VTA Board of Directors,

Please find attached Agenda Item #2.3.a, Resolution of Appreciation for outgoing VTA Alternate Board Member Howard Miller; and Agenda Item #2.4.a, Resolution of Appreciation for 2016 VTA Board Chairperson Cindy Chavez.

The items can also be found on the VTA website here.

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
Resolution

By the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) a Special District of the State of California relative to commending the

Honorable Howard Miller

Whereas, Howard Miller is leaving the VTA Board of Directors, having served as an alternate from 2014 to the present, representing the Town of Los Gatos, and the cities of Campbell, Cupertino, Monte Sereno, and Saratoga; and

Whereas, as a member of the State Route 85 Corridor Policy Advisory Board in 2015 and 2016, Howard Miller helped develop the State Route 85 Corridor Program category under the 2016 Measure B, which includes funding for new public transit and congestion relief projects, noise abatement, and the study of future transportation alternatives in the West Valley; and

Whereas, as an alternate on the Administration & Finance, and Congestion Management Program & Planning Committees, Howard Miller provided vital oversight to ensure VTA’s financial health and the effective administration of VTA’s Congestion Management Program; and

Whereas, Howard Miller led many discussions and provided important input on a broad range of policies and programs that improved transportation and mobility across Santa Clara County, while serving as a member of VTA’s Policy Advisory Committee from 2010 through 2016 and as chair of committee in 2014.

Now therefore be it resolved, that the VTA Board of Directors hereby commends and expresses its sincerest appreciation to Howard Miller for his exemplary public service; and

Be it further resolved, that this resolution is presented with the thanks and good wishes of VTA.

Adopted by the VTA Board of Directors this fifth day of January 2017.

_____________________________
Jeannie Bruins, Chairperson
Board of Directors
Santa Clara Valley Transportation Authority
Resolution

By the Board of Directors of the Santa Clara Valley Transportation Authority (VTA) a Special District of the State of California relative to commending the Honorable Cindy Chavez

Whereas, Cindy Chavez is completing her term as the 2016 chairperson of the VTA Board of Directors; and

Whereas, as a member of the Ad Hoc Committee-Envision Silicon Valley, Cindy Chavez helped guide VTA’s Envision Silicon Valley process and championed the 30-year, ½-cent, local transportation sales tax known as Measure B, which passed in November 2016 with the support of 71.74 percent of Santa Clara County voters; and

Whereas, Cindy Chavez prioritized public transit service to major events at Levi’s and Avaya Stadiums, and her leadership was crucial to VTA successfully carrying 9,500 passengers to and from Super Bowl 50 in February 2016; and

Whereas, in partnership with the building and construction trades, Cindy Chavez championed the adoption of VTA’s Community Workforce Agreement Policy in September 2016 to promote careers in the construction industry for underrepresented workers; and

Whereas, under Cindy Chavez’s leadership, VTA updated its Joint Development Policy to ensure that 35 percent of new residential units built on VTA properties are affordable to low-income households; and

Whereas, as a tireless advocate for increasing opportunities for all members of our community, Cindy Chavez oversaw the expansion of VTA’s Business Diversity Program, which assists certified businesses seeking construction, purchasing and professional services contracts, to include disabled veteran and LGBT business enterprises.

Now therefore be it resolved, that the VTA Board of Directors hereby commends and expresses its sincerest appreciation to Cindy Chavez for her exemplary public service as chairperson of the VTA Board of Directors for 2016; and

Be it further resolved, that this resolution is presented with the thanks and good wishes of VTA.

Adopted by the VTA Board of Directors this fifth day of January 2017.

_____________________________
Jeannie Bruins, Chairperson
Board of Directors
Santa Clara Valley Transportation Authority
VTA Board of Directors,

Please find attached **Revised Agenda Item #6.1.,** December 8, 2016 Board Regular Meeting Minutes, on the January 5, 2017 Board of Directors Regular Meeting Agenda.

The item can also be found on the VTA website [here](#).

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
From: Board.Secretary
Sent: Thursday, January 05, 2017 11:00 AM
To: VTA Board of Directors
Subject: From VTA: Today's VTA Board of Directors Meeting - Change in Meeting Location
Importance: High

VTA Board of Directors:

Due to an emergency at the County Building, today’s VTA Board of Directors meeting scheduled for 5:30 p.m. will be held at the following location:

VTA’s River Oaks Facility
Auditorium
3331 North First Street
San Jose

Thank you.
BOARD OF DIRECTORS MEETING

Thursday, January 5, 2017

CHANGE IN MEETING LOCATION

NOTICE IS HEREBY GIVEN that the Santa Clara Valley Transportation Authority Board of Directors Meeting scheduled for Thursday, January 5, 2017, at 5:30 p.m. has been relocated to VTA’s River Oaks Facility, in the Auditorium, 3331 N. First Street, San Jose.

Tracene Y. Crenshaw, Assistant Board Secretary
Office of the Board Secretary
VTA Board of Directors,

Please find attached Agenda Item #7.5., Peninsula Corridor Electrification Project Funding Commitment, on the January 5, 2017 Board of Directors Regular Meeting Agenda.

The item can also be found on the VTA website here.

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director of Government Affairs, Jim Lawson

SUBJECT: Peninsula Corridor Electrification Project Funding Commitment

Policy-Related Action: Yes  Government Code Section 84308 Applies: No

Resolution

ACTION ITEM

RECOMMENDATION:

Adopt a resolution committing up to $65 million as additional contingency for the Peninsula Corridor Electrification Project from revenues projected to be available from current sales tax measures to help cover potential cost overruns and to ensure the execution of a Full Funding Grant Agreement for the project with the Federal Transit Administration (FTA).

Authorize the General Manager or her designee to execute an agreement with the funding partners that all funding partners equally share in meeting the obligations anticipated in this additional cost overrun contingency.

Direct staff to participate as an active partner in the Project Risk Management team, to oversee project implementation and review and approve cost reports, consultant selections, etc.

BACKGROUND:

In 2012, the Peninsula Corridor Joint Powers Board (Caltrain)\(^1\), the Santa Clara Valley Transportation Authority (VTA) and seven other agencies (California High Speed Rail

---

\(^1\) The Peninsula Corridor Joint Powers Board is a partnership between the San Mateo County Transit District (SamTrans), the Santa Clara Valley Transportation Authority (VTA) and the City and County of San Francisco through the San Francisco Municipal Transportation Agency (SFMTA). This partnership owns, funds and operates Caltrain.
Authority, MTC, San Francisco County Transportation Authority, San Mateo County Transportation Authority, City of San Jose, City and County of San Francisco, and Transbay Joint Powers Authority) entered into a Memorandum of Understanding (MOU) for the High Speed Rail Early Investment Strategy for a Blended System in the San Francisco to San Jose Segment known as the Peninsula Corridor of the Statewide High-Speed Rail System. This nine-party MOU outlined financial contributions totaling $1.456 billion for two projects: the federally required Advanced Signal System/Positive Train Control and the Peninsula Corridor Electrification Program (PCEP) with the cost of the PCEP estimated at $1.225 billion.

The PCEP will convert Caltrain from a diesel-based train service to a modernized electric rail system with high-performance trains that will provide faster and more frequent service to the Bay Area Region. The electrified system will also enable faster acceleration and shorter headways, allowing Caltrain to serve more riders at more stations with a more efficient service plan. This will also replace the majority of Caltrain’s current diesel locomotive fleet with environmentally friendly electric vehicles. To accomplish this, each of the Caltrain funding partners committed $60 million for the two projects and VTA separately committed an additional $27 million from Prop 1A Connectivity funds.

