

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

November 18, 2010

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes (*taken out of order*)

Mr. Ewin moved to approve the minutes of the October 28, 2010, MTS Board of Directors meeting. Ms. Hanson-Cox seconded the motion, and the vote was 10 to 0 in favor with Ms. England abstaining.

3. Public Comments

John Wood – Mr. Wood explained that he has been an advocate for subterranean grade crossings at the Lemon Grove Depot. He has seen the Regional Plan provided by the San Diego Association of Governments (SANDAG) proposing a rapid trolley through the Lemon Grove Station and is stating his preference for a subterranean crossing so that traffic will not be affected.

Clive Richard – Mr. Richard stated that he is a strong believer that people need to be aware of what the government is doing or else they will get into mischief. He explained that last month, he came to the Board meeting and was treated rudely when entering through the security screening. He further explained that once inside the building, he was accused of his costume not being pleasing, and he will not apologize and will not be judged for his appearance. He mentioned that he will rarely be attending Board meetings in the future.

4. MTS: Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2011

Mr. Rindone moved to nominate Chairman Mathis, Mr. Roberts, and Mr. Ewin to the Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of members of the Board to serve on MTS and non-MTS committees for 2009. Chairman Mathis moved to nominate Mr. Rindone to the Ad Hoc Nominating Committee. There were no additional nominations from the floor.

The vote was 11 to 0 in favor with Chairman Mathis, Mr. Rindone, Mr. Roberts, and Mr. Ewin abstaining from voting for themselves.

CONSENT ITEMS:

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 19, 2010

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on October 19, 2010.

7. MTS: Revisions to MTS Policy No. 41 (Signature Authority) and MTS Policy No. 52 (Procurement of Goods and Services)

Action would approve revisions to MTS Policy No. 41 (Signature Authority) and MTS Policy No. 52 (Procurement of Goods and Services).

8. MTS: Investment Report - September 2010

Action would receive a report for information.

9. MTS: Regional Transportation Improvement Program Amendment

Action would forward a recommendation to the San Diego Association of Governments' (SANDAG's) Board of Directors to adopt Resolution No. 10-25 approving the amendment of the Regional Transportation Improvement Program (RTIP) to remove the Transportation Development Credits and add the newly awarded Federal Transit Administration (FTA) Clean Fuels Grant in accordance with the fiscal year 2011 Capital Improvement Program recommendations.

10. MTS: Semiannual Uniform Report of Disadvantaged Business Enterprise Awards or Commitments and Payments

Action would receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments.

11. MTS: Brake and Axle-Related Items - Contract Award

Action would authorize the CEO to execute multiple five-year contracts in response to MTS Doc. No. B0533.0-10 to the following contractors that were the lowest responsive, responsible bidders in their respective groups for brake and axle-related items: (1) Truck Trailer Transit/Axle Tech - Group A (Brake and Planetary Kits) MTS Doc. No. B0545.0-11; (2) Mohawk Mfg. & Supply Co. - Group B (Bendix Air Brake Parts) MTS Doc. No. B0546.0-11; (3) San Diego Friction Products, Inc. (Wetmore's) - Group C (Brake Drums and Rotors) MTS Doc. No. B0547.0-11; (4) North American Bus Industries - Group D (Brake Linings and Disc Brake Pads) MTS Doc. No. B0548.0-11; (5) New Flyer Industries, Inc. - Group E (Shocks) MTS Doc. No. B0549.0-11; and (6) Neopart, LLC - Group F (Air Suspension) MTS Doc. No. B0550.0-11.

12. MTS: Payroll and Human Resources Information System - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1355.0-11 with Automatic Data Processing (ADP) Incorporated to provide payroll and human resources services.

Action on Consent Items

Mr. Ewin moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11 and 12. Mr. Cunningham seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:15 a.m.

