



BOARD OF DIRECTORS 2024

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# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD Finance Committee Meeting

April 22, 2024, 2:30 pm

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

Committee Members: Monique Zmuda (Chair), Dev Davis (Vice Chair), Ray Mueller

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/81843266625?pwd=aDExTGltUUJSOUc5TkNnbU1QMTRHUT09> or by entering Webinar ID: # **818 4326 6625**, Passcode: **249080**, 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, 1250 San Carlos Ave., Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

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>.

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.

**April 22, 2024 - Monday**

**2:30 pm**

*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.*

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on 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 to reply.
4. Consent Calendar  
Members of the Board may request that an item under the Consent Calendar be considered separately.
  - 4.a. Meeting Minutes of March 25, 2024 Motion
  - 4.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050\* Motion
5. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2024 Motion
6. Authorize the Application for and Receipt of Annual Low Carbon Transportation Operations Program Funds for Ridership Recovery Service Enhancement Motion
7. Receive Energy Procurement Strategy Update and Authorize Application to California's Low Carbon Fuel Standard Program Motion
8. Committee Member Requests
9. Date/Time of Next Regular Finance Committee Meeting: May 20, 2024 at 2:30 pm.  
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 94070.
10. 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 650.508.6242. Agendas are available on the Caltrain website at [www.caltrain.com](http://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 Finance Committee: Two Mondays before the Board Meeting, 2:30 pm. 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.

**Peninsula Corridor Joint Powers Board  
Finance Committee  
1250 San Carlos Avenue, San Carlos, CA 94070**

**DRAFT Minutes of March 25, 2024**

**Members Present:** Devora “Dev” Davis, Ray Mueller (arrived at 2:33 pm), Monique Zmuda (Chair)

**Staff Present:** M. Bouchard, J. Harrison, G. Rogers, D. Seamans, A. To, M. Tseng, K. Yin

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

Chair Zmuda called the meeting to order at 2:32 pm and led the Pledge of Allegiance.

**2. Roll Call**

District Secretary Dora Seamans called the roll and confirmed a Board quorum was present.

**3. Public Comment on Items not on the Agenda**

Adrian Brandt commented on the 7-car EMUs (electric multiple units), the need to start working towards shorter train sets and running them during off peak to decrease electricity and maintenance costs.

**4. Consent Calendar**

**4.a. Meeting Minutes of February 26, 2024**

**4.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050\***

Motion/Second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

**5. Accept Statement of Revenues and Expenses for the Period Ended February 29, 2024**

Annie To, Director, Accounting, provided the presentation that included the following:

- Working on annual forecast of FY (fiscal year) 2024 that will be presented in April
- Year-to-date revenue at \$128.4 million versus \$128.3 million in adopted budget – a variance of \$400,000
- Year-to-date expense as of February 29<sup>th</sup> totaled \$124.5 million versus \$128.7 million in adopted budget – a favorable variance of \$4.2 million
- Annual revenue forecast for first eight months in 2024 aligned with the adopted budget

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**6. Authorize Amendment 1 to Contract with Olson Remcho LLP for General Counsel and Other Legal Services Including Execution of Two One-Year Option Terms**

Graham Rogers, Business Operations Project Manager, provided the presentation that included the following:

- Contract term for three-year base term with additional two one-year contracts
- Need additional contract capacity to sufficiently cover and reflect the increased legal needs of the JPB
- Olson Remcho proposed adjustment to hourly rates which is a flat \$15 increase for each position ranging from three percent to 11 percent increase depending on the position

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

- New hourly rates would be the same for first one-year option term with 60-day advanced notice to further increase fees going forward for second option period
- Proposed amounts going forward should be sufficient to cover the increased rates
- Five lawyers assisting James Harrison, General Counsel, with approximately 80 percent of his time dedicated to Caltrain
- Requested to trigger two-year process to allow time for review and plan once May 2026 approaches. About nine-month process to get contract awarded
- Suggested RFI (request for information) to conduct market check, then review and move forward with a RFP (request for proposal)

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**7. Award of Contract for On-Call Management of Soil Hazardous Waste and Other Environmental Compliance Services**

Kevin Yin, Director, Contracts and Procurement, provided the presentation that included the following:

- Published RFP and received only one proposal from Millennium Consulting Associates of Pleasanton, California otherwise known as Mecca
- Selection Committee scored the proposal and determined insufficient information provided to receive an adequate score
- The RFP was reissued and again, received only one proposal from Mecca
- Selection Committee reviewed, scored, and determined the depth of experience and qualifications needed to successfully perform services
- Work directives will be funded through a variety of funding sources

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

- Reason for only one proposal received
- Encouraged to think about soliciting proposals earlier rather than exercising one-year options
- Clarification why Mecca did not qualify initially
- Reference checks conducted
- On call contract allows access to contracts within weeks rather than months

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

#### **8. Authorization to Apply to CalPERS for a Successor Agency Contract**

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

- Caltrain should have its own contract with purpose of covering rail employees
- Intent for the Caltrain plan to mirror the SamTrans plan so the benefits would be the same
- Involves two steps: eligibility determination – qualify as public agency and stable revenue

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

- Director Mueller noted his abstention and that he will have questions during closed session
- Close communication with VTA (Santa Clara Valley Transportation Authority) and City and County of San Francisco council. Begun discussions about amendments to the JPA (Joint Powers Authority)
- Working out timing for Boards to take action - have 12 to 15 months to get that done
- Had informal conversations with CalPERS (California Public Employees' Retirement System). Typically three months for response on eligibility
- New staff will be folded into the new retirement plan

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Abstain: Mueller

#### **9. Committee Member Requests – There were none.**

#### **10. Date/Time of Next Regular Finance Committee Meeting: April 22, 2024 at 2:30 pm**

#### **11. Adjourn – The meeting adjourned at 3:11 pm**

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Chief, Rail Design & Construction  
Subject: **Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050**