In 2014, Caltrain conducted a cost estimate study to update the results of the previous cost estimate (performed in 2008) for the PCEP. The results of the revised cost estimate, inflation and additional project contingency resulted in an increase in the total anticipated PCEP budget to $1.98 billion and necessitated additional regional funding commitments to address a $524 million budget gap, after deductions were made for $230 million in Cap and Trade funding. As a result, the parties below entered into an MOU Supplement committing the following additional funding:

- $20 million from VTA
- $20 million from San Mateo County Transportation Authority (TA)
- $20 million from the San Francisco County Transportation Authority/City and County of San Francisco (SFCTA/CCSF)
- $113 million from the California High Speed Rail Authority
- $28.4 million from Metropolitan Transportation Commission (MTC)
- $9 million from Caltrain

The parties further agreed that if overall program costs fell below the financial commitments outlined above, these commitments would be reduced proportionally according to their respective additional shares and if program costs exceeded the estimated $1.98 billion or if the project was awarded less than needed in grant funds, then all parties would discuss project scope adjustments and strategies to secure additional funding.

Although the above contributions totaled $210.4 million, the parties also agreed that $125 million originally included for PCEP in the 2012 MOU would be utilized for immediate state-of-good-repair projects to maintain existing Caltrain operations, increasing the budget gap from $524 million to $649 million.

Caltrain is now seeking to close the funding gap with federal grant funding through the FTA’s Core Capacity Grant program. On September 14, 2016, Caltrain submitted a request for $649
million in FTA’s Core Capacity funds. Since then, Caltrain has been working with FTA to secure the approval and execution of a Full Funding Grant Agreement (FFGA). In order to be awarded the FFGA, FTA notified Caltrain that it needed to provide an additional contingency equal to 10 percent of the project’s total budget of $1.98 billion (or approximately $200 million). This is in addition to the $316 million contingency currently included. FTA’s position was that the extra contingency was needed to ensure that any cost overruns or shortfalls in revenues could be covered without additional federal assistance.

In response, VTA, the San Francisco Municipal Transportation Agency (SFMTA), the San Mateo County Transit District (SamTrans)/San Mateo County Transportation Authority (SMCTA), and the Metropolitan Transportation Commission (MTC) provided letters to FTA regarding each agency’s potential funding capacity for equivalent commitments of up to $50 million.

On December 15, 2016, FTA informed Caltrain that an actual resolution committing these funds adopted by the governing boards for each of the funding partners would be required. The FTA is further requiring that the additional contingency funds committed by the partners be available to the PCEP without the need for further policy actions by their governing boards.

DISCUSSION:

In response to Caltrain’s application for grant funding for the PCEP project, the FTA is requiring the PCEP budget to include three types of contingency funding, as follows:

1. Allocated contingency for each of the Standardized Cost Categories (SCC) that reflects the risk for particular activities, such as real estate acquisition and rail car procurement. ($154 million)
2. Unallocated contingency based on FTA’s assessment of risk for the entire project. ($162 million)
3. Cost Overrun contingency of 10%. ($200 million)

The Cost Overrun contingency, which was not already contained in the project budget, is required for a successful FFGA application. This additional contingency would be utilized only in the event that the project costs exceed the existing line item and overall project contingencies.

VTA has been working with Caltrain and the other partners funding PCEP and all parties are committed to maintaining controls to guard against and mitigate for potential cost overruns. Further, each of the PCEP funding partners will have opportunities to review and approve progress and cost reports, participate in consultant selection panels and proposal/bid reviews, and serve as members of the project’s Risk Management Team.

The Metropolitan Transportation Commission, San Francisco County Transportation Authority, and San Mateo County Transportation Authority are bringing similar resolutions to their respective Boards. As a result, should the Board vote to approve a resolution committing up to an additional $65 million in contingency funds for PCEP, there is sufficient funding in VTA’s dedicated sales tax measures to cover that commitment. Further, the General Manager, or her designee, would execute any necessary documents and take any additional actions necessary, to
give effect to the above-referenced action.

**ALTERNATIVES:**

The Board of Directors could elect to not approve an additional commitment of funds for the PCEP. This action would result in FTA not sending Caltrain’s FFGA to Congress for the required 30-day review period before March 1, 2017. If the FFGA is not reviewed and signed by March 1, Caltrain staff will not be able to issue the Notice to Proceed and risks losing bids and financial penalties that would significantly increase the cost of the project.

**FISCAL IMPACT:**

This action is a guarantee for a cost overrun contingency. In the event this contingency is exercised, the amount expended would be based on VTA’s one quarter share of said contingency paid from dedicated sales tax revenue in that fiscal year. This would be achieved by using available contingency funds from completed projects and/or re-programing funds from projects no longer viable.

Prepared by: Jim Lawson
Memo No. 5965
RESOLUTION NO. _____________

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY COMMITTING UP TO $65 MILLION IN ADDITIONAL CONTINGENCY FUNDS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT USING PROJECTED AVAILABLE REVENUE FROM VTA’S EXISTING SALES TAX MEASURES TO SUPPORT AND ENSURE EXECUTION OF A FULL FUNDING GRANT AGREEMENT WITH THE FEDERAL TRANSPORTATION ADMINISTRATION

WHEREAS, it is the Peninsula Corridor Joint Powers Board's (JPB) goal to electrify the Caltrain railroad corridor and enter revenue service on the electrified rail line by 2021 with an estimated total budget for the Peninsula Corridor Electrification Project ("PCEP" or "Project") of $1.98 billion, including $316 million (approximately 16.5%) in overall Project contingency; and

WHEREAS, the JPB has applied for inclusion in the Federal Transit Administration's (FTA) Core Capacity Grant program to receive funding for the PCEP, and has worked with FTA staff to prepare for approval of the Full Funding Grant Agreement (FFGA), the last phase of the Core Capacity Grant program; and

WHEREAS, the FTA informed the JPB that the FTA required evidence that the JPB will have access to an additional 10% beyond the budgeted Project contingency to ensure that any cost over-runs or shortfall in revenues will be covered without additional federal assistance; and

WHEREAS, the JPB sought, received, and provided to the FTA, letters from the Executive Directors of the Metropolitan Transportation Commission (MTC), and of the JPB member agencies – Santa Clara Valley Transportation Authority (VTA), the San Francisco Municipal Transportation Agency (SFMTA) and San Mateo County Transit District (SMCTD)/San Mateo County Transportation Authority (SMCTA) – indicating that each agency has available up to an additional directly proportional $50 million share of the funding plan gap to support the PCEP, beyond previously stated commitments to the Project; and

WHEREAS, the FTA has informed the JPB that in order for the FTA to approve the FFGA, the JPB must provide Board of Directors resolutions evidencing the agencies' commitments to be held to this additional contribution, if needed; and

WHEREAS, the JPB has put into place extensive controls to guard against cost over-runs, which include extensive and frequent opportunities for all PCEP funding partners to oversee PCEP implementation, such as through review and approve progress and cost reports, participation in consultant selection panels and proposal/bid reviews, and membership on the Project's Risk Management Team; and

WHEREAS, JPB staff has requested the VTA Board of Directors provide this resolution committing to fund, on behalf of VTA, up to $65 million of a 10% shortfall in the PCEP financial plan, associated with potential cost over-runs above the estimated project delivery cost and
previously budgeted contingency or a shortfall in revenues, to support and ensure execution of the PCEP; and

WHEREAS, future sales tax funds available for programming or re-programming to projects under VTA’s discretion are sufficient to meet the JPB staff’s request.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Santa Clara Valley Transportation Authority hereby commits to funding up to $65 million for potential cost over-runs, if they arise, above the estimated project delivery cost and previously-budgeted contingency, or shortfall in revenues, for the Peninsula Corridor Electrification Project.

BE IT FURTHER RESOLVED that this Resolution will take effect upon the adoption of similar resolutions or actions by SMCTA/SMCTD, MTC, and either SFMTA or the San Francisco County Transportation Authority.

BE IT FURTHER RESOLVED that the General Manager or her designee is authorized to execute any necessary documents, and to take any additional actions necessary, to give effect to this resolution.