- a. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8;
Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09);
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets;
Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II;
Under Negotiation: Price and Terms of Payment

The Board reconvened to open session at 9:24 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. The Board received a report from the General Counsel.

NOTICED PUBLIC HEARINGS:

25. None.

DISCUSSION ITEMS:

30. MTS: Hosted Text Messaging System - Contract Award

This item will come back to the Board for discussion in the future. The proposed vendor withdrew their offer.

REPORT ITEMS:

45. MTS: Regional Transportation Plan Revenue-Constrained Scenarios

Dave Schumacher and Carolina Gregor from SANDAG gave a presentation to the Board regarding the 2050 Regional Transportation Plan (RTP) revenue-constrained transit network scenarios. Mr. Schumacher gave a brief overview for the project time line and stated that the draft 2050 RTP will be completed in early 2011. He stated that the unconstrained multimodal network will cost about \$145 billion. He explained that there are four different scenarios developed based on revenue constraints of \$100-\$110 billion: Transit Emphasis, Rail/Freight Emphasis, Highway Emphasis, and Fusion. He further explained that the focuses of transit modes are: High-Speed and Commuter Rail, Coaster Rail, Light Rail Transit, Express Light Rail Transit, Bus Rapid Transit, Peak Bus Rapid Transit, Rapid Bus, Streetcar/Shuttle-Circulator, and High-Frequency Local Bus Services.

Mr. Schumacher explained that Express Light Rail Transit will enhance transit by skipping stops to cut down on trip time. He further explained that Peak Bus Rapid Transit will consist of fewer stations and stops in peak corridors, and Streetcar/Shuttle-Circulator would be localized in downtown and midtown community areas, and people surveyed have been very receptive to the idea.

Mr. Schumacher discussed the projects that are common to all scenarios, existing and baseline projects, such as double-tracking of the Coaster and Sprinter and projects from the unconstrained transit network, such as rapid bus and a San Marcos Circulator. He discussed the choices between major capital investments being the Downtown Trolley Tunnel, a Kearny Mesa Guideway, UTC Coaster Station and Tunnel, and new light rail transit projects. He stated that policy decisions are going to be needed because it is not possible to pay for all of the scenarios.

Mr. Schumacher discussed a summary of transit investments by network as noted below.

	Transit Emphasis	Rail/Freight Emphasis	Highway Emphasis	Fusion Emphasis
Major Capital Investments				
Downtown Trolley Tunnel	✓	✓		
Kearny Mesa Guideway	✓		✓	✓
UTC Coaster Station/Tunnel		✓		
Investments in New Routes				
Light Rail Transit	Large	Large	Small	Large
Bus Rapid Transit	Small	Small	Large	Small
Rapid Bus	Large	Small	Large	Small
Streetcars/Shuttles	Small	Small	Small	Large

Mr. Schumacher then discussed the next steps toward finalizing the 2050 RTP meeting with the SANDAG Transportation Committee on December 10 and then the SANDAG Board of Directors on December 17. He then asked for comments and feedback from Board members.

Ms. Emerald wanted to know if there would be enough money to build the light rail emphasis plan over the 40 years. Mr. Schumacher explained that there is expected to be sufficient

funding and that each plan model is configured with the amount of funding projected. Ms. Emerald asked for further clarification, the definition of a guideway. Mr. Schumacher explained that a guideway is a dedicated right-of-way bus lane. He mentioned that it is difficult for busses to get through the Hillcrest area and Mission Valley, and that there is heavy ridership in the area; having a guideway investment would provide shorter travel times making travel through those corridors more efficient. Ms. Emerald asked if opinion surveys would be conducted through cell phones so that younger residents can have input in the future of San Diego. Ms. Gregor responded that she has heard feedback several times that more outreach needs to be done to target younger residents, and once the draft RTP is completed, more outreach will be done before the plan is finalized. Ms. Emerald commented that the younger people are ultimately the ones who are going to be using the system and paying for it.

