



SAN FRANCISCO PENINSULA RAIL PROGRAM EXECUTIVE STEERING COMMITTEE MEETING

MINUTES

Friday, December 17, 2021

11:00 a.m. to 12:00 p.m.

WATCH LIVE:

<https://transbaycenter.webex.com/transbaycenter/onstage/g.php?MTID=ea2cd7b815d3c10c185c7ad60e03bfa36>

PUBLIC COMMENT CALL-IN: 1-855-282-6330 — Access Code: 2555 183 1863

Due to the COVID-19 health emergency, the Executive Steering Committee (ESC) will meet via teleconference. Members of the public are encouraged to participate remotely. Please see additional information on the next page for remote meeting access.

In compliance with the Assembly Bill (“AB”) 361 (Rivas, Chapter 165, Statutes of 2021) and its amendments to California Public Resources Code Section 54953(e), this meeting will be held exclusively via teleconference participation of a quorum of ESC members in locations not open to the public. This meeting is being held during a proclaimed state of emergency, and state and local officials have imposed or recommended measures to promote social distancing, while allowing the public to observe and address the ESC.

EXECUTIVE STEERING COMMITTEE

Peninsula Corridor Joint Powers Board/Caltrain, Michelle Bouchard (Chair)
San Francisco County Transportation Authority, Tilly Chang (Vice Chair)
California High Speed Rail Authority, Boris Lipkin
City and County of San Francisco, Alex Sweet
Metropolitan Transportation Commission, Andrew Fremier
Transbay Joint Powers Authority, Nila Gonzales

REMOTE MEETING ACCESS
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Providing Public Comment

Ensure you are in a quiet location – Speak Clearly – Turn off any TVs or radios around you

1. When prompted, “raise hand” to speak by pressing *3 (star, 3) to be added to the queue.
2. Callers will hear silence when waiting for their turn to speak.
3. When prompted, callers will have two minutes to provide comment.

AGENDA

1. Call to Order

Chair Bouchard called the meeting to order at 11:02 a.m.

2. Roll Call

Members Present: Andrew Fremier, Nila Gonzales, Boris Lipkin, Alex Sweet, Tilly Chang and Michelle Bouchard.

3. Communications

Secretary Pollitt provided instructions on the Public Call-in/Comment process.

- Chair’s Report

Chair Bouchard reported that the past few weeks have been eventful for the Transbay Program, noting the Federal Transit Administration (FTA) accepted the TJPA’s request for the Downtown Rail Extension (DTX) project to enter the Capital Investment Grants program Project Development phase. She emphasized that this is a major accomplishment achieved by the TJPA, noting that the project team is in line with the Accelerated Work Plan and Master Schedule, which was adopted by the TJPA Board in April 2021. She stated that the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant application was submitted on November 24 to the Federal Railroad Administration, noting the TJPA is asking for \$10 million, and if approved, it will help advance certain design and programmatic management documents, including right-of-way tasks. The funding request comprises 48% federal dollars and 52% local matching dollars.

She also reported that Interim Executive Director Gonzales and TJPA staff hosted Speaker Nancy Pelosi along with Congresswoman Jackie Speier, House Representative Mark DeSaulnier, Lateefah Simon of BART, and Brian Kelly of California High-Speed Rail Authority (CHSRA) on December 11 in the already built trainbox at the Salesforce Transit Center to celebrate the signing of the Infrastructure package by President Biden and impending transit investments for the Bay Area. The TJPA will also continue to seek funding

opportunities made possible by the bipartisan infrastructure bill. Chair Bouchard thanked Member Gonzales for hosting the event and noted that it was a tangible way of understanding the project's potential impact.

Chair Bouchard concluded her report by announcing the TJPA Board approved Adam Van de Water as the new TJPA Executive Director (ED) at its December 9 meeting. She provided a high-level overview of his background, noting that he brings a wealth of experience in delivering large scale projects in the Bay Area which include the City and County of San Francisco's Railyard Alignment and Benefits Study to develop the City's Railyard Plan, the expansion of the \$500 million Moscone Convention Center, the relocation of the Golden State Warriors to the \$1 billion Chase Center, and the completion of the 27-acre Mission Rock project with the San Francisco Giants and the Port of San Francisco. She highlighted that Mr. Van de Water comes to the TJPA after serving as the Director of Innovation and Economic Development at the City of Livermore, where he worked with two national labs, redesigned outdoor space that brought over \$6 million in economic impact, and established the Wine Heritage District, while growing Livermore's biotechnology program and advancing manufacturing sectors through an innovation-driven economic development strategic plan. Chair Bouchard thanked Member Gonzales for her work as TJPA Interim ED and for collaborating with the ESC to bring the partnership together. She emphasized that Ms. Gonzales has led the Program through immensely challenging times with competence, enthusiasm, and resolve. Chair Bouchard expressed that she was glad to have the opportunity to offer her personal thank you and noted that Ms. Gonzales will continue her role as TJPA Chief of Staff when Mr. Van de Water starts on January 4, 2022.

