

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM,
SAN DIEGO TRANSIT CORPORATION,
AND SAN DIEGO TROLLEY, INC.

June 23, 2005

BOARD OF DIRECTORS MEETING ROOM, 10TH FLOOR
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached. Chairman Williams recognized Ms. Jillian Hanson-Cox, the City of El Cajon's new alternate for the MTS Board.

2. Approval of Minutes

Mr. Rindone moved to approve the minutes of the June 9, 2005, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

Tracy Sundlun, Rock 'n' Roll Marathon: Mr. Sundlun advised the Board that the new race course was well received by everyone involved in the Coca-Cola Zero Rock 'n' Roll Marathon on June 5. He added that this event raised over \$15 million for charity. He thanked staff for their efforts in making this event a success and gave special recognition in the form of a "finisher" medal to Tom Doogan, SDTI Event Coordinator. He also reported that 44 percent of the people who came to San Diego for the race rode the trolley at some point of time during that weekend.

Mr. Jablonski expressed appreciation for Mr. Sundlun's patience in changing the race course. He also recognized the efforts of SDTC employees who moved people that day, which contributed to the success of the event. He added that the new race course isolated Centre City from bus service for part of the day, but the event went very well.

Peter Warner: Mr. Warner stated that trolley car No. 54 to Santee has a malfunctioning digitizer. He also asked staff to evaluate late night and weekend service into downtown on Route 5.

4. Presentation of Employee Awards

SDTI Employee Service Awards: San Diego Trolley employees were presented with service awards as follows: For 10 years of service: Rick Ostrander, Electromechanic, and David Bagley, Train Operator and Auxiliary Supervisor. Ms. Sandra Overton,

Purchasing Agent, was also scheduled to receive a 10-year award but was unable to attend the meeting.

Coca-Cola Scholarship Awards: Ms. Paulina Gilbert, MTS Community Relations Coordinator, provided the Board with information on the structure of this program. She also introduced Mr. Charles Simpson from Coca-Cola and Mr. Jim Esterbrook from the San Diego County Office of Education. Each scholarship winner was introduced by a Board member who read a quotation from that student's essay. The students who received awards were Suzana Arellano, Paulin Chitoya, Jadi Conkling, Darrell Enriquez, Alan Alejandro Espino, Panna Felson, Michael Fiszman, Henry Finkelstein, Ashley Gambrell, Adam Garrie, Raquel Ramirez Gomez, Emily Grant, Ashley Grove, Kelly Lam, Hahn Nguyen, Monica Nguyen, Dwight Nwaigwe, Jennifer Panagarian, Yasmin Perez, Torey Raphael, Ashley Richards, Evelyn Robarts, James Watts and Roxanne Winston. Alejandro Navarro, Jeffrey Rapp, and Adam Sacks also received scholarship awards but were unable to attend the meeting.

5. Closed Session Items (ADM 122)

- a. The Board convened to Closed Session at 9:43 a.m. for CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subdivision (a) of Section 54956.9) California Regional Water Quality Control Board v. Metropolitan Transit System, Complaint No. R9-2005-0062.

The Board reconvened to Open Session at 9:54 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported that the Board received a report and gave direction to staff and outside counsel.

CONSENT ITEMS

6. MTS: Internal Audit on MTS Accounting (LEG 492, PC 30100)

Recommend that the Board of Directors receive this report for information.

7. MTS: Disadvantaged Business Enterprise (DBE) Semiannual Report (LEG 430, PC 30100)

Recommend that the Board of Directors receive the semiannual FY 05 DBE reports for Federal Highway Administration (FHWA)- and Federal Transit Administration (FTA)- assisted contracts (Attachments A and B of the agenda item) for the April 1 to September 30 reporting period.

8. MTS: Transportation Development Act (TDA)/State Transit Assistance (STA) Claims (FIN 310.1, PC 30100)

Recommend that the Board of Directors adopt Resolution Nos. 05-6, 05-7, 05-8, and 05-9 (Attachments A through D of the agenda item) approving the FY 2006 TDA and STA claims.

9. MTS: ATC/Vancom Contract Amendment – Bus Stop Maintenance
(OPS 920.6, PC 30103)

Recommend that the Board of Directors (1) authorize the CEO to execute a contract amendment (MTS Doc. No. B0316.6-02, Attachment A of the agenda item) with ATC/VANCOM to provide additional bus stop maintenance services from July 1, 2005, through June 30, 2007; and (2) ratify Amendment No. 5 for FY 2005 previously executed by the CEO under his authority.

