

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

**Minutes
December 4, 2008**

MEMBERS PRESENT: S. Elsbernd, N. Ford, D. Gage, J. Hartnett (Chair), A. Lloyd, F. Williams, K. Yeager

MEMBERS ABSENT: J. Cisneros

MTC LIAISON ABSENT: S. Lempert

STAFF PRESENT: G. Cameron, J. Cassman, C. Cavitt, C. Harvey, R. Haskin, R. Lake, R. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Jim Hartnett called the meeting to order at 10:04 a.m. and Director Forrest Williams led the Pledge of Allegiance.

PUBLIC COMMENT

Pat Giorni, Burlingame, said the Silicon Valley Bicycle Coalition (SVBC) and San Francisco Bicycle Coalition (SFBC) are in talks with senior staff about the bikes onboard capacity issue. She would like to attend the JPB bicycle advisory committee as a silent member. She wished the Board and staff a happy holiday.

Jim Bigelow, Belmont, said he attended the High Speed Rail (HSR) meeting in San Jose yesterday. The contractors for the Peninsula have been chosen and ready to meet with cities, stakeholders and property owners.

CONSENT CALENDAR

The Board approved the following items:

- a) Minutes of November 6, 2008
- b) Acceptance of the Statement of Revenues and Expenses, October 2008
- c) Authorize Receiving an Allocation of Proposition 1B Public Transportation Modernization, Improvement and Service Enhance Account Funds in the Amount of \$6,849,847
- d) Authorize Annual Adoption of Investment Policy and Authorization to Invest with the Local Agency Investment Fund and the San Mateo County Investment Fund
- e) Authorize Award of Contract to Paper Solutions, Inc. for Typesetting, Printing and Delivery of Monthly Passes and Ticket Media for a Total Cost of \$493,820

CHAIRPERSON'S REPORT

Appointment of Nominating Committee

Chair Hartnett appointed Directors José Cisneros, Art Lloyd and Ken Yeager to the Nominating Committee for 2009 Chair and Vice-Chair.

The motion (Lloyd/Ford) to appoint a Nominating Committee was approved unanimously.

Resolution of Appreciation to Outgoing Board Member Forrest Williams

Chair Hartnett, in presenting for approval a Resolution of Appreciation for outgoing Director Williams, said he served two years on the JPB, eight years on the San Jose City Council and two years on the Santa Clara Valley Transportation Authority Board of Directors.

Director Williams has been an enthusiastic advocate for the commuter rail system and the benefits of transit. Chair Hartnett said Director Williams' service will not be forgotten and he is very grateful for his service.

The motion (Lloyd/Gage) to approve a Resolution of Appreciation to outgoing Director Williams was approved unanimously.

Chair Hartnett and Vice-Chair Don Gage presented Director Williams with a framed resolution and train plaque.

Director Williams thanked the Board for the opportunity to serve. He said he learned a great deal and this Board brings a commitment to transportation. Director Williams thanked staff for the information provided and data given to make good decisions and for always being available to answer questions.

Chair Hartnett said a Resolution of Appreciation for outgoing Director Jerry Hill will be presented when Mr. Hill arrives at the meeting.

Public Comment

Jeff Carter, Burlingame, said he was on the train stopped at Hayward Park this morning. Announcements were made about the delays due to a signal problem and a later announcement was made informing people they could go to El Camino Real to take SamTrans. It would be great if the conductors had a booklet with SamTrans information to provide to passengers alternate means to get to their destination.

Eric Smith, Waste Solutions Group and San Francisco Bay Railroad, said he supports HSR and electrification. The short-line railroad trains are running on bio-diesel and he hopes to work with the Board on issues of expanding freight service.

MTC LIAISON REPORT

Sue Lempert said MTC is very pleased with the success of the rail measures in the November election and this is a real testament that people are willing to vote for transit. Ms. Lempert spoke to Quentin Kopp and asked if San Mateo County was going to get the money first for HSR, but there is some pressure for the southern counties. The state is taking money from transportation, but on the plus side there are talks in Washington of a financial stimulus. Steve Heminger is on

the short list for Secretary of Transportation and is being recommended by House Speaker Nancy Pelosi and California U.S. Senator Dianne Feinstein.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

None.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported the following:

