

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

**Minutes
September 1, 2011**

MEMBERS PRESENT: J. Cisneros, J. Deal, S. Elsbernd (Chair), A. Kalra, L. Kniss, A. Lloyd, T. Nolan, K. Yeager

MEMBERS ABSENT: A. Tissier

STAFF PRESENT: M. Bouchard, J. Cassman, A. Chan, G. Harrington, C. Harvey, R. Haskin, A. Hughes, M. Lee, M. Martinez, N. McKenna, D. Miller, S. Murphy, M. Scanlon, M. Simon

Chair Sean Elsbernd called the meeting to order at 10:01 a.m. Director Jerry Deal led the Pledge of Allegiance.

JPB Secretary Martha Martinez administered the Oath of Office to Director Tom Nolan representing the San Francisco Municipal Transportation Agency.

PUBLIC COMMENT

Jerry Carlson, Atherton Councilmember, spoke concerning a letter sent to the Board on the need for quad gates at Watkins Avenue in Atherton. He urged the Board to consider Atherton's request.

Director Art Lloyd said quad gates were at this location when the service was operated by Southern Pacific and there is a definite need for gates at this location.

Doug DeLong, Mountain View, said Amtrak basically helped keep the Peninsula commuter service through multiple transitions from Southern Pacific to the California State Department of Transportation (Caltrans) to the JPB. While ridership has tripled and revenue numbers are strong in a weak economy, Amtrak has been here all along and he is very grateful. He would be delighted if the current Amtrak employees stayed with the new operator.

Director Liz Kniss arrived at 10:07 a.m.

Roland LeBrun, San Jose, said last week's California High Speed Rail Authority (CHSRA) meeting was a turning point. It basically shows which way Governor Jerry Brown is headed and how he plans to put this train wreck back on the tracks.

Greg Conlon, Atherton, said he sent a letter to the California Public Utilities Commission and appeared in front of them seeking funding for quad gates at Watkins Avenue in Atherton.

Pat Giorni, Burlingame, welcomed Director Nolan to the Board. She said there was a total of 135 bicyclists bumps in June and July and 57 bumps in August. She said it is too bad that

Amtrak will no longer be operating Caltrain. She said the Capacity Analysis Report was released and she would like to hear an update on the Caltrain Modernization Program.

Director Ash Kalra arrived at 10:11 a.m.

CONSENT CALENDAR

- a. Approval of Minutes of July 7, 2011
- b. Information on Preliminary Statement of Revenues and Expenses for June 2011
- c. Authorize Award of 10 Contracts for On-call Informational Technology Consulting and Support Services for a Not-to-Exceed Amount of \$8,500,000 for a Three-year Term
- d. Authorize Award of Contract to Day Wireless Systems for Narrowbanding of the JPB Voice Radio System for a Total Not-to-Exceed Cost of \$547,723

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

CHAIRPERSON'S REPORT

Appointment of Citizens Advisory Committee (CAC) Member Scott Klemmer, Representing San Francisco County

Director José Cisneros said six applications were received for a vacancy on the CAC and the San Francisco Selection Committee recommends Scott Klemmer to complete a term which will expire on June 30, 2012.

A motion (Cisneros/Nolan) to approve the appointment of Mr. Klemmer was approved unanimously.

REPORT OF THE CAC

CAC Chair Bruce Jenkins reported:

- Certificates of Appreciation were presented to outgoing members Francois Granade and Mona Tekchandani.
- An Operation Lifesaver presentation was given by Public Information Specialist Tasha Bartholomew and Manager of Rail Operations Rick Degman.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Michael Scanlon welcomed Director Nolan to the Board.

Proclamation Declaring September as "Railroad Safety Month"

Mr. Scanlon said safety is taken very seriously and there have been 12 fatalities on the right of way already, which is one more than last year. Last year all 11 fatalities were ruled suicides.

Public Information Officer Christine Dunn said staff is asking the Board adopt the proclamation designating September as "Railroad Safety Month" in conjunction with Operation Lifesaver. Over the past year Caltrain has taken several steps to increase safety.