10. SDTC: Towing Services – Extension of Month-to-Month Agreement (OPS 960.6, PC 30101)

Recommend that the Board of Directors (1) waive the formal competitive bidding requirements of Policy No. 13, Section 13.5; and (2) authorize the MTS Chief Operating Officer (COO) – Bus to extend a temporary month-to-month agreement for towing services with A to Z Enterprises (doing business as RoadOne San Diego) until such time that a new contract can be solicited and awarded, in substantially the same format as attached (Attachment A of the agenda item).

11. MTS: Grossmont Trolley Station Joint Development Project – Resolution of Support for the City of La Mesa's Application for Pilot Smart Growth Incentive Program Funds
(LEG 460, CIP 10497)

Recommend that the Board of Directors approve Resolution No. 05-10 (Attachment A of the agenda item) supporting the filing of an application for federal surface transportation funds through the San Diego Association of Governments (SANDAG) for the Pilot Smart Growth Incentive Program for the Grossmont Trolley Station.

12. MTS: Accounting Services Contract Amendment (OPS 960.6, PC 30101)

Recommend that the Board of Directors (1) waive the formal competitive bid requirement of Policy No. 13; and (2) authorize the MTS CEO to amend the existing contract (Document No. G0950.0-05) with Tom Saiz, Certified Public Accountant (CPA), to provide assistance with the completion of the FY 2004 audit and the preparation of financial statements and the Comprehensive Annual Financial Report (CAFR) for MTS, SDTI, and SDTC.

Recommended Consent Items

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

Consent Agenda Item No. 6: MTS: Internal Audit on MTS Accounting: Mr. Ewin stated that he appreciated the manner in which the MTS Auditor identified his concerns regarding the timely reconciliation of bank statements. He requested that the Board be provided with an update on the control and timeliness of bank statement reconciliations in 60 days. Mr. Abbey, MTS Auditor, agreed with this request. MTS Controller Tom Lynch reported that bank statement reconciliations should be up to date by that time. Staff assured Mr. Ewin that information is being provided by the bank in a timely fashion.

Recommended Consent Item

Mr. Rindone moved to approve Consent Agenda Item No. 6. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Federal and State Legislative Update (LEG 410, PC 30100)

Ms. Lorenzen provided the Board with an overview of local and state legislative issues currently pending. She pointed out that staff is proposing to add language to SB 959, MTS's bill to revise its enabling legislation, allowing each city and county to select a second alternate for the MTS Board. She also presented staff's recommended position on each of the state bills.

Mr. Mark Watts, MTS's state lobbyist, provided an overview of legislative activities at the state level. He reported that Proposition 42, the Transportation Improvement Act, has been restored in the Governor's May revised budget, and the legislature intends to support this change. He also reviewed the current status of the Public Transportation Account (PTA) and PTA "spillover".

Mr. Tom Walters, Thomas Walters & Associates, updated the Board on legislation pending at the federal level. He reported that the House and the Senate each have a proposal for renewing Transportation Equity Act for the 21st Century (TEA-21), and these bills are ready to go into conference committee. He advised the Board that President Bush has indicated that he will veto any bill that exceeds \$283.9 billion. The Senate's version is for \$293.8 billion. He stated that the House's version is \$283.9 billion. He added that both bills propose reauthorization through 2009 and include formula and discretionary programs. Mr. Walters also explained that the House bill includes earmarks for MTS's bus maintenance facility and its operations center as well as reauthorization for Mission Valley East and for Mid-Coast as a new start. He stated that the bill also includes an earmark for Bus Rapid Transit (BRT) for Chula Vista. He added that the Senate bill identifies no specific projects; that step will occur later in the process. He stated that no action will be taken on Homeland Security issues until after TEA-21 is reauthorized.

In response to a question from Mr. Rindone, Mr. Watts stated that the governor is completely restoring Proposition 42 in his May revision, but currently there is no provision to restore funds from previous years.

In response to a question regarding the California Transit Association's (CTA) position on AB 101 transferring safety oversight from the Public Utilities Commission (PUC) to Caltrans, Mr. Watts reported that the CTA actually sponsored this bill. Mr. Watts also stated that this bill would probably be held up until next year. Mr. Jablonski, MTS CEO stated that MTS is very comfortable with the Public Utilities Commission's current monitoring responsibility. Mr. Tereschuck, SDTI President-General Manager, stated that a conflict between San Jose and the PUC may have been the impetus for this bill. Mr.

