

1 [Agreement - Peninsula Corridor Joint Powers Board’s Member Agencies - Fiscal Obligations
2 to CalPERS]

3 **Resolution approving the agreement between the Peninsula Corridor Joint Powers**
4 **Board’s member agencies (City and County of San Francisco, San Mateo County**
5 **Transit District, and the Santa Clara Valley Transportation Authority) regarding the**
6 **Peninsula Corridor Joint Powers Board’s fiscal obligations to California Public**
7 **Employees Retirement System (CalPERS), effective upon when all member agencies**
8 **have executed the agreement; and authorizing the San Francisco Municipal**
9 **Transportation Agency Director of Transportation to execute the agreement.**

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11 WHEREAS, The Peninsula Corridor Joint Powers Board (JPB) is a joint exercise of
12 powers authority duly formed between the City and County of San Francisco (CCSF), the San
13 Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation
14 Authority (VTA) (together the Member Agencies) to operate the Caltrain passenger rail service
15 between San Francisco and Gilroy; and

16 WHEREAS, The JPB is governed by an amended and restated joint exercise of powers
17 agreement (JPA), dated October 3, 1996; and the JPB and the Member Agencies are also
18 parties to a Real Property Ownership Agreement (RPOA) dated December 24, 1991, and an
19 Amendment to the RPOA dated October 31, 2008 (2008 RPOA Amendment), and a
20 Memorandum of Understanding (MOU) dated August 5, 2022; and

21 WHEREAS, The California Public Employees Retirement System (CalPERS) has
22 determined that Caltrain employees identified in the MOU as reporting to the Caltrain
23 Executive Director, who are currently receiving retirement benefits through SamTrans’
24 contract with CalPERS, should receive those benefits through a contract between the JPB
25 and CalPERS; and

1 WHEREAS, CalPERS has determined that the JPB is eligible to contract with CalPERS
2 and has agreed to negotiate a successor agency contract with the JPB, ensuring that Caltrain
3 employees will receive the same level of benefits under the new JPB contract to which they
4 are currently entitled under the SamTrans contract, and SamTrans, the JPB and CalPERS are
5 in the process of establishing JPB’s contract with CalPERS; and

6 WHEREAS, As a condition of the JPB contracting with CalPERS, the Member
7 Agencies must agree to be responsible for the JPB’s pension liabilities in event of dissolution,
8 insolvency or if CalPERS terminates the contract with the JPB, and the JPB has insufficient
9 assets to cover its pension liabilities, pursuant to Government Code, Sections 6508.1 and
10 6508.2; and

11 WHEREAS, On February 25, 2026, the SFMTA and Planning Department determined
12 that the agreement between the member agencies regarding the JPB’s fiscal obligations to
13 CalPERS, between the CCSF, SamTrans, and VTA is not a “project” under the California
14 Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations
15 Sections 15060(c) and 15378(b); and

16 WHEREAS, On March 17, 2026, at a regular meeting, the SFMTA Board of Directors
17 approved Resolution No. 260317-021, approving the Agreement and authorizing the Director
18 of Transportation to execute the Agreement, contingent on approval by the San Francisco
19 Board of Supervisors; and

20 WHEREAS, A copy of the CEQA determination is on file with the Clerk of the Board of
21 Supervisors in File No. 260327, which is hereby declared to be a part of this resolution as if
22 set forth fully herein; now, therefore, be it

23 RESOLVED, That the San Francisco Board of Supervisors approves the Agreement
24 between the member agencies regarding JPB’s fiscal obligations to CalPERS, between the
25 CCSF, SamTrans, and VTA, relating to establishing the JPB’s contract with CalPERS, in

1 substantially the same form as the copy of the Agreement which is on file, and authorizes the
2 Director of Transportation of the Municipal Transportation Agency to execute the Agreement
3 on behalf of the City, to; and, be it

4 FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by
5 all parties, the Director of Transportation of the Municipal Transportation Agency shall provide
6 the final Agreement to the Clerk of the Board for inclusion into the official file.

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| <p>Item 6 File 26-0327</p> | <p>Department: Municipal Transportation Agency (SFMTA)</p> |
| <p>EXECUTIVE SUMMARY</p> | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve an agreement between the City, the San Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation Authority (VTA) to accept the Peninsula Corridor Joint Powers Board’s (JPB) financial obligations to the California Public Employees Retirement System (CalPERS) if the JPB is unable to meet its obligations in the future. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Peninsula Corridor Joint Powers Board (JPB) operates the Caltrain commuter rail system between San Francisco and Gilroy. The JPB is made up of three member agencies, including the City, SamTrans, and VTA. SamTrans is the Managing Agency for Caltrain. • In August 2022, the JPB and the three member agencies entered into a Memorandum of Understanding (MOU) that revised Caltrain’s management structure. The MOU establishes an Executive Director, who reports directly to the JPB, and who supervises the five staff. • The employees reporting to the Caltrain Executive Director currently receive retirement benefits under SamTrans’ contract with CalPERS. However, CalPERS has determined that these employees should instead receive benefits through a contract between Caltrain and CalPERS. Under State law, before Caltrain can enter into a contract with CalPERS, the JPB member agencies must agree to accept financial responsibility for the pension liabilities of Caltrain in the event that Caltrain is insolvent or if CalPERS terminates the contract and Caltrain does not have sufficient assets to cover its pension liabilities. • The agreement between Caltrain and CalPERS will have an effective date of July 1, 2012 to ensure employees receive the same level of benefits as provided under the SamTrans contract with CalPERS. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • Based on the value of Caltrain’s assets, which was approximately \$4.36 billion as of June 30, 2025, and the value of the unfunded accrued pension liability for Caltrain, which was estimated to be \$15.7 million in 2023, Caltrain appears poised to meet its financial obligations to CalPERS in the future. Therefore, it is unlikely that the member agencies would be required to pay the accrued liability. The City’s share of Caltrain’s obligations would be determined in a subsequent agreement. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. | |

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The Peninsula Corridor Joint Powers Board (JPB) owns and operates the Caltrain commuter rail system between San Francisco and Gilroy. The JPB is made up of three member agencies, including the City and County of San Francisco, the San Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation Authority (VTA). The JPB is governed by a nine-person Board of Directors, with each of the three member agencies appointing three board members.

The JPB purchased the commuter rail system from the Southern Pacific Transportation Company in 1991 using state grants and local funds, with SamTrans providing its share of local funds and an advance for the other two member agencies. SamTrans serves as the Managing Agency of the JPB and provides administrative, management, and staff services for Caltrain, and Caltrain reimburses SamTrans for its administrative and direct costs.

In August 2022, the JPB and the three member agencies entered into a Memorandum of Understanding (MOU) to resolve outstanding issues related to reimbursement to SamTrans for the initial acquisition costs and governance. The MOU establishes an Executive Director who reports directly to the JPB and who directly supervises the following five staff: Chief of Staff, Director of Government and Community Affairs, Director of Budgets and Financial Analysis, Director of Real Estate, and Director of Grants and Funds Management.

Retirement Benefits for Caltrain Staff

The employees reporting to the Caltrain Executive Director currently receive retirement benefits under SamTrans' contract with the California Public Employees Retirement System (CalPERS). However, CalPERS has determined that these employees should instead receive benefits through a contract between Caltrain and CalPERS. Caltrain and CalPERS are currently negotiating a successor agency contract to ensure employees receive the same level of benefits under the new contract as they do under the existing contract with SamTrans. Under State law, before Caltrain can enter into a contract with CalPERS, the JPB member agencies must agree to accept financial responsibility for the pension liabilities of Caltrain in the event that Caltrain is insolvent or if CalPERS terminates the contract and Caltrain does not have sufficient assets to cover its pension liabilities.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an agreement between the City, the San Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation Authority (VTA) regarding the Peninsula Corridor Joint Powers Board’s financial obligations to the California Public Employees Retirement System.

Under the agreement, the member agencies agree to accept financial responsibility for Caltrain’s obligations to CalPERS in the event the JPB is dissolved, is insolvent, or if CalPERS terminates the contract and Caltrain does not have sufficient assets to cover its pension liabilities. The share of the CalPERS obligations to be assigned to each member agency will be established in a subsequent agreement. In March 2026, the SFMTA Board of Directors approved the proposed agreement, subject to Board of Supervisors’ approval.

The agreement between Caltrain and CalPERS will have an effective date of July 1, 2012 to ensure employees receive the same level of benefits as provided under the SamTrans contract with CalPERS.¹

FISCAL IMPACT

Under the agreement, the City, together with the other two member agencies, agree to accept financial responsibility for Caltrain’s obligations to CalPERS if Caltrain is unable to meet its financial obligations to CalPERS in the future. The City’s share of Caltrain’s obligations would be determined in a subsequent agreement.

Based on the value of Caltrain’s assets, which was approximately \$4.36 billion as of June 30, 2025, and the value of the unfunded accrued pension liability for Caltrain, which was estimated to be \$15.7 million in 2023, Caltrain appears poised to meet its financial obligations to CalPERS in the future. In addition, Caltrain’s total assets (\$4.36 billion) far exceed its total liabilities (\$0.43 billion, excluding the \$15.7 million CalPERS pension liability), indicating that Caltrain is poised to meet all of its long-term financial obligations. According to Caltrain’s FY 2024-25 financial report, 90 percent of Caltrain’s total assets are capital assets, such as right of way improvements, rail vehicles, and facilities. The remaining 10 percent of Caltrain’s total assets are cash, receivables, and other current assets. These assets are available to Caltrain to meet its financial obligations, including obligations to CalPERS.

Caltrain Operating Budget

While Caltrain’s assets are sufficient to meet its long-term obligations, we note that Caltrain ridership has not recovered since the pandemic, and Caltrain, like other transit agencies, is facing potential service reductions in light of operating deficits. Caltrain ridership is down 38 percent

¹ The July 2012 effective date of the CalPERS agreement is prior to the effective date of California Public Employees’ Pension Reform Act (PEPRA), which reduced pension benefits for new CalPERS participants effective January 1, 2013.

since 2019, and the agency incurred a net loss of approximately \$204 million in FY 2024-25, which exceeds its net loss of approximately \$76 million in FY 2018-19. A proposed ballot measure for the November 2026 election would generate an estimated \$980 million annually across five Bay Area counties for transit through a half-cent sales tax in Alameda, Contra Costa, San Mateo, and Santa Clara Counties and a one-cent sales tax in San Francisco. If voters approve the measure, 60 percent of revenue would be used to preserve service on BART, Muni, Caltrain, AC Transit and smaller transit agencies. According to a December 2025 presentation to the Caltrain Joint Power Board, the regional sales tax measure would provide 100 percent of Caltrain's operating costs for 14 years.

Appendix I shows transit losses and ridership for Caltrain and the three member agencies in FY 2018-19 and FY 2024-25.

RECOMMENDATION

Approve the proposed resolution.

Appendix I: Transit Income (Loss) and Ridership, FY 2018-19 & FY 2024-25 (in thousands)

| | Caltrain | SFMTA ¹ | SamTrans | VTA ¹ |
|---|--------------------|----------------------|--------------------|--------------------|
| FY 2024-25 Income (Loss) (in thousands) | | | | |
| Operating Revenues | \$63,388 | \$131,029 | \$13,128 | \$34,073 |
| Operating Expenses | 377,418 | 1,465,308 | 252,789 | 640,993 |
| Operating Loss³ | (\$314,030) | (\$1,334,279) | (\$239,661) | (\$606,920) |
| Non-Operating Net Revenues | 110,375 | 475,404 | 286,233 | 480,177 |
| Income (Loss) before Capital Contributions | (\$203,655) | (\$858,875) | \$46,572 | (\$126,743) |
| Capital Contributions ² | 225,737 | 281,659 | 19,246 | 64,540 |
| Net Transfers | 0 | 632,237 | 0 | 97,557 |
| Change in Net Position | 22,082 | 55,021 | 65,818 | 35,354 |
| FY 2018-19 Income (Loss) (in thousands) | | | | |
| Operating Revenues | \$112,777 | \$226,426 | \$15,567 | \$42,489 |
| Operating Expenses | 226,217 | 1,099,892 | 169,274 | 510,345 |
| Operating Loss | (\$113,440) | (\$873,466) | (\$153,707) | (\$467,856) |
| Non-Operating Net Revenues | 37,671 | 237,927 | 162,044 | 370,814 |
| Income (Loss) before Capital Contributions | (\$75,769) | (\$635,539) | \$8,337 | (\$97,042) |
| Capital Contributions ² | 405,162 | 519,016 | 8,789 | 53,713 |
| Net Transfers | 0 | 612,254 | 0 | 102,507 |
| Change in Net Position | 329,393 | 495,731 | 17,126 | 59,178 |
| Ridership (in thousands) | | | | |
| FY 2018-19 Passengers | 17,797 | 222,937 | 10,671 | 35,466 |
| FY 2024-25 Passengers | 11,017 | 197,883 | 10,753 | 27,051 |
| Change in Passengers | (6,780) | (25,054) | 82 | (8,415) |
| Percent Change | -38% | -11% | 1% | -24% |

Sources: Annual Comprehensive Financial Reports for Caltrain and member agencies

¹ SFMTA and VTA figures are for transit activities only

² Capital Contributions are grants and contributions from federal, state, and local governments to acquire or improve capital assets

³ Operating expenses include depreciation

**AGREEMENT BETWEEN THE MEMBER AGENCIES REGARDING
THE JPB'S FISCAL OBLIGATIONS TO CALPERS**

This Agreement (“Agreement”) is entered into by and among the Santa Clara Valley Transportation Authority (“VTA”), the San Mateo County Transit District (“SamTrans”), and the City and County of San Francisco (“CCSF”) on this ___ day of _____, 2026 (the “Effective Date”).