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. Renew findings previously adopted by the Board pursuant to California Public Contract Code section 22050(c)(2) (Resolution No. 2023-19) on March 29, 2023, and renewed at its subsequent meetings on May 4, 2023 (Resolution 2023-23), June 1, 2023 (Resolution 2023-38), August 3, 2023 (Resolution 2023-46), September 7, 2023 (Resolution 2023-56), October 5, 2023 (Resolution 2023-62), November 2, 2023 (Resolution 2023-68), December 7, 2023 (Resolution 2023-74), January 4, 2024 (Resolution 2024-01), February 1, 2024 (Resolution 2024-13), March 7, 2024 (Resolution 2024-17), and April 4, 2024 (Resolution 2024-26) that an emergency exists at the north channel embankment of the San Francisquito Creek Bridge due to erosion and scouring caused by winter storms, and that immediate action is necessary to respond to the emergency; and
2. Continue to authorize emergency repairs of the north channel embankment of the San Francisquito Creek Bridge;
3. Continue to delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Continue to authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

**Discussion**

**Background Regarding Previous Findings Authorizing Emergency Repairs:** The JPB owns and maintains the San Francisquito Creek Bridge, which is located in Menlo Park and Palo Alto between Control Points Alma (MP 29.98) and Mayfield (MP 33.50). In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that storms had eroded the soil on the creek bank supporting the northern abutment of the Bridge. Further

investigation showed that additional erosion resulting from future storms could undermine the abutment, bridge, and tracks.

The JPB has the authority to undertake emergency repairs pursuant to California Public Contract Code section 22050, which requires that the Board, by a four-fifths vote, make findings based on substantial evidence that the emergency will not permit delay resulting from a competitive solicitation of bids, and that action is necessary to respond to the emergency. Public Contract Code section 1102 defines an emergency as “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Board made these findings at its March 29, 2023, meeting (Resolution 2023-19) and renewed these findings at its subsequent meetings on May 4, 2023 (Resolution 2023-23), June 1, 2023 (Resolution 2023-38), August 3, 2023 (Resolution 2023-46), September 7, 2023 (Resolution 2023-56), October 5, 2023 (Resolution 2023-62), November 2, 2023 (Resolution 2023-68), December 7, 2023 (Resolution 2023-74), January 4, 2024 (Resolution 2024-01), February 1, 2024 (Resolution 2024-13), March 7, 2024 (Resolution 2024-17), and April 4, 2024 (Resolution 2024-26). Section 22050(c) requires the Board to review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action.

November 18, 2023, Emergency Declaration: On November 16, 2023, a team of three registered California professional engineers, including a fluvial geomorphologist experienced with the San Francisquito Creek, completed a technical memorandum titled "Overview of Temporary Emergency Stabilization Measures," which stated that, in regard to the creek bank supporting the north abutment of Caltrain’s rail bridge, "the existing bank is likely to erode and would not be stable during/after a large storm event."

On November 18, 2023, the Executive Director issued an emergency declaration, which concluded:

- a. The situation at that time necessitated immediate action because anticipated winter storms threatened the integrity of the bridge, creating the potential for a catastrophic failure of the bridge and the subsequent risks to public safety, infrastructure, and the environment; and
- b. The dry condition of the creek bed created a narrow window during which the JPB could implement emergency stabilization repairs to ensure the integrity of the bridge without risking the safety of workers or endangering aquatic life; and
- c. Given a prediction of severe winter storms and a risk of flash flooding and high creek flows at the San Francisquito Creek, attempting any work during the rainy season would have presented a substantial risk to the safety of workers, threatened endangered species, and increased the risk of a failed stabilization effort and a catastrophic failure of the bridge; and
- d. The situation at that time required that Caltrain take action within a time period less than the normal time needed to process regulatory applications under standard procedures.



Based on these findings, the Executive Director declared an emergency situation for the San Francisquito Creek Bridge and directed that all necessary and appropriate actions be taken to address the emergency, including the mobilization of resources and implementation of temporary creek bank stabilization measures.

The temporary stabilization measures have ameliorated the risk of the immediate collapse of the embankment. However, a continued risk to the Bridge exists, especially in light of long-term predictions of a “strong” El Nino winter for 2023-2024. Accordingly, the emergency will persist until permanent repairs can be completed. Under state law, the Board must continue to review the situation at each meeting and renew findings until the emergency is resolved via the implementation of permanent stabilization measures.

#### Actions Taken

To date, JPB staff has:

1. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during and/or after storms.
2. Retained on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, designing the bank stabilization, estimating the cost of the proposed work, and providing construction management services, respectively.
3. Engaged the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the California Department of Fish and Wildlife and submitted all necessary applications for regulatory permits and approvals.
4. Met regularly with the City of Menlo Park, the City of Palo Alto, the San Francisquito Creek Joint Powers Authority, and Stanford University to coordinate the scope of the project and jointly review iterative design updates.
5. Jointly developed 15%, 35%, 65%, and 100% designs for the bank stabilization with input from the City of Menlo Park, City of Palo Alto, and regulatory agencies.
6. Jointly prepared and executed a trilateral project agreement by and between the JPB, the City of Menlo Park, and the City of Palo Alto to memorialize cost sharing arrangements and other responsibilities.
7. Obtained iterative and independent cost estimates from consultants and Walsh Construction to establish clear cost expectations and determine a fair and reasonable not-to-exceed construction budget.
8. Awarded a construction contract to Walsh Construction to implement the bank stabilization because Walsh has a crew onsite that specializes in emergency work and because of Walsh’s experience on JPB in-water construction projects, such as the Guadalupe River Bridge Replacement Project.
9. Obtained timely construction permits from the City of Menlo Park, City of Palo Alto, Regional Water Quality Control Board, and California Department of Fish and Wildlife.
10. In accordance with the Executive Director’s November 18, 2023, emergency declaration, notified regulatory agencies of the temporary bank stabilization plan and JPB staff’s intent to seek any relevant permits.