Tereschuck also reported that a task force of transit agencies will be meeting on Thursday, June 30, 2005, to consider an alternative solution to AB 1010. He reported that during this discussion, the task force will review a revised process offered by the PUC for handling disputes or conflicts with transit agencies.

Mr. Ewin stated that he would really appreciate it if the Chairman would direct the City of San Diego to appoint alternates. He made statements regarding the absence of City representatives and the failure to start the meetings on time because of the lack of a quorum until after 9. He also stated that staff members regularly call his office to confirm his attendance as part of an effort to ascertain that a quorum will be present for the meetings. Mr. Atkins stated that she would be happy to carry Mr. Ewin's message to her colleagues.

Public Comment

Peter Warner: Mr. Warner asked for an update on the reauthorization of funding for Amtrak. Mr. Rindone stated that the Los-Angeles-San Diego Rail Corridor Agency (LOSSAN) is closely monitoring this situation. He stated that the funding currently being considered for Amtrak is just under \$6 million. He stated that, even if this amount is adopted, most national routes would have to be discontinued.

Action Taken

Mr. Rindone moved to (1) receive a report on the current status of various federal and state legislative bills; (2) authorize the federal and state lobbyist to represent MTS's position on each bill; and (3) authorize staff to proceed with the additional proposed changes to MTS's enabling legislation. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

33. SDTC: Janitorial Service Contract Termination and Request for Waiver of MTS Policy No. 13. (OPS 960.6, PC 30101) (*Taken Out of Order*)

MTS Chief Operating Officer – Bus reported that Golden Pacific Maintenance has declined SDTC's offer to cure its performance default within the allotted ten-day time period as set forth in the contract. SDTC Manager of Procurement Kent Tsubakihara reported that Golden Pacific has indicated they would rather terminate their contract. Ms. Lorenzen confirmed that this is consistent with provisions contained in the contract.

Action Taken

Mr. Clabby moved to authorize the MTS COO – Bus to (1) terminate the current janitorial contract with Golden Pacific Maintenance (Golden) for default in the event that Golden fails to cure the default in its performance within the allotted ten-day time period; (2) in the event of termination, enter into a temporary month-to-month contract with the previous contractors, Calderon Building Maintenance, until a new contract can be solicited; and (3) authorize a waiver to the competitive bid requirements of MTS Policy No. 13, Section 13.5(i), to allow for a negotiated procurement that would evaluate cost as well as experience of each proposer instead of evaluating cost from only the highest-ranked proposer. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

31. MTS: Comprehensive Operational Analysis: Policy Guidance on Service Development (ADM 121.10, PC 20484)

MTS Director of Planning and Performance Monitoring Conan Cheung introduced Russ Chisholm, Transportation Management and Design, and then reviewed the recommended service development guidelines and framework for the Regional Service Concept. He began his presentation by reviewing the goals of Phase II of the Comprehensive Operational Analysis (COA), key steps, policy choices and tradeoffs, selection of travel markets, how resources should be allocated, and system redevelopment criteria. He stated that the Blue Ribbon and Citizen Advisory Committees felt that focus should be on serving all markets that demonstrate enough demand, with particular attention to transit-dependent and major commuter markets. He stated that they also felt that priority should be on productivity over coverage; however, MTS should try to provide some coverage only if it can be heavily tailored to the specific needs of those communities served. He also reviewed the priorities agreed to by the two committees, with the top priority given to improving system performance followed by improving network integration/connectivity. He also reviewed the types of information that was used to develop the Regional Service Concept and the next step in the process.

In response to a question from Mr. Monroe, Mr. Cheung reported that service quality is defined in terms of travel comforts. Mr. Monroe stated that reliability should be a top priority and stated that staff should really focus on that in building the network. Mr. Monroe explained the concept of spontaneous use, which basically means that passengers don't need to consult a schedule because the service is so frequent (five- to seven-minute frequency). Mr. Cheung pointed out that Portland adopted the spontaneous-use service concept and has up to 15-minute frequencies on its system. He added that even London has up to 12-minute frequencies and is considered spontaneous. In response to a question from Ms. Rose, Mr. Cheung stated that staff is developing a core network rather than a group of individual networks. He stated that route changes will be considered in terms of the core network as well as how the routes make connections within the network. Mr. Cheung projected that a final COA plan could be brought back to the Board in November or December of this year. In response to a question from Ms. Hanson-Cox, Mr. Cheung explained how services might be tailored within a community to meet a specific regular need.