- Staff is moving forward with the \$147 million San Bruno Grade Separation project which will elevate the Caltrain tracks over three at-grade street crossings.
- A project to eliminate the narrow center boarding platform at the Santa Clara Station is almost complete.
- Staff has continued the education outreach efforts and recently added six Caltrain employees as certified Operation Lifesaver presenters.

- Caltrain is participating in a national study to evaluate the effectiveness of suicide prevention signs. Last year 250 signs were installed along a 10-mile stretch between Menlo Park and Mountain View. The signs have a phone number to a local crisis center and calls are tracked.
- Transit Police, a dedicated unit of the San Mateo County Sheriff's Office, have helped keep the railroad safe. This year the Transit Police have made 43 arrests, ejected or made contact with over 200 people engaged in unsafe behavior around the railroad and conducted 13 interventions.
- Since the 1990's, Caltrain has partnered with Operation Lifesaver to spread the word about the importance of railroad safety.

Director Lloyd introduced Vic Ryerson from California Operation Lifesaver who accepted the proclamation.

Mr. Ryerson thanked Caltrain, on behalf of California Operation Lifesaver, for its continued and long-term partnership. This is the third year Caltrain has proclaimed September as Railroad Safety Month. The Caltrain Operation Lifesaver presenters are very passionate in getting the message out.

A motion (Kniss/Kalra) to declare September as "Railroad Safety Month" was approved unanimously by roll call.

Mr. Scanlon continued:

- Key Caltrain Performance Statistics
 - Monthly Performance Statistics – June 2011 compared to June 2010
 - a. Total Ridership was 1,189,173, an increase of 12.6 percent.
 - b. Average Weekday Ridership was 44,453, an increase of 11.6 percent.
 - c. Total Revenue was \$4,890,895, an increase of 25.2 percent.
 - d. On-time Performance was 88 percent, a decrease of 6.4 percent.
 - e. Caltrain Shuttle Ridership was 6,944, an increase of 32.1 percent.
 - Year-to-Date Performance Statistics – June 2011 compared to June 2010
 - f. Total Ridership was 12,673,420, an increase of 5.9 percent.
 - g. Average Weekday Ridership was 39,909, an increase of 5.6 percent.
 - h. Total Revenue was \$49,025,747, an increase of 14.5 percent.
 - i. On-time Performance was 92.8 percent, a decrease of 1.4 percent.
 - j. Caltrain Shuttle Ridership was 5,312, a decrease of 3.2 percent.
 - Monthly Performance Statistics – July 2011 compared to July 2010
 - k. Total Ridership was 1,166,044, an increase of 7.7 percent.
 - l. Average Weekday Ridership was 44,127, an increase of 8.4 percent.
 - m. Total Revenue was \$4,996,833, an increase of 26.4 percent.
 - n. On-time Performance was 92.1 percent, a decrease of 1.6 percent.
 - o. Caltrain Shuttle Ridership was 6,451, an increase of 27.2 percent.
- The Bicycle Advisory Committee (BAC) met on July 21 and welcomed new member Adina Levin representing San Mateo County. The BAC discussed the Bicycle Access and Parking Plan and received an update on planning activities at the Diridon Transit Station.

- Special event service includes:
 - Giants had 16 home games in August and year-to-date ridership increased 8 percent over last year.
 - Caltrain will be making stops at Stanford Stadium Station before and after Cardinal football games.
 - Extra service will be provided for the University of California Bears football games at AT&T Park.
- Two major construction projects are progressing.
 1. The Jerrold Avenue Bridge replacement in San Francisco will be replaced in early to mid-October. This replacement will require a full shut down of the railroad to cut out and slide out the old bridge and slide the new bridge in. This work will be done overnight with single tracking over one weekend.
 2. The South Terminal Project is 85 percent complete and the last critical piece is cutting over to the new control phase. Service will be shutdown between Santa Clara and Diridon stations for one weekend in mid-October to do the work and a bus bridge will be provided between the two stations.
- The current operator of the bicycle station in San Francisco is having difficulties and Real Estate staff is working with the operator to maintain service.
- The Safety and Security Report is a combined report for June and July.

