

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
MINUTES OF JULY 1, 2021

MEMBERS PRESENT: E. Beach (Chair), C. Groom, D. Horsley, J. Mates, R. Medina (Vice Chair), M. Nagales, C. Romero (arrived at 5:06 pm)
Via
Teleconference

MEMBERS ABSENT: None.

STAFF PRESENT: C. Mau, A. Chan, J. Hurley, J. Cassman, S. van Hoften, D. Hansel, M. Bouchard, J. Funghi, P. Gilster, P. Skinner, J. Brook, D. Seamans

1. CALL TO ORDER

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

2. ROLL CALL/PLEDGE OF ALLEGIANCE

Ms. Seamans confirmed that a quorum was present.

Chair Beach requested that Director Mark Nagales lead the Pledge of Allegiance.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no comments.

4. REPORT OF THE CITIZENS ADVISORY COMMITTEE

Chair Beach noted that the report was in the packet.

Director Carlos Romero joined the meeting at 5:06 pm.

5. CONSENT CALENDAR

a) Approval of Minutes of the Board of Directors Meeting of June 3, 2021

b) Acceptance of Statement of Revenues and Expenditures for the Period Ending May 31, 2021

c) Award of Contract to Provide e-Builder Software Subscription Services – Approved by Resolution No. 2021-15

d) Approve Execution of a Second Amendment to Cooperative Funding Agreement with the San Mateo County Express Lanes Joint Powers Authority – Approved by Resolution No. 2021-16

e) Approval and Ratification of the Fiscal Year 2022 Transportation Authority Insurance Program – Approved by Resolution No. 2021-17

Motion/Second: Medina/Mates

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

Noes: None

Absent: None

6. NOMINATING COMMITTEE REPORT FOR THE CITIZENS ADVISORY COMMITTEE

a) Appointment of Citizens Advisory Committee Members

The Board approved the appointment of Barbara Arietta, Diana Bautista, and Naomi Hsu to three-year terms expiring June 2024.

Motion/Second: Nagales/Groom

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

Noes: None

Absent: None

7. REPORT OF THE CHAIR

Chair Beach announced that on August 4, there will be an environmental scoping meeting for the US 101 Managed Lanes Project North of I-380.

8. JOINT POWERS BOARD LIAISON REPORT

Carter Mau, Acting Executive Director, said the report was in the packet. He noted that the JPB (Peninsula Corridor Joint Powers Board) had approved a budget increase for the South San Francisco Caltrain station project at their meeting earlier that morning, which will be a item to be discussed a bit later at this meeting.

9. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Mau said that his report was in the packet. He reported that he and April Chan, Chief Officer, Planning, Grants/Transportation Authority, met with San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) representatives, C/CAG (City and County Association of Governments of San Mateo County) Executive Director Sandy Wong and Sean Charpentier, and had a productive discussion on funding equity programs possibly using other eligible Measure A funds to supplement the program.

Director Don Horsley had a suggestion on other sources that can fund the equity program. He inquired whether C/CAG could forego the repayment of funds it had advanced to SMCEL-JPA for operations and instead put that money towards the equity programs. Mr. Mau responded that he will discuss with Ms. Wong and Mr. Charpentier.

10. PROGRAM

a) Peninsula Corridor Electrification Project

Ms. Chan provided a summary of past Board funding actions on the project, including the Board approval at its January 2017 meeting of an "extra 10 percent" contingency for the project in order to secure the FTA (Federal Transit Administration) Full Funding Grant Agreement for \$647 million.

Michelle Bouchard, Acting Executive Director, Caltrain, and John Funghi, Chief Officer, CalMod, provided the presentation.

Director Don Horsley noted the size of the additional amount of \$333 million being requested. Ms. Bouchard responded that the team is determining when this amount is actually needed by the project. Director Horsley asked why the risk assessment was not done at the very beginning; Ms. Bouchard said the Caltrain team, as part of the funding agreement with the FTA, has gone through several risk refreshes already to determine the appropriate amount of contingency needed. She said the refreshes were designed to capture all the problems that happened along the way.

Vice Chair Rico Medina asked if the project team could better clarify locations of the project, instead of using segments, in their future presentations and noted that members of the public may not know what the segments are. Ms. Bouchard said they would do so.

