

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

**Minutes
December 2, 2010**

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

MTC LIAISON: S. Lempert

STAFF PRESENT: J. Cassman, A. Chan, B. Doty, E. Goode, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Chair Sean Elsbernd called the meeting to order at 10:06 a.m. Director Don Gage led the Pledge of Allegiance.

PUBLIC COMMENT

George Burgess, Belmont, asked if the Board is studying and analyzing the economic and financial impacts of High Speed Rail (HSR) on cities and businesses along the Peninsula. He asked if guidance will be offered on how to enter into discussions about obtaining rights to the land that will be underneath the aerials or over the tunnels.

Shirley Johnson, San Francisco Bicycle Coalition (SFBC), said, as chair of the Bicycle Advisory Committee (BAC), she is concerned that bicycle bumps continue at an alarming rate. Cyclists reported more than 200 bumps in both September and October. Ms. Johnson said Caltrain's Bike Count Study missed 90 percent of bumps due to limited sampling and 90 percent of bumps go unreported by cyclists. She said bumps may actually be 10 times higher than reported by cyclists in the correspondence packets. Ms. Johnson requested that the Board direct staff to prioritize funding to increase bike capacity.

Jeff Carter, Burlingame, wished Directors Gage and Mark Church good luck with their future endeavors. He hopes there is some progress on Caltrain's upcoming budget crisis for Fiscal Year (FY) 2012.

Pat Giorni, Burlingame, congratulated Directors Church and Gage on their new positions. Ms. Giorni asked that since the JPB has lobbyists in Sacramento and Washington, D.C. to lobby for funding for Caltrain capital projects, can they lobby for operating funding?

Ed DeLanoy, San Carlos, said he noticed there is a new train schedule. He said in today's *Wall Street Journal* there was an article on a petroleum shortage.

Yoriko Kishimoto, Friends of Caltrain, said the goal of this group is to educate the public about Caltrain and to help secure a permanent and dedicated source of funding. She said the first educational forum was very successful with more than 100 attendees that included staff from the Metropolitan Transportation Commission (MTC), Director Art Lloyd and JPB staff.

Ms. Kishimoto said the message the group is spreading is Caltrain is a top performing transit agency with a 43 percent farebox recovery, but doesn't have a permanent, dedicated source of funding. Ms. Kishimoto said the group is reaching out to all the grass roots organizations, Silicon Valley Leadership Group, transit agencies, environmental agencies and neighborhood groups. She invited everyone to the next forum on January 29, 2011.

Chair Elsbernd thanked her, on behalf of the Board, for the work she is doing.

CONSENT CALENDAR

Chair Elsbernd noted there are revised minutes with a minor correction on page 5, striking Tamalpais Wealth Management and replacing it with CSI Capital Management.

- a. Approval of Minutes of November 4, 2010
- b. Authorize Approval of Third Amendment to the Bylaws of the Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF) Monitoring Committee

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

CHAIRPERSON'S REPORT

Appointment of Nominating Committee for 2011

Chair Elsbernd said, due to the change in membership on the Board, he is requesting the appointment of a nominating committee be moved to the January meeting.

Resolution of Appreciation to Outgoing Board Member, Mark Church

A motion (Lloyd/Cisneros) to approve a Resolution of Appreciation for Director Church was approved unanimously by roll call.

Resolution of Appreciation to Outgoing Board Member, Don Gage

A motion (Lloyd/Cisneros) to approve a Resolution of Appreciation for Director Gage was approved unanimously by roll call.

Chair Elsbernd presented Directors Church and Gage with framed Resolutions of Appreciation and train plaques.

Director Church thanked everyone for the presentation and said it is with mixed emotions that he is leaving, but is looking forward to moving on to his new position as Chief Elections Officer for the County of San Mateo. He said it has been a privilege and honor to work with each Board member. Director Church thanked the staff for all their hard work and the community for being involved and engaged.

Director Gage said he is grateful for having served on the Board. He is very impressed with the staff, as well as the community that attends monthly meetings. Director Gage said it is going to take caring and passion from the Board to resolve the financial problems Caltrain faces. His only regret leaving the Board is that his path won't cross with many of the people he sees at these meetings.

MTC LIAISON REPORT

MTC Commissioner Sue Lempert reported:

- Congratulated Directors Church and Gage.

- At the last MTC Programming and Allocations meeting, a report was given on Regional Measure 2.
- Ms. Lempert said she represents MTC on the Dumbarton Rail Policy Committee and the last committee meeting was a positive one.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

CAC Chair John Hronowski reported on the November 17 meeting:

- Congratulated Directors Church and Gage on their future endeavors.
- The CAC continued their discussion on bicycle capacity. A memo summarizing the CAC's recommendation is in the Board reading file.

Public Comment

Shirley Johnson, SFBC, said the memo the CAC wrote makes a recommendation not to increase bike capacity. This is disturbing because it is completely counter to public input. She said the SFBC provided detailed commentary to the CAC pointing out flaws in its draft memo.