Mr. Scanlon said people are tending to jump to conclusions on High Speed Rail (HSR) and there is a lot of work that needs to be done for blended service and the community outreach. People just need to slow down because there is a lot of work that needs to be done.

Marian Lee, Acting Director of Caltrain Modernization Program, reported that a few weeks ago an update was sent to the Board on the preliminary findings on the Capacity Study. The essential question is if a blended system concept is doable for the corridor. This is a concept that was called by Congresswoman Anna Eshoo, State Senator Joe Simitian and Assemblyman Rich Gordon. The essence of their concept is to advance both the Caltrain electrification project as well as the HSR program in a way that minimizes the impacts to the communities along the corridor. They are looking for a project that is smaller, scaled back and essentially calls for both systems utilizing the tracks currently out there today. This varies from the concept that was contemplated by HSR close to a year ago when they were looking for a full-build system with separate tracks. Staff's analysis was done by LTK Engineering Services who have particular expertise in the rail operations industry and have been working with Caltrain for a long period of time. LTK not only knows the industry, but the particularities of the Caltrain system.

Ms. Lee said staff has reached a critical milestone by defining what is known at this point. Caltrain is comfortable with saying the blended system is doable. The model that was created was essentially a virtual world of the right-of-way looking at the system from San Jose Diridon Station to the 4th and King Station in San Francisco. The model is "designed blind." This means the simulation model knows what tracks it has, the attributes of the signal system and the attributes of the train. Given this information the model would be able to run the train through the corridor in the virtual world. It does not know if the tracks are elevated, at grade or below grade. Ms. Lee said she wanted to highlight this because there has been speculation that a design decision has been made and that is not true. Assuming the system is completely electrified, six Caltrain trains are being run combined with implementation of the advanced signal system. Assuming three HSR stops the model shows that two HSR trains can be accommodated along

with six Caltrain trains. Ms. Lee said a single HSR train works very effectively. The model shows two HSR trains work, but the trains are running quite tightly so staff will be looking at that scenario more closely. Another scenario was to see if capacity could be increased. Staff looked at adding four-track sections in particular areas within an 8-mile area and as Caltrain is making local stops HSR trains would use these tracks to bypass the local train. The most effective location for passing tracks would be a section between Hayward Park and Redwood City. A decision has not been made on the section yet, but this was a section that was tested in the model and allowed for the best operational effectiveness. With the passing tracks the model shows it can support more than two HSR trains. Staff is very comfortable with three HSR trains, but when the fourth train is added the trains are running closer together.

Outreach in all three counties has been done for the last two weeks and will continue through this month. Staff has met with the San Mateo County Rail Working Group and Friends of Caltrain and will be meeting with the Paratransit Coordinating Council on September 16. Comments received so far include contemplation of requesting Caltrain to extend the area tested by the model to include the Transbay Terminal. Ms. Lee said the public has asked that the blended system meet the future needs of freight and passenger service, that a range of station stopping patterns be considered for the corridor and local community and that all options are looked at for possible locations of the passing tracks.

Ms. Lee said the next step, beyond outreach, includes coordinating with CHSRA the due diligence and preliminary findings. Staff is especially interested in transferring the knowledge of what has been done through the model and applying it to the real world of the corridor. There were discussions how the segment will get addressed in a HSR Business Plan. She said there is an updated draft Business Plan that will be released in mid-October and there is the pending request from the attorney general's office for an opinion whether the blended system concept meets the Proposition 1A requirements. There are ongoing discussions about how the blended system can get environmental clearance. Staff will be completing the Capacity Analysis by roughly the end of September. Ms. Lee said staff will start preparing for a discussion on design.

Public Comment

Jerry Carlson, Atherton Councilmember, said he there has been a lot of confusion on the Capacity Analysis Study and it shows that Caltrain and HSR can co-exist on the tracks. Further clarification is needed on what Caltrain hopes to get out of this analysis. CHSRA Executive Director Roelof van Ark said this is an initial step in the phased approach to a full build out of HSR. Mr. Carlson said this is a real stumbling block for Atherton as they oppose HSR on the Caltrain corridor.

Pat Giorni, Burlingame, said she is not comfortable that there is enough in the analysis. She said back in 2008 the vision was 12 trains per hour with Caltrain electrification. This preliminary study downgrades, by 50 percent, and gives into HSR with the commuters being affected.

