

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

MINUTES

September 24, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

1. Roll Call

Chairman Mathis called the Board meeting to order at 8:59 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. McClellan moved to approve the minutes of the August 20, 2009, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comments

There were no public comments.

4. Presentation by the Transportation Security Administration

The presentation by the Transportation Security Administration was postponed.

CONSENT ITEMS

6. MTS: Disadvantaged Business Enterprise (DBE) Approval of FY 10 Goals for Publication
Action would approve the proposed disadvantaged business enterprise (DBE) goals for FY 10 and authorize staff to publish a notice of these proposed goals for public information and comments.

7. MTS: South Bay Bus Maintenance Facility Acquisition Project Right-of-Way Services
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. 09.01.01 to MTS Doc. No. G1246.0-09 with David Evans and Associates, Inc. for right-of-way services as required for the expansion of the South Bay Bus Maintenance Facility.

8. MTS: Resistor Blower Motor Control Systems - Contract Award
Action would authorize the CEO to execute MTS Doc. No. L0890.0-09 with Sloan Electromechanical Service & Sales for a one-time purchase of 54 resistor blower motor conversion systems (which includes 2 spares) for light rail vehicles (LRVs).

9. MTS: Light Rail Vehicle (LRV) Heating, Ventilation, and Air-Conditioning (HVAC) Overhaul - Contract Award
Action would authorize the CEO to execute MTS Doc. No. L0894.0-09 for a five-year contract with Ram Industrial Services, Inc. to overhaul light rail vehicle (LRV) heating, ventilation, and air-conditioning (HVAC) units.

10. MTS: Bus Rapid Transit (BRT) Station Janitorial Maintenance - Contract Award
Action would authorize the CEO to execute MTS Doc. No. G1257.0-09 with Prizm Janitorial Services for a three-year base period with 2 one-year options for janitorial services at the Sabre Springs, Rancho Bernardo, and Del Lago bus rapid transit (BRT) stations.
11. MTS: Investment Report - July 2009
Action would receive a report for information.
12. MTS: State Transit Assistance Claims
Action would adopt Resolution No. 09-22 approving the revised fiscal year (FY) 2009 State Transit Assistance (STA) claims.

Action on Consent Items

Mr. Ewin moved to approve Consent Agenda Item Nos. 6-12. Mr. McClellan seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:01 a.m.

- a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to California Government Code section 54956.9(b) (One Potential Case)
- b. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code section 54956.8
Property: Assessor's Parcel No. 547-200-51, 52, & 53, City of San Diego at 220 47th Street
Agency Negotiators: Tiffany Lorenzen, MTS General Counsel; Tim Allison, Manager of Real Estate Assets; Gerald Trimble, Keyser-Marston Associates, Inc.
Negotiating Parties: Creekside Holdings, Ltd., a Utah Limited Partnership
Under Negotiation: Price and Terms of Payment

The Board reconvened to open session at 9:33 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. The Board received a report from General Counsel.
- b. The Board received a report and gave direction to agency negotiators.

PUBLIC HEARING

25. There were no public hearings.

DISCUSSION ITEMS

30. MTS: Southern California Consortium Disadvantaged Business Enterprise (DBE) Disparity Study

MTS General Counsel/Disadvantaged Business Enterprise (DBE) Liaison Officer Tiffany Lorenzen introduced David Keen, Managing Director with BBC Research & Consulting. Mr. Keen gave a PowerPoint presentation on the Draft Disparity Study.

Mr. Keen described the federal DBE program background and the ruling prompting MTS's discontinued use of DBE contract goals in May 2006. He reviewed the process of conducting the disparity study working jointly with SANDAG, Metro, Metrolink, and OCTA. Ms. Lorenzen clarified that the date of the public forum will be held on October 21, 2009, from 3:00 p.m. to 7:30 p.m. at SANDAG. Mr. Keen explained that those comments will be incorporated into the final report that will be developed at the end of the year.

