,625	92,533,558	94,650,856	96,345,220	1,694,364	1.8%	33
34							34
ADMINISTRATIVE EXPENSE							
36 Wages & Benefits	5,071,480	5,218,497	5,218,497	5,623,527	405,030	7.8%	36
37 Managing Agency Admin OH Cost	954,521	1,122,193	1,122,193	3,540,298	2,418,105	215.5%	37
38 Board of Directors	12,289	10,800	10,800	12,800	2,000	18.5%	38
39 Professional Services	2,082,086	2,143,542	2,192,798	2,673,479	480,681	21.9%	39
40 Communications and Marketing	147,157	171,000	171,000	138,000	(33,000)	-19.3%	40
41 Other Expenses and Services	1,274,068	1,477,439	1,885,270	1,932,507	47,237	2.5%	41
42 TOTAL ADMINISTRATIVE EXPENSE	9,541,601	10,143,471	10,600,558	13,920,611	3,320,053	31.3%	42
43							43
45 Long-term Debt Expense	1,102,875	1,102,875	1,102,875	1,102,875	0	0.0%	45
46							46
47 GRAND TOTAL EXPENSE	96,710,101	103,779,904	106,354,289	111,368,706	5,014,417	4.7%	47
48							48
49 REVENUE OVER/UNDER	3,843,933	0	1,061,163	0			49

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Michael J. Scanlon
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: PRELIMINARY FISCAL YEAR 2013 CAPITAL BUDGET

The Preliminary Fiscal Year 2013 Peninsula Corridor Joint Powers Board Capital Budget will be presented to the Board on May 3, 2012 as an informational item, and will be available for distribution at the meeting.

PROPOSED FY13 CALTRAIN CAPITAL BUDGET

Item #	PROJECT TITLE/DESCRIPTION	FY 13 PROJECT PHASE	EST. TOTAL COST	PREVIOUSLY PROGRAMMED	FY13 Budget Requested	PROPOSED CAPITAL BUDGET FY13	FUTURE NEEDS
SOGR							
Station & Intermodal Access							
1.1	Systemwide Station Rehabilitation - SOGR FY13	Pre.Eng., Final Des. Constr	9,430,000	4,993,000	500,000	500,000	3,937,000
1.2	Painting of Bayshore Station	Pre.Eng., Final Des., Constr	450,000	0	450,000	200,000	0
					950,000	700,000	3,937,000
Right of Way / Signal & Communications							
1.3	Caltrain Rail Operations Control System (ROCS)	Fin Des, Constr.	14,197,816	11,197,816	1,742,099	3,000,000	0
1.4	Caltrain Predictive Arrival/Departure System (PADS)	Fin Des, Constr.	4,567,232	4,237,585	329,647	329,647	0
1.5	Train Dispatcher Voice Communication System Upgrade	Des / Constr	1,831,500	0	1,728,000	1,728,000	103,500
1.6	FY13 Voice Radio System Rehab	Final Des, Constr	550,000	0	550,000	550,000	0
1.7	FY13 Systemwide Track Rehab	Fin Des / Constr	7,000,000	0	8,000,000	7,000,000	0
1.8	San Mateo Bridges Replacement - Design	Pre Eng -Final Des	1,200,000	0	1,555,000	1,200,000	0
1.9	Signal System Rehab FY13	Final Des / Constr	12,000,000	6,100,000	2,129,000	1,800,000	4,100,000
1.10	San Francisco Roadway Bridges-22nd, 23rd, and Paul Avenue	Construction	20,471,787	14,846,927	5,624,860	5,624,860	0
1.11	Railroad Communication System SOGR	Final Des / Constr	1,127,500	0	1,021,500	1,021,500	106,000
1.12	Upgrade Public Address at 22nd St, SSF, Snyl and Diridon	Construction	1,638,000	0	1,429,000	800,000	838,000
					22,037,360	23,054,007	5,147,500
Rolling Stock							
1.13	Locomotive O/H - SOGR	Construction	-		3,917,610	3,882,610	0
1.14	Passenger Car SOGR Program	Construction	-		7,190,261	3,117,390	0
					11,107,871	7,000,000	0
LEGAL MANDATES							
2.1	CBOSS PTC Project	Des / Constr	231,000,000	25,035,591	134,200,000	TBD	TBD
2.2	ADA on Caltrain - Increase Capacity	Fin. Des. & Constr	299,240	0	299,240	299,240	0
					134,499,240	299,240	0
OPERATIONAL IMPROVEMENTS/ENHANCEMENTS							
3.1	CCTV Improvements at Stations	Pre Eng, Final Des	500,000	0	500,000	469,623	0
3.2	ROW Safety Fencing	Construction	7,838,520	5,519,128	1,280,000	703,794	1,615,598
3.3	South Terminal - Wayside Power	Construction	2,300,000	1,000,000	2,586,834	1,300,000	0
3.4	Railsim Modeling Software Upgrade	Fina Des / Procurement	300,000	0	300,000	300,000	0
3.5	Dual Mode Communications	Final Des/ Constr	242,000	0	242,000	242,000	0
3.6	Train Departure Monitors at Terminal Stations	Final Des/Constr	1,380,000	0	995,000	995,000	385,000
3.7	Station Utilities and Asset Maps	Prelim Eng / Fin Des	1,192,021	0	992,421	992,421	199,600
					6,896,255	5,002,838	2,200,198
CALTRAIN MODERNIZATION							
4.1	Program Implementation and Management	Pre Eng	3,422,000	1,390,000	3,422,000	2,032,000	0
					3,422,000	2,032,000	0
CALTRAIN SUPPORT PROGRAM AND CONTINGENCY							
5.1	Capital Project Development	Support			500,000	500,000	
5.2	Capital Program Management	Support			500,000	500,000	
5.3	Capital Contingency Funds (Engineering)	Support			330,000	330,000	
5.4	Capital Contingency Funds (Rail)	Support			660,000	660,000	
					1,990,000	1,990,000	
FY13 Proposed Capital Budget					180,902,726	40,078,085	

