

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070  
MINUTES OF JANUARY 7, 2021**

**MEMBERS PRESENT:** E. Beach (Chair), C. Groom, D. Horsley, J. Mates, R. Medina (Vice Chair), C. Romero

**Via  
Teleconference**

**MEMBERS ABSENT:** None

**STAFF PRESENT:** J. Hartnett, C. Mau, A. Chan, J. Hurley, J. Cassman, S. van Hoften, D. Hansel, G. Martinez, P. Gilster, P. Skinner, J. Sharma, A. Linehan, J. Brook, D. Seamans

## **1. CALL TO ORDER**

Chair Emily Beach called the meeting to order at 5:00 pm.

## **2. SWEARING-IN**

- a) Carole Groom for a term ending 12-31-2022 (Board of Supervisors Representative)**
- b) Julia Mates for a term ending 12-31-2022 (Cities – Central County Representative)**
- c) Carlos Romero for a term ending 12-31-2022 (Cities – Southern County Representative)**

The returning Directors were sworn into office for new terms expiring December 31, 2022.

## **3. ROLL CALL/PLEDGE OF ALLEGIANCE**

Chair Beach led the Pledge of Allegiance.

Ms. Seamans confirmed that a quorum was present.

## **4. ELECTION OF 2021 OFFICERS**

Director Don Horsley made a motion to nominate Director Beach to serve another year as Chair and Director Rico Medina to serve another year as Vice Chair.

Motion/Second: Horsley/Mates

Ayes: Beach, Groom, Horsley, Mates, Medina, Romero

Noes: None

Absent: None

## **5. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

None.

## **6. REPORT OF THE CITIZENS ADVISORY COMMITTEE**

Chair Beach noted that the report was in the packet.

## **7. CONSENT CALENDAR**

- a) Approval of Minutes of the Board of Directors Meeting of December 3, 2020**
- b) Acceptance of Statement of Revenues and Expenditures for the Period Ending November 30, 2020**

Motion/Second: Medina/Romero

Ayes: Beach, Groom, Horsley, Mates, Medina, Romero

Noes: None

Absent: None

## **8. REPORT OF THE CHAIR**

Chair Beach said she had nothing to report.

## **9. SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT**

Jim Hartnett, Executive Director, noted that the SamTrans Board took formal action to appoint Carter Mau, current Deputy General Manager/CEO, as Acting General Manager/CEO upon Mr. Hartnett's resignation on April 9, 2021. He said that Mr. Mau would be designating Michelle Bouchard, current Chief Operating Officer/Rail, as Acting Executive Director of the Peninsula Corridor Joint Powers Board (Caltrain) at that time.

Mr. Hartnett said that the SamTrans Board welcomed back Director Jeff Gee.

## **10. JOINT POWERS BOARD LIAISON REPORT**

Mr. Hartnett said that the report had been posted to the website.

He said that the Caltrain Board (JPB) elected Dev Davis as Chair and Steve Heminger as Vice Chair for 2021. He said the Board also welcomed back Director Jeff Gee who was appointed by the San Mateo County City Selection Committee. He noted that the Board approved the extension of its operating contract with TASI (Transit America Service, Inc.), the private company that provides day-to-day operations and maintenance for Caltrain.

Director Don Horsley asked who would take over presenting the JPB liaison reports, which Mr. Hartnett said was yet to be determined.

## **11. REPORT OF THE EXECUTIVE DIRECTOR**

Mr. Hartnett said that his report was in the packet.

## **12. STATE AND FEDERAL LEGISLATIVE UPDATE**

Amy Linehan, Public Affairs Specialist, introduced the TA's federal lobbyists Chris Kierig and Ben Miller, Kadash & Associates, LLC. Mr. Kierig discussed control of the House and Senate. Mr. Miller added that the House had passed a big surface transportation bill in 2020 that is set to expire at the end of the current fiscal year. He said he anticipated that President-Elect Biden would continue his support of rail infrastructure by extending the bill.

Director Horsley asked if there might be additional funding for high-speed rail. Mr. Kierig said that the surface bill had an account for Prime (high-speed rail).

Director Groom asked about President-Elect Biden's history working with local government. Mr. Kierig said he expected greater emphasis from the Democrats in general on funding local efforts. Mr. Miller noted that Senator Chuck Schumer advocated state and local funding.

Director Carlos Romero said he agreed that COVID-19 funding should be a top priority. He asked when would be the soonest that new infrastructure money would come out of Washington, DC. Mr. Kierig said he expected that a significant infrastructure package may happen by March. Mr. Miller concurred that it would likely happen within the year. Director Romero asked about the likelihood of earmarks coming back given the political realities in DC. Mr. Kierig said it was very likely, but that it would depend on what Speaker Pelosi does.

The TA's state lobbyist, Gus Khouri, Khouri Consulting, said the new class was sworn in on December 7, 2020. He noted that they were waiting to see if they would get \$14 billion in COVID stimulus funding.