BE IT FURTHER RESOLVED that the General Manager or her designee shall forward a copy of this resolution, and such other information as may be required to the FTA, JPB, and to such other agencies as may be appropriate.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Transportation Authority, State of California, on ________________________________, by the following vote:

AYES:

NOES:

ABSENT

ABSTAIN:

____________________________
Jeannie Bruins, Chairperson
Santa Clara Valley Transportation Authority
Attest:

___________________________________________
Elaine Baltao, Board Secretary
Santa Clara Valley Transportation Authority

Approved As to form:

___________________________________________
Robert Fabela, General Counsel
Santa Clara Valley Transportation Authority
VTA Board of Directors,

Please find attached comments for the following:

- **Agenda Item #7.2.,** Fare Policy Review
- **Agenda Item #7.4.,** Next Network Draft Plan
- **Agenda Item #7.5.,** Peninsula Corridor Electrification Project Funding Commitment

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
Dear VTA board of directors.

I am glad to see you moving forward to revise the fare policy for transfers. Since the original reason for eliminating free transfers was difficulties associated with the old paper transfers, and transfers can now be handled securely with Clipper Cards, there is no technical reason to keep the current 100% transfer penalty policy. I think this will encourage more single trip use of VTA, and also enable cost effective transfer from buses to light rail.

As a Clipper user, I find it very strange that the only places to buy a clipper card are off the VTA network -- inside Walgreen's stores, or at the main VTA office in downtown San Jose. It is possible to Add Fare at CalTrain and LRT stations, but nowhere at the bus-only stops and transit centers on the VTA network. I hope you will ask staff to look into putting AddFare machines at transit centers throughout the bus network, and add Clipper card vending machines at other high traffic stops. For example, when I am a visitor to Washington DC, I can get a commute card (it's like Clipper) at the first Metro station I visit. I do not need to seek out a drug store. I think it should be that easy for a visitor flying into SJC, so there should be a clipper vending machine at both the Santa Clara transit center, and at the Metro LRT station, maybe at the main bus stop at SJC as well.

--

-- Robert Neff
Palo Alto
January 4, 2017

VIA: Electronic Mail

Board of Directors
Valley Transportation Authority
3331 North First Street
San Jose, California 95134

Re: VTA Next Network

Dear Board of Directors,

The Town of Los Gatos has reviewed the agenda item specific to the Next Network scheduled for the January 5, 2017 Board meeting. We understand that the Board has provided previous direction to staff to create an 85/15 program to increase ridership on the system and that the preliminary program provides an opportunity for public comment. The Town will continue to participate in the public process and appreciates the opportunity to do so.

Specific to the agenda items of January 5, the Town requests additional direction be given to VTA staff to address critical service areas.

- Hospitals should receive service to meet the need where it is most essential. The El Camino Hospital in Los Gatos will completely lose service under the new plan. Provide direction to staff to make hospitals a priority.

- Downtowns are a key component in the Valley and some of the most visited downtowns, including the communities of Los Gatos and Saratoga, would be cut off from service. This impacts the economy in the short term and the ability to move visitors to alternative modes of transportation in the future. Direct staff to incorporate service to the central districts of all local jurisdictions.
Connectivity to educational institutions, including high schools and community colleges, is essential. With the proposed new routes, students in Los Gatos are no longer able to commute to West Valley Community College and the High School is no longer served. There is great potential for ridership here given the local advances in Safe Routes to School both today and in establishing a long term culture of transit utilization. Please direct staff to develop a plan that provides ridership opportunities for younger generations to ensure a transit clientele in the future.

Town staff continues to be available to work with the VTA team on a program that meets the 85/15 goal set forward by the Board while including these critical areas.

Sincerely,

[Signature]

MARICO SAYOC
Mayor

MS:jj

cc: Town Council
VTA Board of Directors
January 5th Board Meeting
Jan 5th Board Meeting Item #7.5 committing up to $50 million for Caltrain

Dear Chair Bruins and members of the VTA Board of Directors,

Please consider the following issues and recommendations prior to approving any additional funding for the Caltrain electrification project:

Issues

1) **$2.5B investment will result in a 10% loss of capacity AFTER adding a 6th train**

   (“Calmod II” will require additional funding for longer trains & platform at a later date)
2) System is not ready for electrification

a. New CBOSS signalling system is not “electrification ready”

“It seems, from the scope of work for the electrification contractor that it will be responsible for testing these links after its work on track circuits is finished. This is a high risk safety area. In our experience, any work requiring safety related technical interfaces with signaling already installed on an existing system is high risk in terms of interface management, approvals for designs by the operator and regulators and in the installation by the electrification contractor for intrusive access to a new and complex system like CBOSS is bound to cause some delay to the project completion date, particularly if the alteration (e.g. track circuit replacement) involves interfaces with other operators like the UPRR.”

http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTACHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.pdf (Section 4.5 on page 35)

b. Unknown impacts of High Speed Rail modifications to the corridor

“PFAL did not review future improvements to the Corridor which may be required to operate at speeds above the current imposed speed in the Peninsula Corridor because they are not included in the Funding Plan.”

http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTACHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.pdf (Page 3)

c. Many stations and grade crossings require reconstruction/relocation

“Though the track improvements compatibility risk described here mainly poses a risk to the PCEP schedule for the purposes of this review, a secondary issue is the potential for throw away costs due to the possibility of replacing electrification infrastructure.”

http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTACHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.pdf (page 27)

d. Caltrain electrification design does not follow best practices and could result in (potentially spectacular) catenary failures at high speeds.

“NB noted that back to back cantilevers were not to be used on the high speed line but were likely to be used by Caltrain. Such cantilevers did not provide for mechanical independence necessary for reliable performance.”


e. Caltrain ridership has been dropping off for the last 6 months and the revised schedule is likely to result in further decreases in ridership.
f. UK’s Network Rail recently cancelled an electrification contract with Caltrain’s contractor
   “It was concluded that the proposed alliance was unlikely to meet its stated objectives of delivering the scope of the work on time and to budget”

3) Caltrain Management issues

a. “A May 2016 APTA Peer Review Panel of the CBOSS project raised serious questions about Caltrain’s project management capabilities and JPB oversight that have similar implications to PCEP. These include:
   • “The panel notes that the PTC CBOSS project is just one of several complex infrastructure projects that will require Caltrain to take a serious look at in-house technical management resources.”
   • “Caltrain needs to directly hire a project manager with requisite technical experience and provide that person with the authority to manage the interests of Caltrain.”
   • “…this has consequently led to unresolved technical and contractual issues. Despite the recent partnering session, there continues to be a lack of commitment to resolving contractual issues such as scheduling and cost.”
   “The agency’s Executive Director and the Mod Squad will need sufficient time and understanding of project technical and management issues in order to provide the necessary oversight and authority for effective program delivery”
   http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTA CHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.p df (page 24)

b. Current Caltrain job openings:
   i. Chief Financial Officer (the last CFO quit after 10 months)
   ii. Director, Engineering & Maintenance
   iii. Deputy Director, Railroad Systems Engineering
   iv. Director, Contracts and Procurement
   v. Director, Safety and Security
   http://www.smctd.com/jobs.html
4) Funding issues

a. **Misappropriation of $125M FTA Formula Funds dedicated to EMU procurement**

"WHEREAS, $125 million in FTA funds identified in the 2012 Early Investment Strategy funding plan included in the 2012 Nine-Party MOU is needed by the PCJPB to advance critical state of good repair improvements necessary to maintain existing Caltrain operations, and the PCJPB has requested to remove these funds from the early investment funding strategy, which would create a $125 million funding gap"

http://www.caltrain.com/Assets/Caltrain+Modernization+Program/Documents/7-Party+MOU.pdf (SEVEN PARTY SUPPLEMENT TO 2012 MEMORANDUM OF UNDERSTANDING (MOU) Page 2)

b. **Misappropriation of $28M FTA Formula Funds dedicated to EMU procurement by the San Mateo County Transit District WITHOUT JPB APPROVAL**.

"In its role as the metropolitan planning organization for the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) programmed $27,854,836 of Federal Transit Administration (FTA) Section 5337 State of Good Repair grant funds for the PCEP. Recently, the Peninsula Corridor Joint Powers Board (JPB) and MTC were informed by the FTA that the PCEP is not eligible to receive the programmed Section 5337 funds, which would create a corresponding funding gap in the PCEP budget.