11. Obtained a second encroachment permit from the City of Menlo Park for the implementation of the temporary stabilization measures.
12. With Walsh Construction, implemented the emergency temporary bank stabilization measures to protect the San Francisquito Creek Bridge from 2023-2024 winter storms which could have otherwise threatened the integrity of the bridge.
13. Updated the project cost estimate to \$8,988,347 to account for the cost of the temporary bank stabilization, additional permitting efforts, and extended schedule for the permanent stabilization work.
14. Extracted archaeological coring samples from the project site to support the preparation of Section 404 permit application materials for the U.S. Army Corps of Engineers.

#### Current Status

As of the date of this staff report:

1. An executed trilateral project agreement is in place between the JPB, the City of Menlo Park, and the City of Palo Alto.
2. JPB has 100% final construction drawings and specifications for the permanent bank stabilization design, which has been reviewed by all relevant stakeholders.
3. JPB has a construction contractor, Walsh Construction, under contract to implement the bank stabilization. The contract is based on a time-and-materials approach to compensation and therefore allows flexibility to adapt to changes in scope and schedule.
4. JPB staff has obtained the following permits:
  - a. California Department of Fish and Wildlife Streambed Alteration Agreement
  - b. Regional Water Quality Control Board Section 401 Water Quality Certification Permit
  - c. City of Palo Alto Encroachment Permit for the permanent stabilization project
  - d. City of Menlo Park Encroachment Permit for the permanent stabilization project
  - e. City of Palo Alto Noise Exception Permit for the permanent stabilization project
  - f. City of Menlo Park Heritage Tree Permit
  - g. City of Menlo Park Encroachment Permit for the temporary stabilization measures

JPB staff submitted a timely application for a Section 404 permit to the U.S. Army Corps of Engineers. As part of their ongoing review, the U.S. Army Corps of Engineers has determined it is necessary to seek the review of relevant historic preservation issues and approval from the State Historic Preservation Officer prior to issuing the permit. Due to the time needed for this process to be completed, JPB staff did not receive the essential Section 404 permit in time to construct the project before the end of the dry season on October 15, 2023.

5. Temporary stabilization measures are in place to protect Caltrain's San Francisquito Creek Bridge from 2023-2024 winter storms.

### Ongoing and Future Activities

In the months ahead:

1. JPB staff will continue to monitor conditions around the foundations of the Caltrain rail bridge.
2. JPB staff will update the project funding plan and contracts to align with recent implementation of temporary stabilization measures and the planned implementation of permanent stabilization measures.
3. JPB consultants will analyze the coring samples extracted from the project site in mid-April and summarize the results of the analysis in a report.
4. JPB staff will submit additional documents, including the archaeological report, to the U.S. Army Corps of Engineers to supplement previously submitted permit application materials.
5. JPB staff will continue to coordinate closely with the U.S. Army Corps of Engineers to facilitate the issuance of the Section 404 permit for construction of the permanent bank stabilization.
6. JPB staff will continue to assess the likely timing of the issuance of the U.S. Army Corps of Engineers Section 404 permit and implications on the timing of the implementation of the permanent stabilization project.
7. JPB staff and Walsh Construction will remove the temporary bank stabilization measures and replace them with the permanent bank stabilization measures designed under the joint project between JPB, the City of Menlo Park, and the City of Palo Alto.
8. JPB staff will report regularly to the Board regarding the status of the project.

### Budget Impact

The San Francisquito Creek Emergency Bank Stabilization Project has an approved budget of \$8,988,347 funded in part by Capital Contingency Funds, the San Mateo County Transportation Authority (SMCTA), the Cities of Palo Alto and Menlo Park, and project savings from recently completed projects. A funding source for \$2,520,222 of the \$8,988,347 has yet to be identified and may be included in a forthcoming FY25 budget amendment.

Prepared By:	Robert Barnard	Chief, Rail Design & Construction	650.508.7783
	Mike Boomsma	Project Manager	808.208.2355

**Resolution No. 2024-**

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

\* \* \*

**Renewing Findings of an Emergency Regarding the North Channel  
Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to  
Public Contract Code §22050**

**Whereas**, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) previously authorized repair pursuant to California Public Contract Code section 22050 by a four-fifths vote of the Board on March 29, 2023 (Resolution 2023-19), making findings that: there was an emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatened the integrity of the structure supporting the JPB’s tracks; that the emergency did not permit a delay that would have resulted from a formal solicitation for bids; and that action is necessary to respond to the emergency; and

**Whereas**, Resolution 2023-19 also authorized emergency repairs of the north channel embankment of the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and

**Whereas**, California Public Contract Code Section 1102 defines an emergency as a “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services”; and

**Whereas**, California Public Contract Code section 22050 authorizes the JPB to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the emergency will not permit delay resulting from a

competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

**Whereas**, Resolution 2023-19 delegated to the Executive Director, or designee the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved; and

**Whereas**, pursuant to Public Contract Code section 22050(c), the Board must review the emergency action at its next regularly scheduled meeting and affirm by the passage of a four-fifths vote at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action; and

**Whereas**, the Board most recently renewed its findings via Resolution 2024-26 at its April 4, 2024, Board meeting; and

**Whereas**, following months of heavy rain in January 2023, assessments of the condition of the north embankment supporting the San Francisquito Creek Bridge Main Track 1 (MT-1) and Main Track (MT-2) by the Peninsula Corridor Joint Powers Board (JPB) revealed significant erosion on the slope of the embankment, threatening the integrity of the north approaching track structure; and

**Whereas**, the JPB consulted with the U.S. Army Corps of Engineers (USACE), the Regional Water Quality Control Board, and the California Department of Fish and Wildlife concerning

environmental permits for restoration activities to preserve the integrity of MT-1 and MT-2 tracks in light of the significant erosion of the northern embankment; and

**Whereas**, on November 16, 2023, a team of three registered California professional engineers, including a fluvial geomorphologist experienced with the San Francisquito Creek, completed a technical memorandum, which stated that, in regard to the creek bank supporting the north abutment of Caltrain's rail bridge, "the existing bank is likely to erode and would not be stable during/after a large storm event;"

**Whereas**, on November 18, 2023, the Executive Director issued an emergency declaration, which concluded:

- a. The situation at that time necessitated immediate action because anticipated winter storms threatened the integrity of the bridge, creating the potential for a catastrophic failure of the bridge and the subsequent risks to public safety, infrastructure, and the environment; and
- b. The dry condition of the creek bed created a narrow window during which the JPB could implement emergency stabilization repairs to ensure the integrity of the bridge without risking the safety of workers or endangering aquatic life; and
- c. Given a prediction of severe winter storms and a risk of flash flooding and high creek flows at the San Francisquito Creek, attempting any work during the rainy season would have presented a substantial risk to the safety of workers, threatened endangered species, and increased the risk of a failed stabilization effort and a catastrophic failure of the bridge; and

- d. The situation at that time required that Caltrain take action within a time period less than the normal time needed to process regulatory applications under standard procedures.

