

**Transbay Joint Powers Authority and Peninsula Corridor Joint Powers Board
Joint Ad Hoc Committee
Staff Report**

To: Joint Ad Hoc Committee
Through: Executive Director Michelle Bouchard (Caltrain) and Executive Director Adam Van de Water (TJPA)
From: James C. Harrison (Caltrain) and Deborah Miller (TJPA)
Date: May 30, 2024
Subject: Adopt Rules of Order for the Joint Ad Hoc Committee

Purpose and Recommended Action

Staff for the Transbay Joint Powers Authority (TJPA) and the Peninsula Corridor Joint Powers Board (Caltrain) recommend that the Joint Ad Hoc Committee adopt the attached Rules of Order.

Discussion

I. Role of the Joint Ad Hoc Committee

Caltrain and TJPA are working closely on the Downtown Rail Extension (also known as The Portal), pursuant to two agreements, the Downtown Rail Program Enabling Works Planning Memorandum of Agreement related to the 4th and King Railyard (March 2023) and the Interim Agreement (September 2023).

To continue to advance The Portal and to formalize their respective roles in project delivery, operations and maintenance, the agencies expect to enter into certain new agreements prior to the TJPA negotiating a Full Funding Grant Agreement with the Federal Transit Administration: (1) an extension of the current Interim Agreement to allow the parties to complete the Master Cooperative Agreement (MCA); (2) an MCA for the full project that once executed will supersede the Interim Agreement; and (3) an agreement for the 4th and King Yard Preparation (4KY) work (that may be incorporated into the MCA).

Both the Caltrain and TJPA boards of directors have established ad hoc, temporary advisory committees on issues related to the agencies' cooperation in delivery of The Portal. These committees meet regularly with staff to receive presentations about work on The Portal and to provide input regarding the negotiations of the two agreements, which are occurring at the staff level. TJPA's ad hoc committee members are: Alicia John-Baptiste, Boris Lipkin, and Sarah Syed. Caltrain's ad hoc committee members are: Margaret Abe-Koga, Ray Mueller, and Monique Zmuda.

As negotiations between the agencies progress, staff have recommended regularly scheduled Joint Ad Hoc Committee meetings to discuss high priority issues that are integral to the upcoming agreements between the agencies. The objective of the joint meetings is to provide the ad hoc committees with in-depth analysis of both agencies' positions, and to allow

cooperative decision-making and informed recommendations from the committees to their respective boards. The Joint Ad Hoc Committee can make recommendations to the respective agencies but do not have authority to bind the agencies.

Staff will work with the committees to schedule joint meetings attended only by the ad hoc committee members representing each agency and their respective staffs. The Brown Act requires that these meetings be open to the public and that agendas be posted 72 hours in advance of the meeting.

For the Joint Ad Hoc Committee meetings, staff will jointly prepare presentations regarding the relevant issues and the parties’ respective positions, including supporting analysis and other relevant information.

Schedule for Future Joint Meetings

Staff proposes the following schedule for future meetings over the next six months, noting that the schedule and issues to be discussed may change if the project timeline shifts and as negotiations between the parties progress; additional meetings may be added and additional topics within the Committee’s scope may be included. Members of the public will be able to find agendas for Joint Ad Hoc Committee meetings posted on the agencies’ websites and elsewhere.

Meeting Date and Location	Look Ahead of Topics
<p>March 28, 2024 10:30-12:00 Caltrain Offices, San Carlos</p> <p>Cancelled for lack of quorum</p>	<p>MCA Negotiations</p> <ul style="list-style-type: none"> • Ongoing O&M and Capital Renewal Costs
<p>May 30, 2024 9:00-10:30 TJPA Offices, San Francisco</p>	<p>MCA Negotiations</p> <ul style="list-style-type: none"> • Ongoing O&M and Capital Renewal Costs
<p>August 6, 2024 10:00-11:30 Caltrain Offices, San Carlos</p>	<p>4th and King Yard DTX Preparation Negotiations</p> <ul style="list-style-type: none"> • Project Delivery Plan • Property Rights / Use of Caltrain Property Interests • Infrastructure Removal/Replacement
<p>Date and Time TBD TJPA Offices, San Francisco</p>	<p>MCA Negotiations</p> <ul style="list-style-type: none"> • Asset Disposition • Vehicle Procurement

II. Rules of Order

Staff recommends that the Joint Ad Hoc Committee adopt the attached Rules of Order to facilitate the conduct of its meetings.