Vice Chair Chang thanked Member Gonzales and highlighted her hard work in leading the program and building the TJPA team during unprecedented times. She stated the project would not have achieved its current success without Ms. Gonzales's leadership and personal sacrifices. Member Fremier thanked Ms. Gonzales for her willingness to be transparent and for building the staff to help move the project forward. Referring to the management structure created by the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU), he stated he is pleased with the progress and hopes to grow it around the region. Member Sweet thanked Ms. Gonzales for helping her acclimate to the ESC, stating she was glad to hear that Ms. Gonzales would continue to work with the ESC. Member Gonzales thanked everyone for helping to make the collaboration work, stating that she believes that speaking with one, strong united voice, is imperative and that the current progress and success is attributable to the collective hard work of all.

4. Action Item:
Approval of Meeting Minutes: November 19, 2021

There was no member of the public wishing to comment.

A motion to approve the minutes was made by Member Fremier and seconded by Vice Chair Chang. A unanimous voice vote approved the motion.

5. Action Item:
Motion to Approve the Continued Use of Teleconferencing Technologies for Meetings of the ESC pursuant to Assembly Bill 361

There was no member of the public wishing to comment.

A motion to approve the minutes was made by Member Lipkin and seconded by Member Sweet. A unanimous voice vote approved the motion.

6. Action Item:
Consider the Integrated Program Management Team's Recommendation to advance the Downtown Rail Extension Project Delivery Alternatives Study to the TJPA Board of Directors

Alfonso Rodriguez, DTX Project Director, and Jesse Koehler, San Francisco County Transportation Authority (SFCTA) Rail Program Manager, jointly presented the item. Following the November 2021 update to the ESC and guidance provided regarding this item, Mr. Rodriguez reported the Integrated Program Management Team (IPMT) convened in December to further discuss the following issues: use of an enabling works package and how it would apply to the difference procurement approaches; the role of the operators; alternative financial approaches; rationale for screening options from further development; delivery agency requirements; and the relationship of the delivery strategy to the funding plan, governance review, and other project development activities. He stated that work on the study options is concurrent with other work plan tasks including the governance review, cash flow development, and funding plan, noting that recommendations will be presented to the ESC in June and presented to the TJPA Board in July 2022 for approval.

Mr. Koehler reiterated the spectrum of contract packaging options presented at the November meeting, which ranged from disaggregated to fully aggregated. He noted the options fall into three broad categories for project delivery: traditional design-bid-build, integrated approaches (such as design-build), and collaborative approaches (such as progressive design-build and construction manager/general contractor (CM/GC)). All options would include an advance enabling works package, which will reduce risk for the primary contractor or contractors.

Mr. Koehler stated that six of the ten delivery options were recommended to be screened from further consideration, noting that the IPMT recommends further advancing options 5, 6, 7, and 10 referenced in the study.

Mr. Koehler provided a detailed summary of the 2022 work program, highlighting the project delivery, governance, and funding tasks and the necessary decision points leading to a recommendation on the final project delivery strategy to the ESC in June 2022. Mr. Koehler also provided a detailed summary of recommendations by the study team and noted that they are in the presentation for reference.

Mr. Rodriguez concluded the presentation by summarizing the next steps, which includes the TJPA and SFCTA staff, in coordination with Caltrain staff, working with the IPMT to prepare a complete Project Delivery Strategy to satisfy the MOU and reflect the integration of funding, governance and risk tasks, and noted that a detailed list of activities are in the presentation for reference.

Chair Bouchard thanked Mr. Rodriguez and Mr. Koehler for the presentation and asked members for clarifying questions prior to calling for public comment. Vice Chair Chang, referring to the 2022 work program, asked whether the operations and maintenance (O&M) plan results in just service plans. She stated the work plan seems to show completion of the O&M plan before the operations and funding plans and asked whether these funding plans would need to move up in the schedule to be able to inform the project delivery approach. She also asked whether lifecycle cost is included in the O&M plan and funding. Mr. Rodriguez noted that the Master Schedule shows two activities specific to O&M. Mr. Koehler added that the team is proposing to advance a number of work streams in parallel and clarified that the O&M funding plan would be finalized later in the year following the decisions on delivery strategy and governance so that it meets the requirements for entry into the FTA's Engineering phase. Regarding lifecycle analysis, this activity will start early in the year to look at long-term financial analysis of the delivery options being discussed. Vice Chair Chang asked for clarification on the timing of the project delivery decision. Mr. Rodriguez responded that the project delivery strategy will be brought to the TJPA Board for action in July 2022. Vice Chair Chang said that having the full lifecycle cost would be a relevant piece of information for the TJPA Board and welcomed comments from other ESC members.