Based on these findings, the Executive Director declared an emergency situation for the San Francisquito Creek Bridge and directed that all necessary and appropriate actions be taken to address the emergency, including the mobilization of resources and implementation of temporary creek bank stabilization measures; and

**Whereas**, the temporary stabilization measures have ameliorated the risk of immediate collapse of the embankment, but these measures were designed to address the immediate risk of collapse. However, a continued risk to the San Francisquito Creek Bridge exists, especially in light of long-term predictions of a “strong” El Nino 2023-2024 winter. Accordingly, the emergency will persist until the implementation of permanent stabilization measures is completed; and

**Whereas**, there is a continued and ongoing emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB’s tracks, and because meteorologists predict a wet winter including storms that could result in additional erosion; and

**Whereas**, action is necessary to respond to this continued and ongoing emergency to prevent or mitigate loss or damage to life, health, property, or essential public services; and

**Whereas**, the time required to obtain competitive bids would have unduly delayed the JPB’s ability to make emergency repairs to these essential facilities, and substantial evidence supports the conclusions that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and

**Whereas**, JPB staff have awarded a contract to Walsh Construction, which is also working on the Guadalupe River Bridge project, to undertake emergency repair work; and

**Whereas**, iterative comparison of independent cost estimates from consultants and Walsh Construction has provided clear cost expectations to assure fair and reasonable pricing.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Renews findings from April 4, 2024, that an emergency, as defined by Section 1102 of the California Public Contract Code, exists at the north channel embankment at the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and
2. Renews findings, based on the substantial evidence presented by staff, that the emergency did not permit a delay that would have resulted from a formal solicitation for bids because the time required to obtain competitive bids would have unduly delayed the JPB's ability to make emergency repairs to these essential facilities, that action is necessary to respond to the ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services, that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and
3. Continues to authorize emergency repairs of the north channel embankment at the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and
4. Continues to delegate to the Executive Director, or designee, the authority: to approve all plans and/or designs; to amend the contract with Walsh Construction, to undertake



emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

**Be It Further Resolved** that the Board of Directors has reviewed the emergency action taken on March 29, 2023, on May 4, 2023, on June 1, 2023, on August 3, 2023, on September 7, 2023, on October 5, 2023, on November 2, 2023, on December 7, 2023, on January 4, 2024, on February 1, 2024, on March 7, 2024, and on April 4, 2024, to remediate emergency conditions at the embankment of the San Francisquito Bridge, and will continue to conduct such a review at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote pursuant to Public Contract Code section 22050(c).

Regularly passed and adopted this 2<sup>nd</sup> day of May, 2024, by the following vote:

Ayes:

Noes:

Absent:

---

Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary  
(00505091)

**Peninsula Corridor Joint Powers Board  
Staff Report**

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

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

**Purpose and Recommended Action**

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accepts and enters into the record the Statement of Revenues and Expenses for the Period Ending March 31, 2024.

This staff report provides a brief discussion of significant items and trends in the attached Statement of Revenues and Expenses through March 31, 2024. The statement has been designed to follow the Agency-wide line-item rollup as included in the approved budget. The columns have been designed to provide an easy comparison of year-to-date actuals to the budget including dollar and percentage variances.

**Year-to-Date Revenues:** As of March year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$0.7 million lower than the adopted budget. This is primarily driven by the decrease in Other Income (page 1, line 5) and Go Pass revenue (page 1, line 2), which is partially offset by the higher-than-expected Rental Income (page 1, line 4).

**Year-to-Date Expenses:** As of March year-to-date actual, the Grand Total Expense (page 2, line 51) is \$1.3 million lower than the adopted budget. This is primarily driven by the decrease in Rail Operator Service (page 2, line 22), Wages and Benefits (page 2, line 36), Other Office Expenses and Services (page 2, line 41), Professional Services (page 2, line 39), and Maintenance & Services-Building & Other (page 2, line 31), which is partially offset by the increases in Claims, Payments, and Reserves (page 2, line 28), Insurance cost (page 2, line 27), and Facilities and Equipment Maintenance (page 2, line 29).

**Budget Impact**

There is no budget impact for the acceptance of the March 2024 Statement of Revenues and Expenses.

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

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>					
<b>STATEMENT OF REVENUE AND EXPENSE</b>					
<b>Fiscal Year 2024</b>					
<b>March 2024</b>					
<b>% OF YEAR ELAPSED 75%</b>					
	<b>JULY TO MARCH</b>				<b>ANNUAL</b>
	<b>CURRENT ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>
<b>REVENUE</b>					
OPERATIONS:					
1 Caltrain Fares	21,689,726	21,801,421	(111,695)	(0.5%)	29,936,000
2 Go Pass	12,011,253	12,573,000	(561,747)	(4.5%)	16,764,000
3 Parking Revenue	1,445,245	1,428,759	16,486	1.2%	1,905,015
4 Rental Income	1,473,196	769,869	703,327	91.4%	1,026,489
5 Other Income	4,170,281	4,905,945	(735,664)	(15.0%)	6,541,260
6					
7 <b>TOTAL OPERATING REVENUE</b>	<b>40,789,701</b>	<b>41,478,994</b>	<b>(689,293)</b>	<b>(1.7%)</b>	<b>56,172,764</b>
8					
CONTRIBUTIONS:					
9					
10 Operating Grants	9,743,622	9,600,705	142,917	1.5%	12,800,936
11 Measure RR	90,027,285	90,200,000	(172,715)	(0.2%)	118,400,000
12 Member Agency (VTA - Gilroy)	352,500	352,503	(3)	(0.0%)	470,000
13 LCTOP/SRA	5,181,527	5,181,372	155	0.0%	6,908,503
14					
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>105,304,934</b>	<b>105,334,580</b>	<b>(29,646)</b>	<b>(0.0%)</b>	<b>138,579,439</b>
16					
17 <b>GRAND TOTAL REVENUE</b>	<b>146,094,635</b>	<b>146,813,574</b>	<b>(718,939)</b>	<b>(0.5%)</b>	<b>194,752,203</b>
18					