RECITALS

- A. Previous Agreements.** VTA, SamTrans, and CCSF are member agencies (“Member Agencies”) of the Peninsula Corridor Joint Powers Board (“JPB”), which is governed by an amended and restated joint exercise of powers agreement (“JPA”), dated October 3, 1996. The JPB, VTA, SamTrans and CCSF (together the “Parties”) are also parties to a Real Property Ownership Agreement (“RPOA”), dated December 24, 1991, an Amendment to Real Property Ownership Agreement (“2008 RPOA”), dated October 31, 2008, and a Memorandum of Understanding (“MOU”), dated August 5, 2022.

- B. JPB’s CalPERS Contract.** Following the execution of the MOU, the Parties and the California Public Employees Retirement System (“CalPERS”) determined that Railroad employees as identified in Section 2.A and 2.B of the MOU, who are currently receiving retirement benefits through SamTrans’ contract with CalPERS, should receive those benefits through a contract between the JPB and CalPERS. CalPERS has determined that the JPB is eligible to contract with CalPERS and has agreed to negotiate a successor agency contract with the JPB, with an effective date of July 1, 2012, ensuring that Railroad employees will receive the same level of benefits under the new JPB contract to which they are currently entitled under the SamTrans contract. SamTrans, the JPB and CalPERS are in the process of establishing JPB’s contract with CalPERS.

- C. Necessity of Fiscal Responsibility Agreement.** As a condition of the JPB contracting with CalPERS, the Member Agencies must agree to be responsible for the JPB’s pension liabilities in event of dissolution, insolvency or if CalPERS terminates the contract with the JPB, and the JPB has insufficient assets to cover its pension liabilities, pursuant to Government Code sections 6508.1 and 6508.2. In order to facilitate JPB’s contract with CalPERS, the Member Agencies now desire to enter into such an agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the Member Agencies agree to the following:

- 1. CalPERS Fiscal Responsibility Agreement.** The Member Agencies hereby agree that in the event that the JPB is dissolved or becomes insolvent, or the JPB’s contract with CalPERS is terminated, and the JPB has insufficient assets to satisfy its debts, liabilities, and obligations to CalPERS, each Member Agency agrees to be jointly and severally liable for the JPB’s debts, liabilities and obligations to CalPERS so that

together the Member Agencies have fiscal responsibility for 100% of the JPB's outstanding debts, liabilities and obligations to CalPERS upon its dissolution or insolvency, or the termination of its contract with CalPERS. Each Member Agency's proportionate share of the CalPERS debts, liabilities and obligations shall be established in a subsequent agreement among the Member Agencies.

2. **Terms of Agreement Prevail Over Existing Agreements.** To the extent a conflict exists among any provision of this Agreement and the JPA, RPOA, 2008 RPOA, MOU, or any other agreement among the Parties, the provisions of this Agreement shall take precedence over any conflicting provisions of any other agreement as long as this Agreement remains in effect.
3. **Governing Law.** This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of California.
4. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns.
5. **Representation.** SamTrans, VTA, and CCSF have each been represented by independent counsel with respect to the negotiations and approval of this Agreement.
6. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes any prior oral or written understanding on the same subject.
7. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed an entire Agreement.

In witness whereof the parties have entered into this Agreement on the date first written above with the intent to be legally bound.

SAN MATEO COUNTY TRANSIT DISTRICT

By: _____
April Chan
General Manager

Approved as to form by:

By: _____
Joan Cassman
General Counsel

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

By: _____
Carolyn Gonot
General Manager

Approved as to form by:

By: _____
Evelynn Tran
General Counsel

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Julie Kirschbaum
Director of Transportation
San Francisco Municipal Transportation Agency

Approved as to form by:

By: _____
David F. Innis
Deputy City Attorney

REAL PROPERTY OWNERSHIP AGREEMENT

This Real Property Ownership Agreement (the "Agreement") is entered into by and among the Peninsula Corridor Joint Powers Board ("JPB"), San Mateo County Transit District ("SAMTRANS"), the City and County of San Francisco ("CCSF") and the Santa Clara County Transit District ("SCCTD") this 24th day of December, 1991.

RECITALS

A. SAMTRANS, CCSF, and SCCTD, as the Member Agencies of the JPB, have entered into the JPA, which reconstructs the JPB and its authority and responsibilities in light of the impending acquisition of the ROW from Southern Pacific Transportation Company ("SPTC").

B. Pursuant to the JPA, the purposes and powers of the JPB will be expanded to allow the JPB to maintain and improve the ROW, and to operate the Peninsula Commute Service ("PCS").

C. Under the JPA, SAMTRANS has been appointed the Managing Agency that will be responsible for the management and operation of the PCS.

D. Due to current unavailability of adequate funds from other sources, SAMTRANS is willing to facilitate acquisition of the ROW by contributing toward the total purchase price for it, other than Proposition 116 funds, from certain of its funds and certain funds of the San Mateo County Transportation Authority, subject to the terms and conditions established in this Agreement.

E. In light of the impending acquisition of the ROW, and of SAMTRANS' agreement to contribute additional funds necessary to

purchase it, the parties desire to provide for an orderly system of management, development and eventual disposition of the ROW, and for appropriate rights and protections relative to the Additional Contribution.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. DEFINITIONS.

1.1 Additional Operating Grants. Operating grants for the PCS received from state or federal sources that exceed the amount or level of such grants as of the date of this Agreement.

1.2 Additional Contribution. That portion of the purchase price of the ROW that will not be funded by Proposition 116 funds upon closing of the ROW transaction, plus any additions thereto as provided in Section 3.2 below.

1.3 Closing Date. The date of transfer of the ROW as specified in the Notice of Exercise of Option provided for in Section 7.1 below.

1.4 JPA. The Agreement dated October 18, 1991 by and between CCSF, SCCTD and SAMTRANS, which Agreement expands the powers and purposes of the JPB so as to enable the JPB to plan, oversee operation, maintain and improve the PCS.

1.5 Local Option Properties. Those properties to be acquired pursuant to the options known as the Moffett, San Bruno, Vasona I and Vasona II options in the Purchase Agreement.

1.6 Member Agencies. The signatories of the JPA being CCSF, SCCTD and SAMTRANS.

1.7 Mileage Formula. With respect to the three Member Agencies, a percentage equal to the number of miles of the main line ROW, from mile post 0.147 in San Francisco to Mile post 51.4 in San Jose, located in each of their jurisdictions, respectively.

1.8 Net Nonoperating Deficit. Any deficit between Nonoperating Revenues and Nonoperating Expenses for each fiscal year this Agreement is in effect.

1.9 Net Nonoperating Revenues. Any excess between Nonoperating Revenues and Nonoperating Expenses for each fiscal year this Agreement is in effect.

1.10 Nonoperating Expenses. All ownership and maintenance expenses of the Nonoperational Assets.

1.11 Nonoperating Revenues. All revenues generated from ownership and management of the Nonoperational Assets other than fares and other revenues used to support the operating budget for the PCS as of the date of this Agreement.

1.12 Nonoperational Assets. All of the areas and assets owned and operated by the JPB (alone or in conjunction with SAMTRANS) exclusive of Operational Assets.

1.13 Operational Assets. That portion of the ROW that will be used to operate and maintain the PCS as of the date of the acquisition of the ROW by the JPB and SAMTRANS, as fully described in Exhibit A which is attached to this Agreement and incorporated into it by this reference. When System Option Properties are subsequently acquired, the parties will determine what portions of said properties, if any, are Operational Assets and expand Exhibit A accordingly.

1.14 Purchase Agreement. The purchase agreement by and among the JPB, SAMTRANS and SPTC pursuant to which the JPB will acquire the ROW.

1.15 ROW. All real property and other assets to be acquired by the JPB and SAMTRANS pursuant to the Purchase Agreement other than the Local Option Properties.

1.16 State Transferred Properties. All real property and other assets to be transferred from the State of California, Department of Transportation to the JPB following the closing of the transaction contemplated in the Purchase Agreement.

1.17 System Option Properties. Those properties to be acquired pursuant to the options established in the Purchase Agreement other than the Local Option Properties.

2. PURPOSE; MILEAGE FORMULA.

The purpose of this Agreement is to allocate the respective rights and obligations of the parties relative to the ownership, maintenance, management and eventual disposition of the ROW. For the purposes set forth hereinafter, the parties agree to allocate such rights and responsibilities based on the Mileage Formula. The parties stipulate that their respective percentages under the Mileage Formula are CCSF (10.1%), SAMTRANS (47.7%) and SCCTD (42.2%).

3. ADDITIONAL CONTRIBUTION.

3.1 Initial Additional Contribution. To facilitate completion of the acquisition of the ROW and in recognition of the fact that CCSF and SCCTD do not have funds currently available for this purpose, SAMTRANS will provide the Additional Contribution upon closing of the ROW transaction.

3.2 Further Additional Contribution. Pursuant to the Purchase Agreement, the JPB will acquire options to purchase the System Option Properties. As and when the options to purchase such System Option Properties are exercised, should SAMTRANS elect, without obligation, to pay the exercise price for any or all of them from its own funds, such payments made by SAMTRANS shall be included within the total amount of the Additional Contribution for all purposes.

3.3 Reimbursement of Additional Contribution. The parties to this Agreement will use their best efforts individually and collectively to advocate for and obtain from non-local sources grants to be used for reimbursement of the Additional Contribution. Subject to the provisions of Section 7 below, the parties further agree to dedicate all Net Nonoperating Revenues from System Option Properties to reduce the Additional Contribution by reimbursing SAMTRANS and any other Member Agency that has provided the Additional Contribution pursuant to Section 3.4 below.

It is understood and agreed that full reimbursement of the Additional Contribution will include an amount equal to interest on the Additional Contribution from the dates of closing the ROW transaction and each System Option Property purchase transaction at a rate equal to the average rate of return that SAMTRANS earns on its investment portfolio, determined and compounded annually and verified in written investment reports prepared on a regular basis and presented to the SAMTRANS Board of Directors. As the foregoing sources of revenue are obtained to reimburse the Additional Contribution or any other source is obtained for that purpose, the amounts so received shall be applied first to pay off

accrued interest at the rate specified above and then to reduce the principal balance of the Additional Contribution. Any amounts received in reimbursement of the Additional Contribution or any accrued interest thereon shall be shared among those Member Agencies who have fully participated in the Additional Contribution as provided in Section 3.4 in proportion to each such Member Agency's percentage participation toward the Additional Contribution.

3.4 Additional Contribution Participation. It is understood and agreed by all the parties hereto that neither CCSF nor SCCTD have any legal obligation to participate in the Additional Contribution. With the understanding and acknowledgment that (a) in making the Additional Contribution, SAMTRANS is incurring a substantial financial burden that will benefit all of the parties to this Agreement, and (b) the efforts of the parties to reimburse SAMTRANS for the Additional Contribution from non-local sources as described in Section 3.3 may be unavailing, CCSF and SCCTD may at their election undertake good faith efforts to contribute a lump sum or equivalent assets or to establish a schedule of payments to SAMTRANS by which they will share in the burden of the Additional Contribution to the extent of their percentages under the Mileage Formula, plus interest to be applied in the manner and at the rate set forth in Section 3.3 above.

In particular, CCSF commits to take the necessary steps that may make it possible, subject to preparation of appraisals and performance of other due diligence investigations, to transfer to SAMTRANS certain land owned by CCSF that will be of special

benefit to SAMTRANS in connection with non-PCS services of interest to SAMTRANS, as a means of sharing in the burden of the Additional Contribution. This transfer, if feasible, will be documented by separate contract to be negotiated between CCSF and SAMTRANS. In the event that the value of the land to be transferred exceeds or is less than CCSF's percentage under the Mileage Formula, said contract will address the manner in which such excess or shortfall in value will be treated.

Any party which contributes to SAMTRANS funds or other assets that are applied to the principal of the Additional Contribution shall share, pro rata, based on the percentage such contribution to principal bears to the total Additional Contribution, in SAMTRANS' right to be reimbursed as set forth in Section 3.3 from (a) all Net Nonoperating Revenues generated from System Option Properties, and (b) all other non-system, non-Member sources of revenue that may be made available for reimbursement of the Additional Contribution.

SCCTD will consider the creation of a source of funds to be applied in a manner that contributes toward the Additional Contribution from potential new transit revenue sources.

3.5 Additional Operating Grants. Any Member Agency which has not voluntarily provided the full percentage under the Mileage Formula toward the Additional Contribution and which has not withdrawn its operating subsidy pursuant to Section 9 below, shall maintain its level of operational subsidy of the PCS as determined under the JPA, notwithstanding the receipt by the JPB or any other party of Additional Operating Grants which might otherwise reduce its local operational subsidy. Any and all such

Additional Operating Grants shall be used for their specified operational purposes. As among the Member Agencies, (a) each fully participating Member Agency may reduce its level of operational subsidies by an amount of the Additional Operating Grant equal to its percentage participation in the Additional Contribution, and (b) the Additional Contribution shall be deemed to be reimbursed as set forth in Section 3.3 in the amount by which the local operational subsidy of the non-contributing Member Agency would have been reduced by the Additional Operating Grant based on the Mileage Formula.

