

REVISED to include materials for item 14. Consideration of Cooperative Agreement with Diridon Partner Agencies to Establish Interim Project Organization Structure, pgs. 154 – 179, on 09/30/2024 at approx. 9:00am  
REVISED item 15, Update Regarding Implementation of JPB Governance MOU, pgs. 180 – 191, on 10/01/2024 at approx. 10:25am



**BOARD OF DIRECTORS 2024**

DEVORA "DEV" DAVIS, CHAIR  
STEVE HEMINGER, VICE CHAIR  
MARGARET ABE-KOGA  
PAT BURT  
JEFF GEE  
RICO E. MEDINA  
RAY MUELLER  
SHAMANN WALTON  
MONIQUE ZMUDA

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

Board of Directors Meeting

October 03, 2024, 9:00 am

Bacciocco Auditorium, 2nd Floor  
1250 San Carlos Ave., San Carlos, CA

and

San Bruno City Hall  
Conference Room 138, 570 Linden Ave  
San Bruno, CA 94066

Members of the public may participate remotely via Zoom at <https://us06web.zoom.us/j/87581188408?pwd=OFNUYTVFdExlOXRkR2tQOENXQUhhUT09> or by entering Webinar ID: **875 8118 8408**, Passcode: **033088** in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors>

Members of the public also may participate in person at: San Mateo County Transit District, Bacciocco Auditorium - Second Floor, 1250 San Carlos Ave., San Carlos, CA, or any other noticed location.

Public Comments: Public comments may be submitted to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

Verbal public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial \*6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

**October 03, 2024 - Thursday**

**9:00 am**

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*All items to which [Government Code section 84308](#) applies have been marked with an asterisk.*

*A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)(9), this relationship is considered to be a noninterest but it must be disclosed.*

**PART I OF MEETING (CALL TO ORDER): 9:00 am**

1. Call to Order / Pledge of Allegiance / Safety Moment
2. Roll Call
3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances

**PART II OF MEETING (CLOSED SESSION): 9:05 am estimated**

4. Closed Session: Conference with Real Property Negotiator (Gov. Code § 54956.8)
  - 4.a. Property: 375 Beale Street, San Francisco, CA  
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel  
Negotiating parties: Bay Area Headquarters Authority  
Matter under negotiation: Price and terms of payment
  - 4.b. Property: 166 N. Rollins Road, Millbrae, CA  
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel  
Negotiating parties: San Mateo County Transit District  
Matter under negotiation: Price and terms of payment

- 4.c. Property: 153 Townsend Street, San Francisco, CA  
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel  
Negotiating parties: Ellis Partners and China Basin Ballpark Company, LLC  
Matter under negotiation: Price and terms of payment
- 4.d. Property: 305 Main Street, Redwood City, CA  
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel  
Negotiating parties: Brugger Corporation  
Matter under negotiation: Price and terms of payment
- 5. Closed Session: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1))  
[Peninsula Corridor Joint Powers Board vs. Mungia Castillo, Santa Clara County Superior Court, Case No. 24CH012890]
- 6. Closed Session: Conference with Legal Counsel – Anticipated Litigation (§ 54956.9(d)(4))  
[Initiation of Litigation, Number of Potential Cases: 1]
- 7. Closed Session: Public Employee Performance Evaluation: General Counsel (Gov. Code § 54957(b)(1))

**PART III OF MEETING (REGULAR SESSION): 10:30 am estimated**

- 8. General Counsel Report – Report Out from Above Closed Session (Verbal)
- 9. Public Comment for Items Not on the Agenda  
Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.
- 10. Report of the Executive Director Informational
- 11. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report Informational
- 12. Consent Calendar  
Members of the Board may request that an item under the Consent Calendar be considered separately.
  - 12.a. Meeting Minutes of September 5, 2024 Motion
  - 12.b. Approval of the 2025 JPB Caltrain Board Meeting Calendar Motion

**Approved by Finance Committee**

- |   |            |
|---|------------|
| 12.c. Accept Statement of Revenues and Expenses for the Period Ending August 31, 2024   | Motion     |
| 12.d. Approve Amendment 2 to Contract with Bell Burnett & Associates to Provide Additional Scope and Capacity for Financial Strategy Planning Consulting Services*  | Resolution |
| 12.e. Amend and Increase the Fiscal Year 2025 Caltrain Capital Budget by \$13,921,399 from \$132,702,653 to \$146,624,052   | Resolution |
| 12.f. Award of Contracts for On-Call General Commercial Real Estate Brokerage Services*   | Resolution |
| 12.g. Authorize an Amendment to the Contract with moovel North America, LLC for the Caltrain Mobile Ticketing Solution to Extend the Term by One Year and Increase the Contract Capacity by \$574,245 to \$2,255,851* | Resolution |

**Received by Advocacy and Major Projects (AMP) Committee**

- |  |               |
|--|---------------|
| 12.h. Receive Update on Diridon Station Design Alternatives  | Informational |
| 13. Receive State and Federal Legislative Update   | Informational |
| 14. Consideration of Cooperative Agreement with Diridon Partner Agencies to Establish Interim Project Organization Structure* ** | Motion        |
| 15. Update Regarding Implementation of JPB Governance MOU  | Informational |
| 16. Reports (Verbal)   |               |
| 16.a. Report of the Citizens Advisory Committee  | Informational |
| 16.b. Report of the Chair  | Informational |
| 16.b.i. Appointment of Nominating Committee for 2025 Officers  |               |
| 16.c. Report of the Local Policy Maker Group (LPMG)  | Informational |
| 16.d. Report of the Transbay Joint Powers Authority (TJPA)   | Informational |
| 17. Correspondence   |               |
| 18. Board Member Requests  |               |

19. Date/Time of Next Regular Meeting: Thursday, November 7, 2024 at 9:00 am.  
The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

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 650.551.6108. Agendas are available on the Caltrain website at <https://www.caltrain.com>. Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto:board@caltrain.com).

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

### **Date and Time of Board and Committee Meetings**

JPB Board: First Thursday of the month, 9:00 am; JPB TOPS and AMP Committee: Two Wednesdays before the Board meeting, 1:30 pm and 3:30 pm respectively. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

### **Location of Meeting**

Members of the Public may attend this meeting in person or remotely via Zoom. \*Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

### **Public Comment\***

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

### **Accessible Public Meetings/Translation**

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

### **Availability of Public Records**

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



# Executive Director's Monthly Report: September 2024

Executive Director Michelle Bouchard

*Report prepared for October Board meeting; data current through August 2024.*

## Who We Are and What We Do








**Caltrain Mission:** Caltrain is a customer-focused rail system offering safe, reliable, accessible, and sustainable transportation service that enhances quality of life for all.

**Caltrain Vision:** To be a vital link in the statewide rail network by improving connectivity to other transit systems, contributing to the region's economic vitality, and partnering with local communities to ensure that diverse constituencies receive a world-class travel experience.





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# Safety Updates – Injuries and Incidents

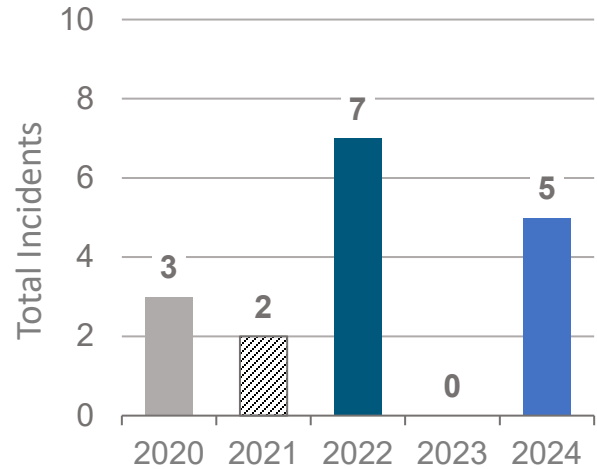
## Reportable Injury Trends



Reportable Injury Rates (RIR) are based on the number of railroad worker on duty injuries and illnesses per 200,000 employee-hours annually (equivalent of 100 full time employees). The national average RIR is 3.0 across all industries, per the U.S. Bureau of Labor Statistics. Caltrain’s cumulative RIR for calendar year 2024 is 2.17.

Strains or sprains constitute the majority (52%) of reportable injuries for Caltrain’s operator.

## Reportable Rail Equipment Incidents



Reportable railroad accidents/incidents are divided into three groups: (1) Highway-Rail Grade Crossing; (2) Rail Equipment; (3) Death, Injury and Occupational Illness.

Reportable Rail Equipment Incidents from recent years peaked in 2022. There were no reportable incidents in 2023 but there have been 5 incidents thus far in 2024.

## Days without a Reportable Injury as of 9/1/2024

Department	Days Without Injury	Date of Last Injury
Dispatch	1,559	5/27/2020
Operations	96	5/29/2024
Maintenance of Equipment	52	7/11/2024
Maintenance of Way	201	2/14/2024
Other	1,559	5/27/2020





# Safety Culture Engagement Efforts

## Ongoing Safety Culture Transformation

- Caltrain recently onboarded a new cohort of Safety Champion volunteers to partner with the Safety Department and executives on the Safety Culture Steering Committee to promote, improve, and sustain a proactive safety culture. Safety Champions help create safety messaging, encourage safety concern reporting, model safe behaviors, and obtain feedback from peers.
- Chief Safety Officer issues regular correspondence to Caltrain employees about the importance of continuing to put Safety First and Always. Recent messages covered topics such as learning culture and safety moments.
- Caltrain recently launched a “Safety Leaders of the Quarter” recognition program to acknowledge and celebrate employees who are actively contributing to a positive safety culture. A new group of Safety Leaders (the third cohort thus far) was selected and recognized in July 2024.
- Caltrain staff significantly expanded the Rail Safety section of the agency’s intranet including links to key resources such as the hazard reporting log.

## Recent Engagement Activities

- Attended APTA Mid-Year Safety and Risk Seminar
- Participated in Commuter Rail Safety Committee – presented Caltrain efforts on Roadway Worker Protection, Safety Culture and Grade Crossings
- Engaging cities along corridor to advance tree mitigation efforts
- Attended safety symposium in Pittsburgh, PA to present on Caltrain’s safety culture transformation and discuss best practices with industry peers
- Met with technology companies to discuss GPS navigation safety enhancements for grade crossing areas
- Launched internal “Safety First and Always” campaign for employees to share at least one photo and story demonstrating the importance of Going Home Safely, Every Day
- Electric train environment communication
- Scheduled additional CPR/AED training classes for administrative staff

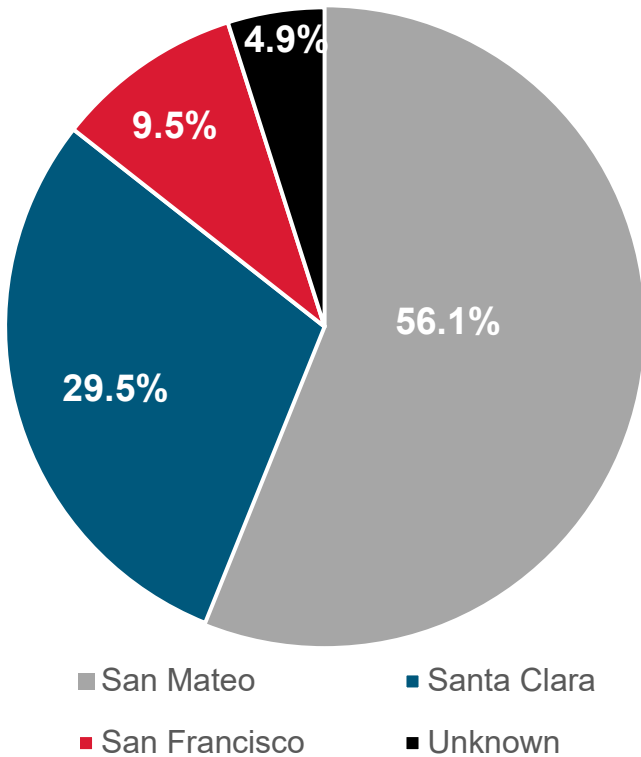




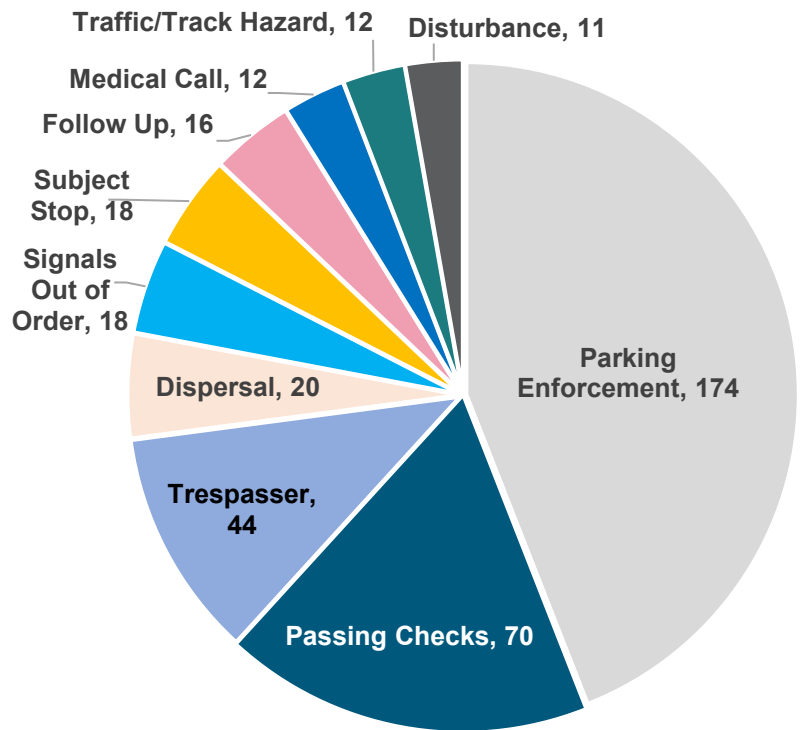
# Security Update

The San Mateo County Sheriff's Office Transit Police Bureau is Caltrain's contracted law enforcement provider. The bureau is responsible for policing all Caltrain rail equipment, stations, right-of-ways and facilities throughout San Francisco, San Mateo, and Santa Clara counties.

### Calls for Service by County August 2024



### Number of Calls by Category August 2024<sup>1</sup>



### August 2024 Service Call Data

Overall Average Response Time: **20:07**

Average Response Time for **Priority 1** Calls\*: **17:60**

Average Response Time for **Priority 2** Calls\*\*: **18:34**

\*Priority 1 Calls: *In Progress – Crimes Against Persons*

\*\*Priority 2 Calls: *Just Occurred – Crimes Against Persons/ In Progress – Property Crimes*

Footnote 1: Total calls for service totaled 536 in August across 16 categories. The pie chart shows the top 10 categories representing 395 calls or 74% of the total.

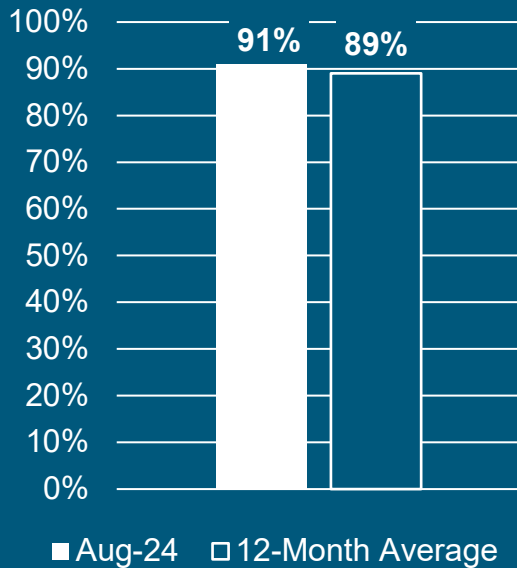




# Performance at a Glance

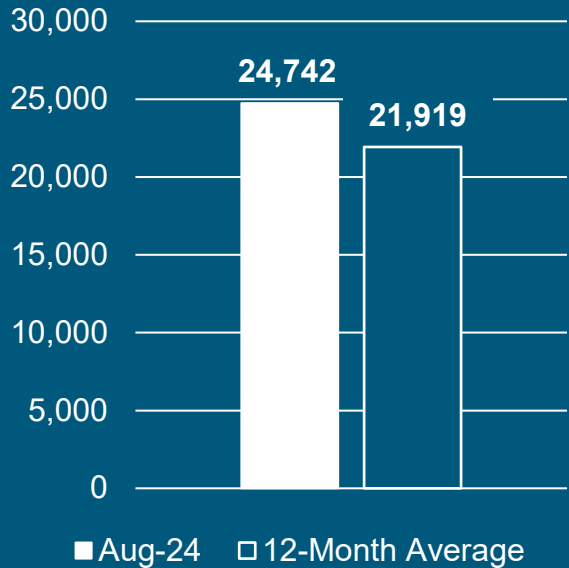
## On-Time Performance

Percentage of trains arriving within six minutes of the scheduled time



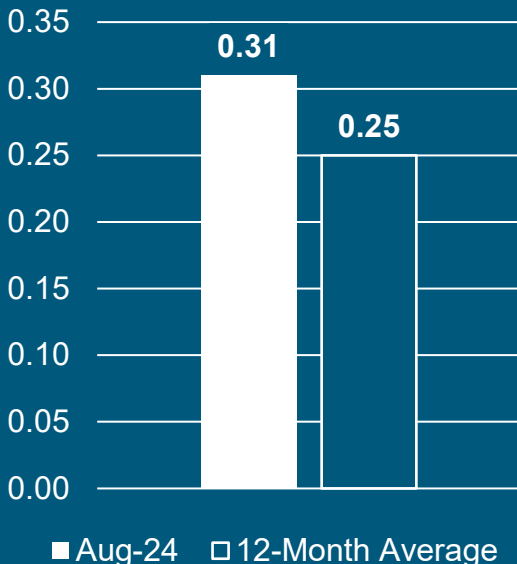
## Average Daily Ridership

Average estimated weekday ridership



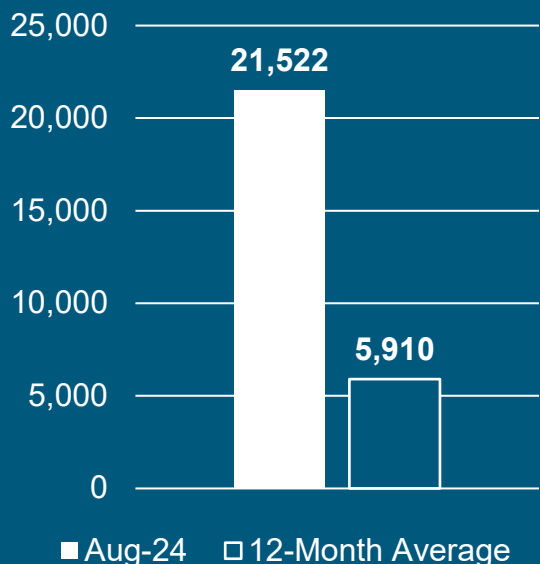
## Farebox Recovery Ratio

Ratio of fare revenue to operating costs



## Mean Distance Between Failures

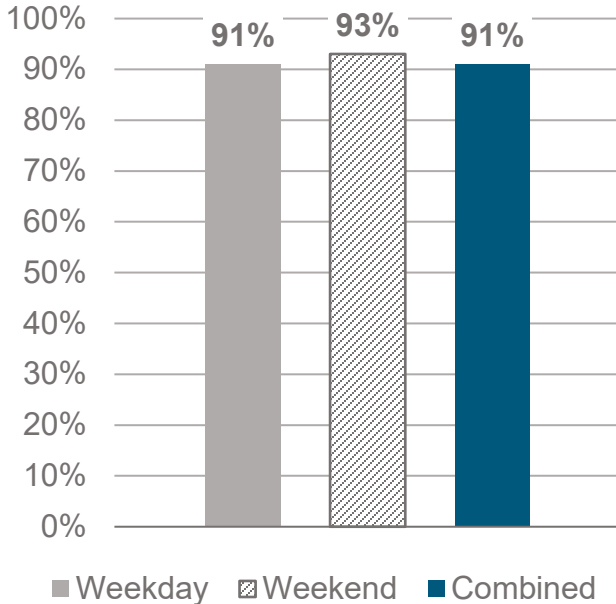
Average miles travelled by locomotives before maintenance/repair is required





# On-Time Performance

## Performance This Month (Aug-24)

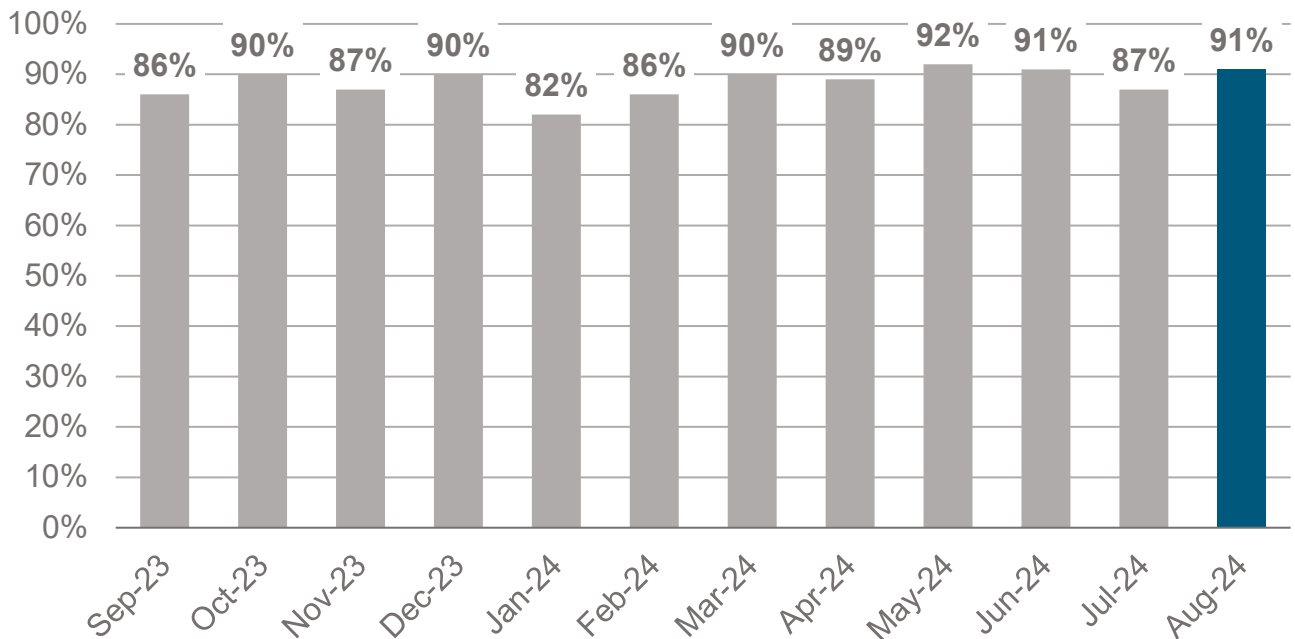


Trains are considered on-time if they arrive within six minutes of the scheduled arrival time at end-line locations (i.e. San Francisco, San Jose Diridon, Tamien, and Gilroy).

The on-time performance (OTP) goal for Caltrain is 95 percent. Combined OTP for the month of August was 91%.

Note that weekend OTP includes holidays.

## Monthly On-Time Performance in the Past Year





# Delays and Cancellations

Jun-24

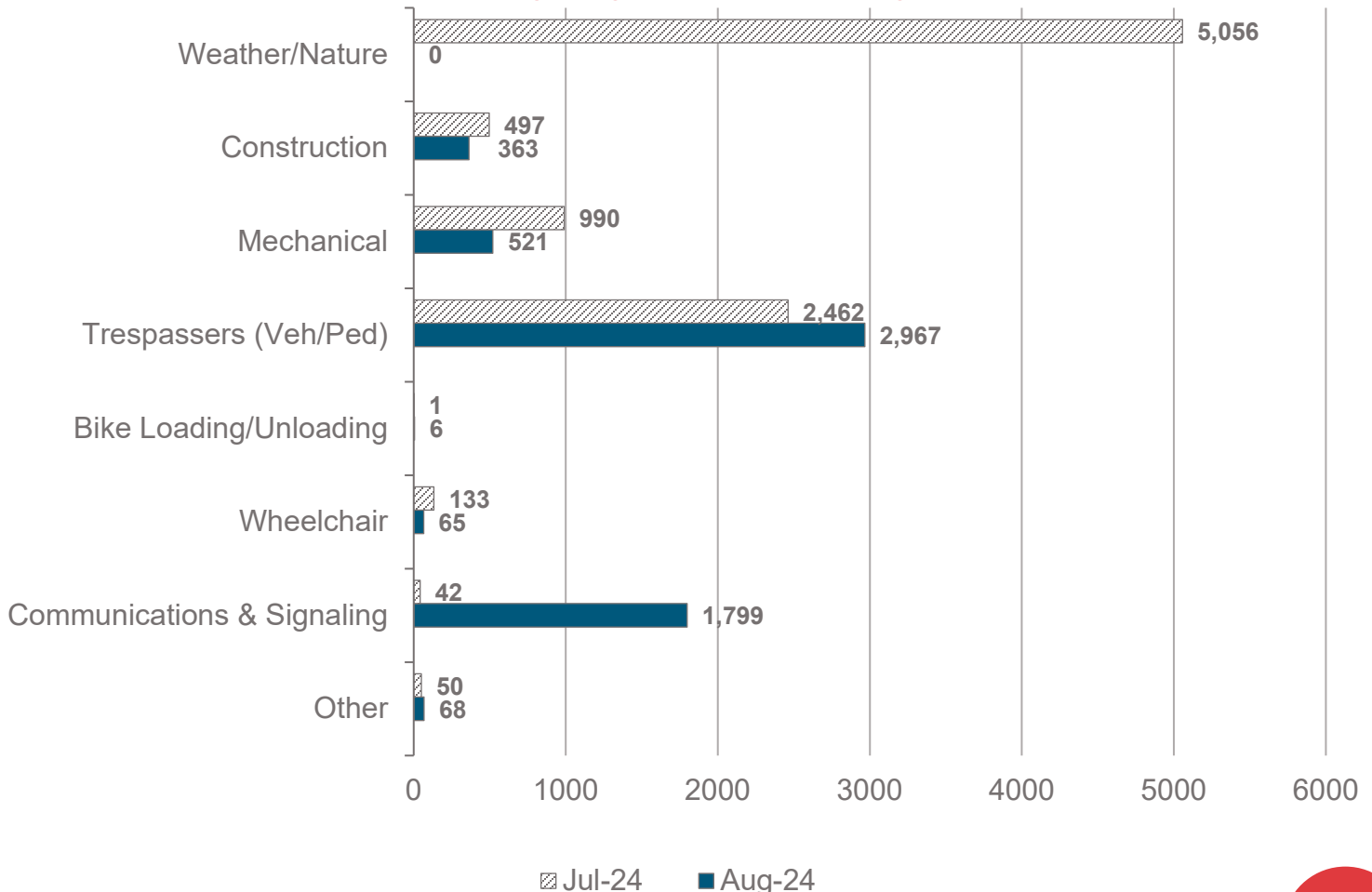
Jul-24

Aug-24

<b>Number of Late Trains</b>	216	326	224
<b>Average Minutes Late for Late Trains</b>	21	31	29
<b>Number of Cancelled Trains</b>	6	15	12

Trains are considered late if they arrive at their end-line destination six minutes or more after the scheduled time. Average Minutes Late represents the average difference in actual arrival time from the scheduled arrival time for late trains. Cancelled Trains includes trains forced to terminate mid-run, as well as those that are annulled before they begin to operate.

## Reasons for Train Delays, by Minutes of Delay



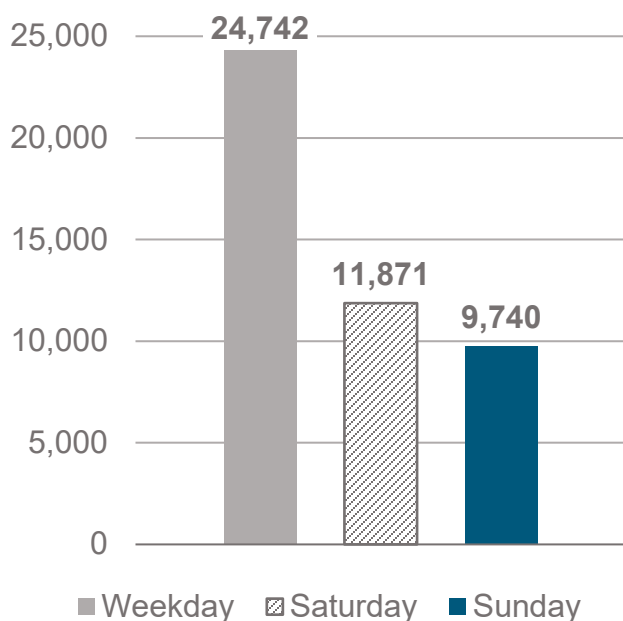
Note: "Other" includes special events and track defects.





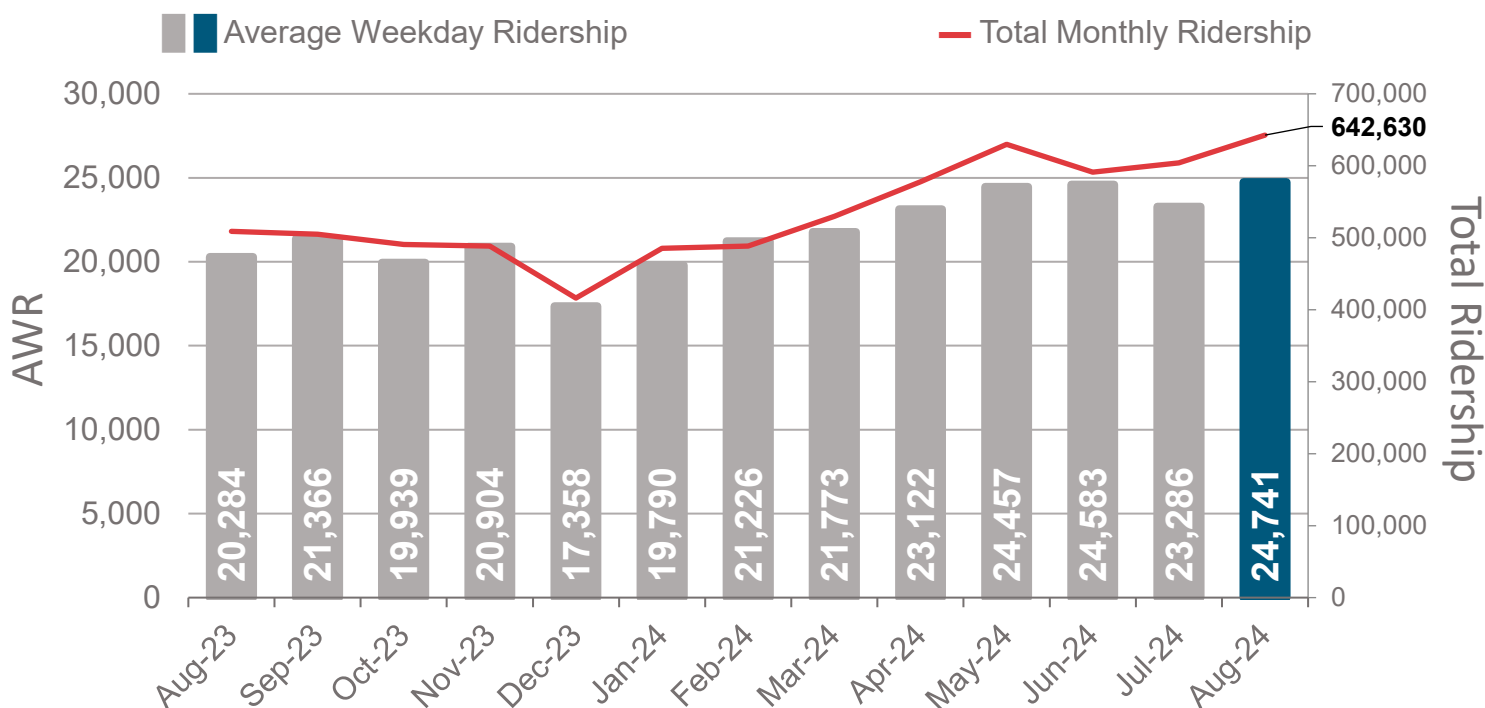
# Ridership and Revenue

## Average Daily Ridership (Aug-24)



Average weekday ridership (AWR) increased by approximately 22 percent compared to the same month in the prior year as riders continue to return to the Caltrain system for increased work and leisure travel.

## Ridership in the Past Year



April 2020 through October 2023: Due to pandemic-induced changes in travel patterns, ridership estimates were calculated using a combination of Clipper tap data and limited conductor counts.

November 2023 on: Caltrain implemented a ridership estimation model that is based entirely on fare media sales data.

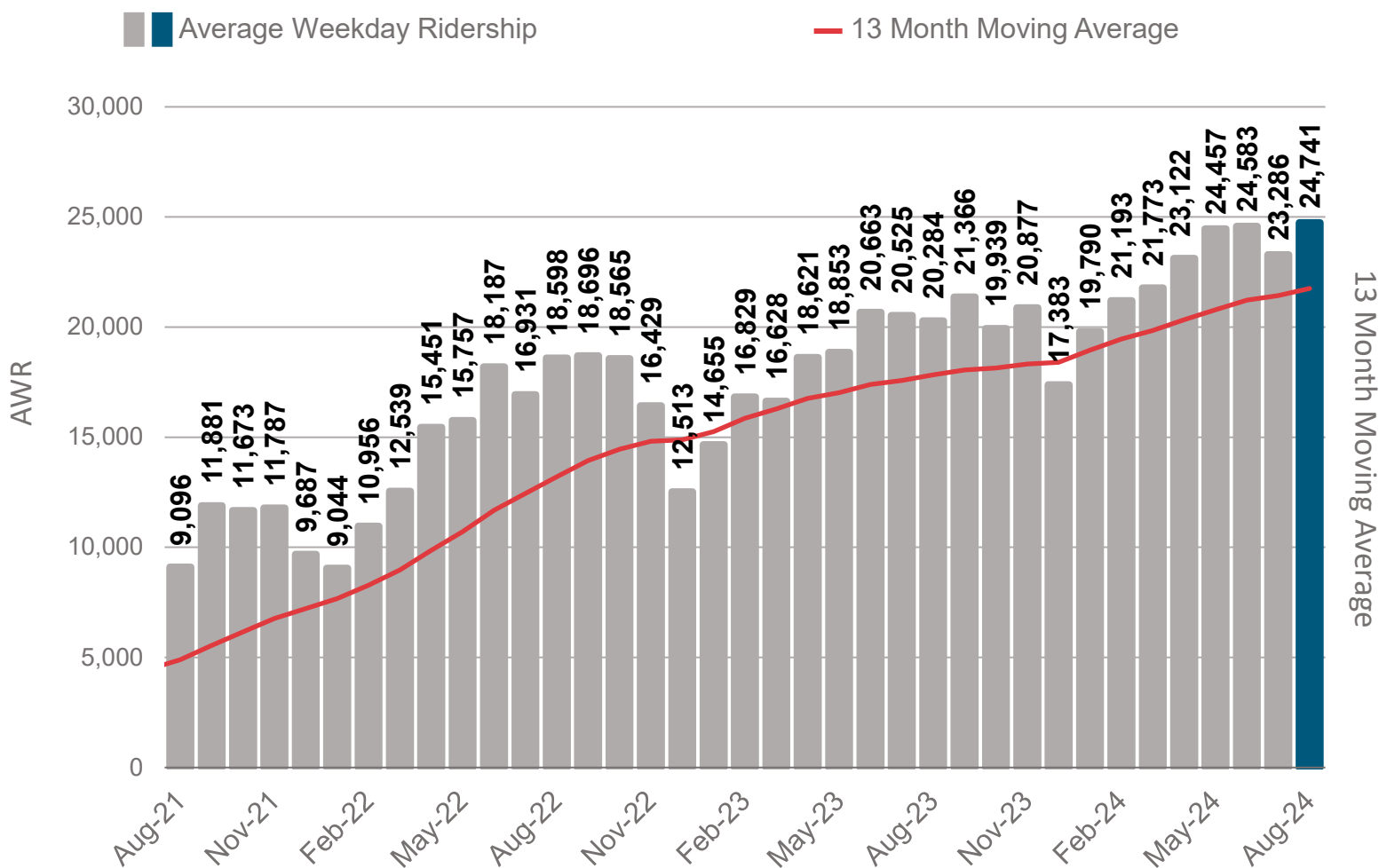






# Ridership and Revenue

**Average Weekday Ridership & 13 Month Moving Average:  
Fiscal Year 2022 to Present**



**Year Over Year AWR Increase  
(August 2023 vs. August 2024) : 22%**





# Ridership and Revenue

## Special Service Ridership Report

### San Francisco Station

- Total Special Event ridership at San Francisco Station in August was 68,844, a 13.4% increase compared to 2023 (60,696), and a 47.7% decrease from 2019 (131,556).
  - In August 2024 there were 12 events, compared to 15 in 2023, and 14 in 2019.

### Palo Alto Station

- Total Special Event ridership at Palo Alto Station in August was 1,340.
  - In August 2024 there was 1 event; there were no events with counts for 2023 and 2019.

### Mountain View Station

- Total Special Event ridership at Mountain View Station in August was 772, a 75.3% decrease compared to 2023 (3,124), and a 40.6% decrease from 2019 (1,300).
  - In August 2024 there was 1 event compared to 3 in 2023, and 2 in 2019.

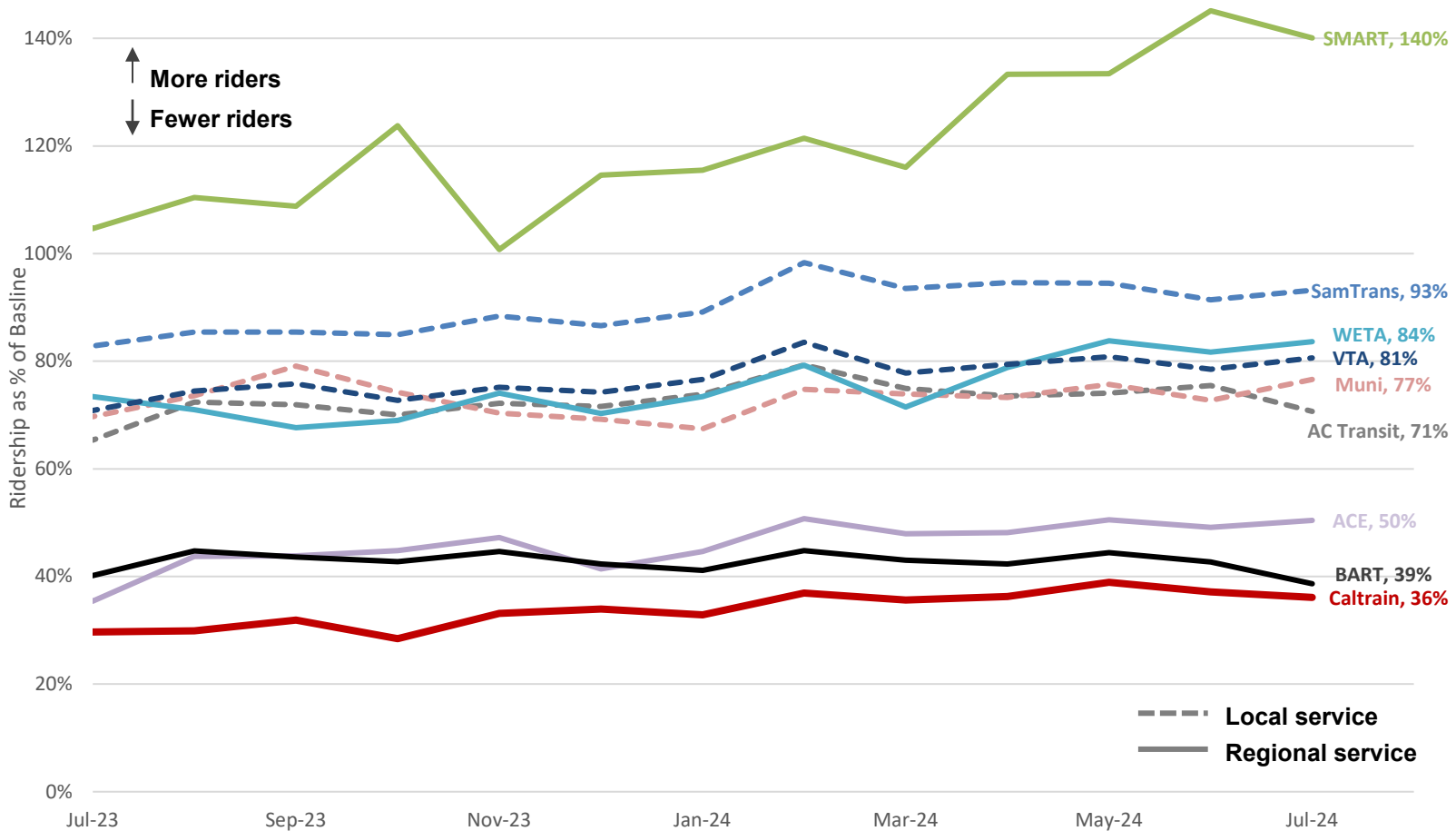




# Public Transit Ridership Recovery in the Bay Area

The below chart estimates pandemic ridership recovery by comparing each month's total ridership to that of the same pre-pandemic month in 2019.

