

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

MINUTES

February 15, 2018

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased].

1. Roll Call

Chair Gomez called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Cole moved to approve the minutes of the January 18, 2018, MTS Board of Directors meeting. Mr. Hall seconded the motion, and the vote was 14 to 0 in favor with Ms. Salas absent.

3. Public Comments

Mikail Hussein – Mr. Hussein commented on behalf of the United Taxi Workers of San Diego. He commented on the high insurance limits the taxicabs are required to have in San Diego. He requested for the Board and San Diego City Council to consider changing the limits to a lower level due to the high costs. Mr. Hussein stated that if we do not change the limits, there will be many taxicabs that go out of business due to the amount of money it takes to be insured at the higher level.

Nancy Yuen – Ms. Yuen commented on service cuts on routes 20, 31 and 964. She stated that the recent changes to the route 20 have taken away service in the Kearny Mesa and Mira Mesa areas. Ms. Yuen stated that she was told the route was streamlined due to complaints about timeliness. She said that the new streamlined service will now have fewer riders since portions of the route were cut off. Ms. Yuen commented that MTS should be expanding the service and not reducing service.

Anthony Palmeri – Mr. Palmeri commented that he is the owner of Yellow Radio Service and Yellow Cab in San Diego and Oceanside. He stated that the San Diego taxicab industry will have to renew their insurance at the beginning of April. He said that if the insurance limit requirements are not lowered before that date a lot of taxicab business will likely go out of business due to the high costs of purchasing insurance. Mr. Palmeri stated that taxicabs are required to hold \$1,000,000 in insurance limits per taxicab. They are requesting for this requirement to be reduced to \$350,000, which is in line with other large cities in the country. Mr. Palmeri asked for the Board and the San Diego City Council to please help reduce these requirements as soon as possible before the April deadline.

Karen Landers, General Counsel, briefly responded to Mr. Palmeri's comments. She stated that staff is working on this matter with the City of San Diego. She noted that the legal procedural issue MTS is working on with the City is that the City retains the right for fundamental policy decisions. Ms. Landers commented that when the insurance limits were previously raised, it was a benefit to the public and not considered a fundamental policy change. Since this request is to

lower the insurance limits, which would potentially have an impact to members of the public, MTS has interpreted that to be a fundamental policy decision that would need to go the City for approval. Ms. Landers stated that MTS is working with the City of San Diego to determine the process they would like to take for this action.

Akbar Majid – Mr. Majid gave his speaking time to Mr. Palmeri.

Deb McKissack – Ms. McKissack commented on issues with MTS Access service. She stated her mother has used MTS access service for the last few years. She stated that there have been some issues with the service recently. Ms. McKissack commented that her mother was returned to her home almost two hours later than they confirmed. She stated that there are people that ride MTS Access that are elderly and disabled. She commented that these people have restroom issues, medication issues and there needs to be timely travel for these passengers.

Steve Padilla – Mr. Padilla commented on behalf of Grand Central West, LLC (GCW). He commented on issues relating to the McDonald's building at the San Ysidro Transit Station. Mr. Padilla requested for the Board to take another look at this issue. He stated that MTS is supposed to serve the traveling public, however they are restricting access to the intercity bus terminal property. Mr. Padilla stated that the intercity bus terminal property is located on public land and serves an underserved community which contains many transit dependent travelers. Mr. Padilla commented that MTS had previously worked with the building and the City to collaboratively give access to the intercity rail terminal through that McDonald's building doorway. He stated that more recently MTS has treated that bus terminal as if it was private property and it is harming the traveling public. Mr. Padilla asked the Board to reexamine the policy objective on this matter.

Miguel Aguirre – Mr. Aguirre gave his speaking time to Mr. Padilla.

Zoe Vandeburgh – Ms. Vandeburgh commented that she has had issues with the transit enforcement officers on the trolleys. She stated that she has submitted many complaints to sergeants and called in to make complaints, but it has gotten to the point where it's still frustrating. Ms. Vandeburgh said that other transgender individuals are also having similar problems. She stated that diversity and inclusion should be a part of officer training. She said that it has gotten to be so bad that they are thinking about suing.