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>							
<b>STATEMENT OF REVENUE AND EXPENSE</b>							
<b>Fiscal Year 2024</b>							
<b>March 2024</b>							
<b>% OF YEAR ELAPSED 75%</b>							
	<b>JULY TO MARCH</b>				<b>ANNUAL</b>		
	<b>CURRENT ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>		
19	<b>EXPENSE</b>					19	
20						20	
21	<b>DIRECT EXPENSE:</b>					21	
22	Rail Operator Service	77,653,125	78,946,583	(1,293,458)	(1.6%)	104,889,704	22
23	Security Services	6,039,156	6,215,375	(176,218)	(2.8%)	8,287,745	23
24	Shuttle Services	51,000	60,003	(9,003)	(15.0%)	80,000	24
25	Fuel and Lubricants*	11,329,932	11,408,481	(78,549)	(0.7%)	15,211,316	25
26	Timetables and Tickets	8,103	71,244	(63,141)	(88.6%)	95,000	26
27	Insurance	8,224,696	7,672,275	552,421	7.2%	10,229,703	27
28	Claims, Payments, and Reserves	4,769,454	990,000	3,779,454	381.8%	1,320,000	28
29	Facilities and Equipment Maintenance	6,659,885	6,109,173	550,712	9.0%	8,171,766	29
30	Utilities	1,974,515	2,031,678	(57,163)	(2.8%)	2,708,900	30
31	Maint & Services-Bldg & Other	570,793	1,338,453	(767,660)	(57.4%)	1,784,600	31
32						32	
33	<b>TOTAL DIRECT EXPENSE</b>	<b>117,280,659</b>	<b>114,843,265</b>	<b>2,437,395</b>	<b>2.1%</b>	<b>152,778,734</b>	33
34						34	
35	<b>ADMINISTRATIVE EXPENSE</b>					35	
36	Wages and Benefits	12,603,510	13,734,119	(1,130,608)	(8.2%)	17,877,158	36
37	Managing Agency Admin OH Cost	2,484,653	2,674,098	(189,445)	(7.1%)	3,565,453	37
38	Board of Directors	12,740	47,151	(34,412)	(73.0%)	62,875	38
39	Professional Services	6,636,234	7,462,969	(826,735)	(11.1%)	9,992,514	39
40	Communications and Marketing	262,488	332,046	(69,558)	(20.9%)	442,730	40
41	Other Office Expenses and Services	2,224,608	3,226,738	(1,002,130)	(31.1%)	4,307,066	41
42						42	
43	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>24,224,233</b>	<b>27,477,121</b>	<b>(3,252,888)</b>	<b>(11.8%)</b>	<b>36,247,796</b>	43
44						44	
45	<b>TOTAL OPERATING EXPENSE</b>	<b>141,504,892</b>	<b>142,320,385</b>	<b>(815,494)</b>	<b>(0.6%)</b>	<b>189,026,530</b>	45
46						46	
47	Governance	166,699	168,750	(2,051)	(1.2%)	225,000	47
48						48	
49	Debt Service Expense	2,099,221	2,603,340	(504,119)	(19.4%)	3,471,125	49
50						50	
51	<b>GRAND TOTAL EXPENSE</b>	<b>143,770,811</b>	<b>145,092,475</b>	<b>(1,321,664)</b>	<b>(0.9%)</b>	<b>192,722,655</b>	51
52						52	
53	Projected Contribution to Reserve					2,029,548	53
54						54	
55	<b>NET SURPLUS / (DEFICIT)</b>	<b>2,323,824</b>	<b>1,721,099</b>	<b>602,725</b>	<b>35.0%</b>	<b>-</b>	55
56						56	
57	Reserve, Beginning Balance	26,878,850				26,878,850	57
58	Projected Contribution to Reserve	-				2,029,548	58
59	<b>Reserve, Ending Balance</b>	<b>26,878,850</b>				<b>28,908,398</b>	59
60						60	
61	* Fuel and Lubricants costs were decreased by a realized gain of \$713,210 from the fuel hedge program.					61	
62						62	



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 MARCH 31, 2024**

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (LAIF) <i>(Unrestricted)</i>	*	Liquid Cash	4.232%	375,789	375,789
California Asset Management Program (CAMP) <i>(Unrestricted)</i>		Liquid Cash	5.480%	77,094,458	77,094,458
County Pool <i>(Unrestricted)</i>		Liquid Cash	3.609%	585,044	585,044
Other <i>(Unrestricted)</i>		Liquid Cash	5.217%	39,453,407	39,453,407
Other <i>(Restricted)</i>	**	Liquid Cash	5.011%	31,597,361	31,597,361
				\$ 149,106,058	\$ 149,106,058

Interest Earnings for March 2024 \$ 754,838.28  
 Cumulative Earnings FY2024 2,481,622.89

\* 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.

