

**Peninsula Corridor Joint Powers Board (JPB) Summary
Meeting of March 29, 2023**

- Suspended Section 4 of the JPB Rules of Procedure to Authorize Regular Meeting to Occur on March 29, 2023, rather than April 6, 2023 as it designates the first Thursday of the month as regular Board meeting.
- Report of the Executive Director Michelle Bouchard included the following:
 - Working on corridor-wide tree assessment on trees that may potentially affect the right-of-way over the next few months, including current work to identify and remove trees that pose a risk to the right-of-way in Burlingame.
 - MTC Fare Integration Task Force unanimously endorsed an 18-month regional fare transfer discount policy to be launched in summer 2024 if approved by the Caltrain Board. This pilot would be the first time that the railroad offers a discount to passengers who transfer to Caltrain from another transit agency.
 - Showcased the importance of Caltrain Electrification at the Bay Area Council Washington DC trip and discussed FTA (Federal Transit Agency) Rail Vehicle Replacement application.

JPB Board of Directors Received and Approved the Following Items:

- Regular Meeting Minutes of March 2, 2023
- Accept Statement of Revenues and Expenses for the Period Ending February 28, 2023
- Authorize the Executive Director to Execute an Amendment to the Letter of Agreement with Transbay Joint Powers Authority (TJPA) For Activities Undertaken in Support of the Downtown Rail Extension (DTX)
- Declare an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion and Authorize the Executive Director to Enter into Construction Agreement with Walsh Construction for Emergency Repair Work at San Francisquito Creek Bridge
- Authorize Rejection of Bid for Churchill Avenue Grade Crossing Improvements Project and Re-Advertisement of the Solicitation
- Authorize Execution of Agreement with Valley Transportation Authority (VTA) for Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) Signal Cutovers and OCS Testing
- Recognizing Arab American Heritage Month - Tasha Bartholomew, Communications Manager, provided the resolution.

Monthly Reports were provided on the following items:

- Report of the Citizens Advisory Committee – Brian Shaw, CAC Chair, provided an update on CAC discussions, which included the following:
 - Member comments on the Measure RR tax revenue and expenditures public hearing audit for fiscal year ending June 30, 2022 included the following:
 - Requested a report on how Caltrain uses funds and budgetary planning.
 - Timing of this audit versus the fiscal year and having a two-year budget going forward; the audit would look at spending from prior years.
 - Next audit to provide what funds were obligated and spent.
 - Interest income only being only \$22,000 and having higher return on investments in the future.
 - Having the audit report closer to January than March next year.
 - Corridor crossing strategy being limited in grade separation design due to Union Pacific freight’s one percent grade requirement.
 - Improve access and circulation for all modes of transportation.
 - Flooding with the dipped under passes, hostile to pedestrian crossing, and design must have permanent pumping facilities.
 - Noted the report on vehicles on the track were always after dark and a CAC member suggested lighting to prevent further incidents.

- Report of the Chair - Chair Gee reported on a couple of meetings with the regional rail partnership discussing how to improve ridership and the need to build relationships.

- Report of the Local Policy Maker Group (LPMG) - Director Burt, LPMG Chair, provided an update on LPMG discussions, which included the following:
 - Received update from High-Speed Rail Authority.
 - Next steps on city grade separation approaches and update from staff on technical and design standards that will impact costs and preferred alternatives in communities.
 - How cities can develop programs that will drive ridership

- Report of the Transbay Joint Powers Authority (TJPA) - Chair Gee mentioned the following:
 - Update on Fiscal Year 2023-24 budget forecast.
 - Resolution for RM3 (Regional Measure 3) for all the transit properties.
 - Appointments to CAC.
 - The amendment to the Letter of Agreement with the JPB.
 - Update on DTX (Downtown Rail Extension) project.

- Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report - Pranaya Shrestha, CalMod Chief Officer, provided the following information:
 - Project highlights - project end date has not changed and no changes in budget.
 - Seen an increase in production in the last 3 weeks.
 - Invited Balfour Beatty to come to the June Board meeting and expect to see them here in May; there is new leadership in Balfour Beatty.
- Casey Fromson, Chief Communications Officer, provided an update, which included the following:
 - A total of 31 shutdowns with 5 weekend shutdowns completed.
 - Having weekday service changes in April.
 - Communication via website, newspapers, ambassadors at locations, connection with San Francisco Giants, and with customers and partners.
 - Commended the execution of the bus bridge service.

