

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

**Minutes
November 4, 2010**

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

MEMBERS ABSENT: M. Church

MTC LIAISON: S. Lempert

STAFF PRESENT: J. Cassman, C. Cavitt, B. Fitzpatrick, 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 10:05 a.m. Director Art Lloyd led the Pledge of Allegiance.

PUBLIC COMMENT

Pat Giorni, Burlingame, said people will request another segment be chosen for High Speed Rail (HSR) rather than the San Francisco to San Jose if cut and cover is not an option. She invited everyone to a HSR rally at the Burlingame Caltrain Station on Sunday, November 7.

Jeff Carter, Burlingame, congratulated staff and Amtrak on the handling of the crowds yesterday for the Giants' parade. Mr. Carter said people need to stop spreading rumors and lies on how HSR is going to destroy neighborhoods. Mr. Carter said Burlingame wants to present the worst-case scenario without the truth.

Greg Conlon, Atherton, complimented Executive Director Michael Scanlon for listening to the people of the community. He said doubling the number of tracks and elevating them are going to devastate communities. Mr. Conlon distributed a letter he wrote to the editor of a local paper stating HSR Chief Executive Officer Roelof van Ark's comments were totally out of line. He said first, Mr. van Ark didn't have the authority to say, without board authorization, that there wouldn't be an alternative for underground, either tunnel or cover trench and second, he said freight trains could not operate in a tunnel. He said the change in Congress is going to make it difficult to get the funding that was originally intended for HSR.

Andy Chow, Bay Rail Alliance, said Friends of Caltrain will be holding an event on Tuesday, November 9 from 7-9 p.m. at the Menlo Park Library. There will be a representative from the Metropolitan Transportation Commission (MTC) speaking on the Sustainability Project.

Jeff Becker, San Mateo, thanked staff for their efforts to increase bike capacity.

CONSENT CALENDAR

Chair Elsbernd requested item 4d be removed from the consent calendar.

- a. Approval of Minutes of October 7, 2010
- b. Approval of 2011 Board of Directors Meeting Calendar
- c. Information on Conflict of Interest Code
- e. Authorize Award of Contract to Interstate Grading and Paving, Inc. for the South San Francisco Station Parking Lot Rehabilitation Project in the Total Amount of \$446,000

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

- d. Annual Adoption of Investment Policy and Authorization to Invest Monies with the Local Agency Investment Fund

Public Comment

Vaughn Wolfe, Pleasanton, asked if there was any consideration for commodities.

The Board approved the item (Gage/Lloyd).

CHAIRPERSON'S REPORT

No report

MTC LIAISON REPORT

MTC Commissioner Sue Lempert reported:

- The Grand Awards were handed out last week and were split among several innovative programs to get people to ride their bikes. The John Foran Award for Outstanding Person was split between Darrell Steinberg and Henry Gardner.
- She asked if there could be better collaboration between Caltrain and San Francisco Municipal Transportation Agency (SFMTA) for future events in San Francisco.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

CAC Chair John Hronowski reported on the October 20 meeting:

- Congratulated staff for providing the extra service for yesterday's Giants' parade.
- Congratulated Mr. Scanlon and Director Nathaniel Ford on their recent American Public Transportation Association (APTA) elections.
- The ad hoc committee gave an update on bike capacity and will continue the subject at the November meeting.

Director Ken Yeager arrived at 10:19 a.m.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported:

- Monthly Performance Statistics – September 2010 compared to September 2009
 - a. Total Ridership was 1,072,574, an increase of 3.4 percent.
 - b. Average Weekday Ridership was 41,309, an increase of 3.8 percent.
 - c. Total Revenue was \$4,001,879, an increase of 7.5 percent.
 - d. On-time Performance was 93.4 percent, an increase of 1.3 percent.
 - e. Caltrain Shuttle Ridership was 5,562, a decrease of 8 percent.