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD														
	Previous Years					FY2024									
	FY2019	FY2020	FY2021	FY2022	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	FY2024 Total YTD
<b>REVENUE</b>															
OPERATIONS:															
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	6,838,317	701,507	580,909	427,973	542,427	429,650	414,419	409,800	398,044	482,837	4,387,566
401410 (Clipper)	54,621,910	37,970,696	2,924,987	7,764,755	15,493,238	1,584,242	1,688,849	1,283,054	1,964,018	1,537,081	1,331,257	1,526,512	1,563,600	1,574,020	14,052,632
401420 (Central)	64,908	20,799	309,748	39,911	58,267	1,068	-	7,861	8,407	2,619	251	2,732	4,123	4,327	31,388
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	3,501,791	289,934	353,887	285,899	332,212	307,863	242,542	278,638	278,385	258,148	2,627,509
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	706,203	58,850	58,850	75,084	64,261	64,261	64,261	64,261	61,705	79,096	590,631
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	16,728,021	1,362,537	1,337,709	1,370,632	1,375,408	1,349,604	1,426,899	1,256,768	1,264,651	1,267,045	12,011,253
<b>total Farebox Revenue</b>	<b>102,668,114</b>	<b>76,094,433</b>	<b>32,439,915</b>	<b>33,236,357</b>	<b>43,325,839</b>	<b>3,998,139</b>	<b>4,020,204</b>	<b>3,450,502</b>	<b>4,286,733</b>	<b>3,691,078</b>	<b>3,479,630</b>	<b>3,538,712</b>	<b>3,570,507</b>	<b>3,665,474</b>	<b>33,700,979</b>
Less: Go-Pass															
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	16,728,021	1,362,537	1,337,709	1,370,632	1,375,408	1,349,604	1,426,899	1,256,768	1,264,651	1,267,045	12,011,253
<b>Revenues without Go-Pass</b>	<b>79,738,978</b>	<b>56,389,061</b>	<b>6,702,382</b>	<b>17,899,182</b>	<b>26,597,817</b>	<b>2,635,602</b>	<b>2,682,496</b>	<b>2,079,870</b>	<b>2,911,325</b>	<b>2,341,474</b>	<b>2,052,731</b>	<b>2,281,944</b>	<b>2,305,856</b>	<b>2,398,429</b>	<b>21,689,726</b>
<b>Tickets Sold</b>						Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
TVM	2,354,393	1,465,876	315,378	755,674	802,158	78,363	74,658	69,149	55,296	52,840	51,726	52,299	47,968	53,472	535,771
Clipper	3,521,066	2,620,816	339,753	1,227,757	1,975,206	194,041	214,425	208,775	207,849	191,852	165,395	195,218	197,154	216,455	1,791,164
Central	9,167	5,044	-	4,032	6,440	100	231	484	717	-	478	231	349	756	3,346
Mobile	543,920	661,515	111,394	381,441	428,741	40,439	41,483	39,565	37,168	33,606	29,903	33,356	34,991	39,217	329,728
<b># of tickets sold (without go-pass)</b>	<b>6,428,546</b>	<b>4,753,251</b>	<b>766,525</b>	<b>2,368,904</b>	<b>3,212,545</b>	<b>312,943</b>	<b>330,797</b>	<b>317,973</b>	<b>301,030</b>	<b>278,298</b>	<b>247,502</b>	<b>281,104</b>	<b>280,462</b>	<b>309,900</b>	<b>2,660,009</b>
<b>AVG Revenue Per Ticket</b>						Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-23	Feb-23	Mar-23	Total
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 8.52	\$ 8.95	\$ 7.78	\$ 6.19	\$ 9.81	\$ 8.13	\$ 8.01	\$ 7.84	\$ 8.30	\$ 9.03	\$ 8.19
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.84	\$ 8.16	\$ 7.88	\$ 6.15	\$ 9.45	\$ 8.01	\$ 8.05	\$ 7.82	\$ 7.93	\$ 7.27	\$ 7.85
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 9.05	\$ 10.68	\$ -	\$ 16.24	\$ 11.72	\$ -	\$ 0.53	\$ 11.83	\$ -	\$ 5.72	\$ 9.38
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.17	\$ 7.17	\$ 8.53	\$ 7.23	\$ 8.94	\$ 9.16	\$ 8.11	\$ 8.35	\$ 7.96	\$ 6.58	\$ 7.97
<b>Total</b>	<b>\$ 12.40</b>	<b>\$ 11.86</b>	<b>\$ 8.74</b>	<b>\$ 7.56</b>	<b>\$ 8.28</b>	<b>\$ 8.42</b>	<b>\$ 8.11</b>	<b>\$ 6.54</b>	<b>\$ 9.67</b>	<b>\$ 8.41</b>	<b>\$ 8.29</b>	<b>\$ 8.12</b>	<b>\$ 8.22</b>	<b>\$ 7.74</b>	<b>\$ 8.15</b>

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD							
	July to March						Annual Budget	
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2024	% of Budget
<b>REVENUE</b>								
401400 (TVM)	13,556,475	10,475,115	1,412,784	4,600,891	4,725,183	4,387,566		
401410 (Clipper)	40,675,031	39,387,786	1,951,062	5,181,189	11,649,978	14,052,632		
401420 (Central)	40,434	42,569	-	28,240	40,085	31,388		
401430 (Mobile App)	3,083,906	5,594,402	460,711	1,869,551	2,524,874	2,627,509		
401500 (Gilroy)	1,441,321	1,512,573	120,698	289,288	520,436	590,631		
401700 (Go-Pass)	15,602,837	18,444,142	22,772,003	11,482,593	12,841,747	12,011,253		
total Farebox Revenue	74,400,004	75,456,587	26,717,258	23,451,751	32,302,303	33,700,979	46,700,000	72%
Less: Go-Pass								
401700 (Go-Pass)	15,602,837	18,654,468	22,645,511	11,534,494	12,685,007	12,011,253	16,764,000	72%
Revenues without Go-Pass	58,797,167	56,802,119	4,071,747	11,917,257	19,617,296	21,689,726	29,936,000	72%
<b>Tickets Sold</b>								
TVM	1,766,141	1,422,441	200,597	503,421	595,258	535,771		
Clipper	2,590,144	2,585,370	200,705	793,332	1,432,680	1,791,164		
Central	5,332	5,044	-	2,857	3,879	3,346		
Mobile	346,968	650,842	65,595	248,383	314,266	329,728		
# of tickets sold (without go-pass)	4,708,585	4,663,697	466,897	1,547,993	2,346,083	2,660,009		
<b>AVG Revenue Per Ticket</b>								
TVM	\$ 7.68	\$ 7.36	\$ 7.04	\$ 9.14	\$ 7.94	\$ 8.19		
Clipper	\$ 15.70	\$ 15.23	\$ 9.72	\$ 6.53	\$ 8.13	\$ 7.85		
Central	\$ 7.58	\$ 8.44	\$ -	\$ 9.88	\$ 10.33	\$ 9.38		
Mobile	\$ 8.89	\$ 8.60	\$ 7.02	\$ 7.53	\$ 8.03	\$ 7.97		
Total	\$ 12.49	\$ 12.18	\$ 8.72	\$ 7.70	\$ 8.36	\$ 8.15		