Greg Conlon, Atherton, said the Capacity Study doesn't show bullet trains and staff should anticipate they will no longer run because people will ride HSR.

Roland Lebrun, San Jose, said HSR should only run only in the peak hours.

Adina Levin, Friends of Caltrain, thanked Caltrain staff for being so proactive on the Capacity Study outreach to the community. There is fear on how change will affect the community but the outreach is building support and reducing fears. One suggestion is to include multiple scenarios for ridership and include in the different scenarios the cost benefit with revenue and ridership.

Irvin Dawid, Sierra Club, thanked Ms. Lee for the excellent presentation at their last meeting. The Sierra Club supported Proposition 1A and still maintains support for HSR. He said it is up to the individual chapters to make comments on the individual alignments. The local Sierra Club said the blended system is a win for Caltrain and electrification. Mr. Dawid said more information is needed on the eight miles of passing tracks between Hayward Park and Redwood City.

Chair Elsbernd thanked Ms. Lee for an excellent presentation and clearing up some of the rumors.

ACCEPTANCE OF STATEMENT OF REVENUES AND EXPENSES FOR JULY 2011

Deputy CEO Gigi Harrington said revenues are over budget mostly in fare revenue. Expenses are within budget. She said fuel was \$3 per gallon last week and the fuel hedge was tripped in July and August.

A motion (Nolan/Lloyd) to accept the July 2011 statement was approved unanimously.

ACCEPTANCE OF QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET REVIEW AND OUTLOOK FOR THE QUARTER ENDED JUNE 30, 2011

Bill Osher, CSI Group, said the portfolio remains very safe and liquid. There is some uncertainty and the investment maturities have been kept quite short and any investments that have reached maturity have been rolled into the Local Agency Investment Fund, which is very liquid and safe. There have been a few developments including the United States Treasury debt downgraded by Standard and Poor's. He feels the downgrade of the United States government debt is not a credit issue but a statement about how the United States stands against other countries. Mr. Osher said credit isn't the issue, but what is the issue is this downgrade did represent an end to stimulus fiscal policy, not just here but globally. As a result interest rates have fallen to unprecedented levels and will be around for quite some time.

A motion (Lloyd/Nolan) to accept the quarterly investment report and fixed income market review and outlook for the quarter ended June 30, 2011 was approved unanimously.

UPDATE ON THE EXECUTION OF THE FUEL HEDGING PROGRAM

Ms. Harrington said the fuel hedge was purchased on June 27, 2011 and closed on June 30, 2011 at \$2.90 per gallon.

Public Comment

Greg Conlon, Atherton, said San Francisco is hedging 100 percent and Caltrain is only hedging 50 percent. He wondered why 100 percent wasn't locked in for Caltrain to save money and certainty.

AUTHORIZE AWARD OF CONTRACT TO TRANSITAMERICA SERVICES, INC. TO PROVIDE RAIL OPERATIONS, MAINTENANCE AND SUPPORT SERVICES FOR A TOTAL COST OF \$398,591,286 FOR A FIVE-YEAR TERM

Director of Rail Operations, Michelle Bouchard made the following points:

- The current contract expired on June 30, 2011. The agency last sought proposals for the service 10 years ago.
- Staff decided to competitively procure this service because it's good Federal procurement practice and market conditions have changed over the last 10 years.
- A Request for Proposal (RFP) was issued in May 2010 and five proposals were received. Four were deemed sufficiently competitive to advance to the evaluation process.
- Today's recommendation comes after a 16-month process.
- Based on process and due diligence that was done, staff is recommending award of a contract to TransitAmerica Services, Inc. (TASI).
- TASI was selected because of the following:
 - They were deemed the best overall proposal and most align with the JPB vision of the service.
 - They had the highest quality management team.
 - They have a model that has local authority and local autonomy, but when the local entity needs to reach back to the parent organization, the parent organization is very flexible and adapts to the needs of the customers.
 - They offered an optimal staffing plan and organization all within the 13(c) requirements of the RFP and the contract.
 - Staff visited clients of TASI and had excellent references.
- The JPB is a signatory to Federal 13(c) requirements which requires anyone that comes in to operate the railroad guarantees employment, opportunities, recognizes the existing bargaining units, provides the same levels of wages and benefits and provides railroad retirement.
- JPB staff has briefed local and national union leadership and clarified labor protections.
- TransitAmerica is prepared to meet all labor unions after award of contract to respond to questions and negotiate implementing arrangements.
- Evaluation criteria included qualifications and experience, management, operations and maintenance plans and cost proposal.
- All four firms submitted best and final offers. Through negotiations, TransitAmerica's cost proposal was further reduced.
- No protests were received from the proposers.
- The contract is a cost plus performance fee structure. It compensates based on contractor's level of performance in areas critical and important to the JPB.
- Next steps include Board approval today; issue a notice to proceed after the meeting and begin the new contract service in Spring 2012.