The Rules stipulate that:

1. The agencies will rotate hosting the Joint Ad Hoc Committee meetings at their respective agencies.
 - a. The host agency will provide logistical support for the meeting by ensuring that the meeting is broadcast on the teleconferencing platform normally used by the host agency.
 - b. The Board Secretary for the host agency will facilitate public comment and be responsible for preparing and posting the agenda and taking the minutes.
2. Each ad hoc committee will select a member to serve as a Co-Chair of the Joint Ad Hoc committee. The Co-Chair representing the host agency will preside at any meeting hosted by the agency. If the host Co-Chair is unavailable, the other Co-Chair will preside. The TJPA has identified Alicia John-Baptiste as its Co-Chair for joint meetings hosted by the TJPA. Caltrain has identified Ray Mueller as its Co-Chair for joint meetings hosted by Caltrain.
3. Quorum will be a simple majority plus one (i.e., four out of six directors), and a simple majority of directors present will be needed for any action. The Committee may act by motion or resolution.
4. Staff from the agencies will prepare Joint Ad Hoc Committee agendas and joint materials to present to the committee. The Co-Chairs will approve the agendas before they are posted. All materials in support of the agenda will be posted as soon as practicable.

Adoption of the Rules will promote the transparent and efficient conduct of the Joint Ad Hoc Committee meetings.

Attachment:

- 1. Rules of Order**

TRANSBAY JOINT POWERS AUTHORITY AND PENINSULA CORRIDOR JOINT POWERS AUTHORITY
JOINT AD HOC COMMITTEE FOR THE DOWNTOWN RAIL EXTENSION
RULES OF ORDER

The Joint Ad Hoc Committee for the Downtown Rail Extension (also known as The Portal) of the Transbay Joint Powers Authority (TJPA) and the Peninsula Corridor Joint Powers Board (PCJPB) hereby adopts the following rules to govern its proceedings.

ARTICLE I – GENERAL

Section 1. Composition of the Committee

The Joint Ad Hoc Committee will be composed of six committee members. Each agency will be responsible for appointing three members from their governing board to serve on the Joint Ad Hoc Committee.

Section 2. Host Agency

The agencies will alternate hosting meetings of the Joint Ad Hoc Committee. TJPA will host meetings at the TJPA's Office, 425 Mission Street, Suite 250, San Francisco. The PCJPB will host meetings in the Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos. The location for Joint Ad Hoc Committee meetings may be changed by the Co-Chair for the hosting agency, consistent with state law and with prior notice to the committee.

ARTICLE II – CO-CHAIRS AND CO-SECRETARIES

Section 1. Co-Chairs and Co-Secretaries of the Joint Ad Hoc Committee

Each agency will select a Joint Ad Hoc Committee member from their respective agency to serve as a Co-Chair of the Joint Ad Hoc Committee.

Each agency will select a representative from their respective agency to serve as a Co-Secretary of the Joint Ad Hoc Committee.

Section 2. Role of the Co-Chairs

The Co-Chair representing the agency hosting the meeting shall call Committee meetings to order, preside at all meetings, call each item on the agenda, and perform other duties as necessary or incidental to the office. Every regular and special meeting agenda shall be approved by the Co-Chairs prior to posting by the Co-Secretary for the host agency.

In the absence or inability of the host agency Co-Chair to act, the other Co-Chair shall take the place of and perform the duties of the presiding officer.

Section 3. Role of the Co-Secretaries

The Co-Secretary representing the agency hosting the meeting shall prepare and publish the agenda and packet, make all arrangements for public participation in committee meetings, call the roll at each Joint Ad Hoc Committee meeting, record all votes by Committee Members, prepare meetings minutes, and

otherwise assist the presiding officer as necessary to assure that meetings are orderly. Each Co-Secretary shall maintain a file of all written communications received by the agency and shall file all recordings and meeting minutes.

