

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

**Minutes
June 5, 2008**

MEMBERS PRESENT: S. Elsbernd, J. Hartnett (Chair), J. Hill, D. Gage, A. Lloyd,
F. Williams

MEMBERS ABSENT: J. Cisneros, N. Ford, K. Yeager

MTC LIAISON ABSENT: S. Lempert

STAFF PRESENT: G. Cameron, J. Cassman, C. Cavitt, A. Chan, V. Harrington,
C. Harvey, R. Haskin, R. Lake, J. Lawson, C. Marshall,
M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon,
D. Triolo

Chair Jim Hartnett called the meeting to order at 10:04 a.m. and Vice-Chair Don Gage led the Pledge of Allegiance.

PUBLIC COMMENT

Jeff Carter, Burlingame, spoke about special events and Caltrain being unable to handle the large Bay to Breakers crowds. Mr. Carter asked why Caltrain doesn't run longer trains and depart earlier for people who want to get to the race in a more timely fashion. Mr. Carter also stated that there was some crowding during the KFOG KaBoom event.

Mia Marlowe, San Jose, spoke about complaints regarding Caltrain and Caltrain conductors. She was harassed by conductors and given a ticket for not having a validated 10-ride ticket because the validator was out of order in San Jose. Ms. Marlowe said that conductors should be given customer service training. She awaits a response from staff.

Randy Hees, San Mateo, spoke about special event service to the Giants game. Mr. Hees said he had the worst transit experience of his life on a Caltrain baseball train experiencing very drunk and violent passengers. Staff has communicated extensively with Mr. Hees in response to his concerns.

Bert Rifas, Millbrae, thanked the Board and staff for their interest in preventing deaths on the rails. Mr. Rifas spoke about a recent news article from Sweden where a company that invented airbags for cars has developed an airbag for cars that lifts the victim to a soft landing on the hood of the car. Mr. Rifas urged staff to contact this Swedish company through the American Public Transportation Association (APTA) Safety Committee.

Pat Giorni, Burlingame, would like to see electric signs at stations that show the train number and number of bike cars. Ms. Giorni asked with the loss of the 14 cars will Caltrain get some money back for loss of service.

CONSENT CALENDAR

The Board approved the items under the Consent Calendar as follows:

- a) Approval of Minutes of May 1, 2008
- b) Acceptance of the Statement of Revenues and Expenses, April 2008
- c) Award of Contracts to KPMG, LLP of Sacramento, CA and Ross Financial-Robert Kuo Consulting, LLC of San Francisco, CA to Provide On-call Auditor and Technical Analysis Services for an Aggregate Sum of \$250,000 for a Three-year Term

CHAIRPERSON'S REPORT

Chair Harnett said there are two appointments to the JPB Citizens Advisory Committee (CAC).

Vice-Chair Gage said more than 20 applications were received for the Santa Clara representative and the recommendation is to reappoint current Chair Bruce Jenkins to a three-year term to expire on June 30, 2011.

A motion (Williams/Hill) to reappoint Bruce Jenkins was approved.

Chair Hartnett said a total of 15 applications were received for the San Mateo County representative and the recommendation is to reappoint Paul Bendix to a three-year term to expire on June 30, 2011.

A motion (Gage/Lloyd) to reappoint Paul Bendix to the JPB CAC was approved.