Chairman Mathis wanted the MTS Board to have a chance to comment on the plan. He stated that Mr. Schumacher's biggest problem is putting all of the input together to combine the best of all possibilities into a Fusion scenario. He mentioned that the RTP is subject to change and is going to be a work in progress, but that the starting point of the plan is a very important foundation for layering future plans.

Mr. Jablonski wanted to re-emphasize that the RTP represents a significant investment in transit, and that factors such as land-use policies need to be looked at in communities where major projects are focused so that projects planned will have the maximum impact. He mentioned that conversations have been very active and will continue to be active so that policies are made to ensure that the system that is built will be effective. He stated that a new document has been placed in front of each Board member that provides a comparative analysis from a project standpoint. He explained that many projects are common to all the scenarios and asked Board members to focus on the variable projects at the end of the project list so that they can begin to see the differences between the scenarios.

Mr. Schumacher explained the document to which Mr. Jablonski was referring. He explained that pages 18, 19 and 20 include projects that are common to all four scenarios, and page 21 is the beginning of the list for variable transit projects and includes the project name, dollar amount, project rankings, and which scenario(s) the projects included.

Mr. Rindone commented that 97% of all four of the RTP scenarios are identical. He mentioned that the funding variance for the different scenarios is \$3 billion. He thanked Mr. Schumacher and Ms. Gregor for meeting with him and Mayor Janney's subcommittee from the four South Bay cities and wanted to know if they had included viable options if the downtown tunnel is not built because the bottleneck for light rail continues downtown. Mr. Schumacher explained that the Blue Line frequency enhancements are listed on page 20 as project numbers 73 and 74; and stated that the project does not have the specific enhancements listed individually. Mr. Rindone recommended that the Blue Line frequency connection at the 12th and Imperial Transit Center should be included in the document and verbal comments.

Ms. Gregor briefly reviewed the revenue sources. She explained that some of the revenue sources have flexible spending, roughly 3.5% are considered flexible spending, but that does not necessarily mean that 97% of all projects are fixed. She mentioned that some projects are more expensive so the flexibility of the funds can go towards all different projects; i.e., more expensive and less expensive projects. Ms. Gregor stated that she is trying to get feedback as to specific types of projects stakeholders have in interest in, and she does not want people to become too fixated on the costs of the projects.

Ms. Lightner stated her concern that the environmental document for high speed rail alternative routes is not reflected in the unconstrained and constrained scenarios. She feels that a route from Qualcomm Stadium straight to the Border would be more cost effective than gerrymandering through downtown and eventually ending at the Border. She also stated concern that the RTP does not reflect any transit through the Highway 56 corridor as well as the Highway 52 corridor and favors as much rail as possible to offload the highways for the future. She then expressed her concern for maintenance costs on an ongoing basis as the width of highways is increased.

Mr. Schumacher stated that Highway 56 corridor does have arterial local bus service that would extend out. He stated that the east and west connections between the I-5 and I-15 are important and, based on modeling over the years, bus rapid transit will be implemented in 2013 extending across Mira Mesa Boulevard to Sorrento Mesa and UTC. He said that the long-range idea of extending light rail across there is a right-of-way reservation in the future Caroll Canyon Road area that ties into a smart growth center proposed by the City of San Diego. He explained that there will be rapid bus service to connect the Carmel Valley area, but service along the 56 corridor itself is not included because it does not model well due to land-use investments.

Ms. Lightner mentioned that the Pacific Highlands Ranch community is considered to be a smart growth area (and actually had a transit center planned) and she wanted to know how that area would be connected. Mr. Schumacher responded that are ongoing discussions with Pacific Highlands Ranch about how to accommodate them, and there has been talk of shuttles that would connect them to the Coaster and extended trolley lines. He stated that the RTP is re-evaluated every four years and, as new information is gathered, the plan can be adjusted. Ms. Lightner expressed her concern that given the employment centers located off Highway 56 at present and given potential growth, she cannot imagine that there is not transit planned for 2014.