4. OWNERSHIP OF ROW.

4.1 ROW. Title to the ROW shall vest initially in the JPB; provided, however, that title shall vest in the JPB and SAMTRANS as tenants in common (not as partners) as to all ROW property located in San Mateo County. Upon full participation in the Additional Contribution by all Member Agencies, or full reimbursement of the Additional Contribution to SAMTRANS as provided in Section 3.3 above, SAMTRANS shall reconvey to the JPB all of its interests in title to the ROW. Title to State Transferred Properties shall vest in the JPB.

4.2 ROW System Options. Provided SAMTRANS has not withdrawn its operational subsidy pursuant to Section 9 below, at any time prior to full reimbursement of the Additional Contribution as provided in Section 3.3 or full participation in the Additional Contribution as provided in Section 3.4, SAMTRANS may require the JPB to assign any or all of the option rights to System Option Properties to SAMTRANS.

4.3 Local Options. The JPB assigns the options to purchase the Local Option Properties as follows:

To SAMTRANS - San Bruno

To SCCTD - Moffett, Vasona I, Vasona II.

Neither the exercise of such an option by any party hereto nor the assignment by the JPB of such an option shall affect each Member Agency's percentage under the Mileage Formula as stipulated herein. Upon the exercise of an option to purchase a Local Option Property by a Member Agency which has received an assignment from the JPB, title to the property covered by such option shall vest in the Member Agency, which shall pay the option price.

4.4 Gilroy Trackage Rights. At the request of SCCTD, the JPB shall assign all of its rights, title and obligations under the Trackage Rights Agreement - Lick/Gilroy Line to SCCTD and upon such assignment SCCTD shall succeed JPB as the owner thereof.

5. **TERM.**

This Agreement shall become effective upon the acquisition of the ROW by the JPB and SAMTRANS, and shall continue in full force and effect until disposition of the ROW pursuant to Section 10 below is effected. This Agreement shall govern the disposition of the ROW and represents the "separate agreement" referenced in Section 13 of the JPA.

6. **MANAGEMENT OF THE ROW; DIVISION OF EXPENSES AND NET REVENUES.**

6.1 Management of Operational Assets. Pursuant to the JPA, the JPB will provide oversight, and SAMTRANS will manage the Operational Assets. Nothing herein shall preclude the delegation

by the JPB of management responsibilities for certain Operational Assets to another Member Agency, with such rights and responsibilities as may be designated by the JPB.

6.2 Operating Expenses and Revenues. Expenses incurred in operating the PCS and the cost of all ROW capital projects shall be shared among the Member Agencies or borne by an individual Member Agency as provided in the JPA. Similarly, revenues earned by the JPB and used to support the operating budget of the PCS at the time of execution of this Agreement shall continue to be used to reduce operating expenses as provided in the JPA.

6.3 Management of Nonoperational Assets. SAMTRANS will manage the Nonoperational Assets, and in this regard hereby is authorized to (a) manage and oversee existing leases, licenses, franchises and development projects, and (b) pay applicable taxes and take all other actions as may be necessary to manage effectively the Nonoperational Assets. Renewals of existing leases, licenses, and franchises, as well as proposed new lease, license, franchise and development arrangements and projects must first be approved by the JPB. Any lease, license, franchise and/or development project so approved shall be managed by SAMTRANS as provided above. Nothing herein will preclude the delegation by the JPB of the administration or management of certain Nonoperational Assets to another Member Agency, with such rights and responsibilities as may be designated by the JPB.

6.4 Nonoperating Expenses and Revenues - ROW. With respect to all Nonoperational Assets comprising the ROW, exclusive of System Option Properties, for each fiscal year this Agreement

is in effect, the responsibility to pay for all Nonoperating Expenses shall be shared by the Member Agencies in accordance with the Mileage Formula. The JPB will determine the use of all Nonoperating Revenues generated by said assets in accordance with the terms and conditions of CTC Resolution #PA-91-01. To the extent such revenues are applied to operations, to the extent possible they will be used and accounted for within the provisions of Section 3.5 above.

6.5 Nonoperating Expenses and Revenues - System Option Properties and State Transferred Properties. With respect to all Nonoperational Assets included in System Option Properties and State Transferred Properties, for each fiscal year this Agreement is in effect, all Nonoperating Expenses shall be paid first from all Nonoperating Revenues. Any Net Nonoperating Deficit shall be borne by each Member Agency, pro rata, in accordance with the Mileage Formula. Any Net Nonoperating Revenues shall be paid to SAMTRANS and any other Member Agencies entitled thereto pursuant to Section 3.3 above. Upon full reimbursement of the Additional Contribution, or full participation by all Member Agencies as set forth in Section 3.4, any such Net Nonoperating Revenues will be distributed annually among the Member Agencies in accordance with the Mileage Formula. Any such distributions may be used by each Member Agency which receives them for any purpose.

7. SAMTRANS' OPTION TO CONVERT ADDITIONAL CONTRIBUTION TO EQUITY INTEREST.

7.1 Conversion to Equity. Notwithstanding any other provision of this Agreement, and provided that SAMTRANS has not withdrawn its operational subsidy pursuant to Section 9 below at

any time prior to full reimbursement of the Additional Contribution as provided in Section 3.3 or full participation in the Additional Contribution by all Member Agencies as set forth in Section 3.4, SAMTRANS may elect to treat the Additional Contribution as an equity contribution towards the ROW purchase by exercising an option to take title to part or all of the ROW. The JPB hereby grants such option to SAMTRANS. The option may be exercised by SAMTRANS upon a minimum of ninety (90) days' written notice to the JPB, CCSF and SCCTD, which notice will designate the Closing Date.

Upon the Closing Date, the JPB will transfer to SAMTRANS all of its right, title and interest in the ROW selected by SAMTRANS for transfer, with SAMTRANS assuming responsibility for closing costs. Title to State Transferred Properties shall remain in the JPB. Station properties shall be treated as Nonoperational Assets for all purposes as contemplated in this Section 7 to the extent that these properties can be used for nonoperational purposes without detriment to the transportation operations.

7.2 Management of Operational Assets. SAMTRANS shall license the Operational Assets to the JPB at no cost, which will continue to operate the PCS in a manner consistent with the JPA as set forth in Sections 6.1 and 6.2.

7.3 Management of Nonoperational Assets. Upon the Closing Date, SAMTRANS will assume control over and responsibility for management, use and development of all Nonoperational Assets, subject to the participation rights established in Sections 7.6 and 7.7 and the management of Operational Assets as set forth in Section 7.2. Section 6.3 of this Agreement, except for the last

sentence thereof, shall be deemed suspended during the period of time that SAMTRANS owns the ROW pursuant to this Section 7.

7.4 Nonoperating Expenses and Revenues - ROW Other Than System Option Properties. With respect to all Nonoperational Assets comprising the ROW exclusive of Nonoperational Assets of System Option Properties, for each fiscal year that SAMTRANS owns the ROW, the responsibility to pay for all Nonoperating Expenses and the use and treatment of all Nonoperating Revenues shall be as provided in Section 6.4 above.

7.5 Nonoperating Expenses Revenues - System Option Properties and State Transferred Properties. With respect to all Nonoperational Assets of the System Option Properties and the State Transferred Properties, for each fiscal year that SAMTRANS owns the ROW, all Nonoperating Expenses shall be paid first from all Nonoperating Revenues. Any Net Nonoperating Deficit shall be borne by the Member Agencies in accordance with their respective percentage participation in the Additional Contribution. Any Net Nonoperating Revenue shall be paid to SAMTRANS and any other Member Agencies entitled thereto pursuant to Section 3.4 above. Any such distributions may be used by each Member Agency which receives them for any purpose.

7.6 Fully Contributing Member Agency. Upon the transfer contemplated in Section 7.1, any Member Agency which has provided its total percentage under the Mileage Formula toward the Additional Contribution as set forth in Section 3.4 above will be granted participatory rights and responsibilities, as follows:

(a) voting rights on management and development decisions as specified in Section 6.3 above equal to its percentage share under

the Mileage Formula, and (b) a right to veto any proposed development that lies within its jurisdiction.

7.7 Partially Contributing Member Agencies. Upon the transfer contemplated in Section 7.1 above, any Member Agency which has participated in the Additional Contribution less than the Member Agency's total percentage under the Mileage Formula as provided in Section 3.4 will be granted participatory rights and responsibilities only to the extent of voting rights on management and development decisions as specified in Section 7.3 equal to the percentage said Member Agency's participation in the principal of the Additional Contribution bears to the total Additional Contribution.

7.8 Restoration of Title in JPB. When each Member Agency has fully participated in the Additional Contribution under the Mileage Formula, or when the Additional Contribution has been fully reimbursed as provided in this Agreement, or at such time as SAMTRANS withdraws its operating subsidy pursuant to Section 9, SAMTRANS shall reconvey all of its right, title and interest in the ROW to the JPB, and the provisions of Section 6 shall be deemed restored in all respects.

8. RESTRICTIONS ON TRANSFER AND ENCUMBRANCES.

Neither the JPB nor SAMTRANS shall be permitted to sell, transfer, convey, alienate, encumber, hypothecate, pledge, or otherwise dispose of its interest in the ROW, System Option Properties and State Transferred Properties voluntarily or involuntarily, by operation of law or otherwise, without the written approval of the other, except as otherwise expressly provided herein. Any attempt to transfer in violation of this

Section 8 shall be void and confer no rights on the transferee.

Notwithstanding the foregoing, in the event SAMTRANS exercises its option and receives title to the ROW pursuant to Section 7 and until such time as SAMTRANS withdraws its operating subsidy pursuant to Section 9, SAMTRANS, without the prior approval of the JPB, shall, with respect to any ROW property to which it holds title, be entitled: (a) to lease, encumber, pledge and take any other action necessary or desirable to manage or develop the Nonoperational Assets (in counties outside San Mateo County these actions shall be limited to the Nonoperational Assets at the locations described in Exhibit B which is attached to this Agreement and incorporated into it by this reference); (b) to transfer, sell, convey or otherwise dispose of any of the Nonoperational Assets (in counties outside San Mateo County these actions shall be limited to the Nonoperational Assets at the locations described in Exhibit B) in the event that any Member Agency withdraws its operational support pursuant to Section 9 below, provided, however, that a fully participating Member Agency will be granted voting rights on any such decision to transfer, sell, convey or otherwise dispose of a Nonoperational Asset equal to its percentage under the Mileage Formula; and (c) to transfer, sell, convey or otherwise dispose of any Operational Asset in the event that CCSF and SCCTD have both withdrawn their operational support pursuant to Section 9, below. In the event of any such transfer, sale, conveyance or disposition of Nonoperational or Operational Assets, the proceeds shall be dispersed in the manner set forth in Section 10.

9. AMENDMENT OF THE JPA.

This Section supersedes and amends Section 12 of the JPA. Any party may cease to support operations of the PCS at the end of any fiscal year upon one (1) year's prior written notice to the other parties. The decision of one or more Member Agencies to cease their support for operations shall not cause the termination of the JPB. The withdrawal of operational subsidies by any Member Agency shall not constitute a withdrawal from the JPB by said Member Agency, nor shall it entitle said Member Agency to reimbursement for past capital contributions, a distribution of any assets, or to participation in any future net revenues derived from operating activities, from either JPB or SAMTRANS. Upon the effective date of a Member Agency's withdrawal of operational subsidies, it shall (a) no longer be entitled to vote on any matter involving operational issues, (b) no longer be obligated to subsidize the PCS as provided herein or to participate in capital projects, (c) remain entitled to its share of Net Nonoperating Revenues in accordance with Section 3.4, 6.5 or 7.5, as the case may be, up to such time as its participation in the Additional Contribution has been repaid in full, and (d) remain obligated to contribute its share of any Net Nonoperating Deficit in accordance with Section 6.5 or 7.5, as the case may be, until the ROW and all system assets are finally disposed of. Upon the effectuation of the sale of the ROW and PCS assets, the JPB shall be deemed dissolved.

10. MANDATORY DISPOSITION OF ASSETS.

Unless otherwise agreed by the parties or otherwise required

by laws, regulations, or contractual obligations, and notwithstanding the transfer of title of the ROW to SAMTRANS pursuant to Section 7 above, in the event the ROW is not used by any Member Agency to provide a minimum level of PCS equal to 44 trains per day for a period of seven consecutive years, the JPB or SAMTRANS shall sell the ROW System Option Properties at the earliest practicable opportunity. Upon disposition, the proceeds of the sale will be used first to satisfy any contractual obligations, second, to pay to any Member Agency any amount it has contributed to the principal of the Additional Contribution which has not been reimbursed previously, with interest on said amount from the date of said principal contribution at the rate provided in Section 3.3 above. The remainder of the sales proceeds, if any, shall be shared among CCSF, SAMTRANS and SCCTD in accordance with the Mileage Formula.

11. WAIVER OF PARTITION.

As long as this Agreement is in full force and effect, each party hereto hereby waives the right it would otherwise have to institute an action or otherwise require partition of the ROW or any part thereof, or any similar remedy, and each party also waives the same on behalf of its successors and assigns.

