

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

**Minutes
July 1, 2010**

MEMBERS PRESENT: O. Ahmad, M. Church, J. Cisneros, S. Elsbernd (Chair), N. Ford, D. Gage, A. Kalra, A. Lloyd, K. Yeager

MEMBERS ABSENT: None

MTC LIAISON: S. Lempert

STAFF PRESENT: C. Cavitt, A. Chan, B. Doty, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee, R. Lee, M. Martinez, N. McKenna, D. Miller, M. Scanlon, M. Simon

Chair Sean Elsbernd called the meeting to order at 10:05 a.m. Director Mark Church led the Pledge of Allegiance.

PUBLIC COMMENT

John Carpenter, Mountain View, said the cities of Mountain View and Palo Alto submitted letters to the California High Speed Rail Authority (CHSRA) on the Alternatives Analysis Report.

Shirley Johnson, San Francisco Bicycle Coalition (SFBC), said at the June meeting she spoke about the \$10 million Tiger II grant. She said Caltrain staff met with the SFBC to discuss the grant and informed them they do not intend to apply for it. The SFBC has compiled an analysis on the benefit of this grant.

Jeff Carter, Burlingame, said this past Sunday there were a number of big events in the Bay Area creating a large demand for bicycle capacity. Most northbound trains were standing room only. The 6:15 p.m. southbound train was so crowded when it departed San Francisco that people were left behind at both Millbrae and Broadway stations. He said staff did a great job on the Bay to Breakers service, so why can't service be improved on the last Sunday of June for these events. Mr. Carter said he purchased a monthly ticket at the Burlingame station this morning and half the month is washed off and unreadable.

Mari Hunter, SFBC, said more bicycle capacity means more revenue.

CONSENT CALENDAR

- a. Approval of Minutes of June 3, 2010
- b. Authorize Amending the Citizens Advisory Committee Bylaws
- c. Authorize Filing an Application to Receive \$18 Million of Federal Railroad Administration (FRA) High Speed Intercity Passenger Rail (HSIPR) Funds for the South Terminal Station Project

- d. Authorize Filing an Application to Receive \$10 Million of Fiscal Year 2010 Federal Rail Administration (FRA) Railroad Safety Technology Program Funds for the Caltrain Positive Train Control (PTC)/Communication Based Overlay Signal System (CBOSS) Project
- e. Authorize Amendment to Extend the Contract with Parking Company of America Management, LLC for Shuttle Bus Service for up to Two Additional One-Year Terms
- g. Authorize Approval and Ratification of the Fiscal Year 2011 Insurance Program

Director Omar Ahmad requested an item be removed from the consent calendar for further clarification.

The Board approved the consent calendar (Gage/Ahmad).

- f. Authorize Award of Contracts to Essence Printing, Fong Brothers Printing, Inc. and Spectrum Lithographic for a Total Estimated Aggregate Amount of \$404,000 for a Three-Year Term to Provide Printing Services for Newsletters, Timetables and Take Ones

Director Ahmad asked, since these are no guarantee contracts, is it at the discretion of staff to pick and choose who is available at the time for a particular job. Executive Director Michael Scanlon said yes.

The Board approved item (Ahmad/Ford).

CHAIRPERSON'S REPORT

Chair Elsbernd thanked Peninsula Rail Program Director Bob Doty for his presentation on Tuesday to the San Francisco Transportation Authority.

Appointment of Citizens Advisory Committee (CAC) Member Cat Tucker, Representing Santa Clara County.

Director Don Gage said 16 applications were received to fill the Santa Clara County vacancy on the JPB CAC. Director Gage said the Santa Clara County selection committee is recommending incumbent Cat Tucker for reappointment to the CAC for a three year term expiring on June 30, 2013.

The Board approved the CAC appointment of Cat Tucker (Ahmad/Yeager).

METROPOLITAN TRANSPORTATION COMMISSION (MTC) LIAISON REPORT

MTC Commissioner Sue Lempert reported:

- The launch of the new Clipper card was very successful.
- Tolls go up today on Bay Area bridges.