- Performance Statistics for October 2008 compared to October 2007:
 - a. Total Ridership was 1,160,542, an increase of 16.5 percent.
 - b. Average Weekday Ridership was 41,893, an increase of 15.7 percent.
 - c. Total Revenue was \$3,776,041, an increase of 17.3 percent.
 - d. On-time Performance was 92.9 percent, a decrease of 0.5 percent.
 - e. Caltrain Shuttle Ridership was 6,316, an increase of 15.8 percent.
- Year-to-date Statistics:
 - f. Total Ridership was 4,735,575, an increase of 16.4 percent.
 - g. Average Weekday Ridership was 44,145, an increase of 15.1 percent.
 - h. Total Revenue was \$15,842,249, an increase of 15.7 percent.
 - i. On-time Performance was 93.6 percent, a decrease of 0.1 percent.
 - j. Caltrain Shuttle Ridership was 6,260, an increase of 17.7 percent.
- Staff is in the final stages of implementing the new fare increase effective January 1, 2009. Implementation of the 8-ride ticket is tentatively scheduled for March 2009.
- Special event service to Stanford football on November 15 for the University of Southern California game carried an additional 2,900 riders.
- The annual Holiday Train, in conjunction with the U.S. Marine Corps and Salvation Army, is this weekend. There is a media event at 5 a.m. December 5 at the San Francisco station.
- Extra service will be provided for the Emerald Bowl and New Year's Eve.
- New Bombardier cars have arrived and half are in service.
- The JPB loaned a Bombardier consist to the Capital Corridor to use the Wednesday before Thanksgiving.
- Chief Operating Officer Chuck Harvey completed his second base inspection at the Centralized Equipment Maintenance Operating Facility (CEMOF) and found everything was in excellent shape.
- Service ridership the day after Thanksgiving was higher than a typical Saturday, but there was no overcrowding.
- Staff is working and continues to work on the bikes onboard capacity. Special Assistant to the CEO Mark Simon and Mr. Harvey have been working with the San Francisco Bicycle Coalition and the Silicon Valley Bicycle Coalition as part of a continuing outreach to Caltrain cycling customers.
- At Director Sean Elsbernd's suggestion, staff met with neighbors around the 4th and King station. Staff has made good progress on making improvements to ground power and compressed air supply systems. Amtrak has established operating procedures to reduce idling time, which reduces fuel usage and air and noise pollution.
- Rail Transformation Chief Bob Doty and Legal Counsel David Miller met with the Executive Director of HSR and believe there is a real opportunity for a true partnership and a

joint project. Staff is searching ways to update the Memoranda of Understandings (MOUs) between the JPB and HSR and possibly come back to Board to have a joint MOU with one management team.

- The Safety and Security Report has an article on the delivery of 15 miles of continuously welded rail and a visit from a delegation from the European version of American Public Transportation Association (APTA), who met with the Transit Police to discuss security efforts.

Update on Electrification

Chief Development Officer Ian McAvoy gave an update on electrification:

- Staff has been working with staff at San Francisco Municipal Transportation Authority (SFMTA) and Santa Clara Valley Transportation Authority (VTA) on some of the funding and finance issues. The environmental report is on hold until the financial plan is completed.
- Staff has received correspondence from Union Pacific Railroad (UP) on the General Order 95 Exception Report, which is the process to go through for the electrification program. UP states they do not support any changes to the existing clearances.
- Following up with the San Francisco Public Utilities Commission and have provided them with a Caltrain load date to see if they can provide electricity to the program.

Mr. Harvey said, at 9 o'clock this morning, Caltrain experienced failure of its control system when the A server failed. At that time the system is supposed to switch to a parallel B server system, which would allow service to be quickly restored in the control system. Unfortunately, the B server simultaneously failed with the A server. As a result, the system went dark and there were about 10-12 trains that had to cease movements. Signal crews had to go to major control points and switches had to be manually spiked so they would not be misaligned and cause a derailment or a serious accident. Service at the Diridon station was most heavily affected because of the high degree of traffic through that portion of the Caltrain corridor from Altamont Commuter Express, Capitol Corridor and Amtrak Coast Starlight trains.

Director Williams asked if servers are checked to make sure this doesn't happen. Mr. Harvey said system tests are done. The control system is manufactured by Digital Concepts Incorporated, known as Digicon. This is a system used by only five railroads in the country, but it is a highly sophisticated and very advanced system. Unfortunately, Digicon was not able to grow their business and announced they are getting out of the control business. Staff is working on replacing the system over time.

Director Art Lloyd asked if people are manually flagging and what speed are the trains travelling. Mr. Harvey said once a switch area is spiked and there is a crew at major control points, trains can move at track speed, but there has to be a space of three blocks.

Ms. Lempert said she was recently on New Jersey Transit and they have double-decker trains and there is a great deal of space for luggage and bicycles. She asked whether double-decker trains will be used when HSR begins running to carry more passengers.

Mr. Scanlon we will be able to run more trains frequently and will carry more people.