Abebe Antallo – Mr. Antallo made comments about the issues with the taxicab insurance limit requirements in San Diego. He stated that he doesn't make any money due to the high costs for the permits, insurance rates and other fees. Mr. Antallo asked the Board and the City of San Diego to change their taxicab policies and lower the required insurance limits for taxicabs. He also asked for the taxicab permit fees to be reduced. Mr. Antallo said that taxicabs are fighting for economic survival.

Tony Hueso – Mr. Hueso commented on the issues related to the high taxicab insurance requirements in San Diego. He asked for the Board and the City of San Diego to reduce the taxicab insurance limits in order to save the taxicab industry.

CONSENT ITEMS

6. Amendment to Chief Executive Officer Employment Agreement
Action would approve an amendment to the Executive Employment Agreement between MTS and Paul C. Jablonski to provide additional compensation and fringe benefits.
7. Excess Insurance Renewals for Liability and Workers' Compensation Program
Action would approve the purchase of excess liability insurance (at limits of \$75 million less a \$2 million self-insured retention [SIR]) and excess workers' compensation insurance (at statutory limits less a \$1 million SIR). The new policies would be in effect from March 1, 2018 through March 1, 2019.
8. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratifications of Actions Taken by the SD&AE Board of Directors at its Meeting on January 16, 2018
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on January 16, 2018.
9. MTS Sale of 2005 New Flyer 40' Bus (No. 2733) to Transdev Services Inc.
Action would authorize the negotiated sale of MTS Vehicle No. 2733 (2005 40' New Flyer, VIN No. 5FYC4FP125C027970) to Transdev Services, Inc.
10. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments
11. Communication Equipment Heating Ventilation Air Conditioning (HVAC) Maintenance Services - Contract Award
Action would: (1) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG225.0-17 with Comfort Mechanical, Inc. to provide Communication Equipment HVAC Maintenance Services for a three (3) year base term with two (2) one-year options; and (2) authorize the CEO to exercise the option years, at his discretion.
12. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Fashion Valley Station Elevator Replacement and Addition Project
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1949-AE-15 for MTS Doc. No. G1949.0-17 with Jacobs Engineering Group, Inc. for \$272,000.00 to perform Design-Engineering Services for the Fashion Valley Station Second Elevator Project ("Project") and includes design for replacing the existing elevator.
13. Investment Report - December 2017
14. Hazardous Waste and Trauma Scene Clean-Up Services - Contract Award
Action would authorized the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. G2029.0-17 with Ocean Blue Environmental Services (Ocean Blue) for the provision of hazardous waste disposal and trauma scene clean-up services for a two (2) year base period with three (3) 1-year options, exercisable at MTS's sole discretion; and (2) Exercise each option year at the CEO's discretion.

15. On-Call General Civil Construction Services - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL204.3-16 with ABC Construction Company, for an increase to the contract value.
16. Imperial Avenue Division (IAD) Asphalt Repair and Striping - Award Work Order Under a Job Order Contract
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7503-43 (05), PWL234.0-17 with ABC Construction Co. Inc. (ABC) for IAD Asphalt Repair.
17. Vehicle Advertising Services
Action would authorize the Chief Executive Officer (CEO) to extend the contract with Michael-Allen & Associates, MTS Doc. No. G1140.3-08, for Vehicle Advertising Services.

COMMENTS – CONSENT ITEMS

Mr. Alvarez asked to pull consent item 14, Hazardous Waste and Trauma Scene Clean-Up Services – Contract Award, and consent item 17, Vehicle Advertising Services. Mr. Alvarez also commented on consent item 6, Amendment to Chief Executive Officer Employment Agreement. He stated that the backup material for consent item 6 includes performance measures that were used to evaluate Mr. Jablonski's contract. Mr. Alvarez noted that this is an improvement of measurements and goals and he looks forward to establishing more performance measures that the Board can utilize on a regular basis to evaluate the performance of the CEO.

Action on Recommended Consent Items, excluding Items 14 and 17

Mr. Alvarez moved to approve Consent Agenda Item Nos. 6 – 17, excluding items 14 and 17. Ms. Zapf seconded the motion, and the vote was 15 to 0 in favor.