Mr. Scanlon said these were not bids, but a competitive procurement. This agency was fully committed to labor protections in place for the men and women who operate the railroad to have the opportunity to continue to operate it, should they so chose. Staff is not rejecting Amtrak. They have been an outstanding partner for 20 years and have done a great job under very difficult circumstances. Mr. Scanlon thanked the advisory committee, Chair Elsbernd, Director Yeager and the late Director Omar Ahmad in overseeing the staff. He commended a staff of 30 people who put out a process and lived by a process where the playing field was level. Mr. Scanlon plans on advancing this process to the national association as a best practice for a

way to procure a contract. The fact that none of the other bidders chose to file a protest speaks volumes because this is an industry when these types of contracts are available it is very competitive. He strongly recommends the Board approve the recommendation by staff.

Public Comment

Doug Bloch, Teamsters Joint Council 7, said there are over 90,000 members in Northern California, Nevada and Central Valley and proudly represent Amtrak employees at Caltrain. He recognized the hard work of staff and said the Teamsters have not been as involved in the process as they should have been. They are very concerned that the contractor chosen does not have the experience to meet the challenges of running this operation. Mr. Bloch said the winning bidder was graded higher than Amtrak in areas of experience and knowledge of running heavy rail operations. He is here to ask Board to delay making a decision for one month so that the process can be looked at.

Doug DeLong, Mountain View, said the fact that no protests were received shows the integrity of the process that was done by staff. He feels quite confident in staff's decision and supports the recommendation.

Roland Lebrun, San Jose, said a train owning company collects fares and pays money back to use the tracks. If this contract is awarded the same business model will be carried forward for the next ten years. If this business model can not work with Caltrain or MetroLink it will never work with HSR.

Pat Giorni, Burlingame, asked that passengers be reassured that there will not be a reduction in staff in maintenance and operations and that there will continued to be two conductors on every train.

Chair Elsbernd asked about TASI's knowledge of electrification and HSR and how will they partner with Caltrain as these are moved forward. Ms. Bouchard said this was a procurement of management services and TASI has excellent experience operating through construction. In addition the local management team have experience operating in an electrified territory.

Chair Elsbernd asked about their safety record. Ms. Bouchard said Herzog Transit Services, Inc., the parent company of TASI, has an excellent safety record and it translates to a safety culture where they operate.

Director Nolan said he is very impressed with the work staff did on this procurement. He is concerned that Amtrak is always in such a precarious position and has there been any talk on what the award of this contract to another contractor will do to them.

Mr. Scanlon said he personally called Joe Boardman, President and Chief Executive Officer at Amtrak to inform him that they were not the successful bidder. He was disappointed, but he put out an internal memo to employees that it was disappointing but wanted to make sure the transition goes very smoothly. Everyone thinks highly of Amtrak, but this was a competitive process that was totally fair and they just got beat.

Director Nolan would look forward to ways this organization can offer concrete support to Amtrak.

Director Kalra thanked staff for all their hard work on this procurement. He asked about the current contract that just expired and did it have options. Ms. Bouchard said this was a five-year contract with five one-year options which were all executed.

Director Kalra said Amtrak has operated the service for a number of years and yet their scoring was so low. Ms. Bouchard said TASI was so much more distinguished, including customer service and proposed management team.

