

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

MINUTES

December 11, 2014

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:07 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Cunningham moved to approve the minutes of the November 11, 2014, MTS Board of Directors meeting. Ms. Bragg seconded the motion, and the vote was 14 to 0 in favor with the City of La Mesa representative absent.

3. Public Comments

*Arleen Galinski* – Ms. Galinski said she lives in Santee on Mission Gorge Road and does not have public transportation to get to the Santee trolley station. She requested for a small bus to pick up the senior citizens near the mobile home park for transportation to the Santee trolley station. Chairman Mathis stated that the MTS Planning staff will be notified to contact her about this request.

CONSENT ITEMS

6. Blue Line Closed-Circuit Television (CCTV) System Upgrades - Contract Award

Action would authorize the Chief Executive Officer to execute MTS Doc. No. PWL158.0-15 with Electro Specialty Systems (ESS) for the provision of services for the installation of MTS Blue Line CCTV system upgrades.

7. Electric Service Provider (ESP) Contract Award

Action would authorize the Chief Executive Officer (CEO) to: (1) execute the following documents with Noble Americas Energy Solutions, LLC (Noble) for the provision of ESP services for a three-year base period with one three-year optional term (for a total of six years): Attachment A: Direct Access Services Agreement (Ref: MTS Doc. No. G1728.0-15); Attachment B: Amendment to the Direct Access Services Agreement; Attachment C: Addendum for Day Ahead Price, Fixed Volume Electricity with Schedule of Hourly Quantities; and (2) exercise the optional term at the CEO's discretion.

8. San Diego State University (SDSU) Fire and Safety Monitoring Services - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1237.0-15 with Simplex Grinnell (Simplex) on a sole-source basis for fire and safety monitoring services at the SDSU trolley station for a five-year period.

9. Elevator and Escalator Maintenance and Repair Services - Contract Award

Action would authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. PWG153.0-15 with ThyssenKrupp Elevator (TKE) for San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI) elevator and escalator maintenance and repair services for a

three-year base period with two one-year options (total of five years); and (2) Exercise each option year at the CEO's discretion.

10. Investment Report - October 2014
11. Americans with Disabilities Act (ADA) Paratransit Services - Contract Amendment  
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 2 to MTS Doc. No. G1205.0-10 with First Transit, Inc. (FTI) for an additional expenditure authority of \$17,446,884.00.
12. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments
13. Federal Transit Administration (FTA) Section 5310 Grant Application  
Action would: (1) Adopt Resolution No. 14-13 authorizing the Chief Executive Officer (CEO) to submit an application for Federal Fiscal Year (FFY) 2013 and FFY 2014 funding through the FTA Section 5310, Enhanced Mobility for Seniors and Individuals with Disabilities Program; and (2) Adopt Resolution No. 14-14 certifying that there are no private, nonprofit organizations readily available to provide the same complementary paratransit service in MTS's service area, a requirement in order to receive FTA Section 5310 funds.
14. Transfer of Eleven (11) Retired Paratransit Vehicles  
Action would approve the staff recommendation to donate ten (10) retired paratransit vehicles including one (1) 2006 El Dorado vehicle, and nine (9) 2008 Star Craft vehicles to Facilitating Access to Coordinated Transportation (FACT) to assist non-profit service providers in the MTS Service Area. One (1) 2006 El Dorado will be donated to the Arnold E. Betcher Veterans of Foreign Wars Post 3788. The recipients will be agencies that provide services to persons with disabilities that may qualify for ADA paratransit services.
15. Audit Report - Compass Card Inventory Overage
16. Audit Report - Information Technology Disaster Recovery
17. Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects  
Action would authorize the Chief Executive Officer (CEO) to approve the use of \$941,626 in the City of El Cajon's unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of asphalt replacement at Marshall Avenue in front on the El Cajon Transit Center.
18. Agreement for the San Diego Metropolitan Transit System - Joint Agency Task Force  
Action would authorize the Chief Executive Officer (CEO) to approve the proposed Memorandum of Agreement (MOA) between the City of San Diego, County of San Diego, City of El Cajon, City of La Mesa, City of National City and City of Chula Vista regarding the San Diego Metropolitan Transit System - Joint Agency Task Force (JATF).

Board Member Comments

Mr. Alvarez inquired if staff could briefly report on consent agenda item number 12: "Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments". Karen Landers, General Counsel, briefly discussed the DBE consent agenda item. She stated that every six months, MTS is required to report to the FTA on DBE realization for

contracts awarded or completed during that six month period. Ms. Landers also said that every three years MTS goes through a process to set DBE goals. Mr. Alvarez asked if there are any local requirements related to DBE goals. Ms. Landers replied there are no local requirements for DBE goals. Mr. Alvarez inquired if MTS has voluntary goals for local funds. Ms. Landers stated that MTS has a race neutral goal for DBEs and base the goals off of the Federal requirements. Mr. Alvarez asked how often analysis is done to determine if the DBE goal should be higher. Ms. Landers replied that the analysis is done every three years. She noted that over the three year period, the cumulative percentage is expected to be approximately 4%.