Mr. Keen reviewed MTS's annual aspirational goal and DBE percentages of locally and Federal Transit Administration- (FTA)-funded contracts.

Mr. Keen informed the Board that MTS has a high overall utilization of minority and women-owned businesses. He wrapped up his presentation with BBC's neutral programs for MTS's consideration for next fiscal year's goals.

Ms. Lorenzen clarified for Mr. Young that staff will be implementing BBC's recommendations and will return to the Board with that information in January.

Mr. Keen clarified for Mr. Young that the time period referenced on the graph entitled "MBE/WBE Share of Prime/Subcontract Dollars" (on page 3 of the PowerPoint presentation) was the year and a half in the study immediately after MTS discontinued its DBE contracts goals program. Ms. Lorenzen added that the program was discontinued in response to the Western Paving case that she briefed the Board on wherein the court determined that the State of Washington's DBE program was unconstitutional, and in May 2006, the California Department of Transportation (Caltrans) told MTS that it could not have contract-specific goals.

Mr. Keen explained for Mr. Young the different types of contracts that MTS puts out for bid compared to other companies that have much larger contracts. He added that the change in the program suspending contracting goals did not affect MTS that much. Mr. Keen also clarified for Mr. Young that he couldn't say if MTS would have the same DBE goals results today as it did before the program was suspended.

Ms. Lorenzen clarified for Mr. Young that the graph entitled "MBE/WBE Share of Prime/Subcontract Dollars" (on page 3 of the PowerPoint presentation) illustrates that MTS had race-conscious goals prior to the program being suspended and nonrace-conscious goals afterward, and MTS's participation continued to grow.

Mr. Young stated that he feels that SANDAG is not the best forum for the public input and that other ways to hold the forum should be considered.

Ms. Lorenzen clarified for Mr. Jones that MTS and SANDAG each contributed \$50,000 for the Disparity Study. The other consortium groups contributed much more because they have more contracting opportunities that need to be studied. She added that the total for the full study was about \$700,000 and estimated that MTS spends approximately \$30,000 to \$40,000 per year on the DBE program. Ms. Lorenzen also clarified the definitions of race-neutral and race-conscious and explained the steps that MTS takes to inform the public of its DBE goals.

Ms. Lorenzen clarified for Mr. Jones that BBC identified 538 MTS procurements that were FTA-funded within the study period, and those procurements represent \$453 million. Mr. Keen will provide a figure in the final report reflecting the total dollar amounts of the percentages of DBEs in FTA-funded and locally funded contracts. Ms. Lorenzen added that Agenda Item No. 6 going to the Board today shows the value of \$7.9 million for capital projects funded for FY 2010 with opportunities for DBE participation.

Mr. Keen clarified for Ms. Lightner that the time periods reflected on the "MBE/WBE Share of Prime/Subcontract Dollars" graph reflect when the contracts were initiated. Ms. Lightner suggested breaking it out by how much is spent each year. Mr. Keen also clarified for Ms. Lightner that the final report will reflect all solicited input.

Action Taken

Mr. Rindone moved to receive a report regarding the Southern California Consortium DBE Disparity Study that MTS has participated in over the last 18 months. Mr. McClellan seconded the motion, and the vote was 15 to 0 in favor.

31. MTS: Blue and Orange Line Rehabilitation Project Update and Light Rail Vehicle (LRV) Procurement

Chief Executive Officer (CEO) Paul Jablonski explained that the Blue and Orange Line Rehabilitation Project is a SANDAG early action project that will rehabilitate the line over the next three years and accommodate new low-floor Siemens LRVs. He stated that MTS and SANDAG staffs have been very busy this summer working on both aspects of this project—most specifically taking advantage of negotiation options for low-floor Siemens LRVs through Utah Transit Authority's contract.