Public Comment

Peter Warner: Mr. Warner made suggestions for route adjustments to Route Nos. 5 and 6.

Action Taken

Mr. Emery moved to approve the recommended service development guidelines and framework for the Regional Service Concept. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

32. MTS: Update on S70 to SD100 Vehicle Compatibility (OPS 970.2, PC 30102)

Mr. Jablonski reviewed current compatibility problems between the S70 and SD100 trolley cars. He pointed out that, in most cases, the cars are compatible. He added that

there are still some finer compatibility issues that remain to be resolved and, therefore, MTS will not be able to run mixed consists during the Mission Valley East (MVE) opening. He added that staff anticipates that MTS will resolve these issues and be able to run mixed consists in the near future. He stated that staff is working very closely with the manufacturer of the car, Siemens, to ensure that these issues are resolved in an effective and timely manner and may involve some retrofits. He added that staff will continue to provide updates on this matter. In response to a question from Mr. Mathis, Mr. Jablonski reported that all station platforms will be able to accept either the SD100 or the S70 trolley car.

In response to a question from Mr. Jones, Mr. Jablonski stated that the Board originally decided to run the new low-floor trolley cars in mixed consists so the new cars would be available to all patrons regardless of where they boarded. Mr. Jones stated that he would like to know how much time and money is being spent on reaching an acceptable compatibility between the cars. He stated that maybe the Board should revisit its decision in this matter. In response to a question from Mr. Morrison, Mr. Tereschuck reported that compatibility of the cars was part of the specification for the purchase, but the specifications did not speak to each individual control element from one car to the other.

Mr. Jablonski advised the Board that the entire system (bus and trolley) is experiencing an increase in service delays as a result of the steadily increasing numbers of wheelchair-type boardings, which are very time consuming. He stated that running mixed consists will help reduce the impact of wheelchair boardings on the system as boardings on an S70 car can be made more quickly. He stated that there are currently about 7,000 wheelchair boardings per month on the Trolley, and that number continues to grow. He stated that 56 percent of train delays relate to wheelchair boardings.

Action Taken

Mr. Rindone moved to (1) direct staff to continue to pursue resolving incompatibility between the new S70 light rail vehicles; and (2) direct staff not to operate mixed (SD100/S70) consists during the initial opening phase of Mission Valley East (MVE) until the compatibility can be resolved. Mr. Emery seconded the motion, and the vote was 8 to 0 in favor.

34. MTS: Rural Bus Services – Contract Amendment (OPS 920.5, PC 30207)

Ms. Lorenzen pointed out that each Board was provided with a revision for this agenda item. Ms. Susan Hafner, Director of Multimodal Operations, reminded the Board that this item was postponed on June 9, 2005, at which time the Board requested additional data and directed staff to ask Laidlaw if it would be willing to operate on a month-to-month arrangement. Ms. Hafner stated that Laidlaw is unwilling to do that based on employee-retention issues. She briefly reviewed the subsidy per passenger trip and farebox recovery ratio for each of the routes in the Rural Bus Services Contract. She also reviewed recent service changes that were made for a cost savings of \$80,000.

Mr. Monroe pointed out that Route 894 with a per-passenger subsidy of \$10.18 dominates the average of \$22.43. He pointed out that Route 889 has a subsidy of \$63.67. He stated that subsidy information was not presented as part of the budget process. He stated that he understood that these were life-line services, but also

pointed out that MTS cannot provide service to everyone. Mr. Monroe also objected to these types of issues being placed on the Consent Agenda.

The Board briefly discussed the divestiture agreement with the County, and Ms. Hafner stated that MTS has met the terms of this agreement. Mr. Morrison stated that a route-by-route analysis of this service needs to be conducted as quickly as possible and service changes expedited to the public hearing step. He stated that public transit is designed to be an urban service. Mr. Ewin stated that Mr. Roberts, as a representative of the County of San Diego, should be present to share his perspective on this service. Ms. Hafner confirmed that MTS has met its legal requirements and obligations with regard to this contract. Mr. Telfer confirmed that MTS would lose no funding if this service were discontinued. Staff provided Mr. Ewin with the number of trips per day for each route, which ranged from two trips per day to six trips per day. Mr. Ewin reminded the Board that MTS General Counsel Ms. Lorenzen stated at the June 9 meeting that a month-to-month arrangement for this contract is not possible because of certain federal guidelines regarding contracts.

Mr. Emery stated that an in-depth analysis is not needed. He stated that MTS must proceed through its typical service-change process. He stated that there will be an outcry from the rural communities served by these routes if the Board elects to eliminate the service. He stated that they need transportation, and the Board should be compassionate and look for other means and/or agencies to provide it. Ms. Atkins supported Mr. Emery's statement that the agency must follow its process. Ms. Atkins also pointed out that individuals in the rural areas who voted for TransNet II may have certain expectations regarding the continuation of their bus service. She added that many people choose to live in rural areas because housing is more affordable. She stated that while the Board has a fiduciary responsibility, it also has a responsibility to the voters. She also stated that Mr. Roberts should have an opportunity to make comments on this matter and to offer alternative solutions.

Mr. Mathis pointed out that FY 05 revenue from this service was \$102,000 and expenses were \$1.2 million. He pointed out that rural residents may have voted for TransNet because a good share of it is dedicated to rural roads. He added that the Board has a fiduciary responsibility to maintain the viability of MTS and must seriously consider these issues. Mr. Ewin agreed that MTS should follow its service-change process. He suggested considering one trip per day with priorities given to certain types of trips. Ms. Hafner suggested that staff conduct the recommended route-by-route analysis and present a restructuring plan that is more cost effective. She suggested that the Board approve the contract with the understanding that there is a contract clause that allows MTS to make changes giving the contractor a 90-day notice. She stated that staff would also return with a timeline for the service changes.

Mr. Jablonski stated that he could direct staff to immediately schedule a public hearing at which time the Board could make its decision to retain, modify, or not retain rural bus service. He added that a review of rural service has always been included in the COA process, but the Rural Bus Service contract expires prior to the completion of that process. He stated that staff will have a full set of service-change recommendations resulting from the COA. Mr. Ewin agreed with Mr. Jablonski's statements and requested that staff discuss this issue with Mr. Roberts and with Ms. Diane Jacobs, County of San Diego, to see if they can provide the resources to continue this service. Ms. Lorenzen

pointed out that the earliest a public hearing could be held is July 14, and the contract expires June 30, 2005.

Mr. Cheung and Mr. Monroe both stated that the core network should be developed before a route-by-route analysis of county bus service is conducted. Mr. Ewin requested that the route-by-route analysis be conducted with a goal of putting this service back on a life-line level, i.e. fewer trips of shorter length. Mr. Jablonski stated that staff's report would include information on cost savings.

Action Taken

Mr. Ewin moved to authorize the CEO to (1) execute Amendment No. 1 to MTS Doc. No. B0397.0-03 (Attachment A of the agenda item) for the Rural Bus Services for the first one-year option period in substantially the same format as attached to the agenda item with the understanding that staff will report back to the Board with recommendations for possible service reductions and identification of other funding sources that could be utilized to maintain this service; (2) execute Amendment No. 1 to MTS Doc. No. B0439.0-04 (Attachment B of the agenda item) for Rural Bus AVL services for a 17-month period with a 15-day cancellation provision in substantially the same format as attached to the agenda item; and (3) as part of the COA, direct staff to conduct a route-by-route service analysis to determine whether to make significant reductions to the Rural Service and possibly conduct a public hearing. Mr. Emery seconded the motion, and the vote was 8 to 1 in favor with Mr. Monroe casting the dissenting vote.

REPORT ITEMS

Recommended Report Items

Mr. Jones moved to receive Report Agenda Item Nos. 45, 46, and 47 as follows: Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

- 45. MTS: Operations Budget Status Report for April FY 2005 (FIN 310.1, PC 30100)
- 46. MTS: April Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 30101, 102, 103)
- 47. MTS: 2005 Coca-Cola Zero Rock 'N' Roll Marathon Recap (OPS 970.2, PC 30102)

- 60. Chairman's Report (ADM 121.7, PC 30100)

There was no Chairman's Report.

- 61. Chief Executive Officer's Report (ADM 121.7, PC 30100)

There was no CEO's Report.

- 62. Board Member Communications

Board Room Public Address System: Mr. Mathis stated that because Ms. Lorenzen does not use a microphone, he cannot hear her speak. He requested that staff procure a microphone for her. Ms. Lorenzen stated that MTS has wireless microphones that can't be used because of technical problems with the system.

63. Additional Public Comments on Items Not on the Agenda

Peter Warner: Mr. Warner stated that destination signs between the SD100 and S70 trolley cars should be compatible.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, July 14, 2005, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Williams adjourned the meeting at 10:20 a.m.

Chairman
San Diego Metropolitan Transit
Development Board

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit
Development Board

Attachment: A. Roll Call Sheet

gail.williams/minutes