Director Carlos Romero asked why the project team had not been tracking costs of the risks all along instead of waiting for the risk refresh from the FTA to provide such information. Ms. Bouchard said that it is customary to do risk refreshes along the way while continuously tracking the progress of the project. She said that as soon as they received the final FTA risk refresh report in the last month or so, staff reported that out to the JPB and was now doing so to the TA. Director Romero also noted that of the \$333 million, he wanted to confirm that \$172 million is associated with unknown risks. Mr. Funghi acknowledged that he does anticipate the project's unknown risks are likely no more than the \$172 million. Director Romero also raised concerns about the financing that will be done to pay for part of the \$333 million since it is backed by carbon trading credits and is based on a volatile market. Ms. Bouchard said she would refer his question to Derek Hansel, Chief Financial Officer, and get back to him. Director Romero asked what the FTA would require at this time after the risk refresh is done. Ms. Bouchard said the FTA needs to know that Caltrain has the ability to acquire the money when it is needed. Ms. Chan clarified where the funds would come from for the TA should Caltrain make such a request of the TA, along with other funding partners of the Caltrain Electrification project. Ms. Bouchard said that they would continue to pursue additional federal and state funding.

Director Carole Groom asked if the Board could receive a written report or a budget sheet of what has been spent in the past and what is needed in the future. Ms. Chan said they would work on providing that.

Chair Beach said the big reasons for the overrun were signal system upgrades, underground site conditions, and effects of the pandemic. She noted that Measures A and W provide the financial backstops for San Mateo County should funds be needed for the project.

Public Comment:

Roland said the funding issue has been ongoing for ten years. He pointed out a potential problem of the signal system.

Rich Hedges noted that people were not happy with the overrun, but acknowledged that it needs to be funded. He said they had to get the contractor disputes under control.

Ms. Bouchard said that Caltrain is committed to safety, and that a safety certification is required prior to the signal system being put into service.

Director Romero asked for confirmation that the \$200 million backstop was not already factored into the PCEP (Peninsula Corridor Electrification Project) \$2 billion budget. Ms. Bouchard said that it was not and that it was outside of the original budget.

11. FINANCE

a) Programming and Allocation of Measure A Funds in the Amount of \$23 Million for the South San Francisco Caltrain Station Improvement Project –*Approved by Resolution No. 2021-18*

Ms. Bouchard introduced the project and introduced Robert Barnard, Deputy Chief, Rail Development, who provided the presentation.

Ms. Chan reported that staff recommends that the Board program and allocate the funding requested by Caltrain in the amount of \$23 million, as there is sufficient funding in the Caltrain category in the amount of \$27 million to support the request. She further added that the recommendation is based on the understanding that any subsequent requests from Caltrain to the TA to further fund the project are not guaranteed, and that such requests would be considered in the context of other requests to the TA to fund other Caltrain projects in the near term. Ms. Chan also shared that the TA CAC supported the staff recommendation; however, the CAC members added that they should request that Caltrain or the City of South San Francisco work with private partners for additional funding for the project. Ms. Chan recognized that Mike Futrell, City Manager of the City of San Francisco, was in attendance.

Chair Beach said she understands Measure RR is supporting Caltrain operations but that there could be a call on Measure A funds for the capital needs in Fiscal Year (FY) 2022 for the railroad. Ms. Chan concurred that that is accurate and added that San Mateo County Transit District (SamTrans), as one of the three JPB partners, passed a resolution earlier that says that the TA can provide \$5 million towards capital funding needs for Caltrain in FY 2022 should the other two partners also provide the funding. She then added that whether the other two partners would be able to come up with the funding is currently questionable.

Director Horsley said he was not willing to support the funding request at this time especially after listening to the other presentation about the TA's potential liability in the future.

Director Nagales asked if payments to contractors were based on meeting construction milestones; Mr. Barnard concurred. Director Nagales asked for ways to prevent future cost overruns. Mr. Barnard said he was looking forward to delivering on time based on his past experience with other transit systems. Ms. Bouchard said she had brought on Mr. Barnard to fine-tune the process for this and other Caltrain capital projects.

Director Romero asked if Caltrain planned to come back to the TA for additional funding for the project, and Mr. Barnard responded that Caltrain may, and added that the project team still needs to validate all the claims to settle on the final cost. Director Romero asked why the JPB would not be responsible for some of the costs. Ms. Chan explained that there are two types of Caltrain cost. She said that Caltrain's systemwide capital costs are shared with all three funding partners; however, with respect to the South San Francisco project, from the get-go, this project has been identified as one with local benefits, including providing a connection between the east and west side of

the City. She said that the City of San Francisco has thus contributed 10 percent of the project cost, and that the TA is a funding partner, noting that this is similar to how funding is set up for other local station projects in the other counties.