- Year-to-Date Performance Statistics – September 2010 compared to September 2009
 - f. Total Ridership was 3,261,408, an increase of 2 percent.
 - g. Average Weekday Ridership was 40,982, an increase of 1.8 percent.
 - h. Total Revenue was \$12,061,542, an increase of 5.5 percent.
 - i. On-time Performance was 93.3 percent, a decrease of 0.7 percent.
 - j. Caltrain Shuttle Ridership was 5,468, a decrease of 2.9 percent.
- Thanked Amtrak for being able to put every piece of equipment in service along with the necessary staff to respond to the crowds who used Caltrain to travel to the Giants' parade. Ambassadors were at many stations. The transit police were deployed and there was outstanding cooperation from the municipal police along the line. The morning peak operated close to schedule with an additional six special trains. The afternoon rush began around 12:30 p.m. with load and go service every 15 minutes. Trains averaged about 1,000 passengers until about 7:30 p.m. when the trains were back on schedule. Calls to the Customer Service Center were up 60 percent. Staff decided when it became a safety risk on platforms to have passengers get on the train without purchasing a ticket. Ticket vending machine revenue tripled and it is estimated an additional 30,000 passengers were carried.
- Playoff service carried an extra 42,000 passengers and the two World Series games carried an extra 21,000 passengers.
- Special event service includes:
 - Stanford football averaging more than 2,700 passengers.
 - Sharks have had four home games and ridership is off about 13 percent.
- Upcoming events include:
 - Regular weekday service will operate on Veterans Day.
 - A Sunday holiday schedule will operate on Thanksgiving Day.
 - A special train will run for the Turkey Trot Race in San Jose on Thanksgiving Day.
 - A modified schedule will be operated for the day after Thanksgiving, Christmas Eve and New Year's Eve.
- Staff is working on the implementation of the fare and service changes effective January 1, 2011.
- Staffed ticket offices in San Francisco and San Jose closed on October 11. Ambassadors have been in San Francisco and San Jose during peak ticket purchase times to provide information and assist customers.
- There is going to be an emergency response drill on Sunday, November 14 before revenue service begins. The drill will simulate a train derailment in the tunnel, just north of the Bayshore Station. The San Francisco Fire Department will be the primary on this drill, but other agencies down to Millbrae will be participating. The Federal Railroad Administration, the California Public Utilities Commission and the Department of Homeland Security will be observing the exercise.
- The Holiday Train has been canceled this year, but staff will be collecting toys in the building to donate to the Salvation Army and the Marines Toys for Tots. Staff is hopeful this event can be brought back next year.
- The reading file contains the September Safety & Security Report. Thanked Director Omar Ahmad for participating in the Partners in Prevention Rail Safety Event.

Executive Officer Public Affairs Mark Simon said the Mineta Transportation Institute has completed a study of suicides and fatalities on the Caltrain right of way since 1992 to determine if there were any patterns or trends that would help staff reduce these tragedies. Mr. Simon said the study shows no year stands out more than another, no month of the year stands out and no day of the week, although Mondays and Fridays are more common. He said in terms of location,

there is a concentration of suicides in a 25-mile stretch between Burlingame and Sunnyvale, but within that stretch there are no specific areas that have proven to be more attractive to suicides than others. Mr. Simon said only 25 percent of the suicides occur at the stations; two-thirds occur within a half-mile of the station; 43 percent occur within one-tenth of a mile of a road crossing; and almost two-thirds are within one-third of a mile. He said the study shows Caltrain is doing all it can on this issue.

Peninsula Rail Program (PRP) Update

Mr. Simon reported:

- The California High Speed Rail Authority (CHRSA) is meeting today and will be hearing the first set of selection criteria for the first of the four sections selected as first priority for the construction. After the Board hears the criteria, they will select the first place to build at its December 4 meeting and award the funds at the January meeting.
- This corridor is getting some funding and staff is working diligently with the Department of Transportation, the FRA and our Congressional delegation to see if more money can be obtained.

Mr. Scanlon said the San Jose-to-San Francisco corridor is not ready for major construction, and that there is a lot of work to be done with the communities and the cities. Mr. Scanlon said in working with the city managers, staff has moved away from building it right to doing the Environmental Impact Report right. He said there is so much misinformation out there and staff needs to pause and see how a railroad can be built to accommodate both High Speed Rail and an electrified Caltrain through this corridor that doesn't wreak havoc on the communities.

Deputy CEO Chuck Harvey presented Director Ahmad with a Caltrain hardhat, a tradition after a new board member takes his first head-in ride.

Mr. Scanlon congratulated Director Don Gage on his election to the Santa Clara Valley Water District Board.

Public Comment

Andy Chow, Redwood City, thanked staff for their handling of the crowds attending the Giants' parade.

Pat Giorni, Burlingame, said Caltrain is an important segment to the Palo Alto community because Stanford is building a new medical center and will be purchasing hundreds more GO Passes. She said this should help increase the shuttle numbers.