Director Kalra said his office was contacted about the fear of an exodus of employees and are there assurances that these fears can be allayed right now.

Legal Counsel David Miller said staff and TASI have made it clear that the employees will be protected. What is unique in the JPB situation is that we are signatory to a 13(c) agreement or labor protection agreement that protects the employees and the existing collective bargaining agreements in place will be honored. To start off, the employees will have railroad retirement, Federal Employers Liability Act (FELA) and union recognitions. This also stems from the fact that the Department of Labor, many years ago, when the JPB first sought grants from the Federal government from the Federal Transportation Association, mandated these protections so the JPB is behind this, not just TASI.

Director Kalra asked if there is any labor unrest at TASI. Ms. Bouchard said there have been none.

Director Lloyd said he assumes all the crews will be protected with this new contract.

Director Ken Yeager said it was a pleasure to work on this process with Chair Elsbernd. He felt staff did an outstanding job of keeping the committee informed and answering and addressing concerns. His understanding with 13(c) is there are also wage guarantees. Mr. Miller said wages and benefits are protected.

Public Comment

John McArthur, Brotherhood of Railroad Signalmen, representing Signal Employees, said one of his concerns is that this contract would put the contractor fees at risk and if the contractor fees become at risk what can the employees expect. He said the new operator must provide full employment, recognition of existing unions, wages and benefits, railroad retirement and FELA so will there be a need for implementing agreements or will the current agreements just be signed-off.

Mr. Miller said if the Board awards the contract the first order of business is the process of implementing the 13(c) agreement and making sure employees are given appropriate notice, opportunity to apply and for TASI to set out its business plan.

Ms. Bouchard said there is a distinction between the fee that would be paid for as “performance as profit” versus the “base contract.” All the direct costs of the contract will be reimbursed to the contractor. The fee at risk is the profit that is paid out via performance and the performance goals were negotiated and agreed upon by staff and TransitAmerica.

Director Kniss said the Board has taken this award of contract very seriously. The analysis that staff did was incredibly thorough and she is very impressed by how many fieldtrips staff took and the number of people they spoke with.

Chair Elsbernd thanked staff for the incredible amount of work that was done on this contract. By not having any protests today is a true testament to the great work that was done. Director of Contracts and Procurement Cheryl Cavitt, Senior Contract Officer Julie Taylor, Deputy Director of Rail Contracts Jerry Willard and Ms. Bouchard were all recognized for their great work on this contract.

A motion (Kniss/Nolan) to award a contract to TransitAmerica Services, Inc. to provide rail operations, maintenance and support services was approved unanimously by roll call.

AUTHORIZE APPROVAL TO INCREASE THE EXECUTIVE DIRECTOR'S CHANGE ORDER AUTHORITY BY \$1,500,000 FROM \$2,412,700 TO \$3,912,700 WITH SJ AMOROSO CONSTRUCTION COMPANY, INC. FOR THE SOUTH TERMINAL AND SANTA CLARA STATION IMPROVEMENT PROJECT

Deputy CEO Chuck Harvey said Staff Coordinating Council (SCC) is asking the Board to authorize the execution of a change order authority increase for the South Terminal and Santa Clara projects. He said these projects are 85 percent complete, but during the construction period some unknown soil conditions were found where new tracks were laid. Mr. Harvey said this increase requires no additional funds from the JPB or member agencies.

Director Kniss left at 11:52 a.m.

A motion (Nolan/Lloyd) to increase the Executive Director's change order authority by \$1,500,000 with SJ Amoroso Construction Company, Inc. for the South Terminal and Santa Clara Station Improvement Project was approved unanimously by roll call.

AUTHORIZE AN APPLICATION FOR \$16 MILLION IN FEDERAL RAIL ADMINISTRATION FUNDS THROUGH THE CALIFORNIA HIGH SPEED RAIL AUTHORITY FOR THE CALTRAIN COMMUNICATION-BASED OVERLAY SIGNAL SYSTEM/POSITIVE TRAIN CONTROL PROJECT

Director of Budgets and Grants April Chan said SCC is requesting the Board authorize the executive director to execute any agreements, certifications or assurances required to receive a \$16 million Federal Railroad Administration (FRA) grant for the Caltrain Communication-Based Overlay Signal System (CBOSS)/Positive Train Control Project (PTC). Back in June the FRA awarded a \$16 million grant to the CHRSA for the CBOSS/PTC project. This action will allow staff to accept the funding through the CHSRA. This amount was budgeted in the Fiscal Year 2012 Capital Budget.