PLAN FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD INVESTMENT PORTFOLIO INVESTED THROUGH TAMALPAIS WEALTH ADVISORS

Chief Financial Officer Gigi Harrington said the Board last spring approved diversifying the agency's portfolio and moving money into other investments with advice and guidance from Tamalpais Wealth Advisors. All the JPB funds have been moved out of the San Mateo County Investment Pool into a Local Agency Investment Fund (LAIF).

Bill Osher, Chief Economist and Head of Fixed-Income for Tamalpais Wealth Advisors, said he is honored to work with the Board. The economy is in the deepest recession this country has seen in 75 years and this quarter is the heart of it. It is difficult now because the country is between administration teams. The old administration really can't do too much to paint the picture of what it is going to look like going forward because they are all leaving. The new administration has actually done a good job in trying to come up with plans that include aid to state and local governments to help give people confidence we will come out of this. Expect an announcement in January about \$150 billion coming down to the local level. These types of things will be very positive in giving confidence to the country that it can engage once again in typical economic behavior. It is very clear for the JPB safety of principle is the number one priority, number two is liquidity and number three is rate of return. Mr. Osher has a plan which half of the assets will be invested in zero- to one-year high-quality liquid investments and the other half will be invested in a one- to three-year timeframe. All money will be invested in liquid instruments, but not taking any credit risks.

Chair Hartnett asked if there could be reports more often than quarterly with this type of economic environment.

AUTHORIZE ACCEPTANCE OF THE MINORITY AND WOMAN-OWNED CONSTRUCTION AND PROFESSIONAL SERVICE FIRM AVAILABILITY AND UTILIZATION STUDY AND AUTHORIZATION TO REVISE THE FISCAL YEAR 2009 DBE PROGRAM FOR FTA-ASSISTED CONTRACTS

Raymond Lee, Disadvantaged Business Enterprise (DBE) Officer, said the Board a year ago authorized a study on discrimination in the JPB's contracting market. Key findings include:

- The prevailing theme among minority- and women-owned firms is that they frequently are not solicited for business unless there are contract goals attached to a project setting a minimum standard for the use of minority- and women-owned firms. There were no findings of discrimination exercised by the JPB.
- The overall DBE goal for the JPB for FY 2009 has been 11.7 percent, but achieved 9.2 percent, a shortfall of 2.5 percent.
- Staff recommends continuing race-neutral efforts and maintaining a wholly race-neutral DBE program for professional service contracts, add a contract goals component to DBE program and construction contracts with subcontracting opportunities when necessary and adjust upward the DBE goal from 10 percent to 13 percent.
- Action before the Board today is to accept the study, allow staff to modify the DBE program, publicize for public comment and submit to the Federal Transit Administration (FTA) for concurrence.

Director Williams asked whether projects be packaged to improve the opportunities of DBEs to bid. Mr. Lee said staff has been discussing packaging projects so smaller firms can bid. DBEs are limited to the \$500,000 to \$1 million dollar range.

Director Nat Ford asked if there are incentives based on diversity of teams. Mr. Lee said contract goals are mandated and transit agencies are looking at small business programs providing the incentive for a prime to sub-contract.

Director Ford asked how staff is ensuring the new goal of 13 percent will be met. Mr. Lee said the limited use of contract goals is called for in the federal regulations, which state that if during the course of a year an agency fails to meet its goal using race-neutral programs, it can resort to contract goals. Under that basis a prime contractor must meet the goal imposed by the agency. Staff will be monitoring this very closely and continue outreach to the DBE community.

Director Ford asked what the process is on reporting performance during the course of the year. Mr. Lee said it is sporadic. Director Ford would like this reported at the Board more regularly in a formal report.

Mr. Scanlon said staff could present this information on a quarterly basis.

Mr. Miller said Legal fully supports this action and a credible team has been put together to do this study and the Board has a staff committed to this issue and legal risks when dealing with DBE issues.

The motion (Lloyd/Williams) to adopt the DBE program was approved unanimously by roll call.

CHAIRPERSON'S REPORT (CONT'D)

Resolution of Appreciation to Outgoing Board Member Jerry Hill

Chair Hartnett thanked outgoing Director Jerry Hill for his service on the Board the past three years. Director Hill's depth of service is incredible not only in the transportation field, but in the various fields where he has labored on behalf of the community. While Director Hill was serving on the Joint Powers Board, he also served on the California Air Resources Board, the Bay Area Air Quality Management District Board and has been chair of the Transbay Joint Powers Authority. Chair Hartnett said Director Hill has been heavily involved in many other issues in the county, but has clearly been a leader in transit. It is hard to point to each of the individual contributions Director Hill has made because there are so many.

The motion (Gage/Ford) to approve the Resolution of Appreciation to outgoing Director Hill was approved unanimously by all.

Chair Hartnett and Vice-Chair Gage presented Director Hill with a framed resolution and a train plaque.

Director Ford presented Director Hill a plaque from the Transbay Joint Powers Authority, which he was the JPB representative.

Ms. Lempert thanked Director Hill for taking the time to be here today and always being here for the people.

Director Hill thanked everyone and said he enjoyed working with the three counties. It has been a true honor and the staff has been fantastic. Director Hill said the Board has his commitment to find a sustainable source of funding. He said it is outrageous that funding is taken from public transportation.

Mr. Scanlon thanked Directors Hill and Williams for their hard work and they will be missed.

Director Lloyd left at 11:33 a.m.

AUTHORIZE AMENDMENT OF FISCAL YEAR 2009 OPERATING BUDGET BY \$2,544,542 TO \$97,901,669

Ms. Harrington said this item was discussed when the budget was first approved. Staff is proposing increasing the fuel budget to \$3.50 per gallon, using funds already received above budget in fare revenue and the projected funds from the fare increase. Ms. Harrington said fuel is currently below \$2.00 per gallon, but this adjusted amount will allow for plenty of room for the remaining fiscal year.

Staff also is requesting a budget adjustment due to the loss of interest income from losses incurred in the County Pool which impacted the portfolio. Ms. Harrington said the majority of funds required to cover the loss in interest income would come from reserves.

Director Ford left at 11:34 a.m.

Chair Hartnett asked about the San Mateo County Pool and if the JPB will be a potential beneficiary in the lawsuit against Lehman Brothers.

Mr. Miller said a pro-rata share should be able to be obtained.

Mr. Scanlon said Congresswoman Anna Eshoo is taking a pretty strong position of saying this falls under the definition of a bailout plan.

The motion (Yeager/Elsbernd) to amend the FY09 operating budget was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO SAFETRAN SYSTEMS CORPORATION FOR THE PURCHASE AND DELIVERY OF SIGNAL EQUIPMENT FOR A TOTAL COST OF \$2,475,000

Cheryl Cavitt, Director of Contracts and Procurement, said Staff Coordinating Council is recommending the Board reject the lowest monetary bid for providing rail signal equipment from GE Transportation Systems Global Signaling as non-responsive. The firm took exceptions to various bid requirements rendering the bid non-responsive and requiring staff to reject. Staff is asking the Board to award a contract to the lowest responsive bidder, Safetrans Systems Corporation. The award of contract will provide signal equipment including signal housing, racks and other needed pieces of signal equipment for upcoming projects.

The motion (Williams/Yeager) to award the contract to Safetrans Systems was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO GRANITE CONSTRUCTION, INC. FOR THE SOUTH TERMINAL SITE PREPARATION PROJECT FOR A TOTAL COST OF \$2,096,298

Ms. Cavitt said Staff Coordinating Council is recommending the Board approve a contract to Granite Construction. Projects include the Santa Clara station improvement and South Terminal station improvement.

The motion (Williams/Yeager) to award the contract to Granite Construction was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO GRANITE CONSTRUCTION, INC. FOR THE SAN MATEO COUNTY GRADE CROSSING IMPROVEMENT PROJECT FOR A TOTAL COST OF \$7,884,000

The motion (Williams/Yeager) to award the contract to Granite Construction was approved without discussion unanimously by roll call.

AUTHORIZE ADDITIONAL CONTRACT AUTHORITY FOR EXISTING ON-CALL GENERAL ENGINEERING CONSULTANT SERVICES FOR A TOTAL NOT-TO-EXCEED COST OF \$25,000,000

Director Elsbernd asked what is being incorporated with the DBE goal. Manager of Capital Contracts Brian Kelleher said the GEC agreements don't have any goals, but there are several sub-consultants that can be used for certain scopes of work.

The motion (Gage/Yeager) to authorize additional contract authority to General Engineering Consultant Services was approved unanimously by roll call.

QUARTERLY CAPITAL PROJECT REPORT

No discussion on this item.

CORRESPONDENCE

Provided in the reading file.

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

JPB Secretary Martha Martinez said a new date is being determined.

REPORT OF LEGAL COUNSEL

Closed Session: Significant Exposure to Litigation Pursuant to Subdivision (c) Section 54956.9 (One Potential Case)

Mr. Miller said there will be a closed session to discuss a matter of potential litigation that was initiated at the last meeting.

Meeting adjourned to closed session at 11:45 a.m.

Meeting reconvened to open session at 11:56 a.m.

Mr. Miller said the JPB met in closed session as permitted by the Brown Act to hear a report from counsel and staff on a matter of potential litigation that could be initiated by this organization. At this time the matter remains fluid and there is no need to take public action. This item will remain on the agenda for the next meeting in order to keep the matter in front of the Board.

ADJOURNED

Adjourned at 11:57 a.m.