MTC LIAISON REPORT

Michael Scanlon, Executive Director, said that Sue Lempert extends her regrets for not being at the meeting today. She is in Portland, Oregon, with the Metropolitan Transportation Commission (MTC) Planning Committee looking at some exemplary Transit Oriented Development (TOD) projects. MTC just completed its annual workshop retreat where the members were asked to prioritize transit and road needs versus efficiencies, new responses to global warming and reducing emissions, investments in new highways and new transit. Ms. Lempert continues to work diligently on 2035 where both Caltrain electrification and the Dumbarton Rail project are paramount items of discussion at the present time.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Bruce Jenkins, CAC Chair, reported that at the last meeting Deputy Director of Rail Michelle Bouchard gave an excellent in-depth review of the annual ridership counts and statistics for April. Assistant Superintendent of Commuter Operations for Amtrak Mark Collins was in attendance and he and Ms. Bouchard gave details of the consolidation of the transit police of San Mateo County and Amtrak police and what their efforts are for safety and security on the trains and at Giants games. Mr. Jenkins attended the Transbay Joint Powers Board meeting where they awarded the engineering contract for the Transbay Terminal. The next CAC meeting is June 18 at 6 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported the following:

- Congratulated Bruce Jenkins and Paul Bendix on their reappointment to the CAC.
- Staff is working with KaBoom and Bay to Breakers on the ridership issue.
- Apologized to Mia Marlowe and promised to resolve the issue.

- In regards to Pat Giorni's inquiry about the cars, Chief Operating Officer Chuck Harvey will be giving an update, but staff can not discuss what relief might be sought because of possible litigation, which will be discussed in closed session.
- Performance Statistics for April 2008 compared to April 2007:
 - a. Total Ridership was 1,058,315, an increase of 15.8 percent.
 - b. Average Weekday Ridership was 39,936, an increase of 13.5 percent.
 - c. Total Revenue was \$3,564,346, an increase of 17.5 percent.
 - d. On-time Performance was 95.1 percent, an increase of 0.4 percent.
 - e. Caltrain Shuttle Ridership was 6,201, an increase of 14.4 percent.
- Year-to-Date Statistics:
 - a. Total Ridership was 9,705,149, an increase of 8.2 percent.
 - b. Average Weekday Ridership was 36,822, an increase of 7.3 percent.
 - c. Total Revenue was \$32,390,694, an increase of 16.0 percent.
 - d. On-time Performance was 93.4 percent, a decrease of 2.3 percent.
 - e. Caltrain Shuttle Ridership was 5,303, an increase of 7.1 percent.
- The skyrocketing price of gasoline is a major factor for people riding transit.

Rail Car Program

Mr. Harvey gave a presentation on the rail car situation and the actions that have been taken.

- Mr. Harvey said that safety is the highest priority.
- A ride quality complaint was received from an engineer, which led to the inspection.
- Each car has two truck assemblies and 93 gallery cars were inspected within a 24-hour period.
- Cracks were found on additional bolsters, all installed on the 1998 series cars.
- The problem appears to be isolated to the 1998 model cars, of which there are 20.
- A total of 18 of the 40 bolsters on the fleet were found to have some degree of structural cracking.
- In the interest of safety, the JPB ordered a total of 14 cars removed from service.
- It is very difficult to see underneath the cars and very hard to find the cracks. The Caltrain Equipment Maintenance Operations Facility (CEMOF) facility has been making it possible to do this work quickly.
- Staff immediately informed the local Amtrak employees via their Union leadership of the issue; the Board was notified via e-mail; a press release went out to the media and a seat drop was done to notify passengers.
- Consists were shortened from five to four cars in length to meet the number of consists needed to operate the 98 train schedule.
- The 1998 series cars are also the units that have the in-car wheelchair lifts so reconfiguration had to be done with cars to meet ADA accessibility requirements and conductors are also using the in-station portable lifts.
- Staff is in the process of locating multiple external sources that can provide the specialized welding that is needed for the repairs.
- One removed bolster will be shipped to the truck casting supplier for a detailed failure analysis and this will determine if the welding fix is the final repair or if an additional retrofit upgrade of the bolster assembly might be necessary at a later date.
- Staff has been working with other rail service providers in an attempt to lease additional rail cars to help offset the loss of the cars and provide some added flexibility as repairs are done.
- Staff is cautiously optimistic that the repairs can be completed and returned to service over the summer months.