John Haggerty with SANDAG gave a PowerPoint presentation on the LRT Rehabilitation and Low-Floor System Program Update. The presentation included light rail transit improvement conceptual estimates and low-floor program projects in the FY 2010 SANDAG budget. Mr. Haggerty described the project's organization overview and program management. He discussed current issues and planned improvements to the Green, Orange, and Blue Lines, and the downtown stations.

Mr. Roberts commented that it is overwhelming that another project is starting that is even bigger than the Mission Valley East Project. Mr. Haggerty responded to a question from Mr. Roberts stating that no contractors or subcontractors have been formally disqualified from MTS projects due to a less than favorable working relationship with MTS on past projects. Mr. Roberts stated that he would like the evaluation criteria for hiring contractors and/or subcontractors for the project to exclude any of those who might be involved in legal issues with MTS.

Per Mr. Rindone's request, Mr. Haggerty will look into the possibility using some of the SANDAG stimulus money for the design of the overpass or grade separation at E, H, and Palomar Streets in Chula Vista and report back to the Board.

Mr. Ewin stated that he would like to have assurances that those in a position of oversight have reviewed the issues relative to subcontractor/contractor performance so that some of the issues experienced on the Green Line are not repeated.

Mr. Haggerty clarified for Mr. Gloria that the Smart Corner and Park and Market stations were designed to allow for raising the platforms at future dates as a cost-effective measure.

MTS Chief Operations Officer (Rail) Wayne Terry gave a PowerPoint presentation on the contract negotiations for the Siemens S70US LRVs. He reviewed progress to date and comparisons between the old cars and the new S70US LRVs. Mr. Terry also presented information comparing recent industry procurements and costs and a breakdown of the costs and funding for the new S70US LRVs.

Mr. Roberts stated that this project is going to be critical in resolving the issues with the LRVs on C Street, but his only concern is the name "Ultrashort" because it projects an image of less for our customers.

Mr. Faulconer commended everyone involved on their hard work on this project and added that this is a terrific movement forward for the entire system.

Mr. Jablonski clarified for Mr. Young that Siemens is giving MTS a credit in the contract to add closed-circuit televisions (CCTVs) and Automatic Passenger Counters (APCs). Mr. Mathis added that the CCTVs are recorders and do not transmit live feed. Mr. Jablonski clarified that the recordings are inspected daily and are available for two weeks.

Action Taken

Mr. Rindone moved to:

1. authorize the CEO to execute a contract with Siemens for procurement of a minimum of 57 low-floor S70 Ultrashort light rail vehicles, in an amount not to exceed \$224 million, contingent upon SANDAG fully funding the project and MTS staff completing all FTA procurement procedures; and
2. authorize the CEO to execute a Memorandum of Understanding with SANDAG to fully fund the project.

Mr. Young seconded the motion, and the vote was 15 to 0 in favor.

REPORT ITEMS

45. MTS: Operations Budget Status Report for June 2009

Assistant Budget Manager Mike Thompson gave a PowerPoint presentation on MTS's preliminary financial results through June 2009. Mr. Thompson reviewed revenues and expenses noting total revenue of \$339,000. He added that FY 2009's budget included a carryforward of \$1,750,000 to FY 2010, so revenue versus expenses was approximately \$2.1 million.

Mr. McClellan moved to receive a report on the Metropolitan Transit System's (MTS's) operations budget status for June 2009. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

46. Number not used

47. MTS: Report on Automatic Passenger Counters for Light Rail Data Collection and Capital Improvement Project Funds Transfer for Their Purchase

MTS Planner Devin Braun gave a PowerPoint presentation on Trolley Automatic Passenger Counters (APCs). Mr. Braun explained the current ridership estimation program conducted by SANDAG and the issues with inaccuracies, which affects federal funding and service levels. Mr. Braun described how the APCs operate adding that MTS currently uses them on 130 of its buses. He also reviewed the specifications and the costs.

Mr. Mathis clarified that the 53 APCs will be going onto cars that won't be phased out. He added that trying to track where riders are getting on and off has been problematic, and getting good statistics will help to better manage the fleet, which is very important.