Director Gage asked about FasTrak for carpools on the Carquinez Bridge. Ms. Lempert said drivers must have FasTrak to go through the carpool lanes during peak hours and will be charged \$2.50. On the Golden Gate Bridge, carpools must stop at the toll booth so toll collectors can count how many passengers are in the car. The FasTrak charge for the Golden Gate Bridge is \$3.00.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

CAC member Bruce Jenkins reported on the June meeting:

1. Staff provided a general update.
2. The August meeting was cancelled and the next meeting will be September 15 [sic July 21] at 5:30 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Michael Scanlon reported:

- Monthly Performance Statistics – May 2010 compared to May 2009
 - a. Total Ridership was 1,041,920, a decrease of 1.2 percent.
 - b. Average Weekday Ridership was 40,021, a decrease of 1.3 percent.
 - c. Total Revenue was \$3,958,684, an increase of 7.1 percent.
 - d. On-time Performance was 93.9 percent, a decrease of 0.7 percent.
 - e. Caltrain Shuttle Ridership was 5,323, a decrease of 3.6 percent.
- Year-to-date Performance Statistics ending May 2010 compared to May 2009
 - f. Total Ridership was 10,913,828, a decrease of 6.4 percent.
 - g. Average Weekday Ridership was 37,555, a decrease of 6.5 percent.
 - h. Total Revenue was \$38,927,604, a decrease of 1.8 percent.
 - i. On-time Performance was 94.2 percent, a decrease of 1.1 percent.
 - j. Caltrain Shuttle Ridership was 5,560, a decrease of 9.1 percent.
- Clipper use on Caltrain continues to increase each month. Staff is actively transitioning monthly and 8-ride ticketholders to Clipper.
- The new Caltrain website was launched yesterday.
- Through 42 games, baseball service is up an additional 198,000 riders. This is up 1 percent compared to the same number of games last year.
- Extra trains will depart San Francisco after the Independence Day fireworks. Last year more than 3,600 rode this service.
- A modified Saturday schedule, including four limited express trains and one Gilroy roundtrip, will operate on Monday, July 5.
- Extra service will be added for the Paul McCartney concert at AT&T Park on July 10.
- On June 19 extra southbound service was added for a Genentech employee appreciation event at AT&T Park.
- The reading file contains the Weekend Edition and a new Caltrain Guide for People with Disabilities.
- Bike on board count and dwell study is complete and is the final phase of the Onboard Bike Improvement Program. Staff expects to have a final report completed by the end of July.
- The Bicycle Advisory Committee is in the final process of selecting members and will hopefully meet before the end of July.
- The Tiger II Grant needs a \$2.5 million match for a total of \$12.5 million. There is not \$12.5 million in bike improvement work to be done for this grant.
- Staff and legal counsel continue to be very involved in the Request for Proposal process for the new operator contract. There were approximately 400 questions submitted in the first round.
- A balanced budget will be presented today thanks to the partner agencies and help from the MTC. This balanced budget will require service cuts and fare increases amounting to at least \$2.3 million.
- The very popular Holiday Train will be discontinued this year due to financial constraints.

- Caltrain's farebox recovery ratio outperforms all the services of the partner agencies and is an important service and critical to the environment.

Peninsula Rail Program (PRP) Update

Mr. Doty provided these details:

- The first Alternatives Analysis Report was delivered to the CHSRA in April. The process of reaching out to 17 cities, with over 40 meetings, was completed last week.
- In August, the next Alternatives Analysis Report will be submitted. This analysis will show a narrowing of options, more specifically identifying what is the preferred solutions or combination of solutions, with everything being taken into consideration.
- The next process will be more intense because it will focus on what staff thinks is buildable and fundable, as well as desirable. Staff will schedule meetings with the Board to go over the next process. This is going to be a fairly significant change because staff will discuss sensitive issues, especially what the impacts are to property, vicinities, stations and the effect on Caltrain.

Public Comment

Shirley Johnson, SFBC, said the SFBC doesn't want Caltrain to miss out on \$10 million of Tiger II funding. She asked staff to reconsider this grant because the Tiger II notice states that multiple, separate projects can be combined to apply for this grant. She said one of the grant selection criteria is state of good repair. Ms. Johnson asked if it would be possible to package multiple projects together and apply for this grant.