DISCUSSION – Consent Item No. 14

Mr. Alvarez inquired if the contract will be paid as an on-call contract when services are utilized. Claudine Aquino, Senior Procurement Specialist, replied that this contract will be utilized on an as-needed basis.

Action on Recommended Consent Item No. 14

Mr. Alvarez moved to approve Consent Agenda Item No. 14. Ms. Zapf seconded the motion, and the vote was 15 to 0 in favor.

DISCUSSION – Consent Item No. 17

Mr. Alvarez asked if there was a similar item that was approved at last month's Board meeting. Sam Elmer, Manager of Procurement, replied that at last month's Board meeting, staff brought this item to be approved for services with Outfront Media. He stated that after the Board meeting, the negotiations between MTS and Outfront Media broke down and Outfront Media withdrew their proposal. He noted that staff is asking for an extension of the contract for the existing contractor while we negotiate with the second highest ranked firm. Mr. Alvarez asked if negotiations are going to take another year to determine the next provider. Mr. Elmer replied that the extension time frame includes a transition period between the two contractors. Ms. Rios asked how staff will proceed with the existing contractor while we negotiate with the new

contractor. Mr. Elmer stated that the extension with the current contractor, Michael Allen and Associates, will help us to maintain operations and stay at our current status with the advertising program while we negotiate and transition to the new contractor. Mr. Alvarez noted that it would be great if there could be a Public Service Announcement component to the contract while they are in negotiations.

Action on Recommended Consent Item No. 17

Mr. Alvarez moved to approve Consent Agenda Item No. 17. Mr. Hall seconded the motion, and the vote was 15 to 0 in favor.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:38 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6
Agency: San Diego Transit Corporation (SDTC)
Employee Organization: Amalgamated Transit Union, Local 1309 (Representing Bus Operators and Clerical Employees at SDTC)
Agency-Designated Representative: Jeff Stumbo
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(d)(1) Lawrence Howard v. San Diego Transit Corporation, Metropolitan Transit System et al. San Diego Superior Court Case No. 37-2017-00010560-CU-PA-CTL

The Board reconvened to Open Session at 9:48 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report and gave instructions to negotiators.
- b. The Board received a report and gave instructions to counsel.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. On-Call Homeless Encampment Cleanup Services - Contract Award (Tim Allison, Sharon Cooney & Manny Guaderrama)

Sharon Cooney, Chief of Staff, provided a brief introduction and stated that this item is to approve a contract with Urban Corps of San Diego County for on-call homeless encampment cleanup services. Ms. Cooney discussed the need for this contract due to the MTS right of way

and stations frequently being impacted by homeless encampments; the growing number of trespassers and amount of debris removal; staff resources are insufficient to keep up with the cleanups; the existing contract capacity for these services has been expended; and cleanup is MTS's responsibility as the property owner. She provided examples of the efforts MTS has taken to cleanup different MTS properties. Ms. Cooney stated that there are a lot of resources used for this effort including transit security, code compliance officers, land management staff, trolley facilities personnel, San Diego River Park Foundation volunteers, and law enforcement. She reviewed the details of the procurement process for this service and noted that Urban Corps was the lowest responsive and responsible bidder. Ms. Cooney noted that MTS has collaborated with other agencies to address the homeless encampment cleanup issues, including the City of San Diego and County of San Diego. She provided examples of recent encampment details since December 2017.

Tim Allison, Manager of Real Estate Assets, presented maps and pictures of the San Diego River area and where the encampments are primarily located on MTS properties. He presented other various maps that show the cleanup areas that have been recently addressed. Manny Guaderrama, MTS Chief of Police, presented pictures of several encampments that have been identified and cleaned up. Dennis Jackson, Captain of Transit Security, discussed some of the encampment details and presented pictures of those details. Mr. Allison discussed the Cactus Park area in Lakeside and noted that MTS works with the Sheriff's Department and County Parks on maintaining the area. Mr. Guaderrama noted that another issue with the homeless encampments on MTS property is people are constantly crossing over the tracks, which creates a hazard for people riding the trolley and the people crossing the tracks.