### **13. ADOPTION OF 2021 LEGISLATIVE PROGRAM**

Ms. Linehan noted that the packet included changes made since the draft was presented to the Board.

Motion/Second: Groom/Romero

Ayes: Beach, Groom, Horsley, Mates, Medina, Romero

Noes: None

Absent: None

### **14. PROGRAM**

#### **a) Grade Separation Program Update**

April Chan, Chief Officer, Planning, Grants/Transportation Authority, introduced Peter Skinner, Director, Grants and Fund Programming, who provided a presentation consisting of an overview of the grade separation program.

Director Romero said it was important to prioritize funding for projects that are currently in the planning pipeline. Director Horsley agreed that it was important to have projects be shovel-ready to take advantage of available funding.

Director Groom asked how close the TA is to understanding what funds will be available. Mr. Hartnett noted that the Secretary of Transportation nominee is an advocate of local government which should prove advantageous for getting local projects funded.

Mr. Skinner said the TA is pushing for dedicated federal and state funding for transportation projects.

Chair Beach asked what it generally costs for environmental and preliminary engineering to get projects to the point of final construction design before talking about actual construction. Ms. Chan said it depends on the complexity of the project itself, and costs for these projects have grown exponentially as evidenced by the data shared in the PowerPoint.

Chair Beach asked what financial options does the TA have besides tax revenue. Derek Hansel, Chief Financial Officer, said the TA could also leverage the management of

cash flow. He said that having funding availability now allows the TA to be more competitive.

Vice Chair Rico Medina said he concurred with Directors Romero and Horsley about having pipeline projects be shovel-ready. Director Julia Mates concurred and proposed having a study session or informational item where Mr. Hansel could provide financing options in more detail.

Chair Beach said that the California Public Utilities Commission ranked three grade separation projects in San Mateo County as being a top priority for funding.

## **15. FINANCE**

### **a) Program and Allocate \$23.8 Million of Measure A Grade Separation Program Funds for the 25th Avenue Grade Separation Project**

Ms. Chan noted the attendance of City of San Mateo officials: Mayor Eric Rodriguez, Councilmember Diane Papan, and retired City Manager and former Public Works Director Larry Patterson. She noted the project team, consisting of Gary Fleming, Deputy Chief, Rail Development; Joy Sharma, Senior Project Manager; and Ms. Bouchard. Ms. Chan introduced Azalea Mitch, Interim Public Works Director, City of San Mateo, who jointly provided the presentation with Mr. Patterson and Mr. Fleming. Mr. Patterson provided the Board with historic background on the project since its inception and the rationale for why the project needed to proceed at the time the project team awarded a construction contract.

Mayor Rodriguez requested the Board's support for funding the project.

Councilmember Papan noted that the project was in such a strategic location that it is in effect a major project in the region.

Deputy Mayor Rick Bonilla expressed support for the project. He said the circulation improvements around 28<sup>th</sup> and 31<sup>st</sup> Avenues were crucial to the community for bicyclists as well as cars.

Director Romero asked about the responsibilities between the JPB and the City of San Mateo to address project cost overruns. Ms. Bouchard said that the JPB takes on locally funded projects as a constructor and not as a funder and therefore the City, as project sponsor, is responsible for covering cost overruns. Director Romero asked why the project funding shortfall was presented to the TA so late. Mr. Fleming explained that Caltrain staff was doing a financial review of the project starting Summer 2020 and wanted to complete the review by late fall before providing an update to the Board and project partners to ensure that the costs associated with the delivery issues are accurate. Ms. Mitch noted that although the City was getting periodic financial updates on the project, they did not learn about the cost overrun until December.

*The Board meeting recessed at 7:09 pm and reconvened at 7:15 pm.*

Director Mates asked if a Caltrain project is generally responsible for moving utilities and paying for it. Mr. Fleming said that the rail system has different types of agreements with utility companies depending on whether it is an easement or a licensing agreement. For construction projects, he said it is generally important for the utilities to be verified and relocated if possible prior to advertisement of the project for construction to ensure cost

certainty. Due to the need for this project to coordinate with the Caltrain electrification construction schedule, he said that utilities verification and relocation was done in parallel with the advertisement for construction. Director Mates also asked if the contingency, included in the current ask for the project, would be sufficient to complete the project as discussed. Mr. Fleming said that there are always unknowns with underground construction. He added that currently most of the work for the project is above ground and the risk of cost overruns has decreased. She asked what the implications for the other grade separation pipeline projects would be if the requested funding for this project is approved. Ms. Chan replied that regardless of the approval for this project and due to the price tags of grade separation projects in general, significant external funding will still be needed to build all the grade separation projects in the Measure A pipeline.