- The JPB places safety and transparency of the processes first. The JPB immediately notified the Federal Railroad Administration (FRA) and the California Public Utilities Commission (CPUC) to advise them of the findings and the plan going forward. The JPB will provide continual updates to both as the repair process proceeds.

Vice-Chair Gage said that trucking companies have certified welders that are able to do this type of work and offered his assistance in locating people in the South Bay.

Director Jerry Hill thanked Mr. Harvey for a prompt and excellent response to the issue. What was the symptom that led the engineer to realize there was a potential problem? Mr. Harvey said it was a rough ride complaint.

Director Forrest Williams asked if there will be inspections again in the future and what caused this problem. Mr. Harvey said that bolster castings manufactured in the late 1990s have had issues. Colorado Rail has had the same issue as well. All cars were inspected, even those without cracks. Director Williams asked if the new cars arriving in the fall will have these trucks. Mr. Harvey said they will not.

Director Hill asked if a notice was received from the manufacturer regarding this problem possibly occurring. Mr. Harvey said that just because one or two cracked bolsters occurred out of a fleet of thousands of cars it may not have been enough for the FRA to issue a nationwide notification process.

Chair Hartnett thanked staff for their comprehensive report and the engineer who noticed the rough ride and pursued the issue.

Mr. Scanlon said he has spoken to General Counsel and procurement staff and is asking the Board to ratify the declaration of emergency on May 29, 2008 relative to this situation, to declare that the emergency is continuing and to authorize the Executive Director to continue to procure services and to establish a preliminary working budget of \$750,000. Mr. Scanlon said staff will be exploring the possibility of recovering some of the costs.

Vice-Chair Gage agreed about seeking repayment on the cost as well as the rental of any cars.

Legal Counsel David Miller said that the first issue is to get manufacturer input and what the cost will be. It is too early to analyze legal responsibility, but it will be done.

Director Sean Elsbernd asked how the Board and public will be notified of any actions that are taken. Mr. Scanlon said staff will continue to update the Board, at a minimum, at the regular Board meetings, but as is the custom, at any significant points an e-mail will be sent to keep everyone informed.

Chair Hartnett asked if there is anything else that needs to be done besides the motion.

Mr. Miller said the Executive Director has laid the groundwork. It's important for the record to know this motion is predicated upon your determination as a Board, based on the Executive Director's recommendation, that this is an emergency situation within the meaning of applicable law. Staff has concluded, without a doubt, that this is an emergency, as defined in the law, as well as your procurement manual and this motion starts with that determination.

A motion (Gage/Hill) to ratify the declaration of emergency and the allocation of funds in the amount of \$750,000 from reserves was approved by voice vote without opposition.

REPORT OF THE EXECUTIVE DIRECTOR (cont'd)

Director Hill responded to Ms. Marlowe's comments and said that all complaints are taken seriously and the response looks at the root of the problem.

- Lieutenant Dave Triolo of the San Mateo County Sheriff's Office was introduced and spoke about the recent security enhancements that have been made concerning special events trains serving AT&T Park in San Francisco. Efforts to provide sufficient security at the Giants game were complicated by demands on personnel at Bay Meadows Race Track, which was holding its last Friday Night Alive promotional event. Lt. Triolo said that crowd behavior is very unpredictable and the outcome of games can influence people. The Transit Police use their limited resources to make an effort to deter all criminal and nuisance activity at the stations. The safety and security of both the passengers, crew members and all staff are high priorities. Since the Friday night in question, the Transit Police have been able to collaborate with San Francisco police, who will be providing an additional three to six officers in the station on some Friday and Saturday night games, the services of their transport van and the deployment of some undercover officers on some of the inbound trains to improve our understanding of what is occurring,, especially concerning minors onboard with alcohol. This will also allow the Transit Police to deal with difficult people or behavioral problems en route to San Francisco at the station rather than before the end of the evening when they will return to the station and may be even a bigger problem because they are intoxicated. The Transit Police will be working closely with rail operations and communications to identify other potential solutions to the heavy game nights. Lt. Triolo said there is not one single approach, it's a multi-faceted approach and it is a work in progress.