JPB staff has coordinated with the FTA and MTC, and MTC has concluded that it will redirect the Section 5337 funds to the SSF Caltrain Station Improvement Project. Therefore, these funds will replace the TA funds proposed for re-programming."

http://www.smcta.com/Assets/__Agendas+and+Minutes/TA/Board+of+Directors/Agendas/2016/2016-12-01+TA+BOD+Agenda+Packet.pdf (AGENDA ITEM # 9 (a))

c. **$600M Prop1A funding issue (PCEP does not go to Transbay)**

"Section 2704.04, subdivision (b)(2) provides that “Phase I of the high-speed train project is the corridor of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim.” Subdivision (b)(3) identifies specific high-speed train corridors, and lists, “(B) San Francisco Transbay Terminal to San Jose to Fresno.” Subdivision (a) identifies that the purpose behind the Bond Act is “construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim...”

Consequently, it appears that the intent of the Bond Act was for the system to extend, in San Francisco, to the Transbay Terminal, **not stop 1.3 miles short at a 4th and King Caltrain Station.**
This specific language and indication of intent does not conflict with a general referral to “San Francisco” in section 2704.09 subdivision (b)(1) and (3). It is reasonable to interpret this reference to “San Francisco” as indicating the Transbay Terminal identified as the intended San Francisco location in section 2704.04.

It appears, at this time, that the Authority does not have sufficient evidence to prove the blended system can currently comply with all of the Bond Act requirements, as they have not provided analysis of trip time to the San Francisco Transbay Terminal, and cannot yet achieve five-minute headways (even allowing for the definition of “train” to include non-HSR trains).

However, as Plaintiffs acknowledged during oral argument, the Authority may be able to accomplish these objectives at some point in the future. This project is an ongoing, dynamic, changing project. As the Court of Appeal noted, “because there is no formal funding plan and the design of the system remains in flux...we simply cannot determine whether the project will comply with the specific requirements of the Bond Act...” (California High-Speed Rail Authority, 228 Cal.App.4th at 703.)

There is no evidence currently before the Court that the blended system will not comply with the Bond Act system requirements. Although Plaintiffs have raised compelling questions about potential future compliance, the Authority has not yet submitted a funding plan pursuant to section 2704.08, subdivisions (c) and (d), seeking to expend Bond Act funds. Thus, the issue of the project’s compliance with the Bond Act is not ripe for review. Currently, all that is before the Court is conjecture as to what system the Authority will present in its request for Bond Act funds. This is insufficient for the requested relief.”

Recommendations

1) Commit to fund up to $50 Million in Additional State Regional Improvement Program Funds to the Peninsula Corridor Electrification Project subject to JPB Board approval to terminate SamTrans’ contract and initiate search for new agency responsible for Caltrain administration (VTA, MUNI, ACE or BART).

2) Consider requesting an Independent Financial Advisor Report to the 7-party MOU partners regarding the Caltrain EMU procurement and CBOSS projects.

Respectfully presented for your consideration.

Sincerely,

Roland Lebrun.

Cc
SFCTA Board of Directors
VTA Board of Directors
MTC Board of Directors
High Speed Rail Authority Board of Directors
Caltrain CAC
Caltrain BAC
VTA CAC
SFCTA CAC
RAB CAC
FTA regional director
VTA Board of Directors,

Please find attached Revised Agenda Item #7.5.a, Resolution for the Peninsula Corridor Electrification Project Funding Commitment, on the January 5, 2017 Board of Directors Regular Meeting Agenda.

The item can also be found on the VTA website here.

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
RESOLUTION NO. ______________

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY COMMITTING UP TO $65 MILLION IN ADDITIONAL CONTINGENCY FUNDS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT USING PROJECTED AVAILABLE REVENUE FROM VTA’S EXISTING SALES TAX MEASURES TO SUPPORT AND ENSURE EXECUTION OF A FULL FUNDING GRANT AGREEMENT WITH THE FEDERAL TRANSPORTATION ADMINISTRATION

WHEREAS, it is the Peninsula Corridor Joint Powers Board's (JPB) goal to electrify the Caltrain railroad corridor and enter revenue service on the electrified rail line by 2021 with an estimated total budget for the Peninsula Corridor Electrification Project ("PCEP" or "Project") of $1.98 billion, including $316 million (approximately 16.5%) in overall Project contingency; and

WHEREAS, the JPB has applied for inclusion in the Federal Transit Administration's (FTA) Core Capacity Grant program to receive funding for the PCEP, and has worked with FTA staff to prepare for approval of the Full Funding Grant Agreement (FFGA), the last phase of the Core Capacity Grant program; and

WHEREAS, the FTA informed the JPB that the FTA required evidence that the JPB will have access to an additional 10% beyond the budgeted Project contingency to ensure that any cost over-runs or shortfall in revenues will be covered without additional federal assistance; and

WHEREAS, the JPB sought, received, and provided to the FTA, letters from the Executive Directors of the Metropolitan Transportation Commission (MTC), and of the JPB member agencies – Santa Clara Valley Transportation Authority (VTA), the San Francisco Municipal Transportation Agency (SFMTA) and San Mateo County Transit District (SMCTD)/San Mateo County Transportation Authority (SMCTA) – indicating that each agency has available up to an additional directly proportional $50 million share of the funding plan gap to support the PCEP, beyond previously stated commitments to the Project; and

WHEREAS, the FTA has informed the JPB that in order for the FTA to approve the FFGA, the JPB must provide Board of Directors resolutions evidencing the agencies' commitments to be held to this additional contribution, if needed; and

WHEREAS, the JPB has put into place extensive controls to guard against cost over-runs, which include extensive and frequent opportunities for all PCEP funding partners to oversee PCEP implementation, such as through review and comment on progress and cost reports, participation in consultant selection panels and proposal/bid reviews, and membership on the Project's Risk Management Team; and

WHEREAS, JPB staff has requested the VTA Board of Directors provide this resolution committing to fund, on behalf of VTA, up to $65 million of a 10% shortfall in the PCEP financial plan, associated with potential cost over-runs above the estimated project delivery cost and
previously budgeted contingency or a shortfall in revenues, to support and ensure execution of the PCEP; and

**WHEREAS**, future sales tax funds available for programming or re-programming to projects under VTA’s discretion are sufficient to meet the JPB staff’s request.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Santa Clara Valley Transportation Authority hereby commits to funding up to $65 million for potential cost over-runs, if they arise, above the estimated project delivery cost and previously-budgeted contingency, or shortfall in revenues, for the Peninsula Corridor Electrification Project.

**BE IT FURTHER RESOLVED** that this Resolution will take effect upon the adoption of similar resolutions or actions by SMCTA/SMCTD, and either SFMTA or the San Francisco County Transportation Authority.

**BE IT FURTHER RESOLVED** that the General Manager or her designee is authorized to execute any necessary documents, and to take any additional actions necessary, to give effect to this resolution.

**BE IT FURTHER RESOLVED** that the General Manager or her designee shall forward a copy of this resolution, and such other information as may be required to the FTA, JPB, and to such other agencies as may be appropriate.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Transportation Authority, State of California, on ________________________________, by the following vote:

**AYES:**

**NOES:**

**ABSENT**

**ABSTAIN:**

__________________________________
Jeannie Bruins, Chairperson
Santa Clara Valley Transportation Authority
Attest:

___________________________________________
Elaine Baltao, Board Secretary
Santa Clara Valley Transportation Authority

Approved As to form:

___________________________________________
Robert Fabela, General Counsel
Santa Clara Valley Transportation Authority
From: Board.Secretary  
Sent: Friday, January 06, 2017 10:33 AM  
To: VTA Board of Directors  
Subject: VTA Information: Ridership for November 2016

VTA Board of Directors:

Attached is a memorandum from Chief Operating Officer Inez Evans regarding VTA ridership for November 2016.

Thank you.