Pat Giorni, Burlingame, said when Context Sensitive Solutions began and alternatives analysis were being looked at, technical and policy working groups were organized. She said these meetings were open to public and she put her name on an e-mail list to be notified of future meetings. Ms. Giorni said she has never received information on these meetings.

Greg Greenway, Peninsula Freight Rail Users Group, said the group participated actively in the alternatives analysis process. One issue, from a freight perspective, is the 1 percent grade parameter. This 1 percent parameter is not a hard constraint and it is very common to move heavy freight on a 1 percent elevation. Mr. Greenway would like to know the rationale for this 1 percent parameter and if there is any flexibility on this issue.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR MAY 2010

Deputy CEO Gigi Harrington said revenues and expenses are on track and staff is seeing savings to move into the Fiscal Year (FY) 2011 budget. Last week, fuel was \$2.15 per gallon. Ms. Harrington said half of the FY2011 fuel budget was locked in at \$2.25 per gallon.

A motion (Lloyd/Yeager) to accept the May statement was approved unanimously.

CALL FOR A PUBLIC HEARING ON SEPTEMBER 2, 2010 FOR CONSIDERATION OF SERVICE SUSPENSIONS AND FARE CHANGES

Deputy CEO Chuck Harvey said Staff Coordinating Council (SCC) is asking the Board to set a public hearing on September 2, 2010 to receive public comment on the proposed Caltrain service and fare changes. The process will include three public meetings, one in each county. At the conclusion of the public hearing staff will present final recommendations for service and fare adjustments necessary to complete the closure of the deficit in the operating budget.

Public Comment

Doug DeLong, Mountain View, said he supports the call for the public hearing, but the scope should be broadened slightly to include service changes for operational efficiencies.

Mr. DeLong asked how the public can offer suggestions on this issue before the public meetings.

Richard Hackman, Palo Alto, said public comment is imperative to give residents an opportunity to speak about a service that is important to them. Caltrain plays a huge role in the City's economic and development planning and voices need to be heard related to this issue.

Jeff Carter, Burlingame, said when recommendations are made for possible service cuts, staff needs to consider the service as a whole and the service Caltrain provides to its customers. He said basing service cuts on ridership alone, without consideration of the customers who use the service, would be irresponsible of the JPB. Mr. Carter said while the early morning trains may have low ridership, they provide an important service for getting people to and from their jobs. Caltrain needs to carefully think about the choices in service cuts they make. Staff should consider increasing the one-way fares, offer a discount on day passes and keep the monthly pass increase at a minimum.

Jarrett Mullin, Mountain View, asked the Board to consider holding public hearings in the evening since most passengers work during the day. He also asked that sufficient notice is placed on trains and at stations so passengers are aware of the public hearings.

Pat Giorni, Burlingame, said the Board needs to take into consideration the early morning and late night trains when considering the service cuts.

A motion (Church/Ford) to call for public hearing was approved unanimously.

PROPOSED FISCAL YEAR 2011 OPERATING BUDGET

Ms. Harrington made the following points:

- Total revenues are \$99.9 million.
- Total operating expenses are \$100.2 million, including \$2 million for the new operator transition costs and \$2.3 million needed through fare increases and service cuts.
- Total member contributions for FY2011 are \$35 million.
- Monies used to close the gap include \$5 million in State Transit Assistance (STA) funds; \$6 million in savings from the current fiscal year; additional funding proposed from the partners and the proposed elimination of the staff ticket offices at the San Francisco and San Jose Diridon stations.
- There is a projected \$29.5 million shortfall for FY2012.

Mr. Harvey made the following points:

- Staff is projecting a January implementation of the fare increase and service reductions.
- The last fare increase was in January 2009. Options being considered are a 25-cent increase to the base ticket, 25-cent increase to the zone and an increase in GO Pass pricing.
- A service reduction needs to retain ridership and revenue; reduce cost; and retain the highest net benefit.
- Changes analyzed with positive net benefit include elimination of Gilroy service; no weekend service; reduction of midday trains; and reduction of two early morning and two late evening trains.