12. REPORTS AND RECORDS.

12.1 Records. SAMTRANS, in its capacity as Managing Agency under the JPA, shall maintain proper and complete books as may be required by this Agreement, including records of contributions, to the Additional Contribution, Nonoperating Revenues and Nonoperating Expenses. Such records shall be available to all Member Agencies upon request.

12.2 Annual Report. The annual report of JPB financial activities that shall be prepared pursuant to Section 14 of the JPA shall include a report on the Net Nonoperating Revenues or Net Nonoperating Deficit during the prior year.

13. LIMITATION OF LIABILITY.

13.1 Limitation of Liability. SAMTRANS, its directors, officers, employees and agents will not be liable to the JPB or any one of its Member Agencies for any action taken or omission to act on behalf of the JPB, whether negligent or not, unless such act or omission is fraudulent, in bad faith, or constitutes gross negligence.

13.2 Indemnity. The JPB shall defend, indemnify, and hold harmless SAMTRANS, CCSF and SCCTD and their directors, officers, employees and agents from and against any loss, expense, damage or injury suffered or sustained by reason of any of their acts or omissions or alleged acts or omissions, whether negligent or not, in performing the obligations undertaken by any of them hereunder, including but not limited to any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided, however, that no Member Agency or its directors, officers, employees or agents shall be indemnified by the JPB in connection with any liabilities incurred arising out of acts or omissions which are fraudulent, in bad faith, or grossly negligent.

14. RECORDATION OF MEMORANDUM OF AGREEMENT.

The parties agree to sign and record in the counties of Santa Clara, San Mateo and San Francisco a Memorandum of Agreement that

summarizes all salient provisions of this Agreement, including specifically SAMTRANS' option to convert the Additional Contribution to an equity interest in the ROW and the restrictions on transfer and encumbrances set forth herein.

15. MISCELLANEOUS.

15.1 Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning given to them in the JPA.

15.2 Further Acts. Each party to this Agreement agrees to execute and deliver all documents and to perform all additional acts which may be reasonably necessary to carry out the provisions of this Agreement.

15.3 Notices. All notices, payments, requests, demands and other communications to be made or given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally or on the second day after mailing if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage prepaid and properly addressed as follows:

SAMTRANS: San Mateo County Transit District
1250 San Carlos Avenue
San Carlos, CA 94070
Attn: General Manager

JPB: Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, CA 94070
Attn: Executive Director

SCCTD: Santa Clara County Transit District
1555 Berger Drive
San Jose, CA 95112
Attn: Assistant Executive Officer

CCSF: Public Utilities Commission
 425 Mason Street
 San Francisco, CA 94102
 Attn: Director of Finance

15.4 Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of California.

15.5 Successors. This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns.

15.6 Amendments. This Agreement may be amended at any time and from time to time, provided such amendments are in writing and executed by all parties.

15.7 Representation. SCCTD, SAMTRANS and CCSF have each been represented by independent counsel with respect to the negotiation and approval of this Agreement. The JPB has not been represented by independent counsel, it being understood that this Agreement has been approved by the three member agencies which constitute the JPB, which in turn have authorized the JPB to enter into this Agreement and to perform its obligations hereunder.

15.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes any prior oral or written understandings on the same subject.

15.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall be deemed an entire Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date first written above with the intent to be legally bound.

SAN MATEO COUNTY TRANSIT DISTRICT

John R. Brown

Approved
SAN FRANCISCO PUBLIC
UTILITIES RESOLUTION NO. 91-0388
Dated: November 26, 1991

Approved as to Form and Legality:

By: David Miller

ATTEST:

Romaine A. Boldridge
Secretary, PUBLIC UTILITIES
COMMISSION

PENINSULA CORRIDOR JOINT POWERS BOARD

Tom Nolan

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 1075-91

Approved as to Form and Legality:

By: David Miller

ATTEST:

John Taylor
JOHN TAYLOR, Clerk

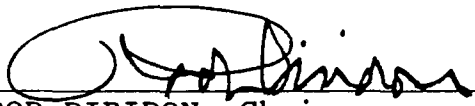
CITY AND COUNTY OF SAN FRANCISCO

[Signature]
MAYOR

Approved as to Form and Legality:

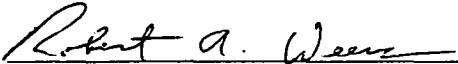
By: Robin Haber
Deputy City Attorney

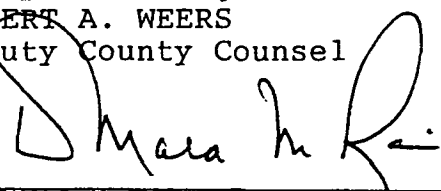
SANTA CLARA COUNTY TRANSIT DISTRICT



ROD DIRIDON, Chairperson
Santa Clara County Transit District
Board of Supervisors

Approved as to Form and Legality:

By: 
ROBERT A. WEERS
Deputy County Counsel

ATTEST: 
DONALD M. RAINS, Clerk
Santa Clara County Board of
Supervisors

RAW: smw/TL3/297

EXHIBIT A

OPERATIONAL ASSETS

The term "Operational Assets" as defined in Section 1.13 of the Real Property Ownership Agreement will include that portion of the property and assets of the ROW consisting of an 80-foot wide strip (said strip to be measured 40 feet on each side of the median of the ROW) in those areas where the width of the ROW is in excess of 80 feet and the entire right of way in those areas where the width of the ROW is less than 80 feet, as more particularly shown on Exhibit A attached to and incorporated in the Purchase, Sale and Option Agreement, dated November 22, 1991, CE Drawing 43820 Sheets 1 through 40, approved August 12, 1991, September 9, 1991 and November 1, 1991.

EXHIBIT B

LOCATIONS IN SANTA CLARA COUNTY AND IN CITY AND
COUNTY OF SAN FRANCISCO WHERE THE PCS CORRIDOR IS OVER
80 FEET WIDE AND HAS POTENTIAL FOR DEVELOPMENT OR SALE

CITY AND COUNTY OF SAN FRANCISCO

NONE

COUNTY OF SANTA CLARA

| <u>Val. Map</u> | <u>SH</u> | <u>W</u> | <u>L</u> | <u>AC</u> | <u>Location</u> | <u>Limits</u> |
|-----------------|-----------|-------------|----------|-----------|-----------------|--------------------------------|
| 1. V-74/12 | (26) | 100- 125 | 2000' | 1.5 | Mt. View | San Antonio to Calderon |
| 2. V-74/16 | (30) | 140' | 2400' | 3.3 | Sunnyvale | Uranium Rd. to Saratoga Cr. |
| 3. V-74/17 | (31) | 100- 125 | 7000' | 5.0 | Santa Clara | San Tomas Cr. to Lafayette |

AMENDMENT TO REAL PROPERTY OWNERSHIP AGREEMENT

This First Amendment to Real Property Ownership Agreement (the "Agreement") is entered into by and among the Peninsula Corridor Joint Powers Board ("JPB"), San Mateo County Transit District ("SAMTRANS"), the City and County of San Francisco ("CCSF"), and the Santa Clara Valley Transportation Authority ("VTA"), formerly known as the Santa Clara County Transit District, this 31st day of October, 2008.

RECITALS

A. SAMTRANS, CCSF and VTA are member agencies of the JPB, which is governed by an amended and restated joint exercise of powers agreement ("JPA") dated October 3, 1996. Among the enumerated purposes of the JPB are the planning, administration, operation and expansion of the commuter rail system commonly known as Caltrain, and the maintenance, improvement and management of the rail corridor on which the Caltrain system is operated, together with other real estate assets necessary for the operation of Caltrain.

B. Under the JPA, SAMTRANS serves as the Managing Agency responsible for the management and operation of the Caltrain rail service and all of the assets of the JPB.

C. SAMTRANS, CCSF, VTA and JPB also are parties to a Real Property Ownership Agreement ("RPOA") dated December 24, 1991.

D. Among other things, the RPOA sets forth the understandings of SAMTRANS, CCSF and VTA associated with financing the acquisition by the JPB of the former Southern Pacific Transportation Company ("SP") right-of-way extending from 4th and Townsend Streets in San Francisco 51.4 miles to Lick Junction (the "ROW"), together with various other property rights all as memorialized in a Purchase, Sale and Option Agreement dated November 22, 1991 between SP, JPB and SAMTRANS. More specifically, pursuant to the RPOA, SAMTRANS agreed to facilitate acquisition of the ROW by advancing certain of its funds, and arranging for the contribution of certain funds of the San Mateo County Transportation Authority, which were necessary to complete the purchase of the ROW (the "Additional Contribution"). In consideration of SAMTRANS' willingness to facilitate acquisition of the ROW in said fashion, CCSF and VTA agreed to enter into the RPOA to acknowledge, safeguard and protect the Additional Contribution,

made by SAMTRANS as defined in Section 1.2 of the RPOA. Among the provisions contained in the RPOA to protect SAMTRANS' advance of funds were the following:

(1) Title to the ROW located in San Mateo County was vested in both the JPB and SAMTRANS, as tenants in common;

(2) SAMTRANS was granted an equity conversion option pursuant to which SAMTRANS was granted the right to take sole title to part or all of the ROW at any time prior to reimbursement of the Additional Contribution; and

(3) CCSF and VTA agreed to use their best efforts individually and collectively to advocate for and obtain grants from non-local sources to reimburse SAMTRANS for the Additional Contribution .

E. In recognition of the voluntary advance of funds to acquire the ROW made by SAMTRANS and the commitment of the parties to the RPOA to use best efforts to effect reimbursement of that advance, the Metropolitan Transportation Commission ("MTC") has assumed a leadership role in identifying grant funds from non-local sources to be used to reimburse SAMTRANS for its Additional Contribution. Specifically, as stated in a report to the MTC dated June 25, 2007, MTC's Executive Director has identified "spillover" state transit funds projected to flow to the San Francisco Bay Area region over a period of several years as a viable repayment source for the SAMTRANS Additional Contribution. More specifically, \$43.3 million in population-based spillover funds that fall under MTC's control and jurisdiction and \$10 million in revenue-based spillover funds (\$8 million from VTA and \$2 million from CCSF), have been identified as proposed sources of funds to be allocated to SAMTRANS in full reimbursement of the Additional Contribution.

F. By this Amendment to the RPOA, the JPB, SAMTRANS, CCSF and VTA desire to memorialize their understandings pertaining to the proposed reimbursement of the SAMTRANS Additional Contribution and to fully resolve all outstanding financial issues related to the acquisition of the ROW.

G. In conjunction with the Amendment of the RPOA, the parties have agreed that SAMTRANS will be designated as the managing agency of the JPB unless and until it no longer

chooses to do so, it being agreed and understood that a formal amendment to the JPA incorporating this commitment will be implemented at a future date.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

I. Section 3.3 of the Agreement (Reimbursement Of Additional Contribution) is amended in its entirety to read as follows:

3.3 Reimbursement of Additional Contribution. The parties agree that the Metropolitan Transportation Commission (“MTC”) will facilitate reimbursement of the Additional Contribution provided by SAMTRANS for the purchase of the ROW in the following manner:

A. **VTA Contribution.** The amount of the Additional Contribution attributable to VTA, \$43 million, will be paid to SAMTRANS through future gasoline sales tax “spillover” money: \$35 million in regional population-based “spillover” money to be allocated directly by MTC to SAMTRANS; and \$8 million in revenue-based “spillover” money from VTA to SAMTRANS.

B. **CCSF Contribution.** The amount of the Additional Contribution attributable to CCSF, \$10.3 million, will be paid to SAMTRANS through future gasoline sales tax “spillover” money: \$8.3 million in regional population-based “spillover” money to be allocated directly by MTC; and \$2 million in revenue-based “spillover” money from CCSF, through the San Francisco Municipal Transportation Agency.

C. **Timing and Method of Allocation of Funds.** The parties recognize that the precise time frame for allocation of the funds described in subsections A and B above is uncertain. The parties agree that they will use best efforts to effect allocation in full within a period of two (2) to four (4) years and in no event later than ten (10) years from the date of execution of this Amendment to the Agreement; provided that if and when MTC determines that the schedule of payments can be accelerated based upon greater availability of spillover funds made available from time to time by the State of

California, incremental revenue-based spillover funds otherwise allocable to VTA and CCSF will be paid to SAMTRANS in a ratio that equals or exceeds the incremental MTC allocation of regional population-based spillover funds.

If circumstances arise that would preclude allocation of the funds in full within ten (10) years, the parties acknowledge and agree that MTC will be authorized to identify alternative sources of non-local funds to effect full reimbursement of the Additional Contribution to SAMTRANS at the earliest practicable date.

MTC will allocate the regional population-based spillover funds directly to SAMTRANS. For Fiscal Year 2008-09, VTA and CCSF will pay the revenue-based spillover funds referred to in subparagraphs A and B to SAMTRANS. In subsequent years, if required, and until VTA's and CCSF's commitments are fully discharged, MTC will allocate and pay to SAMTRANS the respective shares of VTA and CCSF revenue-based spillover funds.

Upon receipt by SAMTRANS of all funds in satisfaction of the Additional Contribution, the commitments of CCSF and VTA under Sections 3.3 and 3.4 of the Agreement will be deemed fulfilled.