VTA Office of the Board Secretary  
Santa Clara Valley Transportation Authority  
3331 North First Street, Building B-1  
San Jose, CA 95134-1927  
Phone: 408-321-5680  
E-mail: board.secretary@vta.org  

Santa Clara Valley Transportation Authority  
Solutions that move you
MEMORANDUM

TO: VTA Board of Directors

THROUGH: Nuria I. Fernandez
          General Manager

FROM: Inez Evans
       Chief Operating Officer

DATE: Wednesday, January 04, 2017

SUBJECT: VTA Ridership for November 2016

November 2016 total monthly system ridership for bus and light rail was 3,278,259, a decrease of 8.3% over November 2015. November 2016 had 21 weekdays, one more than November 2015.

There were two Levi’s events in November 2016 totaling 25,404 riders compared to 31,482 riders from two events in November 2015, a 19% decrease.

November 2016 total monthly ridership showed a 6.0% decrease over October 2016. Ridership change from November to October typically averages -12.0%.

The ridership data is in trend with fare revenues.

<table>
<thead>
<tr>
<th>Ridership</th>
<th>November-2016</th>
<th>November-2015</th>
<th>Percent Change</th>
<th>October-2016</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>2,512,191</td>
<td>2,702,030</td>
<td>-7.0%</td>
<td>2,634,494</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Light Rail</td>
<td>766,068</td>
<td>872,320</td>
<td>-12.2%</td>
<td>854,118</td>
<td>-10.3%</td>
</tr>
<tr>
<td>System</td>
<td>3,278,259</td>
<td>3,574,350</td>
<td>-8.3%</td>
<td>3,488,612</td>
<td>-6.0%</td>
</tr>
</tbody>
</table>
VTA Board of Directors and VTA Advisory Committee Members:

Attached for your information is the Notice of Availability of the Draft Supplemental Environmental Impact Statement/Draft Subsequent Environmental Impact Report and Draft Section 4(f) Evaluation (Draft SEIS/SEIR) for Public Review and Announcement of Public Hearings for the VTA’s BART Silicon Valley – Phase II Extension Project.

For additional information, please click on the following link: http://www.vta.org/bart/draft2016seis-seir

Thank you.

VTA Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 North First Street, Building B-1
San Jose, CA 95134-1927
Phone: 408-321-5680
E-mail: board.secretary@vta.org
NOTICE OF AVAILABILITY
Draft Supplemental Environmental Impact Statement/
Draft Subsequent Environmental Impact Report and
Draft Section 4(f) Evaluation (Draft SEIS/SEIR) for
Public Review and Announcement of Public Hearings

PROJECT: VTA’s BART Silicon Valley - Phase II Extension Project (SCH# 2002022004)

LEAD AGENCIES: The Federal Transit Administration (FTA) under the National Environmental Policy Act (NEPA) and the Santa Clara Valley Transportation Authority (VTA) under the California Environmental Quality Act (CEQA)

PROJECT LOCATION & DESCRIPTION: FTA and VTA have prepared a Draft SEIS/SEIR to address environmental effects of VTA’s BART Silicon Valley - Phase II Extension Project (See Figure 1). The Draft SEIS/SEIR supplements the analysis in the 2010 Final EIS and 2004 EIR, 2007 SEIR, and 2011 2nd SEIR for the BART Silicon Valley Program. The BART Silicon Valley Program consists of a 16-mile extension of the BART system from BART’s Warm Springs Station in Alameda County into Santa Clara County. VTA’s BART Silicon Valley Program is planned to be implemented in two phases. This Draft SEIS/SEIR has been prepared to address Phase II, which is the remaining 6 miles of the Silicon Valley Program from Berryessa to San Jose that was not approved in the 2010 EIS. Although the 16-mile, 6-station, BART Silicon Valley Program was approved in previous EIRs, this SEIR will be the first CEQA document to evaluate a 6-mile, 4-station extension.

There are two alternatives evaluated in this document in accordance with NEPA: the No Build Alternative and the BART Extension Alternative. The BART Extension Alternative consists of a 6-mile extension of the BART system from the Berryessa BART Station (currently under construction) through downtown San Jose to the Santa Clara Caltrain Station. The alignment would include an approximately 5-mile tunnel, or subway, through downtown San Jose. Four stations are under consideration: Alum Rock/28th Street, Downtown San Jose, Diridon, and Santa Clara. Two options are currently under consideration for the location of the Downtown San Jose Station (East and West) and for Diridon Station (North and South). Two tunnel construction methodology options, the Twin-Bore Option (two 20-foot-diameter tunnels) and the Single-Bore Option (one 45-foot-diameter tunnel), are under consideration. Depending upon funding availability, initial revenue service on the BART Extension is targeted to begin in late 2025/2026.

There are three alternatives evaluated in this document in accordance with CEQA: the No Build Alternative, the BART Extension Alternative, and the BART Extension with Transit-Oriented Joint Development (TOJD) Alternative. The CEQA No Build Alternative is the same as the NEPA No Build Alternative. The CEQA BART Extension Alternative is also the same as the NEPA BART Extension Alternative described above. The additional CEQA BART Extension with TOJD Alternative consists of the 6-mile BART Extension as described above, in addition to TOJD at the four BART stations and two mid-tunnel ventilation structure sites. The BART Extension with TOJD Alternative’s TOJD component does not involve a federal action or federal funding and is evaluated only under CEQA. The TOJD has independent utility and is included to support local and regional land use planning.
ENVIRONMENTAL ANALYSIS: The Draft SEIS/SEIR describes the purpose and need, alternatives, environmental setting, potential impacts from construction and operation, and mitigation measures to reduce impacts. After implementation of mitigation measures, the BART Extension Alternative would result in adverse effects under NEPA and significant and unavoidable impacts under CEQA for Transportation during construction (NEPA and CEQA), Air Quality during construction (NEPA and CEQA), Noise during construction (NEPA and CEQA), and Socioeconomics during construction (NEPA only). After implementation of mitigation measures, the BART Extension with TOJD Alternative would result in significant and unavoidable impacts under CEQA for Transportation during construction and operation, Air Quality during construction and operation, Greenhouse Gas Emissions during operation, and Noise during construction.

The NEPA BART Extension Alternative would result in no adverse effect under Section 106 of the National Historic Preservation Act on historic properties listed or eligible for the National Register of Historic Places. However, the corridor includes areas of sensitivity for encountering buried archaeological resources, and the effect on to historic properties cannot be fully determined prior to project approval due to limited access for surveys on private properties. Therefore, a Programmatic Agreement (PA) has been prepared for the phased identification and evaluation of potential historic properties, and the resolution of any adverse effects on historic properties within the area of potential effect, pursuant to 36 CFR 800.4(b)(2) and 36 CFR 800.5(a)(3). The Draft PA is included in the appendix of the Draft SEIS/SEIR. The NEPA BART Extension Alternative would not result in a use or temporary occupancy of a public park, wildlife refuge, recreational resource, or historic property protected under Section 4(f).

FTA and VTA’s Board of Directors will use the Draft SEIS/SEIR, comments received, and responses to select an alternative and options. The FTA may issue a single Final SEIS/Record of Decision document pursuant to Public Law 114-94 and 23 U.S.C. 139 (n)(2), unless the FTA determines statutory criteria or practicability considerations preclude issuance of the combined document. In that case, FTA would issue a Final SEIS followed by an amendment to the 2010 Record of Decision, as needed.

AVAILABILITY OF DRAFT SEIS/SEIR: The Draft SEIS/SEIR and supporting documentation are available online at www.vta.org/bart. Printed copies of the Draft SEIS/SEIR are available for public review at the following locations during business hours.

