

Peninsula Corridor Joint Powers Board (JPB) Summary
Meeting of January 9, 2025

Closed Sessions: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1)) - Merlino, et al vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-00572; Bryan vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-01225; Liu Vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-00839; Morales (Ortiz), et al vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court Case No. 23-CIV-01521, Walton vs. Caltrain, et al, San Mateo Superior Court Case No. 23-CIV-01329; Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1)) [Rogers v. Peninsula Corridor Joint Powers Board, San Mateo County Superior Court, Case No. 23-CIV-03335] - There were no reportable actions.

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

- Active polling for regional funding measures
- Ridership increase during weekdays and weekends comparing November 2023 to 2024
- Service changes effective January 27 align with Bay Area transit agencies as regional network management commitment to implement services change on the same schedule
- Increase special event trains service such as San Jose Sharks games and Billie Eilish concert
- All train horns lowered to federal legal minimum and horns sounding follow federal, state, local/city, and regional requirements
- Automatic Passenger Counters calibration continues
- Wheel flat spot issues identified and incident numbers continue to decrease. Wheel flat spots are not safety, but comfort related
- Wireless crossing implementation evaluation and improvements ongoing and are not safety-related
- Equity in Infrastructure Pledge (EIP) demonstrate Caltrain's commitment to increase small business and Diversity, Equity, Inclusion, and Belong (DEIB) into construction programs
- Caltrain stands in solidarity with Southern California transit agencies during the wildfire events as public transit agencies play a role in addressing climate change

JPB Board of Directors Received and Approved the Following Items:

- Approval of Meeting Minutes for December 5, 2024
- Accept Statement of Revenues and Expenses for the Period Ending October 31, 2024
- Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services*
- Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term*
- Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate

Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms*

- Amend and Increase the Fiscal Year 2025 Capital Budget from \$17,000,000 From \$148,179,052 to \$165,179,052
- Authorize the Executive Director to Sign the Equity in Infrastructure Project Pledge
- Authorize the Executive Director to Execute The Portal Project Implementation Memorandum of Understanding* **

Receive PCEP (Peninsula Corridor Electrification Project) Monthly Progress Report – Sherry Bullock, Project Director, provided the presentation that included the following information:

- PCEP Infrastructure Final Acceptance reached on December 20, 2024
- No change to project budget of \$2.44 billion. Finalized project costs at completion with two final contracts closeout completed with two closeouts underway
- 16 Electric Multiple Units (EMU) delivered and finished 1,000 mile test and in service
- 17th EMU will have 1,000 mile test this weekend
- 18th EMU delivery in March and 19th in May. Remaining four EMUs delivery through 2027
- Reportable Injury Rate was 1.06 in 2024 with zero reportable injuries in November 2024
- Projected amount remaining \$19.81 million and project closeout balance will be 50-50 share with Balfour Beatty Infrastructure, Inc. (BBII) and JPB
- BBII contract close out and final change order will include no contract claims or potential claims against Caltrain, and Caltrain reserves the right to cross-claim against BBII in pending third-party litigation
- BBII contract savings estimate \$2.5 million with savings to support project related extended overhead for Transit America Services, Inc. (TASI) and JPB associated staff/consultant for PCEP project closeout
- Remaining project activities for 2025 include real estate acquisition, traction power punch list, traction power record drawing, corrosion mitigation, and three low voltage permanent power connections

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

- Potential leftover funding use
- Copper theft issue project funding and status

Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan – Li Zhang, Chief of Rail Commercial and Business, and Alex Burnett, Principal, Bell Burnett & Associates, provided the presentation that included the following information:

- Actual EMU energy consumption is significant less than projected
- California Air Resources Board (CARB) designation to maximize Low Carbon Fuel Standard (LCFS) credit

- Cost reduction measures implemented include reduction of Fiscal Year (FY) 2025 new full-time employee (FTE) requests and delayed recruitments of vacant FTEs
- Ongoing Ridership and Fare Revenue Growth task force, new Go Pass pricing structure and marketing sounding, real estate leasing and development, and advertisement/marketing revenue for stations and trains
- Strategic Financial Plan (SFP) 10-year Operating Deficit comparison January 2024 to 2025 updated to reflect positive ridership trends, forecasted ridership levels returning to pre-pandemic levels, weekday and weekend growth rates adjustments, assumed increases of trains-per-day service, and revised projected 10-year operating deficit of \$605 million
- Electric Procurement Strategy (EPS) purchasing 100 percent renewable energy with zero percent carbon; successful registration as “Fixed Guideway/Heavy Rail” designation with CARB for LCFS program leads to maximizing revenues; and finalizing Interconnection and Totalization Agreements with Pacific Gas & Electric (PG&E)
- Exploration for capturing the 20 percent of energy exported back into power grid for financial return and credit, battery storage plan, and boarder use of energy beyond train usage
- Projected FY26 deficit has decreased but FY27 deficit has increased
- Measure RR and Farebox Revenues do not cover projected expenses with a 25-35 percent shortfall
- Closing the gap involves a need to grow ridership 15 percent per year leading to FY34 with no deficit, however current projection is 9 percent growth per year
- Top priorities including growing ridership, cost containment, non-fare revenue strategies, prioritize long-term funding, and align future SFP updates with budget process

