

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

January 26, 2006

Board of Directors Meeting Room, 10th Floor
1255 Imperial Avenue, San Diego

MINUTES

1. Roll Call

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

2. Approval of Minutes

Mr. Young moved to approve the minutes of the January 12, 2006, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comments

Chuck Lungerhausen: Mr. Lungerhausen thanked Board members for their support of his fund-raising efforts on behalf of MTS and requested their donations for this year's MS Walk. He stated that last year he placed 33 out of 50 fundraisers in the county. He also thanked Board members for their previous support in paving the way for people with Multiple Sclerosis to swim at the Mission Beach Plunge. Mr. Lungerhausen then went on to express support for the future purchase of trolley cars with advanced technology and asked that the new S70 cars not be "dumbed down" to facilitate compatibility with older trolley cars.

Clive Richard: Mr. Richard complimented staff on the new route maps that have been developed and stated that they are a vast improvement over the old maps.

Don Stillwell: He stated that he did not believe Route No. 14 is meeting Americans Disabilities (ADA) requirements. He stated that ADA considers hospitals to be major activity centers that must be served. He also indicated that "path of travel" includes a continuous, unobstructed way of pedestrian passage to the entrance of the facility. He stated that the crossing at Mission Gorge Road does not meet this criterion. He also stated that there should be connections between the Green Line and the eastbound Route No. 14 and that the Grantville Trolley Station should be a designated transfer point. He then stated that the Comprehensive Operational Analysis should be implemented in a way that would improve connections between buses and between buses and the Trolley. He also suggested that the Route No 14 delay its departure for

three minutes to allow transfer between the Green Line and the Eastbound No. 14 at Rio Vista. Mr. Mathis stated that staff is preparing a written response to address Mr. Stillwell's concerns.

Welcome of New Primary Board Member

Chairman Mathis welcomed Mr. Fred McLean, who is now a primary Board member representing Imperial Beach.

4. MTS: Nominations and Elections for 2006 MTS Committees and Outside Agency Appointments (LEG 410, PC 50101)

The Board was advised that the following procedure would be followed for this agenda item: The agenda item would be opened, a report would be given by the Ad Hoc Nominating Committee, and then nominations would be entertained from the floor. If nominations are made from the floor, that particular group would be pulled and voted on separately from the rest of the slate. Chairman Mathis advised the Board that members could not vote for themselves. He stated that the nominations would be voted for in a block, and each Board member's vote would be registered as an abstention where the vote is for that particular Board member. In response to a question from Mr. Maienschein, General Counsel Tiffany Lorenzen stated that, during on her research, she did not find anything in the Political Reform Act that requires Board members to leave the room during voting.

Mr. Ewin pointed out that no alternates are on the proposed slate. Ms. Lorenzen pointed out that Policy No. 22 - Rules Of Procedure For The Metropolitan Transit Development Board, which was revised and approved at the January 12, 2006 Board meeting, sets forth who will serve as alternates for committee appointments; e.g. each board member's alternate on the Board will serve as that Board member's alternate for any Committee assignments as well. Ms. Lorenzen pointed out that the SANDAG SR-671/125 Policy Advisory Committee has been disbanded, and therefore the nominations for that Committee are being withdrawn from the slate.

Action Taken

Mr. Cox moved to receive the proposed nominations for 2006 MTS committees and outside agency appointments and elect and appoint those representatives as nominated by the Ad Hoc Nominating Committee and outlined in Attachment A of the agenda item. Mr. Emery seconded the motion. Mr. Maienschein voted to nominate Mr. Young to the Budget Committee. Ms. Atkins seconded that motion.

Votes on nominations and elections for 2006 MTS Committees and Outside Agency Appointments were as follows:

MTS Executive Committee

Harry Mathis, Chairman: 11 to 0 in favor, with Mr. Mathis abstaining.

Toni Atkins, Committee Member: 11 to 0 in favor, with Ms. Atkins abstaining.

Jillian Hanson-Cox, Committee Member: 11 to 0 in favor, with Ms. Hanson-Cox abstaining.