Location #1: VTA’s Building B Lobby at 3331 North 1st Street San Jose, CA 95134

Location #2: Local Public Libraries

<table>
<thead>
<tr>
<th>Biblioteca Latinoamericana Branch Library</th>
<th>East San Jose Carnegie Branch Library</th>
<th>Mission Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>921 South First St. San Jose, CA 95110</td>
<td>1102 E. Santa Clara St. San Jose, CA 95116</td>
<td>Family Reading Center 1098 Lexington Street Santa Clara, CA 95050</td>
</tr>
<tr>
<td>Central Park Library 2635 Homestead Road Santa Clara, CA 95051</td>
<td>Joyce Ellington Branch Library 491 E. Empire St. San Jose, CA 95112</td>
<td>Northside Branch Library 695 Moreland Way Santa Clara, CA 95054</td>
</tr>
<tr>
<td>Dr. Roberto Cruz - Alum Rock Branch Library 3090 Alum Rock Ave. San Jose, CA 95127</td>
<td>King Library 150 E. San Fernando St. San Jose, CA 95112</td>
<td></td>
</tr>
</tbody>
</table>

Page 2 of 4
PUBLIC HEARINGS: The public hearing format will include an open house where plans, maps, and other displays will be available for viewing, and VTA staff will be available for questions. The open house will be followed by a formal presentation on the proposed project, purpose and need, alternatives, and the findings of the environmental analysis. A public comment period will follow the presentation where agencies and the public can verbally state their comments, which are recorded by a court recorder. Attendees may also fill out comment cards and leave them at the meeting site or mail them in prior to the end of the review period. All comments received will be addressed in the Final SEIS/SEIR. Public hearings will be held on the following dates to receive comments on the Draft SEIS/SEIR.

PUBLIC HEARINGS

Meeting 1 – Wednesday, January 25, 2017
Open House:
6:00 p.m. – 7:00 p.m.
Formal Presentation & Comments:
7:00 p.m. – 8:00 p.m.
Mexican Heritage Plaza, Gallery
1700 Alum Rock Avenue, San Jose, CA 95116

Meeting 2 – Thursday, January 26, 2017
Open House:
6:00 p.m. – 7:00 p.m.
Formal Presentation & Comments:
7:00 p.m. – 8:00 p.m.
Santa Clara Senior Center, Room 222
1303 Fremont Street, Santa Clara, CA 95050

Meeting 3 – Monday, January 30, 2017
Open House:
6:00 p.m. – 7:00 p.m.
Formal Presentation & Comments:
7:00 p.m. – 8:00 p.m.
San Jose – City Hall, Rooms 118 - 120
200 East Santa Clara Street, San Jose, CA 95113

How to Submit Comments on the Draft SEIS/SEIR: The public review and comment period for the Draft SEIS/SEIR will end on February 20, 2017. Written comments on the Draft SEIS/SEIR should be sent to:

Mail:  Tom Fitzwater, SVRT Environmental Planning Manager
       VTA Environmental Programs & Resources Management, Building B-2
       3331 North First Street, San Jose, CA 95134

Email:  BARTPhase2EIS-EIR@vta.org

Comments must be submitted no later than 5:00 p.m. on February 20, 2017. For additional information on the Draft SEIS/SEIR, please contact VTA’s Community Engagement Department at 408-321-7575.

Individuals who require language translation, American Sign Language, or other assistance are requested to call (408) 321-7575/TTY (408) 321-2330 at least five (5) business days before the public hearing. All meeting facilities are accessible to persons with disabilities.
BART Extension (with Station Options) and Transit-Oriented Joint Development
VTA's BART Silicon Valley–Phase II Extension Project
VTA Board of Directors,

Please find attached comments from Adina Levin, Daniel Howard, Roland Lebrun and the JPB Response to Mr. Lebrun, that were distributed in the reading folders at the January 5, 2017 Board of Directors Meeting.

Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
Dear VTA Board Members,

Thank you for considering today’s Fare Report, Next Network Proposal, and Caltrain contingency funding items.

Friends of Caltrain is a 501c3 nonprofit with over 5,000 participants on the corridor from San Francisco through San Jose, supporting Caltrain modernization, sustainable transportation and transit-supportive policies.

Fare Report and Next Network

With regard to the fare report, we support the Next Network recommendation to eliminate the transfer penalty. The “Frequent Network” model is designed to increase ridership by creating a network of frequent routes, however this design also requires more transfers. Eliminating the transfer cost will help the agency achieve its ridership goals.

The EcoPass helps to increase ridership but has problems with farebox recovery and equity. We would urge an increase in price point for corporate customers, and pro-active sales to emerging city-based Transportation Management Associations to make the discounts available to groups of smaller businesses (e.g. small restaurant and retail businesses) that employ many low-income workers. This would increase revenue and address the equity issue.

We would urge the VTA board to use the Measure B funding in the transit operations category to:

- Retain the valuable “PACT” low-income fare program which helps the most vulnerable riders
- Provide some “backstop” funding against the risk of lost transfer revenue
- Provide targeted service restoration and/or compensating service for areas that are slated to lose service affecting transit-dependent low-income, senior, and disabled riders.

In addition, we urge the VTA board to work with Caltrain, BART, the MTC, and the Clipper Executive Board to provide more convenient transfer policies and regional fares that encourage transit ridership around the region through greater convenience. We encourage working with regional bodies to include support for regional fare integration in our upcoming regional transit funding measures.

7.5 - Caltrain Contingency funding

The FTA has added a new requirement to identify funding sources for a 10% “supercontingency” requirement for the Caltrain electrification project. This is an essential project that will improve
capacity and service in Santa Clara County and the region, and is a requirement for High Speed Rail.

The VTA and allies have worked hard to plan and fund Caltrain electrification and the Phase 2 capacity increases that will be needed to support the area’s economic prosperity and alleviate traffic congestion through Measure B and previous funding. We urge you to approve this contingency funding so this critical project can go forward.

One concern with Caltrain service is whether it will be available to a wide range of people going forward. Historically, Caltrain has served a well-off segment of the population; according to rider surveys, the average income of a Caltrain rider has been $117,000.

In recent years, regarding this concern, Friends of Caltrain has conducted grant-funded research, in partnership with Working Partnerships, Palo Alto Transportation Management Association, Stanford University, and others, to investigate issues of fare equity. We identified specific potential issues and solutions, and use the information to advocate for change. Addressing the equity issues will help alleviate traffic and parking challenges, in addition to improving economic opportunities and health for lower-income workers.

Since then, the Caltrain board and staff have been taking steps to address the issues. the Caltrain board has added an equity goal to its Strategic Plan, and has commissioned a Fare Study to investigate solutions to equity and other issues. We have seen leadership from board members including San Jose Council Member Raul Peralez, Supervisor Malia Cohen of San Francisco, Joel Ramos of the MTA board, and others.

We would urge VTA to continue to work on improved equitable access for its own service, and for partner services including Caltrain and BART, also in partnership with MTC and regional funding opportunities, so that the improved electric service will be available to more residents and workers in Santa Clara County.

Caltrain electrification is essential for the region and for Santa Clara County, and we urge the VTA board to approve the contingency funding so the project can go forward.

Thank you for your consideration,

Adina

Adina Levin
Friends of Caltrain
From: Daniel Howard  
Sent: Thursday, January 05, 2017 4:12 PM  
To: Board.Secretary  
Subject: Backup Funding for Electrification

My name is Daniel Howard. I am a Sunnyvale resident. I would like for the VTA Board to ensure that Caltrain can complete its electrification work. Please ensure the requisite funds / backup funds, &c. are in place.

As a West Valley resident, Caltrain is a greater priority for me than BART.