Vice Chair Medina asked for clarity about the relocation of the utility lines. Ms. Bouchard said there was an assumption that Union Pacific was responsible for moving the fiber optic line for this project. Vice Chair Medina asked if JPB had a range for what the risks would be. Mr. Fleming said they did have estimates on their risk register. Ms. Sharma said they had a confidence level of 95 percent for the current ask. Mr. Fleming said that due to COVID-19, the contractor was granted additional access to the work area.

Vice Chair Medina asked where the checks and balances were on the project delivery. Ms. Bouchard said she intends for Caltrain to ensure that both the funder and the community receive timely reporting on project progress going forward. Ms. Chan said that going forward, staff will ensure that the Board receives more detailed updates, both written and verbal updates at Board meetings, for projects receiving major funding from the TA.

Chair Beach asked who signs off on cost overruns. Mr. Fleming said that the Caltrain project manager and senior executives have delegated authorities for change orders up to certain dollar amounts, and other change orders will require Board approval if they exceed certain dollar limits. He said that the project manager continuously updates cost estimates. Chair Beach asked for a breakdown of the construction change order costs, which Ms. Sharma explained. Chair Beach asked what the financial implications would be for the project if the funding allocation is not approved by the TA. Mr. Fleming said in that case, the JPB would have to work with the project team to reduce the project scope, which would result in only a minor cost savings. Mr. Hartnett said it would cost more in the future to restart the project at some unknown time in hopes of acquiring an alternative funding source. He said if they had delayed the project, they would not have received funding from high-speed rail.

Director Groom noted the project's importance and said that the project was needed to provide adequate east-west crossings.

Director Mates asked if the TA would get back any leftover funding should the Board support the allocation and allocate the funds, and if the project does not use all the funding by the time it is completed; Mr. Hartnett said yes.

Public Comment:

Adam Loraine expressed his support for the project.

Director Mates said she supported the funding, adding that the issues contributing to cost overruns be rectified. She requested that for any projects that begin to dip into their contingency funds that the Board and City be notified.

Director Romero opined that the current reporting system is not working, which is unfair to the City and the TA. He suggested that a new rule be established for projects coming back for a second funding request. He expressed his support for the project.

Vice Chair Medina said he supported the project while expressing his concerns about being unexpectedly asked for additional funding. He said going forward that there needs to be a process to trigger greater oversight for such projects that are running over budget with change orders.

Chair Beach summarized the Board members' comments and concerns:

- *More reporting or accountability.* She said the TA usually has a two-step process at a minimum with an informational item followed by an action item to approve project funding requests.
- *Understanding funding agreements.* She noted concerns that Caltrain is the project manager and responsible for the budget and the managing of contingency but has no financial liability. She said the Board would like to better understand why funding agreements for these projects are set up that way.
- *No surprises.* She said that if there are unforeseen costs, changes, or delays in any grade category, not just grade separation, such as highway projects or anything else, the Board wants to know about them sooner rather than later.
- *Getting pipeline projects shovel-ready.* She noted that the Board has a deep commitment to pipeline projects and getting them as close to shovel-ready as possible. She expressed concern about having sufficient funding for projects like South San Francisco/San Bruno, Ravenswood, and Whipple because they are farther behind in the grade separation pipeline.

*Approved by Resolution No. 2021-1:*

Motion/Second: Horsley/Groom

Ayes: Beach, Groom, Horsley, Mates, Medina, Romero

Noes: None

Absent: None

**b) Program and Allocate \$350,000 for the Development of the Alternative Congestion Relief and Transportation Demand Management Plan**

Patrick Gilster, Manager, Programming and Monitoring, presented the staff report.

Director Romero asked what role that Commute.org would have in the project. Mr. Gilster said that Commute.org staff would be included in the advisory group. Director Romero asked about the purpose of the plan. Mr. Gilster said it was to help the TA to identify what projects are applicable to this category.

Chair Beach asked for confirmation that there was approximately \$4 million from the new Measure A program available to invest in projects. Mr. Skinner concurred and responded that there were also Measure W funds available.

*Approved by Resolution No. 2021-2:*

Motion/Second: Groom/Romero

Ayes: Beach, Groom, Horsley, Mates, Medina, Romero

Noes: None

Absent: None

#### **16. REQUESTS FROM THE AUTHORITY**

There were no requests.

#### **17. WRITTEN COMMUNICATIONS TO THE AUTHORITY**

Chair Beach noted that the correspondence was available on the website.

#### **18. DATE/TIME OF NEXT REGULAR MEETING**

Chair Beach announced that the next meeting would be on Thursday, February 4, 2021 5:00 pm, via Zoom teleconference.

#### **19. REPORT OF LEGAL COUNSEL**

Ms. Cassman said that there was nothing to report.

#### **20. ADJOURN**

The meeting adjourned at 8:34 pm.

An audio/video recording of this meeting is available online at [www.smcta.com](http://www.smcta.com). Questions may be referred to the Authority Secretary's office by phone at 650.508.6242 or by email to [board@smcta.com](mailto:board@smcta.com).