Ms. Zapf commented that it seems many of the cleanup areas are taken over again by new homeless encampments shortly after the cleanup effort. Mr. Guaderrama stated that it does take a lot of maintenance to keep up with the cleanup efforts. He noted that there is a lot of collaboration with many agencies to continue the upkeep of the cleanup efforts. Ms. Zapf asked about the partnerships with other agencies to help these people living in the encampments. Ms. Cooney replied that the San Diego Police Department brings their Homeless Outreach Teams to the encampments to offer services. She also noted that they collaborate with the County in the unincorporated areas.

Mr. Sandke asked about the services offered to the people in the encampments. Mr. Guaderrama stated that during every cleanup effort they offer services and cards to the people in the homeless encampments, but it is very rare that people will accept offers for those services.

Mr. Roberts inquired about the possibility of giving away the properties that we do not plan on developing instead of constantly cleaning up the properties. He also stated that the Urban Corps of San Diego is a great agency and wants to be sure that the people working in the areas will be vaccinated before they go into the encampment sites. Ms. Cooney replied that the sites are mitigation sites and the San Diego River Foundation would probably take them over. She noted that if we did give them away, we would have to provide them an endowment to maintain the property in perpetuity, which would likely be a higher cost than if we maintain the sites ourselves.

Mr. Diaz inquired if the temporary shelters for the homeless resulted in a reduction in homeless encampments. Mr. Jackson replied that they did not see a reduction in the homeless encampments by the river.

Mr. Alvarez recommended looking into having joint agreements with other cities and agencies to do joint cleanup efforts to save on cost. Mr. Alvarez commented that the County needs to help fund more services to assist the City of San Diego on these issues.

Ms. Cole stated that she agrees with all of the comments that have been said by the other Board Members. She said that Urban Corps of San Diego is a great agency and is pleased to see that MTS is using them for these services.

Action Taken

Mr. Sandke moved to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG248.0-18 with Urban Corps of San Diego County for on-call homeless encampment cleanup services for a three (3) year period. Ms. Cole seconded the motion, and the vote was 13 to 0 in favor with Mr. Arambula and Ms. Zapf absent.

REPORT ITEMS

45. Riverwalk Real Estate (Tim Allison and Sharon Cooney)

Ms. Cooney provided a brief introduction on the Riverwalk Real Estate item. Mr. Allison continued discussing the item and presented a map of the Riverwalk property. Ms. Cooney discussed the Levi Cushman Specific Plan and acquisition history. Mr. Allison reviewed the details of the Riverwalk property map. He reviewed the Riverwalk golf course lease agreement and the LRT Station construction agreement details. Ms. Cooney presented a concept development map from Hines, the property developer. She stated that at the direction of the Executive Committee, staff met with the developers regarding the MTS property portion of the development. She noted that staff was informed that the issue with the Via Las Cumbres extension has not been resolved yet and therefore discussions could not continue regarding MTS's property until that issue has been resolved. Ms. Cooney reviewed some discussion topics that will need to be discussed in the future regarding this development. She noted one of the issues concerns at grade trolley crossings, which the California Public Utilities Commission (PUC) is not currently authorizing at this time.

Chair Gomez inquired about the housing numbers that are being proposed. Ms. Cooney replied that the proposal is for 4,300 residential units and 430 of those are affordable housing units.

Mr. Alvarez inquired about the impact to MTS and the development at this time. Ms. Cooney replied that none of MTS property is being included in the development planning at this time. Ms. Cooney stated that a representative on behalf of the Levi Cushman Trust was at the meeting to answer any questions. Mr. Alvarez inquired about the Via Las Cumbres development and asked if that road extension was triggered as part of the development. Mr. Ledford on behalf of the Levi Cushman Company commented that he does not know until they receive the traffic study and the community plan update. Mr. Alvarez asked if MTS staff could bring back a report to the Board on all MTS properties and possible developments.

Chair Gomez commented on the possible issue with the PUC and at grade crossings and asked if there is an alternative proposal if the crossing is not approved. Mr. Ledford replied that there is not an alternative at this point, but they will work on trying to get it approved.

Mr. Roberts asked if MTS is required to put a trolley station at that site. Mr. Jablonski noted that MTS will have four years to decide if that site is an appropriate location and to approve a new trolley station.