Thanks,
-danny
Dear Chair Peskin and members of the SFCTA Board of Directors,

Please consider the following issues and recommendations prior to approving any additional funding for the Caltrain electrification project:

Issues

1) $2.5B investment will result in a 10% loss of capacity AFTER adding a 6th train
(“Calmod II” will require additional funding for longer trains & platform at a later date)
2) System is not ready for electrification

a. New CBOSS signalling system is not “electrification ready”
   “It seems, from the scope of work for the electrification contractor that it will be responsible for testing these links after its work on track circuits is finished. This is a high risk safety area. In our experience, any work requiring safety related technical interfaces with signaling already installed on an existing system is high risk in terms of interface management, approvals for designs by the operator and regulators and in the installation by the electrification contractor for intrusive access to a new and complex system like CBOSS is bound to cause some delay to the project completion date, particularly if the alteration (e.g. track circuit replacement) involves interfaces with other operators like the UPRR.”
   http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTA CHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.p df (Section 4.5 on page 35)

b. Unknown impacts of High Speed Rail modifications to the corridor
   “PFAL did not review future improvements to the Corridor which may be required to operate at speeds above the current imposed speed in the Peninsula Corridor because they are not included in the Funding Plan.”
   http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTA CHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.p df (Page 3)

c. Many stations and grade crossings require reconstruction/relocation
   “Though the track improvements compatibility risk described here mainly poses a risk to the PCEP schedule for the purposes of this review, a secondary issue is the potential for throw away costs due to the possibility of replacing electrification infrastructure.”
   http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTA CHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.p df (page 27)

d. Caltrain electrification design does not follow best practices and could result in (potentially spectacular) catenary failures at high speeds.
   “NB noted that back to back cantilevers were not to be used on the high speed line but were likely to be used by Caltrain. Such cantilevers did not provide for mechanical independence necessary for reliable performance.”

e. Caltrain ridership has been dropping off for the last 6 months and the revised schedule is likely to result in further decreases in ridership.
f. UK’s Network Rail recently cancelled an electrification contract with Caltrain’s contractor
   “It was concluded that the proposed alliance was unlikely to meet its stated objectives of delivering the scope of the work on time and to budget”

3) Caltrain Management issues

a. “A May 2016 APTA Peer Review Panel of the CBOSS project raised serious questions about Caltrain’s project management capabilities and JPB oversight that have similar implications to PCEP. These include:
   • “The panel notes that the PTC CBOSS project is just one of several complex infrastructure projects that will require Caltrain to take a serious look at in-house technical management resources.”

   • “Caltrain needs to directly hire a project manager with requisite technical experience and provide that person with the authority to manage the interests of Caltrain.”

   • “…this has consequently led to unresolved technical and contractual issues. Despite the recent partnering session, there continues to be a lack of commitment to resolving contractual issues such as scheduling and cost.”

   “The agency’s Executive Director and the Mod Squad will need sufficient time and understanding of project technical and management issues in order to provide the necessary oversight and authority for effective program delivery”
   http://www.hsr.ca.gov/docs/brdmeetings/2016/brdmtg_121316_item3_ATTA CHMENT_Ind_Consult_Report_SF_SJ_Peninsula_Corridor_Funding_Plan.p df (page 24)

b. Current Caltrain job openings:
   i. Chief Financial Officer (the last CFO quit after 10 months)
   ii. Director, Engineering & Maintenance
   iii. Deputy Director, Railroad Systems Engineering
   iv. Director, Contracts and Procurement
   v. Director, Safety and Security
   http://www.smctd.com/jobs.html
4) Funding issues
   a. Misappropriation of $125M FTA Formula Funds dedicated to EMU procurement
      “WHEREAS, $125 million in FTA funds identified in the 2012 Early Investment Strategy funding plan included in the 2012 Nine-Party MOU is needed by the PCJPB to advance critical state of good repair improvements necessary to maintain existing Caltrain operations, and the PCJPB has requested to remove these funds from the early investment funding strategy, which would create a $125 million funding gap”
      http://www.caltrain.com/Assets/Caltrain+Modernization+Program/Documents/7-Party+MOU.pdf (SEVEN PARTY SUPPLEMENT TO 2012 MEMORANDUM OF UNDERSTANDING (MOU) Page 2)
   
   b. Misappropriation of $28M FTA Formula Funds dedicated to EMU procurement by the San Mateo County Transit District WITHOUT JPB APPROVAL.
      “In its role as the metropolitan planning organization for the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) programmed $27,854,836 of Federal Transit Administration (FTA) Section 5337 State of Good Repair grant funds for the PCEP. Recently, the Peninsula Corridor Joint Powers Board (JPB) and MTC were informed by the FTA that the PCEP is not eligible to receive the programmed Section 5337 funds, which would create a corresponding funding gap in the PCEP budget.

      JPB staff has coordinated with the FTA and MTC, and MTC has concluded that it will redirect the Section 5337 funds to the SSF Caltrain Station Improvement Project. Therefore, these funds will replace the TA funds proposed for re-programming.”
      http://www.smcta.com/Assets/__Agendas+and+Minutes/TA/Board+of+Directors/Agendas/2016/2016-12-01+TA+BOD+Agenda+Packet.pdf (AGENDA ITEM # 9 (a))
   
   c. $600M Prop1A funding issue (PCEP does not go to Transbay)
      “Section 2704.04, subdivision (b)(2) provides that “Phase I of the high-speed train project is the corridor of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim.” Subdivision (b)(3) identifies specific high-speed train corridors, and lists, “(B) San Francisco Transbay Terminal to San Jose to Fresno.” Subdivision (a) identifies that the purpose behind the Bond Act is “construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim…”

      Consequently, it appears that the intent of the Bond Act was for the system to extend, in San Francisco, to the Transbay Terminal, not stop 1.3 miles short at a 4th and King Caltrain Station.
This specific language and indication of intent does not conflict with a general referral to “San Francisco” in section 2704.09 subdivision (b)(1) and (3). It is reasonable to interpret this reference to “San Francisco” as indicating the Transbay Terminal identified as the intended San Francisco location in section 2704.04.

It appears, at this time, that the Authority does not have sufficient evidence to prove the blended system can currently comply with all of the Bond Act requirements, as they have not provided analysis of trip time to the San Francisco Transbay Terminal, and cannot yet achieve five-minute headways (even allowing for the definition of “train” to include non-HSR trains).

However, as Plaintiffs acknowledged during oral argument, the Authority may be able to accomplish these objectives at some point in the future. This project is an ongoing, dynamic, changing project. As the Court of Appeal noted, “because there is no formal funding plan and the design of the system remains in flux... we simply cannot determine whether the project will comply with the specific requirements of the Bond Act...” (California High-Speed Rail Authority, 228 Cal.App.4th at 703.)

There is no evidence currently before the Court that the blended system will not comply with the Bond Act system requirements. Although Plaintiffs have raised compelling questions about potential future compliance, the Authority has not yet submitted a funding plan pursuant to section 2704.08, subdivisions (c) and (d), seeking to expend Bond Act funds. Thus, the issue of the project’s compliance with the Bond Act is not ripe for review. Currently, all that is before the Court is conjecture as to what system the Authority will present in its request for Bond Act funds. This is insufficient for the requested relief.”

Recommendations

1) Commit to fund up to $50 Million in Additional State Regional Improvement Program Funds to the Peninsula Corridor Electrification Project subject to JPB Board approval to terminate SamTrans’ contract and initiate search for new agency responsible for Caltrain administration (VTA, MUNI, ACE or BART).

2) Consider requesting an Independent Financial Advisor Report to the 7-party MOU partners regarding the Caltrain EMU procurement and CBOSS projects.

Respectfully presented for your consideration.

Sincerely,

Roland Lebrun.

Cc
SFCTA Board of Directors
VTA Board of Directors
MTC Board of Directors
High Speed Rail Authority Board of Directors
Caltrain CAC
Caltrain BAC
VTA CAC
SFCTA CAC
RAB CAC
FTA regional director
JPB Responses to Issues raised by R. LeBrun on January 2, 2017.

1. Project Cost and Capacity

The Peninsula Corridor Electrification Project (PCEP) budget is $1.98B and includes the replacement of 75 percent of Caltrain’s current diesel fleet with new high-performance electric trains called Electric Multiple Units (EMUs).

Through the design process Caltrain will continue to work with the electric train manufacture, Stadler, to maximize capacity for both seats and standees in the electric trains. This will be balanced by space requirements for ADA passengers, the retention of our 8:1 bike to seat ratio, bathrooms, etc.

It is true that we anticipate the number of seats in a 6-car EMU train to be less than the current bombardier or a gallery trains. However, the true benefit of the project comes from increasing frequency of trains which will result in a greater than 10 percent increase in hourly seated capacity as a result of the project. Of note, the FTA requires a capacity increase of at least 10 percent to be eligible for the FTA Core Capacity and FTA is satisfied that Caltrain is meeting that standard.

With electric trains, Caltrain will be able to pursue capacity increases through the implementation of a more efficient service plan with a higher frequency. That provides for consistent, attractive end to end runtimes with more frequent stops on all trains. In this way we can spread demand more evenly than today and accommodate more riders. Electric train technology also allows for future expansion of train lengths without degrading reliability or performance.