Mr. Janney asked if the revenue for the constrained network includes the quality-of-life initiative. Ms. Gregor responded that there is a Quality of Life Stakeholders Work Group that is looking into additional local funding sources. She stated that reasonable revenue sources are identified and planned around. Mr. Janney listened to four mayors talk yesterday, and when it comes to developable land in the San Diego County, there is not enough transit planned in the eastern Chula Vista area. He feels that transit should be in place before the growth happens, and nothing exists today. Mr. Janney expressed concern about putting a transit line on the map so that future development can be planned around the line.

Mr. Gloria questioned if the MTS Board was going to be taking a position on any of the four scenarios presented. Chairman Mathis responded that in December when the RTP is finalized, the MTS Board will develop specific recommendations, but the item today is calling for comments that can be articulated to the SANDAG Board. Mr. Gloria feels that the MTS Board needs to be aggressive and have a voice because of the large amount of infrastructure investment. He would like input from staff to see what they feel are important inclusions into the RFP and hopes that everyone on the MTS Board can vote the same way. He has heard from his constituents that the transit fusion and streetcar model are important, and he would like the Board members to be armed with information and provide a direction that represents MTS.

Ms. Emerald agrees that the highway emphasis model is not the best approach and wants to change the culture and encourage people to use mass transit. She stated that her community is

concerned about the Highway 15 congestion and would propose that the high-speed and commuter rail be unbundled so that at least one could be provided. She feels that beginning in Temecula, there needs to be high-speed rail connecting to the Border and continuing along the 15. She thinks a reliable, comfortable transit system that gets people where they need to go is very important for the future and the quality of life for residents.

Mr. Ewin wants to keep East County residents out of gridlock. He wants to make note that policy makers need to keep in mind that it is not if we build it they will come, it is if we build it, can we afford to operate it. He hopes that the RTP will have something that will work for residents. Mr. Schumacher stated that the cost of operations will error on the side of the full cost of the system, including operations and maintenance.

Mr. Jablonski commented that staff will come back to the MTS Board at the December meeting and present their analysis of RTP recommendations so that the Board can take a position on it and the position can be presented to the SANDAG Board.

Action Taken

Ms. Emerald moved to receive a report for information. Ms. Hanson-Cox seconded the motion, and the vote was 12 to 0 in favor.

46. MTS: Catenary Replacement Project

Fred Byle, Superintendent of Maintenance, gave a brief overview of the Trolley Blue Line infrastructure construction. He explained that the contractor replacing the contact wire is HMS, and the project is expected to be completed in November 2011. The first weekend closure was October 29, 2010, and through last weekend, 21,366 linear feet has been replaced. He stated that work began at the San Ysidro Transit Center and will be completed in a northward direction. He explained that the contractor is entering into weekend number 4 of wire installation and, each weekend, the crew is completing more wire than the previous weekend. The work has been completed on time, and there have been no major issues. He showed a couple pictures of the crew performing weekend work, including the removal of old wire, new wire being pulled in, installation of droppers and hangers, and a test train shadowed by a catenary truck.

Sharon Cooney, Chief of Staff, discussed the bus-bridge functions that are being operated throughout weekend closures. She stated that 71,000 passengers have been carried over the first 3 weekend shutdowns. She explained that passenger ridership in the south area during the weekends is almost as much as it is on the weekdays. She explained that special event staff, security staff, and MTS ambassadors are at stations directing passengers. Ms. Cooney also explained that every Monday, staff will review the weekend bridge operations and look for improvements.

Chairman Mathis questioned if staff had received any complaints from passengers regarding the bus-bridge operations. Ms. Cooney responded that not one single complaint has been received and, in fact, passengers have responded favorably.