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Authorize the Application for and Receipt of Annual Low Carbon Transportation Operations Program Funds for Ridership Recovery Service Enhancement**

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 or Caltrain) authorize the Executive Director or designee, to:

- 1) Apply for and receive \$2,619,704 in Fiscal Year 2024 (FY24) California Low Carbon Transportation Operations Program (LCTOP) funds from the California Department of Transportation (Caltrans), to help fund Ridership Recovery Service Enhancement; and
- 2) Take such actions as may be necessary to give effect to this resolution, including filing and executing required annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, related amendments, and any other documentation required for the JPB to apply for and receive LCTOP funds.

**Discussion**

The LCTOP is one of several funding programs that are part of a broad-based State effort to invest cap-and-trade auction proceeds to reduce greenhouse gas. These funds are distributed annually on a formula basis to transit agencies and Regional Transportation Planning Agencies, including the Metropolitan Transportation Commission (MTC). Transit agencies receive a portion of the LCTOP funds via a formula based on operating revenues. Caltrans is the administering agency for the funds and it requires eligible funding recipients to submit annual resolutions authorizing agency officer(s) to execute and process the LCTOP application materials. Caltrans also requires applicants to specify the projects to receive the funds within the resolution.

LCTOP is funded annually with 5 percent of the auction proceeds from the State's cap-and-trade program, as required under California's climate action law, Assembly Bill 32 (Division 25.5 of the California Health and Safety Code, sections 38500 et seq.). LCTOP provides operational assistance as well as capital funding for expanded transit service to reduce greenhouse gas emissions and improve mobility.



Since Calendar Year (CY) 2021, Caltrain has used LCTOP funds to support the agency's Ridership Recovery Service Enhancement Project and procurement of additional Electric Multiple Unit (EMU) train cars to increase capacity of the future electrified Caltrain system. Caltrain's Ridership Recovery Service Enhancement Project includes continued operation of 104 weekday train trips – the most in agency history. A project is eligible for LCTOP if there are operational expenditures that increase transit mode share. The JPB's Ridership Recovery Service Enhancement project meets those eligibility requirements, as FY24 LCTOP funding will help attract additional riders to the Caltrain system while supporting more equitable transportation options.

**Budget Impact**

Receipt of FY24 LCTOP funding of \$2,619,704 is included in the Adopted Fiscal Year 2025 (FY25) Operating Budget.

Prepared By: Ashley Thompson      Principal Grants Analyst      650-508-6387

**Resolution No. 2024-**

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

\* \* \*

**Authorizing The Application for and Receipt of Low Carbon Transportation Operations  
Program Funds for Ridership Recovery Service Enhancement**

**Whereas**, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor and may receive State cap-and-trade funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

**Whereas**, the statutes related to State-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**Whereas**, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

**Whereas**, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors, including the JPB; and

**Whereas**, the JPB wishes to use Fiscal Year (FY) 2024 LCTOP funds allocated to the JPB for the Ridership Recovery Service Enhancement; and

**Whereas**, the Ridership Recovery Service Enhancement is to maintain the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options; and

**Whereas**, staff recommends that the JPB Board of Directors authorize the Executive Director, or designee, to:

1. Apply for and receive \$2,619,704 in FY2024 LCTOP funds for operational assistance of the Ridership Recovery Service Enhancement; and
2. File and execute annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documents required for the JPB to apply for and receive LCTOP funding.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board, hereby:

1. Authorizes the Executive Director, or designee, to apply for and receive from the California Department of Transportation \$2,619,704 in FY2024 LCTOP funds for the Ridership Recovery Service Enhancement, which will help fund the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options; and
2. Authorizes the Executive Director, or designee, to take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documentation that may be required for the JPB to apply for and receive LCTOP funds; and
3. Agrees to comply with all conditions and requirements set forth in the annual Certifications and Assurances, authorized agent forms and any applicable statutes, regulations and guidelines for all Low Carbon Transit Operations Program-funded transit projects.

Regularly passed and adopted this 2nd day of May, 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: JPB Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Li Zhang, Chief of Commercial and Business Development  
Subject: **Receive Energy Procurement Strategy Update and Authorize Application to California’s Low Carbon Fuel Standard Program**

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

**Purpose and Recommended Action**

Caltrain staff is currently implementing its Energy Procurement Strategy (EPS) in connection with the provision of electricity upon expected revenue service in September 2024. As part of the EPS, Caltrain will also look to capture credits through the California Air Resources Board’s (CARB) Low Carbon Fuel Standard Program (LCFS). Caltrain currently hopes to receive \$9M to \$10M annually through the LCFS Program based on current market conditions. In order to receive the credit, Caltrain will need to register for the LCFS Program, including completing all necessary steps and attestations to complete the application. Caltrain will also need to administer the program moving forward, including taking the necessary steps to sell the credits and ensure ongoing compliance with the LCFS Program.

Staff recommends that the Board:

1. Authorize the Executive Director or designee, and a Caltrain division chief or designee, as is necessary, to file an application to the CARB LCFS program on behalf of Caltrain, including taking all steps necessary to register, administer, and comply with, the LCFS program on behalf of Caltrain, including, but not limited to:
  - a. Signing and submitting all required paperwork,
  - b. Submitting any attestation(s) required for registration and annual reporting compliance,
  - c. Filing any quarterly and annual reports,
  - d. Retaining a third-party verifier for LCFS compliance, if necessary, and
  - e. Managing LCFS credit activity, including retaining third-party broker(s), entering into any sale or term of use agreements, including Leadership for Energy Automated Processing (LEAP) Master Agreements, and any steps necessary to receive and sell the credits under the LCFS program.
  - f. take any additional steps as required by CARB under existing and future rules and regulations.