ARTICLE III – PUBLIC AND REMOTE PARTICIPATION

Section 1. Open Meetings

Official business of the Joint Ad Hoc Committee shall be conducted through open and public meetings in accordance with the Ralph M. Brown Act (commencing with Section 54590 of the California Government Code).

Section 2. Public Participation

The Joint Ad Hoc Committee shall encourage and permit public comment on matters within the Joint Ad Hoc Committee's jurisdiction. Each agenda shall permit public comment on matters with the committee's jurisdiction but not on the agenda. The presiding officer shall request public comment before the committee members take action on any item on the official agenda. Public comment may be made either by members of the public participating in person or through the teleconferencing or videoconferencing platform being used by the agency hosting the meeting. Information for remote public participation will be included in the agenda for each meeting. The presiding officer may provide limits on public comment consistent with state law.

Section 3. Remote Participation for Committee Members

Members of the Joint Ad Hoc Committee may participate remotely in public meetings consistent with the teleconference requirements of Government Code section 54953, which authorizes members to participate at remote locations during teleconferenced meetings so long as the Joint Ad Hoc Committee: (1) posts meeting agendas at all teleconference locations; (2) identifies all teleconference locations in the notice and agenda; and (3) makes each teleconference location accessible to the public.

If the agency's Board policies and procedures allow, a member of the Joint Ad Hoc Committee may participate remotely in a meeting of the committee without noticing the location from which they are participating or making the location accessible to the public if the member has just cause or an emergency circumstance pursuant to Government Code § 54953(j). Members shall notify the Co-Chairs and Co-Secretaries as soon as practicable if requesting to participate in a meeting due to emergency circumstances and will include a general description of the emergency circumstances. The Joint Ad Hoc Committee will act on the request to participate remotely due to emergency circumstances at the beginning of the meeting before considering other items of business, even if the request has not been posted on the agenda.

ARTICLE IV – MEETINGS AND ORDER OF BUSINESS

Section 1. Meeting Times

The Joint Ad Hoc Committee shall schedule meetings at times convenient to at least a quorum of the members of the committee.

Section 2. Special Meetings and Closed Sessions

The Joint Ad Hoc Committee may hold special meetings at the call of the Co-Chairs, or upon the written request of four members. Special meetings may be held at one of the two regular meeting locations, or at an alternate location, in accordance with Section 54956 of the Brown Act.

Section 3. Posting of Agenda

At least 72 hours before any meeting, the Co-Secretaries for both agencies shall post an agenda containing a general description of each item of business to be transacted or discussed at the meeting. The agenda shall be posted in a location that is freely accessible to the public, and on TJPA's and PCJPB's Internet site.

Section 4. Agenda – General Public Comment

The agenda for every regular and special meeting of the Joint Ad Hoc Committee shall provide a time for general public comment, and the presiding officer shall allow members of the public to address the Joint Ad Hoc Committee on items of interest to the public that are within the jurisdiction of the Joint Ad Hoc Committee but not on the agenda. During the public comment period members of the public may address the Joint Ad Hoc Committee for up to two minutes. At the conclusion of public comments, the Joint Ad Hoc Committee may refer a topic raised in public comment to the agencies' staff for review.

Section 5. Order of Business

The Order of Business for regular meetings shall be as follows:

1. Call to Order
2. Roll Call
3. Communications
4. Joint Ad Hoc Committee New and Old Business
5. Joint Presentation of Staff Reports
6. Public Comment
7. Calendar Matters
8. Adjournment

No action or discussion shall be undertaken on any item not appearing on the posted agenda, except as permitted pursuant to the Brown Act. In addition, Joint Ad Hoc Committee members, officers and staff may briefly respond to statements made or questions posed by members of the public during any public comment period.

Section 6. Agenda Changes or Continuances

Any agenda change or continuance shall be announced at the beginning of the meeting, or as soon thereafter as the change or continuance becomes known to the presiding officer.

Section 7. Minutes of Proceedings

The Co-Secretary representing the hosting agency shall record each regular and special meeting. The Co-Secretary of the host agency shall record the vote on all resolutions, motions and all other questions and make a draft of the minutes available for inspection and copying no later than ten working days after the meeting. The officially adopted minutes must be available for inspection and copying no later than ten working days after the meeting at which the minutes are adopted. The Co-Secretaries shall share committee documentation to ensure each agency has access to a complete file of the committee's business.