## Total Monthly Ridership as a Share of Pre-Pandemic Levels Percent of Same Month in 2019



- Notes:
- As of August 2024, ridership recovery percentages for each agency are calculated in comparison to the same month from 2019.
  - Starting in November 2023, Caltrain ridership estimates use a fare media sales-based model. Prior to then, Caltrain ridership estimates were based on a combination of conductor counts & Clipper data.
  - Ridership data for all other agencies retrieved from the National Transit Database.

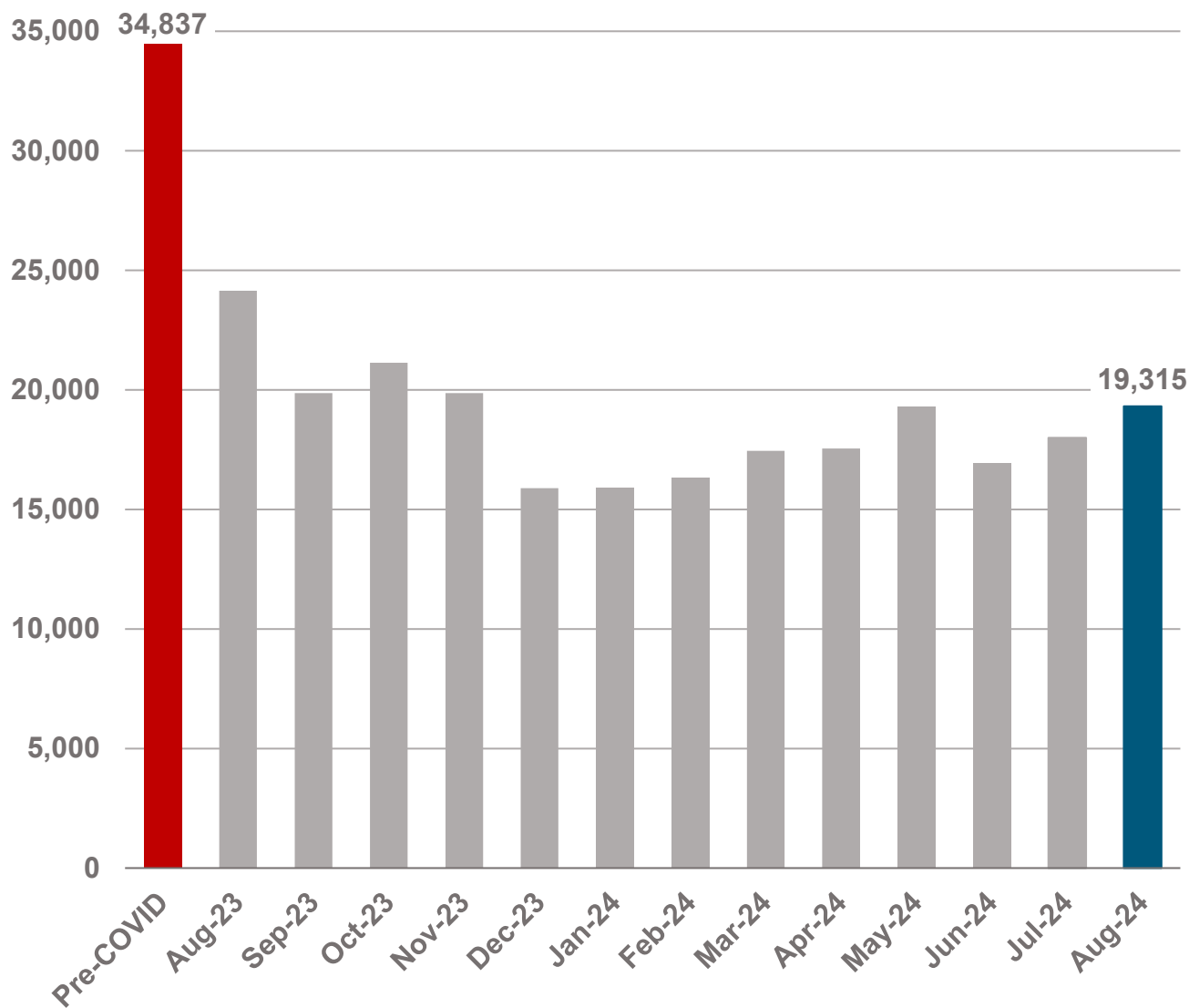
## Total Monthly Ridership Estimates (in thousands)

Transit Operator	23-Jun	23-Jul	23-Aug	23-Sep	23-Oct	23-Nov	23-Dec	24-Jan	24-Feb	24-Mar	24-Apr	24-May	24-Jun
Muni	12,316	12,611	13,824	13,561	13,942	12,492	12,338	12,718	12,770	13,942	13,756	14,487	13,194
BART	4,645	4,376	5,010	4,706	4,963	4,456	4,046	4,258	4,338	4,617	4,677	4,918	4,562
AC Transit	2,909	2,859	3,458	3,521	3,699	3,278	3,045	3,245	3,303	3,484	3,490	3,492	3,071
VTA	2,077	2,060	2,326	2,395	2,511	2,264	2,118	2,253	2,238	2,397	2,419	2,545	2,238
SamTrans	762	723	861	904	949	851	786	817	816	906	891	957	794
Caltrain	517	496	509	505	491	488	485	488	489	530	578	630	591
WETA	201	216	240	236	198	214	175	150	160	155	171	216	232
SMART	67	66	72	69	71	65	67	66	62	67	80	85	81
ACE	49	43	59	55	63	54	42	57	58	60	63	71	55



# Ridership and Revenue

## Monthly BART Transfers at Millbrae in the Past Year



BART Transfers at Millbrae represents the total number of BART-to-Caltrain and Caltrain-to-BART transfers, as measured by Clipper Card data.

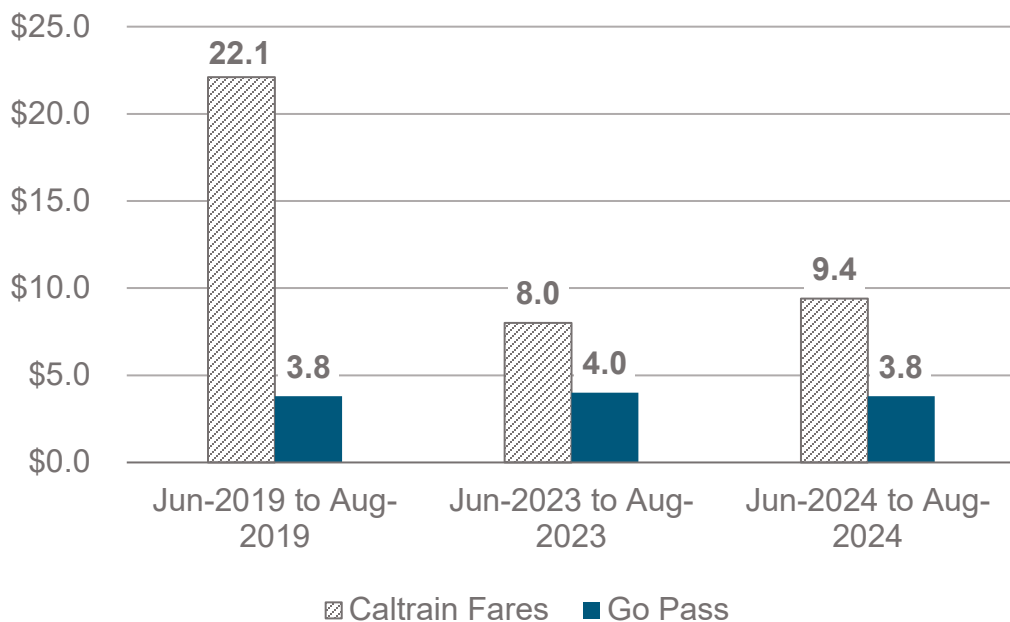
Pre-COVID data is provided for comparison purposes and represents average monthly transfers during the one-year period from March 2019 to February 2020.





# Ridership and Revenue

## Total Fare Revenues (\$M) - Past 3 Months Comparison

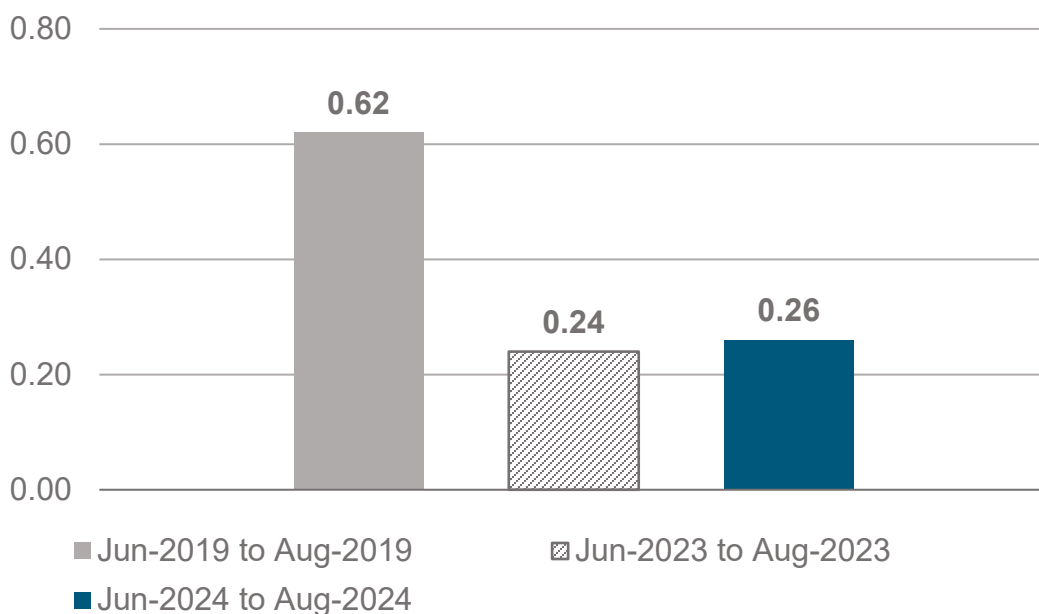


Note: Financial data are preliminary due to ongoing year end close out activities for FY 2024.

Fare revenue comes in the form of one-way tickets, daily or monthly passes (“Caltrain Fares”), and the Go Pass program.

Fare revenue is generally more stable than ridership due to many riders paying for monthly passes, which provide consistent revenue regardless of usage.

## Farebox Recovery Ratio (3-Month Rolling Average)



Note: Financial data are preliminary due to ongoing year end close out activities for FY 2024.

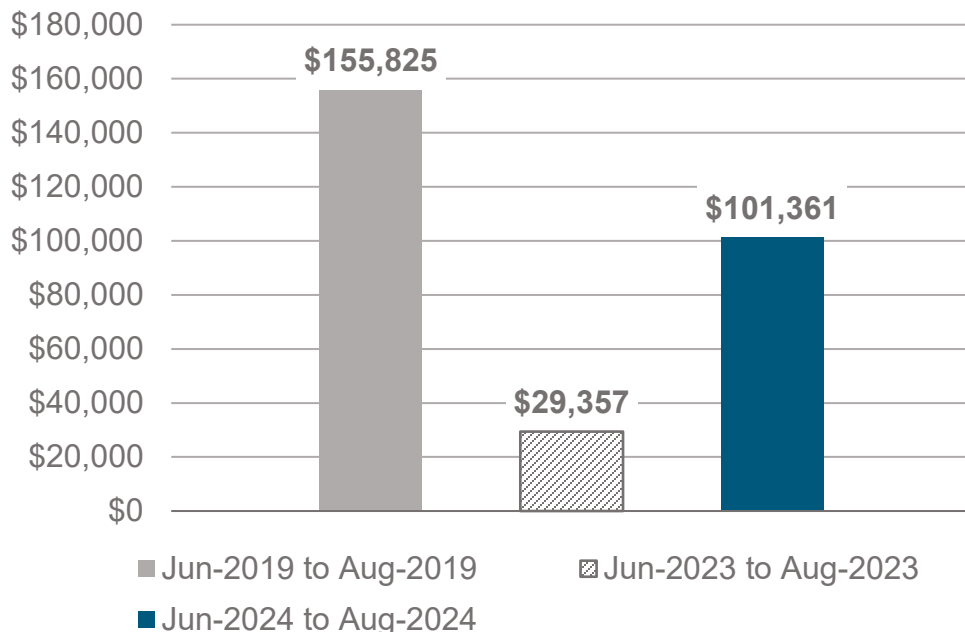
Farebox Recovery Ratio represents how much of the cost of providing service is covered by customer fares. A higher ratio indicates that a greater share of costs are covered by riders.





# Ridership and Revenue

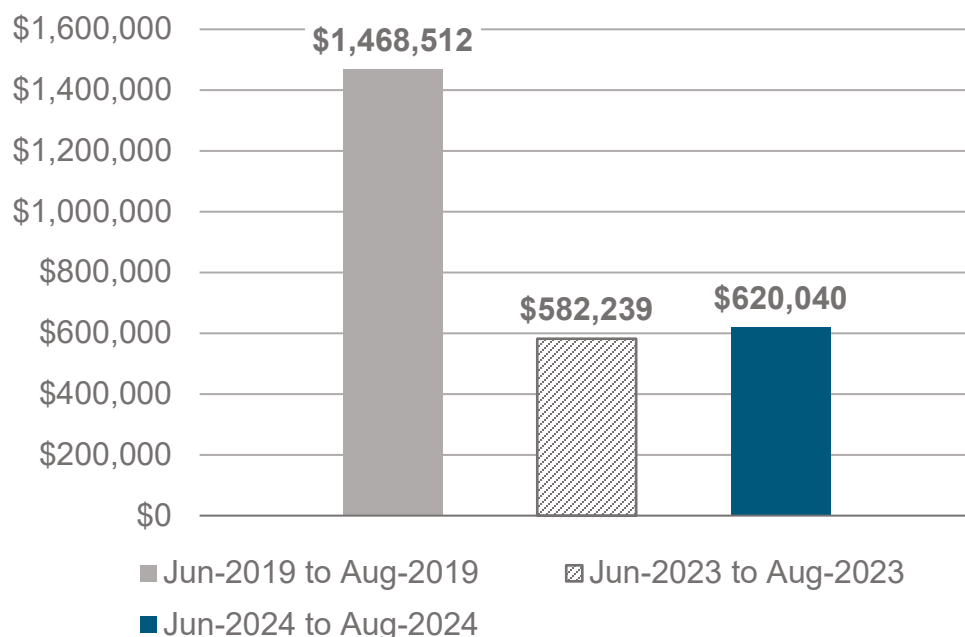
## Advertising Revenue (3-Month Rolling Average)



Advertising Revenue declined substantially for transit agencies throughout the country with the onset of the COVID-19 pandemic.

Note: Financial data are preliminary due to ongoing year end close out activities for FY 2024.

## Parking Revenue (3-Month Rolling Average)



Parking Revenue is generated by purchases of daily and monthly parking permits for parking at Caltrain-owned lots.

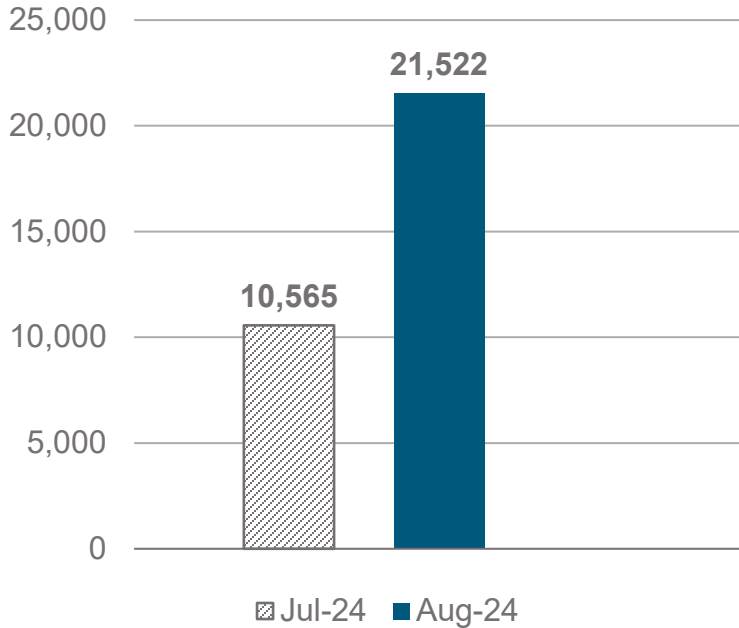
Note: Financial data are preliminary due to ongoing year end close out activities for FY 2024.





# Maintenance Performance

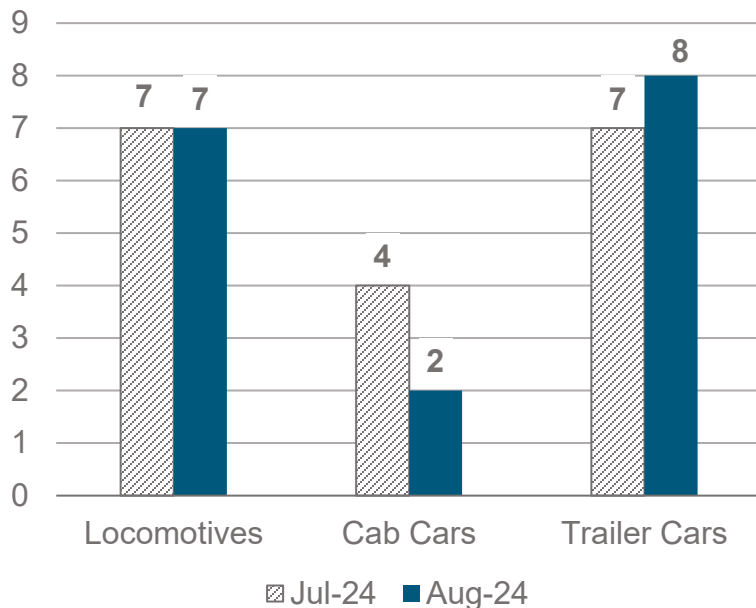
## Mean Distance Between Failure (Locomotives)



Mean Distance Between Failure (MBDF) is a measure of fleet reliability that represents the average distance traveled by revenue vehicles before maintenance or repair is required. A higher value indicates an improvement in reliability. Data is measured in miles.

The graph to the left represents MDBF for all diesel passenger locomotives in Caltrain’s fleet. Future reporting will incorporate EMU reliability data.

## Equipment in Maintenance/Repair



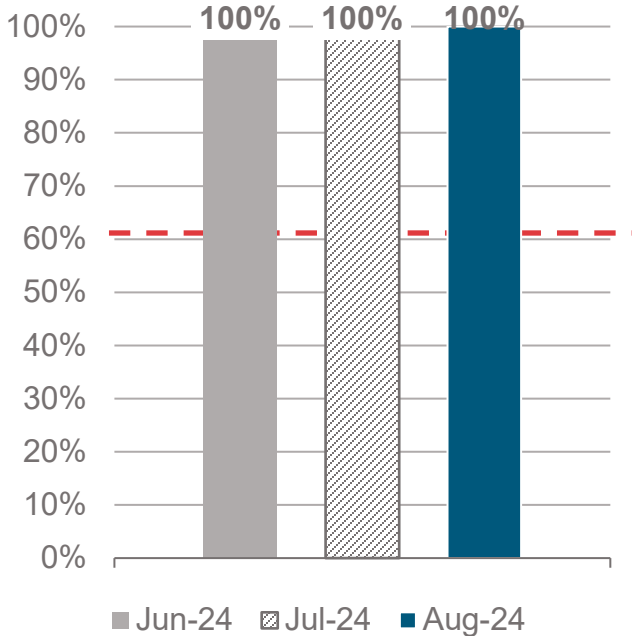
Equipment in Maintenance/Repair represents the number of diesel locomotives and passenger cars that are out of service on an average day each month due to routine and preventative maintenance or other repairs. Future reporting will incorporate EMU maintenance/repair data.





# Maintenance Performance

## Equipment Availability (Locomotives)

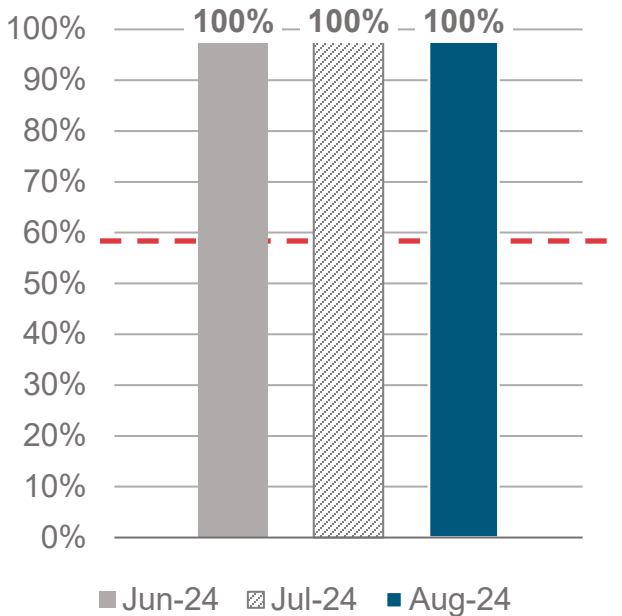


Equipment Availability is the number of cars or locomotives available for service on an average day each month as a percentage of the daily equipment required to run base service.

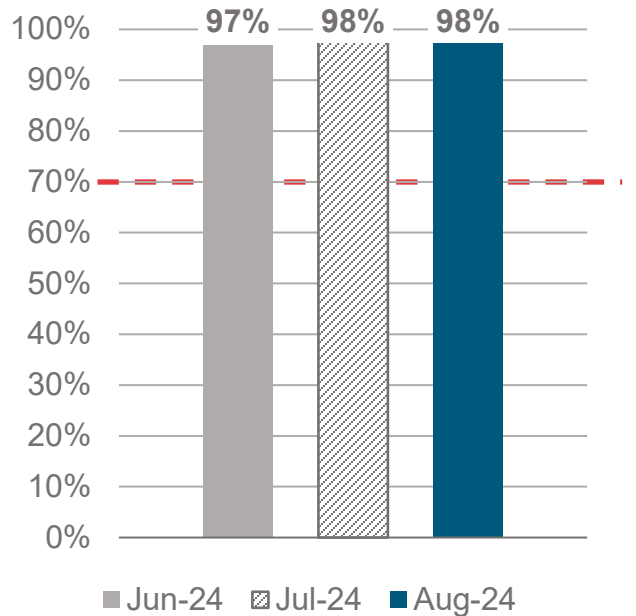
Post-electrification, Caltrain will retain 41 Bombardier passenger cars and 9 diesel locomotives to operate South County service and maintain fleet resiliency.

The graphs on this page represent diesel equipment data. Future reporting will be updated to reflect the addition of EMUs into Caltrain's mixed revenue fleet. Fourteen (14) EMUs are needed to operate the new weekday electric service.

## Equipment Availability (Cab Cars)



## Equipment Availability (Trailer Cars)



Note: The dotted red line ( - - - - ) on each graph represents the target line (i.e., the percentage of each equipment type required to run base service on an average weekday).







## Service and Program Updates

### Caltrain Commences Fully Electrified Service

On September 21<sup>st</sup> Caltrain launched its new electrified schedule, bringing the 160-year-old San Francisco-San Jose rail corridor from diesel power to electric. Caltrain is now running 100% renewable, zero-emission service from San Francisco to San Jose for the first time. Caltrain celebrated the launch of the new service with free fares during opening weekend and held celebratory events in every city along the corridor.

The new high-performance, state-of-the-art electric trains offer a better experience for Caltrain riders. Caltrain service is now faster and more frequent, with 16 stations receiving trains every 20 to 15 minutes during peak hours, weekend trains arriving twice hourly and express service from San Francisco to San Jose in under an hour. Additionally, the new vehicles offer enhanced amenities, including free Wi-Fi, onboard digital displays, power outlets at each forward-facing seat, energy-efficient lighting, baby-changing tables in the bathroom, security cameras, an improved climate control system and expanded storage under the cantilevered seats. The electric trains also generate less noise than their diesel equivalent, making the trip more enjoyable both for riders and residents that live near Caltrain tracks.





# Communications and Marketing Update

## Press Releases & Earned Media

### Press Releases:

- Caltrain Lowers Fares for Youth
- Caltrain Welcomes First Passengers on New Electric Trains
- Brand New Caltrain Online Store Launches
- Caltrain Delivers Fans to 49ers' Preseason Games at Levi's Stadium
- Caltrain Releases Electrified Schedule
- Caltrain to Run Special Service to Summer Stadium Tour at Oracle Park
- Caltrain has the Winning Ride in Stanford's Home Opener and All Season Long
- Caltrain to Operate Weekend Schedule for Labor Day
- Caltrain \$1 Youth Fare Starts Sunday, Sept. 1

### Earned Media:

- California Unveils New Fully Electric Trains - Newsweek
- Caltrain rolls out all-electric fleet in San Francisco - CBS
- A new era on the rails as California's first electric train takes off - Fox News
- Caltrain's evolution from coal to electricity - Axios
- Is the US finally getting 'all aboard' with electric trains? - The Verge

## Digital Communications Activities

### Caltrain Digital Marketing

### Electrification Updates/Events:

The weekend of August 10<sup>th</sup> and 11<sup>th</sup> was a historical milestone for Caltrain. The Electrification soft launch took place with a VIP event in San Francisco on August 10<sup>th</sup> and the first public train rides occurring on August 11<sup>th</sup>.





# Communications and Marketing Update

## Messaging Highlights:

- Electric Train VIP Event – Aug. 10
- Electric Train Soft Launch – Aug. 11
- Holiday Sweaters dropped – Aug. 12
- Be Our VIP Youth Fare Contest – Winner got to attend VIP event
- Dollar Youth Fare was announced - Aug. 30

## Social Metrics: (Year to Year)

Metric	August 2024	August 2023
Impressions	1,694,754	773,753
Engagements	93,711	27,413
Post Link Clicks	13,291	4,407

*Note: An impression is anytime our content is seen in a user’s feed or browser. Engagement is any action taken, such as a click, like, retweet or comment. These data do not include any web metrics.*





# Capital Projects Update

## Project: Guadalupe River Bridge Replacement

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
JPB has extended the MT-2 railroad bridge and will replace the MT-1 railroad bridge over the Guadalupe River in San Jose. The project is located north of Willow Street and east of State Route (SR) 87 between Tamien and San Jose Diridon stations.	<span style="color: green;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>

### Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	63,699	33,393	32,569	12/31/26
Percentages	100.00%	52.4%	51.1%	

### Project Highlights – Recent and Upcoming Work

**August:** JPB staff concluded that no construction work will be performed during the ongoing 2024 dry season. To stabilize the site for the coming 2024-2025 wet season, JPB staff submitted an Erosion and Sediment Control Plan and 2024 Debris Removal Plan to the National Marine Fisheries Service (NMFS), US Army Corps of Engineers (USACE), San Francisco Bay Regional Water Quality Control Board, California Department of Fish and Wildlife (CDFW) and Valley Water for review and concurrence prior to implementation.

**September:** JPB will winterize the site by implementing the Erosion and Sediment Control Plan and 2024 Debris Removal Plan prior to the end of the ongoing 2024 dry season. Concurrently, JPB staff will work with all agencies listed above to jointly develop a plan to obtain all necessary approvals for the project. This plan will influence the overall project approach, schedule, and budget.

**Schedule** - To adapt the project’s construction approach to align with new environmental permits, prior environmental permits must be amended for overall consistency. The resulting construction approach, allowable work hours, timelines for amended permits, and resulting project schedule are the subject of ongoing discussions with environmental permitting authorities. At this time, it is apparent that project completion will be delayed. JPB staff will continue to work with environmental permitting authorities to determine the revised project approach and will provide an updated schedule to the Board.

**Budget** - Based on preliminary forecasts, the environmental permitting challenges above will result in cost increases in excess of the current approved project budget. Anticipated drivers of cost increases are construction delays, escalation, and extended overhead, including JPB’s costs for environmental and construction oversight.

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green ● – Yellow ● – Red





# Capital Projects Update

## Project: MP-36 Locomotive Mid-Life Overhaul Project

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and replacement of Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or replaced with new material. The project work is occurring off-site at the contractor's facility location. The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 &amp; 928. In order to maintain daily service, only 1 to 2 of these locomotives are released at a time for overhaul work that is expected to take approximately 8 months per locomotive. Due to this restriction, the overall completion of this work is expected to take approximately 4 years.</p>	●	●	●	●

### Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)			Estimated Completion	
	Current Budget	Committed to Date		Expended + Accruals
Totals	14,833	12,956	11,457	12/30/24
Percentages	100%	87.3%	77.2%	

### Project Highlights – Recent and Upcoming Work

August: Locomotive 928 is at CEMOF, engine is started, and locomotive is being prepared for commissioning. Locomotive 923 has engine and hatches installed.

September: Place locomotive 928 in revenue service and receives Conditional Acceptance. Locomotive 923 will have exterior painting completed and begin static testing.

Note: The Board approved \$622,888 in August meeting and the fund has been activated. Therefore, the funding status light changed to green.

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Bayshore Station Bridge Painting

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will perform rehabilitation of the coatings of the existing steel pedestrian overpass bridge at the Bayshore Station in Brisbane. The bridge's paint coatings need rehabilitation due to surface rust. This work combined with a complete repainting of the bridge will bring the structure to a state of good repair.	●	●	●	●
<b>Project Phase: 7 – Start-up/Turnover</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	6,870	6,001	5,770	
Percentages	100.00%	87.4%	84.0%	12/31/2024
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>August: Continued to work with the team in completing final punch list items. In addition, continued to work with legal team to identify next steps and schedule for close-out phase.</p> <p>September: Continue to work with the team in completing final punch list items. In addition, continue to work with legal team to identify next steps and schedule for close-out phase.</p>				

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Broadband Wireless Communications

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project will design a broadband wireless communications system along the Caltrain corridor for the wayside train maintenance diagnostics and passenger Wi-Fi service. The project will investigate leveraging the existing infrastructure such as the Overhead Contact System (OCS) poles and JPB fiber network to communicate with passing trains. Wayside antennas may be mounted on the OCS poles at a constant interval to communicate with moving trains that will be equipped with radios and antennas.	●	●	●	●

### Project Phase: 6 – Construction/Implementation

### Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	30,441	25,444	24,780	
Percentages	100.00%	83.6%	81.4%	

### Project Highlights – Recent and Upcoming Work

August: A total of 15 EMU trains have been equipped with the Broadband equipment by Stadler to date. Nomad has validated the Stadler installation for 14 trains and have commissioned 11 trains. Nomad completed the dynamic test and System Acceptance Test. The test showed a coverage gap in the South San Francisco area which will require an additional radio antenna installed at that location.

September: Install the additional radio antenna in South San Francisco and rerun the System Acceptance Test. Complete any punch list items from the trackside civil work.

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: San Mateo Grade Crossing Improvements

Project Description		Status Summary			
		Safety	Schedule	Budget	Funding
<p>This project will design and implement safety improvements including quad gates or exit gates at the 4th and 5th Ave grade crossings in San Mateo. This project will make the two grade crossings safer for the train, motorist and pedestrians.</p>		●	●	●	●
<p><b>Project Phase: 6 – Construction/Implementation</b></p>					
Project Costs (in thousands of dollars)				Estimated Completion	
	Current Budget	Committed to Date	Expended + Accruals		
Totals	5,471	4,403	2,678	02/27/2025	
Percentages	100.00%	80.5%	48.9%		
<p><b>Project Highlights – Recent and Upcoming Work</b></p>					
<p>August: TASI completed the work at 4th Ave. TASI has a signal wiring firm under contract to wire the new signal houses.</p> <p>September: Stacy &amp; Witbeck will complete the sidewalk work at 4th and 5th Ave.</p> <p>Transit Services America, Inc. (TASI) must perform pre-requisite work prior to the general contractor, Stacy and Witbeck, Inc. (SWI), but the TASI work was continually delayed due to manpower resource issues. TASI was unable to accomplish the pre-requisite work in time for SWI to continue with their scope, per SWI's baseline schedule.</p> <p>The TASI delays result in SWI exceeding the current contract completion date. An extension of 104 calendar days to the contract completion date is required, and results in a new contract completion date of December 21, 2024. Project Manager will request approval of a revised schedule from the Management Committee in October 2024.</p>					

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green ● – Yellow ● – Red







# Capital Projects Update

## Project: Churchill Avenue Grade Crossing

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The scope includes the widening of the sidewalk to accommodate heavy bike and pedestrian traffic from local schools; relocate the pedestrian crossing gates due to the widened sidewalk; install new pavement marking and markers for vehicular traffic at the Churchill Avenue grade crossing in Palo Alto. Implement a total of 17 seconds of advance signal preemption time.	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	2,520	1,576	1,203	3/27/2025
Percentages	100.00%	62.5%	47.7%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>August: Stacy and Witbeck, Inc. installed the concrete ties and track panel.</p> <p>September: Stacy and Witbeck, Inc. will install the asphalt pavement and install the guardrails and emergency swing gate in the sidewalk.</p> <p>Churchill Ave grade crossing location is being performed concurrently with a City of Palo Alto project. The City of Palo Alto project is responsible for performing numerous pre-requisite tasks prior to the contractor, Stacy and Witbeck, Inc. (SWI), can perform their scope of work. A few of the City's critical pre-requisite tasks have been delayed. The third-party City's delays have resulted in SWI being delayed in starting their scope and will result in SWI exceeding the current contract completion date of September 8, 2024. An extension of 104 calendar days to the contract completion date is required, and results in a new contract completion date of December 21, 2024. Project Manager will request approval of a revised schedule from the Management Committee in October 2024.</p>				

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Next Generation Visual Messaging Sign (VMS)

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
Full replacement of existing obsolete VMS at 22 selected stations between San Francisco and Tamien. The current VMS signs are no longer supported by the manufacturer and the predictive arrival and departure system (PADS) is becoming obsolete. Research will be done to determine whether it's best to replace the signs that will work with the current predictive arrival and departure system (PADS) or replace signs for the next generation passenger information system.	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	6,800	3,455	3,246	06/15/2025
Percentages	100.00%	50.8%	47.7%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>August: 100% of the VMS sign at Base stations are replaced. VMS replacement at Option 1 and Option 2 station is ongoing.</p> <p>September: Complete option 1 and option 2 stations VMS replacement.</p> <p>The current remaining activated funds are insufficient to cover the construction phase. FY25 Board approved funds are not yet available for this project, resulting in a 'Red' status for funding. Working with grants to see if Pre-approval Spending Authority (PASA) can be approved.</p>				

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: San Francisquito Creek Emergency Bank Stabilization

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
Stabilize and protect the northern bank of the San Francisquito Creek to prevent erosion from undermining the northern abutment of Caltrain's existing San Francisquito Creek Bridge, the northern foundations of the Alma Street Bicycle Bridge owned by the City of Palo Alto, and an existing drainage outfall owned by the City of Menlo Park.	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	8,988	3,753	1,686	12/30/2025
Percentages	100.00%	41.8%	18.8%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>During the month of August 2024, due to the success of the temporary stabilization measures, the JPB Board resolved to recommend discontinue the emergency declaration for the San Francisquito Creek Bridge. JPB staff developed a preliminary schedule for completing the permanent stabilization under non-emergency procedures, including the public issuance of a new construction solicitation for construction of the permanent stabilization in 2025. Management of the project was transitioned to a new Project Manager.</p> <p>JPB staff will continue coordination with the USACE to acquire the 404-permit necessary for the permanent stabilization project. Concurrently, JPB staff will prepare a construction solicitation for the permanent stabilization work to be completed during the 2025 dry season.</p>				

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: San Mateo Replacement Parking Track

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>The project involves the preparation of an amendment to the previously-obtained environmental clearance report and final design of a "set out track" to replace the one that was removed in the Bay Meadows area to facilitate the construction of the 25th Ave. Grade Separation Project. The track, which will be located between 10th and 14th Aves., will be accessed from 9th Ave., approximately 1,000 feet in length and have a single switch.</p> <p>Electrification is not part of the base funding plan. Supplemental funding will be needed to electrify the replacement parking track.</p>	●	●	●	●

### Project Phase: 6 – Construction/Implementation

#### Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	10,128	8,251	5,295	
Percentages	100.00%	81.5%	52.3%	

### Project Highlights – Recent and Upcoming Work

--

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Mini-High Platforms

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>The project scope will include installation of the precast platforms and modifications as needed to the existing infrastructure as needed to accommodate the installation. Grounding and bonding will be required at all of the stations within the areas that will be electrified.</p> <p>Project will allow for more efficient ADA access to passenger vehicles for patrons decreasing dwell time thus improving service for all passengers and reducing operating costs.</p>	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	7,271	1,559	1,260	09/17/2025
Percentages	100.00%	21.4%	17.3%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>August: Began installation of Mini-Highs platforms at multiple stations.</p> <p>September: Complete pre-coordination with UPRR to line up flagging.</p>				

**Note:** The Capital Projects information is current as of August 31, 2024, and is subject to change prior to the October 2024 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red



# Acknowledgements

**This report is made possible by contributions from the following groups and individuals.**

## **Caltrain Planning**

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Elizabeth Araujo, TASI  
Margie Godinez, TASI  
Sarah Doggett, MTC  
Victoria Moe, San Mateo County Sheriff's Office



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Pranaya Shrestha, Chief Officer  
Subject: **Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff Coordinating Council recommends the Board receive the Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report (MPR).

This report is provided for informational purposes only.

**Discussion**

The MPR is intended to provide funding partners, stakeholders, and the public a PCEP overview and an overall update on project progress. This document provides information on the scope, cost, funding, schedule, and project implementation.

**Budget Impact**

There is no impact on the budget.

Prepared By: Pranaya Shrestha      Chief Officer, Caltrain      720.757.9191  
Modernization Program



## Caltrain Modernization Program Peninsula Corridor Electrification Project (PCEP)



# Executive Monthly Progress Report

August 31, 2024



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## **1.0 EXECUTIVE SUMMARY**

### **1.1 Introduction**

The Peninsula Corridor Electrification Project (PCEP) will upgrade 51 miles of diesel service to electrified service from San Francisco to San Jose (Tamien Station). The PCEP scope of work includes design and construction of an overhead contact system, traction power facilities, modification of the existing signaling and grade crossing protection system to make it compatible with the electrified railroad, substation improvements at Pacific Gas and Electric (PG&E) substations, and modifications at existing tunnels and Caltrain’s maintenance facility. It also includes the design, manufacturing, assembly, testing, and delivery of the Electric Multiple Units (EMUs).