Director Gage asked about intoxicated passengers and if they are stopped before they board the train or are they identified after already being on the train. Lt. Triolo said the idea is to identify potential troublemakers before they board. Often, it is easier to engage someone in an open area, such as in the station, rather than in a confined space onboard a railcar. What bans people from boarding is the behavior they are exhibiting.

Mr. Scanlon thanked Lt. Triolo and the Transit Police for their fine work.

Chief Communications Officer Rita Haskin spoke about the Rail Safety Relay in May, based on the theme of an Olympics torch relay. The team started in San Jose with Conductor Bruce Shelton, who passed a crossbuck to Transit Police Detective Victor Lopez in Mountain View, who passed it to Yvonne Olcomendy, principal at St. Robert's School, and Giants Mascot Lou Seal in San Bruno. Each participant received a gold medal from Chair Harnett at the finish line in San Francisco. Ms. Haskin said that as the participants and staff were riding the train they distributed the new rail safety brochure.

Chair Harnett said that it was a great event at which Ms. Olcomendy told a story of one of her students witnessing adults crossing when they shouldn't, while the only people observing proper safety procedures were the kids who had received the Operation Lifesaver presentation. Chair Harnett said the story showed the effectiveness and importance of the training.

- David Olmeda, Director of Maintenance, was in Sacramento yesterday to attend the 19th Annual Tranny awards recognizing excellence in transportation. Mr. Scanlon said the CEMOF project was awarded the “Transit Project of the Year”. Mr. Olmeda presented Chair Harnett with the plaque.
- The reading file contains an invitation to the Burlingame station ribbon cutting on June 12, Wait for the Gate flyers to be distributed at Burlingame High School, the new rail safety brochure, a Take One soliciting public comment on the Bicycle Master Plan and announcing meetings that will be held in each of three counties over the next two weeks and the monthly Safety and Security Report.
- Commended VTA for their Progress Report.
- Acknowledged San Francisco Municipal Transit Agency for hosting the APTA Rail Transit Conference.
- Forty-eight weeks into the fiscal year and fuel prices are 9.2 percent over the amended budget of \$2.65 per gallon. The actual fuel cost now is \$2.89 per gallon. Ten months into the fiscal year, fuel went from a low last August of \$2.25 per gallon to a high of \$4.25 per gallon in May.
- Embedded in the FY09 budget is the assumption of a base fare increase of 25 cents that would take effect January 2009. Nobody wants to raise fares, but the world is going to call on public transportation to do an ever-expanding job as fuel prices go up.

PublicComment

Ed DeLanoy, San Carlos, said that five years ago he recommended that trains be shorter as it cuts down on waste and fuel. He was very excited to see shorter trains, not knowing the reason why.

Pat Gironi, Burlingame, said she is glad to see that staff is seeking public input on the Master Bike Plan and looking at additional bike capacity.

APPROVAL OF FY 2009 OPERATING BUDGET

Gigi Harrington, Chief Financial Officer, reported on the final FY09 budget:

- The budget assumes service levels remain unchanged with 98 trains and that there will be a fare increase in January.
- Fare revenue is 45 percent of the revenues in the FY08 budget at about \$41.7 million. Fare revenue for FY09 is expected to be about \$40 million.
- Parking revenue is expected to increase 15 percent due to the increase in ridership.
- Member agency contribution is increased by 3 percent
- The largest expense is the operating contract with Amtrak which is 58 percent of expenses or \$55.4 million. This figure does include the wage increases that the Amtrak unions negotiated or received this year.
- Fuel is budgeted at \$14 million or \$3.00 per gallon.

Director Elsbernd asked what the \$3.3 million dollar revenue increase on the fare side translates into expected percentage of ridership increase. Ms. Harrington said staff has projected a 2.5 percent ridership increase over FY08 levels.