II. Section 4.1 of the Agreement (ROW) is amended in its entirety to read as follows:

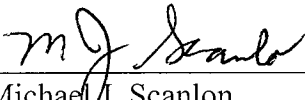
Title to the ROW shall vest initially in the JPB; provided, however, that title shall vest in the JPB and SAMTRANS as tenants in common (not as partners) as to all ROW property located in San Mateo County. Upon full participation in the Additional Contribution by all Member Agencies, or full reimbursement of the Additional Contribution to SAMTRANS as provided in Section 3.3 above, SAMTRANS shall reconvey to the JPB all of its interests in title to the ROW. At such time, Section 7 of the RPOA granting SAMTRANS an option to convert its Additional Contribution to an equity interest in the ROW shall no longer be in effect and Section 6.5 of the RPOA shall be repealed. Title to State Transferred Properties shall vest in the JPB.

III. AGREEMENT TO AMEND JOINT POWERS AGREEMENT.

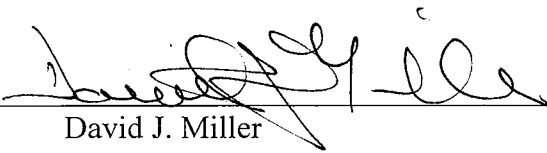
In consideration of the understandings reached pursuant to this Amendment to the RPOA, and in keeping with the shared commitment of the parties to continue their collaborative support of Caltrain, the parties have agreed that SAMTRANS is designated as the managing agency of the JPB and will serve in that capacity unless and until it no longer chooses to do so. The parties also agree to incorporate this agreement in a formal amendment of the JPA at a future date.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date first written above, with the intent to be legally bound.

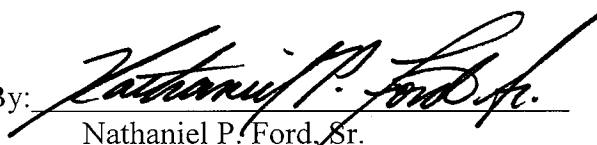
SAN MATEO COUNTY TRANSIT DISTRICT

By: 
Michael J. Scanlon
General Manager/CEO

Approval as to form:



David J. Miller
Attorney

CITY AND COUNTY OF SAN FRANCISCO

By: 
Nathaniel P. Ford, Sr.
Executive Director/CEO
Municipal Transportation Agency

Approved as to form:

Dennis J. Herrera, City Attorney


Robin M. Reitzes
Deputy City Attorney

Municipal Transportation Agency
Board of Directors
Resolution No. 08-099
Dated: June 17, 2008

Board of Supervisors
Resolution No. 389-08
Dated: September 16, 2008

Attest:

Attest:

R. Boomer
Secretary

A. Calvete
Clerk of the Board

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

By: Michael T. Burns
Michael T. Burns, General Manager

Approved as to form:

Kevin D. Allmand
Kevin D. Allmand
Acting General Counsel

PENINSULA CORRIDOR JOINT POWERS BOARD

By: Michael J. Scanlon
Michael J. Scanlon
Executive Director

Approved as to form:

David J. Miller
David J. Miller
Attorney

JOINT POWERS AGREEMENT
PENINSULA CORRIDOR PROJECT

This Agreement is made and entered into this 3rd day of October, 1996, by and between the Santa Clara County Transit District, dba Santa Clara Valley Transportation Authority ("SCCTD" or "SCVTA"), the City and County of San Francisco ("CCSF"), and the San Mateo County Transit District ("SamTrans") (collectively referred to herein as "Member Agencies").

RECITALS

WHEREAS, in 1988, SCCTD, CCSF and SamTrans entered into a Joint Powers Agreement (the "1988 Agreement") creating the Peninsula Corridor Study Joint Powers Board ("JPB") pursuant to Title 1, Division 7, Chapter 5, Article I (§6500 et seq.) of the California Government Code, for the purpose of conducting planning studies related to the Peninsula Commute Service ("PCS"); and

WHEREAS, based upon the planning studies and other activities conducted by the JPB, including, among other things, the negotiation of an agreement to acquire the full corridor right-of-way owned by Southern Pacific Transportation needed for operation and future expansion of the PCS, the parties determined that it would be beneficial to residents of their respective counties that the purposes and powers of the JPB be expanded to enable the JPB to plan, oversee and operate the PCS following

transfer of the system assets from the State of California to local control; and

WHEREAS, such planning, oversight, and operation of the PCS required the maintenance and improvement of the Southern Pacific Right of Way and related system assets, as well as the application for and obtainment of State and federal funding; and

WHEREAS, in 1991 SCCTD, CCSF and SamTrans amended and restated in its entirety the 1988 Joint Powers Agreement to reflect their expanded objectives and executed a Joint Powers Agreement dated August 18, 1991 ("1991 Agreement"); and

WHEREAS, the 1991 Agreement provided for the allocation among the parties of the administrative, capital and operating expenses attendant to ownership of the Peninsula Corridor right-of-way ("ROW") and operation of the PCS; and

WHEREAS, pursuant to an Amendment adopted on November 3, 1994, the JPB amended the 1991 Agreement to modify the basis for allocation of administrative and capital costs among the parties and to effect certain other related changes to the 1991 Agreement ("1994 Amendment"); and

WHEREAS, SCTVA has proposed further revisions to the 1991 Agreement pertaining to SCTVA's powers to appoint representatives to the JPB; and

WHEREAS, the parties now desire to restate the 1991 Agreement as amended by the 1994 Amendment to include SCTVA's proposed revisions.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

Section 1. DEFINITIONS

The terms defined in this section shall for all purposes of this Agreement have the meanings specified herein.

"Agreement" means this Joint Powers Agreement as it now exists or as it may hereafter be amended.

"Gilroy Service" means the PCS Service between the Tamien Station in San Jose and Gilroy.

"Local Funds" means funds generated by a Member Agency or allocated to a Member Agency by another agency on a non-discretionary basis.

"Main Line Service" means the PCS service between the City and County of San Francisco and the Tamien Station in San Jose.

"Project" means (a) the maintenance and improvement of the ROW, (b) the planning, administration, operation and expansion of the PCS, including the Gilroy Service that will be run on the ROW, and (c) the application for and obtainment of State and federal funding to achieve the aforesaid Project objectives.

Section 2. PURPOSE

The purpose of the Agreement is to establish an organization that shall be responsible for implementing the objectives of the Project and related actions pertaining to the PCS.

Section 3. TERM

This Agreement shall be effective upon execution of this Agreement by all parties.

Upon becoming effective, this Agreement shall continue in full force and effect for ten (10) years from the October 18, 1991 execution of the Joint Powers Agreement, subject, however, to each party's right to withdraw upon one (1) year's prior written notice given to the other parties at the end of any fiscal year in the manner prescribed in Section 19 below. At the end of ten (10) years, this Agreement shall continue in full force and effect on a year-to-year basis until such time as two or more parties withdraw pursuant to the terms of Section 12 below.

Section 4. JOINT POWERS BOARD

There is hereby created the JPB as a public entity separate and apart from CCSF, SCVTA and SamTrans, or any current combination thereof. This new entity shall be known as the Peninsula Corridor Joint Powers Board. The Board shall consist of nine (9) members representing their respective Member Agencies as follows:

A. Representing SamTrans

1. Member of SamTrans Board designated by Board;
2. Member of SamTrans Board appointed by San Mateo County Board of Supervisors; and

3. Member of SamTrans Board appointed by the Cities Selection Committee of the Council of Mayors of San Mateo County.

B. Representing the Santa Clara Valley Transportation Authority

1. Member of SCVTA Board of Directors representing the City of San Jose or the County of Santa Clara, as appointed by the SCVTA Board;

2. Member of SCVTA Board of Directors representing the County of Santa Clara or a city in Santa Clara County other than the City of San Jose, as appointed by the SCVTA Board; and

3. The County of Santa Clara's representative to the Metropolitan Transportation Commission ("MTC"), or if this person declines to serve, then the MTC appointee of the Cities Selection Committee, or if this person also declines to serve, then a member of the SCVTA Board of Directors as appointed by the SCVTA Board.

No more than two members of the County of Santa Clara Board of Supervisors may serve on the JPB Board at the same time.

C. Representing the City and County of San Francisco

1. An appointment of the Mayor;
2. An appointment of the Board of Supervisors;
and

3. An appointment of the San Francisco Public Transportation Commission.

Each of the nine (9) members shall serve in his or her individual capacity, but at the pleasure of the party appointing him or her.

Section 5. POWERS OF THE JPB

The JPB shall be the policy-making body for the Project and shall have all such powers to implement the Project as may be exercised under applicable laws by joint powers agencies. The JPB hereby is authorized, in its own name, to do all acts deemed necessary or convenient for the exercise of said power, including, but not limited to, any or all of the following: to make and enter into contracts; to acquire, own, and maintain real and personal property; to employ agents and employees; to incur debts, liabilities or obligations which do not constitute a debt, liability or obligation of the State, CCSF, SamTrans, or SCVTA; to sue and be sued in its own name; and to apply for, receive, and utilize State, local, and Federal funding and funds from all other sources given to it for the purpose of accomplishing the Project. Without limiting the generality of the foregoing, the JPB shall:

- A. Approve short-range plans for PCS.
- B. Approve by March 31 of each year the annual PCS operating budget, subject to the approval of the governing board of each Member Agency.
- C. Approve the annual capital budget by March 31 of each year, and approve other proposed actions pertaining to the level of service, changes in service schedules that add or delete

service to or from a station, fares, and capital improvement programs.

D. Commit Proposition 116 Funds earmarked for the JPB to specific capital projects approved in the capital budget without the approval of the Member Agency governing boards. Approve all other specific capital projects requiring use of Local Funds, subject to the approval of the Member Agency governing boards.

E. Concur in the award by the Managing Agency of the operating contract for the PCS.

F. Advise, review and make recommendations to the Managing Agency regarding the following:

1. marketing programs;
2. financial reports;
3. other reports for public distribution;
4. interagency cooperation; and
5. management plan.

G. Award a contract to perform an independent audit of the financial condition of the JPB.

Pursuant to Government Code Section 6509, the power of the JPB is subject to the restrictions upon the manner of exercising the power of SamTrans.

Section 6. MANAGING AGENCY; DELEGATION OF AUTHORITY

A. The JPB shall appoint a managing agency ("Managing Agency") to implement the objectives of the Project.

B. SamTrans hereby is appointed as Managing Agency for the duration of the term, provided, however, that the JPB may replace SamTrans as the Managing Agency upon one (1) year's prior written notice given at the end of any fiscal year after SamTrans has been fully repaid monies advanced by it to cover the ROW purchase price.

C. The Managing Agency shall be delegated the following authority and required to perform the following responsibilities:

(i) Award the operating contract for the PCS, subject to the concurrence of the JPB as provided in Section 5 above, and administer and modify said contract consistent with the JPB's operating budget;

(ii) Maintain and manage the ROW and other system assets unless the administration of particular station sites is delegated by the JPB to an individual Member Agency.

(iii) Implement capital programs contained in the approved PCS capital budget unless the administration of particular capital projects is delegated by the JPB to an individual Member Agency;

(iv) Seek, obtain and administer grants;

(v) Develop and implement marketing programs;

(vi) Prepare and submit financial reports;

(vii) Recommend changes in fare structure to the

JPB;

(viii) Recommend changes in scheduling and levels of service to the JPB;

(ix) Prepare and implement changes in scheduling other than those requiring the approval of the JPB as provided in Section 5(C) above.

(x) Prepare capital and operating budgets for presentation to the JPB;

(xi) Keep staff of Member Agencies advised on PCS matters; and

(xii) Report regularly to the JPB regarding PCS issues.

Section 7. FINANCIAL COMMITMENTS

A. Operations

Each Member Agency agrees to share in the operating costs associated with the PCS. Member Agency subsidies for the Main Line Service shall be based on the existing passenger boarding formula which is predicated upon county of origin a.m. peak hour boardings of passengers as adjusted annually prior to the JPB's adoption of the operating budget. SCVTA shall be responsible for all net operating costs of the Gilroy Service based upon the fully allocated cost methodology.

B. Capital Projects

The JPB and the Member Agencies shall use their best efforts to fully fund from state, Federal and JPB Proposition 116 resources, capital projects contained in the approved capital budget. If approved by Member Agencies pursuant to Section 5(D),

Member Agencies shall share in the remaining costs of capital projects according to the following guidelines: Proposed capital projects shall be categorized in the capital-program process as being designed to replace, enhance or expand PCS assets. Costs of capital replacement and enhancement projects that are not covered by outside funding sources shall be shared equally by the Member Agencies. Furthermore, Member Agencies shall support the equal sharing of Federal funding for replacement and enhancement projects with the understanding that the method for allocating the Federal funds will be reviewed by the Metropolitan Transportation Commission Regional Transit Coordinating Council Finance Committee. Cost allocation among the JPB members for expansion projects such as the downtown terminal relocation, the Gilroy Service and the Bayshore Corridor Service shall be determined on a case-by-case basis. SCVTA shall assume full responsibility for obtaining funding for all Gilroy Service capital projects.

In addition to the costs for capital projects to be shared by the Member Agencies as provided in this Section 7.B, on an annual basis the JPB shall determine an amount to be contributed by the Member Agencies into a capital contingency fund to cover unanticipated, necessary capital improvements. Each Member Agency shall contribute an equal share of this capital contingency fund.

C. JPB Administrative Costs

Expenses for personnel and resources of the Managing Agency to administer the affairs of the JPB, including the administration of the operating contract, shall be shared by the Member Agencies based on the a.m. boarding formula as provided in Section 7.A above.