Caltrain completed a thorough assessment of all aspects of the program including cost, schedule, risks, and organization after the global settlement in 2021. Caltrain re-baselined the program budget and schedule in December of 2021. Caltrain finished a schedule reforecast in March 2023 and recovered from storm damages in early 2024. Caltrain has successfully launched Electrified Service Inaugural Ride on August 10 with government officials. Caltrain is committed to deliver PCEP and achieve full electrified revenue service on September 21, 2024.

### **1.2 Program Cost and Budget**

On December 6, 2021, the JPB adopted a new PCEP program budget of \$2,442,690,697. On January 31, 2023, Caltrain received a \$367 million funding award from California’s Transit and Intercity Rail Capital Program’s (TIRCP) Cycle 6 Existing Project Reserve, representing the remaining funding needed to complete the project. The project is now fully funded in the amount of \$2,442,690,697. As of August 2024, the project is on budget:

- The current project total cost at completion (EAC) is the same as the Board adopted budget of \$2.44 billion.
- As of August 2024, a total of \$26.6M has been drawn down from the Shared Risk Pool of \$50 million to-date. \$5,443,719.00 was drawn from the Shared Risk Pool this month.
- As of August 2024, a total of \$38.22M has been drawn from the project contingency of \$40 million. In August 2024, \$298,875.00 was drawn from project contingency.
- In August 2024, 0\$ was issued from the milestone incentive pool of \$15 million. The team has concluded evaluation of signal cutover milestone incentives and awarded \$4M in December 2023 to the design-build contractor.

### **1.3 Program Progress and Schedule**

As of August 31, 2024, the overall project completion is 94.63%. Staff have completed weekend area focused bus bridges to maximize track access to allow system integration testing, signal cutovers, and proactive OCS construction productivity mitigations for the remaining PCEP work. The PCEP has reached substantial completion on May 3<sup>rd</sup>, 2024. Caltrain is planning for soft launch in August 2024 and a full electrified Revenue Service by September 2024.

#### 1.4 Change Management Board (CMB)

In August 2024, the following items were brought to the CMB approval for contingency drawdown:

- IRL 306 – Storm Damage Insurance Deductibles
- IRL 374 – Temporary Generators for Low Voltage Power in Segment 1
- IRL 410 – Time Related Overhead
- EMU ADA Ramp (Bridge plate)

#### 1.5 This Month's Accomplishments

The project team has completed the following notable activities for the month of August 2024:

- Electrification reached a substantial completion milestone on May 3<sup>rd</sup>, 2024.
- Completed system safety and security certification before August electrified service soft launch.
- Successful commenced EMU soft launch service with mixed fleet operations on August 11th.
- Received approval of OP54 from the FTA for soft launch and full electrified service.
- Continued to coordinate with Broadband Project, work with vehicle manufacturer, and monitor EMU production schedule that includes broadband equipment installation and testing.
- Received FTA approval of Request for amendment of Caltrain specific EMU features.
- Received FTA approval of Request for amendment of industry release of new PTC onboard software which is required for EMU electrified service.
- Continued to connect LV permanent power and coordinate remaining low voltage power drop applications with PG&E and utilized generators to support project testing.
- Continued to address impedance bonds cable theft issue and performed cable replacement to keep project testing schedule.
- Held Monthly CMB meeting for overall program status and provided schedule, budget, risks, and changes updates.
- Continued providing PCEP progress updates to funding partners, leadership, elected officials, citizens, and business community.
- Continued with project close out efforts and tracked all punch list items in a centralized database.
- There was a total of 14 EMU trainsets delivered; 13 EMUs are on Caltrain property and completed burn-in testing.
- Continued broadband equipment on board installation, and revised EMU delivery schedule that incorporated broadband equipment installation work.
- Monitor systems performance after soft launch, address issued with Rail Operations.
- Continue Rail Activation for Full Electrified service in September.
- Continued to close out NCRs and DVRs for Final Acceptance.

### **1.6 Upcoming work**

For the next four months, the PCEP team has set additional goals as described below:

- Receive two more EMUs in early September and will be available for service on September 21, 2024, 14 EMUs are required for September full EMU service. There will be 15 EMUs ready for the service.
- Close out punch list items.
- Complete PCEP as-built record drawings reviews
- Track spare part delivery status.
- Close out all permits.
- Continue to coordinate with PG&E on low voltage power drop applications, and distribution line de-energization work.
- Hold Monthly CMB meeting for program status and change order approval.
- Perform close out effort including all punch list items, documentation, and financial contract close out for design build contract.
- Complete design build contract financial close out.
- Complete recommendation of traffic mitigation effort.

The PCEP Project is currently on budget and on time for achieving Full Revenue Service on September 21, 2024.

### **1.7 Critical Items**

As of August 2024, the top critical items and related actions are highlighted below.

**Table 1-1. Critical Issues and Actions**

Critical Issues	Actions
<p>Theft of impedance bond or grounding cables may delay segment live run testing because the system (or portions of the system) cannot be energized without impedance bonds.</p>	<ul style="list-style-type: none"> <li>• Monitor hot spot areas in segments 1, 3 and 4. Perform just in time replacement right before the testing.</li> <li>• Report Theft incidents with Transit PD</li> <li>• Enhance security with cameras and other monitoring systems.</li> <li>• Implement asphalt cover for impedance bonds that have been repeatedly stolen. – on-going.</li> <li>• Purchased anti-theft cable – on-going.</li> <li>• Commenced permanent theft solution preliminary engineering effort.</li> </ul>

## 2.0 SAFETY

There was 1 reportable injury in August 2024, which brings the total to two reportable injuries for 2024. Overall, since the project’s construction started in 2017, the RIR is at 1.21, which remains below the national average of 2.5.



Figure 2-1. Project Reportable Injury Rate (RIR) by Year since 2017

### 2.1 Completed Work

Safety staff continues to coordinate with contractors to identify opportunities to improve safety performance. Organizational-wide safety briefings are being performed to ensure staff understand the application of post incident mitigation measures including rules and procedural changes designed to enhance safety. Project Safety continues to reinforce jobsite safety practices throughout the Caltrain alignment, investigate incidents, and identify mitigation measures to prevent re-occurrences. Safety project coordination meetings continue to be conducted monthly to promote a clear understanding of project safety requirements. In addition, Caltrain Safety continues weekly calls with the lead safety staff from Caltrain, PCEP, BBII, and TASI to discuss safety performance and ongoing initiatives. Caltrain initiated the 10’/10’ rule: 10’ from track and 10’ from overhead wires.

### 2.2 Upcoming Work

The Fire/Life Safety Committee continues to work with emergency responders along the Caltrain corridor on emergency preparedness in advance of energization. The safety team has updated the OCS and EMU emergency responder safety familiarization presentations to include voiceover features for use by the Fire Departments. The presentation will also be shared with other emergency responder jurisdictions through the project Fire/Life Safety Committee.

OCS and EMU First Responder was completed in October 2023. In total, 92 classes were



given to emergency responders with a total number of 836 attendees.

Police Departments along the corridor are currently being scheduled by the Transit Police to receive this training also.

In addition to the 936 emergency responders trained, there were 242 third party and Tenant railroad employees trained, and 48 Burlingame Public Works for a total of 1226.

### 3.0 IMS PROGRAM SCHEDULE

#### 3.1 Introduction

The Integrated Master Schedule (IMS) Program Summary Schedule depicted in **Figure 3-1** shows the schedule status of the major PCEP projects. The current schedule dates for this program schedule were based on BBII’s version “A” August 2024 Progress Schedule as well as the Stadler August 2024 EMU Progress Schedule. The Final Acceptance date of the BBII schedule is now calculating an early completion date of 9/6/2024 which is 2-days ahead of the allowed date of 9/8/2024. Stadler’s schedule shows the arrival at JPB of the 16<sup>th</sup> Trainset on 9/12/2024. Therefore, it is expected that the Revenue Service Date (RSD) can remain as September 21, 2024, depending on if the final Trainsets can be complete Burn-In prior to the RSD and generators are used until PG&E can provide permanent power drops. If the Burn-In of the final Trainsets can be completed prior to September 2024, then the Full Funding Grant Agreement (FFGA) Revenue Completion Date (RCD) of December 31, 2024, remains unchanged.

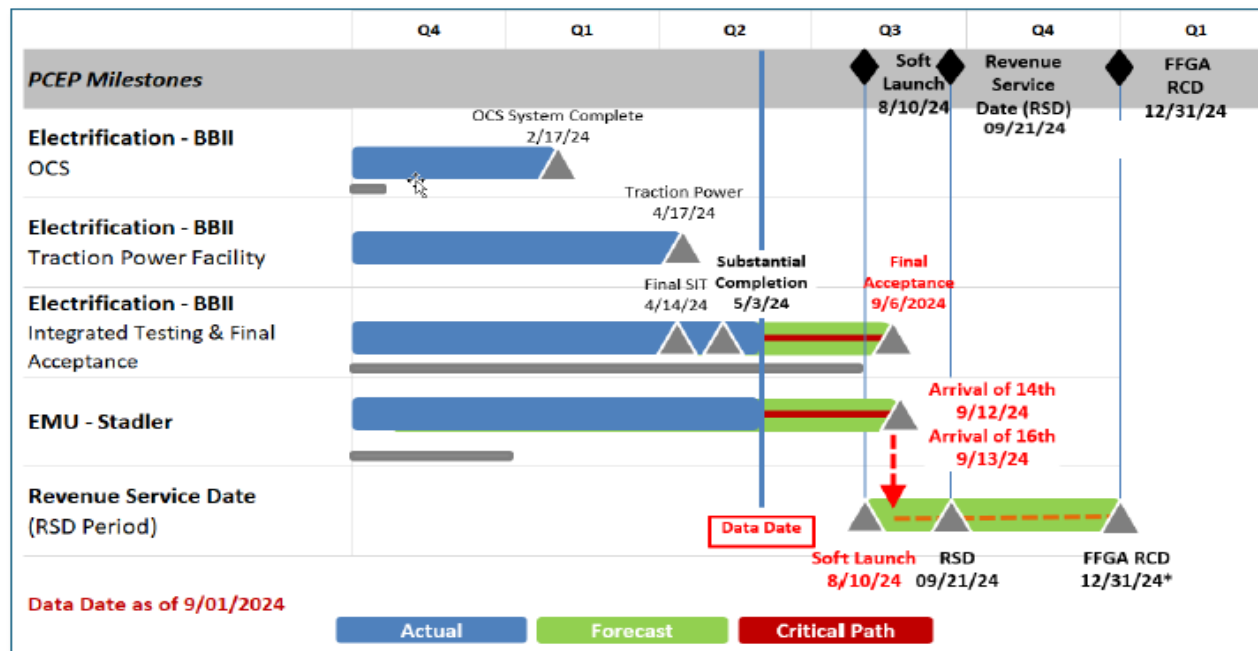


Figure 3-1. Master Program Summary Schedule

### 3.2 Critical Path Analysis

The current critical path now shifts to the submission and review of As-built documentation leading to Final Acceptance. BBII is currently preparing the final Test Dossiers for the traction power facilities. These final reports will address all previous comments from previous submittals. These final reports include separate submittals for SSW-1, TPSS 2, and PS-6 / PS1 / PS-4. In addition, there is other work leading to Final Acceptance that includes Punch List work and completing Signals / Communication work between 7.91 to 27.92 (Punch Work).

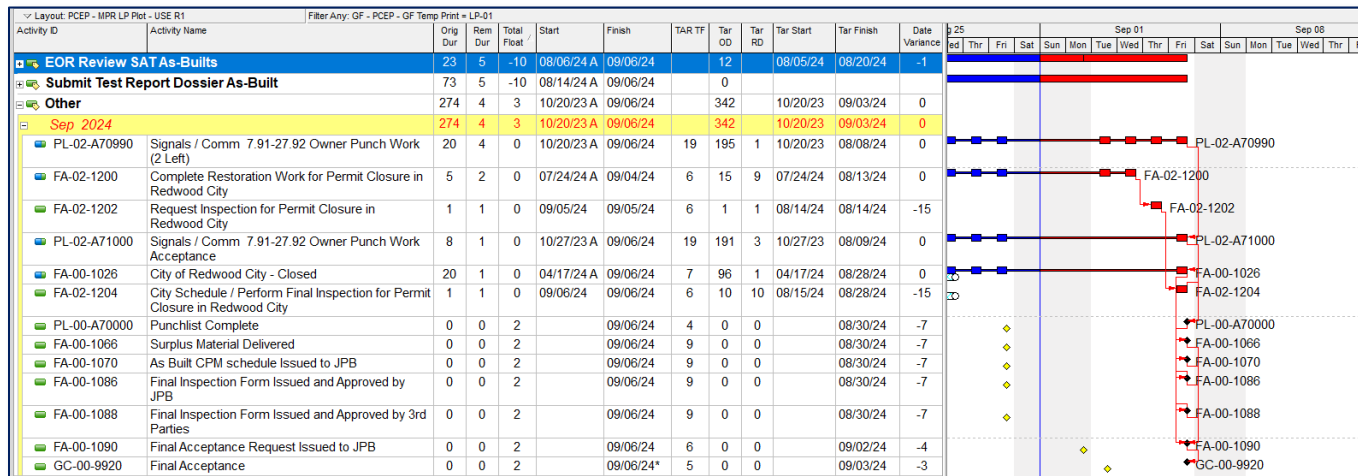


Figure 3-2. Critical Path Schedule

3.3 Schedule Contract Milestone Analysis

Figure 3-3. Contract Milestone Analysis

Contractor	Milestones	Reforecast Dates	Current Dates (August 2024)	Milestone Finish Date Variance	Remarks
BBII	Scheduled Substantial Completion	5/8/2024	05/03/24 A	5	Completed
Stadler	14th Trainset Arrival at JPB Site	10/12/2023	9/12/2024	-336	Stadler is striving to deliver 16 Trainsets by the end of September 2024. Trainset #311 was shipped to Salt Lake City for repairs. Its scheduled arrival date is shown as 2/14/2025 with Burn-In complete by 2/28/2024.
Stadler	16th Trainset Arrival at JPB Site	10/12/2023	9/13/2024	-337	(Same as above)
BBII	Scheduled Final Acceptance	9/8/2024	9/06/2024	-2	Based on draft August 2024 Update the Final Acceptance date is now 2-days ahead of schedule and is driven by As-built documentation.
JPB	Revenue Service Date (RSD)	9/26/2024	9/21/2024	5	Note: RSD may have to be with 15 Trainsets and one (1) spare.
JPB	FFGA Revenue Completion Date (RCD)	12/31/2024	12/31/2024	0	

**4.0 COST AND BUDGET**

**4.1 Introduction**

This section presents an update on program cost and budget. On December 6th, 2021, the JPB adopted a new Program budget of \$2.44 billion. Table 4-1 depicts a summary level of program budget, costs, and estimate at completion based on the latest update of the Electrification and EMU projects as of August 31, 2024.

**4.2 Program Budget and Cost**

**Table 4-1. Budget Summary by Project**

Description of Work	Current Budget (A) <sup>1</sup>	Cost This Month (B) <sup>2</sup>	Cost To Date (C) <sup>3</sup>	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) <sup>5</sup> = (A) – (E)
Electrification	\$1,754,348,422	\$9,116,916	\$1,679,333,698	\$76,615,793	\$1,755,949,491	(\$1,481,069)
EMU	\$688,147,275	\$1,509,846	\$627,752,972	\$58,988,233	\$686,741,206	\$1,4981,069
<b>PCEP TOTAL</b>	<b>\$2,442,495,697</b>	<b>\$10,626,762</b>	<b>\$2,307,086,670</b>	<b>\$135,604,026</b>	<b>\$2,442,690,697</b>	<b>\$0</b>

1. Column A "Current Budget" includes re-baseline and executed change orders and awarded contracts.
2. Column B "Cost This Month" represents the cost of work performed this month.
3. Column C "Cost to Date" includes actuals (amount paid) and accruals (amount of work performed) to date.
4. Column F "Variance at Completion" includes forecasted transfer of contingency from EMU to Electrification project.

Table 4-2 depicts program budget, costs, and estimate at completion summarized by major elements of work. This budget table provides additional detail for the program and is broken down by major contracts for Electrification and EMU, minor contracts, real estate, utilities, project management oversight and other indirect support costs.

**Table 4-2. Budget Summary by Major Elements**

Description of Work	Re-Baseline Budget	Current Budget	Cost This Month	Cost To Date	Estimate To Complete	Estimate At Completion
Electrification	\$1,097,149,881	\$1,091,178,881	\$1,772,365	\$1,049,141,284	\$41,037,597	\$1,090,178,881
EMU Procurement	\$556,072,601	\$565,284,846	\$0	\$517,935,307	\$47,349,539	\$565,284,846
Minor Construction Contracts (Tunnel, CEMOF, SCADA, Non-BBI OCS)	\$67,055,072	\$66,326,067	\$78,431	\$65,253,441	\$1,072,626	\$66,326,067
Real Estate Acquisition & Support	\$34,914,177	\$34,914,177	\$33,756	\$25,250,921	\$9,663,256	\$34,914,177
PG&E, Utilities**	\$132,088,994	\$128,868,191	\$3,182,832	\$133,829,177	-\$2,647,449	\$131,181,728
Management Oversight & Support	\$312,699,697	\$321,974,670	\$2,126,268	\$314,572,091	\$7,402,579	\$321,974,670
TASI Support	\$114,488,767	\$145,146,219	\$2,809,667	\$139,002,917	\$6,266,670	\$145,269,587
Finance Charges	\$9,898,638	\$9,898,638	\$192,357	\$12,725,258	\$188,271	\$12,913,530
Insurance	\$6,581,851	\$6,581,851	\$0	\$6,291,001	\$290,850	\$6,581,851
Other Required Projects & Services	\$9,084,176	\$10,484,176	\$119,539	\$7,059,620	\$3,429,556	\$10,489,176
Environmental Mitigation	\$14,438,866	\$13,038,866	\$0	\$1,532,551	\$8,486,423	\$10,018,974
Caltrain Capital Overhead (ICAP)	\$48,217,887	\$47,217,887	\$311,547	\$34,493,102	\$12,724,785	\$47,217,887
Contingency	\$40,000,089	\$1,776,227	\$0	\$0	\$339,321	\$339,321
<b>Total</b>	<b>\$2,442,690,697</b>	<b>\$2,442,690,697</b>	<b>\$10,626,762</b>	<b>\$2,307,086,670</b>	<b>\$135,604,026</b>	<b>\$2,442,690,697</b>

### 4.3 Program Shared Risk Pool and Contingency

Caltrain and Balfour Beatty Infrastructure, Inc. (BBII) continue implementing new mechanisms to ensure a collaborative approach to Project delivery. The management team meets every week to review the issues log focusing on risk mitigation and issues resolution.

As part of the global settlement, a shared risk pool of \$50 million was established to manage risks and mitigation proactively and collaboratively with the design-build contractor. Table 4-3 shows the current shared risk drawdown for the current month and to-date as well as the remaining balance of the shared Risk Pool by Risk Category. Any shared risk items (27 Risk IDs listed below in Table 4-3) that are above \$250,000 require Change Management Board (CMB) approval.

**Table 4-3. Shared Risk Pool Status as of August 2024**

Risk ID	Risk Description	Risk Amount	Current Month	Executed to Date	Remaining Balance
1	Permanent Power Availability	\$268,572	\$0	\$178,365	\$90,207
2	Different Site Condition for OCS Foundation	\$3,500,000	\$0	\$1,303,894	\$2,196,106
3	Different Site Condition for Duct bank	\$2,800,000	\$0	\$435,798	\$2,364,202
4	Condition of existing Fiber backbone infrastructure	\$3,150,000	\$0	\$545,221	\$2,604,779
5	Availability of TASI Resource	\$5,777,820	\$0	\$0	\$5,777,820
6	Signal Cutover access and work window	\$5,607,150	\$0	\$0	\$5,607,150
7	Condition of existing signal system	\$538,572	\$0	\$507,167	\$31,405
8	EMI Nonconformance by EMU Vendor	\$750,000	\$0	\$13,184	\$736,817
9	Reed Street Cutover	\$90,000	\$0	\$111,765	-\$21,765
10	Availability of low voltage power for cutover testing	\$1,120,000	\$449,481	\$8,255,887	-\$7,135,887
11	Third party Permits	\$150,000	\$0	\$0	\$150,000
12	SCADA integration for the entire alignment	\$159,524	\$0	\$0	\$159,524
13	Tunnel OCS Compatibility	\$167,500	\$0	\$152,418	\$15,083
14	Supply chain issue due to COVID 19	\$300,000	\$0	\$28,923	\$271,077
15	End to end Systems integration commissioning	\$2,100,000	\$0	\$0	\$2,100,000
16	Existing Caltrain Operating systems interface and integration	\$1,400,000	\$0	\$71,920	\$1,328,080
17	Third party Approval	\$150,000	\$0	\$353,277	-\$203,277
18	Impact from Caltrain other capital or third-party projects	\$2,166,683	\$0	\$1,933,131	\$233,552
19	Track access delay for BBII Construction	\$1,800,000	\$68,730	\$1,395,633	\$404,368
20	Additional light Maintenance and Protection Needs	\$280,000	\$0	\$180,505	\$99,495
21	Crossing Protection	\$220,000	\$0	\$102,334	\$117,666
22	Power facilities	\$500,000	\$0	\$917,293	-\$417,293
23	NCR's	\$0	\$0	\$0	\$0
24	Potholing	\$1,700,000	\$0	\$107,547	\$1,592,453
25	Pre-Revenue Service Operational Testing	\$250,000	\$0	\$0	\$250,000
26	TRO Contingency	\$3,000,000	\$3,474,002	\$3,474,002	-\$474,002
27	Contingency	\$12,000,000	\$1,451,506	\$6,563,821	\$5,436,179
NA	Unidentified	\$54,179	\$0	\$0	\$54,179
	<b>BBII Risk Pool Total</b>	<b>\$50,000,000</b>	<b>\$5,443,719</b>	<b>\$26,632,083</b>	<b>\$23,367,917</b>

In addition to the established Risk Pool with BBII, the Re-Baseline Budget includes a program contingency of \$40 million to cover non-BBII potential changes and unknowns.

Table 4-4 provides a detailed status of approved transfers from contingency due to executed Contract Change Orders and approved Budget Transfers.

**Table 4-4. Program Contingency Drawdown Balance**

<b>Change Order ID</b>	<b>Description</b>	<b>Contingency</b>
<b>PCEP Contingency Budget</b>		<b>\$40,000,088</b>
STA-056-CCO-038	Allowance for Electric Power Cost at TTCI	(\$132,365)
STA-056-CCO-041	Manual Phase Break	(\$43,520)
STA-056-CCO-042	Stadler Project Time Extension	(\$8,021,124)
ARINC-061-CCO-005	Traction Power Facility SCADA Database Changes	(\$1,036,122)
PROV-070-CCO-056	Proven Tunnels Final Settlement	\$1,000,000
PROV-071-CCO-069	Proven CEMOF Final Settlement	(\$1,000,000)
BT-027D	Legal Support FY23 - PG&E Counsel	(\$200,000)
BT-029D	GFI Electrification FY23-24 Additional Staff	(\$2,108,070)
STA-056-CCO-053	Stadler – Passenger Convenience Outlets	(\$716,661)
BT-035C	TASI Support – Electrification (2023-2024) rev1	(\$22,039,703)
BBII 053-BT-CNPA	Non-PCEP Actuals-BBII Hist. Change Inc. PCEP Re-Baseline	\$2,191,000
BBI-053-CCO-255	Un-Earned Milestone Incentive (Substantial Completion) - January	\$1,630,000
PG&E-042-BT-006	PG&E Equiv. One-Time Payment (EOTP) - First Reimb.	(\$391,068)
BT-057	TASI – TASI EMU Maintenance & Materials (Pre-Revenue)	(\$4,348,854)
BT-058	Tunnel Leak Remediation (TASI Construction)	(\$562,851)
PROV-070-CLOSE	Proven Tunnels – Close out of Final Actuals	\$184,910
PROV-071-CLOSE	Proven CEMOF – Close out of Final Actuals	\$580,217
PG&E-042-BT-007A	PG&E Supplemental Agreement No. 4 – PCEP Share	\$1,600,000
PG&E-042-BT-007B	PG&E Supplemental Agreement No. 2 – EAC Variance	\$501,962
PG&E-042-BT-007C	PG&E Supplemental Agreement No. 2A – EAC Variance	\$1,509,909
PROV-063-CLOSE	South San Francisco Station Project OCS - Close Out	\$1,000,000
BT-035	TASI Support-Electrification (2023-2024)-Field Support to Sept 2024	(\$2,844,754)
MGMT-2024-02	Management Oversight – Update EAC	(\$6,426,903)
BT-060A	ICAP Adjustment Credits – 2023	\$1,000,000
BBII-053-CCO-255	Un-Earned Milestone Incentive (Substantial Completion) - February	\$1,370,000
BT-059	TASI - 4 <sup>th</sup> and King Updates for EMUs	(\$861,291)
BT-061	Outreach/Marketing Celebration Event and Media Buys	(\$540,000)
BBI-053-CCO-255	Un-Earned Milestone Incentive (Substantial Completion) - March	\$780,000
STA-056-CCO-054	Americans with Disabilities Act (ADA) Ramp Extension	(\$298,575)
<b>Remaining Contingency</b>		<b>\$1,776,226</b>
PG&E-042 BT-006A	PG&E Equiv. One Time Payment (EOTP) - Final Reimbursement	(\$239,688)
BT-062	TASI GO-88 Crossing Improvements	(\$123,368)
BBII-053-CCO-255-EAC4	Un-Earned Milestone Incentive (Revenue Service) – August 2024	\$1,000,000
PG&E-042 BT-006D	PG&E Supplemental Agreement No. 4 – PCEP Share (EAC Update)	(\$1,104,400)
PG&E-042 BT-006E	PG&E Supplemental Agreement No. 2 – (EAC Update)	\$246,464
PG&E-042 BT-007	Power Utility for EMU Testing and Commissioning	(\$1,215,913)
<b>Forecasted Remaining Contingency</b>		<b>\$339,321</b>

Note: EAC Contingency reflects forecast contingency.

The total Program Contingency as of the December 2021 Re-Baseline Budget totaled \$90M including Allocated and Unallocated Contingency, and BBII Risk Pool. Table 4-5 summarizes the current remaining and forecasted contingency balance as of the monthly update.

**Table 4-5. Overall Program Contingency**

	Total E = (A+D)	Shared Risk Pool with BBII	Program Contingency		
		BBII Risk Pool (A)	Allocated (B)	Unallocated (C)	Subtotal D = (B+C)
<b>PCEP Contingency</b>	\$90,000,088	\$50,000,000	\$24,115,581	\$15,884,507	\$40,000,088
Drawn Contingency	(\$64,855,945)	(\$26,632,083)	(\$24,115,581)	(\$14,108,281)	(\$38,223,862)
<b>Remaining Contingency</b>	\$25,144,143	\$23,367,917	\$0	\$1,776,226	\$1,776,226
Pending Changes	(\$1,436,905)	\$0	\$0	(\$1,436,905)	(\$1,436,905)
<b>Forecasted Remaining Contingency</b>	\$23,707,238	\$23,367,917	\$0	\$339,321	\$339,321

#### 4.4 Electrification Design Builder Contract Incentives

The Global Settlement with BBII also includes incentives based on Milestone completions and remaining contract incentives. Table 4-6 provides a status of Design-Build Contractor incentives Budgeted, Awarded, and remaining Balance as of August 2024.

**Table 4-6. BBII Incentives**

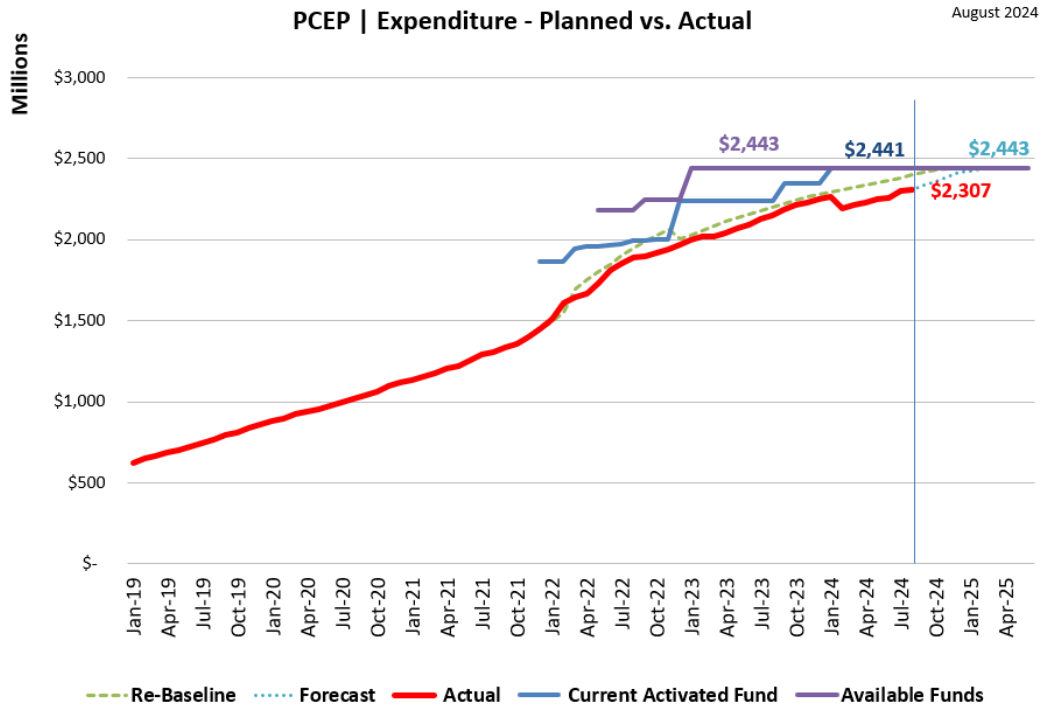
Incentives	Budgeted (A)	Awarded (B)	Projected Remaining to Award (C)	Projected Balance Remaining (D)=(A)-(B)-(C)
<b>Contract Incentive:</b>				
Quality	\$1,250,000	\$1,083,333	\$166,667	\$0
Safety	\$2,500,000	\$1,700,000	\$468,750	\$331,250
Community Outreach	\$2,500,000	\$2,225,000	\$250,000	\$25,000
DBE	\$900,000	\$0	\$900,000	\$0
<b>Total Contract Incentive</b>	<b>\$7,150,000</b>	<b>\$5,008,333</b>	<b>\$1,785,417</b>	<b>\$356,250</b>
<b>Milestone Incentive:</b>				
Early Signal and Crossing Cutover	\$4,000,000	\$4,000,000	\$0	\$0
Early Project Substantial Completion (NTE)	\$8,000,000	\$0	\$4,220,000	\$3,780,000
Early Revenue Service	\$3,000,000	\$0	\$2,000,000	\$1,000,000
<b>Total Milestone Incentive</b>	<b>\$15,000,000</b>	<b>\$4,000,000</b>	<b>\$6,220,000</b>	<b>\$4,780,000</b>

#### 4.5 Program Cash Flow and Funding

The remaining program expenditures are cash flowed in Figure 4-1. With the award of the full funding, the program does not expect any cash flow issues due to funding.



Figure 4.1. Expenditure – Funding Cash Flow



4.6 Issues

Table 4-7. Cost and Funding Issues Identified, and Actions Taken for August 2024

Issues	Actions
None	• n/a

## 5.0 CHANGE MANAGEMENT

### 5.1 Introduction

The change management process establishes a formal administrative work process associated with the initiation, documentation, coordination, review, approval, and implementation of changes during the design, construction, or manufacturing of PCEP. The change management process accounts for the impacts of the changes and ensures prudent use of contingency.

### 5.2 Change Orders/Shared Risk Pool

#### 5.2.1 Executed Shared Risk/CCO

The following Shared Risk items were executed in August 2024:

- IRL 306 – Storm Damage Insurance Deductibles
- IRL 333 – Theft Identified from June 30, 2023, to September 30, 2023
- IRL 363 – November 2023 Theft
- IRL 364 – December 2023 Theft
- IRL 365 – January 2024 Theft
- IRL 368 – February 2024 Theft
- IRL 374 – Segment 1 LV Power Connection to Support Cutover Locations – Through July 2024
- IRL 375 – March 2024 Theft
- IRL 389 – Damaged Removed from Theft IRLs
- IRL 390 – Track Access Delays (TAD) – May 2024
- IRL 393 – Urgent Replacement for Power Scenario Test
- IRL 395 – April 2024 Theft
- IRL 397 – CEMOF Preliminary Environmental Study (PES) Design Reconfiguration
- IRL 401 – Verify Ground Grid
- IRL 410 – Time Related Overhead

#### 5.2.2 The following item was brought to the CMB for contingency drawdown approval in 2024:

- IRL 306 – Storm Damage Insurance Deductibles
- IRL 374 – Temporary Generators for Low Voltage Power in Segment 1
- IRL 410 – Time Related Overhead
- EMU ADA Ramp (Bridge plate)

#### 5.2.3 Upcoming Shared Risk Items or Change Orders

- Watkins Crossing Grounding Replacement

### 5.3 Issues

**Table 5-1. Change Management Issues Identified and Actions Taken for August 2024**

Issues	Actions
None	• n/a

**Peninsula Corridor Joint Powers Board  
Board of Directors  
1250 San Carlos Avenue, San Carlos, CA 94070  
DRAFT Minutes of September 5, 2024**

**Members Present:** Margaret Abe-Koga (arrived at 9:52am), Pat Burt, Jeff Gee, Ray Mueller, Shamann Walton, Monique Zmuda, Steve Heminger (Vice Chair), Devora “Dev” Davis (Chair)

**Members Present via Teleconference:** Rico E. Medina

**Members Absent:** None

**Staff Present:** J. Baker, T. Bartholomew, M. Bouchard, C. Fromson, J. Harrison, J. Hogan, L. Lumina-Hsu, K. McCoy (BBI, Inc), D. Ryan, B. Shaw, P. Shrestha, M. Tseng

**1. Call to Order/Pledge of Allegiance**

Chair Davis called the meeting to order at 9:00 am and led the Pledge of Allegiance.

**2. Roll Call**

Acting District Secretary Margaret Tseng called the roll and confirmed a Board quorum was present.

**3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances – There were none.**

Chair Davis stated closed session items will be heard in the following order: Item 4, 6, and 5.

**4. General Counsel Report – Closed Session: Conference with Real Property Negotiator (Gov. Code § 54956.8)**

4.a. Property: 2529 Broadway Redwood City, CA

**5. General Counsel Report – Closed Session: Conference with Real Property Negotiator (Gov. Code § 54956.8)**

5.a. Property: 375 Beale Street, San Francisco, CA

5.b. Property: 166 N. Rollins Road, Millbrae, CA

5.c. Property: 153 Townsend Street, San Francisco, CA

5.d. Property: 305 Main Street, Redwood City, CA

**6. Public Employee Performance Evaluation (Gov. Code § 54957(b)(1)) Title: Executive Director**

Public comments

Aleta Dupree commented on Caltrain’s potential new headquarters locations and Executive Director Performance Evaluation.

*The Board convened in closed session at 9:03 am  
Director Age-Koga joined the meeting at 9:52 am  
The Board reconvened in regular session at 10:24 am*

**7. General Counsel Report – Report Out from Above Closed Session**

James Harrison, General Counsel, reported that there were no reportable actions for Items 5 and 6, however, reported that the Board considered item 4, the proposed terms with Minkoff Group and presented the proposed resolution with terms.

Motion/Second: Heminger/Walton

Ayes: Abe-Koga, Burt, Gee, Medina, Mueller, Walton, Zmuda, Heminger, Davis

Noes: None

**8. Public Comment for Items Not on the Agenda**

Chair Davis announced public comment reduced to one minute due to time constraints.

Aleta Dupree commented on electrification, Clipper, and ticket vending machines.

Connie Arnold commented on train accessibility, accessible restrooms, and electric wheelchair users.

Richard Skaff commented on accessible bathroom Federal standards compliance.

Jeff Carter commented on electric trains soft launch.

Adrian Brandt commented on train accessibility, mini-high platforms, and manual cranks for wheelchairs.

Varun Bhargava spoke in support of a regional funding measure and working with MTC (Metropolitan Transportation Commission).

Kathryn Hedges commented on the San Jose Diridon Station, a regional funding measure with full funding for Caltrain, and transit agency coordination and schedule timing.

Tim Oey spoke in support of a regional funding measure with full funding for Caltrain.

Deborah Goldeen commented on the electric train car sounds, seats, interior design, and bike car seatings.

Chris Flokowski commented on new electric trains, ridership, bathrooms service schedule, and the alert systems.

**9. Report of the Executive Director**

Michelle Bouchard, Executive Director, provided a report which included the following:

- Rider responses to soft launch of the electric trains

- Local and National press coverage of the electric fleet, the project will be featured at the APTA (American Public Transportation Association) Conference in Anaheim, and will be discussed at the Commuter Rail Coalition
- Electric Train Launch Parties on September 21st and 22nd at every city along the corridor
- Caltrain funding challenges and opportunities will return to the Board in November and December during the Budget and Deficit Update

Public comment

Aleta Dupree commented on electrification launch and electricity cost.

Calley Wang commented on new schedule and spoke in support of regional funding measure.

Adrian Brandt commented on cost reduction measures, number of train cars, and fare inspector staffing.

Adina Levin commented on electrification launch party and new schedule.

**10. Consent Calendar**

10.a. Meeting Minutes of August 1, 2024

10.b. Acceptance Statement of Revenues and Expenses for the Period Ending July 31, 2024

10.c. Disposition of 58 Gallery Cars and 18 Diesel Locomotives - *Approved by Resolution 2024-52*

10.d. Authorize Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs\* - *Approved by Resolution 2024-53*

10.e. Adopt Updated Caltrain Station Access Policy - *Approved by Resolution 2024-54*

10.f. Authorize Increase in Contract Change Order Authority for Mini-high Platform Project\* - *Approved by Resolution 2024-55*

Public comment

Aleta Dupree, Team Folds, commented on financial report cost classification.

Motion/Second: Gee/Zmuda

Ayes: Abe-Koga, Burt, Gee, Medina, Mueller, Walton, Zmuda, Heminger, Davis

Noes: None

**11. Proclamation Declaring September Railroad Safety & Suicide Prevention Month**

Tasha Bartholomew, Communications Manager, provided the presentation that included the following:

- Caltrain partners with other agencies nationwide
- Caltrain will be posting suicide prevention resources online and on social media platforms

- Participate with transit police on rail safety blitz to educate drivers
- Provide suicide prevention training to employees with Santa Clara County Department

Taylor Coutts, StarVista Crisis Service Center, spoke on and received the Proclamation.

Motion/Second: Gee/Davis

Ayes: Abe-Koga, Burt, Gee, Medina, Mueller, Walton, Zmuda, Heminger, Davis

Noes: None

#### Public comment

Jeff Carter expressed appreciation for Caltrain's suicide prevention efforts.

Adrian Brandt commented on crossing safety and photo enforcement.

Connie Arnold commented on statistics of suicides.