Mr. Ewin asked if the APCs would enable staff to do an algorithm on actual trips or aspects of farebox recovery. Mr. Jablonski responded that fare evasion is only conducted by inspections.

Mr. Gloria moved to:

1. receive a report on Automatic Passenger Counters (APCs) as a tool for data collection for trolley operations; and
2. approve the transfer of \$1.5 million in State Transit Assistance funds and MTS Capital Improvement Program (CIP) funds from the South Bay Land Acquisition Project to create a CIP for trolley APCs.

Mr. Ovrom seconded the motion, and the vote was 11 to 0 in favor.

48. MTS: Annual Service Performance Monitoring Report

MTS Planner Devin Braun gave a PowerPoint presentation on the FY 2009 Annual Service Performance Monitoring Report. He stated that even though ridership has declined, service ran more efficiently due to service cuts and changes in FY 09. Mr. Braun reviewed the charts and graphs within the presentation, which included numbers submitted by the trolley ridership estimation program from SANDAG. Mr. Jablonski added that there is a problem with the accuracy of the trolley rider estimation calculations. He stated that the results show an increase in bus ridership and a decrease in trolley ridership when there was most likely an increase in trolley ridership. Mr. Jablonski explained that MTS is obligated to report ridership numbers for the National Transit Database as part of its funding requirements, but that the numbers presented most likely understate the true performance on the system.

Ms. Boyack moved to receive a report for information. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor.

60. Chairman's Report

Mr. Mathis announced that at noon today in the Board of Directors conference room, there will be a press conference to announce the Board's action to procure 57 low-floor S70 Ultrashort light rail vehicles.

61. Audit Oversight Committee (AOC) Chairman's Report

Mr. Jablonski stated that the next meeting will be on the same day as the next Executive Committee meeting (which has been rescheduled for October 15, 2009, at 9:00 a.m.). (The Audit Oversight Committee meeting will start at 9:00 a.m., and the Executive Committee meeting will follow immediately.)

62. Chief Executive Officer's Report

Mr. Jablonski proposed changes to the October meeting schedule—the next Audit Oversight Committee and Executive Committee meetings would be on October 15, 2009, at 9:00 a.m. (the Audit Oversight Committee meeting would begin at 9:00 a.m., and the Executive Committee meeting would follow immediately thereafter). The Board of Directors meeting would be on October 22, 2009, at 9:00 a.m., and there would be no other meetings in October. All Board members present were in agreement with the proposed changes.

63. Board Member Communications

None.

64. Additional Public Comments on Items Not on the Agenda

None.

65. Next Meeting Date

The next regularly scheduled Board meeting is October 22, 2009.

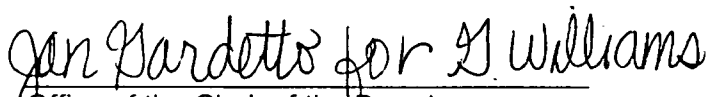
66. Adjournment

Chairman Mathis adjourned the meeting at 11:18 a.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:



Office of the Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

JGardetto/
MINUTES - Board 09-24-09.doc

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 9/24/09

CALL TO ORDER (TIME): 8:59 a.m.

RECESS: None

RECONVENE: _____

CLOSED SESSION: 9:03 a.m.

RECONVENE: 9:33 a.m.

PUBLIC HEARING: None

RECONVENE: _____

ORDINANCES ADOPTED: None

ADJOURN: 11:18 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>	9:05 a.m. (during Closed Session)	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		10:58 a.m.
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:03 a.m.	
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		10:55 a.m.
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:03 a.m.	
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>	9:03 a.m.	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	During Closed Session	
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		10:56 a.m.
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VANDEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		10:52 a.m.
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		10:54 a.m.

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Jan Gardetto for Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]

JGardetto/

9-24-09.Board Roll Call Sheet.doc