Director Julia Mates asked if there were other options for the JPB to acquire alternative funding, such as the federal infrastructure bill. Ms. Bouchard said that the timing for this project is crucial and potential federal funding would not be available in the timeframe to meet the needs of the project. Ms. Chan said that other funding sources that are available to Caltrain are also fully tapped. She added that why staff recommended funding the request is, given where the project is at this point (87 percent complete), staff would like to assist to get the project to the finish line.

Chair Beach asked what would happen if the TA did not approve the funding. Mr. Barnard said they would have to pause construction, noting that the contractor would still be owed money. He said if the TA does not fund it, the project would need to be paused and the project area would need to be made safe, costing taxpayers more money in the long run.

Director Nagales asked if the TA does not fund the current request, how many more months would the project continue. Mr. Barnard responded that it would be another three months. Mr. Barnard added that, after the project is halted, for it to begin again would take approximately 20 months from project close-down and to restart, assuming new funding is secured.

Director Horsley questioned why Caltrain came up with only \$1.3 million for the entire project, even with the approval of Measure RR. While not satisfied with the situation, he said he would support the staff recommendation to support funding the project.

Public Comment:

Mike Futrell, City Manager, City of South San Francisco, expressed his appreciation of the TA's support for the project.

Roland said the problem was not with the project delivery but with the design, which he said would be dangerous given the sharing of the tracks with high-speed rail.

Director Carole Groom expressed concerns over the request for funding but acknowledged that it was necessary to fund the project.

Chair Beach ask if the station would work in the long haul with high-speed rail. Ms. Bouchard responded that stations built now will be compatible with high-speed rail; however, she acknowledged that it would be a technical challenge for the corridor to get to level boarding.

Director Mates said she supported staff recommendations but said it was necessary to prevent such overruns in future planning.

Director Nagales said he felt frustration with the financial situation of the project, but acknowledged that the alternative of stopping the project would be too costly.

Vice Chair Medina said that he wanted to understand how the conditions for usage of the \$2 million of funding from the City of South San Francisco were determined. Ms. Bouchard said as part of the funding agreement with the City, the 10 percent match is set, and this is a way to get to the funds needed.

Public Comment:

Mike Futrell said that they have exceeded their initial contribution of 10 percent. He said the City did not agree to pay towards Caltrain staff time and wanted the money directed to construction.

Director Romero said he was surprised that the JPB is putting nothing into the project when they are the project managers. He said he felt that the project would be safe for the public and said he would support the project funding. Director Romero highlighted that he wanted staff to look into how this would not happen in the future, and also how to apportion cost overruns appropriately across the stakeholders.

Chair Beach said she looked forward to the station being more bicycle and people friendly. She said in the future for other projects, they should look for alternative ways to cover overages.

Chair Beach included in the motion the staff recommendation that responses to subsequent requests to further fund the project are not guaranteed and that such requests would be considered in the context of potential requests for the TA to fund other projects for Caltrain.

Motion/Second: Medina/Mates

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

Noes: None

Absent: None

b) Allocate an Additional \$138,500 in Measure A Funds for the Design Phase of the State Route (SR) 1 Main Street to Kehoe Avenue Safety and Operational Improvements –
Approved by Resolution No. 2021-19

Arul Edwin, Project Manager, presented the staff report and acknowledged that Ray Razavi, Transportation Engineer, City of Half Moon Bay, was in attendance.

Director Nagales noted that the project area was a dangerous section of Highway 1 and asked about bridging the funding gap in the future. Mr. Edwin said part of the funding would come from a TA call for projects and part from other sources.

Motion/Second: Groom/Horsley

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

Noes: None

Absent: None

12. STATE AND FEDERAL LEGISLATIVE UPDATE

Amy Linehan, Public Affairs Specialist, briefly summarized the highlights of recent federal and state legislation. She said that the proposed federal \$1.2 trillion infrastructure framework has upwards of \$312 billion of transportation money. She said regarding the Surface Transportation Reauthorization that the Invest in America Act was passed.

13. REQUESTS FROM THE AUTHORITY

There were no requests.

14. WRITTEN COMMUNICATIONS TO THE AUTHORITY

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

15. DATE/TIME OF NEXT REGULAR MEETING

Chair Beach announced that the next meeting would be on Thursday, August 5, 2021 5:00 pm, via Zoom teleconference (additional location, if any, to be determined).

16. REPORT OF LEGAL COUNSEL

Ms. Cassman said that there was nothing to report.

17. ADJOURN

The meeting adjourned at 7:40 pm.

An audio/video recording of this meeting is available online at 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.