**Peninsula Corridor Joint Powers Board (JPB) Summary
Special Board Finance Workshop Meeting of April 6, 2023**

Michelle Bouchard, Executive Director, provided an introduction for the update on Caltrain's fiscal cliff and strategic financial plan. Alex Burnett and Mike Bell, with Bell Burnett and Associates, are strategic advisors who provided the presentation, which included the following updates and summarized comments and feedback from the Board of Directors:

- Purpose and key take away recommendations: outlining the current projected operating and capital deficits, mechanisms to increase revenue or decrease costs, and possibilities in delaying the fiscal cliff.
- Ridership and revenue impact
 - Loss of over \$60 million in annual farebox revenues since 2019.
 - Recent ridership trends indicate currently operating 48 peak trains (4 per hour per direction) and 56 off peak trains (weekdays); ridership demographics.
 - Farebox revenue consists of 30 percent from farebox and 40 percent from Measure RR funds.
- Strategic Financial Plan
 - Historic background, Federal and Measure RR funds have been critical for operations, future forecasts for ridership revenue and growth, fares, and sales taxes.
 - Forecasts for fuel and electricity; electrification offers substantially improved level of service.
 - Operating costs, fixed and variable, are high and projected to increase and managing costs and service levels is material over time.
 - 2 percent sales tax revenue is unrealistically low and we should project future vulnerabilities.
 - Electrification – look into infrastructure capacity and cost similar to Muni and how it taps into SFPUC (San Francisco Public Utilities Commission).
 - Recommended no fare increase for next couple of year as increase would not benefit ridership growth.
 - Recommended additional fare products that are attractive to customers.
 - Possibility in transitioning to all Clipper as fare payment.
 - Partnering and educating cities to embrace TDM (Transportation Demand Management) and TDAs (Transportation Development Act).
 - Importance of Go Pass
- Service Levels
 - Proposed to maintain off-peak service and existing commitment to FTA (Federal Transit Administration)

- Review annually to determine where service should be. Cutting service must include clear evaluation, impact on ridership, and the Go Pass program.
- One proposal is to advance service in South County.
- Expenses are growing at a greater rate than revenues. Grows from \$20 million forecasted in Fiscal year 2024 to \$85 million in Fiscal year 2033.
- Capital Investment
 - The State of Good Repairs remains a key priority.
 - Create capital endowment fund (CEF) for long term stable revenue stream (20 – 25-year goal).
 - Endowment fund will allow donations from public and private donors and create opportunities.
 - Non-traditional funding should be pursued. Increase advertising, communications, payment services, and naming rights.
- Staff Recommendations included
 - Operations Budget
 - Adopt new fare structure in June 2023 with no fare increases until Fiscal year 2026.
 - Financial Reserve funds; use \$15 million of SRA/LCTOP (State Rail Assistance/Low Carbon Transit Operations Program) funds for operations; Transit and Intercity Rail Capital Program (TIRCP) to fund PCEP capital cost.
 - Apply \$60 million reimbursement of Measure RR funds for operations.
 - Advance fourth train for service to Gilroy.
 - Continue discussions with FTA to maintain a level of off-peak service.
 - Near-Term Operations
 - Pursue strategies and opportunities to reduce electricity costs and figure out how much it may cost to obtain our own electricity outside of PG&E (Pacific Gas and Electric).
 - Look at short term needs (how to buy and store power) and longer-term needs (what partnering agencies are doing).
 - Capital Standpoint
 - Target future Measure RR revenues for State of Good Repair.
 - Retiring diesel fleet sooner.
 - Match service levels with ridership and ridership growth.
- Next Steps
 - Return in May with a draft 2-year budget and a final 2-year budget in June.
 - Return in Fall with additional analysis regarding fares and fare products.
 - Return towards the end of 2023 with update to the financial plan.