## **Discussion**

The LCFS Program is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits. The LCFS is a key part of a comprehensive set of programs in California to cut greenhouse gas (GHG) emissions and other smog-forming and toxic air pollutants by improving vehicle technology, reducing fuel consumption, and increasing transportation mobility options – all of which are keenly aligned with the objectives and outcomes of the Peninsula Corridor Electrification Project (PCEP).

Caltrain currently hopes to receive \$9M to \$10M annually through the LCFS Program with an assumption of \$5M in the first year of service in FY25. Because the credits are part of a market-based program, the future price of the credits can and will fluctuate along with the corresponding value to Caltrain. This estimate is preliminary and subject to change. Actual receipts will be dependent on a number of factors, including:

1. Successfully registering for the LCFS Program and corresponding energy efficiency designation by CARB.
2. Power content of the electric resources procured by Caltrain.
3. Actual electricity used by Caltrain.
4. Future market prices for the credits.
5. Successful administration of the LCFS program by Caltrain, including the sale of the credits in the market.
6. Changes and regulatory amendments to the LCFS program structure from CARB.
7. Ongoing compliance with the rules and requirements of the LCFS program, including quarterly and annual filings.
8. Ongoing maintenance of the LCFS Program by CARB.

In connection with the FY24-FY25 Bi-Annual Budget, Caltrain authorized the creation and retention of two new positions to help manage ongoing energy procurement, including but not limited to the administration of the LCFS Program. These positions, Manager of Energy and Senior Energy Analyst, are expected to be advertised shortly. In the interim, staff is working to identify internal resources and/or external support to start the registration process.

Caltrain will learn more about actual revenues from the LCFS Program as revenue service begins and actual electric consumption is known and documented, but in order to capture the opportunity, Caltrain will need to register for the LCFS Program prior to revenue service.

## **Budget Impact**

Internal resources needed for the LCFS Program registration and management have already been funded in connection with the FY24-FY25 Bi-Annual Budget. Staff is seeking authorization to retain a third-party verification agent for LCFS quarterly compliance requirements, if

necessary, under the current or new CARB requirements, which are currently under review. It is estimated that third-party verification services, if necessary, would not exceed \$50,000.

Prepared by: R. Alexander Burnett, Principal, Bell Burnett & Associates

**Resolution No. 2024-**

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

\* \* \*

**Authorizing Application to California Air Resource Board's Low  
Carbon Fuel Standard Program (LCFS)**

**Whereas**, Peninsula Corridor Joint Powers Board (JPB or Caltrain) staff is currently implementing its Energy Procurement Strategy (EPS) in connection with the provision of electricity upon commencement of revenue service in September 2024; and

**Whereas**, as part of the EPS, Caltrain seeks to capture credits through the California Air Resources Board's (CARB) Low Carbon Fuel Standard Program (LCFS); and

**Whereas**, the LCFS Program is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits; and

**Whereas**, the LCFS is a key part of a comprehensive set of programs in California to cut GHG emissions and other smog-forming and toxic air pollutants by improving vehicle technology, reducing fuel consumption, and increasing transportation mobility options – all of which are aligned with the objectives and outcomes of the Peninsula Corridor Electrification Project; and

**Whereas**, staff estimates that Caltrain could receive as much as \$9,000,000 annually through the LCFS Program, with an assumption of \$5,000,000 in the first year of service in Fiscal Year 2025 (FY25); and

**Whereas**, to receive LCFS credits, Caltrain will need to register for the LCFS Program, including completing all necessary steps and attestations for the application, and will need to



administer the program moving forward, including taking any steps necessary to sell the credits and ensure ongoing compliance with the LCFS Program; and

**Whereas**, staff recommends that the Board of Directors (Board) of the JPB authorize the Executive Director or designee and a Caltrain division chief or designee to file an application to the CARB LCFS program on behalf of Caltrain, including taking steps necessary to register, administer, and comply with, CARB's LCFS program on behalf of Caltrain, including, but not limited to:

- a. Signing and submitting all required paperwork.
- b. Submitting any attestation(s) required for registration and annual reporting compliance.
- c. Filing any quarterly and annual reports.
- d. Retaining a third-party verifier for LCFS compliance, if necessary.
- e. Managing LCFS credit activity, including retaining third-party broker(s), entering into any sale or term of use agreements, including Leadership for Energy Automated Processing (LEAP) Master Agreements, and any steps necessary to receive and sell credits under the LCFS program.
- f. Take any additional steps as required by CARB under existing and future rules and regulations; and

**Whereas**, internal resources for the LCFS Program have already been funded in connection with the FY25 Budget; and

**Whereas**, staff recommend retaining a third-party verification agent for LCFS quarterly compliance requirements, if necessary, under the current or new CARB requirements, which are

currently under review. It is estimated that third-party verification services, if necessary, would not exceed \$50,000.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director or designee and a Caltrain division chief or designee to file an application to the CARB LCFS program on behalf of Caltrain, including taking steps necessary to register, administer, and comply with, CARB's LCFS program on behalf of Caltrain, including, but not limited to:

- a. Signing and submitting all required paperwork.
- b. Submitting any attestation(s) required for registration and annual reporting compliance.
- c. Filing any quarterly and annual reports.
- d. Retaining a third-party verifier for LCFS compliance, if necessary.
- e. Managing LCFS credit activity, including retaining third-party broker(s), entering into any sale or term of use agreements, including Leadership for Energy Automated Processing (LEAP) Master Agreements, and any steps necessary to receive and sell credits under the LCFS program, and
- f. Take any additional steps as required by CARB under existing and future rules and regulations.

Regularly passed and adopted this 2nd day of May, 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