Jerry Rindone, Committee Member: 11 to 0 in favor, with Mr. Rindone abstaining.

Ron Roberts, Committee Member: 11 to 0 in favor, with Mr. Roberts abstaining.

MTS Budget Committee

Jerry Rindone, Chairman: 11 to 0 in favor, with Mr. Rindone abstaining.
Harry Mathis, Vice Chairman: 11 to 0 in favor, with Mr. Mathis abstaining.
Thomas Clabby, Committee Member: 11 to 0 in favor, with Mr. Clabby abstaining.
Ron Roberts, Committee Member: 11 to 0 in favor, with Mr. Roberts abstaining.
Tony Young, Committee Member: 11 to 0 in favor, with Mr. Young abstaining.

Joint Committee on Regional Transit (JCRT)

Bob Emery, Committee Member: 11 to 0 in favor, with Mr. Emery abstaining.
Harry Mathis, Committee Member: 11 to 0 in favor, with Mr. Mathis abstaining.
Ron Morrison, Committee Member: 11 to 0 in favor, with Mr. Morrison abstaining.
Alternates:
Thomas Clabby, Committee Member: 11 to 0 in favor, with Mr. Clabby abstaining.
Brian Maienschein, Committee Member: 11 to 0 in favor, with Mr. Maienschein abstaining.

Taxicab Committee

Brian Maienschein, Chairman: 11 to 0 in favor, with Mr. Maienschein abstaining.

High-Speed Rail Task Force (SANDAG)

Brian Maienschein, Committee Member: 11 to 0 in favor, with Mr. Maienschein abstaining.
Alternate: Ron Morrison, Committee Member: 11 to 0 in favor, with Mr. Morrison abstaining.

Los Angeles-San Diego Rail Corridor Agency (LOSSAN)

Jerry Rindone, Committee Member: 11 to 0 in favor, with Mr. Rindone abstaining.
Alternate: Harry Mathis, Committee Member: 11 to 0 in favor, with Mr. Mathis abstaining.

Accessible Services Advisory Committee

Thomas Clabby, Chairman: 11 to 0 in favor, with Mr. Clabby abstaining.

Ad Hoc Railroad Subcommittee

Bob Emery, Chairman: 11 to 0 in favor, with Mr. Emery abstaining.
Harry Mathis, Vice Chair: 11 to 0 in favor, with Mr. Mathis abstaining.
Thomas Clabby, Committee Member: 11 to 0 in favor, with Mr. Clabby abstaining.
Jerry Rindone, Committee Member: 11 to 0 in favor, with Mr. Rindone abstaining.

SANDAG Board

Harry Mathis, Advisory Member: 11 to 0 in favor, with Mr. Mathis abstaining.
Alternate: Jerry Rindone, Advisory Member: 11 to 0 in favor, with Mr. Rindone abstaining.
Second Alternate: Bob Emery, Advisory Member: 11 to 0 in favor, with Mr. Emery abstaining.

SANDAG Regional Planning Committee

Harry Mathis, Committee Member: 11 to 0 in favor, with Mr. Mathis abstaining.
Alternate: Bob Emery, Committee Member: 11 to 0 in favor, with Mr. Emery abstaining.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:22 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government
Code Section 59456.9 (One Potential Case).

The Board reconvened to Open Session at 9:37 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

On Item 5a, the Board received a report from staff and gave direction to staff.

CONSENT ITEMS

6. MTS: San Diego State University Station (SDSU) – Trolley Radio Enhancement (CIP 10426.9)

Recommend that the Board of Directors (1) find, by a 2/3 vote, that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating equipment that is already in use, therefore authorizing the purchase to be made without the necessity for competitive bidding; (2) authorize the CEO to execute a contract with Aerial Facilities Limited to procure the equipment under a sole-source finding, in substantially the same form as shown in Attachment A of the agenda item, in an amount not to exceed \$129,320; (3) authorize the CEO to execute a task order with Bearcom Wireless to install the equipment, in substantially the same form as shown on Attachment B of the agenda item, in an amount not to exceed \$5,031.19; (4) approve a 10 percent construction contingency in an amount not to exceed \$13,450; and (5) approve a budget transfer of \$90,000 from the Fare Collection line item to the Communication line item.