Director Williams asked about the Bombardier cars being received sooner and how this will affect the budget. Ms. Harrington said the Bombardier cars will be put into service and there will be some longer trains. She didn't assume any increased capacity, but thinks the fleet will be able to be used more efficiently.

Vice-Chair Gage would like to get a snapshot of what the capacity is coming from Gilroy all the way up through the system and, in particular, at peak commute periods. With the increased ridership there are going to be dissatisfied people who have ridden the trains all along and now they get on the train and there are no seats.

Mr. Scanlon said that staff will be dealing with this issue as they look at the financial structural deficit and as they look at investing and making the strategic investment in the electrification of the railroad and the additional plans contained in Caltrain 2025. If this plan can be done, capacity can be more than doubled on the railroad by going to electric multiple units (EMUs) and signal overlay in 2025, allowing 5-minute headways. Mr. Scanlon said that APTA just released a study they have conducted over the last four years that shows the cost of diesel fuel has gone up 160 percent and the cost of electricity has gone up 19 percent. This underscores the need to make the strategic investment in electrification.

Chair Hartnett said it is an exciting opportunity for us in the future in terms of the strategic investments and the strategic plan relative to electrification and the EMUs. Chair Hartnett said that the Board and staff need to always keep talking about the fact that the structural imbalance is not going to go away even if we are able to accomplish all the strategic goals. This needs to be kept in the public's attention as staff figures a way to have a dedicated source of funds that more matches what is needed and comes to the JPB in a way that is predictable and reliable.

Vice-Chair Gage said that the JPB is reaching a crisis mode with the existing 98 trains a day. There are going to be more people who want to ride and not enough capacity. Vice-Chair Gage said we should start talking more about going out to the people who are using transit and let them know the issues. There is a capital issue in order to put trains on the line and there has not been enough discussion with more people. All the counties are looking for money. This November people will see a lot of sales tax issues. Vice-Chair Gage said the three counties need to come up with something that would give a permanent source of funding. It might be general obligation bonds versus a sales tax, but the discussions need to start now because, if within a year gasoline prices keep rising, Caltrain will not be able to carry the passengers that want to get out there. Over the past year there has been an increase in ridership from Gilroy and it is all driven by the cost of gas.

Public Comment

Jeff Carter, Burlingame, hopes the Board approves the operating budget today. There is an emergency situation and there needs to be a dedicated funding for Caltrain. People would be willing to pay and get the relief. Electrification needs to be expedited and the JPB is at the mercy of the oil companies. Mr. Carter said the rising fuel costs are driving people to transit. He again urged Caltrain to look at point-to-point pricing when looking at fare increases.

The motion (Gage/Lloyd) to approve the FY 2009 operating budget was approved unanimously by roll call.

REVIEW OF PRELIMINARY FY 2009 CAPITAL BUDGET

April Chan, Director of Capital of Capital Program Support, said this item is for informational purposes only. The capital budget will come back to the Board at the next meeting for adoption and staff will be available between now and then to answer any questions.

- The Goal of the budget is to maintain the system in a state of good repair. To reach this goal we need to continue safety, operational and accessibility improvements to the

system so service can continue to be provided; maintain the level of service; continue planning Caltrain 2025; and complete the design efforts for the electrification program.