Ms. Johnson said the CAC disregarded the SFBC's input and proceeded with the memo unchanged. She said a member of the CAC ad hoc subcommittee wrote a dissenting opinion because he believes Caltrain should improve its service. Ms. Johnson said she is concerned the CAC is not representing public sentiment.

Jeff Becker, San Mateo, said the CAC memorandum uses averages and not actual numbers during the peak load.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Michael Scanlon reported:

- On behalf of staff, expressed sincere thanks and best wishes to Directors Church and Gage.
- Monthly Performance Statistics – October 2010 compared to October 2009
 - a. Total Ridership was 1,126,012, an increase of 8.3 percent.
 - b. Average Weekday Ridership was 42,437, an increase of 11.2 percent.
 - c. Total Revenue was \$4,172,550, an increase of 17.4 percent.
 - d. On-time Performance was 93 percent, a decrease of 1.4 percent.
 - e. Caltrain Shuttle Ridership was 5,787, a decrease of 2.5 percent.
- Year-to-Date Performance Statistics – October 2010 compared to October 2009
 - f. Total Ridership was 4,387,420, an increase of 3.6 percent.
 - g. Average Weekday Ridership was 41,346, an increase of 4 percent.
 - h. Total Revenue was \$16,234,093, an increase of 8.3 percent.
 - i. On-time Performance was 93.2 percent, a decrease of 0.9 percent.
 - j. Caltrain Shuttle Ridership was 5,428, a decrease of 4.9 percent.
- Caltrain is the only Bay Area transit agency without dedicated funding and staff is very thankful for the work Friends of Caltrain is doing.
- Director Omar Ahmad and Rosanne Foust, Chair of the San Mateo County Transportation Authority, were thanked for attending the kick-off event for the San Bruno Grade Separation Project.
- The November Bicycle Advisory Committee (BAC) meeting had to be rescheduled to December 13 due to a lack of a quorum.
- Caltrain carried double the number of daily riders for the Giants parade and revenue tripled for the day.
- The service to Stanford football games carried an additional 5,650 passengers throughout the season.

- Sharks have had seven home games and ridership is off about 16 percent.
- An additional 119 passengers were carried on special service for the Turkey Trot in San Jose on Thanksgiving Day.
- A modified schedule ran the day after Thanksgiving Day and the same schedule will be used for Christmas Eve and New Year's Eve. The customary additional service will be provided in the evening of New Year's Eve and the early morning of New Year's Day.
- The emergency train response drill in San Francisco was very successful. Staff from the Federal Railroad Administration (FRA), California Public Utilities Commission and Homeland Security were in attendance.
- Staff is working diligently on the fare and service changes effective January 1.
- A 90-day weekend Baby Bullet service pilot program will start on January 1.
- On December 6 from 5-6 p.m. staff will be holding a Transit Toy Drive with refreshments, music and a visit by Santa in the lobby of this building. Staff is requesting people bring an unwrapped toy or book for the Toys for Tots program.
- The reading file contains the October Safety & Security Report.

Peninsula Rail Program (PRP) Update

PRP Director Bob Doty reported:

- The California High Speed Rail Authority (CHSRA) is meeting today to decide the initial segment for construction.
- Over the past several months there has been a debate within the CHSRA organization about the sequencing of building HSR. The three choices were north to south, south to north or central outward. Staff made considerable progress with the Peninsula cities; in August the CHSRA unanimously agreed to a fully integrated system along the corridor that included improvements to Caltrain. The fundamental issue is risk. The money associated with the American Recovery and Reinvestment Act (ARRA) is time-stamped and must be executed by a strict schedule and the determination was the Central Valley was the best location to meet the funding deadline.
- Caltrain did receive some money allocated through ARRA for work on the corridor. Staff has met with the FRA about how to use the money and is proposing a joint letter from CHSRA Chief Executive Officer Roelof van Ark and Mr. Scanlon to address this issue within the next month. The money will be awarded in January.
- The consequence of this is the ARRA list that included Peninsula corridor programs that benefit Caltrain no longer exists. The sequences are going to start all over again, and no section has an advantage over another section. The program will resequence its schedule and reissue the guidelines for deadlines for documents.
- Mr. van Ark spent more than six hours listening to city issues and staff has become very aware of the east/west issues.

Director Art Lloyd asked if the track being proposed from Madera to Corcoran is still accurate. He said it looks like a test track is being built.

Mr. Doty said staff is working with CHSRA to create a joint program because it not only benefits construction locally, but would be used in that area to allow initial operations before the system is fully electrified.

Director Ahmad asked if Mr. Doty could spell out the acronyms for people in the audience and what is the money potentially going to be used for in the Peninsula corridor.

Mr. Doty said the FRA is not only the regulatory body, but the funding body, which is a new role for them and the Department of Transportation (DOT) guidelines require that the money is spent by 2017. If the money is not spent by 2017 it goes back to the DOT. There is another element to this and that is the states must be able to match it to a certain percent. Mr. Doty said many states are giving up their money and it is going back into the pool. This is good news for Caltrain.