7. SDTI: Light Rail Vehicle Coupler Procurement – Contract Award (OPS 970.2)

Recommend that the Board of Directors (1) find by a 2/3 vote that Voith Turbo, Inc. is the sole-source supplier for SD100 light rail vehicle coupler parts; and (2) authorize the President/General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Voith Turbo, Inc. to supply one new electrical head with cables and one new mechanical head for a total cost not to exceed \$34,358.41 including tax.

8. MTS: Proposed Amendments to Board Policy No. 44 – Travel Expenses (ADM 110.2, PC 50102)

That the Board of Directors approve the proposed revisions to Board Policy No 44 (Attachment A of the agenda item).

9. MTS: Disadvantaged Business Enterprise (DBE) Semiannual Report (LEG 430, PC 50121)

That the Board of Directors receive the semiannual FY 2005 DBE reports for Federal Highway Administration- and Federal Transit Administration-assisted contracts (Attachments A and B of the agenda item).

10. SDTI: San Diego Chargers 2005 Year-End Summary (OPS 970.2)

That the Board of Directors receive this report for information.

Recommended Consent Items

Mr. Mathis recognized Ms. Diane Eidam, SANDAG's recently hired Chief Deputy Director.

Mr. Jablonski referred to Consent Agenda Item No. 10 and stated that this agenda item details some noteworthy statistics as follows: Cumulative trolley ridership to Chargers games increased 51 percent from the 2004 season, a good portion of which is the result of the opening of the Green Line; revenue generated from manual ticket sales booths increased 40 percent; trolley ridership equaled about 23 percent of the gate and, with bus, MTS carried over 25 percent of the gate; and, single-game gate percentage was nearly 30 percent.

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

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Legislative Update and Proposed Federal and State Legislative Goals
(LEG 410, PC 50121)

Ms. Sharon Cooney, MTS Director of Government Affairs and Community Relations, provided the Board with an overview of federal and state legislation that was passed during 2005 and its impact on transit. She also reviewed FY 2006 Transportation-Treasury Appropriations.

Ms. Cooney also reviewed efforts that MTS has made to influence the various infrastructure bond proposals that are being formulated by the state legislature and Governor Schwarzenegger. Ms. Cooney added that the bond proposals focus on commuter rail and have very little for transit. She stated that MTS is trying to negotiate allocations for transit or at least expanded definitions that would encompass transit. Ms. Cooney advised the Board that on a federal level, Representative Jerry Lewis, the new Appropriations Chair, wants to decrease the number of earmarks legislators can make and enter all requests in the Federal Register. Ms. Cooney also reported that the JCRT directed staff to develop a joint federal legislative program for 2006. She stated that it was decided to also develop a joint state legislative program.

Mr. Jablonski stated that he and staff have been very active over the past several weeks in trying to get the state's infrastructure bond issue to include a transit component; specifically in four broad categories – purchase or rehabilitation of rail cars, purchase of buses, rehabilitation of rail infrastructure, and safety and security. Mr. Monroe referred to a letter that was sent by North County Transit District to SANDAG regarding their funding needs and stated that transit should be unified in its approach to these matters with SANDAG. He did not feel that MTS and NCTD should be pursuing these issues separately. Ms. Cooney stated that there may be occasions when that will be a challenge. She added that MTS and NCTD have been working

very closely together to develop a package to give to SANDAG for the development of the Regional Transportation Plan (RTP). Mr. Jablonski pointed out that funding falls far short in making the RTP happen and even for existing services. Mr. Mathis added that the point is being made to elected officials that Proposition 42 funds have been diverted from their intended use for transportation until this year. Mr. Emery agreed that NCTD and MTS need to take a joint approach to these funding challenges, and SANDAG should be aware that transit stands together on this issue.