Director Ahmad asked about the Gilroy service and the savings. He asked if the maintenance of the extension would remain intact. Mr. Harvey said the savings assume all work will be shut down except for anything that is safety-related.

Director Ken Yeager asked if financial conditions improve for the partners, will service be added and how much service is being considered as temporary or permanent. Mr. Harvey said all the changes staff has noted are all doable in the short-term and pretty easy to reinstate.

Director Yeager asked which stations still have station agents. Mr. Harvey said only San Jose Diridon and San Francisco.

Ms. Lempert asked if the Gilroy service elimination is all or nothing. Mr. Harvey said yes it is all or nothing because only three trains operate in the morning and evening.

Director Gage said the Gilroy service affects three counties. Mr. Harvey said there is a net savings to close the Gilroy extension.

Public Comment

Vaughn Wolfe, Pleasanton, said staff should consider wind power.

Director Gage said no money has been made on the fuel hedging program this year. Mr. Scanlon said money has not been made, but the fuel hedge has been tripped and payments have been received.

Director Gage asked if the payments make up for the amount of money spent for the fuel hedging program. Ms. Harrington said the FY2010 fuel hedging transaction hasn't broken even, but staff was able to lower the budget, have budget certainty and close the FY2010 budget. Director Gage asked if staff still feels this is a good option to use even though the full amount hasn't been recovered. Ms. Harrington said yes because it allows staff to create budget certainty for half of the fuel.

Director Gage thinks staff is gambling with the fuel hedge program, especially if the economy is rebounding. Mr. Scanlon said the program is a protection because of the volatility of fuel. He said the Transit Cooperative Research Program is writing up Caltrain for industry best practice for the fuel hedging program. Mr. Scanlon strongly recommends staying on this course for the immediate future.

Director Gage asked how many agencies are participating in fuel hedging. Mr. Scanlon said SamTrans has locked into the fuel hedge program.

Mr. Harvey said fuel was locked in at \$2.05 per gallon on May 20 for the FY2011 budget; this week fuel is being purchased at \$2.23 per gallon.

Director Ahmad said there is going to have to be menu choices. He said he is not a fan of coming back each year with recommended cuts. The subcommittee needs to make hard cuts so the public and employees have certainty.

Director Nat Ford said due to timing issues as it relates to the San Francisco contribution, specifically the San Francisco Municipal Transportation Authority's (SFMTA) budget, he would like to move this item contingent on the San Francisco Board of Supervisors approval of the SFMTA budget, which includes the San Francisco member contribution.

Legal Counsel David Miller said there is a resolution before the Board and at the end of the resolution is a provision which states the Executive Director is to forward a copy of the budget to the member agencies for approval at the earliest practical date. This is quite consistent with the ground rules of the Joint Powers Agreement. Mr. Miller said Director Ford is just requesting the clause be amended to include the approval of the San Francisco Board of Supervisors, in so far as the San Francisco contribution is concerned.

A motion (Ford/Lloyd) to approve the FY2011 Operating Budget was approved unanimously by roll call.

ADOPTION OF FISCAL YEAR 2011 CAPITAL BUDGET

Director of Budgets and Grants April Chan said SCC is asking the Board to approve the FY2011 Capital Budget in the amount of \$33.4 million. This item was previously presented at both the May and June JPB meetings. Ms. Chan said at the June meeting, staff presented a \$37.3 million Capital Budget. In order to balance the Capital Budget staff is recommending deferring \$4.9 million of rolling stock state of good repair projects. Since the June meeting, the only other change in the Capital Budget is the Rail Operations Control System. Ms. Chan said staff is proposing to include in an additional \$2.5 million to account for the staffing levels required to support the implementation of the project over the next two years. This project is fully funded by grant funding. Ms. Chan said the FY2011 Capital Budget has \$19.6 million in Federal, State and regional grants and \$13.7 million from member agencies.

Director Gage asked how much reduction has been done in capital projects. Ms. Chan said the budget started in the \$50-\$60 million range. Staff did a thorough look at what absolutely needs to be done this year. This is one of the smallest capital budgets she has worked with in the past 10 years.