Jeff Carter, Burlingame, said Caltrain is depending on a lot from HSR, but there needs to be a contingency plan because Caltrain still needs to be upgraded and grade separated. He believes there will be four tracks for HSR, but doesn't think it will be 40-feet high. Mr. Carter said in Millbrae there is a grade separation at Hillcrest and it is 18-feet above the right of way.

Greg Conlon, Atherton, said the use of quad gates needs to be considered as an interim step until grade separation is completed.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR JUNE 2010 (UNAUDITED)

Deputy CEO Gigi Harrington said the Fiscal Year (FY) 2010 unaudited statement reflects \$6.2 million in savings, which was rolled forward to FY2011. The auditors have found no significant issues and staff will be releasing the financial statements at the end of November.

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

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR SEPTEMBER 2010

Ms. Harrington said revenues are slightly over budget and consistent with the September ridership. There are some savings on the expense side. Ms. Harrington said fuel has been averaging \$2.30 to \$2.40 a gallon and thinks the fuel hedge may be tripped soon.

A motion (Gage/Lloyd) to accept the September 2010 statement was approved unanimously.

ACCEPTANCE OF THE QUARTERLY INVESTMENT REPORT FIXED INCOME MARKET REVIEW AND OUTLOOK FOR THE QUARTER ENDED SEPTEMBER 30, 2010

Bill Osher, ~~Tamalpais Wealth Management~~ *CSI Capital Management, Inc.*, said the nation is dealing with a “Convalescent Economy.” It has been through a serious illness and still needs a little bit of nursing. Mr. Osher said the Federal government is using quantitative easing, which means printing money, and buying debt and lowering interest rates. He said today the two-year Treasury rate is 0.31 percent. Mr. Osher said the portfolio is designed to be risk free, short term in nature, so the return expectations have to come down accordingly with what is going on in the bond market. He said there are some dangers with the policies that are being pursued today. Mr. Osher said if the economy starts to improve, then interest rates could rise and rise quickly. He said to protect from that, maturities are kept short enough so that when things mature they can be reinvested at a higher rate. Mr. Osher said the portfolio is not going to earn much, but is going to be very safe and will be just fine.

A motion (Gage/Cisneros) to accept the Quarterly Investment Review was approved unanimously.

AUTHORIZE AMENDING THE FY2011 CAPITAL BUDGET BY \$3.1 MILLION FROM \$33,488,086 TO \$36,625,669 FOR THE SANTA CLARA AND SAN MATEO TRAFFIC PREEMPTION IMPROVEMENT PROJECT

Manager, Budgets Eva Goode said Staff Coordinating Council (SCC) is recommending the Board approve increasing the FY2011 Capital Budget by \$3.1 million for traffic preemption at grade crossings in San Mateo and Santa Clara counties. She said these improvements will better coordinate traffic signals and the crossings to improve safety. Ms. Goode said funds to pay for the project are coming from the Federal Highway Administration and there is no additional member agency funding for this project.

A motion (Ford/Gage) to amend the FY2011 Capital Budget was approved unanimously by roll call.

AUTHORIZE ENTERING INTO A MEMORANDUM OF UNDERSTANDING (MOU) WITH THE CITY OF SAN JOSE, CHSRA AND THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) FOR THE DESIGN AND DEVELOPMENT OF THE DIRIDON RAIL STATION

Manager of Real Estate and Property Development Brian Fitzpatrick said the city of San Jose has a vision to create a Grand Central Station of the west around the Diridon station. He said in order to pull this vision together, an MOU has been initiated among the major stakeholders, CHSRA, JPB, VTA and the City of San Jose, to set forth the goals of each agency and set of common goals. Mr. Fitzpatrick said this MOU will affirm the recently created Diridon Station Joint Policy Advisory Committee. He said while the MOU is in place, staff is involved in a planning effort in the area to create a transit-oriented development zone around this station.

Public Comment

Pat Giorni, Burlingame, asked if it is too soon or premature to enter into an MOU in case the funding doesn't happen for HSR.

Mr. Scanlon said there is nothing premature about this MOU. This is a development that the city of San Jose has had in its scope for quite some time even if HSR doesn't come through.

Director Ash Kalra said this plan for the Diridon Station goes much further than transit. He said it creates the area to be a more pedestrian/bicycle-friendly environment. Director Kalra said it is not dependent on any potential projects coming forward, either HSR or BART, but there is a need to create good infrastructure.