When we measure the true benefit of the program we are looking at total system capacity not just the number of seats on a single train. The PCEP provides more capacity than there is today.

Based on preliminary numbers (we are still working through the design with Stadler) we anticipate with the PCEP we will see a 11 percent increase in seats, 32 percent increase when you add in room for standees, and a 43 percent in capacity when you factor in turnover rate. Again these capacity numbers are preliminary.

2. System Readiness for Electrification

a. CBOSS System

- The report referenced by R. LeBrun states that “...the electrification contractor has Alstom as its subcontractor for signaling equipment and interfaces. Alstom is also the main contractor for the CBOSS Project. The PFAL team believes that this is an appropriate mitigation for the risks involved.” Caltrain agrees that the safety risks identified will be mitigated by a subcontractor that is familiar with Caltrain’s existing signaling system.
• The PCEP has been engaged with the UPRR even prior to the issuance of a contract to discuss work on the signal system to eliminate design approval related delays.

b. Impacts of HSR Blended System

The California High Speed Rail Authority (CHSRA) is currently in the environmental review phase for the Blended System San Francisco to San Jose section of the statewide High-Speed Rail project. As part of that environmental review process, CHSRA will disclose any potential impacts to the Caltrain corridor. Until that process and analysis is complete, the potential impacts are not known. CHSRA anticipates releasing a draft EIR in summer 2017.

Caltrain has completed the EIR for the Peninsula Corridor Electrification Project. A copy of the FEIR can be viewed here: http://www.caltrain.com/projectsplans/CaltrainModernization/Modernization/PeninsulaCorridorElectrificationProject/FEIR_Release.html

c. Station and Grade Crossing Reconstruction

The PCEP scope does not include nor require the reconstruction of any station or grade crossing. Two stations will be reconstructed and one existing grade crossing will be grade separated during the PCEP construction through two separate Caltrain capital projects. The South San Francisco (SSF) Station will be reconstructed through the SSF Station Improvement Project. The Hillsdale Station will be reconstructed and the 25th Ave. grade crossing will be grade separated through the 25th Ave. Grade Separation Project. In order to eliminate the potential for throwaway costs that could result from the replacing electrification structure, the designs for the SSF Station and 25th Ave. Grade Separation projects account for PCEP infrastructure within the limits of each project.

d. Caltrain Electrification OCS Design

The center poles (with back-to-back cantilevers) are only used at a small percentage of locations for Caltrain. This design is used at other electrified railroads, such as on the New Haven to Boston Northeast Corridor, where trains travel at 140 mph speeds.

e. Caltrain Ridership

For the first time in 6 years, Caltrain has seen a slight dip in estimated ridership over the previous year’s ridership. This has occurred in the last three months and Caltrain staff is working to determine the cause. Overcrowding could be one of several reasons. In February 2017, the annual count takes place which will provide statistically accurate information about the ridership use.
f. UK’s network rail recently canceled an electrification contract with Caltrain’s contractor

3. Caltrain Management

a. Caltrain’s Project Management Capabilities

The PCEP team consists of experienced project management and technical agency and consultant staff that are empowered to resolve technical and contractual issues. Caltrain’s Executive Director and key members of the Executive Team meet weekly with PCEP management to discuss project issues to ensure that the PCEP organization represents Caltrain and the public’s interests.

The CBOSS PTC team has made changes based on recommendations in the APTA Peer Review report. The many action steps to improve the CBOSS PTC team, including hiring an experience project manager can be viewed here: www.caltrain.com/cbosspetc

b. Current Caltrain Job Openings

Caltrain’s Human Resources Department is currently working closely with executive search firms to recruit and fill the vacant positions identified.

4. Funding

a. $125M FTA Formula Funds

The 2012 Nine-Party MOU for the PCEP identified funding commitments of approximately $1.2 billion, including $125 million in Federal Transit Administration (FTA) formula funds. However, the $125 million in FTA funds are needed by the JPB to advance critical state of good repair improvements necessary to maintain existing Caltrain operations, and the JPB requested to remove these funds from the early investment funding strategy. The 2012 Nine-Party MOU allows funding sources to be substituted if alternative sources are secured to replace them.

The JPB conducted a cost estimate study for the PCEP in 2014 to update the 2008 cost estimate on which the 2012 Nine-Party MOU funding strategy for the PCEP was based, and the JPB has since included additional program contingency to the PCEP, such that the total anticipated budget for the PCEP is $1.98 billion, which includes costs covering the contracts, program management, and contingency costs. The JPB has identified funding sources to fund the $1.98B
project. The $125 million in FTA formula funds are not included in the PCEP funding plan.

b. $28M FTA Formula Funds

Recently, the JPB and MTC were informed by the FTA that the PCEP project is not eligible to receive the programmed Section 5337 because they are incompatible with the FTA Core Capacity funds. Removing these funds would create a corresponding funding gap in the PCEP budget.

JPB staff coordinated with the FTA and MTC, and MTC has concluded that it will redirect the Section 5337 funds to the SSF Caltrain Station Improvement Project and SMCTA funds originally programmed for the SSF Caltrain Improvement Project are now budgeted for PCEP.

With this fund swap both the PCEP and the SSF Caltrain Station Improvement Project are fully funded.

c. $600M Prop 1A Funding (PCEP does not go to Transbay)

It is correct that the PCEP project electrifies the Caltrain corridor between San Jose and the current Caltrain San Francisco terminal – the 4th and King Station. According to the 2016 CHSRA Business Plan, the current plans are to stop at the 4th and King station on an interim basis while the Transbay Transit Center (Transbay Transit Center) project is being constructed. Once the TTC project is completed the CHSRA, as well as Caltrain, will provide train service to the TTC. The TTC is a project being implemented by the Transbay Joint Powers Authority.
VTA Board of Directors:

This is for your information only.

Below is a message that will be sent to our customers to inform them about VTA Storm operations and ways to receive VTA service alerts.

Please feel free to share with your constituents.

Thank you.

------------

VTA Storm Operations and Service Notifications

Last evening a strong storm system moved into the area and severe weather conditions are predicted to last for several days. Heavy rains and winds are expected, and power outages and possible flooding of creeks and roadways are very likely.

During storms, poor roadway conditions, poor visibility, and power outages can impact service. VTA will be offering regular service unless weather or road conditions prevent operations or compromise safety. When service is impacted, VTA routinely issues service alerts.

Service Alerts are posted and available through:

Govdelivery Subscription Service

Sign up for general and specific service alerts and VTA news at https://service.govdelivery.com/accounts/CAVTA/subscriber/new and select to receive emails or texts on service alerts customized to your choices.

Sign-up is also available through vta.org on the homepage-click on the blue envelope on the upper right side of the home page. You can then select your notification method and the routes or subject matter you would like to receive notices for.

VTA.ORG

http://www.vta.org
VTA also runs a scrolling banner on vta.org for major, longer period service impacts. Service impacts are also reported to the news media and are included in traffic reports on local television and radio stations.

VTA’s Facebook page
Valley Transportation Authority, [https://m.facebook.com/scvta/](https://m.facebook.com/scvta/)

**VTA’s Twitter Feed**

@vta, [https://twitter.com/VTA](https://twitter.com/VTA)

**VTAlerts**

To report safety concerns or a problem or receive alerts download the free VTAlerts app from the App store

**Digital Message Boards**

Digital message boards are posted at light rail stations and provide real time service information and display service impacts when in effect.

**Stay Safe**

At VTA, passenger, employee and public safety are first and foremost. We would like to remind you of some safety tips to practice when accessing and riding VTA bus and light rail during inclement weather.

If carrying an umbrella, make sure your sight is not blocked when crossing streets or in a parking lot.

Be especially careful of puddles, overflowing gutters and slippery wet steps.

Do not run in the rain to catch a bus or train, or run after exiting the vehicle to get out of the rain.

Have your fare or clipper card easily accessible so you are not distracted when stepping up to board

To report concerns during business hours call VTA Customer Service at (408) 321-2300

For more information on the storm visit the [National Weather Service](https://www.weather.gov/)

**Stay Safe and Dry!**