D. Procedures for Making Monthly Contributions.

(i) Operational Subsidies. Operational subsidies shall be paid monthly in advance by each Member Agency to the Managing Agency in accordance with procedures to be enacted by the JPB.

(ii) Capital Contributions. Commitments by Member Agency governing boards to provide Local Funds for a particular capital project shall be obtained prior to the filing of grant applications for each said project. Actual contributions shall be paid as and when they are due and owing. All contributions to the capital contingency fund provided in Section 7.B above shall be delivered to the Managing Agency within sixty (60) days of the JPB's determination of the amount to be funded.

(iii) JPB Administrative Costs. Administrative costs of the JPB shall be billed by the Managing Agency and paid by the Member Agencies on a monthly basis.

(iv) Late Payments. Member Agencies who fail to pay or who are delinquent in any financial commitment hereunder shall be assessed interest charges based on the Managing Agency's average rate of return on its investment portfolio.

E. Duration.

All allocations of expenses and costs established in this Section 7 shall be subject to re-evaluation during the JPB's 1998-1999 fiscal year. Any changes made as a result of this re-evaluation shall become effective during the fiscal year 1999-2000. In the event any allocation method is hereafter revised, any capital projects in progress at the time of the revision shall be carried to completion using the allocation methods in place at the time of the award of the construction/procurement contract for the capital project.

F. Covenant.

Each Member Agency hereby affirmatively covenants to the other Member Agencies henceforth to pay any and all financial obligations to the JPB promptly as and when such obligations become due and owing to the JPB as provided in Section 7 or otherwise in this Agreement.

G. Obligations of the City and County of San Francisco.

CCSF shall pay to the Managing Agency CCSF's portion of the JPB start-up costs in the amount of \$557,485.00, plus interest at the rate of seven percent (7%) per annum in accordance with the schedule of payments contained in Exhibit "A" attached hereto and incorporated herein by this reference. CCSF shall have the right to prepay its outstanding obligation, including accrued interest, at any time. In consideration for the foregoing, and provided that CCSF makes the payments provided

for in Schedule A on a timely basis, the JPB shall waive its right to receive from CCSF interest on late payments made by CCSF for fiscal year 1993-94 financial obligations, The CCSF Board of Supervisors' representative on the JPB shall introduce legislation to approve CCSF's payment of the amounts referenced in this Paragraph 4, as well as to approve all other revisions of the 1991 Agreement contained in this Agreement, within sixty (60) days following JPB's action approving the 1994 Amendment to the 1991 Agreement. This Agreement is subject to the budget and fiscal provisions of the Charter of CCSF. Charges will accrue only after appropriation of funds by CCSF's Board of Supervisors and after prior written authorization certified by CCSF's Controller, and the amount of CCSF's obligation hereunder shall not at any time exceed the amount appropriated and certified for the purpose and period stated in such advance authorization.

Section 8. MEETINGS OF THE JPB

A. Regular and Special Meetings.

The JPB shall hold at least one (1) regular meeting each month. The date, hour and place of said regular meetings shall be fixed by resolution of the JPB. The Managing Agency may call a special meeting of the JPB by providing written or telephone notice to each member of the JPB at least 72 hours prior to the date of said special meeting, which said notice shall specify the purpose for said meeting.

B. Conduct of Meetings

All meetings of the JPB shall be held subject to the provisions of Section 54950 et seq. of the Government Code of the State of California.

C. Minutes

The Secretary shall cause minutes of all meetings of the JPB to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Member of the JPB.

D. Quorum

A majority of the members of the JPB shall constitute a quorum for the transaction of business. No action may be taken by the JPB except upon the affirmative vote of five or more of its members.

Section 9. BYLAWS

The JPB shall have the power to adopt such bylaws that it, in its sole discretion, may deem necessary or desirable for the conduct of its business.

Section 10. OFFICERS AND EMPLOYEES

A. The JPB shall elect annually a chairperson and a vice-chairperson from among its members. The JPB also shall appoint a secretary who may, but need not be, a member of the JPB.

B. The JPB shall designate its legal counsel.

C. The Managing Agency's General Manager shall be the Executive Director of the JPB.

D. The Finance Director of the Managing Agency shall be the treasurer of the JPB and shall have custody of all the moneys of the JPB from whatever source and shall perform the function of treasurer and have all the powers, duties, and responsibilities of said office as set forth in Government Code Section 6505.5.

E. The Finance Director of the Managing Agency shall act as controller of the JPB and shall perform the functions and have the powers, duties, and responsibilities of said office set forth in Government Code Section 6505.5. The controller shall draw warrants to pay demands against the Managing Agency or the JPB pursuant to authorization of the JPB.

F. The JPB shall designate such independent auditors as it deems appropriate for the purpose of reporting on the JPB's operations and its financial condition.

Section 12. WITHDRAWAL FROM AGENCY

Any party may withdraw from this Agreement upon one (1) year's prior written notice to the other parties given at the end of any fiscal year. Upon delivery of such a notice, the Member Agencies shall jointly request the Metropolitan Transportation Commission ("MTC") to mediate the issues giving rise to the withdrawal notice, and shall participate in such mediation if undertaken by the MTC. In addition, should a withdrawal result despite such mediation efforts, each Member Agency, including the withdrawing party, shall participate with MTC in a further mediated negotiation relative to disbursement of regional funds

to assure the remaining Member Agencies are not subject to undue financial hardship. In the event of such a withdrawal by a single party, the JPB shall continue to exist, with the membership adjusted to reflect the withdrawal. Withdrawal by a single party shall not entitle that party to reimbursement for past capital contributions or to distribution of any assets or funds of the JPB. If two or more of the parties to this Agreement withdraw, then this Agreement shall terminate at the end of the fiscal year following expiration of the one-year's notice given by the second party to withdraw from the Agreement, at which time the property and funds of the JPB shall be distributed to the Member Agencies pursuant to the terms of Section 13.

Section 13. DISPOSITION OF PROPERTY AND FUNDS

At such time as this Agreement is terminated, any property interest remaining in the JPB, following discharge of all obligations due by the Board, shall be disposed of and the proceeds or property shall be allocated in accordance with a separate agreement to be entered into between the parties.

Section 14. ACCOUNTS AND REPORTS

The JPB shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the JPB shall be open to inspection at all reasonable times to the parties to this Agreement and their representatives. The JPB, within one hundred twenty (120) days after the close of each fiscal year (which shall be the period

from July 1 of each year to and including the following June 30), shall give a complete written report of all financial activities for such fiscal year to the parties. The Controller shall prepare and maintain such accounts and reports.

Section 15. OBLIGATIONS OF THE JPB

The debts, liabilities and obligations of the JPB shall not be debts, liabilities and obligations of any of the parties to this Agreement unless and to the extent specifically provided by agreement in writing with any of such parties.

Section 16. INDEMNIFICATION

The JPB shall acquire such insurance protection as it deems necessary to protect the interests of the JPB, the parties to this Agreement and the public. The JPB shall assume the defense of and indemnify and save harmless each party to this Agreement and its respective officers, agents and employees, from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from the performance of any of the activities of the JPB not delegated to the Managing Agency or the activities of the JPB undertaken pursuant to this Agreement.

Section 17. AMENDMENTS

This Agreement may be amended at any time by agreement of all of the parties.

Section 18. ENTIRE AGREEMENT

This Agreement constitutes the entire Joint Powers Agreement among the parties, and supersedes any prior oral or

written understandings between them pertaining to the same subject matter, including, but not limited to, the 1988 Agreement, the 1991 Agreement and all amendments to these agreements.

Section 19. NOTICES

All notices, payments, requests, demands and other communications to be made or given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally, or on the second day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as follows:

| | |
|-----------|---|
| CCSF: | Public Transportation Commission 949 Presidio Avenue San Francisco, CA 94115 Attn: Director of Public Transportation |
| SamTrans: | San Mateo County Transit District 1245 San Carlos Drive San Carlos, California Attn: General Manager |
| SCCTD: | Santa Clara Valley Transportation Authority 3331 North First Street Bldg. C, 2nd Floor San Jose, California 95134-1906 Attn: Assistant Executive Officer |

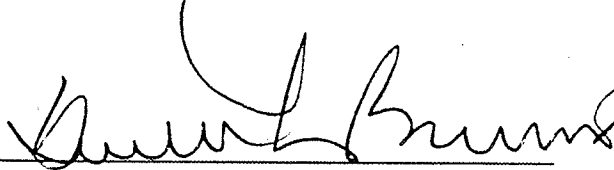
Any party may change its address for purposes of this Section by giving the other parties written notice thereof in the manner set forth above.

Section 20. COUNTERPARTS

This Agreement may be entered into in counterparts each of which shall be deemed an original, but all of which together shall be deemed an entire Agreement.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO

By 
MAYOR

APPROVED
PUBLIC TRANSPORTATION
COMMISSION
Resolution No. 96-136
Dated: Nov. 26, 1996

Approved as to Form and Legality
Louise H. Renne, City Attorney

By 
Deputy City Attorney

ATTEST:


Secretary, PUBLIC
TRANSPORTATION COMMISSION

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
Ordinance No. 22-97

ATTEST:


John Taylor, Clerk

SANTA CLARA COUNTY TRANSIT DISTRICT

By *Paul M. Cipolla*

Approved as to Form and Legality

By *Suzanne Gifford* 2-25-97

SAN MATEO COUNTY TRANSIT DISTRICT

By *[Signature]*

Approved as to Form and Legality

By *Dave Miller*



Peninsula Corridor Joint Powers Board CalPERS Agreement

The San Francisco Municipal Transportation Agency (SFMTA) Board of Directors proposes to approve the agreement between the Member Agencies Regarding the Peninsula Corridor Joint Powers Board’s Fiscal Obligations to CalPERS, between the City and County of San Francisco, the San Mateo County Transportation District, and Santa Clara Valley Transportation Authority, relating to establishing the JPB’s contract with CalPERS, and authorizes the SFMTA Director of Transportation to execute the agreement, contingent on approval by the San Francisco Board of Supervisors.

Approval Action:
SFMTA Board Hearing

Not a “project” under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.

Jenny Delumo 2/25/26

Jenny Delumo Date
San Francisco Municipal Transportation Agency

Ryan Shum 2/25/26

Ryan Shum Date
San Francisco Planning Department

**MEMORANDUM OF UNDERSTANDING BETWEEN THE PENINSULA CORRIDOR
JOINT POWERS BOARD, THE SANTA CLARA VALLEY TRANSPORTATION
AUTHORITY, THE SAN MATEO COUNTY TRANSIT DISTRICT,
AND THE CITY AND COUNTY OF SAN FRANCISCO**

This Memorandum of Understanding (“MOU”) is entered into by and among the Peninsula Corridor Joint Powers Board (“JPB”), the Santa Clara Valley Transportation Authority (“VTA”), the San Mateo County Transportation District (“SMCTD”), and the City and County of San Francisco (“CCSF”) on this 5th day of August, 2022 (the “Effective Date”).

RECITALS

- A. Previous Agreements.** VTA, SMCTD, and CCSF are member agencies (“Member Agencies”) of the JPB, which is governed by an amended and restated joint exercise of powers agreement (“JPA”), dated October 3, 1996. The JPB, VTA, SMCTD, and CCSF (together the “Parties”) are also parties to a Real Property Ownership Agreement (“RPOA”), dated December 24, 1991, and an Amendment to Real Property Ownership Agreement (“2008 RPOA”), dated October 31, 2008.
- B. Affirmation of Intent to Address Resolution 2020-42.** JPB Resolution 2020-42 contemplated that the JPB would recommend governance changes to the Member Agencies, including enabling a majority of the JPB to appoint its own Executive Director and providing for the reimbursement of SMCTD for its investment in Caltrain. The resolution further provided that the expenditure of more than \$40 million annually from Measure RR revenues would be subject to a two-thirds majority vote requirement until such time as the JPA has been amended to modify the JPB’s governance structure in a manner satisfactory to the three Member Agencies. This Memorandum of Understanding (“MOU” or “Agreement”) provides a pathway and timeline for consideration of amendments to the JPA that conform with this Agreement, address conflicts between the JPA and RPOA, resolve ambiguities, and codify certain current practices that are inconsistent with the JPA. Upon adoption of an amended JPA, the two-thirds vote requirement established in Resolution 2020-42 will be repealed.
- C. Affirmation of SMCTD as the Managing Agency for Caltrain.** SMCTD shall remain as the Managing Agency for Caltrain, as modified by the terms of this Agreement.
- D. Affirmation Regarding Effect of Repayment of Outstanding Balance to SMCTD under 2008 RPOA.** Upon payment in a non-credit form of the outstanding balance of \$19.8 million owed to SMCTD under the 2008 RPOA: (1) SMCTD shall reconvey its tenancy in common interest in the ROW to the JPB; (2) SMCTD’s equity conversion interest and right to approve real property transactions under the RPOA, except as provided in this Agreement, shall be extinguished; and (3) SMCTD shall be deemed to have released any claim that it may have against VTA and CCSF under the RPOA and 2008 RPOA for SMCTD’s payment of the Additional Contribution.
- E. Additional Payment by CCSF and VTA.** CCSF and VTA shall pay \$15.2 million to SMCTD within twelve (12) months of the Effective Date of this Agreement. Such

payment is to account for the delay in payment of the outstanding amount owed under the 2008 RPOA and SMCTD's agreement to assign certain rights as Managing Agency to the JPB.