Director Ash Kalra left 11:54 a.m.

Public Comment

Roland Lebrun, San Jose, said staff should work with MetroLink and come up with a blended system and something everyone will agree on.

Jerry Carlson, Atherton Councilmember, said recently he was in a meeting with the chief of staff of CHSRA and the subject of PTC came up and the question was asked why MetroLink and Caltrain are doing the same project with the same type of product and why isn't CHSRA playing a role to come up with national standards.

Pat Giorni, Burlingame, said CBOSS is needed for electrification. The original electrification called for 12 trains per hour and the critical analysis is calling for six trains per hour.

Jim Bigelow, Redwood City/San Mateo Council of Chamber, said CBOSS and funds to get to electrification are necessary for meeting the blended goals of the preliminary study to operate on the Caltrain corridor.

A motion (Nolan/Lloyd) to authorize an application for \$16 million in Federal Rail Administration funds through the California High Speed Rail Authority for the Caltrain Communication-Based Overlay Signal System/Positive Train Control Project approved unanimously by roll call.

LEGISLATIVE UPDATE

Government Affairs Manager Seamus Murphy reported:

- This week SB791 was introduced that would allow regional transportation organizations, such as the Metropolitan Transportation Commission, to impose a gasoline surcharge to fund transportation and transit programs, including transit operations, if approved by a majority of the regions voters. Staff has been working with the delegation and leadership in Sacramento over the last several weeks to identify potential legislation that would help address Caltrain's ongoing structural deficit. This bill, if passed, could result in an ongoing source of revenue for a number of regional transportation needs, including a dedicated source of funding for Caltrain. This is the end of the session and the calendar is filling up. The Assembly speaker's willingness to schedule a hearing on this bill is questionable. Staff is working with the delegation and a number of regional stakeholders to make sure this bill is given a hearing and moved through the process and signed by the governor.
- At the Federal level, it will be two years since the expiration of the Surface Transportation Program. There have been short-term extensions since then and will need another one by the end of this month. On August 31 the Administration called on Congress to move forward with an extension and cautioned against letting the reauthorization expire. Staff expects anywhere from a four-to-six month extension and during that time Congress would continue to debate how longer-term authorizations would be structured and funded. The House is continuing to push for a six-year bill that would make dramatic across-the-board cuts and the Senate is pushing for a two-year bill that maintains existing spending levels. A Senate proposal would require \$12 billion in additional revenue to support the Highway Trust Fund. There may be some support from Senate Republicans to move forward with this alternative if they can find the revenue through the repeal of funding provisions in the Healthcare Reform Bill. The Senate may act first and put pressure on the House to move forward with a two-year bill. Either way, the current investment in transportation programs won't last beyond the next fiscal year or the next election.

Public Comment

Vaughn Wolfe, Pleasanton, asked if the bridge toll would be incorporated into SB791.

Adina Levin, Friends of Caltrain, said she is glad to see Caltrain support for SB791 and hopes it gets a hearing and through Legislature. A regional measure is the best way to provide the funding for Caltrain, however if SB791 does not get on the ballot Caltrain needs to have another plan to have a stable funding and a three-county ballot for sales tax took backseat to SB791.

QUARTERLY CAPITAL PROGRESS REPORT – FOURTH QUARTER FISCAL YEAR 2011

No discussion

CORRESPONDENCE

In the reading file

BOARD MEMBER REQUESTS

None

GENERAL COUNSEL REPORT

Mr. Miller said it was during the years Director Nolan previously served on this Board that the efforts were made and succeeded to acquire the rail right of way. Director Nolan was a true spokesman for the acquisition, both externally and internally.

DATE/TIME/PLACE OF NEXT MEETING

The next meeting will be Thursday, October 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.

ADJOURNED

Adjourned at 12:06 p.m.