*The estimated cost of the Rolling Stock State of Good Repair program from FY13 through FY22 is approximately \$80 million (in FY13 dollars) which includes \$7.3 million deferred from FY11 and FY12.

Proposed Funding Plan

Federal		State		Other		JPB		
Amount		Source		Amount		Source		FY2013 TOTAL
0		0		0		700,000		700,000
2,400,000	FTA			600,000	Other			3,000,000
263,718	FTA			65,929	Other			329,647
1,382,400	FTA					345,600		1,728,000
440,000	FTA					110,000		550,000
5,600,000	FTA	600,000	AB664			800,000		7,000,000
960,000	FTA					240,000		1,200,000
1,260,000	FTA					540,000		1,800,000
5,130,153	FHWA			494,707	SF			5,624,860
817,200	FTA					204,300		1,021,500
						800,000		800,000
18,253,471		600,000		1,160,636		3,039,900		23,054,007
0		1,277,354	Prop 1B	0		2,605,256		3,882,610
805,608	FTA	1,917,038	Prop 1B	0		394,744		3,117,390
805,608		3,194,392		0		3,000,000		7,000,000
								0
239,392	FTA					59,848		299,240
239,392		0		0		59,848		299,240
		469,623	Prop 1B					469,623
		703,794	Prop 1B					703,794
						1,300,000		1,300,000
						300,000		300,000
						242,000		242,000
						995,000		995,000
						992,421		992,421
0		1,173,417		0		3,829,421		5,002,838
		1,610,000	CHSRA			422,000		2,032,000
0		1,610,000		0		422,000		2,032,000
						500,000		500,000
						500,000		500,000
						330,000		330,000
						660,000		660,000
0		0		0		1,990,000		1,990,000
19,298,471		6,577,809		1,160,636		13,041,169		40,078,085