Ms. Lempert said the prospects for funding HSR nationally are not important to many in Congress and so much of Caltrain's future and salvation lies in HSR. She said if this does not happen for quite sometime where does it leave Caltrain? Ms. Lempert said the communities don't understand the connection between Caltrain and HSR.

Mr. Scanlon said Caltrain is poised to be broke. He said come July if there is no additional source of funding the service on the railroad will become half. Mr. Scanlon said the future of Caltrain is linked to HSR. He said if HSR can provide the resources to do electrification then that will drive the costs down and revenue up. Mr. Scanlon said if electrification can't move forward in a meaningful timeframe there are huge decisions that will have to be made on the future of Caltrain. He said there is rolling stock and locomotives that are coming to the end of their useful lives.

Mr. Scanlon said investment in HSR is the right thing to do environmentally and economically. He said in January there is a brand new Congress and most of them have never thought of infrastructure as an investment.

Mr. Scanlon wished everyone a healthy and Happy New Year.

Public Comment

Jeff Carter, Burlingame, said regardless of HSR, Caltrain needs to move ahead with electrification. He said a lot of blogs talk about the compatibility of HSR and Caltrain's electrified trains. Mr. Carter said tunnels should be out of the question and there should be grade separation. He said grade separation did not split the cities of Belmont or San Carlos. Mr. Carter doesn't understand why Belmont would insist on an underground tunnel when they are already on a separated berm.

Andy Chow, Bay Rail Alliance, said the issue of electrification and HSR is going to be an issue Caltrain is going to have to tackle with the new Congress.

Jim Bigelow, Belmont, said he lived in Belmont when there was no grade separation and it was difficult to get from one side of the track to the other. He said the new station is much quieter, you don't hear the whistles, there are no fatalities and passengers don't have an issue of getting from the northbound and southbound tracks. Mr. Bigelow said the Peninsula has lost out on the current HSR funding because of a lack of consensus among the cities.

Director José Cisneros left at 11:17 a.m.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR OCTOBER 2010

Deputy CEO Gigi Harrington said the operating revenue is over budget by \$1 million. There are savings on the expense side in the fuel budget and operating contract budget. Last week, fuel

was \$2.37 per gallon and year-to-date it is at \$2.29 a gallon. The fuel hedge was tripped in October by a small amount.

A motion (Gage/Ford) to accept the October 2010 statement was approved unanimously.

AUTHORIZE AMENDING AND INCREASING PARKING FINE VIOLATION SCHEDULE FROM \$45 TO \$48

Manager of Budgets Eva Goode said Staff Coordinating Council is recommending the Board amend and increase the parking fine schedule to include an additional \$3 surcharge mandated by the State under SB857. She said this surcharge is effective December 7.

A motion (Ford/Ahmad) to amend and increase the parking fine violation was approved unanimously by roll call.

STATE AND FEDERAL LEGISLATIVE UPDATE

Government Affairs Manager Seamus Murphy said the House approved a continuing resolution yesterday that would extend Federal programs until December 18. The current extension expires December 3, 2010. Mr. Murphy said in order to continue funding for public transit, Congress will also need to extend authorization for surface transportation programs before the end of the year. He said there has been some discussion within Congress about their approach to the annual appropriations process next year. Mr. Murphy said in the past, Caltrain worked with the delegation to receive congressionally directed funding through the annual appropriations process. He said House Republicans have already decided that earmarked funding will not be included in any legislation when they take over next year. Mr. Murphy said the Senate, however, voted to preserve earmarks so it is unclear what will happen with congressionally directed funding next year. He said Caltrain's legislative advocates in Washington D.C. are charged with finding ways to secure some of the funds.

Director Ash Kalra left at 11:20 a.m.

QUARTERLY PROGRESS REPORT

No discussion

CORRESPONDENCE

In the reading file.

Public Comment

Shirley Johnson, SFBC, said a couple of emails she sent are not in the correspondence packet.

BOARD MEMBER REQUESTS

Director Ahmad would like to request that as the new Board is seated, a working retreat be scheduled to address the financial issues Caltrain is facing.

DATE/TIME/PLACE OF NEXT MEETING

Thursday, January 6, 2011, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

GENERAL COUNSEL REPORT

Closed Session: Conference with Legal Counsel Pursuant to Government Code Section 54956.9(c) (One Potential Case)

The Board adjourned to closed session at 11:24 a.m.

The Board reconvened to open session at 11:30 a.m.

Legal Counsel David Miller said the Board met in closed session as permitted by the Brown Act to consider a matter of potential litigation and the motion before the Board is to authorize execution of a settlement agreement release with Wells Fargo Insurance Services USA, Inc.

A motion (Ford/Ahmad) to authorize execution of a settlement agreement release with Wells Fargo Insurance Services, Inc. was approved unanimously.

ADJOURNED

Adjourned at 11:33 a.m.