- The preliminary budget is \$150 million, which doesn't include funds for electrification. Staff is still discussing with the partners how to continue the funding for electrification without negatively impacting the program's schedule, while recognizing the financial constraints of each of the partners.
- Major capital projects that are required to maintain a state of good repair make up approximately 85 percent of the budget.
- The Stations and Intermodal Access category includes safety and operational improvements at South San Francisco with an estimated budget of \$51 million; improvements to the Santa Clara station with an estimated budget of \$26 million; San Jose Diridon system improvements and two additional platforms and four new tracks with an estimated budget of \$52 million.
- In the categories of Right of Way and Signal and Communication, there is only one big project – replacement of four San Mateo County bridges at \$46 million. Construction will also be done on one bridge in San Francisco at \$42 million and one bridge in Santa Clara County at \$26 million. The budget also includes \$6.5 million for system state of good repair.
- An allocation of \$1.6 million is proposed for planning and putting specifications together for the replacement of the rolling stock.
- Staff has secured \$24 million from federal grants. In the past Caltrain has gotten more federal funding, but this year more funding will come from the state because the bridge projects are eligible for a number of programs in the state programs.
- The amount requested from the member agencies is \$3.56 million.

Vice-Chair Gage asked about the projects that didn't make the cut and, if there is money, would staff be willing to move some of the projects around. Ms. Chan said staff has looked very closely at the projects and the funding.

Director Williams said that staff needs to emphasize how beneficial the changes in the capital budget are when addressing the VTA Board. Mr. Scanlon said that of the \$150 million total budget only \$10.7 million is from member contributions and this is great leveraging of money. Director Williams thinks it would be good for staff to come to the VTA Board and plead the case for the funding.

Vice-Chair Gage suggested Mr. Scanlon send a letter to the VTA Board explaining the leveraging of the money for the capital budget.

Director Art Lloyd left at 11:52 a.m.

AWARD OF CONTRACT TO SOUTHWEST SIGNAL ENGINEERING COMPANY TO PROVIDE ON-CALL RAILROAD SIGNAL AND COMMUNICATIONS SERVICES FOR AN AGGREGATE NOT-TO-EXCEED SUM OF \$7,000,000 FOR A THREE-YEAR TERM

Cheryl Cavitt, Director of Contracts and Procurement, said Staff Coordinating Council recommends the Board award a contract to Southwest Signal Engineering Company of Jacksonville, Florida, in the not-to-exceed amount of \$7 million over a three-year period; and authorize the Executive Director to execute the contract and to exercise up to two one-year option terms for a total not-to-exceed \$5.5 million. Ms. Cavitt said this contract will provide

continued railroad signal and communication services on an on-call basis. These services will include support planning, engineering design, construction and maintenance support activities on all of the Caltrain communication facilities along the railroad.

The motion (Williams/Gage) to award a contract to Southwest Signal Engineering Company to provide on-call railroad signal and communications services was approved unanimously by roll call.

QUARTERLY CAPITAL PROGRESS REPORT

Mr. Scanlon suggested that in the interest of time and the fact that there is another matter to take into closed session that there be no presentation on this item, unless there are any questions.

CORRESPONDENCE

Provided in the reading file.

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

Mr. Scanlon said that staff has made an assessment and believes that the Board can go until August without having a meeting.

Thursday, August 7, 2008, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos CA 94070.

REPORT OF LEGAL COUNSEL

Mr. Miller said that a short closed session is needed to discuss a real estate matter that involves the real property ownership agreement.

Meeting adjourned to closed session at 11:57 a.m.

Meeting reopened at 12:04 p.m.

Following closed session, Legal Counsel David Miller reported that the Board had convened in closed session to discuss a real estate matter involving proposed amendment to the December 24, 1991 Real Property Ownership Agreement between the JPB and its three member agencies. Mr. Miller reported that the member agencies have reached an agreement, in conjunction with the Metropolitan Transportation Commission, that will serve to effectuate a repayment to the San Mateo County Transit District (SamTrans) of the advance of funds made by SamTrans to facilitate acquisition of the Caltrain rail corridor from Southern Pacific Transportation Company. Upon receipt of the funds from the agreed upon sources, SamTrans will relinquish the property interests it holds in the Caltrain rail corridor and the JPB will become the sole owner of the real estate. Implementation of the agreement that has been reached requires the JPB and its member agencies to take action to authorize execution of the proposed amendment.

ADJOURNED

The meeting adjourned at 12:05 p.m.