Mr. Ewin stressed the importance of keeping fellow council members informed about transit's funding challenges to ensure that transit's message can be clearly conveyed to SANDAG. Mr. Jablonski informed the Board that, at a recent SANDAG Policy Meeting, participants used an interactive polling process to rank the importance of projects all the way from beach-sand replenishment to transit. He stated that funding for transit ranked second only to general infrastructure in this exercise. He also reported that the maintenance of existing infrastructure ranked equally to investment in new infrastructure. He stated that this same exercise is on the agenda for the SANDAG Board Retreat with the full Board. He requested that Board members reiterate to any fellow council members that are attending the retreat that transit funding as a whole and specifically for infrastructure is needed and that both are vital to San Diego's whole transportation network. Mr. Jablonski stated that the SANDAG Board very much understands MTS's funding issues and agrees that there is work to be done. Ms. Cooney distributed copies of a memorandum addressed state legislators regarding the infrastructure bond. It was suggested that Board members provide copies of this memorandum to fellow council members. Mr. Jablonski stated that he would keep Board members informed as developments occur. Mr. Ewin stated that Board members could then pass that information to fellow council members.

Action Taken

Mr. Emery moved to (1) receive a report on 2005 legislative activities; (2) accept the proposed NCTD and MTS 2006 Federal Legislative Program; (3) accept the proposed NCTD and MTS 2006 State Legislative Program; and (4) authorize the CEO to direct MTS's Sacramento and Washington representatives to advocate the state and federal legislative programs. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

31. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project (LEG 460, PC 50101)

Ms. Lorenzen provided the Board with an update on the status of the Grossmont Trolley Station Joint Development Project. In particular, she reviewed the outstanding issues that will need to be resolved prior to the close of escrow. She reported that the California Department of Transportation (Caltrans) did not approve a waiver evaluation for the acquisition of the real property needed for the pedestrian bridge landing, so MTS is proceeding with a full appraisal process. She also reported that the San Diego and Arizona Eastern (SD&AE) Railway Company's January 24, 2006 meeting was cancelled. She added that, therefore, the granting of easements for the relocation of utility lines and construction of the drainage improvements in SD&AE right-of-way will not be handled until the next meeting, which is on February 15, 2006.

Mr. Ewin requested that he be provided with Fairfield Residential's list of target dates for the various steps in the project. In response to a question from Mr. Monroe, Ms. Lorenzen stated that utility work is scheduled to begin March 7, and construction can start at the beginning of

April. She advised the Board that everyone is working as expeditiously as they can, but there are elements of the project over which they have little or no control; e.g. lender review. Mr. Wesley Espinoza, Fairfield Residential, advised the Board that everyone is working hard to resolve all issues, which should maximize the chances of a speedy review and approval by the lender for the project. He stated that Fairfield is very motivated to move this project forward to ensure that they are not faced with increases in contractor pricing and interest and to keep their investor satisfied. Mr. Jablonski advised the Board that land-lease agreements are very complex and time consuming to handle, and MTS is using outside counsel to assist with the very thorough process MTS is going through. Ms. Hanson-Cox requested an update on this project at each Board meeting. In response to a question from Ms. Hanson-Cox, Mr. Jablonski stated that opportunistic parties ancillary to the project can interfere with the project's completion. In response to a question from Mr. Ewin, Mr. Espinoza stated that the entire project will not be complete until 2009. He stated that the two buildings, one on each side of the project, will be built one at a time and each will take 21 months to construct. Mr. Ewin distributed a list of tasks for the Grossmont Trolley Station Project.

Action Taken

Mr. Emery moved to (1) receive an update from General Counsel regarding the status of the Grossmont Trolley Station Joint Development Project; and (2) authorize the CEO to execute any and all easements, licenses, amendments, and/or agreements necessary to construct the project that will not be recorded on the parcel map, including, but not limited to, easements for utilities to San Diego Gas & Electric and the City of San Diego, and an amendment to an easement in favor of the American Automobile Association for landscaping and ingress/egress. Mr. Young seconded the motion, and the vote was 12 to 0 in favor.