### **12. Adopt Policy Regarding Trees on or Adjacent to the Caltrain Right of Way**

James Harrison, General Counsel, provided the presentation that included the following:

- Caltrain risk assessment will be completed on a quarterly basis
- Transit America Services, Inc. (TASI) has on-call tree removal contractors so fallen trees can be quickly addressed
- Review of heatmap of trees that pose the greatest risk
- Caltrain has the authority to assess and mitigate risk of trees on Caltrain property
- Staff is engaging with municipalities to coordinate with municipalities arborist on tree removal. Thus far, staff has met with 10 of 18 municipalities and plan to complete meetings by end of Summer
- Communications staff is working on public education
- Goal to protect public, public safety, damage to Caltrain assets, and reduce liability
- Explained process for tree removal on private property
- Explained budget impact and additional cost to address trees on private properties. Proposing \$250,000 for Fiscal Year 2025 (FY25) to pay for cost of pruning or removing trees on private property and replanting trees. Reevaluate annual allocation based on data received in FY25

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

- Provide progress and tree removal updates annually
- Addressing cost barriers of private property owners
- Compliance with local tree policies

Motion/Second: Zmuda/Heminger

Ayes: Abe-Koga, Burt, Gee, Medina, Mueller, Walton, Zmuda, Heminger, Davis

Noes: None

Public comment

Connie Arnold commented on policy incorporation of tree trimming and pedestrian safety.

**13. State and Federal Legislative Update**

Casey Fromson, Chief of Staff, Devon Ryan, Government Affairs Officer, and Jason Baker, Director of Government and Community Affairs, provided the presentation, which included the following:

- Current deficit of \$77 million per year
- Societal changes to riders with less commuters
- Previously relied on fare budget which was \$103 million in 2023 and currently \$43 million in 2024
- No contributions from member agencies received
- Energy costs has increased 65 percent from initial groundbreaking
- Assumptions on current deficit projections including service levels, ridership growth, energy costs, low carbon fuel source, traction power system maintenance, and increasing insurance costs
- San Francisco, San Mateo, and Santa Clara Counties member agency contributions are based on deficit averages
- Current MTC (Metropolitan Transportation Commission) Select Committee scenarios to fund transit agencies overview addressing Caltrain funding and the farebox shortfall; funding mechanism via sales tax, parcel tax, or payroll tax; and the Caltrain deficit coverage based on the two scenarios would be 91 percent or 43 percent
- Scenario One (Core Transit Framework) involves four counties of Alameda, Contra Costa, San Francisco, and San Mateo, with opt-ins for five counties, using a sales tax which would cover 91 percent of Caltrain deficit
- Scenario Two (Go Big Framework) involves nine counties using parcel tax or payroll tax which would cover 43 percent of Caltrain deficit
- Caltrain only measure discussion of sales tax, parcel tax, mixture of taxes, or sales tax and county member contributions in the three counties
- October 21<sup>st</sup> MTC Executive Committee will vote to approve framework for a transportation measure and poll after the November elections because of impacts the elections may have
- Regardless of the MTC scenario, it does not address the deficit and the high fixed costs for transit

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

- Creation of contingency plan of Caltrain funding measure to fully fund Caltrain on its own
- Concerns for first and second scenarios

- Consider, review, and address revenue and expenditures including the high fixed costs
- Regional measure that covers nine counties need to cover all needs and not partial. Challenge with regional effort is not every county carries its own weight and addressing the trade-offs
- Consider what is the state investment and what is the state's intent of their commitment if a regional measure is passed
- Need to provide taxpayers and users with a coordinated system and consolidation
- Possibility of member contributions, Measure RR and percentages by county

Public comment

Sprague Turplin spoke in support of a regional funding measure and work with MTC.

Tim Oey spoke in support of a regional funding measure and work with MTC.

Aleta Dupree commented on electricity costs and regional funding.

Adrian Brandt spoke in support of a regional funding measure and member agency contributions.

Marc Chang, San Francisco Municipal Transportation Youth Board member and high school student expressed support for regional funding measure of nine Bay Area counties.

Julie Shanson spoke in support of a regional funding measure.

Matthew Deng commented on electrification and spoke in support of a regional funding measure and work with MTC.

Zafarali Ahmed spoke in support of a regional funding measure and work with MTC.

Kevin Rennie spoke in support of a regional funding measure and work with MTC.

Kathryn Hedges spoke in support of coordinated regional measure

Lesley Beatty spoke in support of a regional funding measure.

Adina Levin spoke in support of a regional funding measure and coordination of transit systems.

*Director Walton left the meeting at 12:00 pm*

Jeff Carter spoke in support of a regional funding measure and work with MTC.

Katherine Dumont commented greenhouse gases, need transit for young, old, tourist, need connections, spoke in support of regional funding measure.

Calley Wang spoke in support of a regional funding measure and work with MTC.

Anthony Lazarus spoke in support of a regional funding measure.

Paul Wendt spoke in support of a regional funding measure, work with MTC, and individual member agency contributions.



Alex Maldonado spoke in support of a regional funding measure and work with MTC.

Li Zhang spoke in support of a regional funding measure and work with MTC.

Betsy Megas spoke in support of a regional funding measure and regional collaboration for efficient transit.

Maya Chaffee spoke in support of a regional funding measure of counties Caltrain serves and work with MTC.

Caroline Horn commented on transit agency coordination.

**14. Update Regarding Implementation of JPB Governance MOU**

Deferred to the next regular scheduled Board of Directors meeting.

**15. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report**

Pranaya Shrestha, CalMOD Chief Officer; Casey Fromson, Chief of Staff; and Keith McCoy, Project Director, Balfour Beatty Infrastructure, Inc (BBI), provided the presentation that included the following:

- Project timeline, upcoming celebration on September 21st and train sets delivery schedule
- Outstanding top risks including impedance bonds cables thefts, closeout of open traction power system items, closeout of punchlist items. Final safety acceptance started and will be completed in next few days
- Updated service schedule is posted for the public
- Electric Train Launch Party, city celebrations at stations, and free fares during the weekend of September 21st and 22nd
- Punchlist completion/acceptance is at 97.5 percent, on track to complete final assessment by September 21st and reviewed the remaining punch list items

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

- Disposition of fund sources, contingency, incentive programs, and agreement

*Director Gee left the meeting at 12:36 pm*

Public comment

Aleta Dupree commented on electrification close-out.

Adrian Brandt commented on wheel flat spots on train sets.

John Hogan, Chief Operating Officer, clarified the trains do not have flat spot problems. Staff went on site and watched the trains. There were five trains this week with emergency braking, but not finding flat spots as the issue. Crew notifies management if there were flat spots or any issues so it may be addressed.

## 16. Reports

16.a. Report of the Citizens Advisory Committee - Brian Shaw, Chair, provided the report, which included the following:

- CAC members serve on the Measure RR Oversight Committee
- Observations by members of echoing by PA (public address) system
- Confusion of bike capacity of the new trains
- Update on schedule coordination with BART (Bay Area Rapid Transit)

16.b. Report of the Chair - Chair Davis, provided the report, which included the following:

- Updated service schedule for electric services
- As part of Railroad Safety Month, start each meeting with a safety brief starting September 2024
- Encouraged attendance at Electric Launch Party Celebration

16.b.i. Proclamation of Appreciation for Carl Guardino - Chair Davis noted Mr. Guardino being a huge proponent of Caltrain, worked hard on Measure RR, and a supporter of electrification

Motion/Second: Davis/Burt

Ayes: Abe-Koga, Burt, Medina, Mueller, Zmuda, Heminger, Davis

Noes: None

Absent: Gee, Walton

16.c. Report of the Local Policy Maker Group (LPMG) - Chair Burt provided the report, which included the following:

- Received a presentation on Station Access Policy
- Need for station activation
- Station Wi-Fi linked to onboard Wi-Fi for seamless transition
- Interest in the Bay Pass pilot

**17. Correspondence** – Available online.

## 18. Board Member Requests

Director Mueller stated memo was shared, Supplemental Reading #1, for request for information or asking academic and Artificial Intelligence (AI) companies on use of AI system used to identify individuals on tracks. Requested agenda item at a future Board Meeting to direct staff to go out for Request for Information.

**19. Date/Time of Next Regular Meeting: Thursday, October 3, 2024 at 9:00 am.**

**20. Adjourn** – The meeting adjourned at 12:57 pm.



## Peninsula Corridor Joint Powers Board 2025 Meeting Calendar

First Thursday of the Month – 9:00 AM
January 9*
February 6
March 6
April 3
May 1
June 5
July Recess – No meeting
August 7
September 4
October 9*
November 6
December 4

\*The Board meets the first Thursday of the month unless otherwise noted.

Board meetings will be conducted in a hybrid format (virtually via Zoom) and in-person at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA, unless otherwise stated. Individual members of the public may participate in-person if they comply with the District's current workplace safety policies unless scheduled or stated otherwise at

<https://www.caltrain.com/about-caltrain/meetings>.

[https://www.caltrain.com/about/bod/Board\\_of\\_Directors\\_Meeting\\_Calendar.html](https://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html)

Dates may be subject to change.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending August 31, 2024**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Action**

Staff proposes that the Board of Directors (Board) accepts and enters into the record the Statement of Revenues and Expenses, and supplemental information for the period ending August 31, 2024.

This staff report provides a brief discussion of significant items and trends in the attached Statement of Revenues and Expenses through August 31, 2024. The columns have been designed to provide an easy comparison of current year-to-date actuals to information for the year-to-date budget, including dollar and percentage variances.

**Total Revenues:**

As of August 31, 2024, total revenues were \$32.8M compared to \$35.4M in the adopted budget, resulting in an unfavorable variance of \$2.6M (7.3%).

The unfavorable revenue variance was primarily driven by the following:

- Delay in receipt of LCFS, LCTOP, and SRA grants resulting in unfavorable revenue of \$2.3M (100%) which we anticipate resolving by year-end with grant receipt expected later in the fiscal year.

**Total Expenses:**

As of August 31, 2024, total expenses were \$29.6M compared to \$33.9M in the adopted budget, resulting in a favorable variance of \$4.2M (12.5%).

The favorable expense variance was primarily driven by the following:

- Professional Services expenses were \$2.1M (90.9%) favorable with actual expenses \$0.2M, compared to a budget of \$2.3M. This is driven by late billing, with expenses expected to increase over the next several periods.

- Facilities & Equipment Maintenance expenses through August are \$1.0M favorable, also driven by late billing and delayed invoicing for Other Contracted Services which is anticipated to resolve as billing and invoicing processes complete.

The favorable expense variance was offset by unfavorable expenses, primarily driven by the following:


- Claims, Payments, and Reserves show an unfavorable variance of \$0.7M (304.0%), with expenses totaling \$0.9M compared to the \$0.2M budget. This variance is due to both actual payouts from previous litigation and reserve increases in alignment with anticipated future liabilities.


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

**Budget Impact**

Acceptance of the month of August 2024 Statement of Revenues and Expenses has no budget impact.

Prepared By:	Li Saunders	Accountant II	650.622.7848
	Danny Susantin	Financial Reporting, Manager	650.622.8073

	<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b> STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2025 AS OF AUGUST 2024					(In Thousands)
	<b>YEAR-TO-DATE</b> <b>JULY TO AUGUST</b>					<b>ANNUAL</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>\$</b> <b>VARIANCE</b>	<b>%</b> <b>VARIANCE</b>	<b>BUDGET</b>	
<b>REVENUE</b>						
OPERATIONS:						
Caltrain Fares	\$ 6,557	\$ 6,426	\$ (131)	(2.0%)	\$ 35,923	
Go Pass	3,073	2,548	(526)	(17.1%)	18,440	
Parking Revenue	561	433	(128)	(22.8%)	2,218	
Rental Income	176	274	97	55.2%	1,057	
Other Income	1,003	1,399	396	39.5%	6,019	
<b>TOTAL OPERATING REVENUE</b>	<b>11,371</b>	<b>11,080</b>	<b>(291)</b>	<b>(2.6%)</b>	<b>63,658</b>	
CONTRIBUTIONS:						
Operating Grants	1,781	1,781	-	0.0%	10,688	
Measure RR	19,870	19,955	84	0.4%	120,100	
Member Agency (VTA - Gilroy)	86	-	(86)	(100.0%)	517	
LCFS, LCTOP/SRA	2,294	-	(2,294)	(100.0%)	13,765	
<b>TOTAL CONTRIBUTED REVENUE</b>	<b>24,032</b>	<b>21,736</b>	<b>(2,296)</b>	<b>(9.6%)</b>	<b>145,070</b>	
<b>GRAND TOTAL REVENUE</b>	<b>\$ 35,403</b>	<b>\$ 32,816</b>	<b>\$ (2,587)</b>	<b>(7.3%)</b>	<b>\$ 208,728</b>	

	<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b> STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2025 AS OF AUGUST 2024					(In Thousands)
	YEAR-TO-DATE JULY TO AUGUST					ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET	
<b>EXPENSE</b>						
DIRECT EXPENSE:						
Rail Operator Service	\$ 17,078	\$ 17,078	\$ (0)	(0.0%)	\$ 105,902	
OCS/TPS Maintenance	-	-	-	0.0%	20,731	
Security Services	1,429	1,299	130	9.1%	8,572	
Shuttle Services	13	12	2	13.2%	80	
Fuel and Lubricants*	2,619	2,058	561	21.4%	5,069	
Electric Charges for Power Traction	-	-	-	0.0%	19,495	
Timetables and Tickets	16	-	16	100.0%	95	
Insurance	1,875	2,207	(332)	(17.7%)	11,253	
Claims, Payments, and Reserves	220	889	(669)	(304.0%)	1,320	
Facilities and Equipment Maintenance	1,496	498	998	66.7%	9,000	
Utilities	451	291	161	35.6%	2,709	
Maint & Services-Bldg & Other	341	316	26	7.5%	2,264	
<b>TOTAL DIRECT EXPENSE</b>	<b>25,539</b>	<b>24,646</b>	<b>892</b>	<b>3.5%</b>	<b>186,489</b>	
ADMINISTRATIVE EXPENSE						
Wages and Benefits	4,431	3,841	590	13.3%	20,971	
Managing Agency Admin OH Cost	590	579	11	1.9%	3,565	
Board of Directors	10	1	10	92.7%	63	
Professional Services	2,319	210	2,108	90.9%	13,188	
Communications and Marketing	66	57	9	13.3%	394	
Other Expenses and Services	910	288	622	68.4%	5,705	
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>8,326</b>	<b>4,975</b>	<b>3,351</b>	<b>40.2%</b>	<b>43,886</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>33,865</b>	<b>29,622</b>	<b>4,243</b>	<b>12.5%</b>	<b>230,375</b>	
Debt Service Expense	-	-	-	0.0%	7,763	
<b>GRAND TOTAL EXPENSE</b>	<b>\$ 33,865</b>	<b>\$ 29,622</b>	<b>\$ 4,243</b>	<b>12.5%</b>	<b>\$ 238,138</b>	
Projected Contribution to Reserve					6,812	
<b>NET SURPLUS / (DEFICIT)</b>	<b>1,538</b>	<b>3,194</b>	<b>1,655</b>	<b>107.6%</b>	<b>(36,222)</b>	
Draw from Measure RR Reserve for PCEP					36,222	
<b>ADJUSTED NET SURPLUS / (DEFICIT)</b>	<b>1,538</b>	<b>3,194</b>	<b>1,655</b>	<b>107.6%</b>	<b>-</b>	
<b>Reserve, Beginning Balance</b>					<b>28,908</b>	
<b>Projected Contribution to Reserve</b>					<b>6,812</b>	
<b>Reserve, Ending Balance</b>					<b>35,721</b>	

\* Fuel and Lubricants costs were increased by a realized loss of \$47 from the fuel hedge program.



BOARD OF DIRECTORS 2024

DEVORA "DEV" DAVIS, CHAIR  
STEVE HEMINGER, VICE CHAIR  
PAT BURT  
CINDY CHAVEZ  
JEFF GEE  
RICO E. MEDINA  
RAYMOND MUELLER  
SHAMANN WALTON  
MONIQUE ZMUDA

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF AUGUST 31, 2024**

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (LAIF) <i>(Unrestricted)</i>	*	Liquid Cash	4.579%	384,089	384,089
California Asset Management Program (CAMP) <i>(Unrestricted)</i>		Liquid Cash	5.410%	38,344,119	38,344,119
County Pool <i>(Unrestricted)</i>		Liquid Cash	4.126%	596,298	596,298
Other <i>(Unrestricted)</i>		Liquid Cash	5.201%	30,963,932	30,963,932
Other <i>(Restricted)</i>	**	Liquid Cash	4.990%	155,065,893	155,065,893
				\$ 225,354,330	\$ 225,354,330

Interest Earnings for August 2024                     \$ 705,353.43  
Cumulative Earnings FY2025                             1,359,492.62

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

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



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Li Zhang, Chief of Commercial & Business Development  
Subject: **Approve Amendment 2 to Contract with Bell Burnett & Associates to Provide Additional Scope and Capacity for Financial Strategy Planning Consulting Services**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

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

1. Authorize Amendment No. 2 to Agreement 23-J-P-002 for Financial Strategy Planning Consulting Services to exercise the one-year option term and add one additional year with expanded scope of the services provided, and to increase the not-to-exceed contract capacity amount by \$1,000,000, from \$1,325,000 to \$2,325,000, with \$750,000 for year 1 and \$250,000 for year 2.
2. Authorize the Executive Director or designee to execute the contract amendment with Bell Burnett & Associates in a form approved by legal counsel.

**Discussion**

On November 3, 2022, the Board awarded the contract to Bell Burnett & Associates (BB&A) to provide Financial Strategy Planning Consulting Services for a two-year base term for a not-to-exceed amount of \$750,000, with additional \$75,000 for optional utility needs planning. The scope of services focused primarily on developing an organizational strategy to address Caltrain's structural operating deficit by evaluating current and future financial and operation conditions under different service scenarios and with respect to the impact of ongoing ridership recovery challenges as a result of the COVID-19 pandemic. BB&A facilitated a special workshop on Caltrain's fiscal cliff analysis and strategic financial plan in April 2022, and continues to support the agency's short, medium, and longer-term strategic financial planning efforts.

A significant component of this ongoing financial planning effort focuses on anticipated impacts to service levels and expenses associated with the successful completion of the Peninsula Corridor Electrification Project (PCEP), which is now completed with full electrical revenue service launched on September 21, 2024. The required services also include support relating to

energy procurement, energy storage, and net metering, which potential can provide additional revenue to the JPB with the electrified service.,

On September 7, 2023, the Board approved the first contract amendment to increase the not-to-exceed amount by \$500,000 and add a variety of commercial business advisory services as part of the required services, with significant support in negotiating business terms and complex inter-agency agreements for the San Francisco Downtown Rail Extension project and Clipper BayPass program, financial analyses for new headquarter option review, funding studies for various regional measure and Caltrain's own new revenue alternative plans, etc. all of which have significant implications for Caltrain's operating and funding models. Additional focus areas that require a specialized commercial business perspective include coordination with Union Pacific and other tenants, procuring additional rail vehicles, advising on cost allocation plans and shared services arrangements, and risk management analysis of various regional, state, and federal initiatives.

While Caltrain hired its first Chief of Commercial and Business Development to lead most of the work provided by BB&A early this year, it has taken longer than anticipated for the agency to successfully recruit the other key positions, including the Director of Grant and Fund Management, Director of Budget and Financial Analysis, Energy Manager, Senior Energy Analyst, and Manager of Business Partnerships, in order to successfully transition most of the critical financial and business functions BB&A has been providing over the last 2 years in house.

### **Single Source Justification**

Pursuant to Caltrain's procurement policies, the increase in capacity and scope of the amendment constitutes a single source procurement. With the significant ongoing operating and capital funding shortfall and hiring challenges Caltrain is facing, BB&A's full strategic, financial, and funding analysis support are still needed in most of the service areas over the next 2-year period with the not-to-exceed contract capacity at \$1,000,000 to ensure adequate support. As part of the recommended second amendment, BB&A has agreed to expand its energy related support services to include business and legislative support for strategies in connection with receiving credit for regenerative braking; provide strategic and implementation support to the JPB's Cost Reduction and Efficiency Improvement Task Force effort; and support the JPB by conducting in-depth financial and business development analyses related to selected non-fare revenue strategies, business initiatives, and legislative support; and provide financial and business development strategy and analysis support to JPB's special efforts and projects mutually agreed. A detailed scope of services is included as Attachment A.

BB&A is a management and strategic consulting firm serving public and private sector clients, with a singular focus on and expertise in the public transportation and utility sectors. Caltrain's has a urgent need for an expanded and extended scope of work for strategic financial support, energy procurement & negotiation, storage and usage analyses, and various commercial business advisory services requires a consulting firm with knowledge of regional public transportation trends and policies as well as demonstrated experience developing and

implementing multifaceted business strategies, including but not limited to contract negotiations, economic valuation, and life-cycle analysis. Based on (1) the combination of the skills required; (2) BB&A's work with other California transit agencies on similar strategic commercial initiatives; (3) BB&A's familiarity with Caltrain's financial challenges and business plan; and (4) a survey of available firms' skillsets and experience, Caltrain staff has determined BB&A is uniquely suited to provide these services.

**Budget Impact**

Funds to support this contract amendment will be included in an upcoming operating budget amendment, from non-restricted local funding sources.

Prepared By:	Lawrence Leung	Rail Contracts & Budget Manager	650.508.6328
	Li Zhang	Chief of Commercial & Business Development	650.632.6880

### **Background**

On November 3, 2022, the Caltrain Board of Directors awarded a competitive procurement to Bell Burnett & Associates (BB&A or Consultant) for Financial Strategy Planning Consulting Services. The scope of services focuses primarily on developing an organizational strategy to address Caltrain's structural operating deficit by evaluating current and future finances under different service scenarios and with respect to the impact of ongoing ridership recovery challenges as a result of the COVID-19 pandemic. A significant component of this financial planning effort also focuses on anticipated impacts to service levels and expenses associated with the successful completion of the Peninsula Corridor Electrification Project (PCEP), which is scheduled for substantial completion by April 2024 and Revenue Service by September 2024. Primary services included:

- Developing, updating and communicating a Strategic Financial Plan for Caltrain that evaluates projected financial performance, including operating deficits under different revenue, cost, and service assumptions.

On September 7, 2023, the JPB Board approved Amend 1 to the BB&A Contact to including the following additional commercial business advisory services, which fall outside the scope of the original agreement with BB&A. For these additional services, the Consultant will focus resources on strategic initiatives in revenues, expenses, capital projects, and service levels, including identifying commercially and financially beneficial strategies to support the long-term financial stability of the agency.

#### Key Tasks under Commercial Business Advisory Services:

- Identify commercially and financially beneficial initiatives and business implications to support the agency, including funding and cost strategies as well as monetization of railroad assets
- Identification of a funding plan and successful execution of a rolling stock option for additional Electric Multiple Unit vehicles
- Assist and advise on special business initiatives, such as the new Caltrain headquarters, including cost and negotiation support
- Advising on cost allocation plans and shared services arrangements
- Business case analysis and development of various local, regional, state, and federal financial and legislative initiatives
- Identify additional new revenue streams including but not limited to advertising opportunities, sale of fiber capacity, and sponsorship opportunities
- Assist in negotiating business terms and complex inter-agency agreements for major regional projects and other commercial proposals including the San Francisco Downtown Rail Extension project and Clipper BayPass program

### **Additional Scope of Services**

The required services also include support relating to energy procurement, energy storage, forecasting energy costs, and credit for regenerative braking, which could provide additional revenue and/or reduced costs to the railroad once electrified service begins, as Caltrain will be generating significant energy that will be returned to the grid. As part of Amendment 2 and along with the ongoing focus on the Strategic Financial Plan, the following key tasks will be included:

- Provide strategic and implementation support to the JPB's Energy Procurement Strategy, which is essential in managing one of the agency's largest cost drivers in electricity, including:

Attachment A Scope of Services – Amendment No. 2  
23-J-P-002 (Financial Strategy Planning Consulting Services)

- Analytic and administrative support of the Low Carbon Fuel Standards Program, including the application and negotiation of the Energy Efficiency Ratio.
  - Analytic and administrative support of power procurement and power supply strategies, including the community choice aggregation programs.
  - Analytic and business support on power delivery, including contract negotiation of General Interconnection Agreement and Agreement for Totalization of Meters with PG&E.
  - Business and legislative support for strategies in connection with receiving credit for regenerative braking.
  - Development, evaluation and implementation of a battery storage strategy.
- Provide strategic and implementation support to the JPB’s Cost Reduction and Efficiency Improvement Task Force effort, which is essential to address the agency’s fund shortfalls and regain long-term financial stability.
  - With the expected implementation of various non-fare revenue strategies coming up, support the JPB by conducting in-depth financial and business development analyses related to selected strategies, business initiatives, and legislative support.
  - Upon mutual agreement, may also provide financial and business development strategy and analysis support to JPB’s special efforts and projects, such as reform of the Go Pass Pricing Structure.

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Amend and Increase the Fiscal Year 2025 Caltrain Capital Budget by \$13,921,399 from \$132,702,653 to \$146,624,052**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) amend the Fiscal Year 2025 (FY25) Capital Budget as follows:

- 1. Include \$2,000,000 for the Middle Avenue Undercrossing Project; and
- 2. Include \$6,336,175 for Phase 2 of the Diridon Business Case Project; and
- 3. Include \$5,335,224 for Stadler’s Repair of Damaged EMU Cars; and
- 4. Include \$250,000 for the San Francisco Railyards Preliminary Business Case Project.

**Discussion**

Staff proposes an amendment to the FY25 Caltrain Capital Budget to include an additional \$13,921,399 for the above-mentioned projects, and as further discussed below.

*Middle Avenue Undercrossing Project*

The Middle Avenue Undercrossing Project will construct a grade separated pedestrian and bicycle rail crossing under the Caltrain railway to create a pedestrian and bicycle connection between the El Camino Real and the Alma Avenue corridors. The City of Menlo Park is the project sponsor and Caltrain will perform advance design, pre-construction services, environmental clearance, and engage an independent cost estimator to generate cost estimates, review project schedules and assist in contract negotiations.

This project was approved by the Board in FY23 with a budget of \$571,941 funded by the City of Menlo Park through a Service Agreement. In June 2024, per Resolution No. 2024-35, the Board authorized the Executive Director to execute a Memorandum of Understanding (MOU) with the City of Menlo Park that will add \$2,000,000 to the project, increasing the project’s total budget to \$2,571,941.

### *Diridon Business Case Project*

Caltrain, Santa Clara Valley Transportation Authority (VTA), City of San Jose, Metropolitan Transportation Commission (MTC), and California High-Speed Rail Authority (CHSRA) are working together on the Diridon Station Business Case to plan for the transformation of San Jose's downtown transit hub.

Phase 1 of the Diridon Business Case project was approved by the Board in FY22 and FY23 with a total capital budget of \$5,327,562 funded by the City of San Jose (\$1,363,737), MTC (\$2,000,000) and Caltrain (in the form VTA Measure B funds (\$1,963,825)).

In June 2024, per Resolution No. 2024-40, the Board authorized the Executive Director to execute two funding agreements with VTA that will add \$5,300,000 of Regional Measure 3 (RM3) funds and \$1,036,175 of VTA Measure B funds to Phase 2 of the project, increasing the project's total capital budget to \$11,663,737.

### *Stadler Repair of Damaged EMU Cars*

This project will support the repair of two cars from Electric Multiple Unit (EMU) trainset 311, which were damaged by the JPB's rail operation contractor. The repair will be performed by Stadler and is estimated to cost \$5,335,224 funded by insurance proceeds. Caltrain's risk management department will coordinate with the insurance carrier, who will provide the necessary funds for the JPB to pay the repair invoices and seek reimbursement from applicable insurance carriers and responsible parties.

### *San Francisco Railyards Preliminary Business Case Project*

The San Francisco Railyards is a 20-acre site that includes the 4<sup>th</sup> and King Caltrain Station, rail storage, and other rail facilities. It is owned by Prologis 4<sup>th</sup> & King, LLC (Prologis), and subject to a perpetual transportation operating easement held by JPB.

In July 2021, JPB executed a Memorandum of Understanding (MOU) with Prologis to fund the preparation of a Preliminary Business Case (PBC) to explore the potential for redevelopment of the site into a regional transit center with a new rail station, added Caltrain service, housing, offices, and public spaces. The MOU allocates responsibilities for the completion of the PBC and requires Prologis to reimburse Caltrain for the technical work required for the preparation of the PBC.

In August 2023, JPB and Prologis adjusted the scope to include a Phasing Analysis, resulting in the first amendment to the MOU. This amendment added \$274,174 of reimbursable costs to the project, increasing the total project budget to \$4,676,623.

In September 2024, the executed second amendment to the MOU included Station Programming and Phase I Coordination to the project scope, adding \$250,000 of reimbursable costs to the project. This increases the total project budget to \$4,926,623.

**Budget Impact**

The funding for this budget amendment shall be as follows:

<b>Project</b>	<b>Funding Source</b>	<b>Amount</b>
Middle Avenue Undercrossing	City of Menlo Park	\$2,000,000
Diridon Business Case	Regional Measure 3 VTA Measure B	\$5,300,000 \$1,036,175
Stadler Repair of Damaged EMU Cars	Insurance Proceeds	\$5,335,224
San Francisco Railyards Preliminary Business Case	Prologis	\$250,000
<b>TOTAL</b>		<b>\$13,921,399</b>

The proposed amendment described above will increase the FY25 Capital Budget from \$132,702,653 to \$146,624,052.

Prepared By: Claudette Valbuena, Manager of Capital Budgets 650-508-6237



**Resolution No. 2024-**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Amend and Increase the Fiscal Year 2025 Caltrain Capital Budget by \$13,921,399 from  
\$132,702,653 to \$146,624,052**

**Whereas**, pursuant to Resolution No. 2023-45 adopted on June 1, 2023, the Board of Directors of the Peninsula Corridor Joint Powers Board (JPB) adopted Fiscal Year 2025 (FY25) Capital Budget for a total authorized budget of \$74,607,815; and

**Whereas**, pursuant to Resolution No. 2024-37 adopted on June 6, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$105,139,217; and

**Whereas**, pursuant to Resolution No. 2024-46 adopted on August 1, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$132,702,653; and

**Whereas**, pursuant to Resolution No. 2024-35 adopted on June 6, 2024, the JPB has authorized the Executive Director to execute a Memorandum of Understanding (MOU) with the City of Menlo Park that will provide \$2,000,000 of reimbursable Caltrain expenses to the Middle Avenue Undercrossing Project; and

**Whereas**, pursuant to Resolution No. 2024-40 adopted on June 6, 2024, the Board of Directors has authorized the Executive Director to execute funding agreements with Santa Clara Valley Transportation Authority (VTA) that will provide additional funding of \$5,300,000 Regional Measure 3 funds and \$1,036,175 Measure B funds to the Diridon Station Business Case Project; and

**Whereas**, insurance proceeds in the amount of \$5,335,224 will support the Stadler Repair of Damaged Electric Multiple Unit (EMU) Cars; and

**Whereas**, an executed amendment to the Memorandum of Understanding (MOU) between JPB and Prologis 4<sup>th</sup> & King LLC (Prologis) will provide additional funding of \$250,000 to the San Francisco Railyards Preliminary Business Case Project; and

**Whereas**, Staff recommends that the Board increase the total project budget authority for the Middle Avenue Undercrossing Project to \$2,571,941; and

**Whereas**, Staff recommends that the Board increase the total project budget authority for the Diridon Business Case Project to \$11,663,737; and

**Whereas**, Staff recommends that the Board authorize the total project budget authority for the Stadler Repair of Damaged EMU Cars of \$5,335,224; and

**Whereas**, Staff recommends that the Board increase the total project budget authority for the San Francisco Railyards Preliminary Business Case Project to \$4,926,623; and

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves an amendment to the FY25 Capital Budget for a total authorized capital budget increase of \$13,921,399, from \$132,702,653 to \$146,624,052

Regularly passed and adopted this 3<sup>rd</sup> day of October 2024 by the following vote:

Ayes:

Noes:

Absent:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

Attest:

\_\_\_\_\_  
JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: David Covarrubias, Deputy Chief Financial Officer  
Subject: **Award of Contracts for On-Call General Commercial Real Estate  
Brokerage Services**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

The award of these On-Call General Commercial Real Estate Brokerage Services (Services) contracts will provide the Peninsula Corridor Joint Powers Board (JPB) with a bench of qualified and experienced firms to provide the Services on an as-needed basis. These Services consist of, but are not limited to, assisting with buying and leasing new property, leasing JPB-owned property, general property management, and other related services.

Staff proposes the Finance Committee recommends that the Board of Directors (Board) of the JPB:

1. Award contracts to both CBRE, Inc. of San Diego, California (CBRE) and Century Urban, LLC of San Francisco, California (Century Urban) to provide the Services on an as-needed basis for a five-year term, with one additional five-year option term, for an aggregate, not-to-exceed amount of \$900,000.
2. Authorize the Executive Director or designee to execute professional services contracts with CBRE and Century Urban consistent with the requirements of the solicitation documents, and negotiated agreements, and in a form approved by legal counsel.
3. Authorizes the Executive Director or designee to exercise one additional five-year option term, if in the best interest of the JPB.

**Discussion**

On June 11, 2024, the JPB, jointly with the San Mateo County Transit District (District) and the San Mateo County Transportation Authority (TA), issued Request for Proposals (RFP) 24-S-J-T-P-105 for the Services. In response to the RFP, the JPB received two proposals, both of which were found to be responsive to the requirements of the solicitation documents. A Selection Committee (Committee) comprised of JPB and District staff reviewed, evaluated, and scored the two proposals in accordance with the evaluation criteria set forth in the RFP.

<b>Evaluation Criteria</b>	<b>Maximum Points</b>
Qualifications and Experience of Firm and Key Personnel	35 Points
Understanding of and Response to Proposal Requirements	35 Points
Cost Proposal	30 Points
Small Business Enterprise (SBE) Preference	5 Points
<b>Total</b>	<b>105 Points</b>

The Committee determined that both firms possess the requisite experience and qualifications required for successful performance of the Services as defined in the solicitation documents. Neither firm claimed the points for SBE Preference.

Staff successfully negotiated contract terms, including prices, with both firms. Staff performed a price analysis and determined the proposed prices to be fair, reasonable, and consistent with those charged by similar brokerage firms in the area for similar services.

There are three main tasks that may occur under this contract:

1. The JPB may use a broker to help it find property needed to support agency operations. For example, the JPB anticipate that it might be looking for a warehouse. In such cases, the commission would be paid by the owner of the property.
2. The JPB may use a broker to help it find tenants for its property. In this case, the JPB would pay a commission to the broker.
3. The JPB might need market valuation or other consulting tasks. The JPB would pay for these services based on their hourly rate.

Staff will issue Work Directives for specific projects during the contract term on an as-needed basis and pursuant to a competitive selection process as further described in the RFP. There is no guarantee of any amount of work or level of effort that will be ordered from or allocated to, or total compensation to be paid to, either firm under the awarded contracts.

Staff aimed to establish a bench of three or more on-call Services providers, but only got two proposals. Thus, staff will resolicit the Services to secure proposals from at least once additional broker. Having this depth is especially important for when the JPB, District and TA periodically are required to negotiate real property agreements with each other.

**Budget Impact**

Funds for these contracts will be included in the JPB’s current operating and capital budgets and will be included in future years’ budgets.

Prepared By:	Javier R. Peraza	Procurement Administrator III	650.508.7758
	Joshuah Mello	Executive Officer, Planning & Development	650.508.6278

**Resolution No. 2024-**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Award of Contracts for On-Call General Commercial Real Estate Brokerage Services**

**Whereas**, on June 11, 2024, the Peninsula Corridor Joint Powers Board (JPB), jointly with the San Mateo County Transit District and the San Mateo County Transportation Authority, issued Request for Proposals (RFP) 24-S-J-T-P-105 for On-Call General Commercial Real Estate Brokerage Services (Services) to establish a bench of firms to provide the Services on an as-needed basis; and

**Whereas**, in response to the joint RFP, the JPB received proposals from CBRE, Inc. of San Diego, California (CBRE) and Century Urban, LLC of San Francisco, California (Century Urban), both of which were deemed responsive following review by staff and legal counsel; and

**Whereas**, a Selection Committee comprised of qualified staff reviewed, evaluated, and scored the two responsive proposals and determined both proposals comply with the requirements of the RFP and that both firms possess the requisite qualifications and experience to successfully provide the Services; and

**Whereas**, staff recommends that the Board of Directors (Board) award contracts to both CBRE and Century Urban to provide the Services for a five-year base term, with one additional five-year option term, for an aggregate, not-to-exceed amount of \$900,000.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards contracts to CBRE, Inc. and Century Urban, LLC to provide

On-Call General Commercial Real Estate Brokerage Services for a five-year base term, with one additional five-year option term, for an aggregate, not-to-exceed amount of \$900,000; and

**Be It Further Resolved** that the Board authorizes the Executive Director or designee to execute contracts with CBRE and Century Urban in full conformity with the terms and conditions of the RFP and negotiated agreements, and in a form approved by legal counsel; and

**Be It Further Resolved** that the Board authorizes the Executive Director or designee to exercise one additional five-year option term, if in the best interest of the JPB.

Regularly passed and adopted this 3<sup>rd</sup> day of October, 2024 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Dave Covarrubias, Deputy Chief Financial Officer  
Subject: **Authorize an Amendment to the Contract with moovel North America, LLC for the Caltrain Mobile Ticketing Solution to Extend the Term by One Year and Increase the Contract Capacity by \$574,245 to \$2,255,851**



Finance Committee  
Recommendation



Technology, Operations, Planning,  
and Safety Committee  
Recommendation



Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

Authorization of this amendment will allow the Peninsula Corridor Joint Powers Board (JPB) to ensure uninterrupted fare collection and validation services for its passengers while awaiting the launch of the Clipper® Next Generation fare system.

Staff proposes the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Authorize an amendment to contract 16-J-P-031 with moovel North America, LLC (moovel) for Caltrain Mobile Ticketing Solution to extend the contract term by one year, through October 31, 2025 and increase the total all-inclusive sum by \$574,245 for a new total all-inclusive sum of \$2,255,85.
2. Authorize the Executive Director or designee to execute a seventh contract amendment with moovel and any related documents necessary to implement the terms of the contract, as amended, in a form approved by legal counsel.

**Discussion**

Caltrain commuter rail service passengers do not pass through barriers or gates before boarding, which would require evidence of fare payment and fare validation prior to boarding. The absence of a mechanism to check fares before passenger boarding led the JPB to institute a proof-of-payment (POP) fare enforcement system requiring patrons to carry a valid form of fare media to prove that they have paid their proper fares for each trip. Riders may purchase their fares using the ticket vending machines at the stations, the Caltrain Mobile Ticketing, or the Clipper regional fare payment system.

Caltrain has been a long-standing and strong partner in the Clipper regional effort and, as required by the Clipper Memorandum of Understanding, plans to sunset the standalone Caltrain mobile ticketing POP fare system when MTC launches Clipper Next Generation, which will include new mobile ticketing capabilities for transit systems across the Bay Area.

As a precaution, due to uncertainties around deployment of Clipper Next Generation, staff is requesting to maintain the JPB's existing contract with moovel until approximately 6 months after planned implementation of Clipper Next Generation. However, the JPB will take steps

toward decommissioning the standalone Caltrain Mobile Ticketing Solution ahead of the deadline for discontinuation of separate mobile ticketing applications.

Currently, the moovel Caltrain app serves both mobile fare payments and parking transactions. As Clipper Next Generation will not support parking payments, the JPB will assess whether to continue using both the existing mobile ticketing app and ticket vending machines (TVMs) for parking, find an alternative solution, or shift entirely to TVMs. To guide this decision, the JPB will conduct a market analysis and operational review to evaluate service levels and features available in the marketplace, helping to ensure a solution that best meets customer needs.

Relative to the subject contract, on January 5, 2017, the JPB entered into a two-year agreement, with three one-year option terms, with moovel to develop, deploy, evaluate, maintain, host, and process payment for Caltrain Mobile Ticketing. On October 24, 2017, the parties entered into a First Amendment to authorize Braintree, a division of PayPal, Inc., to deposit and debit funds in the JPB’s bank account in limited circumstances.

On April 9, 2019, the parties entered into a Second Amendment to upgrade the Caltrain mobile application by adding parking and trip planning capabilities, as authorized by the Board. The amendment also included an increase in commission rates for Phase II enhancements, extended the base term, and exercised the three one-year option terms. On August 10, 2020, the parties entered into the Third Amendment to remove the trip planning feature from the scope. On March 22, 2022, the parties entered into the Fourth Amendment to include QR Code validation work and licensing, for an additional not-to-exceed cost of \$22,000.

On May 18, 2022, the parties entered into the Fifth Amendment to revise the scope of work to clarify consultant costs for configuration changes related to long-term fares and promotional fares. Last, on December 4, 2022, the parties entered into the Sixth Amendment to extend the term by 24 months through October 31, 2024 for ongoing maintenance, hosting, and payment processing services. The amendment also increased the total all-inclusive sum by \$152,873, bringing the new total to \$1,681,606.

The proposed Seventh Amendment would extend the contract term by one year through October 31, 2025 and increase the total all-inclusive sum by \$574,245 for a new total, all-inclusive sum of \$2,255,851.

**Budget Impact**

Funds to support the contract will be included in the FY25 budget amendment being brought to the Board in December.

Prepared By:	Christiane Kwok	Manager, Rail Operations	650.508.7926
	Cathie Silva	Procurement Administrator III	650.622.7857



**Resolution No. 2024–**

**Board of Directors, Peninsula Corridor Joint Powers Board  
State of California**

\* \* \*

**Authorize an Amendment to the Contract with moovel North America, LLC for the Caltrain Mobile Ticketing Solution to Extend the Term by One Year and Increase the Contract Capacity by \$574,245 to \$2,255,851**

**Whereas**, on January 5, 2017, pursuant to Resolution 2017-05, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded contract 16-J-P-031 to moovel North America, LLC (moovel) to provide a Caltrain Mobile Ticketing Solution (Caltrain Mobile App) to be delivered in three phases; and

**Whereas**, Phase I of the contract involved development, deployment, evaluation, maintenance, hosting, and payment processing, after which Phase II covered upgrades and/or enhancements, and Phase III addressed ongoing maintenance, hosting, and payment processing; and

**Whereas**, the moovel contract has been amended six times to update moovel’s responsibilities, revise the scope of work, extend the term, and increase the compensation; and

**Whereas**, the most recent amendment to the contract, effective December 4, 2022, extended the term through October 31, 2024 and increased the total all-inclusive sum to \$1,681,606; and

**Whereas**, the JPB will be required to discontinue accepting fare payment through its highly-customized stand-alone Caltrain Mobile App upon the successful launch of Clipper

Next Generation, which will include mobile fare payment capabilities for public transit providers across the Bay Area region; and

**Whereas**, due to delays in implementation of Clipper Next Generation, the JPB will not be ready to decommission the Caltrain Mobile App by the end of the current moovel contract term, and desires to extend the contract until up to six months after the planned launch of Clipper Next Generation to ensure uninterrupted fare collection and validation services for its passengers; and

**Whereas**, staff recommends that the Board authorizes an amendment to the contract with moovel to extend the term by one year through October 31, 2025 and increase the all-inclusive sum by \$574,245 for a new total amount of \$2,255,851; and

**Whereas**, the standalone Caltrain Mobile App currently supports parking transactions in addition to fare payment; and

**Whereas**, before decommissioning the Caltrain Mobile App, the JPB will conduct a market analysis and operational assessment focused on evaluating parking payment solutions to best meet customer needs, including whether to use only ticket vending machines or to also adopt an alternative mobile parking payment solution.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes an amendment to contract 16-J-P-031 with moovel North America, LLC for a Caltrain Mobile Ticketing Solution to extend the contract term by one year through October 31, 2025 and increase the total all-inclusive sum by \$574,245 for a new total all-inclusive sum of \$2,255,85; and

**Be It Further Resolved** that the Board authorizes authorizes the Executive Director or designee to execute a seventh amendment to the contract with moovel and any related documents necessary to implement the terms of the contract, as amended, in a form approved by legal counsel.

Regularly passed and adopted this 3<sup>rd</sup> day of October, 2024 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**REVISED FOLLOWING 9.25.24 AMP COMMITTEE MEETING**

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Marian Lee, Diridon Station Project Director  
Subject: **Receive Update on Diridon Station Design Alternatives**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (Caltrain) receive this informational update on the Diridon Station Business Case and station design alternatives. The purpose of this informational report and accompanying presentation is to share progress on the Diridon Station Business Case since the previous update at the July AMP meeting. Since July, the Diridon Joint Policy Advisory Committee (JPAB) met in August and staff presented information regarding the following items:

- Station Design Alternatives
- Long-term Governance and Funding for Project Delivery
- Interim Integrated Project Team Organization

~~For At the September AMP Committee meeting, Caltrain staff ~~will~~ presented information regarding station design alternatives, which is summarized in this report and the interim integrated organization. An update on long-term governance and funding is included in the materials as background but will not be presented until the November AMP meeting.~~

~~The Station Design Alternatives item is informational.~~

- ~~1. Authorize the Executive Director to execute a Cooperative Agreement with Caltrain's Partner Agencies regarding the Interim Integrated Project Team.~~

~~The Interim Integrated Project Team item is an action item, in which staff is seeking Board approval to enter into a Cooperative Agreement with the other four project Partner Agencies. The Cooperative Agreement will formalize the commitments and actions needed by the Partner Agencies to set up the Interim Integrated Project Team. The AMP Committee also considered a staff recommendation to authorize the Executive Director to enter into a Cooperative Agreement with Caltrain's project partner agencies to set up the Diridon Interim Integrated Project Team – an interim organizational structure focused on advancing the project during the planning period. The JPAB has expressed support for the agreement with intent on eventually replacing the interim structure with a long-term governance organization that would deliver the project. Based on significant concerns expressed by the Committee members regarding the~~

**REVISED FOLLOWING 9.25.24 AMP COMMITTEE MEETING**

interim structure identified in the agreement, this item with additional background information will be presented as a separate agenda item to the full Board for discussion and guidance.

**Discussion**

**Background**

The Partner Agencies – Caltrain, Santa Clara Valley Transportation Authority (VTA), the City of San José (San José), Metropolitan Transportation Commission (MTC), and California High-Speed Rail Authority (CHSRA) -- are working together on the Diridon Station Business Case to plan for the transformation of San Jose’s downtown transit hub. Diridon Station is integral to California’s transportation network. It currently serves Caltrain, Capitol Corridor, Altamont Corridor Express (ACE), and Amtrak passenger rail, as well as VTA light rail transit (LRT) and bus services. Diridon must also accommodate planned and expanded services in the region, including new California High-Speed Rail (CAHSR) and Bay Area Rapid Transit (BART) service, as well as expanded service for Caltrain, Capitol Corridor, and ACE. To effectively accommodate planned activity and future service needs, the station must be reconfigured, expanded, and upgraded to provide adequate capacity, functionality, and interconnectivity for passengers.

The Partner Agencies are developing detailed station design alternatives through a Business Case process to better understand costs, benefits, risks, and potential implementation strategies. The first phase of the Business Case has identified two station design alternatives to discuss with the community at-large. In the next phase of work, the Partner Agencies will engage with the community to identify at least one recommended alternative that will be carried forward for environmental analysis.

**Station Design Alternatives**

At the July 2024 AMP meeting, the project team presented three station design alternatives: At-Grade, Stacked and Elevated. The three alternatives were evaluated against the project goals, objectives, and performance metrics. After thorough review, the Stacked Alternative scored the lowest and is recommended for elimination.

Although the Stacked Alternative had some desirable traits, including the narrowest platform and track footprint in the immediate station area, it fell short in many other areas. The most notable shortcomings of the Stacked Alternative are: 1) suboptimal passenger experience since it includes another level of transit services for passengers to navigate; 2) significant visual impact on the surrounding communities; 3) difficulty providing quality access at grade crossings given double-decker infrastructure; 4) complex constructability and the inability to phase the construction of the two levels of tracks and 5) largest land impacts outside of the immediate station area. Therefore, it is recommended the Elevated and At-Grade Alternatives progress to public engagement and further design refinement, and the Stacked Alternative is eliminated.

Over the summer of 2024, the project team refined the design of the At-Grade and Elevated Alternatives. Major refinements include confirming the proposed track and platform widths through a passenger flow analysis, moving the LRT station from the west to east side of the

## REVISED FOLLOWING 9.25.24 AMP COMMITTEE MEETING

station, confirming that a direct connection the BART tunnel is technically feasible, and updating track elevations to reduce land impacts including no longer impacting Caltrain's Equipment Maintenance and Operations Facility (CEMOF) under the Elevated Alternative.

While the Elevated and At-Grade Alternatives have a relatively similar passenger experience and footprint in the immediate station area, the extent of the proposed track changes north and south of the station is significantly different. The Elevated Alternative proposes a substantial length of elevated track which provides a fully grade separated system. It separates the existing at-grade crossings at West Virginia Street and Auzeais Avenue and requires modification at all other crossings, including the rebuilding of the San Carlos Street bridge.

Unlike the Elevated Alternative, a fully grade separated system is not inherent to the design of the At-Grade Alternative. The At-Grade Alternative conforms to the existing tracks before the West Virginia and Auzeais at-grade crossings. However, considering future train traffic, auto traffic, and previous community discussions about the benefits of grade separations, the At-Grade Alternative includes an auto road closure for West Virginia Street (maintaining bike and pedestrian access) and a grade separation at Auzeais Avenue. The auto closure and grade separation at West Virginia and Auzeais, respectively, are initial recommendations that will be vetted thoroughly with the community.

The varying track change extents of the alternatives, and particularly, the much longer length of the Elevated Alternative, drives other key differences between the alternatives such as constructability and cost. At this very conceptual level of design (less than 5 percent) the approximate cost range of the At-Grade Alternative is \$3 to \$6 billion, and the Elevated Alternative is \$5 to \$10 billion. The estimates are in 2023 dollars and are subject to escalation.

The two refined alternatives will be shared in upcoming public engagement events from mid-August through October, including pop-ups, event tabling, a station exhibit, stakeholder engagement, and a community meeting. At the November AMP meeting, the project team will share public and stakeholder feedback, and a strategy and funding approach to the environmental phase that will commence next summer.

See Attachment A for the August JPAB staff memo on this topic.

### Long-term Governance

VTA is responsible for the long-term governance and funding work. This item will not be presented at AMP this month, but a more comprehensive update will be presented in November 2024.

At the July AMP meeting, VTA presented practical lessons learned from case studies representing a range of governance models: Salesforce Transit Center-Phase 1 (joint powers authority), Denver Union Station (nonprofit development corporation), LA Metro Gold Line (construction authority). The presentation identified eight desired features of a project delivery governance model, including focus, accountability, leadership, and capacity to attract funding.

## REVISED FOLLOWING 9.25.24 AMP COMMITTEE MEETING

It also shared the limitations of traditional value-capture tools in San Jose, and the importance of the City and County considering creation of an Enhanced Infrastructure Financing District (EIFD) to support local match requirements.

Since then, the consultant team developed a recommendation to pursue the Transit District/Transit Commission governance model, in the form of a Diridon Delivery Authority (Authority). This type of governance model can create a focused entity for a finite period during the station design and construction. The board composition can be customized to local needs, and the relationships between the Partner Agencies and the Authority can be defined through contractual agreements to ensure ongoing communication and involvement. The Authority can be dissolved when construction is completed. Formation of the Authority would require legislative action, which would confirm the powers, scope, and other critical parameters of the Authority. This could also be an opportunity to seek State funding and support.

The consultants also completed an inventory of potential funding and financing sources for the project and analyzed potential bonding capacity of an EIFD revenue stream. The analysis shows that formation of an EIFD with participation by both Santa Clara County and the City of San Jose could generate a meaningful stream of revenue from accelerated new development within a one-mile radius of the station. The consultant team will share updated analysis of potential annual EIFD yields, and how the annual revenue stream might support bonding.

See Attachment B for the August JPAB staff memo and PowerPoint presentation on long-term governance.

At the November AMP meeting, the consultant team will bring forward supplemental information about how the Delivery Authority could operate.

### Interim Integrated Project Team Organization

~~The JPAB has asked staff to continue to work diligently on station design while, in parallel, pursuing a long-term governance organization. At past JPAB meetings, staff presented a proposal to immediately set up an Interim Integrated Project Team organization to ensure more efficient production and discussed the key terms of the interim organization.~~

~~A new Cooperative Agreement among the Partner Agencies has been drafted. The intent of the agreement is to formalize the following commitments and actions to set up the Diridon Station Interim Integrated Project Team:~~

- ~~● Evolve the advisory JPAB into a voting Steering Committee~~
- ~~● Delegate authority to the Steering Committee to take actions and make recommendations~~
- ~~● Identify areas of lead responsibility for each partner agency~~
- ~~● Structure the integrated project team with appropriate levels of staff and subject matter consultants that enables thorough deliberation, quality work products, and efficient resolution~~
- ~~● Set up San José downtown integrated team project office~~

**REVISED FOLLOWING 9.25.24 AMP COMMITTEE MEETING**

The term of the agreement is up to four years, beginning late Summer 2024. This period includes the pre-environmental (Business Case Phase 2) and the environmental phase. When the long-term organization is ready, this agreement can be replaced.

Attachment C is the August JPAB staff memo and presentation which provides more information about the Interim Integrated Project Team Organization. It also includes information about the pre-environmental phase of work, budget/funding and scope of work for the key consultants assigned to the project. The budget for FY24 – 25 is \$7.8M. The funding sources are: \$6.3 million from MTC Regional Measure 3; \$1 million from VTA Measure B; and \$500,000 from the City of San Jose.

Attachment D is the Cooperative Agreement. Staff recommends the Board authorize the Executive Director or designee to enter into the Cooperative Agreement with the Partner Agencies to formalize the Interim Integrated Project Team. The Partner Agencies will obtain approvals and signatures of the Cooperative Agreement over the next few months. Activation of the Steering Committee will occur this winter to account for transitions and appointments related to election outcomes.

**Budget Impact**

There is no direct budget impact associated with this action.

Prepared By:	Gwen Buckley	Principal Planner	650-722-6827
	Melissa Reggiardo	Manager, Caltrain Planning	650-868-9925



# Memorandum

**TO:** Diridon Station Joint Policy Advisory Board

**FROM:** Marian Lee/Melissa Reggiardo, Diridon Business Case Director/Manager

**DATE:** August 14, 2024

**SUBJECT:** Diridon Station Design Recommendation

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## **FOR INFORMATION ONLY**

### **INTRODUCTION:**

The purpose of this informational report and accompanying presentation is to share progress on the Diridon Station Business Case since the previous update at the May JPAB meeting. The update in May shared three station design alternatives. Today's update shares the two alternatives that staff recommend advancing for public engagement and further analysis. At the November JPAB, staff will report on the input received from the public and share a proposed approach to the environmental process, which is anticipated to kick-off in summer 2025.

### **DISCUSSION:**

#### ***Background***

Caltrain, Santa Clara Valley Transportation Authority (VTA), the City of San José, the Metropolitan Transportation Commission, and the California High-Speed Rail Authority (CHSRA) (Partner Agencies) are working together on the Diridon Station Business Case to plan for the transformation of San Jose's downtown transit hub. Diridon Station is integral to California's transportation network. It currently serves Caltrain, Capitol Corridor, Altamont Corridor Express (ACE), and Amtrak passenger rail, as well as VTA light rail transit (LRT) and bus services. Diridon must also accommodate planned and expanded services in the region, including new California High-Speed Rail (CAHSR) and Bay Area Rapid Transit (BART) service, as well as expanded service for Caltrain, Capitol Corridor, and ACE. To effectively accommodate planned activity and future service needs, the station must be reconfigured, expanded, and upgraded to provide adequate capacity, functionality, and interconnectivity for passengers.

In 2020, the Diridon Integrated Station Concept (DISC) process produced the original Concept Layout, which is a spatial vision for future Diridon station redevelopment. Building on this concept, the Partner Agencies are developing more detailed station design alternatives through a Business Case process to better understand costs, benefits, risks, and potential implementation strategies. The Business Case seeks to develop alternatives to the original Concept Layout that provide much of the benefit with reduced impact and costs.

To date, Business Case has identified two station design alternatives to discuss with the community at-large. In the next phase of work, the Partner Agencies will work with the community to recommend one alternative that will be environmentally cleared.

### ***Elimination of the Stacked Alternative***

At the May 2024 JPAB meeting, the project team presented three station design alternatives: At-Grade, Stacked and Elevated. The At-Grade Alternative has at-grade tracks and a lower-level concourse, meaning the concourse is slightly below-grade and uses gradual sloping to integrate into the surrounding street network. The Stacked Alternative has a lower-level concourse like the At-Grade Alternative but splits rail infrastructure into two levels – high-speed rail on the upper level and all the other tracks on the street level. The Elevated Alternative has elevated tracks with a ground level concourse. This alternative is most like the original Concept Layout since it requires elevating existing rail infrastructure.

The three alternatives were evaluated against the project goals, objectives, and performance metrics. Ultimately, the Stacked Alternative scored the lowest and is recommended for elimination.

While one of desirable attributes of the Stacked Alternative was having the narrowest platform and track footprint in the immediate station area, it fell short in many other areas including passenger experience, project deliverability, and visual impact. It scored lower in passenger experience since it includes another level of transit services for passengers to navigate. The Stacked alternative is the most complicated project to deliver with its double decker infrastructure and would require the greatest coordination to implement and it significantly impacts the view from the station area and surrounding communities. And lastly, one of the initial favorable concepts of potentially phasing the two levels of platforms and tracks was also found to be infeasible. Therefore, it is recommended the Elevated and At-Grade alternatives progress to public engagement and further design refinement, and the Stacked alternative eliminated.

### ***Two Refined Alternatives for Public Engagement***

The At-Grade and Elevated Alternative have been refined since the May JPAB meeting. Major refinements include confirming the proposed track and platform widths through a passenger flow analysis, moving the LRT station from the west to east side of the station, confirming that a direct connection the BART tunnel is feasible, and updating track elevations to avoid impact on Caltrain's Equipment Maintenance and Operations Facility (CEMOF) and reduce land use impacts more generally.

- **CHSRA Passenger Flow Analysis:** Working closely with the Business Case project team, CAHSR conducted a passenger flow analysis and validated that the proposed track and platform widths are feasible for future operations. This confirms that the main hall of the historic station can be preserved with modifications to the annex in both alternatives. The At-Grade alternative would maintain the façade of the historic annex and the Elevated

Alternative would build over the annex. Additionally, the PG&E substation can be rebuilt in place.

- Light Rail Transit (LRT) Station Location: Both alternatives now assume a light-rail station on the eastern side of the station, rather than on the western side where it is today. This location provides better intermodal connectivity between light rail and heavy rail. It also allows for the curve of the LRT tunnel to be straightened since it won't have to bend to accommodate a western station. There are slight differences in terms of where the LRT platforms are located between the At-Grade and Elevated Alternatives. The At-Grade Alternative proposes a more central location under the historic station while the Elevated includes two east-west access points, with the eastern access point within Cahill Plaza.
- BART to Silicon Valley (BSV) Connection: The project has been working with the BSV Technical Task Force to analyze the feasibility of a direct connection to the BART tunnel. The Task Force has determined that a tunnel connection is feasible which could potentially shave approximately one minute off passenger transfer times. To enable the direct connection, BSV needs to modify their existing designs to extend the mezzanine and allow for a knock-out panel.
- Avoidance of CEMOF Relocation. Originally, the track designs for the Elevated Alternative were unable to descend to grade before CEMOF, which triggered the preliminary assessment that a relocation of the facility was needed to provide access. The project team has since been able to modify the track elevation in the northern corridor so that it doesn't require a relocation of CEMOF, reducing the cost of the Elevated Alternative. Additionally, these modifications also reduce land use impacts generally.

### ***Extent of Track Changes and Grade Separations***

While the Elevated and At-Grade Alternatives have a relatively similar passenger experience and footprint in the immediate station area, the extent of the proposed track changes north and south of the station is significantly different. The Elevated Alternative proposes a substantial length of elevated track from approximately West Virginia Street in the south to north of CEMOF on the northern end (though CEMOF access is still maintained). Comparatively, the At-Grade Alternative generally conforms to the existing tracks before the San Carlos Street bridge in the south and before CEMOF in the north.

The track extent and elevation have an impact on the grade separations and crossing upgrades associated with the station project. The Elevated Alternative provides a fully grade separated system in which all the crossings have the streets traveling under the elevated tracks. It separates the existing at-grade crossings at West Virginia Street and Auzerais Avenue and requires modification at all other crossings, including the rebuilding of the San Carlos Street bridge.

Unlike the Elevated Alternative, a fully grade separated system is not inherent to the design of the At-Grade Alternative. The At-Grade Alternative conforms to the existing tracks before the West Virginia and Auzerais at-grade crossings. However, considering future train traffic, auto traffic, and previous community discussions about the benefits of grade separations, the At-

Grade Alternative includes an auto road closure for West Virginia Street (maintaining bike and pedestrian access) and a grade separation at Auzerais Avenue where the road would dip under the tracks. The auto closure and grade separation at West Virginia and Auzerais, respectively, are initial recommendations that will be vetted thoroughly with the community.

The varying track change extents of the alternatives, and particularly, the much longer length of the Elevated Alternative, are what drives other key differences between the alternatives – visual impacts as well as construction complexity and cost.

### ***Preliminary Cost Range Estimates***

The cost estimates for the two alternatives were updated to reflect the recent design refinements. The approximate cost range of the At-Grade Alternative is \$3 to \$6 billion, and the Elevated is \$5 to \$10 billion. The estimates are in 2023 dollars and are subject to escalation. The estimate range uses industry best practices for conceptual design, where the low end of the range is 30 percent below the mid-point estimate and the high end is 50 percent above the midpoint estimate. The At-Grade alternative is generally less expensive because it doesn't elevate the tracks and requires less concrete, steel, tracks and systems. The Elevated is more expensive because it elevates tracks over a long distance and requires more concrete, steel, tracks and systems.

### ***Public Engagement***

The two refined alternatives will be shared in upcoming public engagement events from mid-August through October, including pop-ups, event tabling, a station exhibit, stakeholder engagement, and a community meeting. The goal is to build on the extensive outreach completed through the DISC process, build awareness, and seek feedback to inform the selection of a recommended alternative by next summer.

### **NEXT STEPS:**

Over the next few months, the project team will further advance design for the two alternatives and work with the community to identify the recommended station alternative for environmental clearance. At the November JPAB, the project team will share public and stakeholder feedback, approach to the environmental work and funding that will commence next summer, and a 2025 JPAB meeting lookahead.

# Memorandum

**TO:** Diridon Station Joint Policy Advisory Board

**FROM:** Kim Welsh, VTA Governance Lead

**DATE:** August 8, 2024

**SUBJECT:** Governance and Funding for Project Delivery

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## FOR INFORMATION ONLY

### INTRODUCTION

Today's meeting will continue discussion on long-term governance and the funding strategy for the Diridon Station project.

Long-term governance means formalizing an entity to lead the delivery stage of the Diridon Station project. Governance by a lead entity, including a board and staff, is distinguished from the five-agency cooperation model that has led the planning phase since 2018.

At their May meeting, JPAB members reviewed practical lessons learned from case studies representing a range of governance models: Salesforce Transit Center-Phase 1 (joint powers authority), Denver Union Station (nonprofit development corporation), LA Metro Gold Line (construction authority). They affirmed eight desired features of a project delivery governance model, including focus, accountability, leadership, and capacity to attract funding. They learned about the unique limitations of traditional value-capture tools in San Jose, and the importance of the City and County considering creation of an Enhanced Infrastructure Financing District (EIFD) to support local match requirements.

Since then, the consultant team developed a recommendation to pursue the Transit District/Transit Commission governance model, in the form of a Diridon Delivery Authority. The consultants also completed an inventory of potential funding and financing sources for the project and analyzed potential bonding capacity of an EIFD revenue stream.

### DISCUSSION

#### *Explore Creation of Diridon Delivery Authority*

The consultant team recommends further exploration of the Transit District/Transit Commission model (working title: Diridon Delivery Authority) because it can create a focused entity for a finite period during the station design and construction. The board composition can be customized to local needs. The relationships between the partner agencies and the Authority can

be defined through contractual agreements, and ongoing communication and involvement can be ensured. The Authority can be dissolved when construction is completed. Formation by State legislative action would be required and would confirm the powers, scope, and other critical parameters of the Authority. This could also be an opportunity to seek State funding and support.

The consultant team has deemed the other three model options first introduced at the JPAB meeting in 2024 as not worthy of more consideration. The Joint Powers Authority has less flexibility in board composition and is considered less efficient and independent. A state-chartered entity would diminish local control and be less efficient due to the required state involvement. A nonprofit development corporation would not on its own have the powers and authorities needed in the delivery phase; there are insufficient public real estate development opportunities remaining to merit the need for a development corporation.

When the Delivery Authority model was compared with the alternative of an existing agency overseeing the construction, the Delivery Authority excels on the desired features of Focus (singular purpose), Decision-making (timely, nimble decision-making), Leadership (dedicated board and executive as project champions), and Legitimacy (partners recognize need for new entity.)

Partner agencies identified several important issues requiring more review before a final recommendation could be made for the Authority model. These include:

- a. How to ensure continuous, safe system operations during the construction period
- b. Precedents for operating as a nascent governance entity prior to formal establishment of the Delivery Authority, including potential early hiring of a start-up Director
- c. Defining the relationships between the Authority and partner agency responsibilities, authorities, and interests
- d. The staffing model for the Authority (i.e., PERS employees, contractors)
- e. Potential of the Diridon Authority as a new model or potential evolution to support other mega-project delivery in the Bay Area.

### ***Inventory of Funding and Financing Sources***

The consultant team will provide an overview of the inventory of federal, state, regional, and local funding/financing sources potentially applicable to the project. This will serve as the basis for a more specific Funding Implementation Plan that will be created to start seeking capital for the project. VTA has responsibility for leading the Funding Implementation Plan and fundraising for the project.

### ***Potential Enhanced Infrastructure Financing District (EIFD)***

Significant local funding will be required to meet match requirements that can unlock state and federal grant funding. Local revenue streams can also help secure low-cost, long-term federal financing.

EIFDs are the primary value capture tool available for Diridon because land included in the Diridon Station Area Plan has already been upzoned and new assessments/fees on development are economically infeasible in the foreseeable future.

EIFDs, or variations thereof, are the primary form of tax-increment financing allowed in California. Investment in a multi-modal station and improved transportation service will lead to significant acceleration of property tax revenue due to accelerated property development and turnover in the surrounding area. Recognizing this, cities and counties can elect to set aside a portion of this property tax increment to fund the transportation project—either directly or through bonding/financing mechanisms.

Analysis shows that formation of an EIFD with participation by both Santa Clara County and the City of San Jose could generate a meaningful stream of revenue from accelerated new development within a one-mile radius of the station. The consultant team will share updated analysis of potential annual EIFD yields, and how the annual revenue stream might support bonding.

EIFD's can have a 30-45 year life, but it is important that an EIFD be established as early as possible to secure the base assessed property values at the existing level before large-scale development near the station gets underway.

### **NEXT STEPS**

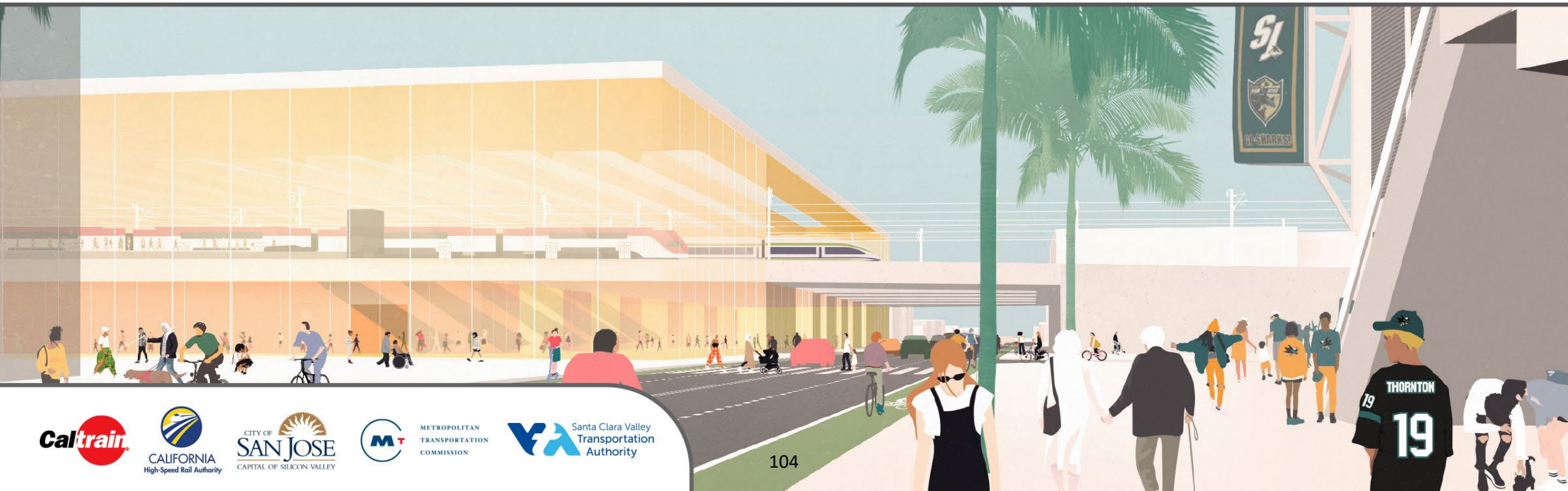
At the November JPAB/Steering Committee meeting, the consultant team will bring forward supplemental information about how the Delivery Authority could operate, addressing key outstanding issues.

Since it is anticipated that creation and start-up of a Delivery Authority could take two years, a decision to pursue this model should be made by early in 2025.



August 14, 2024

# Joint Policy Advisory Board: Governance & Funding Agenda Item #8



METROPOLITAN  
TRANSPORTATION  
COMMISSION





# Introduction



Discussed **Case Studies** (*Salesforce, Denver, LA Metro*)



Described **Funding Challenges & Opportunities** (*inc. EIFD analysis*)



Reviewed **Existing Conditions**



Identified Priority **Governance Features**



## **Proposed Governance Entity**

- Organizational Structure
- Critical Features
- Evaluation Against Criteria



## **Funding & Financing Sources**

- Inventory
- Priority Source Identification
- Updated EIFD Analysis

# Governance Entity Analysis

Org Structure

Key Features

Alternative Evaluation

# High-Priority Governance Features

Item #12.h.  
10/3/2024

**SAN JOSÉ**  
DIRIDON STATION

Entity Features	Description
Accountability	Clear accountability for project advancement; <b>clear, binding, and enforced roles, responsibilities, and rules</b>
Authority & Capacity	Has all needed <b>authorities and capacities to deliver</b> ; ability to assume and manage risk
Decision-making	<b>Timely, robust decision-making</b> ; well-defined, agreed upon process for decision-making
Focus	<b>Singular purpose</b> to drive project progress
Funding	Strong capacity and credibility to <b>attract funding</b>
Integration	Ability to <b>influence projects in Station Area to align with vision</b> ; clearly established rules of coordination
Leadership	Dedicated executive leadership and staff; board of <b>project champions</b>
Legitimacy	Recognized and <b>entrusted by partner agencies</b> and their public leaders

# Potential Governance Entity Types

Item #12.h.  
10/3/2024

**SAN JOSÉ**  
DIRIDON STATION



**Joint Powers  
Authority**



**State-  
Chartered  
Entity**



**Transit District/  
Transportation  
Commission**



**501(c)(3)  
Development  
Corporation**



**Existing  
Partner Agency**

# Entity Types Not Under Consideration

Item #12.h.  
10/3/2024

**SAN JOSÉ**  
DIRIDON STATION



**Joint Powers Authority**

*JPA could diminish powers; is less efficient & independent*

*Less flexible board curation*



**State-Chartered Entity**

*Entirely new structure could create unnecessary state role, diminish local control*



**Transit District/ Transportation Commission**



**501(c)(3) Development Corporation**

*Lacks needed authorities; insufficient public real estate dev't. opportunities*



**Existing Partner Agency**

# Proposed Entity for Further Consideration

Item #12.h.  
10/3/2024

**SAN JOSÉ**  
DIRIDON STATION



Joint Powers  
Authority



State-  
Chartered  
Entity



**Transit District/  
Transportation  
Commission**

*Dedicated delivery  
entity, limited duration*



501(c)(3)  
Development  
Corporation



**Existing  
Partner Agency**

*Evaluated for  
comparison*





## Transit District/ Transportation Commission

**Entity Type:** Delivery Authority (Transportation Commission)

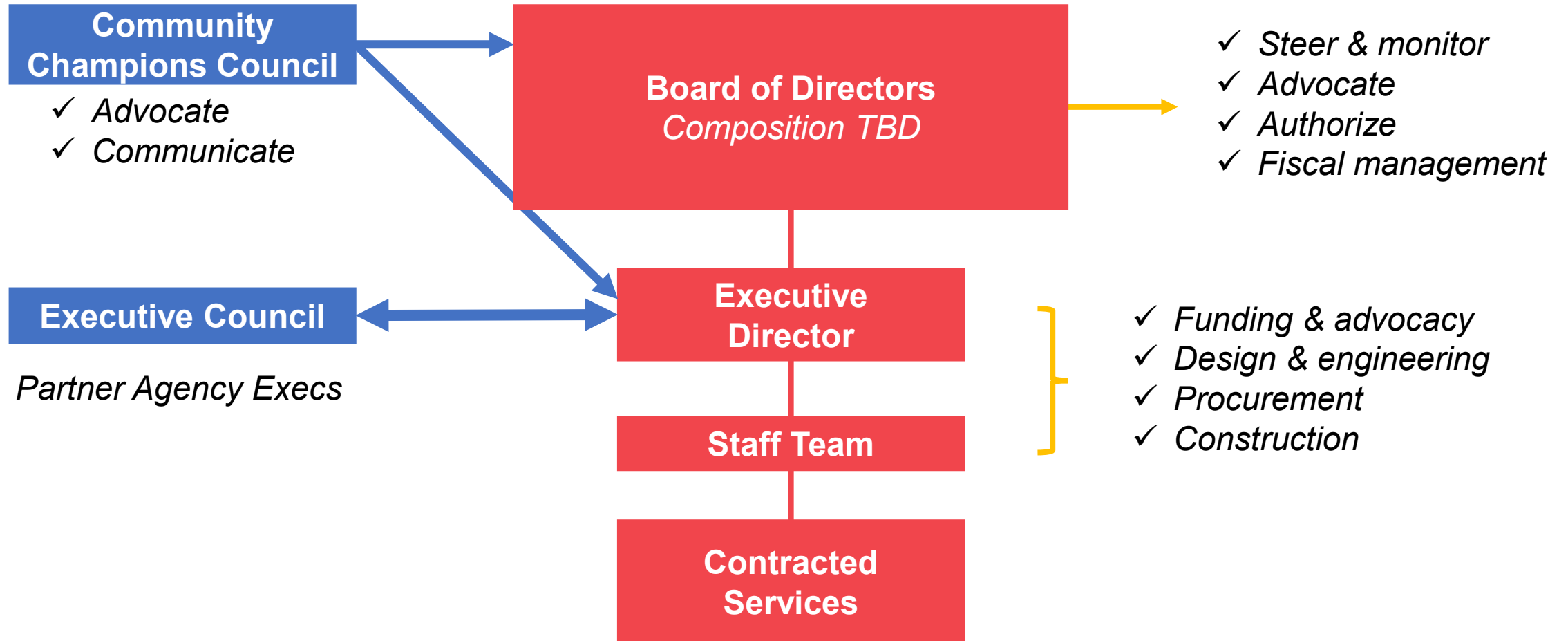
**Strengths:**

- Singular focus
- Can be dissolved at completion
- State process can tailor board and authorities
- Contracts will determine relationships with Partner Agencies

**Challenges:**

- Requires legislative approval
- Subject to political headwinds
- Once authorized, may be difficult to modify

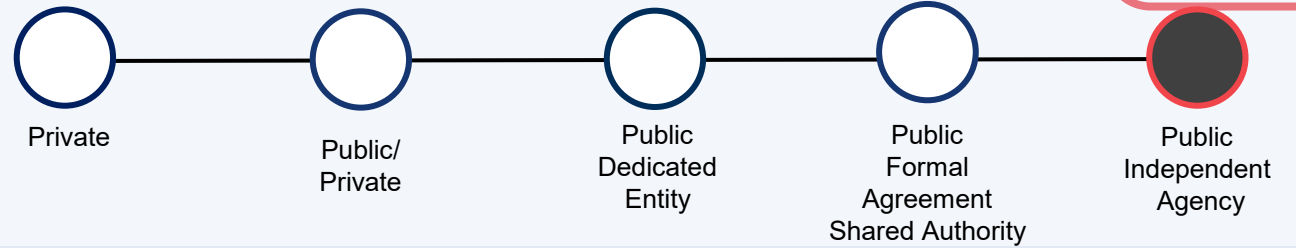
# Proposed Diridon Delivery Authority



# Diridon Governance Expected to Evolve Over Time

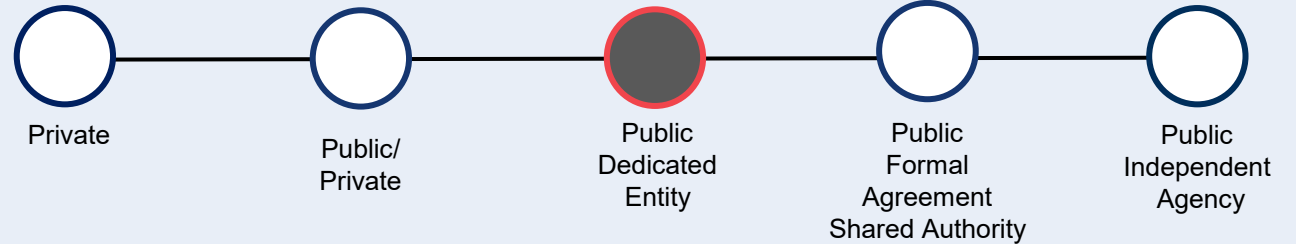
## Environmental

Caltrain will lead on environmental.



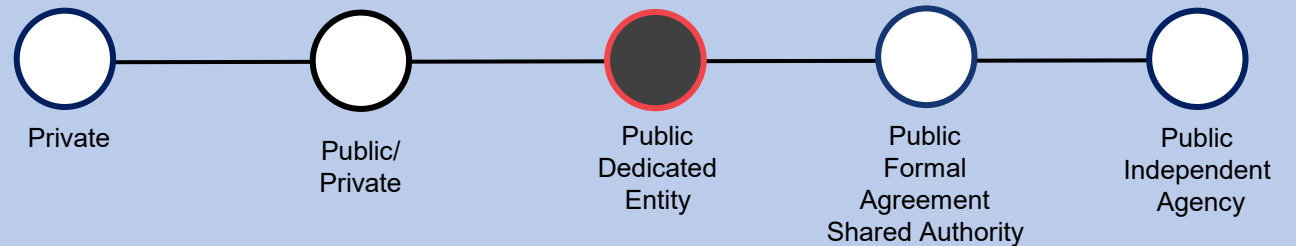
## Pre-Development

Diridon Delivery Authority oversees **preliminary design** and finalizes **construction delivery approach**. Delivery Authority assumes funding advocacy.



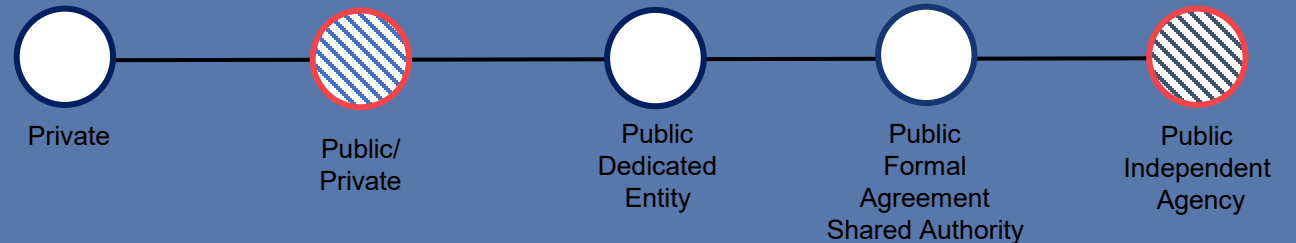
## Development/Delivery

Diridon Authority will develop the construction packages and **procure construction partners**. Delivery Authority will **manage the construction process** to be on time and budget.



## Operations & Maintenance

Caltrain is **responsible for station operations** at the end of construction. Potential to contract pre-farebox O&M responsibilities to a **private partner**.



# Governance Entity Analysis

Org Structure

Key Features

Alternative Evaluation



## Board Structure:

- Small, nimble, engaged
- Multi-year terms, low turnover
- Qualified with skills, experience, and “standing”
- Could include private citizen directors

## Board Member Duties:

- Participation in monthly meetings
- Active advocacy on behalf of project
- Approve project budget, solicitations, and contracts
- Approve agreements with Partner Agencies
- Hire Executive Director and hold accountable



## Desired Competencies

- Leader and integrator
- Effective advocate
- Strong decision-maker
- Politically savvy
- Thoughtful in talent identification
- Understands complexity of capital projects
- Great communicator
- Relationship builder

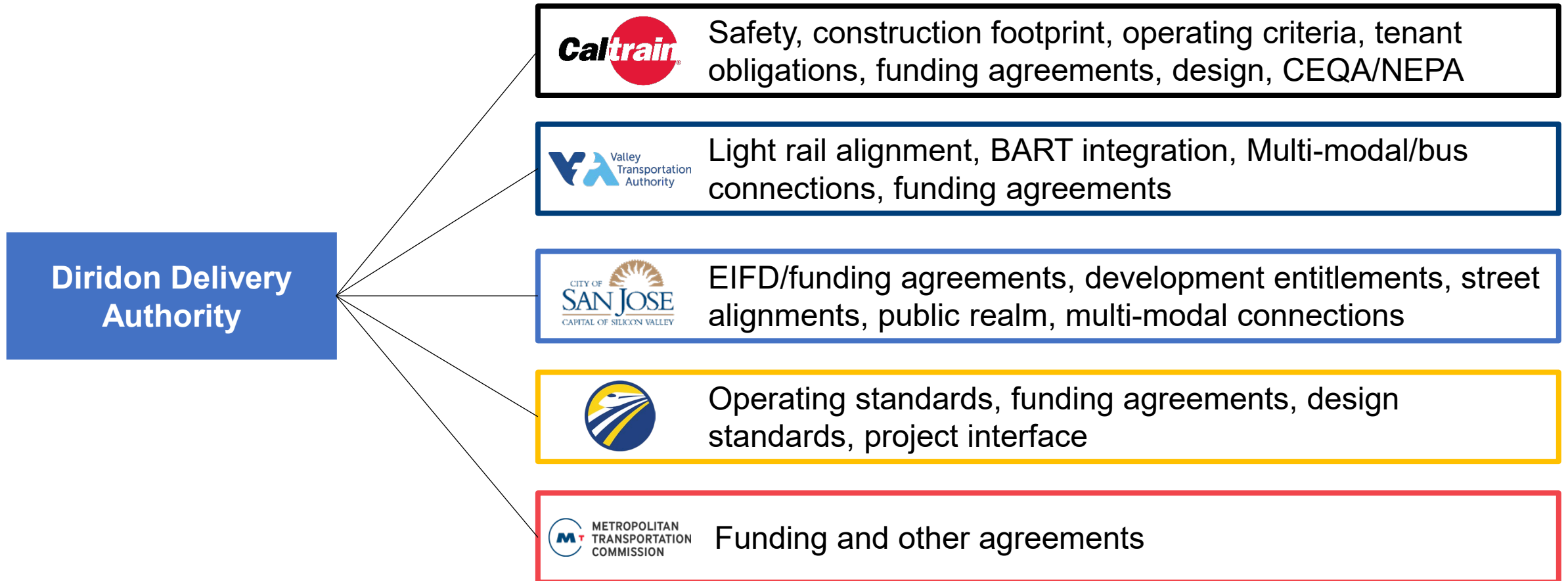


## Characteristics

- Comprised of Partner Agency executives
- Creates ongoing **communication channel** to ensure that:
  - Partner Agency executives are **informed** about project progress
  - Partner Agency interests & design **needs are met**
  - Delivery Authority executive can **consult** with Partner Agency execs on critical project questions

# Authority – Partner Agreements

Contractual agreements between the new entity and Partner Agencies will provide the Authority with clear scope and requirements, and assure the agencies of appropriate involvement.





# Topics for Further Exploration

- Startup and **interim operation** prior to formal establishment
- **Staffing model** for the Authority
- **Relationships** between the Authority and Partner Agencies
- How to ensure **safe, continuous system operation** during the construction period
- Potential of Diridon Authority as **model for future mega-projects**

# Governance Entity Analysis

New Entity: Org Structure

New Entity: Key Features

Alternative Evaluation

# Alternative Evaluation

Item #12.h.  
10/3/2024

**SAN JOSÉ**  
DIRIDON STATION

Features	Description	Diridon Delivery Authority	Existing Agency (Caltrain/VTA)
Accountability	Clear accountability for project advancement	Green	Green
Authority & Capacity	Possesses all needed authorities and capacities to deliver	Yellow	Yellow
Decision-making	Timely, robust decision-making	Green	Red
Focus	Singular purpose	Green	Red
Funding	Strong capacity and credibility to attract funding	Yellow	Yellow
Integration	Can influence projects in Station Area to align with vision	Yellow	Yellow
Leadership	Dedicated staff and board project champions	Green	Red
Legitimacy	Recognized and entrusted	Green	Yellow

# Funding & Financing Sources

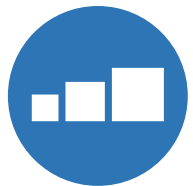
# Funding and Financing Inventory Components



**Type:** Funding or Financing



**Jurisdiction:** Federal, State, or Regional & Local



**Magnitude:** \$0-\$50M, \$51-\$99M, or \$100M+



**Project Stage:** Planning, Capital, or Both

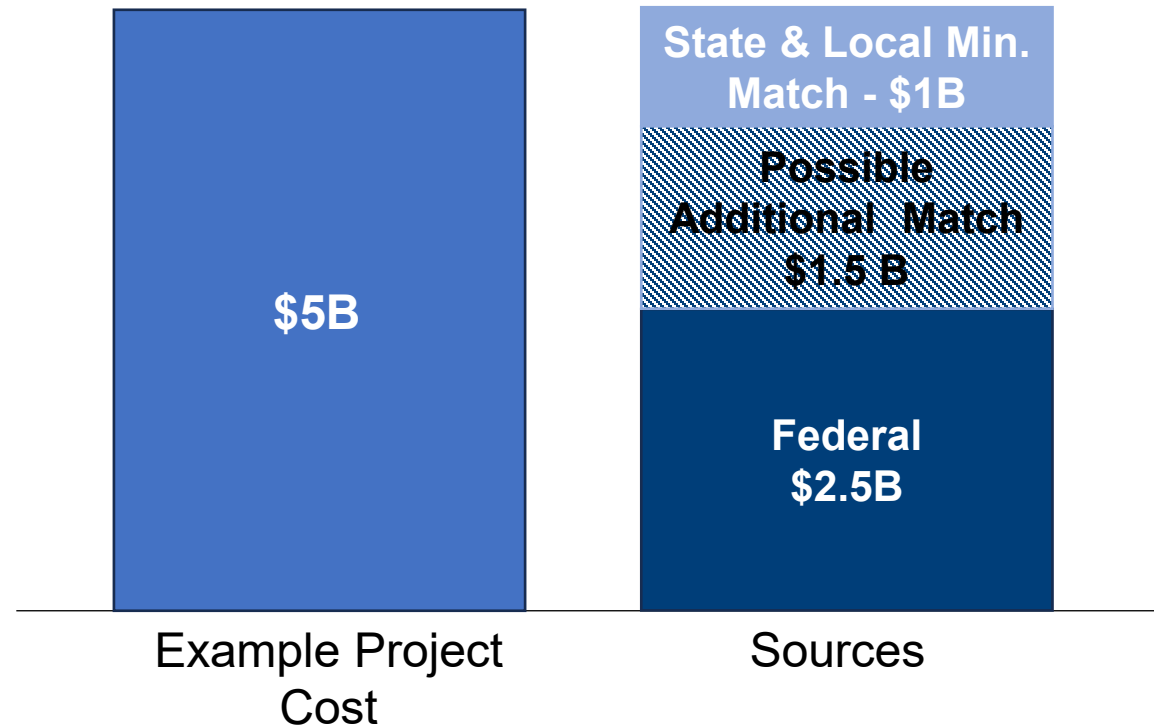
# Takeaways

- 1 There are local, regional, state, and federal sources to support planning, design, and pre-development costs.
- 2 With the need for a significant local match to access federal funding, new local and regional sources are likely necessary.
- 3 Our project narrative to access large federal capital funding programs will need to be thoughtful and creative in articulating project benefits.

# Federal Match Requirement

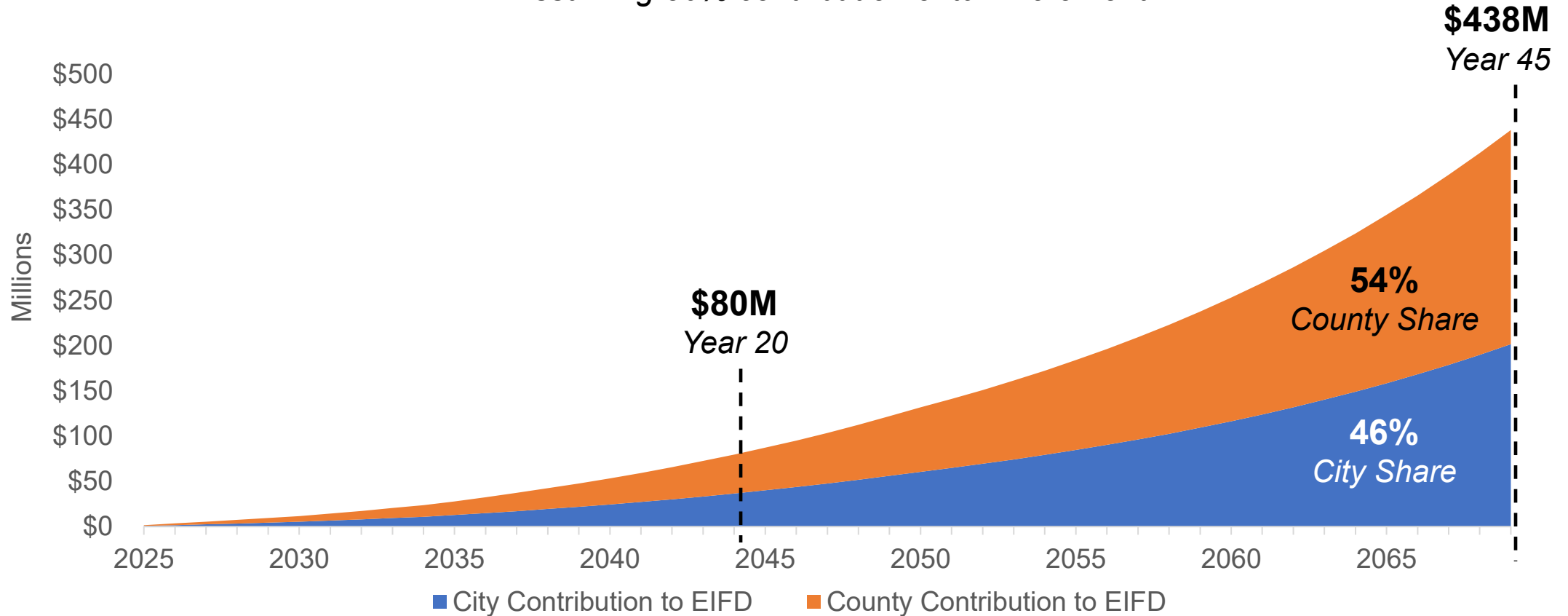
Federal programs often expect a state & local match of **at least 20% of project cost, but often higher up to 50% of cost.**

Higher state & local cost sharing often make a project more competitive.



# Illustrative EIFD Yield

**Annual EIFD Revenue Projection by Jurisdiction, 1 mi. Radius**  
*Assuming 50% contribution of tax increment*



*This chart depicts revenue projections based on a commitment of 50% of the City and County tax increment.*

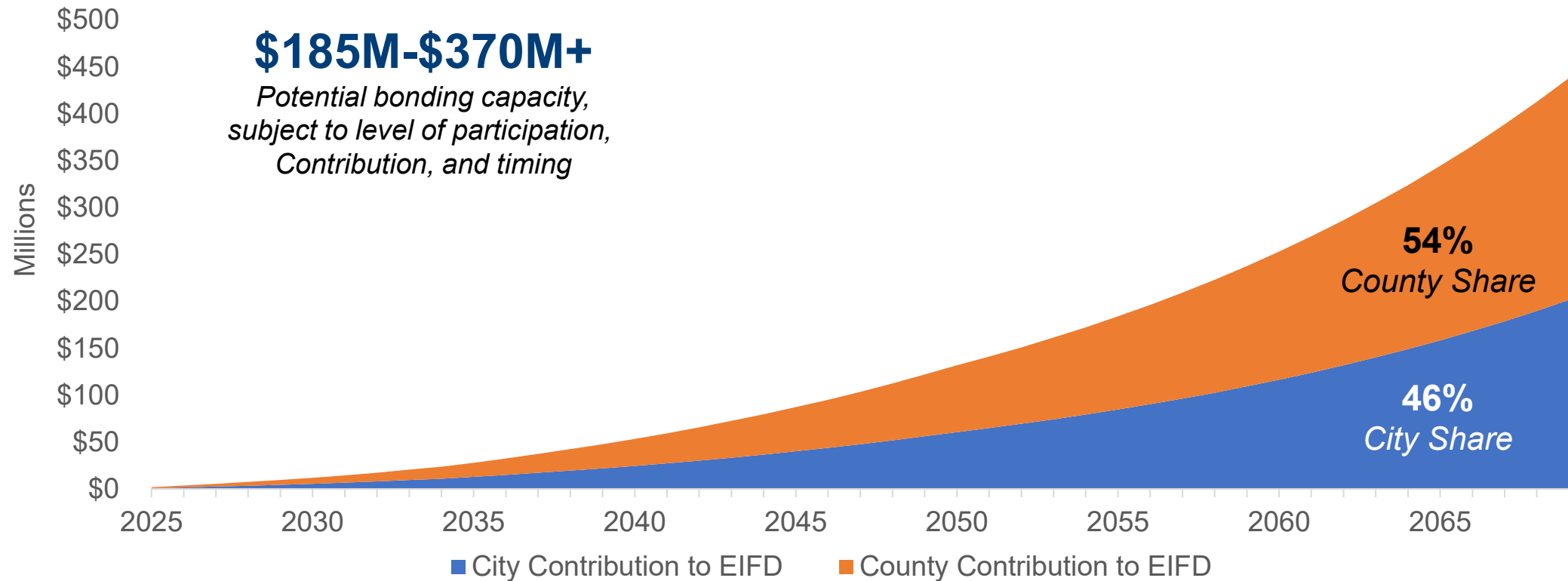


# Illustrative EIFD Yield

Item #12.h.  
10/3/2024

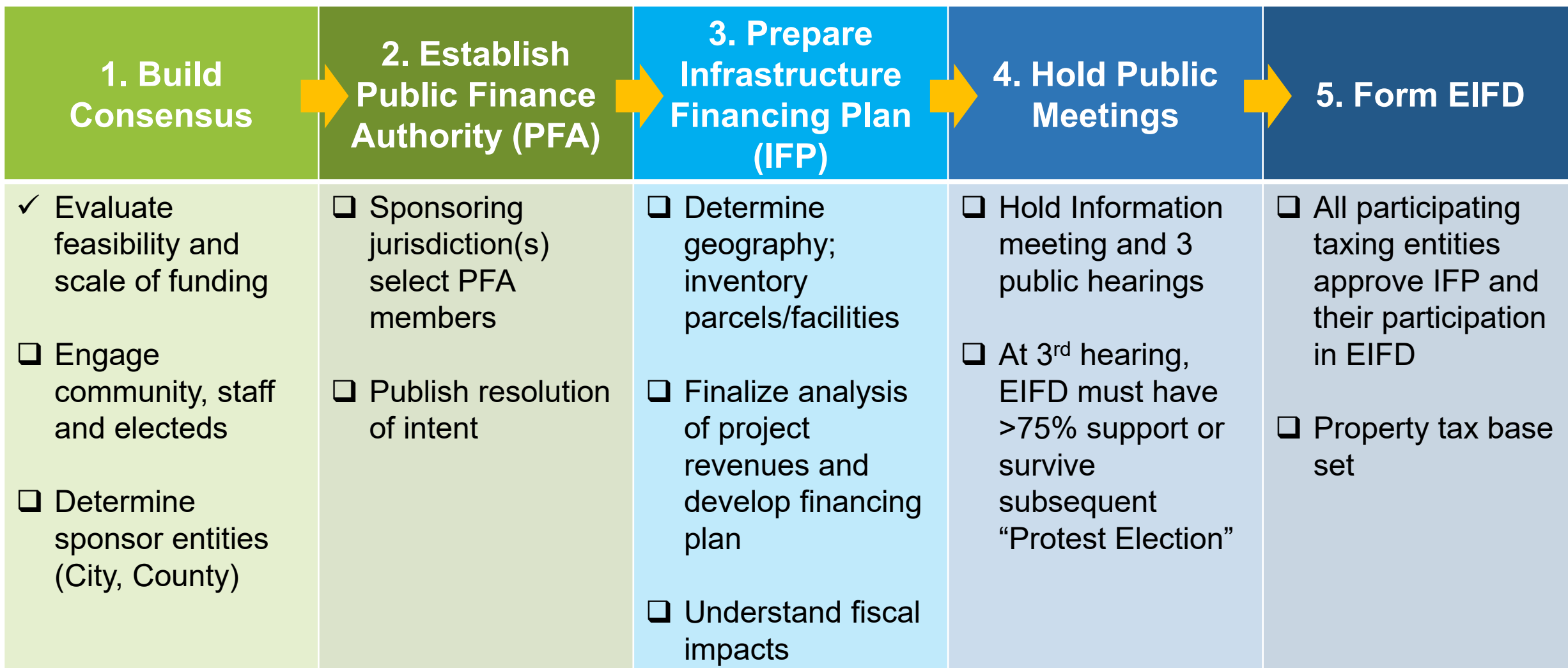


**Annual EIFD Revenue Projection by Jurisdiction, 1 mi. Radius**  
*Assuming 50% contribution of tax increment*



*This chart depicts revenue projections based on a commitment of 50% of the City and County tax increment*

# Steps for Formation of EIFD



# Discussion

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Casey Fromson, Chief of Staff  
Subject: **Receive State and Federal Legislative Update**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

The 2024 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Staff proposes the Committee recommend the Board:

1. Receive the attached State and Federal Legislative Updates

**Discussion**

The update will discuss the federal budget process and relevant state legislation. It will also give an update regarding discussions on a regional transportation revenue measure.

**Budget Impact**

None.

Prepared By:	Devon Ryan	Government & Community Affairs Officer	650.730.6172
	Isabella Conferti	Government & Community Affairs Specialist	650.647.3498

## Caltrain Bill Matrix as of 9/16/2024

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 107</a> <a href="#">Gabriel D</a>  Budget Act of 2024.</p>	<p>This bill was signed by the Governor on June 26, 2024.</p>	<p>This bill would make appropriations for the support of state government for the 2024–25 fiscal year. This bill contains other related provisions.</p>	<p>Watch</p>
<p><a href="#">AB 173</a> Committee on Budget  Transportation budget trailer bill.</p>	<p>This bill was signed by the Governor on July 2, 2024.</p>	<p>Among other related provisions, relative to matters most salient to the Caltrain, this bill would require the Secretary of Transportation to coordinate with the Department of Transportation and the California Transportation Commission to identify available funding in state transportation programs that may be used to support grade separation projects that were previously awarded funding under specified transportation programs but had that funding reverted pursuant to the Budget Act of 2024. The bill would require the Transportation Agency to prioritize, and would authorize the agency to directly allocate, the funding identified by that process, as available and appropriate, for those grade separation projects that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both. The bill would require the secretary to report to the Legislature, on or before April 30, 2025, on any funding that the Secretary identified for impacted grade separation projects.</p> <p>This bill would expand the requirements of the accountability program to the distribution of funds appropriated to the Transportation Agency in the Budget Act from the Greenhouse Gas Reduction Fund for purposes of the formula-based component of the Transit and Intercity Rail Capital Program. The bill would also require a regional transportation planning agency to submit an updated regional short-term financial plan and updated transit operator data to the Transportation Agency in order to receive moneys governed by the accountability program in the 2025–26 fiscal year, and to submit updated transit operator data to the Transportation Agency in order to receive moneys governed by the accountability program in the 2026–27 and 2027–28 fiscal years. The bill would authorize the Transportation Agency to modify the guidelines for the distribution of those funds for each of these 3 fiscal years by specified dates.</p> <p>This bill would appropriate \$100,000,000 from the General Fund to the Department of Transportation to support the Active Transportation Program with the funds to be allocated by the commission, as specified. Upon signature from the Governor, this bill would take effect immediately as a bill providing for appropriations related to the Budget Bill.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 761</a> <a href="#">Friedman</a> D</p> <p>Local finance: enhanced infrastructure financing districts.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law establishes enhanced infrastructure financing districts to finance public capital facilities or other specified projects of communitywide significance. Existing law provides for the membership of the governing body of the district, referred to as the public financing authority. Existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district by adopting a resolution of intention to establish the proposed district which, among other things, is required to state that an enhanced infrastructure financing district is proposed and describe the boundaries of the proposed district. Existing law requires the public financing authority to direct the preparation of and adopt an infrastructure financing plan consistent with the general plan and any relevant specific plan, and consisting of, among other things, a financing section. Existing law requires that the financing section include a plan for financing the public facilities, a limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan, and a date, either not more than 45 years from the date on which the issuance of the bonds is approved for the plan on which the district will cease to exist, by which time all tax allocation to the district will end, or, where the district is divided into project areas, a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district's authority to repay indebtedness with incremental tax revenues will end, as specified. This bill, for plans proposed on or after January 1, 2025, would specify that for the purpose of development and construction of passenger rail projects in the County of Los Angeles where at least 75% of the revenue from the district is used for debt service on a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, the date on which the district will cease to exist shall not be more than 75 years from the date of the approval of a TIFIA loan, as specified. This bill contains other related provisions.</p>	<p>Watch</p>
<p><a href="#">AB 1870</a> <a href="#">Ortega</a> D</p> <p>Notice to employees: legal services.</p>	<p>This bill was signed by the Governor on July 15, 2024.</p>	<p>Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Employers who are subject to the workers' compensation system are generally required to keep posted in a conspicuous location frequented by employees and easily read by employees during the hours of the workday a notice that includes, among other information, to whom injuries should be reported, the rights of an employee to select and change a treating physician, and certain employee protections against discrimination. Existing law requires the administrative director to make the form and content of this notice available to self-insured employers and insurers. This bill would require the notice to include information concerning an injured employee's ability to consult a licensed attorney to advise them of their rights under workers' compensations laws, as specified. The bill would also make technical, nonsubstantive changes to these provisions.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 1879</a> <a href="#">Gipson D</a></p> <p>Property taxation: filing.</p>	<p>This bill was signed by the Governor on September 12, 2024.</p>	<p>The California Constitution provides for the taxation of property and establishes the State Board of Equalization to administer those taxes. Existing property tax law, pursuant to constitutional authorization, sets forth procedures for imposing and collecting taxes on property in the state. Existing law requires a person owning taxable personal property, as specified, to file annually a signed property statement declared to be true under the penalty of perjury with the assessor. Existing law authorizes a property statement to be filed with the assessor through the United States mail, properly addressed with postage prepaid. This bill would instead authorize the statement to be filed through the United States mail provided it is mailed in a manner that includes a postmark and is properly addressed with postage prepaid, as specified. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 1890</a> <a href="#">Patterson, Joe R</a></p> <p>Public works: prevailing wage.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law defines the term "public works" for the purposes of requirements regarding the payment of prevailing wages, the regulation of working hours, and the securing of workers' compensation for public works projects. Existing law requires an entity awarding a public works contract, as specified, to provide notice to the Department of Industrial Relations. Existing law requires civil penalties to be imposed on an entity that fails to provide that required notice and authorizes the Labor Commissioner to issue a citation for civil penalties to an entity that fails to provide the required notice. This bill would additionally require the awarding body to provide notice to the department, within 30 days, if there is a change in the identity of a contractor or subcontractor performing the project or, if the total amount of the contract change exceeds specified thresholds. The bill would exempt projects of awarding bodies operating labor compliance programs that are approved and monitored by the department and covered by a valid project labor agreement. By creating new notification requirements for public agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 1904</a> <a href="#">Ward D</a></p> <p>Transit buses: yield right-of-way sign.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law authorizes a transit bus in the Santa Cruz Metropolitan Transit District and the Santa Clara Valley Transportation Authority to be equipped with a yield right-of-way sign on the left rear of the bus if the applicable entity approves a resolution requesting that this section be made applicable to it. Existing law requires the sign to be designed to warn a person operating a motor vehicle approaching the rear of the bus that the bus is entering traffic and be illuminated by a red flashing light when the bus is signaling in preparation for entering a traffic lane after having stopped to receive or discharge passengers. This bill would expand the authorization to equip transit buses, as described above, to apply to any transit agency if the transit agency approves a resolution that this authorization be made applicable to it. The bill would also authorize the yield right-of-way sign to be a static decal, and would only impose the above-described design and illumination requirements on a sign that is a flashing light-emitting diode (LED) sign.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2192</a> <a href="#">Carrillo, Juan D</a></p> <p>Public agencies: cost accounting standards.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the Uniform Public Construction Cost Accounting Act, authorizes a public agency, whose governing board has by resolution elected, to become subject to uniform construction cost accounting procedures. Existing law provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities. The act defines "public project" to include, among other things, construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. This bill would define "public project" to additionally include installations involving any publicly owned, leased, or operated facility. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 2302</a> <a href="#">Addis D</a></p> <p>Open meetings: local agencies: teleconferences.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The bill, for the purpose of counting meetings attended by teleconference, would define a "meeting" as any number of meetings of the legislative body of a local agency that begin on the same calendar day. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>



Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2325</a> <a href="#">Lee D</a></p> <p>San Francisco Bay Area Rapid Transit District: officers and employees: designation and appointment.</p>	<p>This bill was signed by the Governor on July 15, 2024.</p>	<p>Existing law establishes the San Francisco Bay Area Rapid Transit District, governed by a board of directors, with specified powers and duties relative to the construction and operation of a rapid transit system. Under existing law, the officers of the district consist of the members of the board, a secretary, a general manager, a general counsel, a treasurer, a controller, and other officers, assistants, and deputies that the board may provide for by ordinance or resolution, as specified. Existing law requires the board to appoint, and authorizes the board to remove, the secretary, the general manager, the general counsel, the treasurer, and the controller. Existing law requires all other officers and employees of the district to be appointed by, and to serve at the pleasure of, the general manager. This bill would eliminate the positions of the treasurer and controller, would create the position of the chief financial officer subject to appointment and removal by the general manager, would transfer all of the duties previously assigned to the treasurer to the chief financial officer, and would make other related changes in this regard. The bill would authorize the general manager to designate other financial personnel to undertake any of the duties or responsibilities assigned to the chief financial officer.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2455</a> <a href="#">Gabriel D</a></p> <p>Whistleblower protection: state and local government procedures.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law authorizes a city, county, or city and county auditor or controller to maintain a whistleblower hotline to receive calls from persons who have information regarding fraud, waste, or abuse by local government employees, as specified. Existing law authorizes the auditor or controller to refer calls received on the whistleblower hotline to the appropriate government authority for review and possible investigation. During the initial review of a call, existing law requires the auditor, controller, or other appropriate governmental agency to hold in confidence information disclosed through the whistleblower hotline, as specified. Upon receiving specific information that an employee or local government has engaged in an improper government activity, existing law authorizes a city or county auditor or controller to conduct an investigative audit of the matter, as specified. Existing law requires the identity of the individual or individuals reporting the improper government activity and the subject employee or employees to be kept confidential, except as specified. Existing law defines "fraud, waste, or abuse" to mean any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, as described, that is in violation of any local, state, or federal law or regulation relating to, among other things, corruption. This bill would also authorize a city, county, or city and county auditor or controller to maintain a whistleblower hotline to receive calls from persons who have information regarding improper governmental activity, and would recast information regarding fraud, waste, or abuse by local government employees as improper governmental activity. The bill would instead authorize a city or county auditor or controller, or auditor's or controller's designee, to conduct an investigative audit of the matter upon receiving specific information that an employee or local government has engaged in a fraud, waste, or abuse or improper governmental activity, as specified. The bill would also require the identity of the individual or individuals reporting the fraud, waste or abuse and the subject employee or employees to be kept confidential, except as specified. The bill would expand the above-described duties and authorizations to the auditor's or controller's designee, as specified. The bill would revise the definition of "fraud, waste, or abuse" to also define "improper governmental activity," and expand the scope of those terms to include activity by a local agency, employee, or contractor or subcontractor. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2503</a> <a href="#">Lee D</a></p> <p>California Environmental Quality Act: exemption: passenger rail projects.</p>	<p>This bill is on the Governor's Desk.</p>	<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 on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA, until January 1, 2030, exempts from its requirements certain transportation-related projects if specified requirements are met, including that a local agency, as defined, is carrying out the project and that the project will be completed by a skilled and trained workforce, as provided. CEQA includes within these exempt transportation-related projects a public project for the institution or increase of bus rapid transit, bus, or light rail service, which will be exclusively used by low-emission or zero-emission vehicles, on existing public rights-of-way or existing highway rights-of-way. Existing law requires the lead agency, if it determines that a transportation-related project is exempt from CEQA and determines to carry out the project, to file a notice of exemption with the Office of Planning and Research and the county clerk in which the project is located. This bill would expand that exemption from CEQA to include a public project for the institution or increase of other passenger rail service, which will be exclusively used by zero-emission trains, located entirely within existing rail rights-of-way or existing highway rights-of-way. Because the bill would increase the duties of the county clerk, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	<p>Support May 2024</p>
<p><a href="#">AB 2553</a> <a href="#">Friedman D</a></p> <p>Housing development: major transit stops: vehicular traffic impact fees.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts from its requirements residential projects on infill sites and transit priority projects that meet certain requirements, including a requirement that the projects are located within 1/2 mile of a major transit stop. CEQA defines "major transit stop" to include, among other locations, the intersection of 2 or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. This bill would revise the definition of "major transit stop" to increase the frequency of service interval to 20 minutes. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2561</a> <a href="#">McKinnor D</a></p> <p>Local public employees: vacant positions.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action. This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 2661</a> <a href="#">Soria D</a></p> <p>Electricity: Westlands Water District.</p>	<p>This bill is on the Governor's Desk.</p>	<p>The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District. This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic or hydroelectric electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system and electric transmission lines, within the boundaries of the district, as specified. The bill would require the district to report the amount of income, and the purposes for expenditure of that income, from these electricity facilities in a specified report. The bill would require the district to establish a community benefits agreement plan for a specified electrical infrastructure development plan and related transmission and other electrical projects, as provided. This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2669</a> <a href="#">Ting D</a></p> <p>Toll bridges: tolls.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law provides for the construction and operation of various toll bridges by the state, the Golden Gate Bridge, Highway and Transportation District, and private entities that have entered into a franchise agreement with the state. This bill would prohibit a toll from being imposed on the passage of a pedestrian, bicycle, or personal micromobility device over these various toll bridges, unless the bridge was under construction on or after January 1, 2025, and the tolls are used to fund the cost of constructing the bridge.</p>	<p>Watch</p>
<p><a href="#">AB 2712</a> <a href="#">Friedman D</a></p> <p>Preferential parking privileges: transit-oriented development.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law authorizes a local authority, by ordinance or resolution, to prohibit or restrict the stopping, parking, or standing of vehicles on certain streets or highways during all or certain hours of the day. Existing law authorizes the ordinance or resolution to include a designation of certain streets upon which preferential parking privileges are given to residents and merchants adjacent to the streets for their use and the use of their guests, under which the residents and merchants may be issued permits that exempt them from the prohibition or restriction of the ordinance or resolution. Existing law prohibits a public agency from imposing any minimum automobile parking requirement on any residential, commercial, or other development project that is located within 1/2 mile of public transit, as defined, unless the public agency makes written findings that not imposing or enforcing minimum automobile parking requirements on the development would have a substantially negative impact on, among other things, the city's, county's, or city and county's ability to meet its share of the regional housing need for low- and very low income households. This bill would, for purposes of its provisions, define "development project" to mean a residential, commercial, or other development project exempt from minimum automobile parking requirements, or subject to parking minimum reductions based on any other applicable law, located within the boundaries of the City of Los Angeles. This bill, for a development project that is located within a preferential parking area, would require the development project to be excluded from the boundaries of the preferential parking area and would prohibit the local authority, as defined, from issuing any permit to the residents or visitors of the development project that grants preferential parking privileges. The bill would also provide that none of the above-described provisions prohibit local authorities from issuing permits to residents of developments projects that occupy deed-restricted units intended for specified households. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 2715</a> <a href="#">Boerner D</a></p> <p>Ralph M. Brown Act: closed sessions.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the Ralph M. Brown Act, generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Existing law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2813</a> <a href="#">Aguiar-Curry D</a></p> <p>Government Investment Act.</p>	<p>This bill was signed by the Governor on July 18, 2024.</p>	<p>(1)Existing law, known as the Proposition 218 Omnibus Implementation Act, defines various terms and prescribes procedures and parameters for local jurisdictions to comply with specified provisions of the California Constitution. This bill, for purposes of ACA 1, would define “affordable housing” to include rental housing, ownership housing, interim housing, and affordable housing programs such as downpayment assistance, first-time homebuyer programs, and owner-occupied affordable housing rehabilitation programs, that are affordable to households earning up to 150% of countywide median income. The bill would require a local government to ensure that any project that is funded with ACA 1 bonded indebtedness to have an estimated useful life of at least 15 years or 5 years if the funds are for specified public safety facilities, infrastructure, and equipment. The bill would define “public infrastructure” to exclude the construction, reconstruction, rehabilitation, or replacement of a sports stadium or arena where the majority of the use of the facility is for private ticketed activities. The bill would prohibit ACA 1 bonded indebtedness from being used for the acquisition or lease of any real property that has, at the time of acquisition or lease, been improved with one to 4 dwelling units, except as specified. The bill would also prohibit any ACA 1 bonded indebtedness, when added to existing bonded indebtedness of a local government, from exceeding the applicable statutory limit on the maximum amount of bonded indebtedness that a local government is authorized to incur. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">AB 2854</a> <a href="#">Irwin D</a></p> <p>Bradley-Burns Uniform Local Sales and Use Tax Law.</p>	<p>This bill is on the Governor’s Desk.</p>	<p>The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns) authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law. Existing law, on or after January 1, 2016, prohibits a local agency from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any person, as defined, for any purpose, if the agreement results in a reduction in the amount of Bradley-Burns local tax revenues that, in the absence of the agreement, would be received by another local agency and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency, with specified exceptions. This bill would require a local agency, as defined, to annually provide specified information relating to each agreement resulting in the direct or indirect payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to the California Department of Tax and Fee Administration. The bill would additionally require the local agency to publish that information on its internet website, as prescribed. The bill would impose monetary penalties on any local agency that fails to provide information to the department or fails to publish information to its internet website, as prescribed. By expanding the duties of local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 2879</a> <a href="#">Lackey R</a></p> <p>High-Speed Rail Authority: contracting.</p>	<p>This bill is on the Governor's Desk.</p>	<p>The California High-Speed Rail Act creates the High-Speed Rail Authority, composed of 11 members, to develop and implement a high-speed rail system in the state, with specified powers and duties. The act authorizes the authority to enter into contracts with private or public entities for the design, construction, and operation of high-speed trains. The act requires the authority to appoint an executive director to administer the affairs of the authority as directed by the authority. This bill, notwithstanding the authority's ability to delegate power to the executive director, would require any contract change order with a value greater than \$100,000,000 to be approved by the authority.</p>	<p>Watch</p>
<p><a href="#">AB 3177</a> <a href="#">Carrillo, Wendy D</a></p> <p>Mitigation Fee Act: land dedications: mitigating vehicular traffic impacts.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law, the Mitigation Fee Act, imposes various requirements with respect to the establishment, increase, or imposition of a fee by a local agency as a condition of approval of a development project. Existing law requires a local agency that imposes a fee on a housing development for the purpose of mitigating vehicular traffic impacts to set the rate for the fee to reflect a lower rate of automobile trip generation if the housing development satisfies specified characteristics, including that the housing development is located within 1/2 mile of a transit station, as specified. Existing law defines transit station for these purposes to mean a rail or light-rail station, ferry terminal, bus hub, or bus transfer station. This bill would instead require the housing development to be located within a transit priority area, as specified, for purposes of a local agency setting the rate for a mitigating vehicular traffic impacts fee to reflect a lower rate of automobile trip generation. The bill would define "transit priority area" as an area within 1/2 mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program or applicable regional transportation plan. This bill would prohibit a local agency from imposing a land dedication requirement, as defined, on a housing development to widen a roadway if the land dedication requirement is for the purpose of mitigating vehicular traffic impacts, achieving an adopted traffic level of service related to vehicular traffic, or achieving a desired roadway width. The bill, notwithstanding that prohibition, would authorize a local agency to, among other things, impose a land dedication requirement on a housing development if the housing development is not located in a transit priority area and the housing development has a linear street frontage of 500 feet or more. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">ACA 10</a> <a href="#">Aguiar-Curry</a> D</p> <p>Local government financing: affordable housing and public infrastructure: voter approval.</p>	<p>This bill was signed by the Governor on June 27, 2024.</p>	<p>Assembly Constitutional Amendment No. 1 of the 2023–24 Regular Session (ACA 1) would, if adopted by the people, amend Section 4 of Article XIII A, Section 2 of Article XIII C, and Section 3 of Article XIII D of, and would add Section 2.5 of Article XIII C to, the California Constitution, relative to local finance. Under these provisions, ACA 1 would condition the imposition, extension, or increase of a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax by a local government for the purposes of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, including downpayment assistance, or permanent supportive housing, or the acquisition or lease of real property for those purposes, on the proposition proposing that tax being approved by a majority vote of the membership of the governing board of the local government and by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. ACA 1 would also make conforming changes. This measure would remove the above-described provisions of ACA 1 relating to special taxes and make conforming changes in other provisions of ACA 1. The measure would direct the Secretary of State to make those amendments in ACA 1. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">SB 532</a> <a href="#">Wiener</a> D</p> <p>Parking payment zones.</p>	<p>This bill is on the Governor’s Desk.</p>	<p>Existing law allows a local authority to establish parking meter zones and fix the rate of fees for those zones by ordinance. Existing law prohibits a local authority from requiring payment of parking meter fees by a mobile device, as specified. This bill would instead authorize, until January 1, 2033, in the City and County of San Francisco, City of Long Beach, and City of Santa Monica, a local authority to require payment of parking fees by a mobile device, if it meets certain requirements, such as adopting an accessible and equitable parking cash payment plan that does not utilize parking meters or payment centers in parking payment zones to provide reasonably accessible alternative means for payment of parking fees using cash. The bill would also authorize the local authority in the City and County of San Francisco, City of Long Beach, and City of Santa Monica to operate the above-described parking zones for 5 years following the date of creation, in each of the respective entities, of the first mobile device parking payment zone, or until January 1, 2033, whichever is sooner. The bill would specify that a civil fine for parking in a zone that requires payment by mobile device and lacks a parking meter is 1/2 of the civil fine for failing to pay for metered parking. The bill would require a local authority to consult with specified stakeholders in the development of the plan and would require a local authority that adopts a plan and implements a mobile device parking payment zone to provide to its governing body and the Legislature a specified evaluation of the impact of all mobile device parking payment zones implemented by the local authority on equity, accessibility, and costs.</p>	<p>Watch</p>



Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 537</a> <a href="#">Becker</a> D</p> <p>City or County of Los Angeles: memorial to forcibly deported Mexican Americans and Mexican immigrants.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law provides for various memorials and monuments on the grounds of the State Capitol. Existing law requires the Department of General Services to maintain state buildings and grounds. Existing law, the Apology Act for the 1930s Mexican Repatriation Program, makes findings and declarations regarding the unconstitutional removal and coerced emigration of United States citizens and legal residents of Mexican descent, between the years 1929 and 1944, to Mexico from the United States during the 1930s "Mexican Repatriation" Program. Existing law expresses the apology of the State of California to those individuals who were illegally deported and coerced into emigrating to Mexico and requires that a plaque to commemorate those individuals be installed and maintained by the Department of Parks and Recreation in an appropriate public place in the City or County of Los Angeles. This bill would authorize a nonprofit organization representing Mexican Americans or Mexican immigrants to enter into negotiations to plan, construct, and maintain a memorial to Mexican Americans and Mexican immigrants who were forcibly deported from the United States during the Great Depression, as provided. The bill would require the memorial to be located at an appropriate public place in the City or County of Los Angeles. The bill would require the nonprofit organization to enter into negotiations with the Department of General Services and the state agency with jurisdiction over the state property where the memorial is proposed, where applicable, if the nonprofit organization proposes to locate the memorial on state property. The bill would require the nonprofit organization to submit a plan for the memorial to the department and the applicable state agency for review and approval. The bill would require these provisions to be funded exclusively through private sources. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 904</a> <a href="#">Dodd D</a></p> <p>Sonoma-Marín Area Rail Transit District.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law creates, within the Counties of Sonoma and Marin, the Sonoma-Marín Area Rail Transit District with specified duties and powers relative to the provision of a passenger and freight rail system within the territory of the district. Under existing law, the district is governed by a 12-member board of directors appointed by various local governmental entities. Existing law authorizes the board to submit to the voters of the district a measure proposing a retail transactions and use tax ordinance. This bill would also authorize those special taxes to be imposed by a qualified voter initiative if that initiative complies with certain requirements. The bill would require the board of supervisors of the Counties of Sonoma and Marin to call a special election on a tax measure proposed by the district's board of directors or a qualified voter initiative in their respective counties and would require the district to reimburse the counties upon request for the incremental cost of submitting the measure to the voters, as specified. To the extent that the bill would impose additional duties on a county elections official, the bill would impose a state-mandated local program. The bill would delete a provision that limits the district, in the County of Sonoma north of the City of Healdsburg, to locating commuter stations only within incorporated areas. The bill would require the district to obtain coverage for the district and its employees under the appropriate federal and state workers' compensation, unemployment compensation, and disability and unemployment insurance laws, instead of only under laws of this state. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 1098</a> <a href="#">Blakespear D</a></p> <p>Passenger and freight rail: LOSSAN Rail Corridor.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law establishes the Department of Transportation in the Transportation Agency. Existing law authorizes the Department of Transportation, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering the state-funded intercity rail service in certain rail corridors, including the LOSSAN Rail Corridor. Existing law defines the LOSSAN Rail Corridor as the intercity passenger rail corridor between San Diego, Los Angeles, and San Luis Obispo. Pursuant to this authority, the department entered into an interagency transfer agreement with the LOSSAN Rail Corridor Agency to administer intercity passenger rail service in the LOSSAN Rail Corridor. This bill would require the Secretary of Transportation to provide guidance and recommendations to, and coordination between, stakeholders as necessary to ensure the performance of the LOSSAN Rail Corridor, as specified. This bill would also require the Secretary of Transportation, with technical and subject matter assistance from the Secretary for Environmental Protection and the Secretary of the Natural Resources Agency, to submit a report to the Legislature regarding the LOSSAN Rail Corridor that includes specified information no later than 2 years after an appropriation is made by the Legislature for purposes of this report. The bill would also require the Secretary of Transportation, in coordination with stakeholders responsible for operating rail services along the LOSSAN Rail Corridor, to submit a report to the Legislature on the performance of the LOSSAN Rail Corridor no later than 3 years after an appropriation is made by the Legislature for purposes of this performance report and biennially thereafter. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>
<p><a href="#">SB 1321</a> <a href="#">Wahab D</a></p> <p>Employment Training Panel: employment training program: projects and proposals.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law establishes the Employment Training Panel within the Employment Development Department and sets forth its powers and duties with respect to certain employment training programs. Existing law declares the intent of the Legislature that the purpose of provisions relating to the panel is to establish an employment training program to promote a healthy labor market in a growing, competitive economy and to fund only projects that meet specified criteria, including fostering retention of high-wage, high-skilled jobs in manufacturing. Existing law requires the panel, in funding projects that meet the above-described criteria, to give funding priority to projects that meet specified goals, including promoting the retention and expansion of the state's manufacturing workforce. This bill would also include in the above-described goals, among other things, promoting the hiring, training, and advancement of disadvantaged, marginalized, and underrepresented workers. The bill would authorize projects funded under the above-described provisions to include programs to provide training through apprenticeship programs that are registered with the Division of Apprenticeship Standards. This bill contains other related provisions and other existing laws.</p>	<p>Watch</p>

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 1509</a> <a href="#">Stern</a> D</p> <p>Negligent Operator Treatment (NOT) in California Act.</p>	<p>This bill is on the Governor's Desk.</p>	<p>Existing law prohibits driving a vehicle upon a highway at a speed greater than is reasonable or prudent. Existing law also prohibits driving a vehicle in excess of an established speed limit. Existing law requires that specified convictions, violations, and traffic-related incidents count as points against a driver's record for purposes of suspension or revocation of the privilege to drive. This bill, the Negligent Operator Treatment (NOT) in California Act, would, commencing on January 1, 2027, prohibit excessively speeding, defined as driving a vehicle at a speed that exceeds the posted speed limit by 26 miles per hour or more on a highway with a posted speed limit for passenger vehicles of 55 miles per hour or less. The bill would provide that a conviction for excessively speeding is punishable as an infraction and one point shall be assessed against a driver's record for a first violation and 2 points for any subsequent violation that occurs within 3 years after a previous violation for which the driver was convicted. This bill contains other existing laws.</p>	<p>Watch</p>



September 16, 2024

TO: Board of Directors, Peninsula Corridor Joint Powers Board (Caltrain)

FM: Matt Robinson, Michael Pimentel, and Alchemy Graham, Shaw Yoder Antwih Schmelzer & Lange

RE: **STATE LEGISLATIVE UPDATE – October 2024**

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### ***General Update***

August 31 marked the final day of the 2023-24 legislative session. After two long weeks of Floor session, the Legislature passed approximately 991 bills, which are now on their way to the Governor's desk. As a reminder, Governor Newsom normally has 12 days to act on a measure from the day it reaches his desk. However, this timeline is adjusted for measures that are presented to the Governor on or after September 1, which accounts for the flurry bills that pass out of the Legislature in the final days of session. In this case, the Governor has until September 30 to act on these measures.

The Legislature is now adjourned until December 2, when they will reconvene in Sacramento for the Organizational Session and the swearing-in of newly elected legislators. We expect 34 new legislators in the Senate and Assembly when the Legislature reconvenes for the 2025-26 Legislative Session. Following the Organizational Session, the Legislature will adjourn for the remainder of the year and reconvene to begin the real work of the first year of the session in January 2025.

For more information about key legislative and budget deadlines, see the adopted 2024 Legislative Calendar available [here](#).

### ***CalSTA's Transit Transformation Task Force Convenes for Fifth Meeting***

The California State Transportation Agency convened its fifth Transit Transformation Task Force meeting on August 29 in Los Angeles. This meeting, the second of several geared toward informing a report of recommendations required to be submitted to the Legislature by October 2025, focused discussion on reforms to the Transportation Development Act and workforce recruitment, retention, and development issues.

As previously highlighted, the California Transit Association is leading engagement in the Task Force discussions on behalf of California transit agencies. To inform the positions it takes at Task Force meetings, the Association has engaged its membership and CALACT members on the challenges / barriers they face in delivering improvements to transit service and has convened an internal Transit Transformation Advisory Committee to develop policy recommendations (for breaking past these challenges) for submittal to the Task Force.

Relative to the August 29 meeting, the Association, with the support of its Advisory Committee, delivered recommendations to the Task Force on TDA reform and workforce recruitment, retention, and development. You can read the Association's recommendations [here](#). The Task Force is subject to the

state's open meeting requirements for state bodies, known as Bagley-Keene, and as such, all agenda materials and recordings are available on [CalSTA's website](#).

***Bills of Interest***

**SB 925 (Wiener) City and County of San Francisco Merchandising Sales – SUPPORT**

This bill would have authorized the City and County of San Francisco to adopt an ordinance prohibiting the sale of specified merchandise on public property without a permit, if the ordinance included specified written findings, including, among other things, that there has been a significant pattern of merchandise being the subject of retail theft and then appearing for sale on public property within the City and County of San Francisco. Pursuant to this bill, the ordinance would have been required to be adopted by the City and County of San Francisco to, among other things, identify a local permitting agency that is responsible for administering a permit system. The bill would have also authorized the ordinance to provide that selling merchandise without a permit is punishable as an infraction, and that subsequent violations after 2 prior convictions is an infraction or a misdemeanor punishable by imprisonment in the county jail not exceeding 6 months. ***This bill was held on the Suspense File in the Assembly Appropriations Committee.***

**SB 960 (Wiener) Complete Streets Projects on the State Highway System – WATCH**

This bill would require the targets and performance measures adopted by the California Transportation Commission to include within the SHOPP asset management plan targets and measures reflecting state transportation goals and objectives, including for complete streets assets that reflect the existence and conditions of bicycle, pedestrian, and transit priority facilities on the state highway system. This bill would also require Caltrans' performance report to include a description of complete streets facilities, including pedestrian, bicycle, and transit priority facilities on each project. ***This bill is on the Governor's Desk.***

**SB 1031 (Wiener) Bay Area Transportation Regional Measure / Transit Consolidation – OPPOSE UNLESS AMENDED**

This bill would have served as the authorizing vehicle for the Metropolitan Transportation Commission to propose a revenue measure to the voters in its jurisdiction to fund the operation, expansion, and transformation of the San Francisco Bay area's public transportation system, as well as other transportation improvements. This bill would have also charged the California State Transportation Agency with developing a plan to consolidate the 27 transit agencies in the San Francisco Bay Area. Recent amendments to the bill include an "enhanced coordination" component alongside the current consolidation component. ***This bill was not heard in the Assembly Transportation Committee.***

**AB 1837 (Papan) Bay Area Transit Coordination – SUPPORT**

This bill would have created the Regional Network Management Council and would have required the Metropolitan Transportation Commission to facilitate the creation of the Council. ***This bill was not heard in the Senate Transportation Committee.***

**AB 2503 (Lee) CEQA Exemptions for Railroad Electrification – SUPPORT**

This bill would expand existing CEQA exemptions to include public projects for the institution or increase of other passenger rail service, which will be exclusively used by zero emission trains on existing public rights-of-way or existing highway rights-of-way. This bill is targeted at providing a CEQA exemption for catenary power systems. ***This bill is on the Governor's Desk.***

**AB 2824 (McCarty) Transit Employee Assaults – WATCH**

This bill would have enhanced penalties for individuals who commit assault or battery against a public transit operator or employee. This bill would have also allowed transit agencies to prohibit individuals

convicted of assault or battery from entering transit facilities and vehicles using a more streamlined process. This bill is sponsored by the California Transit Association. ***This bill was not heard in the Assembly Public Safety Committee.***

## Caltrain Federal Report September 2024

### *Congressional Update*

#### September Congressional Overview

- Members of the House and Senate have been away from Washington, D.C. since the end of July and face a packed agenda for the month of September.
- House Speaker Mike Johnson (R-LA) originally pledged to have all 12 appropriations bills passed by the August recess. However, the House only managed to complete five of the 12 bills, and the Senate only passed 11 of 12 bills at committee level. With the federal fiscal year (FY) ending on September 30, Congress will work swiftly to pass a continuing resolution (CR) by September 30, 2024, to prevent a government shutdown.
- Congress plans to stay in session for only three weeks in September before adjourning again until after the November election. The House may cut their time in Washington from three weeks to two weeks if they can quickly pass a CR that will pass the Senate.
- Speaker Johnson unveiled a CR to fund the government through March 28, 2025. Attached to the six-month CR is the SAVE Act, which includes conservative provisions such as requiring proof of citizenship to vote in federal elections. Senate Democrats have considered this to be a poison pill rider and will not support it. Shortly after unveiling the six-month CR, Johnson pulled the bill from the House calendar, signaling that he did not have the support within his conference to pass the bill.
- Republicans are aiming to avoid the year-end rush to pass spending bills, but face internal divisions, with some preferring the traditional December deadline to push their priorities. Senate Democrats are expected to oppose the six-month package, preferring to bundle "must-pass" legislation for year-end leverage on other pieces of legislation.

#### Senate Majority Leader Schumer Releases “Dear Colleague” Letter Outlining Priorities for Upcoming Work Period

- On September 8, Senate Majority Leader Chuck Schumer (D-NY) sent a [“Dear Colleague” letter](#) to outline the Senate’s priorities for the upcoming September work period. Priorities include continuing confirmation of judicial nominees, passing a CR, and bipartisan cooperation on key pieces of legislation to be passed before the end of the year.
- Majority Leader Schumer expressed that Senate Democrats are supportive of passing a CR to keep the government open past September 30, expressing that critical funding for healthcare, infrastructure, border security, and more is at stake in an extension of government funding.



- Schumer also expressed confidence in Congress' ability to work in a bipartisan manner to work in a bipartisan manner to pass several key measures before the end of the year, including the National Defense Authorization Act (NDAA). Schumer also indicated that the Senate could consider rail safety legislation but has not outlined a plan to bring a bill to the floor.

## *Administration Update*

### FTA Releases New Transit Safety Rule

- The Biden-Harris administration announced an [updated rule](#) for the Federal Transit Administration's (FTA) Public Transportation Safety Certification Training Program, which outlines a uniform safety training curriculum and minimum requirements for rail transit and state safety personnel.
- The new rule will require state safety oversight agencies and rail transit agencies to establish a point of contact for communicating with FTA regarding participation in training programs. The designated points of contact must also submit semiannual reports to FTA on the status of their participants and agency-defined recertification training. Additionally, the rule sets administrative requirements for communications processes between FTA and recipients who are subject to the rule.
- The final rule takes effect November 1.

## *Round-Up of Open Grant Opportunities*

- [Railroad Crossing Elimination Grant Program](#). \$1.1 billion available. All applications due September 23, 2024.
- [Reconnecting Communities Pilot \(RCP\) Program](#). \$607 million available. All applications due September 30, 2024.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Marian Lee, Diridon Station Project Director  
Subject: **Consideration of Cooperative Agreement with Diridon Partner Agencies to Establish Interim Project Organization Structure**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (Caltrain) review, discuss and provide guidance on the proposed Cooperative Agreement for the Diridon Station Project.

The AMP Committee considered a staff recommendation to authorize the Executive Director to enter into a Cooperative Agreement with Caltrain’s project partner agencies to set up a Diridon Interim Integrated Project Team at its September meeting. Committee members expressed significant concerns and no action was taken. Given the policy significance, this agenda item with additional background information will be presented to the full Board for discussion and guidance.

**Discussion**

**Background**

The partner agencies - Caltrain, Santa Clara Valley Transportation Authority (VTA), the City of San José (San José), Metropolitan Transportation Commission (MTC), and California High-Speed Rail Authority (CHSRA) - are working together on the Diridon Station project to plan for the transformation of San José’s downtown transit hub. The partner agencies present information to the VTA administered Diridon Station Joint Policy Advisory Board (JPAB) for project discussion and guidance.

The Diridon station currently serves Caltrain, Capitol Corridor, Altamont Corridor Express (ACE), Amtrak passenger rail, and Union Pacific, as well as VTA light rail transit (LRT) and bus services. The station must also accommodate planned and expanded services in the region, including new California High-Speed Rail (CAHSR) and Bay Area Rapid Transit (BART) service, as well as expanded service for Caltrain, Capitol Corridor, and ACE. To effectively accommodate planned activity and future service needs, the station must be reconfigured, expanded, and upgraded to provide adequate capacity, functionality, and interconnectivity for passengers.

Building on the Diridon Station vision developed several years ago, and significant technical work completed last year, two station design alternatives have been identified for further consideration. This information was presented to the AMP Committee at its September meeting. These alternatives are currently being discussed with the community at-large. Community engagement, which began in September will continue into spring 2025. Additional technical work is also continuing on the two alternatives to gain better understanding of costs, benefits, risks, and constructability challenges. The goal is to obtain input from the communities and with additional technical information, prepare to recommended alternative(s) for environmental analysis.

In parallel with the station design efforts noted above, the partner agencies have been discussing the need to form a new governance structure and organization that will set the project on course to delivery. The partners have acknowledged that for a project of this magnitude, a dedicated entity is needed. A recommendation has been developed to pursue a Transit District/Transit Commission governance model, in the form of a Construction Authority. This type of governance model can create a focused entity for a finite period during the station design and construction phase with clear purpose and accountability. The board composition can be customized to local needs, and the relationships between the partner agencies and the Authority can be defined through contractual agreements to ensure ongoing communication and involvement. Formation of the Authority would require legislative action, which would confirm the powers, scope, and other critical parameters of the Authority.

Additional work is being done and further discussions with JPAB and the partner agencies are targeted for November and a decision is expected in early 2025. This concept was presented to the Caltrain AMP at its July meeting.

#### *New Cooperative Agreement*

While pursuing the creation of a long-term governance organization which will take time, the partner agencies have identified a need to make immediate improvements to the current project organization. The five-agency team coordinates and cooperates as formalized in the existing Cooperative Agreement but there is no official accountability structure. The purpose of the proposed new Cooperative Agreement (subject of this agenda item) is to create some level of accountability to assist with more aggressively advancing the on-going planning and environmental efforts. This agreement would be replaced once a dedicated new governance organization is established.

This agreement formalizes commitments and actions by the partner agencies to set up a Diridon Station Interim Integrated Project Team with an accountability structure. Highlights of the agreement are as follows:

- Set up a voting Steering Committee comprised of partner agency appointees
- Empower Steering Committee with project decisions while preserving partner agency authority to object
- Identify interim roles and responsibility for each partner agency

- Provide appropriate levels of staff and subject matter consultants to set and achieve milestones
- Advance pre-environmental and environmental phases of work
- Form a long-term governance organization
- Recruit and hire Project Director
- Set up San José downtown integrated team project office

See Attachment A PowerPoint presentation and Attachment B Cooperative Agreement for specifics.

Preparation of the agreement began late 2023 and has involved multiple discussions with the JPAB and partner agencies. There were three JPAB meetings starting in February 2024 as well as a March Caltrain AMP meeting. The table below shows previous and scheduled meeting dates for the partner agencies.

Agency/Committee	Information Meetings	Action Meetings
Diridon Station JPAB	- Feb - Jun - Aug	
Caltrain	- Mar (AMP)	- Sept AMP (Action not taken) - Oct Board (10/3 TBD)
VTA		- Sept Committee (Approved) - Oct Board (10/3 TBD)
City of San Jose		- City Council (10/8 TBD)

Pending outcome of actions by Caltrain, VTA and San Jose - MTC and CHSRA will seek action in November.

### **AMP Committee Meeting**

The AMP Committee considered the staff recommendation to authorize the Executive Director to enter into a Cooperative Agreement with Caltrain’s partner agencies. Members expressed concerns regarding accountability, alignment among the partner agencies, and decision making. While the members acknowledged that the Cooperative Agreement reflected a temporary compromise pending the resolution of questions concerning long-term governance for the project, they questioned the duration of the new agreement (up to four years) and expressed a preference for a shorter term (up to two years) and for the inclusion of a condition that Caltrain would lead the project if the partner agencies are unable to agree to a long-term governance structure within two years. Staff agreed to consider the members’ input, engage in further discussions with the partner agencies, and return to the AMP Committee in the future.

### **Budget Impact**

There is no direct budget impact associated with this action.

Prepared By: Marian Lee

Diridon Station Project Director

650-619-1905

**Cooperative Agreement  
Between Peninsula Corridor Joint Powers Board,  
City of San José, Metropolitan Transportation Commission,  
California High Speed Rail Authority, and Santa Clara Valley Transportation Authority  
On the Pre-Environmental and Environmental Phases  
of the Diridon Station Redevelopment Project**

This Cooperative Agreement (Agreement) is between the Peninsula Corridor Joint Powers Board, a California joint powers authority (Caltrain), the City of San José (San José), a municipal corporation of California, Metropolitan Transportation Commission (MTC), a regional transportation planning agency established pursuant to California Government Code, California High-Speed Rail Authority (CHSRA), a transportation agency established pursuant to California Public Utilities Code, and Santa Clara Valley Transportation Authority (VTA), a public agency organized as a special district under California law, each a Party and collectively the Parties.

The Agreement is effective as of the last date on the signature lines (Effective Date).

### **1. Purpose**

a. The Agreement sets forth the general provisions governing the Parties' interaction, consultation, and cooperation in advancing the Diridon Station Redevelopment Project (Project) during the term of the Agreement.

b. The Parties commit to mutually cooperate in good faith to carry out the terms of the Agreement and accomplish the following: (1) define the Project's scope; (2) complete a project-level environmental review for the Project under the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA); (3) agree on the long-term governance organization for the Project; (4) advocate and obtain necessary funding to advance the Project; (5) assign staff and consultants to the Project; and (6) agree on a schedule for meetings about the Project, as appropriate to advance relevant work.

### **2. Term**

The term of the Agreement begins on the Effective Date and ends on August 31, 2028, unless (1) the Parties agree in writing to extend the term; (2) the Agreement is terminated in accordance with the terms herein; or (3) the parties agree to adopt a successor agreement.

### **3. Scope**

a. The Scope of Work has two phases: (1) the Pre-Environmental Phase, which is anticipated to take place from approximately 2024-2025, and (2) the Environmental Phase, which is anticipated to take place approximately from 2025-2028.

b. During the Pre-Environmental Phase, the Parties will work on the following:

- Complete the business case analysis (benefit cost assessment) for the Project;
- Conduct community outreach on two station design alternatives;

- Advance a minimum of two station design alternatives to 10% design;
- Complete and publicly circulate an alternatives analysis;
- Develop an environmental strategy and prepare for a project-level environmental review of the Project;
- Decide on a viable long-term governance structure for the Project;
- Prepare a funding plan with a strategy of obtaining federal, state, regional, and local funding as well as the feasibility of private participation and seek funding in accordance therewith; and
- Prepare and implement advocacy plans.

c. During the Environmental Phase, the Parties will work on the following:

- Initiate, develop, and complete for the Project any necessary environmental review process under NEPA and CEQA;
- Evaluate, approve, and implement a long-term governance structure/organization plan; and
- Continue community outreach, advocacy, and funding pursuits.

For the purposes of this section, necessary environmental review shall mean any environmental reviews and approvals required to be completed before the Project may be adopted or advanced to final design/construction, under CEQA, NEPA, or any reasonably potential federal funding requirements.

#### **4. Budget and Funding**

a. The Parties shall work efficiently, minimize duplication of effort, and abide by budget constraints.

b. The budget for the Pre-Environmental Phase shall not exceed \$7.8 million. San José shall contribute Five Hundred Thousand dollars (\$500,000). VTA shall contribute One Million dollars (\$1,000,000) of Measure B funds. MTC shall contribute Six Million Three Hundred Thousand dollars (\$6,300,000) of RM3 funds.

c. The Parties shall prepare an estimated budget for the Environmental Phase before the completion of the Pre-Environmental Phase and present the proposed budget to the Steering Committee for approval and to the Parties as necessary pursuant to section 5(e). Budget modifications and revisions, if such modifications are determined to be necessary during the environmental review process, will also be subject to approval by the Steering Committee and by the Parties as necessary pursuant to section 5(e). The Parties shall consider a variety of funding sources, including state and federal sources, such as the Federal Railroad Administration's Corridor Identification and Development Program.

d. Each Party's funding of the Agreement is subject to annual appropriations. Because the Parties are precluded by the California State Constitution and other laws from entering into

obligations that financially bind future governing bodies, nothing in the Agreement shall constitute an obligation of future legislative bodies of the Parties to appropriate funds for purposes of the Agreement.

## **5. Steering Committee**

a. The Parties agree that VTA's existing Diridon Station Joint Policy Advisory Board shall be restructured into the Diridon Station Steering Committee (Steering Committee).

b. The Steering Committee shall advance the Project and manage the Parties' collective efforts to implement the terms of the Agreement. The Steering Committee shall work on the scope and budget; prepare progress reports; select station design alternatives; decide on a recommendation for a long-term governance structure; and draft plans for community outreach, funding, and advocacy.

c. The Steering Committee shall have eight appointed members: two appointed by Caltrain; two appointed by San José; two appointed by VTA; one appointed by MTC; and one appointed by CHSRA. The Steering Committee shall have two additional members serving ex-officio: an official from BART and Rod Diridon, Sr.

d. The Steering Committee shall have a Chair and Vice Chair. These positions shall rotate every calendar year between Caltrain, San José, and VTA. The Chair and Vice Chair shall not be held by members from the same Party, unless there is unanimous agreement between Caltrain, San José, and VTA. Caltrain, San José, and VTA shall not be left out of the rotation of these offices, unless the Party chooses otherwise.

e. The Steering Committee shall not supersede the authority of each Party. As required by law or the Agreement or as requested by a Party, the Steering Committee shall secure from the appropriate Parties approval for its actions. Actions by the Steering Committee not subject to requested or required approval by the Parties shall be deemed final.

f. Steering Committee meetings shall be public and held quarterly. Members of the Steering Committee are expected to attend all meetings, with the exception of one excused absence per calendar year. The Steering Committee may call for additional meetings.

g. The Steering Committee shall be administered by VTA staff.

## **6. Project Director**

a. The Steering Committee, with input and support from the Parties, will recruit and hire a Project Director.

b. The Project Director will report to the Steering Committee.

c. The Project Director is responsible for advancing the Project.

d. The Project Director is responsible for proposing an organizational structure for the Project, subject to approval by the Steering Committee and by the Parties as necessary pursuant to section 5(e).



## **7. Leads**

a. Each Party shall assign a Lead for the Project, who shall be a senior-level staff member or consultant functioning as a staff member seconded to the Steering Committee. Leads shall serve as the primary contact person for all matters related to the Agreement. Leads are accountable to the leadership of their respective agencies.

b. Leads shall deliver on the following responsibilities:

- The Lead for Caltrain, as the rail station and right-of-way owner, shall lead the station planning, including design and engineering, and the environmental review of the Project.
- The Lead for San José, as the local agency, shall lead community partnership and outreach, implement the Diridon Station area plan, and make land use development decisions.
- The Lead for VTA, as the transportation authority of Santa Clara County, shall lead the long-term governance and funding strategies, the legislative advocacy plan, and project coordination in the station area.
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The Steering Committee may be supported by working groups, as established at the discretion of staff for the Parties.

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The Project office, which may be co-located with a Party or located separately from the Parties, will house key staff for the Project. The office will serve as a meeting space for in-person convenings and Project coordination.

## **10. Project Advancement by the Parties**

a. The Parties shall collaborate to advance two alternative station designs from 5% to 10% of the design completed. The Parties are not precluded from and may also mutually agree to advance more than one design alternative for the Project to the Environmental Phase. The Parties agree that design(s) shall be further advanced, during the Environmental Phase, to a sufficient level of detail to permit an assessment of impacts that is compliant with CEQA/NEPA requirements. Each Party shall have the opportunity to review and comment upon the designs as they progress through the design process. If disputes arise among the Parties during the design review phase, they shall be resolved pursuant to section 11.

b. The Parties shall recommend at least one design for the Project (10% of the design completed) to the Steering Committee.

c. The Steering Committee shall select and advance one of the designs to the Environmental Phase. Before Steering Committee consideration, a Party may require that its governing body review and approve those design elements of the selected alternative, including, but not limited to, specifications, responsibilities, design standards and practices, that are necessary to ensure compliance with that Party's applicable standards. VTA will review and may approve such elements with BART through its partnership in delivering BART to Silicon Valley.

d. The design approved by the Steering Committee in section 10(c) shall be provided to the Caltrain Board of Directors, as the lead agency for the Environmental Phase of the Project, to consider authorizing the initiation of the Environmental Phase.

e. Specific operating tenants of Diridon Station (Altamont Corridor Express, Capitol Corridor, Amtrak, and Union Pacific) may review and comment on the design approved by the Steering Committee, but the design shall not be subject to their approval.

## **11. Conflict Resolution**

a. The Parties agree that, as a general principle and if feasible, the Parties shall identify and engage in measures to prevent and resolve potential sources of conflict before they escalate into disputes through a process involving partnering, collaboration, and cooperation. Such process shall follow a hierarchy starting with staff participants and then the Steering Committee. The Chair of the Steering Committee may create subcommittees, with no more than one representative per Party, to resolve the conflict. Each Party shall diligently, and in good faith, attempt to resolve any dispute before that dispute is elevated to the next level in the hierarchy.

b. The Parties that are in conflict may, at any time, refer the conflict to mediation. The Parties that are in conflict shall collectively agree on a mediator and equally bear the cost of mediation.

## **12. Indemnification**

a. Each Party shall indemnify, defend, and hold harmless the other Parties, their governing bodies, representatives, agents, consultants, or employees from and against all claims, injury, suits, demands, liability, losses, and damages, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any negligent act or, negligent failure to act, recklessness, or willful misconduct of the Party, its officers, employees, consultants, or agents, arising out of or relating to the Party's performance or failure to perform under the Agreement, except those arising by reason of the negligence, recklessness, or willful misconduct of the other Parties, its officers, employees and agents.

b. The Parties agree that the indemnifying Party will bear all expenses and costs and will pay all settlements or final judgments arising out of any claim, action or proceeding involving the injury to or death of any person or damages to or any loss of any property arising from any indemnification obligation of the indemnifying Party, including the costs of defense. Should a

claim, action or proceeding of any nature be brought at any time against a Party entitled to indemnification for injury, death, damage or loss, the Party entitled to indemnification will promptly provide notice to the indemnifying Party of such claim, and will tender the defense of such claim to the indemnifying Party, who will thereafter provide all such defense, indemnity, and protections as are necessary under the provisions of the Agreement. The Party entitled to indemnification will provide additional information or assistance as is reasonably requested by the indemnifying Party to assist in the defense, prosecution, or settlement of any such claim. The indemnified Party may engage counsel of its choice for its defense, with the consent of the indemnifying Party, which shall not to be unreasonably withheld.

c. The foregoing provisions regarding indemnification are included pursuant to the provisions of section 895.4 of the Government Code and are intended by the Parties to modify and supersede the otherwise applicable provisions of Chapter 21, Part 2, Division 3.6, Title I of the Government Code.

d. The indemnification obligations shall survive termination or expiration of the Agreement.

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The Parties agree to cooperate on communications and submittals to funding and regulatory agencies related to the subject matter of the Agreement. The Parties also agree to coordinate to review and approve agreements with third parties that impact the Agreement.

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a. Each Party shall hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or used for the activities under the Agreement in confidence to the extent permitted by law. Where applicable, the provisions of Government Code section 7920.00 et seq. shall protect the confidentiality of such documents if they are shared between the Parties. The Parties will not distribute, release, or share such documents with anyone other than employees, agents, and consultants who require access to complete the activities under the Agreement without the written consent of the Party authorized to release them, unless required by law.

b. If a Party receives a public records request pertaining to activities under the Agreement, the Party will notify the other Parties within ten working days of receipt and make the other Parties aware of any potential obligation to disclose public documents. The Parties will consult with each other before the release of any public documents related to the activities under the Agreement. Nothing in the Agreement constitutes a waiver of any privilege or exemption otherwise available to a Party.

## 15. Notices

a. All notices required in the Agreement must be given in writing, addressed to the Parties as set forth below, and delivered by (a) certified mail, return receipt required, (b) courier service, or (c) hand (including messenger or recognized delivery, courier, or air express service).

b. Notices will be effective upon receipt at the following addresses:

To Caltrain: Michelle Bouchard  
Executive Director, Caltrain  
1250 San Carlos Ave  
San Carlos, CA, 94070  
Phone: (650) 508-6420  
Email: bouchardm@caltrain.com

With a copy to:  
James C. Harrison, General Counsel  
1901 Harrison Street, Suite 1550  
Oakland, CA 94612  
Phone: (510) 346-6203  
Email: jharrison@olsonremcho.com

To San José: Leland Wilcox  
Assistant City Manager, City of San José  
200 East Santa Clara Street, 17th Floor  
San José, CA 95113  
Phone: (408) 535-4873  
Email: Leland.Wilcox@sanjoseca.gov

With a copy to:  
Jessica Zenk  
Deputy Director, City of San José  
200 East Santa Clara Street, 8th Floor  
San José, CA 95113  
Phone: (408) 535-3543  
Email: Jessica.Zenk@sanjoseca.gov

To MTC: Andrew B. Fremier  
Executive Director, MTC  
375 Beale Street  
San Francisco, CA 94105  
Phone: (415) 778-5240  
Email: afremier@bayareametro.gov

With a copy to:  
Alix Bockelman,

Chief Deputy Executive Director, MTC  
375 Beale Street  
San Francisco, CA 94105  
Phone: (415) 778-5250  
Email: abockelman@bayareametro.gov

To CHSRA: California High-Speed Rail Authority  
Attention: Chief Executive Officer  
770 L Street, Suite 1160  
Sacramento, CA 95814

With a copy to:  
California High-Speed Rail Authority  
Attention: Chief Counsel  
770 L Street, Suite 620 MS 1  
Sacramento, CA 95814  
Telephone: (916) 324-1541  
Email: legal@hsr.ca.gov

With a copy to:  
California High-Speed Rail Authority  
Attention: Regional Director  
160 W Santa Clara St, Suite 450  
San Jose, CA 95113  
Telephone: (408) 877-3182  
Email: northern.california@hsr.ca.gov

To VTA: Carolyn Gonot  
General Manager/CEO, VTA  
3331 North First Street  
San Jose, CA, 95134  
Phone:  
Email: Carolyn.Gonot@vta.org

c. A Party may specify a different or additional recipient and address during the term of the Agreement as long as the Party provides five days' written notice to all other Parties.

d. For convenience, copies of notices may be given by electronic mail, to the addresses listed above; however, a Party shall not give official notice by electronic mail.

## 16. Amendments

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The Parties may terminate the Agreement upon mutual written consent. Additionally, a Party may terminate its participation in the Agreement after 60 days' written notice to all other parties. Upon notice of termination of the Agreement, the contracting Parties shall invoice the terminating Party of its share of all contractor costs for services rendered up to the date of termination pursuant to any existing funding agreements between the Parties. The remaining Parties may amend the Agreement to continue or may terminate the Agreement.

## 18. Severability

If any portion of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the Parties shall negotiate an equitable adjustment in the provisions the Agreement with a view toward effecting the purpose of the Agreement, and all remaining portions of the Agreement will remain in full force and effect.

## 19. Miscellaneous Provisions

a. Entire Agreement: The Agreement, including any of its attachments and exhibits, constitutes the entire agreement between all Parties pertaining to its subject matter and supersedes all prior or contemporaneous agreements, representations, and understandings of the Parties about the subject matter.

b. Binding on Successors: The Agreement is binding upon each Party, their legal representatives, and successors for the duration of the Agreement.

c. Interpretation: The Agreement and each of its provisions, terms, and conditions has been reached as a result of negotiations between the Parties. Each Party expressly acknowledges and agrees that (a) the Agreement will not be deemed to have been authored, prepared, or drafted by any particular Party and b) the rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be employed in the interpretation of the Agreement or in the resolution of disputes.

d. No Implied Waiver: The failure of each Party to insist upon the strict performance of any of the terms, covenant, and conditions of the Agreement will not be deemed a waiver of any right or remedy that a Party may have and will not be deemed a waiver of a Party's right to require strict performance of all the Agreement's terms, covenants, and conditions.

e. No Assignments: No Party is permitted to assign, transfer, or otherwise substitute its interests or obligations under the Agreement without the written consent of the other Parties.

f. Applicable Law: The Agreement, as well as any claims that might arise between any of the Parties, will be governed by the laws of the State of California, without regard to conflict of law provisions.

g. Forum Selection: Any lawsuit or legal action arising from the Agreement will be commenced and prosecuted in the courts of Santa Clara County, California. Caltrain agrees to

submit to the personal jurisdiction of the courts located in Santa Clara County, California for the purpose of litigating all such claims.

h. Compliance with All Applicable Laws: In the performance under the Agreement, all Parties and their agents shall comply with all applicable requirements of state, federal, and local laws and regulations.

i. Relationship Between the Parties: The Agreement does not create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship other than that of independent parties.

j. No Third-Party Rights: The Agreement is intended solely for the benefit of the Parties and is not intended to confer any benefits on, or create any rights in favor of, any person other than the Parties.

k. Counterparts: The Agreement may be executed in any number of counterparts and by each Party in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument. The Parties agree that an electronic copy of this signed contract or an electronically signed contract has the same force and legal effect as a contract executed with an original ink signature.

l. Warranty of Authority to Execute Agreement: Each Party represents and warrants that the person whose signature appears in the Agreement on the Party's signature line is authorized and has the full authority to execute the Agreement on the Party's behalf.

**[SIGNATURES ON THE FOLLOWING PAGES]**

IN WITNESS WHEREOF, the parties have executed the Agreement as of the Effective Date by their duly authorized representatives.

**Santa Clara Valley  
Transportation Authority**

**Peninsula Corridor Joint Powers Board**

\_\_\_\_\_  
Carolyn M. Gonot  
General Manager/CEO

\_\_\_\_\_  
Michelle Bouchard  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of San José**

**Metropolitan Transportation  
Commission**

\_\_\_\_\_  
Leland Wilcox  
Assistant City Manager

\_\_\_\_\_  
Andrew B. Fremier  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**California High Speed Rail Authority**

\_\_\_\_\_  
Brian Kelly  
Chief Executive Officer

\_\_\_\_\_  
Date



**Cooperative Agreement  
Between Peninsula Corridor Joint Powers Board,  
City of San José, Metropolitan Transportation Commission,  
California High Speed Rail Authority, and Santa Clara Valley Transportation Authority  
On the Pre-Environmental and Environmental Phases  
of the Diridon Station Redevelopment Project**

This Cooperative Agreement (Agreement) is between the Peninsula Corridor Joint Powers Board, a California joint powers authority (Caltrain), the City of San José (San José), a municipal corporation of California, Metropolitan Transportation Commission (MTC), a regional transportation planning agency established pursuant to California Government Code, California High-Speed Rail Authority (CHSRA), a transportation agency established pursuant to California Public Utilities Code, and Santa Clara Valley Transportation Authority (VTA), a public agency organized as a special district under California law, each a Party and collectively the Parties.

The Agreement is effective as of the last date on the signature lines (Effective Date).

### **1. Purpose**

a. The Agreement sets forth the general provisions governing the Parties' interaction, consultation, and cooperation in advancing the Diridon Station Redevelopment Project (Project) during the term of the Agreement.

b. The Parties commit to mutually cooperate in good faith to carry out the terms of the Agreement and accomplish the following: (1) define the Project's scope; (2) complete a project-level environmental review for the Project under the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA); (3) agree on the long-term governance organization for the Project; (4) advocate and obtain necessary funding to advance the Project; (5) assign staff and consultants to the Project; and (6) agree on a schedule for meetings about the Project, as appropriate to advance relevant work.

### **2. Term**

The term of the Agreement begins on the Effective Date and ends on August 31, 2028, unless (1) the Parties agree in writing to extend the term; (2) the Agreement is terminated in accordance with the terms herein; or (3) the parties agree to adopt a successor agreement.

### **3. Scope**

a. The Scope of Work has two phases: (1) the Pre-Environmental Phase, which is anticipated to take place from approximately 2024-2025, and (2) the Environmental Phase, which is anticipated to take place approximately from 2025-2028.

b. During the Pre-Environmental Phase, the Parties will work on the following:

- Complete the business case analysis (benefit cost assessment) for the Project;
- Conduct community outreach on two station design alternatives;

- Advance a minimum of two station design alternatives to 10% design;
- Complete and publicly circulate an alternatives analysis;
- Develop an environmental strategy and prepare for a project-level environmental review of the Project;
- Decide on a viable long-term governance structure for the Project;
- Prepare a funding plan with a strategy of obtaining federal, state, regional, and local funding as well as the feasibility of private participation and seek funding in accordance therewith; and
- Prepare and implement advocacy plans.

c. During the Environmental Phase, the Parties will work on the following:

- Initiate, develop, and complete for the Project any necessary environmental review process under NEPA and CEQA;
- Evaluate, approve, and implement a long-term governance structure/organization plan; and
- Continue community outreach, advocacy, and funding pursuits.

For the purposes of this section, necessary environmental review shall mean any environmental reviews and approvals required to be completed before the Project may be adopted or advanced to final design/construction, under CEQA, NEPA, or any reasonably potential federal funding requirements.

#### **4. Budget and Funding**

a. The Parties shall work efficiently, minimize duplication of effort, and abide by budget constraints.

b. The budget for the Pre-Environmental Phase shall not exceed \$7.8 million. San José shall contribute Five Hundred Thousand dollars (\$500,000). VTA shall contribute One Million dollars (\$1,000,000) of Measure B funds. MTC shall contribute Six Million Three Hundred Thousand dollars (\$6,300,000) of RM3 funds.

c. The Parties shall prepare an estimated budget for the Environmental Phase before the completion of the Pre-Environmental Phase and present the proposed budget to the Steering Committee for approval and to the Parties as necessary pursuant to section 5(e). Budget modifications and revisions, if such modifications are determined to be necessary during the environmental review process, will also be subject to approval by the Steering Committee and by the Parties as necessary pursuant to section 5(e). The Parties shall consider a variety of funding sources, including state and federal sources, such as the Federal Railroad Administration's Corridor Identification and Development Program.

d. Each Party's funding of the Agreement is subject to annual appropriations. Because the Parties are precluded by the California State Constitution and other laws from entering into

obligations that financially bind future governing bodies, nothing in the Agreement shall constitute an obligation of future legislative bodies of the Parties to appropriate funds for purposes of the Agreement.

## **5. Steering Committee**

a. The Parties agree that VTA's existing Diridon Station Joint Policy Advisory Board shall be restructured into the Diridon Station Steering Committee (Steering Committee).

b. The Steering Committee shall advance the Project and manage the Parties' collective efforts to implement the terms of the Agreement. The Steering Committee shall work on the scope and budget; prepare progress reports; select station design alternatives; decide on a recommendation for a long-term governance structure; and draft plans for community outreach, funding, and advocacy.

c. The Steering Committee shall have eight appointed members: two appointed by Caltrain; two appointed by San José; two appointed by VTA; one appointed by MTC; and one appointed by CHSRA. The Steering Committee shall have two additional members serving ex-officio: an official from BART and Rod Diridon, Sr.

d. The Steering Committee shall have a Chair and Vice Chair. These positions shall rotate every calendar year between Caltrain, San José, and VTA. The Chair and Vice Chair shall not be held by members from the same Party, unless there is unanimous agreement between Caltrain, San José, and VTA. Caltrain, San José, and VTA shall not be left out of the rotation of these offices, unless the Party chooses otherwise.

e. The Steering Committee shall not supersede the authority of each Party. As required by law or the Agreement or as requested by a Party, the Steering Committee shall secure from the appropriate Parties approval for its actions. Actions by the Steering Committee not subject to requested or required approval by the Parties shall be deemed final.

f. Steering Committee meetings shall be public and held quarterly. Members of the Steering Committee are expected to attend all meetings, with the exception of one excused absence per calendar year. The Steering Committee may call for additional meetings.

g. The Steering Committee shall be administered by VTA staff.

## **6. Project Director**

a. The Steering Committee, with input and support from the Parties, will recruit and hire a Project Director.

b. The Project Director will report to the Steering Committee.

c. The Project Director is responsible for advancing the Project.

d. The Project Director is responsible for proposing an organizational structure for the Project, subject to approval by the Steering Committee and by the Parties as necessary pursuant to section 5(e).

## **7. Leads**

a. Each Party shall assign a Lead for the Project, who shall be a senior-level staff member or consultant functioning as a staff member seconded to the Steering Committee. Leads shall serve as the primary contact person for all matters related to the Agreement. Leads are accountable to the leadership of their respective agencies.

b. Leads shall deliver on the following responsibilities:

- The Lead for Caltrain, as the rail station and right-of-way owner, shall lead the station planning, including design and engineering, and the environmental review of the Project.
- The Lead for San José, as the local agency, shall lead community partnership and outreach, implement the Diridon Station area plan, and make land use development decisions.
- The Lead for VTA, as the transportation authority of Santa Clara County, shall lead the long-term governance and funding strategies, the legislative advocacy plan, and project coordination in the station area.
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b. The Parties shall recommend at least one design for the Project (10% of the design completed) to the Steering Committee.

c. The Steering Committee shall select and advance one of the designs to the Environmental Phase. Before Steering Committee consideration, a Party may require that its governing body review and approve those design elements of the selected alternative, including, but not limited to, specifications, responsibilities, design standards and practices, that are necessary to ensure compliance with that Party's applicable standards. VTA will review and may approve such elements with BART through its partnership in delivering BART to Silicon Valley.

d. The design approved by the Steering Committee in section 10(c) shall be provided to the Caltrain Board of Directors, as the lead agency for the Environmental Phase of the Project, to consider authorizing the initiation of the Environmental Phase.

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d. No Implied Waiver: The failure of each Party to insist upon the strict performance of any of the terms, covenant, and conditions of the Agreement will not be deemed a waiver of any right or remedy that a Party may have and will not be deemed a waiver of a Party's right to require strict performance of all the Agreement's terms, covenants, and conditions.

e. No Assignments: No Party is permitted to assign, transfer, or otherwise substitute its interests or obligations under the Agreement without the written consent of the other Parties.

f. Applicable Law: The Agreement, as well as any claims that might arise between any of the Parties, will be governed by the laws of the State of California, without regard to conflict of law provisions.

g. Forum Selection: Any lawsuit or legal action arising from the Agreement will be commenced and prosecuted in the courts of Santa Clara County, California. Caltrain agrees to submit to the personal jurisdiction of the courts located in Santa Clara County, California for the purpose of litigating all such claims.

h. Compliance with All Applicable Laws: In the performance under the Agreement, all Parties and their agents shall comply with all applicable requirements of state, federal, and local laws and regulations.

i. Relationship Between the Parties: The Agreement does not create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship other than that of independent parties.

j. No Third-Party Rights: The Agreement is intended solely for the benefit of the Parties and is not intended to confer any benefits on, or create any rights in favor of, any person other than the Parties.

k. Counterparts: The Agreement may be executed in any number of counterparts and by each Party in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument. The Parties agree that an electronic copy of this signed contract or an electronically signed contract has the same force and legal effect as a contract executed with an original ink signature.

l. Warranty of Authority to Execute Agreement: Each Party represents and warrants that the person whose signature appears in the Agreement on the Party's signature line is authorized and has the full authority to execute the Agreement on the Party's behalf.

**[SIGNATURES ON THE FOLLOWING PAGES]**

IN WITNESS WHEREOF, the parties have executed the Agreement as of the Effective Date by their duly authorized representatives.

**Santa Clara Valley  
Transportation Authority**

**Peninsula Corridor Joint Powers Board**

\_\_\_\_\_  
Carolyn M. Gonot  
General Manager/CEO

\_\_\_\_\_  
Michelle Bouchard  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of San José**

**Metropolitan Transportation  
Commission**

\_\_\_\_\_  
Leland Wilcox  
Assistant City Manager

\_\_\_\_\_  
Andrew B. Fremier  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**California High Speed Rail Authority**

\_\_\_\_\_  
Ian Choudri  
Chief Executive Officer

\_\_\_\_\_  
Date

## MEMORANDUM

**TO:** Board of Directors

**FROM:** James C. Harrison & Thomas A. Willis

**DATE:** September 27, 2024 **(REVISED 10.1.24)**

**RE:** Update Regarding Implementation of JPB Governance MOU

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## INTRODUCTION

This memorandum describes counsel and staff's efforts, along with the member agencies, to implement the Governance Memorandum of Understanding executed by the Peninsula Corridor Joint Powers Board ("JPB"), the Santa Clara Valley Transportation Authority ("VTA"), the San Mateo County Transit District ("SMCTD"), and the City and County of San Francisco ("CCSF") on August 5, 2022 ("MOU"). We last updated the Board regarding the implementation of the Governance MOU on November 2, 2023. **We had planned to update the Board at its September 5, 2024, meeting, but due to time limitations and other pressing business, the update was postponed until the October meeting.**

The MOU authorizes the JPB to appoint its own Executive Director, creates five new Caltrain direct service positions in the areas of grants, finance, real estate, and government and community affairs, and delegates sole authority to the Executive Director over the selection, hiring, annual goal setting, performance review, compensation, and termination of the railroad's employees, subject only to SMCTD's salary ordinance and employee manual and policies. The MOU also provides for the reimbursement of SMCTD for its initial investment in the purchase of the Caltrain Right of Way ("ROW") and for the conveyance of SMCTD's tenancy-in-common interest in the ROW in San Mateo County to Caltrain once SMCTD receives a payment of \$19.6M from the Metropolitan Transportation Commission ("MTC"). The MOU also requires VTA and CCSF to pay SMCTD a total of \$15.2M for assigning some of the Managing Agency rights to the JPB and for the delay in repayment of SMCTD's initial contribution. The MOU establishes a series of steps the parties must take to implement the governance changes and reimburse SMCTD. These actions and their status are discussed below.

## BACKGROUND

### **A. Events Leading to the MOU**

In 1991, SMCTD contributed \$82M towards the purchase of the ROW. As a result of its initial investment in Caltrain, SMCTD obtained certain real property interests and the right to serve as Managing Agency of Caltrain until it was repaid. The Member Agencies' rights and

obligations are set forth in a 1996 Joint Powers Agreement (“JPA”) and a 1991 Real Property Ownership Agreement (“RPOA”).

In 2008, the Member Agencies and the JPB entered into an amendment to the RPOA (“2008 RPOA”) to provide for the repayment of CCSF’s and VTA’s portion of SMCTD’s initial contribution in the amount of \$53.3M. As part of this agreement, SMCTD agreed to forgo certain interest payments, and in exchange, the parties agreed that SMCTD could serve as Managing Agency of Caltrain, under the direction of the SMCTD General Manager, until it no longer wished to serve in that role. The 2008 RPOA, which relied upon state gas tax spillover funds to repay SMCTD, also provided that if SMCTD was not repaid within ten years, MTC would be authorized to identify alternative sources of non-local funds to repay SMCTD. The 2008 RPOA specified that SMCTD would reconvey its interest as a tenant in common to the ROW in San Mateo County to the JPB and relinquish certain other real property interests upon repayment. As of 2018, SMCTD had been repaid approximately \$33.5M of the agreed-upon sum of \$53.3M, leaving \$19.8M outstanding.

On August 6, 2020, in conjunction with adopting a resolution to place Measure RR on the ballot, the JPB adopted Resolution No. 2020-42 to express the Board’s desire to modify Caltrain’s governance structure to allow the JPB to appoint the Caltrain Executive Director (“ED”). The resolution also expressed the JPB’s intent to initiate efforts to reimburse SMCTD for its investment in Caltrain, including by engaging with MTC, and by prioritizing payment of the SMCTD investment, if the voters approved Measure RR.

Following the passage of Measure RR, the JPB considered various governance proposals. After numerous public meetings, the JPB adopted a term sheet on March 3, 2022, outlining a proposed governance structure and providing for the repayment of SMCTD’s initial investment in the ROW. Following the JPB’s approval of the term sheet, the JPB and the Member Agencies engaged in extensive negotiations that resulted in the execution of the MOU on August 5, 2022.

## **B. The MOU**

As discussed above, the MOU provides for the JPB to appoint its own Executive Director, provides the Executive Director with authority over Caltrain operations and the railroad’s employees, and provides for the reimbursement of SMCTD for its investment in Caltrain. Specifically, the MOU:

### **Governance Changes**

- Establishes a separate, permanent Caltrain ED who reports exclusively to, and takes direction from, the JPB, which exercises authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED;

- Establishes that the Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the railroad's employees, subject only to SMCTD's salary ordinance and employee manual and policies;
- Establishes five new Caltrain direct services positions: (1) Chief of Staff; (2) Director of Government and Community Affairs; (3) Director of Budgets and Financial Analysis; (4) Director of Real Estate; (5) Director of Grants and Funds Management.<sup>1</sup> The Executive Director, as authorized by the JPB, has sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the individuals holding these positions, subject only to SMCTD's salary ordinance and employee manual and policies. The MOU prohibits the JPB from replacing a shared services position with a direct services position, unless SMCTD agrees, provided that such agreement may not be unreasonably withheld<sup>2</sup>;
- Specifies that the role of the Managing Agency, as modified by the MOU, is to support the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting and Treasury, Communications, Government and External Affairs, Finance and Budgets, Real Estate, and Grants;
- Provides for indemnification by JPB and SMCTD for actions for which they are responsible;
- Provides a timeline for negotiation of amendments to the RPOA and JPA to conform to the MOU and to address inconsistencies, ambiguities, and uncodified practices;
- Provides that changes to the JPA and RPOA shall be limited to conforming the agreements to the MOU and addressing inconsistencies, ambiguities, and uncodified practices;
- Provides a timeline for the JPB to document the assets it owns; and

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<sup>1</sup> To date, Caltrain has filled three of these positions (Chief of Staff, Director of Real Estate, and Director of Government and Community Affairs) and is in the process of recruiting for the two remaining positions.

<sup>2</sup> SamTrans and Caltrain relied upon this provision to add a Caltrain Chief Safety Officer as a direct service position in February 2023.

- Provides a timeline for the JPB and SMCTD to negotiate and execute an agreement that governs the provision of fully and partially shared services.

### **Reimbursement of SMCTD**

- Establishes that MTC will repay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA.<sup>3</sup> Upon repayment, SMCTD shall reconvey to the JPB its interest in the ROW, release other specified interests it has under the RPOA, and release any claims it may have against CCSF and VTA for repayment of the outstanding balance owed under the RPOA and 2008 RPOA; and
- Establishes that CCSF and VTA will pay a total of \$15.2M to SMCTD to compensate SMCTD for the delay in payment of the outstanding balance owed under the 2008 RPOA and for SMCTD's agreement to assign certain Managing Agency rights to the JPB. These payments must be made into escrow by August 4, 2023, or the governance changes described above will revert to the terms of JPA, RPOA, and 2008 RPOA, and other specified terms of the MOU will be void.

### **IMPLEMENTATION OF THE MOU**

Under the MOU, the parties are required to take a number of steps to implement the governance changes and reimburse SMCTD. We describe the status of these actions below.

#### **A. MTC Payment of \$19.6M to SMCTD and Reconveyance of Title to JPB**

MTC agreed to pay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA. On September 19, 2023, MTC made a final payment of \$7M to SMCTD, thereby satisfying its commitment under the MOU to pay SMCTD a total of \$19.6M.

Upon full payment of the balance by MTC: (1) SMCTD must reconvey to the JPB all of its interest in title to the ROW; (2) SMCTD's equity conversion interest in the ROW will be extinguished; (3) all ownership of the ROW will vest with the JPB, which shall have sole authority over the management, acquisition, and disposition of real property, except it cannot transfer or sell substantially all of the ROW without Member Agency approval; and (4) SMCTD will be deemed to have released any claim that it may have against CCSF and VTA under the RPOA and 2008 RPOA for SMCTD's initial investment in Caltrain.

**Release:** After MTC completed its payment to SMCTD, SMCTD executed a Waiver and Release of claims against CCSF and VTA.

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<sup>3</sup> The MOU also required CCSF to pay \$200,000 to SMCTD for the outstanding balance under the 2008 RPOA but CCSF repaid that amount early in the process.

**Reconveyance:** As a result of its investment of \$82 million into the purchase of the right of way from Southern Pacific, SamTrans obtained a tenancy in common interest in that portion of the ROW located in San Mateo County. The ROW includes “[a]ll real property and other assets to be acquired by the JPB and SamTrans pursuant to the Purchase Agreement other than the Local Option Properties.” As a result, the deeds recorded in San Mateo County for the ROW following the 1991 purchase identify SMCTD as a tenant in common. In addition, SMCTD became a tenant in common in certain system option properties (grade separation parcels and parking lots) purchased pursuant to the 1991 Purchase Agreement. Finally, SMCTD became a tenant in common with respect to certain real property in Millbrae that was the subject of a property swap with BART.

In order for SMCTD to convey its interest to Caltrain as required by the MOU, SMCTD and Caltrain first had to request an exemption from a requirement under federal law to obtain the prior approval of the Surface Transportation Board (STB). The STB issued its decision on May 20, 2024, concluding that SMCTD’s conveyance of its tenancy in common interest to Caltrain was exempt. The decision became final on June 19, 2024. Since then, counsel for SMCTD and the JPB have been working with SMCTD’s surveyor and real estate team to identify the affected parcels and to complete the documentation necessary for SMCTD to convey title to the JPB. Because of complexities associated with the parcels that were subject to a property swap with BART, the reconveyance will likely happen in two tranches, with the first tranche to include the real property acquired from Southern Pacific and the second tranche to include the BART parcels and certain other parcels acquired after 1991. The parties expect the first tranche to be transferred **by the end of October**, with the second tranche to be transferred before the end of the year.

**Equity Conversion Interest and JPB Real Property Rights:** SMCTD’s equity conversion right has been extinguished as a result of the final payment from MTC, and the JPB now has sole authority over the management, acquisition, and disposition of real property, except that it cannot transfer or sell substantially all of the ROW without Member Agency approval.

**B. CCSF and VTA Payment of \$15.2M to SMCTD**

CCSF and VTA agreed to pay SMCTD \$6,080,000 and \$9,120,000 respectively (for a total of \$15.2M) by August 4, 2023, or the governance changes discussed above would revert to the terms in place before the MOU. The payments were to be made into escrow and will be released to SMCTD upon (1) receipt of the full \$15.2M and (2) SMCTD providing written notification to the escrow agent that either it has received the \$19.6 million from MTC or that MTC has satisfied its commitment to pay \$19.6 million. If VTA and CCSF did not make those payments, the MOU provisions related to JPB’s right to hire and direct the Executive Director and the Executive Director’s authority to oversee the railroad’s employees would have been eliminated.



VTA and CCSF made their respective payments prior to the August 4, 2023, deadline, and SMCTD has now received all of the payments required by the MOU. The provision in the MOU providing for reversion of certain terms in the event of nonpayment is now void.

**C. RPOA Amendment**

The MOU required counsel for the parties to negotiate and finalize a Revised RPOA by December 4, 2022, and to present the Revised RPOA to the JPB and Member Agency Boards for approval at their next regularly scheduled meetings *after* MTC paid \$19.6M to SMCTD. MTC completed its payment of \$19.6M to SMCTD on September 19, 2023. Thus, under the schedule established by the MOU, the JPB and Member Agency Boards should have reviewed and approved the Revised RPOA at their next regularly scheduled meetings following September 19, 2023. However, the MOU makes clear that the failure of the parties to agree to a revised RPOA by that time does not affect the validity of the MOU, which takes precedence over conflicting provisions in the RPOA.

The MOU required the counsel for the parties to negotiate revisions to the RPOA that would: (1) conform the RPOA with the terms of the MOU, (2) resolve inconsistencies between the RPOA and JPA, (3) clarify any ambiguities in the RPOA and JPA, and (4) codify certain current practices that are inconsistent with the JPA.

Although counsel for the parties met the interim deadlines for exchanging drafts and comments, including the distribution of a final Revised RPOA by December 4, 2022, they were unable to agree on a final Revised RPOA.

Nonetheless, counsel continued to negotiate after the December 2022 deadline. In summary, on March 30, 2023, counsel for the JPB circulated a version of the Revised RPOA, which was accepted by counsel for VTA and CCSF but rejected by counsel for SMCTD.

Then, in an attempt to bridge the gap with SMCTD, counsel for JPB negotiated separately with SMCTD's counsel, proposing an alternative format acceptable to SMCTD. Instead of restating the RPOA in its entirety, the new proposal retained the original RPOA and proposed revisions in the form of specific amendments to the RPOA. After further negotiations, counsel for the JPB and SMCTD agreed to an amended RPOA and circulated a draft to counsel for VTA and CCSF on October 25, 2023. However, on November 15, 2023, counsel for both VTA and CCSF rejected the amended RPOA and suggested the parties instead pause the negotiations over the RPOA and turn to negotiating revisions to the JPA. SMCTD agreed with that approach.

As a result, the RPOA has not been revised as required by the MOU. Instead, counsel agreed to incorporate the remaining relevant provisions of the RPOA into an amended JPA.

**D. Joint Powers Agreement Amendment**

The MOU required counsel for the parties to negotiate revisions to the 1996 JPA that would (1) conform the JPA with the MOU; (2) resolve any inconsistencies between the JPA, the RPOA, the 2008 RPOA and the MOU; (3) clarify ambiguities in those Agreements; and (4) codify certain current practices that are inconsistent with the JPA. The MOU also stated that it did not constitute an opportunity to re-negotiate the JPA in its entirety.

The MOU required the parties to negotiate and finalize those revisions over a six-month period that was to begin once the Member Agencies approved the revised RPOA, which would have occurred at their next respective meetings after September 19, 2023, if the parties had approved the Revised RPOA based on the timeline set forth in the MOU. Thus, under the terms of the MOU, the revised JPA should have been completed and approved in approximately April 2024 (i.e., six months after the Member Agency meetings in October 2023). However, the MOU makes clear that the failure of the parties to agree to a revised JPA by that time does not affect the validity of the MOU, which takes precedence over conflicting provisions in JPA.

Following the Member Agencies' decision to shift their focus from the Revised RPOA negotiations to JPA negotiations, counsel for the JPB, at the request of the Member Agencies, prepared draft amendments to the JPA to: (1) conform the JPA to the MOU; (2) address ambiguities in the JPA; and (3) incorporate relevant provisions from the RPOA into the JPA and resolve inconsistencies between the two agreements. Rather than attempting to address the requirement in the MOU to amend the JPA to incorporate certain "uncodified practices," counsel for the JPB requested that counsel for the Member Agencies identify those issues that they thought needed to be addressed as part of the JPA negotiations. JPB counsel circulated a draft of the revised JPA on April 11, 2024, and the parties exchanged comments and their own proposals on May 6. Counsel for the Member Agencies and the JPB met on May 20. Counsel discussed the proposed amendments, and counsel for the Member Agencies requested historical financial data related to member contributions, Measure RR revenues, sources of Caltrain revenue, reserves, and Gilroy service. The JPB provided the Member Agencies with responsive information on July 3, 2024. **Counsel for the JPB and the Member Agencies planned to meet on September 26 to resume their discussion of JPA amendments, but VTA requested that the meeting be rescheduled to a later date.**

Although the parties have not definitively stated their positions on a number of issues, we believe the following areas will require significant negotiations to reach agreement on a revised JPA:

- 1. SMCTD as Managing Agency.** Under the 2008 RPOA, the parties agreed that SMCTD "is designated as the managing agency of the JPB and will serve in that capacity unless and until it no longer chooses to do so. The parties also agree to incorporate this agreement in a formal amendment of the JPA at a future date." The MOU includes a recital stating that SMCTD "shall remain as the Managing Agency for Caltrain, as modified by the terms of this Agreement," and the MOU defines the roles of Managing Agency to be "to support the JPB through the employment of all staff directly supporting the railroad and

the Caltrain ED and through the provision of fully or partially shared services . . .” During JPA negotiations, SMCTD objected to proposed edits to the JPA deleting language describing the authority of the Managing Agency and adding language expanding the JPB’s role to assume authority formerly delegated to the Managing Agency. For example, JPB counsel proposed deleting a reference to the Managing Agency’s authority to oversee the ownership, operation, and maintenance of the ROW and adding the same language to the description of the JPB’s responsibilities. VTA proposed amending the JPA to appoint SMCTC as Managing Agency for the term of the JPA (which would be established in the amended JPA), but to permit the JPB to replace SMCTD as Managing Agency on one year’s notice given at the end of any fiscal year following completion of a specified year of the term, to be determined in the amended JPA. If the JPB did not exercise this authority, SMCTD would remain as Managing Agency unless and until it no longer chooses to do so, in which case it must provide a minimum of one year’s written notice to the JPB. In a June 25, 2024, letter, SMCTD requested that VTA withdraw the proposal, and on August 5, 2024, SMCTD requested a response from VTA. VTA has informed SMCTD that it is preparing a response to SMCTD’s letter. In response to the postponement of the meeting scheduled for September 26, SMCTD counsel renewed its request for a response from VTA; counsel for VTA replied that they would be prepared to discuss the issue at the parties’ next meeting.

2. **Operating and administrative costs.** Under the 1996 JPA, Member Agencies agreed to share in the operating and administrative costs based on county of origin a.m. peak boarding formula, adjusted annually. Member Agencies are required to contribute towards Caltrain’s operating and administrative costs on a monthly basis. However, between 2013 and 2022, the Member Agencies agreed to share those costs based on a mid-week, all-day boarding formula, adjusted annually, and since 2022, the Member Agencies have not contributed to operating and administrative costs, citing the availability of Measure RR funds.

As part of the preliminary negotiations, JPB counsel proposed that Member Agencies agree to fund any operating budget shortfalls (i.e., any difference between the cost of annual operations less all revenue, such as Measure RR funds, farebox and other revenues) on a fixed, proportional basis. Counsel for the Member Agencies have not taken a position on this proposal. However, in the staff reports accompanying the resolutions to place Measure RR on the ballot, VTA and CCSF took the position that the voters’ adoption of Measure RR would relieve the Member Agencies of the obligation to contribute to the operating costs of the JPB. SMCTD disagrees with the position taken by VTA and CCSF.

3. **Funding capital projects.** Under the JPA, capital projects are categorized as either (1) “replacing” or “enhancing” the PCS assets, in which case the Member Agencies share equally in those costs, or (2) “expanding” PCS assets, in which case the proportional share is determined on a case-by-case basis. In addition, under the 1996

JPA, the JPB determines the annual amount for the capital contingency fund, which covers unanticipated but necessary capital improvements, and the Member Agencies contribute equally to those costs.

During JPA negotiations, counsel for the JPB proposed that the JPA be revised to include a clearer description of how capital projects are funded, one that is in keeping with current practice. Specifically, counsel for the JPB suggested that the JPA make clear that local capital projects, such as grade-separations and bicycle/pedestrian overpasses and underpasses, continue to be funded by the local jurisdictions in which the projects are located, while systemwide capital projects, such as state of good repair projects, continue to be funded by Caltrain through a capital program to which the Member Agencies contribute to the extent other sources of funding are not available. JPB counsel further suggested that in order for Caltrain and the Member Agencies to better plan such expenditures that the JPA establish a process for a rolling, six-year capital expenditure budget and require the Member Agencies to fund the budget on a two-year basis. Counsel for the Member Agencies have not yet taken a position on this proposal.

- 4. Gilroy service.** Under the JPA, VTA is responsible for the net operating costs of Gilroy service. However, since 2001, Gilroy service costs have been included in the operating budget, together with all other operating costs. Under the JPA, VTA is also responsible for obtaining funding for all Gilroy service capital projects.

During JPA negotiations, counsel for the JPB noted that Caltrain believes Gilroy service is part of Caltrain's integrated and unified commuter service and Measure RR's enabling legislation specifically stated that funds would be used in part for the Gilroy service. Therefore, JPB counsel proposed that the JPA be revised to be consistent with current practice and Measure RR, so that the costs of the Gilroy service are included with other operating costs.

- 5. Budget approval process.** Under the JPA, the Caltrain operating budget is required to be adopted by March 31 every year and approved by both the JPB Board and the Member Agencies. The annual capital budget must be approved by the JPB Board by March 31 every year. In practice, both the operating and capital budgets are approved later than March and the Member Agencies do not approve the operating or capital budget.

SMCTD and JPB counsel proposed that the Member Agency approval of the operating and capital budget be deleted from the revised JPA and that the JPB be required to approve the budget by June 30. VTA and CCSF have not yet taken a position on this issue.

- 6. CalPERS fiscal responsibility provision.** As discussed below, if Caltrain enters into a successor agency contract with CalPERS for the railroad's employees, CalPERS will

require the revised JPA to include a provision whereby the Member Agencies agree to be responsible for Caltrain's pension liabilities if Caltrain is dissolved or becomes insolvent. SMCTD has proposed that the Member Agencies agree to share any future pension liabilities equally, in the event that Caltrain has insufficient assets to satisfy those obligations. VTA and CCSF have not yet taken a position on this issue.

**E. Shared Services Agreement**

SMCTD has functioned as Caltrain's Managing Agency since Caltrain's inception, but other than the Joint Powers Agreement and the MOU, SMCTD and Caltrain do not have an agreement that establishes the terms of SMCTD's provision of shared services. The Governance MOU redefined the role of Managing Agency, established new Caltrain direct services positions in the areas of real estate, grants, finance, and government and community affairs, and required that SMCTD and Caltrain negotiate a shared services agreement to "define the scope of partially and fully shared services and how those services will be periodically evaluated and adjusted by mutual agreement." Staff for SMCTD and Caltrain met on several occasions to discuss the framework for a shared services agreement, including the use of department-level work plans prepared by Caltrain to assist SMCTD in determining the appropriate level of shared services resources required to serve Caltrain. JPB counsel prepared a draft shared resources agreement and provided it to counsel for SMCTD for input, and each Caltrain department prepared a work plan for Fiscal Year 2025. Staff for the two agencies are currently meeting to refine those work plans and the shared services agreement and expect to present a draft shared services agreement to the boards of the JPB and SamTrans by the end of the year.

**F. JPB Assets**

The MOU requires the JPB to document the assets it owns no later than three months after payment of the \$15.2M into escrow by VTA and CCSF, or by November 2023. As we previously reported to the Board, JPB and SMCTD staff have compiled an inventory of the JPB's assets, which fall into two categories: capital assets and real property.

The major categories of capital assets include:

- Rolling stock
- Structures, Bridges, and Tunnels
- TVMs and Clipper add-value machines
- Stations and station improvements
- Yard improvements
- Track work/rehab
- Signal optimization/signal interlocking systems
- Non-revenue vehicles
- Yard equipment, tanks & fuel storage

- Signage and signage replacement
- Grade crossing improvements
- ROW fencing and lighting
- Bike lockers

All equipment and property with a cost greater than \$5,000 and a useful life of more than one year is capitalized and assigned an asset number that can be tracked by project identification number, funding sources, general ledger account numbers, asset categories, etc. Every month, staff update the Net Book Value by taking the original purchase price and deducting the total depreciation. At the end of each fiscal year, staff review and verify the assets and update the capital list. Staff calculate depreciation for capital items monthly on a straight-line basis in the accounting system, based on the useful life.

Staff have also compiled a matrix identifying real property owned by the JPB, as well as maps depicting the JPB's real property ownership and interests.

#### **G. CalPERS**

During the course of negotiations over governance issues, counsel for the JPB and Member Agencies determined that in order to ensure that the Caltrain ED and railroad employees remain eligible to participate in CalPERS to the same extent and with the same benefits they have through SMCTD's contract with CalPERS, the JPB should apply for a successor agency contract with CalPERS. On April 4, 2024, the JPB Board authorized staff to apply to CalPERS to become a successor agency to SamTrans for the purpose of providing benefits to the railroad's employees. On June 28, 2024, the JPB filed an application with CalPERS. Since then, CalPERS has requested that Caltrain complete a financial questionnaire, which is currently being drafted by the JPB's special counsel on CalPERS matters. We expect CalPERS to determine whether Caltrain is eligible to contract with CalPERS **by the end of November**. CalPERS' eligibility determination is based on whether Caltrain demonstrates it is a public agency, under both state and federal standards, and has a stable source of revenue outside of Member Agency contributions sufficient to absorb the costs of contracting with CalPERS. We believe Caltrain meets this test.

Once CalPERS determines Caltrain is eligible to contract with CalPERS, Caltrain and CalPERS will begin contract negotiations. As part of that process, Caltrain and SMCTD agree the Caltrain contract should mirror the SMCTD contract. CalPERS will use this information to prepare an actuarial valuation to identify the expected contribution rate and assets and liabilities CalPERS will transfer from the SMCTD contract to the Caltrain contract. This process takes approximately nine months to a year, and the contract will be subject to approval by the Caltrain Board. In addition, we anticipate Caltrain may become the contracting or sponsoring employer for purposes of other benefits, including health benefits through CalPERS, provided to

Caltrain staff. Again, SMCTD and Caltrain agree these benefits should mirror the benefits employees currently receive under the SMCTD -sponsored benefit programs.

**CITIZENS ADVISORY COMMITTEE (CAC)  
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)  
SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING  
Bacciocco Auditorium, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos CA 94070**

**DRAFT MINUTES OF SEPTEMBER 18, 2024**

**MEMBERS PRESENT:** D. Albohm, R. Kutler, P. Leung, A. Lohe (5:44pm), M. Pagee (Alternate) (6:01pm), R. Sarathy, A. Brandt (Vice Chair), B. Shaw (Chair)

**MEMBERS ABSENT:** D. Hernandez (Alternate), P. Wickman (Alternate)

**STAFF PRESENT:** N. Atchison, LM Bouvet, J. Hogan, T. Huckaby, J. Navarrete

Chair Brian Shaw called the meeting to order at 5:40 pm and led the Pledge of Allegiance.

**APPOINTMENT OF CAC MEMBER**

- Peter Wickman (Alternate), San Francisco County

**VOLUNTEERS FOR THE MEASURE RR OVERSIGHT COMMITTEE APPOINTMENT**

Patricia Leung will participate in the Measure RR Oversight Committee with the departure of Member Seebart.

**CONSIDERATION OF REQUESTS**

There were none.

**APPROVAL OF MEETING MINUTES OF AUGUST 21, 2024**

Motion/Second: Brandt/ Sarathy

Ayes: Albohm, Brandt, Kutler, Leung, Lohe, Sarathy, Shaw

Abstain: None

Absent: Hernandez, Pagee (6:02pm), Wickman

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Jeff Carter shared his experience on train 126.

**CHAIRPERSON'S REPORT**

Chair Shaw reported that he and Vice Chair Brandt are continuously working with staff regarding agenda items and ongoing efforts to fill two positions for Santa Clara County.

**FARE PROMOTIONS UPDATE: MARKETING AND OUTREACH**

Taylor Huckaby, Deputy Chief of Communications, provided the presentation which included the following:

- Fare product Overview
- Fare Media Data: September 2023 – August 2024



- Marketing Spend Overview
- Marketing Tactics
- Outcomes

Public Comment

Jeff Carter inquired on group day pass.

The Committee Members and staff had a discussion, which included the following:

- Suggestion to revise 3-day consecutive pass to allow usage within a 7-day period to better accommodate hybrid work schedules.
- Discussed the dollar youth fare success in increasing ridership, made permanent due to positive data.

**FISCAL YEAR 2024 RIDERSHIP REPORT**

Nick Atchison, Senior Planner - Rail Operations Planning, provided the presentation which included the following:

- Background
- Methodology Recap
- Key Findings
- Next Steps

Public Comment

Jeff Carter requested additional fare discount products and noted an increase in weekend ridership.

The Committee Members and staff had a discussion, which included the following:

- Ridership Data and Events
- Compared Weekday and Weekend Ridership Recovery
- Trends in Monthly Ridership, drop between May and June of FY24
- APC (Automatic Passenger Counters) Validation and Testing

**CAPITAL IMPROVEMENT PLAN (CIP)**

Lyne-Marie Bouvet, Principal Planner, Capital Improvement Planning, provided the presentation which included the following:

- Background
- Caltrain's Capital Improvement Plan (CIP)
- Strategic Initiatives
- Funding Needs Per Strategic Initiative
- Yearly Funding Needs Per Strategic Initiative
- Tool for Prioritizing Investments

- Projects and Priorities for the Next Ten years
- Next Steps

#### Public Comment

Jeff Carter commented on level boarding, grade separations, and visual messaging signs.

Doug DeLong commented on the Caltrain's fiber network.

John Hogan, Chief Operating Officer mentioned that Caltrain is working on repairing the fiber.

The Committee Members and staff had a discussion, which included the following:

- Level Boarding
- Downtown Extension (DTX)
- Access to Planning Documents; Appendices A and B
- High-Speed Rail Authority
- Concerns related to the security of new assets and the potential for vandalism
- San Francisco Creek Project

#### **STAFF REPORT**

John Hogan, Chief Operating Officer, provided the report that included the following:

- New Trains - A chief mechanical officer has been brought in to investigate potential causes of flat wheels and braking concerns.
- Train Delays - Police have been holding trains in response to incidents in the area, impacting service. Efforts are being made to communicate with local police departments to tailor responses based on the severity of situations.
- Schedule Changes - Beginning Saturday
- Stadler's Support: Stadler is providing warranty support for repairs, with teams on-site to address issues quickly.
- Upcoming Events - Launch Parties Celebrating Electrified Service

The Committee members and staff had a discussion, which included the following:

- Train Delays
- Vehicles on Tracks Awareness and Safety Measures
- Camera Usage to Monitor Bike Thefts
- Restroom Maintenance and Cleanliness
- Single Tracking
- Train Delay Communication

#### Public Comment

Doug DeLong commented on ridership.

Jeff Carter highlighted the importance of passenger communication during delays and incidents.

### **COMMITTEE COMMENTS**

The following items were discussed:

- Safety Improvements at Palo Alto
- San Francisco Station Management - Crowd control during Giants games and concerns regarding blocking off benches.
- Lost Violations – Observation regarding increase
- Train Delivery - Suggestion for delivery acceptance procedure to inspect trains upon arrival.

### **DATE, TIME, AND LOCATION OF NEXT REGULAR MEETING**

October 16, 2024, at 5:40 pm, via Zoom teleconference or at the Bacciocco Auditorium, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA.

### **ADJOURNMENT**

Meeting adjourned at 8:08 pm

DRAFT