Action on Recommended Consent Items

Mr. Alvarez moved to approve Consent Agenda Item Nos. 6 – 18. Mr. Minto seconded the motion, and the vote was 14 to 0 in favor with the City of La Mesa representative absent.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:17 a.m.

- a. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS (pursuant to Government Code section 54956.8) AND CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION (pursuant to Government Code section 54956.9(d)(1))  
Property: Assessor Parcel No. 550-500-23, City of San Diego; 555-011-17, City of National City; 571-090-12, City of Chula Vista; 576-523-04, City of Lemon Grove  
Case: Metropolitan Transit System vs. Union Pacific Railroad, et al., SDSC Case No. 37-2014-00084616-CU-EI-CTL  
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets  
Negotiating Parties: Union Pacific Railroad  
Under Negotiation: Price and Terms of Payment

The Board reconvened to Open Session at 9:23 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board approved a settlement with 14 to 0 in favor, with the representative from the City of La Mesa absent.

NOTICED PUBLIC HEARINGS

- 25. None.

DISCUSSION ITEMS:

- 30. None.

## REPORT ITEMS

45. Pacific Imperial Railroad (PIR) Desert Line Agreement - Status Update (Karen Landers)

Mr. Jablonski provided a brief report on the PIR status update. He stated that MTS has been working with both PIR and Baja Railroad to try and start active negotiations between the two parties. Mr. Jablonski said there will be a meeting hosted at the US Consulate in Tijuana on Monday, December 15, 2014. This meeting will consist of principals of Baja Railroad, PIR and Admicarga, as well as a mediator to help guide the meeting. He noted that the mediator is attorney Miguel Leff, and has experience in binational business agreements. Mr. Jablonski stated that he will report back to the Board on the results of the upcoming meeting.

Ms. Salas commented that she hopes the topic of economic benefits will be discussed at the meeting. Mr. Jablonski replied that topic is one of the main interests and will be a part of the discussion. Ms. Salas stated that the MTS Board should also look at this matter not only as a revenue agreement, but as an economic development opportunity. Ms. Landers commented that the next Board meeting will not be until January 29, 2015, so an update will be provided to the Board before the next meeting if progress is made.

46. Operations Budget Status Report for October 2014 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a report on the operations budget status for October 2014. He discussed the comparison to the budget for October 31, 2014 through fiscal year 2015. He reviewed the results of the consolidated operating budget including total revenue and expenses. Mr. Thompson noted that energy costs have been higher than expected. He also discussed on-going concerns including sales tax subsidy revenue, State of California budget, passenger levels and energy prices.

Mr. Cunningham inquired if there is an anticipated offset for the reduction in gas and diesel prices. Mr. Thompson replied that will depend on CNG prices. He noted that gas and diesel are very small expenses for MTS, and CNG is a much larger expense. Mr. Cunningham inquired if MTS was buying blocks of electricity costs rather than paying monthly rates. Mr. Thompson replied that MTS purchases the electricity commodity at market rates directly from the State of California exchange.

Mr. Minto inquired if the CNG prices are reported per gallon. Mr. Thompson replied that CNG is priced per therm. Mr. Minto asked if CNG is still the most economical option. Mr. Thompson said staff evaluates the prices every year to determine the best option and CNG is still a much better option than gas, even with gas prices going down. Mr. Roberts commented that MTS was previously required by the State to pick a path, and selected the CNG path.

60. Chairman's Report

Chairman Mathis mentioned the hand out provided to all Board members regarding mandatory ethics training. Ms. Landers noted that all Board members should provide a copy of their ethics training if previously completed with their own respective agency. Chairman Mathis stated that the nominating committee met before today's Board meeting and made recommendations for committee representatives. The Board will vote to approve the recommendations at the January 2015 Board meeting.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's report.

63. Board Member Communications (Taken out of order)

Mr. Alvarez commented that he recently met with people from the City of Tecate. He said they asked about potential support with installing a trolley system. They want to work with MTS to see if they can purchase old equipment. Mr. Alvarez asked who they should be directed to on this matter. Mr. Jablonski stated they can speak directly to him.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he and three other MTS staff members traveled to Portland to visit its transit authority, TriMet, and to discuss collaboration on the next generation of fare collection. They also toured TriMet's new operating facility as well as its tram system. Mr. Jablonski also reported on MidCoast. He stated that the FTA ruled in our favor to exercise the option to purchase additional LRVs for MidCoast.

Chairman Mathis also noted that Ernie Ewin will come back to MTS and work as the Audit Oversight Committee Chairman for 2015.

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 January 29, 2015.

66. Adjournment

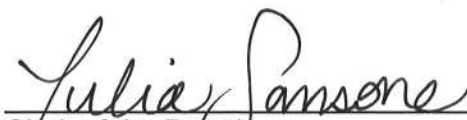
Chairman Mathis adjourned the meeting at 9:47 a.m.



Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:



Clerk of the Board  
San Diego Metropolitan Transit System



General Counsel  
San Diego Metropolitan Transit System