A motion (Kalra/Gage) to enter into a MOU with the city of San Jose, CHSRA and VTA for the design and development of the Diridon Station was approved unanimously by roll call.

AUTHORIZE AWARD OF CONTRACT TO VALENTINE CORPORATION FOR THE STATION HARDENING PROJECT IN THE TOTAL AMOUNT OF \$1,518,369

Director of Contracts and Procurement Cheryl Cavitt said SCC recommends the Board award a contract to Valentine Corporation for security bollards at three Caltrain stations.

A motion (Ford/Ahmad) to award a contract to Valentine Corporation for the Station Hardening Project was approved unanimously by roll call.

STATE AND FEDERAL LEGISLATIVE UPDATE

Mike Robson of Edelstein, Gilbert, Robson & Smith said from a Caltrain perspective, Governor-elect Jerry Brown is a positive. He said there is no change in the State Senate and the Caltrain delegation. Mr. Robson said in the State Assembly the Democrats picked up two seats and there will be some new members to the Caltrain delegation including Rich Gordon from San Mateo County, Nora Campos from San Jose and Luis Alejo representing parts of San Jose and Gilroy. He said his firm has met with all three and they are all very supportive of Caltrain and its goals.

Gus Khouri of Shaw, Yoder and Antwih said there are four propositions that have significance to Caltrain and its operation.

- Proposition 22 passed with 61 percent of the vote. This measure protects local sales tax, Transportation Development Act funding and highway funds from the excise tax.

- Proposition 23 failed and had it passed would have impeded attempts to provide even more funding for public transportation.
- Proposition 25, which allows the Legislature to pass a budget by a simple majority, passed overwhelmingly.
- The impact of Proposition 25 is unclear; however, because Proposition 26, which requires two-thirds approval for all fees, also passed.

The Legislature is going to be faced with a \$10 billion deficit going into FY2011-2012.

Mr. Khouri said as far as the impact of transportation funding, Proposition 26 and 22 have the most direct impact. According to the Legislative Analyst's Office, the belief is the gas tax swap approved by the Legislature in March could be overturned. He said if Proposition 26 overturns the gas tax swap, Proposition 22, could potentially protect the restoration of all four sources of funding that go to fund public transportation.

Chair Elsbernd asked if Proposition 26 would have any effect on fees in the JPB budget.

Legal Counsel Joan Cassman said staff is looking at Proposition 26 and regulatory fees. These are fees that are trying to change people's behavior.

Mr. Robson said he thinks the new governor is sincere and wants to work with the Republicans and do something about the unemployment and jobs picture. Mr. Robson said he expects continued scrutiny on HSR.

Ms. Lempert asked what Jerry Brown is going to be like as governor and his feeling on HSR. Mr. Robson said he has professed to be a supporter of HSR and the creation of new jobs.

FEDERAL

Government Affairs Manager Seamus Murphy said on the Federal level the shift in control of the House means that reauthorization of the Surface Transportation Bill is a much heavier lift than it was before. He said it could put year-to-year HSR funding in jeopardy. Mr. Murphy said a lot of Republicans have expressed strong reservations about any increase in Federal investment, overall, and about the HSR program, in particular.

Public Comment

Jeff Carter, Burlingame, said if it wasn't for Mr. Brown we probably wouldn't be in this room right now because he rescued Southern Pacific (SP).

CORRESPONDENCE

None

Public Comment

Pat Giorni, Burlingame, said there were 205 bike bumps and the counts she submitted last month are not in this month's packet. She said a number of cities sent letters to the Peninsula Rail Program and they are not included in the packet either.

BOARD MEMBER REQUESTS

Director Art Lloyd said in 1975, SP applied to the State Public Utilities Commission to abandon all commuter service. At that time, Mr. Brown came through and, with Caltrans, the service was saved. Director Lloyd said former Palo Alto Mayor Yoriko Kishimoto has formed a support group called Friends of Caltrain. This group was formed to strictly support Caltrain and the quest for dedicated funding. Director Lloyd said there will be a meeting next Tuesday, November 9 at 7 p.m. at the Menlo Park Library to continue formation of the group. He said on January 29, 2011 there will be a full meeting and Congresswomen Jackie Speier and Anna Eshoo have been invited to participate.

GENERAL COUNSEL REPORT

No report

DATE/TIME/PLACE OF NEXT MEETING

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

ADJOURNED

Adjourned at 11:18 a.m.