ARTICLE V – PARLIAMENTARY PROCEDURE

Section 1. Quorum

Joint Ad Hoc Committee business shall be conducted only when a quorum of the Joint Ad Hoc Committee is present. The term "quorum" shall mean a simple majority (i.e., four (4) out of six (6)) of the committee members.

Section 2. Rules of Debate

When a Committee member desires to address the Joint Ad Hoc Committee, the member shall seek recognition by addressing the presiding officer, and when recognized, shall proceed to speak, confining comments to the question before the Joint Ad Hoc Committee. No discussion shall take place until a resolution or a calendared item has been introduced.

Section 3. Majority Vote

The Joint Ad Hoc Committee may act by resolution or motion. All official acts of the Joint Ad Hoc Committee in open meetings shall be taken by majority vote of the members present (i.e., at least three (3) ayes if five (5) members are present, at least four (4) ayes if six (6) members are present), on a resolution or motion introduced and seconded by a Committee member, after allowance for discussion by the Joint Ad Hoc Committee and public comment.

Section 4. Manner of Voting

Voting on resolutions, or any other matters which may be requested by the majority of the committee members, shall be by roll call. Voting by motion shall be by voice vote with any abstentions recorded, except as otherwise required by law.

Section 5. Voting Requirements

Every Committee member present when a question is ready for action shall vote for or against it, unless a member abstains or recuses themselves.

ARTICLE VI - RULES OF ORDER

Section 1. Adoption of Rules of Order

The adoption of the Rules of Order shall be by motion and shall require an affirmative recorded vote of a majority of the members of the Joint Ad Hoc Committee. When adopted, such Rules of Order shall remain in effect, unless suspended or amended as provided herein.

Section 2. Robert's Rules of Order

All rules of order not covered herein shall be determined in accordance with the latest revised edition of Robert's Rules of Order.

Section 3. Suspension of the Rules of Order

Except for this rule, and as authorized by other provisions of law, any of these Rules of Order may be suspended by the affirmative vote of the majority of the members of the Joint Ad Hoc Committee, provided that such suspension is entered upon the minutes of the Joint Ad Hoc Committee. A motion to suspend the rules is an official action subject to Article V, Section 4.

Section 4. Amendments to Rules of Order

An amendment to the Rules of Order may be adopted by the affirmative vote of the majority of the Joint Ad Hoc Committee.

The Portal Joint Ad Hoc Committee Meeting

May 30, 2024



Agenda

- Item 5
 - Introductions
 - Joint Ad Hoc Overview
 - Purpose
 - Roles
 - Meeting Schedule
- Item 6
 - Key Project Updates
 - O&M Costs and Funding
 - O&M Funding
 - Fare Revenue
 - Discussion



Item 5 - Introductions

Item 5 - Joint Ad Hoc Overview

Purpose

- Upcoming agreements between Caltrain and TJPA to further The Portal:
 - Extension of the Interim Agreement (IA), signed August 2023;
 - Master Cooperative Agreement (MCA), which will supersede the IA;
 - 4th & King Yard Preparation Works (4KY) Agreement, which may be incorporated into the MCA.
- TJPA and Caltrain need to coordinate on high-priority issues integral to the agreements.
- Committee objectives related to high-priority issues:
 - Communicate the positions of each agency.
 - Create a cooperative decision-making framework.
 - Provide informed recommendations to the respective Boards of each Agency.

Roles

- A Co-Chair has been named from each agency.
 - Regular and special meeting agendas must be approved by each co-Chair (Director Mueller and Director John-Baptiste).
 - The Co-Chair of the hosting agency will call Committee meetings to order and act as Presiding Officer.
 - If unable to do so, the Co-Chair of the non-hosting agency will act as Presiding Officer.
- The Board Secretary of the hosting agency will:
 - Call roll at each meeting.
 - Call each item on the meeting agenda.
 - Audio record all regular meetings and create a minute book for closed sessions.
 - Record all votes by Committee members.
 - Maintain a file of all written communications received.
 - Facilitate public comment periods.
 - Assist the Presiding Officer as needed.