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

- GoPass Information and Fare Policy update in February or March for Board consideration
- Conservative electric cost figures and rates had adjustments based on actual usage and regenerative braking offsetting 20 percent of electric usage
- Real estate portfolio, use and development of assets, and long-term benefits
- Single-fare and pass ridership growth addressing projected deficit
- Potential need to increase service frequency earlier than FY29 with confirmation Caltrain does have the fleet to handle and can plan for additional crew
- Energy costs and special procurement agreements are Caltrain opted into billing agreements and Caltrain has the flexibility to move as appropriate to pursue advantageous opportunities
- Projected PG&E energy cost increases, PG&E’s comments to keep rates aligned with inflation and maintain rate levels for next couple years, as Caltrain assumes a 5 percent increase per year

State and Federal Legislative Update – Jason Baker, Director of Government and

Communication Affairs, and Devon Ryan, Government Affairs Officer, provided the presentation that included the following information:

- Federal Congress returned to session December 2 and the final decision of budget will be under Republican Congress and President.
- Surface Transportation Reauthorization will be reviewed in 2026
- President-elect intends for 25 percent tariff on Canadian and Mexican imports yet to be seen impact to supply chains
- State Legislature returned December 2 with Democrats have supermajority in both houses
- Metropolitan Transportation Commission (MTC) Special Meeting December 9 on regional measure selecting options of Scenario 1A and Hybrid. MTC polling begins in January with results expected in February inclusive of polling on variable rate tax
- Caltrain polling on Caltrain-specific “Plan B” measure in January, including options of 1/8th sales tax and two different property tax rates, with expected results in February
- Staff working with Legislature and authors for Caltrain spot bill in case a regional measure fails
- Caltrain is clear do not want competing measures on the ballot in competition of a measure that will cover Caltrain
- Working with Assemblymember for potential legislative fix for net billing tariff levels of revenue recovered to recover regenerative braking

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

- Recover regenerative braking valued at \$1 million a year and battery storage would be \$3 to 4 million per year

Monthly Reports were provided on the following items:

- Report of the Citizens Advisory Committee – Adrian Brandt, Chair, provided the report, which included the following:
 - 2025 Chair as Adrian Brandt, Vice Chair Patricia Leung, and back-up Vice Chair Rosalind Kutler
 - Crossing gate downtime issues and optimization
 - Measure RR Oversight Committee establishment
 - Diesel fleet retirement and sale to Lima, Peru
 - Rail incursions and lighting
 - Wi-Fi connection issues and improvements
 - Flat spots improvements
 - Train restroom door lock issues
 - Requested increase weekend service

- Transit police nor Caltrain staff are notified of reported theft from bike cars if riders report the theft to regular police
- Report of the Chair – Chair Heminger commended staff and the community accomplishments to improve service along corridor with environmental benefits. However acknowledged fatalities on Caltrain right-of-way, majority who are suicides, and stated a workplan for the JPB Technology, Operations, Planning and Safety (TOPS) Committee will be developed by staff including what Caltrain can do and should do; address safety issues by reviewing areas of engineering, enforcement, and education; lessons learned from other places and agencies; strategies including with cost and trade-offs; and explore use of artificial intelligence (AI) technology as a potential solution. Periodic reports from TOPS Committee with a review complete by end of the year for the Board.
- Report of the Local Policy Maker Group (LPMG) – Chair Burt had nothing to report as there was no December meeting and stated the next meeting is January 23. LPMG will begin meeting semi-monthly, increase attendance, and inclusion of in-person meetings.
- Report of the Transbay Joint Powers Authority (TJPA) – Deferred

Board Member Requests – Director Abe-Koga requested elevating and prioritizing grade separation projects as a reoccurring topic for the Advocacy and Major Projects (AMP) Committee to have a programmatic review. Review to include projects statuses, cost increases, and how to advance the projects more quickly.