Mr. Ewin wanted to know if any copper or materials have been stolen. Mr. Byle responded that the materials are kept in secured facility, and the crew is with the materials during the weekend work, so there have not been any incidents of theft.

Action Taken

Ms. Emerald moved to receive a report for information and provide comments. Ms. Hanson-Cox seconded the motion, and the vote was 12 to 0 in favor.

47. MTS: Operations Budget Status Report for September 2010

Mike Thompson, Assistant Budget Manager, gave the Board a presentation on the operations budget status for September 2010. He stated that net-operating subsidy unfavorable variance totaled \$764,000. He explained that operations produced a \$1,408,000 unfavorable variance, and the administrative/other activities areas were favorable by \$644,000 for a total combined net operating variance of \$764,000 unfavorable. He explained that fare revenue variance compared to budget was 4.3% lower in ridership than expected, and ridership decreased 2.1% compared to the prior year.

Mr. Thompson explained the combined transit operations compared to budget with a personnel cost of \$541,000 unfavorable variance, a \$314,000 unfavorable variance for purchased transportation, and other outside services had a favorable variance of \$46,000. He explained that energy costs were \$112,000 unfavorable over budget due to critical peak-pricing events and, other expenses were favorable by \$116,000.

Mr. Thompson quickly touched on the on-going concerns of passenger levels. He explained that budgeted passenger levels were 82.6 million, the year-to-date is 21.1 million, and the projection is 81.7 million.

Ms. Emerald questioned the drop in ridership. Mr. Thompson stated that in September, ridership usually spikes due to kids going back to school, but that this year there was not a spike in ridership. He stated that the unemployment rate is also affecting the passenger levels. Mr. Jablonski commented that the trolleys will have passenger counters within a month and, once ridership numbers are evaluated, staff can make a better assessment of passenger levels and look for ways to stimulate ridership. Ms. Emerald mentioned that a promotion with the malls to ride free for holiday shopping might be an option to boost passenger levels. She commented that perhaps MTS needs to get creative and make partnerships to boost ridership.

Action Taken

Mr. Van Deventer moved to receive a report on MTS's operations budget status for September 2010. Mr. Ovrom seconded the motion, and the vote was 12 to 0 in favor.

60. Chairman's Report

There was no Chairman's report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin reported that the Board will receive a report on the Comprehensive Annual Financial Report at the next Board meeting.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he returned from a trip to China yesterday. He was in China to look at its high-speed rail. He noted that China has made mass transit a priority on state and federal levels. He mentioned that the high-speed rail currently moves at 200 miles per hour, and new rail will move at 250 miles per hour. In Shanghai, the METRO carries 5.7 million people every day. He felt the visit was eye-opening and thanked the Board for allowing him to take the trip.

63. Board Member Communications

Mr. Rindone made a request that staff research electronic voting for Board members.

64. Additional Public Comments on Items Not on the Agenda

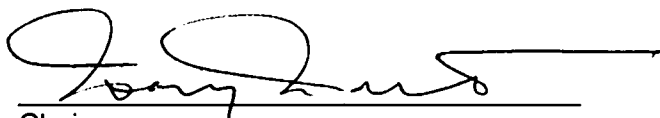
There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, December 9, 2010.

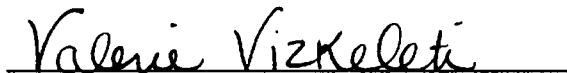
66. Adjournment

Chairman Mathis adjourned the meeting at 10:48 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

h:\minutes - executive committee, board, and committees\minutes - 2010\minutes - board 11-18-10 Draft.docx

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): November 18, 2010

CALL TO ORDER (TIME): 9:04 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:15 AM

RECONVENE: 9:24 AM

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:48 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyack) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:14 AM	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	10:00 AM	
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:06 AM	
LIGHTNER	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input type="checkbox"/> (Hanson-Cox) <input checked="" type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input type="checkbox"/> (England) <input checked="" type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD: Valeria Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: [Signature]