Meeting Schedule

- Regular meetings are proposed to occur on a bi-monthly basis, with agencies alternating hosting.
 - Caltrain host location at HQ in San Carlos; TJPA host location at HQ in San Francisco.

Proposed Date	Host Agency	Location	Proposed topics
Thursday, 5/30/2024	TJPA	San Francisco	MCA Negotiations <ul style="list-style-type: none">• Ongoing O&M Funding
Thursday, 8/6/2024	Caltrain	San Carlos	4th and King Yard The Portal Preparation Negotiations
To be scheduled	TBD	TBD	MCA Negotiations

Item 5 – Adopt Rules of Order

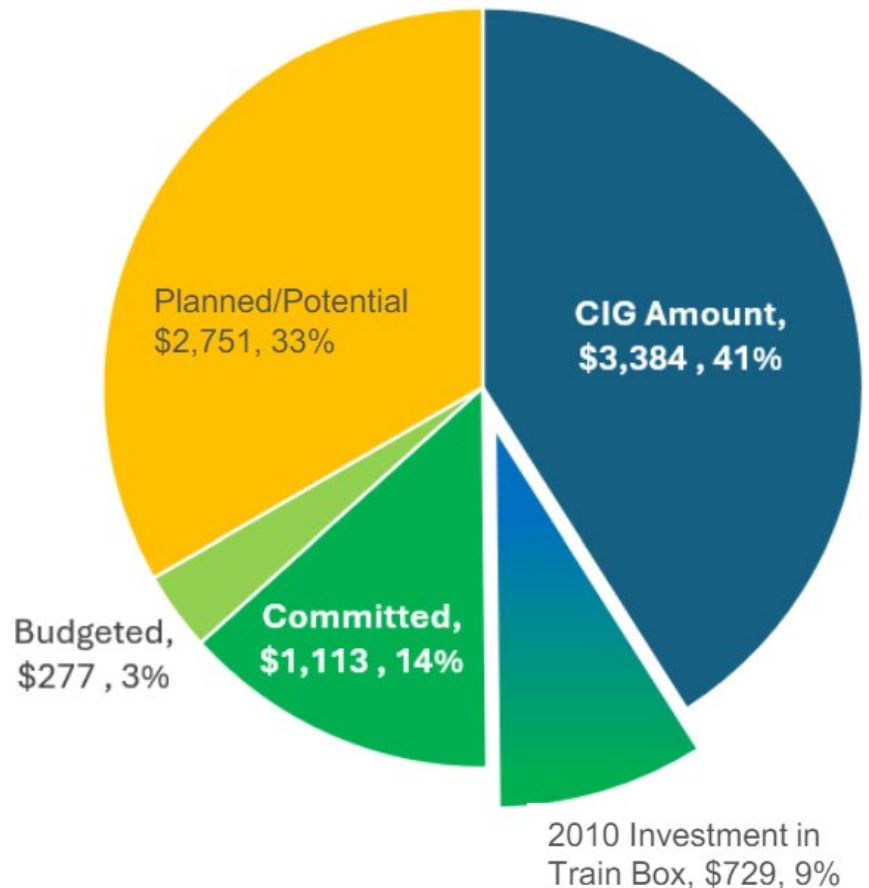
Item 6 - Key Project Updates

Entry Into Engineering

- The Portal was granted entry into engineering by Federal Transit Administration (FTA) in May 2024.
 - Provides TJPA authority to incur costs for engineering activities, demolition, procurements, etc.
 - Allows pre-award authority for vehicle procurement, real property, utility relocation.
- Capital Investment Grant (CIG) funding of ~\$3.4 billion (41% of Project cost) to be provided by FTA upon approval of a Full-Funding Grant Agreement (FFGA).
 - TJPA had requested 49.4% of project cost.
 - Increases amount of local match that TJPA must provide to roughly \$2.7 billion
- Specific pre-conditions for FTA approval of FFGA:
 - Revised Financial Plan which demonstrates ability to cover an unexpected cost increase or funding shortfall of at least 10% of project cost;
 - Finalized terms between TJPA and California High-Speed Rail (HSR) on HSR funding provided
 - Approved Master Cooperative Agreement (MCA) between TJPA and Caltrain that includes:
 - **Specific agency operating roles and responsibilities.**
 - **Shares of operating costs between the agencies.**

Portal Funding and Schedule

DTX/The Portal Full Funding



- Project received a Medium High rating from FTA and was included in the President's Proposed Budget (\$500M).
- Project has \$2.7 billion gap in non-CIG funding (local match).
- Funding gap impacts FFGA target date from Spring 2025. TJPA Board to discuss further in June.

Item 6 - O&M Costs and Funding

Role of The Portal in Caltrain's Long Term Planning

- Caltrain's Business Plan reflecting 2040 Service Vision Policy recognizes The Portal's critical value to Caltrain's long term planning.
- The Salesforce Transit Center station is projected to have the highest number of daily boardings throughout the entire Caltrain system.
- The Portal will provide the first two stations for Caltrain with level boarding.

O&M Funding Challenges

- **Caltrain deficit prior to The Portal**
 - Caltrain's 2024 Strategic Financial Plan (SFP) projects annual operating deficit of \$36M beginning in FY26 and increasing to \$92M by FY33.
- **Lack of available funding sources**
 - Neither Caltrain nor TJPA have sufficient revenue from existing sources to cover Portal O&M.
 - Most funding sources are focused on capital projects
- **Uncertainty Regarding Future Ridership and Associated Fare Revenue**
 - Caltrain ridership is ~34% of its pre-pandemic levels.
- **Magnitude of O&M gap is uncertain and likely to be higher than currently estimated**

Incremental Annual Forecasted Operating Deficit: Per Portal 20-Year Financial Plan

- Per The Portal 20-Year Financial Plan prepared consistent with FTA requirements, The Portal is forecast to increase Caltrain's operating deficit.

Portal 20-Year Financial Plan*	FY 2033	FY 2042
Incremental O&M Costs	\$51M	\$79M
Incremental Fare Revenue	\$21M	\$54M
Incremental Operating Deficit	\$(30)M	\$(25)M

*Numbers at this time are projections, not budgeted or actuals and account for just The Portal extension.

Incremental Annual Forecasted Operating Deficit: Per Portal 20-Year Financial Plan – ALTERNATE

- FTA's model calculates incremental fare revenue using the full amount of fares (not just the portion associated with the extension) from riders for their trip between Salesforce Transit Center and wherever their ride begins/ends on the Caltrain corridor. Caltrain does not agree with the assumption of full fares being attributed to the extension.
- Caltrain and TJPA will need to agree on a methodology to apportion fare revenue to The Portal project's O&M costs.
- Caltrain is concerned the FTA model may overstate the number of induced riders and portray an overly optimistic scenario, which compounds the concern about fare revenue attribution.
- No commitment has been made regarding fare revenue to date.

Securing Sufficient O&M Funding

- There is not enough revenue to cover The Portal's O&M costs.
- Proposed cooperative principles:
 - TJPA and Caltrain will jointly advocate for a dedicated long-term stable revenue source.
 - Funding to operate The Portal must not impair funding to support operations on TJPA's and Caltrain's existing systems. The funding plan must take a holistic view of the existing systems.
- Proposed path forward:
 - Establish a staff-level committee to identify and investigate options for fulfilling the project's O&M needs
 - As part of the execution of the MCA, TJPA and Caltrain will develop and agree on a plan to secure O&M funding
 - By the time of Caltrain's budget cycle that precedes the commissioning phase of the project, must have a credible O&M funding plan for both the current (pre-Portal) Caltrain system and the first five years of revenue service of The Portal.

Fare Revenue

- No commitment has been made regarding fare revenue to date.
- Proposed cooperative principles:
 - TJPA recognizes Caltrain's concern with the assumptions in the FTA STOPS model regarding induced riders and incremental fare revenue.
 - All fare revenue from The Portal for travel between 4th and King/Townsend and Salesforce Transit Center will be applied against the O&M costs incurred by the project.
 - TJPA and Caltrain recognize that the fare revenue will only partially cover the O&M costs.
- Proposed path forward:
 - TJPA and Caltrain will jointly develop a proposal for a fare surcharge.
 - TJPA and Caltrain will agree for planning purposes on projected ridership.
 - TJPA and Caltrain will discuss apportioning incremental fare revenue.

Item 6 – Discussion and Direction