- F. Affirmation of JPB Appointment of General Counsel and Auditor.** As of 2021, the JPB has appointed, and will maintain, both its own general counsel and auditor separate from those of any of the Member Agencies.
- G. Affirmation of Rail Service Provider Contract.** This Agreement does not alter the ongoing contractual relationship between the JPB and its selected Rail Service Provider whereby the contractor maintains responsibility for providing the JPB with rail operations, maintenance and support services that include administration/safety; operations and dispatch; maintenance of equipment, track, communications and signals, and stations; construction support; and state of good repair.
- H. Statement Related to Regional Governance.** This Agreement does not preclude JPB's ongoing participation in processes related to potential regional governance changes, including the consideration of recommendations forthcoming from the Network Management Business Case and/or Regional Rail study. Further, the JPB commits to work with stakeholders, including the Metropolitan Transportation Commission ("MTC"), to develop a timeline for expeditious consideration of regional governance recommendations.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree to the following:

1. Caltrain Executive Director.

- A. A separate, permanent Caltrain Executive Director position ("Caltrain ED") is hereby established. Although this position shall remain as an SMCTD employee, the Caltrain ED shall exclusively report to, and take direction from, the JPB.
- B. The JPB shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED position.
- C. The appointment and termination of the Caltrain ED shall be subject to a simple majority vote of five members of the JPB, provided that the majority consists of at least one Director appointed from each county.

2. Staff Reporting.

- A. The following functions, which are currently included as "direct services" within the existing Rail Division, shall report to the Caltrain ED. The Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of employees

providing these functions, subject only to SMCTD's salary ordinance and employee manual and policies:

- i. Rail Operations and Maintenance, which shall include management, oversight, and operational direction of the operations and maintenance activities of TransitAmerica Services Inc. ("TASI") (and any successor contractor for operating the Peninsula Commute Service) as well as management of other aspects of the customer interface in coordination with the communications and marketing group;
- ii. Rail Planning, which shall include service planning, capital planning, transit-oriented development planning and policy development for Caltrain;
- iii. Rail Contracts and Budgets, which shall include management of the TASI contract (and any successor contract for operating the Peninsula Commute Service) and other on-call contracts supporting the Rail Division;
- iv. Rail Development, which shall include capital program management, capital program delivery, engineering, and quality assurance/quality control for Caltrain; and
- v. The Peninsula Corridor Electrification Project ("PCEP") and the Caltrain Modernization Project ("CalMod") programs.

B. The following positions, or equivalent positions, shall be added as "direct services" reporting to the Caltrain ED as described below, and the individuals holding these positions shall not serve in a similar role for SMCTD. The Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the individuals holding these positions, subject only to SMCTD's salary ordinance and employee manual and policies:

- i. Chief of Staff. This position shall provide executive administrative support to the Caltrain ED, may oversee positions within the Rail Division as determined by the Caltrain ED, and may assist the Caltrain ED in managing the relationship with SMCTD shared services;
- ii. Director of Government and Community Affairs. This position shall provide direction, policy guidance, and strategy on all government and external affairs matters related to Caltrain, and shall determine the Caltrain work plan for Communications (as pertinent to external affairs only) and coordinate with the SMCTD Communications Chief to implement the direction of the JPB and the Caltrain ED;

- iii. Director of Budgets and Financial Analysis. This position shall provide direction, policy guidance, and strategy on all financial analysis and budgeting matters related to Caltrain, and shall determine the Caltrain work plan for finance and budgets and coordinate with the SMCTD CFO to implement the direction of the JPB and the Caltrain ED;
 - iv. Director of Real Estate. This position shall provide direction, policy guidance, and strategy on all real estate transactions pertaining to Caltrain, and shall determine the Caltrain work plan for real estate and coordinate with the SMCTD Real Estate Director and/or Chief of Planning, Grants, and Transportation Authority to implement the direction of the JPB and the Caltrain ED; and
 - v. Director of Grants and Funds Management. This position shall provide direction, policy guidance, and strategy on the pursuit and management of all grants and public funding sources of interest to Caltrain, and shall determine the Caltrain work plan for grants and coordinate with the SMCTD Director of Grants and Fund Management, and /or Chief of Planning, Grants and the Transportation Authority to implement the direction of the JPB and the Caltrain ED.
- C. The following functions shall continue as fully shared services under the direction of the SMCTD General Manager and in coordination with the Caltrain ED:
- i. Human Resources;
 - ii. Contracts and Procurement;
 - iii. Information Technology;
 - iv. Civil Rights;
 - v. Marketing and Customer Service; and
 - vi. Accounting and Treasury.
- D. The following functions shall continue as partially shared services with policy level direction provided by direct Caltrain positions listed in Subsection 2.B, above, but shall remain under the overall direction of the SMCTD General Manager in coordination with the Caltrain ED:
- i. Communications, Government and External Affairs;
 - ii. Finance and Budgets;
 - iii. Real Estate; and

iv. Grants.

- E. The role of the managing agency shall be to support the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting, Treasury, Budgets, Finance, Communications, Government and External Affairs, Real Estate and Grants.
- F. With the exception of the direct report positions identified in Subsection 2.B, above, the JPB shall not have the authority to replace a function currently being performed through partially and fully shared services, as set forth in Subsections 2.C and 2.D above, with a direct report, unless SMCTD and the JPB mutually agree to the change, provided that such agreement shall not be unreasonably withheld by either party.
- G. The JPB and SMCTD shall negotiate and execute an agreement that governs the provision of partially and fully shared services, as set forth in Subsections 2.C and 2.D, above. The agreement shall define the scope of partially and fully shared services and how those services will be periodically evaluated and adjusted by mutual agreement. The current arrangement and practices relating to shared services and cost allocation under the internal cost allocation plan (ICAP) in effect as of January 1, 2022, shall only be changed through the negotiated process set forth in this Subsection, unless required by an internal cost allocation plan (ICAP) prepared by SMCTD's consultant and by SMCTD's Cognizant Agency (FTA, Region 9). The JPB and SMCTD agree that they will not unreasonably withhold their consent to a shared services agreement or any subsequent amendment thereto, and will execute a final agreement no later than three (3) months after the payment of \$15.2 million into an escrow account as set forth in Subsection 3.B, below, provided, however, that failure to meet that deadline shall not be grounds for voiding this Agreement.
- H. The JPB shall document the assets owned by the JPB, no later than three (3) months after payment of \$15.2 million into an escrow account as set forth in Subsection 3.B, below, provided, however, that failure to meet that deadline shall not be grounds for voiding this Agreement. The Member Agencies will provide documents related to the assets to the JPB upon request.

3. Right of Way Repayment.

- A. MTC and CCSF have agreed to pay SMCTD \$19.6 million and \$200,000, respectively, for the outstanding balance owed pursuant to the 2008 RPOA. On April 18, 2022, CCSF paid SMCTD the \$200,000 it agreed to pay, and SMCTD acknowledges receipt of that amount and that CCSF has satisfied its obligation

under this Subsection. MTC shall make the remaining \$19.6 million payment forthwith. Upon SMCTD receiving full payment of the remaining \$19.6 million payment from MTC:

- i. SMCTD shall reconvey all of its interest in title to the ROW as set forth in Section 4.1 of the RPOA;
 - ii. SMCTD's equity conversion interest as set forth in Section 7 of the RPOA and its rights to approve real property transactions set forth in Section 8 of the RPOA, except as provided in Subsection 3.D, below, shall be extinguished;
 - iii. All ownership of the ROW shall vest with the JPB, which shall have sole authority over the management, acquisition, and disposition of real property, except as provided in Subsection 3.D, below;
 - iv. SMCTD shall be deemed to have released any claim that it may have against CCSF and VTA under the RPOA and 2008 RPOA for SMCTD's payment of the Additional Contribution, which release shall be documented in a form acceptable to CCSF and VTA.
- B. Within twelve (12) months of execution of this Agreement, CCSF and VTA shall pay SMCTD \$6,080,000 and \$9,120,000, respectively, to compensate SMCTD for the delay in payment of the outstanding balance owed pursuant to the 2008 RPOA and for SMCTD's agreement to assign certain rights as Managing Agency to the JPB. Payment shall be made into an escrow account established by the JPB and the funds shall be disbursed to SMCTD, without further action by SMCTD, upon satisfaction of the conditions specified in Subsection 3.C, below.
- C. The funds in the escrow account shall be disbursed to SMCTD upon: (1) receipt in the escrow account of all of the payments set forth in Subsection 3.B, above; and (2) SMCTD's receipt of \$19.6 million from MTC as set forth in Subsection 3.A., above, or its written acknowledgement that MTC has satisfied its commitment to pay \$19.6 million as set forth in Subsection 3.A.
- D. The JPB shall not sell, transfer, convey, or otherwise dispose of all or substantially all of its interest in the ROW without the written approval of all three member agencies.

4. Reversion.

- A. If the payments required by Subsection 3.B have not been received in the escrow account within twelve (12) months of the execution of this Agreement, the

Managing Agency arrangement, as modified pursuant to Sections 1 and 2, above, and the parties' indemnification obligations, as modified pursuant to Section 6 below, will revert to the written terms of the JPA, the RPOA and 2008 RPOA. In addition, Section 5 shall be void, except that Section 5.A.i, 5.B.i and iii as to the negotiating of the RPOA shall remain, and Section 5.A.i, 5.B.ii and iii, shall remain as to the negotiating of the JPA but only as necessary to implement Section 3.A. Once the funds in the escrow account are disbursed to SMCTD pursuant to Subsection 3.C, this clause shall be void.

- B. The parties acknowledge the existence of Resolution 2020-42 which is described in Recital B of this MOU.

5. Future Amendment of RPOA and JPA.

- A. The parties agree to negotiate amendments to the JPA, the RPOA, and the 2008 RPOA (together the "Agreements") as necessary to accomplish the following:
 - i. Conform the Agreements with the terms of this MOU, which shall take precedence over any conflicting terms of the Agreements;
 - ii. Resolve inconsistencies among the Agreements;
 - iii. Clarify ambiguities in the Agreements; and
 - iv. Codify certain current practices that are inconsistent with the JPA.

The changes made to the Agreements shall be limited to accomplishing the above-mentioned purposes and this Section shall not constitute an opportunity to re-negotiate the Agreements in their entirety.

- B. Timeline.
 - i. Within two (2) months of execution of this Agreement, the JPB shall draft revisions to the RPOA, as amended by the 2008 RPOA (the "Revised RPOA"), for the purpose of making the changes identified in Section 5.A, above, and circulate the Revised RPOA to counsel for the Member Agencies to obtain their input. Counsel for the Member Agencies shall provide their comments on the Revised RPOA to the JPB within 30 days of receiving the Revised RPOA. The Revised RPOA shall be finalized within 30 days of the JPB receiving comments from the Member Agencies, and shall be presented for approval to the JPB and each Member Agency board at the Agency's next regularly scheduled meeting following the payment of funds from MTC to SMCTD.

- ii. Within two (2) months of approval of the Revised RPOA, the JPB shall develop a draft revision to JPA (the “Revised JPA”), for the purpose of making the changes identified in Section 5.A, above, and circulate the Revised JPA to counsel for the Member Agencies to obtain their input. Counsel for the Member Agencies shall provide their comments on the Revised JPA to the JPB within two (2) months of receiving the Revised JPA. The Revised JPA shall be finalized within two (2) months of receipt of Member Agency comments by the JPB and shall be presented to each Member Agency board at an agency’s next regularly scheduled meeting after the draft Revised JPA has been finalized.
- iii. The parties agree to cooperate in good faith and meet the deadlines set forth above, provided, however, that failure to meet these deadlines shall not constitute grounds to terminate this Agreement. This Agreement shall remain in effect and shall take precedence over conflicting provisions of the JPA and RPOA until both the Revised RPOA and Revised JPA are approved and executed by all member agencies.
- iv. Upon approval of the Revised RPOA by the Parties and the Revised JPA by each Member Agency, the super-majority vote requirement in JPB Resolution No. 2020-42 shall be deemed repealed.

6. Indemnification.

- A. The JPB shall defend, indemnify, and hold harmless SMCTD and its respective directors, officers, employees and agents, and its successors and assigns from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from (i) SMCTD’s performance of functions undertaken or directed by JPB direct reports set forth in Sections 1, 2.A and 2.B, above, or SMCTD’s performance of functions directed by the JPB or its Executive Director as set forth in Sections 2.C and 2.D; and (ii) JPB’s negligence, recklessness, or willful misconduct. The only exception to these provisions is that JPB’s obligations under this subsection shall not apply to the extent that the claims, losses, damages, costs, injury or liability arise from or are caused by SMCTD’s gross negligence, willful misconduct, or fraud. The JPB shall select counsel of its choice to defend SMCTD, and SMCTD is authorized to approve such counsel, such approval not to be unreasonably withheld.
- B. SMCTD shall defend, indemnify, and hold harmless the JPB and its respective directors, officers, and agents, and the successors and assigns from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from (i) SMCTD’s provision of shared services set forth in Sections 2.C and 2.D, above, not otherwise directed by the JPB, its Executive Director or JPB’s direct reports; and (ii) SMCTD’s negligence, recklessness, or willful misconduct. The only exception to these provisions is that SMCTD’s obligations under this subsection shall not apply to the extent that the claims, losses, damages, costs, injury, or liability arise from or are caused by

JPB's gross negligence, willful misconduct, or fraud. SMCTD shall select counsel of its choice to defend the JPB, and JPB is authorized to approve such counsel, such approval not to be unreasonably withheld.