Mr. Scanlon said safety and anything that makes the train move will not be deferred or compromised.

Public Comment

Pat Giorni, Burlingame, said CHSRA should be putting in a lot more to the capital budget for the PRP. She also reiterated that CHSRA should be paying for the public meetings recently held pertaining to the alternatives analysis.

Greg Greenway, Peninsula Freight Rail Users Group, said as staff looks to future budgets, freight rail could be considered as part of the budget solution. He said moving freight along the Peninsula can provide increased revenue. Mr. Greenway said the freight volume could be doubled along the Peninsula using the current infrastructure and market conditions and it would not impede High Speed Rail (HSR).

Director Gage said the CHSRA is in flux and there is no alignment set. There needs to be finality to issues so people will know if they will be affected.

Director Art Lloyd supports freight usage and asked if there is a revenue source. Mr. Scanlon said freight usage fees are included in the Other Revenue line item of the budget.

Mr. Scanlon said the HSR alignment is subject to a lot more public input. He has met and spent time with CHSRA Chief Executive Officer Roelof van Ark and is very impressed. Mr. Scanlon said there will be unrest, but dialogue will take place on how to not affect lives.

A motion (Lloyd/Yeager) to adopt the FY2011 Capital Budget was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO GRANITE CONSTRUCTION, INC. FOR A TOTAL AMOUNT OF \$77,699,000 FOR THE SAN BRUNO GRADE SEPARATION PROJECT

Director of Contracts and Procurement Cheryl Cavitt said SCC is recommending, contingent upon allocation of \$27 million of project funds from the California Transportation Commission (CTC) and the execution of a construction and maintenance agreement with the City of San Bruno, that the Board award a contract to the lowest responsive bidder, Granite Construction.

A motion (Ford/Gage) to award a contract to Granite Construction, Inc. was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO DISNEY CONSTRUCTION, INC. FOR A TOTAL AMOUNT OF \$6,313,333 FOR THE JERROLD AVENUE BRIDGE REPLACEMENT PROJECT

Ms. Cavitt said staff is in receipt of a timely submitted protest to this recommended award of contract. Mr. Miller said SCC is recommending award of contract to the lowest responsible bidder. There is a protest submitted by the highest bidder that the low bid is defective and is not responsive under legal standards in a couple of respects. Mr. Miller said Ms. Cavitt sent a timely written response to the protest. He said it is legal counsel's recommendation that the Board make a motion to reject the protest submitted by Gordon and Ball, Inc.

A motion (Ford/Ahmad) to reject the protest submitted by Gordon and Ball, Inc. was approved unanimously.

Director Ford said there appears to be no Disadvantaged Business Enterprise (DBE) participation on this item. DBE Officer Raymond Lee said the contract was awarded on a race neutral basis. He said of the three lowest bidders, two bidders didn't submit any participation. Mr. Lee said there was no goal submitted for this project.

A motion (Gage/Ahmad) to award a contract to Disney Construction, Inc. was approved unanimously by roll call.

AUTHORIZE REJECTION OF THE THREE LOW MONETARY BIDS AS NON-RESPONSIVE AND AWARD OF CONTRACT TO GORDON N. BALL, INC. FOR A TOTAL AMOUNT OF \$3,182,000 FOR THE SAN MATEO BRIDGES PHASE 1 – FOUNDATION IMPROVEMENTS PROJECT

Ms. Cavitt said staff is in receipt of protest letters in regards to the award of this contract. Mr. Miller said the protests are not compelling from a legal standpoint, but staff's updated recommendation is for the Board to consider a motion to reject all bids and re-advertise. He said the reasons for presenting this recommendation are several-fold. First, and foremost, staff has been in contact with the CTC so the funding sources allocated to this project are not in jeopardy as long as the contract is awarded by November. Mr. Miller said several of the bidders were confused. He said each of the bidders submitted the same sub-contractor for grouting. Mr. Miller said the provision that the bidders complained about was a requirement contained in the technical specifications that the bidder provide a list of five projects the grouting sub-contractor completed. He said all of these items led staff and legal counsel to believe, in the interest of fairness, to reject all bids and readvertise. Mr. Miller said this can be done quickly. Information regarding the grouting contractor will be moved into another provision with specifications so there will be no basis for anyone to claim confusion the next time. Mr. Miller said staff will be back to the Board by October for an award of contract.

Director Ash Kalra said he believes it is reasonable to rebid since three bidders omitted this item. Mr. Miller said the bid specifications specifically state the Board can reject all bids.

A motion (Kalra/Lloyd) to reject all bids and readvertise the project was approved unanimously.

AUTHORIZE AWARD OF CONTRACT TO THE LOUIS BERGER GROUP, INC. AND JONES & STOKES ASSOCIATES, INC. FOR A TOTAL AMOUNT UP TO \$2,500,000 FOR A THREE-YEAR BASE PERIOD TO PROVIDE ON-CALL ENVIRONMENTAL PLANNING CONSULTING SERVICES

Ms. Cavitt said SCC is recommending the Board award contracts to The Louis Berger Group, Inc. and Jones & Stokes Associates, Inc. for on-call environmental planning services with no guaranteed amount to either firm.

A motion (Gage/Ahmad) to award a contract to The Louis Berger Group, Inc. and Jones & Stokes Associates, Inc. was approved unanimously by roll call.

STATE AND FEDERAL LEGISLATIVE UPDATE

Executive Officer, Public Affairs Mark Simon reported:

STATE UPDATE

- A new fiscal year has begun and the State does not have an approved budget.
- No proposal has been voiced by either the assembly democrats or the governor that undoes the gas tax swap.
- The Transit Funding Protection Initiative, which the Board endorsed, has qualified to be on the November ballot as Proposition 22.
- July 2 is the deadline for fiscal bills to pass out of policy committees in the second house.
- There are a number of bills pending and of concern to staff:
 - SB 409 would reorganize the CHSRA under the Business Transportation and Housing Agency.

- AB 289 was recently amended to authorize the governor to appoint six new executive CHSRA staff members.
- SB965 would authorize the State to expend American Recovery and Reinvestment Act funds.

FEDERAL UPDATE

- The Senate Banking, Housing and Urban Affairs Committee recently voted unanimously to adopt the Public Transportation Safety Act of 2010. This is the Obama Administration's Transit Safety Bill. The legislation now goes to the Senate floor for a vote. The legislation would establish Federal safety standards for rail transit systems.
- The Department of Transportation announced they will be accepting applications for \$2.3 billion of the \$4 billion approved for HSR projects in the FY2010 appropriations bill. CHSRA is the eligible recipient for these funds and staff will be working with them, through the PRP, to determine the feasibility of including projects from the San Francisco to San Jose segment.
- The FRA has published a final rule that requires the 10 states with the worst grade crossing safety records complete a five-year action plan that addresses the problem by August 27, 2011. California is one of the 10 states identified by the FRA and staff will work with the appropriate agencies at the State level to participate in this process.

CORRESPONDENCE

None

BOARD MEMBER REQUESTS

None

DATE/TIME/PLACE OF NEXT MEETING

Thursday, August 5, 2010, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

Mr. Scanlon said staff doesn't see a need for a meeting in August and would recommend the meeting be cancelled.

A motion (Church/Lloyd) to cancel the August meeting was approved.

GENERAL COUNSEL REPORT

Closed Session: Pending Litigation Pursuant to Government Code Section 54956.9 (a)
Russell J. Peterson et al vs. Peninsula Corridor Joint Powers Board, et al

Mr. Miller said Executive Officer, Planning and Development Marian Lee and he will be meeting this afternoon with interested members of the community and representatives of the various associations relative to the electrification project Environmental Impact Report (EIR). Mr. Miller said staff hopes to bring the electrification EIR back to the Board as soon as possible for certification.

Adjourned to close session at 11:42 a.m.
Reconvened to open session at 11:48 a.m.

Joint Powers Board Meeting
Minutes of July 1, 2010

Mr. Miller said the Board met in closed in session to hear a report on a recent decision in favor of the JPB in the Peterson case. Instructions have been given to legal counsel with respect to further issues regarding this case. No action is to be taken at this time.

ADJOURNED

Adjourned at 11:50 a.m.