32. SDTC: Retirement Plan Actuarial Valuation Reporting Options (OPS 960.5, PC 50601)

Mr. Cliff Telfer, MTS Interim Chief Financial Officer provided the Board with an overview of how San Diego Transit Corporation's (SDTC) retirement plan is monitored and the recommended options for reporting on the Plan's results. He reviewed factors affecting the funding status of the Plan, reports that are used for monitoring Plan assets; the tracking of liabilities, and the use of actuarial reports. Staff recommended (1) monthly and quarterly reports to the Executive Committee on investment returns, and quarterly reports to the Executive Committee on Plan liabilities; and (2) an annual actuarial valuation and investment performance report to the full Board. Chairman Mathis felt that reports on investment returns would be more meaningful if given quarterly rather than monthly.

Action Taken

Mr. Young moved to approve quarterly reports to the Executive Committee on investment returns and Plan liabilities and an annual actuarial valuation and investment performance report to the Board. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

33. MTS: Recognition of Leon Williams (ADM 110, PC 50101)

Mr. Jablonski advised the Board that over 500 people will be attending the luncheon on Friday, January 27, 2006, honoring Mr. Leon Williams, former MTS Chair. He reviewed recent discussions of ways to commemorate Mr. Williams' many contributions within the community

and to MTS. He reviewed the concept discussed with the Executive Committee at its January 19 meeting to create a plaque at San Diego State University (SDSU) Station. This plaque would incorporate a likeness of Mr. Williams and would provide a history of his contributions to MTS and of his affiliation with SDSU. He reported that SDSU President Weber supports this concept. He stated that, if the Board agrees, an announcement could be made at the luncheon on January 27.

Mr. Young wholeheartedly supported the idea and stated that a bust of Mr. Williams should be part of the display. Mr. Emery stated that it is important that the display be placed in a prominent location and that Mr. Williams' accomplishments at the City, County, MTS, and SDSU be part of the display. He stated that thousands of people will see display every day. He also stated that Mr. Williams graduated from SDSU in 1949. Mr. Rindone also expressed his support and pointed out that Mr. Williams is the last of the original charter members of the Metropolitan Transit Development Board and also served as the Board's chair for 11 years. Mr. Monroe suggested that the plaque include recognition of Mr. Williams' wife, Margaret, for her unwavering support. Mr. Jablonski stated that a working group could be formed to secure funding, agree on a location, and develop a more specific proposal for Board approval.

Action Taken

Mr. Young moved to instruct the CEO to form a working group to develop a plan to dedicate the San Diego State University (SDSU) Station to former Chairman and Board Member Leon Williams. The dedication would include a visual display and a plaque commemorating Mr. Williams' achievements, and it would be located at an appropriate a highly visible location at the station. This dedication of the SDSU Station to Leon Williams would preclude honoring anyone else at the station, and the station name would remain the SDSU Station. A public announcement of the dedication would be made at Leon Williams' retirement luncheon on Friday, January 27. Ms. Atkins seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. MTS: November Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Ms. Anika Smart, MTS Associate Transportation Planner, provided the Board with an overview of November 2005 monthly performance indicators. She reviewed November's operating environment, system ridership, on-time performance, mean distance between failures for both trolley and bus, collision accidents for both bus and rail, and customer complaints. In response to a question from Mr. Monroe, Ms. Smart stated that the statistics for mean distance between failures includes only those occasions when there was an actual service disruption rather than just a bus replacement enroute.

Action Taken

Mr. Cox moved receive this report for information. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

ASAC/COA: Mr. Jablonski called the Board's attention to the memorandum from the ASAC that was distributed before the meeting. He stated that they are very pleased with the outreach efforts made by MTS regarding the COA.

62. Board Member Communications

Leon Williams Luncheon: Mr. Rindone pointed out that the luncheon for Mr. Williams is being held at the San Diego Convention Center in Ballroom 20D with the reception at 11:30 a.m. and the lunch and program starting at noon.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, February 9, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 10:46 a.m.

Chairperson
San Diego Metropolitan Transit System
Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet