

MEETING OF THE EXECUTIVE COMMITTEE FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS)  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

September 5, 2013

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:00 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Cunningham moved for approval of the minutes of the August 8, 2013, MTS Executive Committee meeting. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Trolley Renewal Update

Bruce Schmith of SANDAG provided a presentation on the Blue Line Crossover and signaling project including milestones and construction specifics. He discussed the status of the downtown stations including Civic Center and 5<sup>th</sup> Avenue. He reviewed the Blue Line construction milestones and provided the status of the rail train. Mr. Cunningham asked where the rail train was coming from. Mr. Schmith responded it was from Pueblo, CO and provided the manufacturer name. He went over the future Blue line projects including improvements and reconstruction. He discussed the traction power substation site acquisition and advised of the approximate cost. Ms. Cooney expressed her concerns regarding cost. Mr. Gloria questioned who MTS last contacted at the City regarding the possible Mt. Hope acquisition. Mr. Roberts responded it was Walt Ekard. Mr. Ovrom questioned the 8<sup>th</sup> Street Transit Center status. Ms. Landers advised the site was currently being appraised, but the project was moving forward and discussed the completion dates. Mr. Mathis asked how the property was being currently used. Ms. Cooney advised it was being used as parking for Navy personnel.

Wayne Terry, Chief Operating Officer of Rail discussed MTS's contract with Siemens. He discussed the amount of cars delivered and currently in service and operating regularly without issue. He reported a decrease in service delays.

Ms. Cooney advised with regard to this purchase there is an option to purchase additional vehicles. She stated Mr. Jablonski has been negotiating with Siemens to purchase additional cars at the same price for Mid-Coast and Siemens offered \$40K less than what MTS is currently paying therefore it would be a large savings for the project. She discussed MTS was working with SANDAG and the FTA in moving the

purchase forward. Ms. Landers advised it would be brought back to the Board of Directors for review and approval.

#### Action Taken

Mr. Cunningham moved to receive a report for information. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

#### 2. San Diego Vintage Trolley, Inc. Assets and PCC/U-2 LRV Exchange

Mr. Mathis advised in the wake of the 529 project he rode the 529 the previous day and had noticed increased ridership. He discussed the benefits of the route and use of Compass Cards and advised adding a second vintage car to this route would meet the increased demand and provide MTS with increased redundancy. He discussed the history of the new San Diego PCC 530 (former NJT 10), the museum donations, the cost of the cosmetic work and work required to make the car compliant in operation. Mr. Terry discussed the acquisition of the additional car MTS is interested in acquiring and provided a picture of the vehicle currently residing at the Rockhill Trolley museum. He provided the history of the car, timing of completion and when the car would likely be eligible for service. He discussed the possible donation of MTS donating two decommissioned U2 LRVs with one to Rockhill Trolley Museum and the second to Western Railway museum with no cost to MTS. He discussed the unrestored cars currently on MTS property and the transfer of ownership. He reviewed the restoration options and Silver Line Service and the vintage trolley PCC 529 including cost and budget.

Mr. Terry further discussed the project including additional history on the cars. He discussed MTS's use of Consultant to inspect the car and the Consultant's favorable report. He discussed the timing for completion of the restoration of the car.

Mr. Gloria asked for clarification if the donation of MTS's cars for the new car is comparable. Mr. Terry answered the value of the PCC car is approximately the same amount the museum currently invested in the car which is approximately \$200K. He discussed previous deals like it and the price the cars would likely fetch in the open market. Mr. Terry advised MTS believes it is a fair trade. Mr. Mathis advised of the going rate for the restoration of these cars in other areas and how much the car is currently worth with this deal being quite favorable. Mr. Mathis stated MTS has to look at the value of the end product and look at it as an additional asset. Mr. Terry said MTS has an interest in having MTS's cars in museums as well.

Mr. Gloria asked why the Western Rail Museum was also receiving a car in addition Rockhill Trolley Museum. Mr. Mathis advised the gentleman MTS was working with at UTC is an agent affiliated with both museums.

Mr. Gloria asked the transferring of the assets to MTS and if Vintage Trolley was still its own legal entity and if donations could be accepted. Mr. Mathis discussed Vintage Trolley's nonprofit status and the entity and its assets. Ms. Landers advised Vintage Trolley is technically not a wholly owned subsidiary and was formed with the understanding MTS would provide administrative support and allow the volunteers to

use facilities onsite to perform restoration. She discussed liability and volunteer support.

Mr. Gloria asked regarding the source of funds. Cliff Telfer, CFO said it would be a transfer from one line item from the operating budget to another and MTS will stay within budget and it will not exceed \$100K.

Mr. Roberts asked if the 530 would have the same appearance as the 529. Mr. Terry advised it would be exactly the same. Mr. Mathis further explained MTS could now advertise it on the website as established service.

Mr. Cunningham asked regarding the location of the bank account for Vintage Trolley. Mr. Mathis advised it was under MTS's control. Mr. Cunningham asked with regard to volunteers and the work they are performing. Mr. Mathis responded with specifics of restoration by the volunteers. Mr. Cunningham asked regarding 501c3 status. Mr. Mathis explained the different entities 501c3 status. Mr. Cunningham asked if MTS loses its ability to accept donations to restoration. Ms. Landers advised Vintage Trolley is a separate charity and they can continue operations and do their own fundraising activities and use those funds as they see fit.

Mr. Ovrom questioned regarding Pyramid Van Lines. Ms. Landers advised we were currently in escrow and currently no restorations are happening at this location. Mr. Terry advised MTS would prefer to have it all in house.

#### Public Speakers:

Margo Tanguay – Ms. Tanguay discussed the U2s, their history and that MTS needs to keep some of the cars here at MTS and needs to maintain them.

#### Action Taken

Mr. Cunningham moved to forward a recommendation to the Board of Directors to approve: (1) the transfer of San Diego Vintage Trolley, Inc. (SDVTI) assets to MTS; (2) the exchange of 2 surplus Siemens U-2 light rail vehicles for 1 PCC car from United Transportation Corporation (UTC)/Rail Air Sources (RAS) (former New Jersey Transit [NJT] #10); and (3) restoration expenses for the PCC car. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

### 3. Mobile Ticketing Pilot Program

Devin Braun, Manager of Transportation Communication and Technology provided an updated on mTicket. He provided the project background, discussed special events ticketing, ticket vending machines and their upkeep, ridership, custom ticketing and payment methods. He discussed the potential solution of an app for smart phones with MTS launching a mobile ticketing pilot program. He explained the procurement process and advised MTS contracted with Masabi. He reported on the implementation and cost and gave a live demonstration on how to use the MTS application to purchase tickets on a smart phone. He reviewed the benefits and incentives of mobile ticketing and incentives for those using mobile ticketing. He

discussed the soft launch, the live launch, reactions and the future.

Mr. Ovrom asked if it will work on the buses. Ms. Cooney advised it would not and so far it is used for only special events on the trolley and this year is a pilot and in the future would likely be live for all modes of transportation by the time of Comic-Con and it is a one year procurement and will re-bid for the future.

Mr. Gloria commented that he was pleased with MTS's innovation and moving forward with its technology for ticketing.

#### Action Taken

Mr. Gloria moved to receive a report on the launch of a pilot program to provide mobile ticketing for special events. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

#### D. REVIEW OF DRAFT SEPTEMBER 12, 2013, BOARD AGENDA

##### Recommended Consent Items

6. San Diego and Arizona Eastern Railway Company (SD&AE) Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on July 16, 2013

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information; (2) ratify actions taken by the SD&AE Board at its quarterly meeting on July 16, 2013; and (3) ratify and appoint Erin Dunn as Treasurer replacing Linda Musengo who is retiring.

7. Investment Report – May 2013

Action would receive a report for information.

8. Upgrade of Existing Server Room Heating, Ventilation and Air Conditioning System at the Imperial Avenue Division

Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC1431-10 (in substantially the same format as Attachment A) with ABC Construction, Inc. under MTS Doc No. PWL135.0-12, for the installation of a new Server Room Heating, Ventilation and Air Conditioning System at the Imperial Avenue Bus Division.

9. IAD/KMD Revenue Camera System Replacement - Work Order

Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC1431-09 (in substantially the same format as Attachment A) with ABC Construction, Inc., under MTS Doc No. PWL135.0-12, for the installation of a new

revenue processing surveillance system, and construction of secure data rooms at the Imperial Avenue and Kearny Mesa bus fuel and service buildings.

10. Updated Salary Ranges - MTS, SDTI and SDTC

Action would approve and adopt the MTS Salary Ranges, effective July 1, 2013 to comply with CalPERS regulations.

11. Investment Report - June 2013

Action would receive a report for information.

12. State Transit Assistance (STA) Claims

Action would adopt Resolution No. 13-18 approving fiscal year (FY) 2014 State Transit Assistance (STA) claims.

13. East County Bus Maintenance Facility Project - Funding Transfer

Action would approve the transfer of funds from the San Diego Association of Governments' (SANDAG's) East County Bus Maintenance Facility Project to MTS for the procurement of compressed natural gas (CNG) facilities at the East County Bus Maintenance Facility.

14. FY 2014 Capital Improvement Program Amendment

Action would approve the amended fiscal year 2014 Capital Improvement Program (CIP).

15. Proposed Revisions to MTS Policy No. 44 - Travel Expense Policy

Action would approve the proposed revisions to MTS Policy No. 44 - Travel Expense Policy.

16. Unallocated Transportation Development Act Funds for Transit-Related Projects

Action would approve the use of unallocated Transportation Development Act (TDA) funds currently held by the County of San Diego for transit-related expenses for the City of El Cajon.

17. 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.

18. Operations and Maintenance Services for Compressed Natural Gas Fueling Facilities

Action would authorize the CEO to execute MTS Doc. No. B0522.1-09 with Trillium USA LLC for projected usage increases in compressed natural gas (CNG) operations and maintenance services.

19. Audit Report - Business Process Review of Token Management Operations

Action would receive an internal audit report on token management operations governed by San Diego Trolley, Inc. (SDTI) Revenue Management.

20. Enterprise Server Infrastructure Project

Action would authorize the CEO to execute MTS Doc. No. G1656.0-14 with Nth Generation for the purchase of a HP c7000 BladeSystem, associated network and storage interconnect modules, software, 5-year 24/7 support agreement, and professional services.

Ms. Landers advised two audit reports previously on the Board agenda would be removed as they had previously gone to the Board for approval.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee member communications.

G. PUBLIC COMMENTS

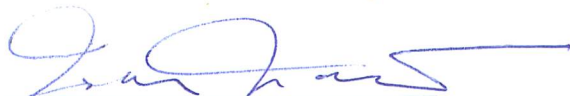
There were no Public comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for October 3, 2013.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:12 a.m.



Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE  
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) September 5, 2013

CALL TO ORDER (TIME) 9:00 a.m.

RECESS N/A

RECONVENE N/A

CLOSED SESSION N/A

RECONVENE N/A

ADJOURN 10:12 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:00 a.m.	10:12 a.m.
MATHIS <input checked="" type="checkbox"/>	9:00 a.m.	10:12 a.m.
OVRUM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:00 a.m.	10:12 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:09 a.m.	10:12 a.m.
CUNNINGHAM <input checked="" type="checkbox"/> (McClellan) <input type="checkbox"/>	9:00 a.m.	10:12 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 