Action Taken

No action taken. Informational item only.

46. Operations Budget Status Report for December 2017 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a report on the operations budget status for December 2017. He reviewed the total operating revenues, total operating expenses and total operating variance. Lastly, Mr. Thompson discussed ongoing concerns including sales tax subsidy revenue, State of California budget, passenger levels and energy prices.

Mr. Roberts commented on the deficit and the passenger levels. He stated that we need to keep a close eye on these items.

Chair Gomez stated for the record that staff is planning a big marketing strategy to help increase passenger service levels.

Mr. Alvarez asked when the first review of the Transit Optimization Plan results will be brought to the Board. Mr. Jablonski replied that they will bring back a report after the first quarter.

Mr. Sandke inquired on the status of the fare study. Mr. Jablonski stated that they are going to discuss that subject with the Budget Development Committee (BDC) next week and then ultimately with the Board.

Action Taken

No action taken. Informational item only.

60. Chair Report

Chair Gomez commented that they will be bringing a proposal forward in relation to how we will move forward in exploring the possibility of putting a ballot measure out in the future. She said that discussion will be brought to the BDC first and then to the Board. Chair Gomez also noted that the State Route 15 Centerline Opening ceremony will take place on Saturday, February 24th and all are welcome to attend.

61. Chief Executive Officer's Report

Mr. Jablonski commented on a recent letter he wrote to the California Air Resources Board (CARB). He stated that he wanted to clarify any misconceptions that may have been shared. Mr. Jablonski stated that he is not against electric buses and that the MTS pilot is coming along quickly. He noted that we are currently working on specifications for electric buses and are reaching out to the industry manufacturers to try to find "piggyback" procurement opportunities where we would be able to use another agency's contract in order to expedite the process. Mr. Jablonski stated that we have assembled the team internally and they are on an aggressive campaign to learn as much as they can about the technology. He noted that we have also

reached out to San Diego Gas and Electric (SDG&E), because getting the power to the site and developing the infrastructure is important. He stated that the primary intent of the letter was to talk about the fact that CARB's proposal is an unfunded regulation and the impacts that may results from it. Mr. Jablonski stated that we have been in discussions with CARB for many years, but the Innovative Clean Transit (ICT) proposal was just recently released last month and was a significant departure from the previous years of discussions that we've had with CARB. He stated that the proposal included a new ramped up schedule and percentages for attaining zero emission buses; all incentive funding was removed from the regulation; and expanded the regulation to also include minibuses, paratransit buses and over-the-road coaches. Mr. Jablonski noted that the issue with the last point is that there are no zero emission vehicles on the market for the smaller buses. He stated that there are issues with the proposed regulation and we are working closely with the California Transit Association and other transit agencies in California. CARB has asked us to provide comments and potential alternative suggestions to their proposal.

Mr. Roberts commented on the lack of the small electric buses. He asked if there is a way to encourage the manufacturers to stimulate the production of the smaller electric buses. Mr. Jablonski stated that he can bring that point up to the California Transit Association.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments on items not on the agenda.

64. Next Meeting Date

The next regularly scheduled Board meeting is March 8, 2018.

65. Adjournment

Chair Gomez adjourned the meeting at 10:50 a.m.

/s/ Georgette Gómez
Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

/s/ Julia Tuer
Clerk of the Board
San Diego Metropolitan Transit System

/s/ Karen Landers
General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): February 15, 2018

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:38 a.m.

RECONVENE: 9:48 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:50 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
ARAMBULA	<input checked="" type="checkbox"/> (Mendoza) <input type="checkbox"/>	9:00 a.m.	9:48 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
COLE	<input checked="" type="checkbox"/> (Ward) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
CUNNINGHAM	<input type="checkbox"/> (Mullin) <input checked="" type="checkbox"/>	9:00 a.m.	10:50 a.m.
DIAZ	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
FAULCONER	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:00 a.m.	10:16 a.m.
GOMEZ	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
HALL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.
SALAS	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:04 a.m.	10:50 a.m.
SANDKE	<input checked="" type="checkbox"/> (Donovan) <input type="checkbox"/>	9:00 a.m.	10:50 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Garcia