Member Lipkin thanked Mr. Rodriguez and Mr. Koehler for the presentation. Regarding process, Mr. Lipkin stated that the update was good but not yet ready for the TJPA Board who are the final decision makers. He stated he was expecting more detail on the benefits and tradeoffs and suggested that today's action should be to say "yes" to continuing with the current study, noting that a few more months of analysis are needed before questions regarding capital funding can adequately be discussed and answered. He indicated that a few more months of analysis are needed and that capital funding questions can come into play. Regarding substance, Mr. Lipkin is skeptical of the alternatively financed approach—design-build-finance-maintain (option 10)—as fully bundled procurements have challenges. He noted that the ESC would need to understand why a P3 partner would benefit from the risk or costs and looks forward to an answer. Regarding next steps, Member Lipkin asked that the operators be part of the coordination on the analysis going forward.

Member Sweet stated she appreciated Member Lipkin's comments and agreed that this feels like an interim step rather than a recommendation. She asked what experience the project team has with the recommended options. Mr. Rodriguez responded that the TJPA has experience with a form of CM/GC delivery, although in the case of the DTX, the TJPA would allow the CM/GC to self-perform the work because industry experience shows that it is a benefit. He added that P3 is not common in transit. Mr. Koehler added that he has experience with P3 projects in Canada and that the SFCTA has P3 experience, including the

Presidio Parkway project. He noted that advisor team experience is also important when deciding on the procurement methodology.

Chair Bouchard stated she agreed with Member Lipkin's and Member Sweet's comments. She emphasized that the ESC needs to see more complete work before bringing a recommendation to the TJPA Board and offered to work with Mr. Rodriguez and Mr. Koehler on her ESC Chair report to the Board to provide an update on this task. She noted that it would be important to highlight what the composition of the delivery organization would need to be for the chosen method to succeed and added that Caltrain would have input on organization make-up and how it would change throughout the process.

Member Fremier complemented the presenters and stated he agreed with many of the other ESC members' comments. However, he stated he remains skeptical about P3 in California, although he generally supports alternative delivery methods. Regarding action by the ESC, he proposed that the ESC direct the study team to continue further study on the approaches that are currently recommended.

Member Gonzales stated that she was not comfortable bringing this item to the TJPA Board for action at this time, noting additional work is needed to answer ESC Member questions. She suggested making a motion stating that the ESC finds the work done to date sound and agrees with proceeding with the other pieces of work and that the team should return to the ESC with a full report that addresses the Members' comments to date. At that point, the ESC can consider advancing the IPMT recommendation to the TJPA Board for consideration. Chair Bouchard asked if providing direction is enough. Member Lipkin agreed with the Chair's suggestion to update the TJPA Board. Member Gonzales stated that language that the rail operators will be included in coordination on the analysis going forward would need to be part of an amended motion. Vice Chair Chang emphasized that the funding strategy is interdependent; the funding commitment and funding plan need to advance in parallel and as soon as possible for a recommendation to the Board this summer. She said the team needs to be mindful of the City's cash flow and that the RM3 commitments and CHSRA funding are still unresolved. Member Gonzales said that the ESC needs an amended action.

Member Lipkin proposed the following amended motion: (1) approve screening out the six options as recommended by the IPMT, (2) continue to advance the evaluation work leading to a recommendation to the ESC in June that includes the financial, O&M, and lifecycle components as well as the other areas of the study that were intended, (3) include the rail operators, Caltrain and CHSRA, in the activities identified as next steps, and (4) defer making a recommendation to the TJPA Board and request that Chair Bouchard present an update at the next TJPA Board meeting. Member Fremier seconded motion.

A motion to approve the amended motion was made by Vice Chair Chang and seconded by Member Fremier. A unanimous voice vote approved the amended motion.

7. Informational Item:
Downtown Rail Extension Unsolicited Proposals Policy

Alfonso Rodriguez, DTX Project Director, presented the item. Mr. Rodriguez explained that the TJPA's outreach and industry soundings for the DTX project have resulted in strong interest in the project. The TJPA may receive unsolicited proposals from the contracting industry that offer innovative and value-added approaches to design and construction, including cost reduction, enhanced financing, technical innovation, and risk transfer. The TJPA Unsolicited Proposals Policy establishes TJPA Board-approved guidelines and procedures for evaluating unsolicited proposals prior to any proposals or inquiries being received. While operations and maintenance can be considered, rail operations and maintenance would be excluded from consideration. Mr. Rodriguez emphasized that the policy would ensure that the TJPA maintains open competition, rational decision-making, and adherence to FTA requirements and the TJPA's procurement policy.

8. Informational Item:
Federal Legislative Update

Chair Bouchard, in concurrence with Members, asked that that the item be deferred to a later date, or when new information is available, as they were satisfied with the presentation provided in their packets.

9. Public Comment
Members of the public may provide comment on matters within the ESC's purview that are not on the agenda.

There was no member of the public wishing to comment.

10. Discussion Item:
ESC Agenda items for upcoming meetings

None

11. Adjourn

Chair Bouchard adjourned the meeting at 12:00 p.m.

ACCESSIBLE MEETING POLICY

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (Campaign and Gov't Conduct Code, Article II, Chapter 1, § 2.100, et seq.) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3124 and website: www.sfethics.org.