C. Except as provided in Subsections 6.A and 6.B above, JPB shall indemnify Member Agencies for activities undertaken by the JPB as provided in Section 16 of the JPA.

7. **Attorneys' Fees and Costs.** Each party to this Agreement shall bear its own costs in connection with negotiating, drafting, and approving this Agreement, the Revised RPOA, and the Revised JPA.
8. **Term of Agreement.** This Agreement shall remain in effect until such time as the Member Agencies either (1) approve both a Revised RPOA and Revised JPA, or (2) the Member Agencies and JPB mutually agree to amend or terminate this Agreement.
9. **Terms of Agreement Prevail Over Existing Agreements.** To the extent a conflict exists among any provision of this Agreement and the JPA, RPOA, 2008 RPOA, or any other agreement among the parties, the provisions of this Agreement shall take precedence over any conflicting provisions of any other agreement as long as this Agreement remains in effect.
10. **Notices.** All notices, payments, requests, demands, and other communications to be or given under the MOU shall be in writing and shall be deemed to have been duly served given on the date of service if served personally or on the second day after mailing if mailed to the party to whom notice is to be given by first class mail:

SMCTD: San Mateo County Transit District
1250 San Carlos Avenue
San Carlos, CA 94070
Attn: General Manager

JPB: Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, CA 94070
Attn: Executive Director

CCSF: San Francisco Municipal Transportation Agency
1 South Van Ness Ave., Floor 7
San Francisco, CA 94102
Attn: Director of Transportation

VTA: Santa Clara Valley Transportation District
3331 North First Street
San Jose, CA 95134
Attn: General Manager

In addition to the written notice required above, the parties agree to provide courtesy notice to all of the general managers and general counsels for the parties of such notice by email.

11. **Governing Law.** This Agreement shall be interpreted, construed, and enforced in accordance with the laws of California.
12. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns.
13. **Amendments.** This Agreement may be amended at any time and from time to time, provided such amendments are in writing and executed by all parties.
14. **Representation.** SMCTD, VTA, CCSF, and the JPB have each been represented by independent counsel with respect to the negotiations and approval of this Agreement.
15. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes any prior oral or written understanding on the same subject.
16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall be deemed an entire Agreement.

In witness whereof the parties have entered into this Agreement on the date first written above with the intent to be legally bound.

PENINSULA CORRIDOR JOINT POWERS BOARD

By: 

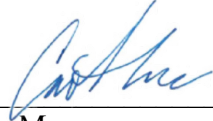
Michelle Bouchard
Acting Executive Director, JPB

Approved as to form by:

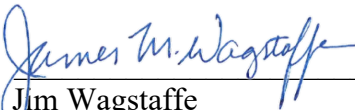
By: 

James C. Harrison
General Counsel, JPB

SAN MATEO COUNTY TRANSIT DISTRICT

By: 
Carter Mau
Acting General Manager

Approved as to form by:

By: 
Jim Wagstaffe
Special Counsel, SMCTD

SANTA CLARA VALLEY TRANSPORTATION DISTRICT

By: _____
Carolyn Gonot
General Manager, VTA

Approved as to form by:

By: _____
Evelynn Tran
General Counsel, VTA

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Jeffrey P. Tumlin
Director of Transportation
Municipal Transportation Agency

Approved as to form by:

By: _____
David F. Innis
Deputy City Attorney

SAN MATEO COUNTY TRANSIT DISTRICT

By: _____
Carter Mau
Acting General Manager

Approved as to form by:

By: _____
Jim Wagstaffe
Special Counsel, SMCTD

SANTA CLARA VALLEY TRANSPORTATION DISTRICT

By: DocuSigned by:
Carolyn M. Gonot

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Carolyn Gonot
General Manager, VTA

Approved as to form by:

By: DocuSigned by:
Evelynn Tran

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Evelynn Tran
General Counsel, VTA

CITY AND COUNTY OF SAN FRANCISCO

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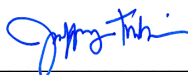
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By: _____
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By: _____
Evelynn Tran
General Counsel, VTA

CITY AND COUNTY OF SAN FRANCISCO

By:  _____
Jeffrey P. Tumlin
Director of Transportation
Municipal Transportation Agency

Approved as to form by:

By:  _____
David F. Innis
Deputy City Attorney

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS**

RESOLUTION No. 260317-021

WHEREAS, The Peninsula Corridor Joint Powers Board (JPB) is a joint exercise of powers authority duly formed between the City and County of San Francisco (CCSF), the San Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation Authority (VTA) (together the Member Agencies) to operate the Caltrain passenger rail service between San Francisco and Gilroy; and,

WHEREAS, The JPB is governed by an amended and restated joint exercise of powers agreement (JPA), dated October 3, 1996; and the JPB and the Member Agencies are also parties to a Real Property Ownership Agreement (RPOA) dated December 24, 1991, and an Amendment to the RPOA dated October 31, 2008 (2008 RPOA Amendment), and a Memorandum of Understanding (MOU) dated August 5, 2022; and,

WHEREAS, The California Public Employees Retirement System (CalPERS) has determined that Caltrain employees identified in the MOU as reporting to the Caltrain Executive Director, who are currently receiving retirement benefits through SamTrans' contract with CalPERS, should receive those benefits through a contract between the JPB and CalPERS; and,

WHEREAS, CalPERS has determined that the JPB is eligible to contract with CalPERS and has agreed to negotiate a successor agency contract with the JPB, ensuring that Caltrain employees will receive the same level of benefits under the new JPB contract to which they are currently entitled under the SamTrans contract, and SamTrans, the JPB and CalPERS are in the process of establishing JPB's contract with CalPERS; and,

WHEREAS, As a condition of the JPB contracting with CalPERS, the Member Agencies must agree to be responsible for the JPB's pension liabilities in event of dissolution, insolvency or if CalPERS terminates the contract with the JPB, and the JPB has insufficient assets to cover its pension liabilities, pursuant to Government Code sections 6508.1 and 6508.2; and,

WHEREAS, On February 25, 2026, the SFMTA and Planning Department determined that the agreement between the member agencies regarding the JPB's fiscal obligations to CalPERS, between the CCSF, SamTrans, and VTA is not a "project" under the under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and, now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors

approves the Agreement Between the Member Agencies Regarding the Peninsula Corridor Joint Powers Board's (JPB's) Fiscal Obligations to CalPERS (CalPERS Obligation Agreement), between the City and County of San Francisco (CCSF), the San Mateo County Transportation District (SamTrans), and Santa Clara Valley Transportation Authority (VTA), relating to establishing the JPB's contract with CalPERS, and authorizes the Director of Transportation to execute the Agreement, contingent on approval by the San Francisco Board of Supervisors; and

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors commends this matter to the Board of Supervisors for its approval of the MOU.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 17, 2026.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency



Daniel Lurie, Mayor

Janet Tarlov, Chair
Stephanie Cajina, Vice Chair
Mike Chen, Director
Alfonso Felder, Director

Steve Heminger, Director
Dominica Henderson, Director
Fiona Hinze, Director

Julie Kirschbaum, Director of Transportation

March 23, 2026

The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton Goodlett Place, Room 244
San Francisco, CA 94102

***Subject: Request for Approval
Peninsula Corridor Joint Powers Board CalPERS Obligation Agreement***

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors authorize the Director of Transportation to execute an agreement regarding the Peninsula Corridor Joint Powers Board's (JPB's) Fiscal Obligations to CalPERS (CalPERS Obligation Agreement).

BACKGROUND

In the 2022 Governance MOU, Caltrain management and railroad employees who formerly reported to SamTrans acting as the managing agency were transferred to the direct managerial control of the Caltrain JPB; however, after the 2022 Governance MOU, Caltrain employees continued to accrue pension and healthcare benefits through SamTrans's contracts with CalPERS. Counsel for the Member Agencies and Caltrain have determined that Caltrain should have a separate contract with CalPERS for Caltrain management and the railroad's employees. The California Public Employees Retirement Law permits an agency that establishes eligibility, both as a public entity and on a financial basis, to become a contracting agency with CalPERS. It further permits an agency that assumes certain functions of another agency, in whole or in part, to establish a successor agency contract to assume contractual responsibility for the accrued benefits of those employees. In April 2024, JPB staff recommended that Caltrain, in close coordination with SamTrans, apply for a successor agency contract with CalPERS. Under a successor agency contract, the railroad's employees would be moved from the SamTrans plan to a new Caltrain plan, and Caltrain would continue its fiscal responsibility for providing pension and healthcare benefits for those employees under a separate contract with CalPERS.

On April 4, 2024, the JPB authorized staff to apply to CalPERS to become a successor agency to SamTrans for the purpose of providing benefits to the railroad's employees, and on June 28, 2024, the JPB filed an application with CalPERS. CalPERS has since determined that Caltrain is financially eligible to contract with CalPERS. In addition, CalPERS has agreed to negotiate a successor agency contract with Caltrain, with an effective date of July 1, 2024. This will ensure that the railroad's employees continue to receive the same level of benefits to which they are currently entitled under the SamTrans contract. CalPERS, Caltrain, and SamTrans staff are currently in the process of identifying those employees who will be moved from the SamTrans plan to the Caltrain plan.

Peninsula Corridor Joint Powers Board CalPERS Obligation Agreement

Before Caltrain can enter into a contract with CalPERS, the Member Agencies must agree that they will be contractually obligated for Caltrain's pension liabilities, in the event of its dissolution, insolvency, or termination of its CalPERS pension contract. Given the value of Caltrain's assets (estimated to be \$4.2 billion) and the unfunded accrued liability for rail employees (estimated to be \$15.7 million in 2023), it is unlikely that this clause would ever be triggered. Nonetheless, in order to address the requirements under state law for a Joint Powers Authority (JPA) to enter into a contract with CalPERS, the members of the JPA must agree to accept fiscal responsibility for the JPA's pension liabilities in the event that the JPA dissolves and has insufficient assets to pay its debts.

The JPB has recommended that its Member Agencies enter into an agreement to that effect. While the JPB considered whether and how to allocate the liability in the event of dissolution and insufficient assets, including allocating the liability equally among the Member Agencies or based on the mileage formula set forth in the 1991 Real Property Ownership Agreement, the JPB ultimately determined that it was not necessary to agree on an allocation formula, especially in light of the low likelihood that there will ever be a need to reach such a decision. The JPB therefore declined to recommend an allocation formula. According to the CalPERS special counsel, CalPERS does not require the parties to allocate liability as part of the fiscal responsibility agreement.

Because Caltrain would like to be prepared to enter into a contract with CalPERS before the start of the next fiscal year (July 1, 2026), the JPB requests that the Member Agencies consider this recommendation at a meeting to be held in the first quarter of calendar year 2026. The Santa Clara Valley Transportation Authority approved the CalPERS agreement at its March 5, 2026 Board meeting, contingent upon approval and execution of the same agreement by SamTrans and the City and County of San Francisco. SamTrans had the CalPERS agreement on the agenda at its March 4, 2026 board meeting, and continued the item for consideration at its next board meeting on April 1, 2026.

Once a final contract is negotiated with CalPERS, it will be subject to approval by the JPB.

ALTERNATIVES CONSIDERED

The alternative is to not approve the resolution which would prevent the JPB from moving toward the amendment of the Joint Powers Agreement to modify its governance structure or procedures.

STAKEHOLDER ENGAGEMENT

The JPB engaged in discussions with SamTrans and the affected employees and considered the recommended approach in meetings that were open to the public, including the legal and financial implications of each. The deliberations culminated in its adoption of a recommendation to the Member Agencies to approve the CalPERS Fiscal Responsibility Agreement in its meeting on December 4, 2026.

FUNDING IMPACT

There is no immediate funding impact. Given the value of Caltrain's assets (estimated to be \$4.2 billion) and the unfunded accrued liability for rail employees (estimated to be \$15.7 million in 2023), it is unlikely

Peninsula Corridor Joint Powers Board CalPERS Obligation Agreement

that the Member Agencies' fiscal responsibility obligations will ever be triggered.

SFMTA BOARD ACTION

On March 17th, 2026, the SFMTA Board of Directors voted to authorize the Director of Transportation to execute the agreement between the member agencies regarding the Peninsula Corridor Joint Powers Board's Fiscal Obligations to CalPERS, between the City and County of San Francisco, the San Mateo County Transportation District, and Santa Clara Valley Transportation Authority, relating to establishing the JPB's contract with CalPERS (CalPERS Obligation Agreement).

REQUEST FOR APPROVAL

The SFMTA respectfully requests that the Board of Supervisors authorize the Director of Transportation to execute the CalPERS Obligation Agreement.

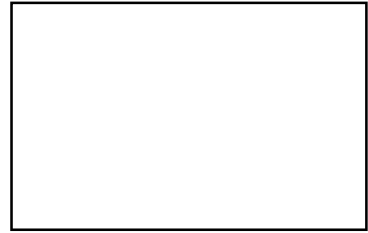
Sincerely,

A handwritten signature in blue ink, appearing to read "Julie", with a stylized flourish extending to the right.

Julie Kirschbaum
Director of Transportation

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: