

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

August 11, 2005

BOARD OF DIRECTORS MEETING ROOM, 10<sup>TH</sup> FLOOR  
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:06 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Emery moved to approve the minutes of the July 14, 2005, Board of Directors meeting. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

*Don Stillwell:* Mr. Stillwell objected to the current routing and frequency of service for Route No. 14. He distributed a map showing the current routing. Mr. Conan Cheung, MTS Director of Planning and Performance Monitoring, stated that stopping points objected to by Mr. Stillwell are within ¼ mile walking distance of Kaiser Hospital. He added that if Mr. Stillwell's recommendations were implemented, it would add four to five minutes to the route. He stated that this would impact 180 through riders compared to the 66 passengers impacted by the current routing of Route 14. Chairman Williams pointed out that the Board's decision to implement this particular route change was based on this information.

*Chuck Mesher:* Mr. Mesher asked for clarification of the rules regarding wheelchair tie-downs on buses. Mr. Jim Byrne, San Diego Transit Director of Transportation, explained that wheelchairs must be secured using the four-point tie-down, but that the lap belt is optional. MTS Chief Operating Officer-Bus Claire Spielberg stated that this level of securement is necessary to prevent a wheelchair passenger from becoming a projectile during a sudden stop and is designed to prevent injury to the wheelchair passenger and other passengers on the bus. Mr. Mesher stated that he found this process to be demeaning. Chairman Williams requested that Ms. Spielberg report back to the Board on this matter. Mr. Mesher also stated that he has filed complaints numerous times and has never received any responses from San Diego Transit. Ms. Spielberg explained that San Diego Transit responds to all complaints where an address or telephone number is provided by the person filing the complaint. Mr. Williams stated

that staff could report back to Mr. Mesher, but that this Board meeting was for docketed items and undocketed items are not open for debate.

*Nancy Moore:* Ms. Moore stated that San Diego is growing and more buses are needed to provide its citizens with good service. She thanked the Board for the existing service.

*Clive Richard:* Mr. Richards stated that an elevator at SDSU Station on the Green Line is out of operation and this is very inconvenient.

*Nathan Johnson:* Mr. Johnson, Amalgamated Transit Union, Local 1309, encouraged the Board to exercise its right under SB 959 to form a transit police force to supplement current security efforts. He suggested that MTS work with SANDAG to expedite the formation of such a force for public-safety reasons.

*Cynara Dawn Kidwell:* Ms. Kidwell pointed out that the elimination of the Route 27 in September of 2004 has caused people along Friars Road to be without service and has resulted in considerably longer trip times for other patrons. She reported that she had submitted petitions regarding this matter. Mr. Cheung reported that there are other route options for riders who are experiencing longer trip times. He added that 45 people have no service along Friars Road, which equals one passenger per trip. He also reported that this service change generated a savings of \$378,000. He further stated that, of the 200 people who signed the petitions, only 7 live more than ½ mile from Fashion Valley, where many transit options are available.

4. Presentation of Employee Awards

*SDTI Employee Service Awards:* San Diego Trolley employees were presented with 10-year service awards as follows: Lee Sommerlott and Cheryl Vickery.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:37 a.m. for

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Government Code Section 54956.9 Save Our Heritage Organization (SOHO) v. City of San Diego, et. al. Superior Court Case No. GIC 837743.
- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Government Code Section 54956.9 MTDB v. RV Communities, California Supreme Court Case No. S133786.
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Property: Grossmont Center Station Parking Lot – Assessor Parcel Nos. 490-200-39, 490-200-40, and 490-270-23. Agency Negotiators: Tim Allison, R. Martin Bohl, Paul Marra, and Tiffany Lorenzen. Negotiating Parties: Fairfield Residential, LLC. Under Negotiation: Instructions to negotiators will include price and terms of payment.

The Board reconvened to Open Session at 10:28 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to outside counsel. City of San Diego representatives on the Board were not present for the discussion of this item.
- b. The Board received a report and gave direction to staff.
- c. The Board received a report and gave direction to General Counsel.

CONSENT ITEMS

6. MTS: Mission Valley West Light Rail Transit Project – Completion of Wetland Mitigation (CIP 10416.2)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to execute a purchase agreement with Wildlands, Inc., for \$129,000 for the purchase of 0.86 wetland mitigation credits (Attachment A of the agenda item).

7. MTS: Audit Report - Security (LEG 492, PC 50101)

Recommend that the Board of Directors receive the internal audit report on the MTS security process.

8. SDTC: Uniform Service Contract Award (OPS 960.6)

Recommend that the Board of Directors authorize the MTS Chief Operating Officer – Bus to execute a five-year contract (SDTC Doc. No. B04-007A – Attachment A of the agenda item), in an amount not to exceed \$303,054.00, with Prudential Overall Supply for uniform services.

9. SDTI: Light Rail Vehicle Equipment Procurement (OPS 970.6)

Recommend that the Board of Directors authorize the President-General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Hi Tec Enterprises to supply five dynamic brake-resistor segments for U2 light rail vehicles for a total cost, including delivery and taxes, not to exceed \$34,776.31.

10. MTS: Proposed 2005/2006 Internal Audit Plan (LEG 492, PC 50101)

Recommend that the Board of Directors approve the Proposed 2005/2006 Internal Audit Plan (Attachment A of the agenda item).

Mr. Lewis requested that less negative language be used to describe the objectives of the internal audit plan. Mr. Jablonski explained that the purpose of the audits is to ensure that MTS has adequate controls in place. Mr. Abbey, MTS Internal Auditor, agreed to make changes in the language used.

11. MTS: Disadvantaged Business Enterprise Program Update (LEG 430, PC 50121)

Recommend that the Board of Directors approve the 2005 MTS Disadvantaged Business Enterprise Program Update.

12. SDTI: Security Patrol Services – Contract Amendment (OPS 970.2)

Recommend that the Board of Directors (1) waive the provisions of MTS Policy No. 13.5.2(b), which requires formal bidding of all service contracts over \$50,000; and (2) authorize the President-General Manager to execute a month-to-month contract amendment with Transit Systems Security beginning on July 1, 2005 (not to exceed five months) with no increase in hourly billable rates or other costs.

13. MTS: Increased Authorization for Legal Services (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to enter into a contract amendment with Roger Bingham of the law firm Butz, Dunn, DeSantis, Bingham, APC (MTS Doc. No. G0723.12-02, Attachment A of the agenda item), and John Moorehead of the law firm Goldman, Magdalin & Krikes, LLP (MTS Doc. No. G0735.4-02, Attachment B of the agenda item) for general liability services, in substantially the same form as attached, and ratify prior amendments entered into under the CEO's and/or previous General Manager's authority(ies).

14. MTS: Budget Transfers for Mission Valley East (CIP 10426.7)

Recommend that the Board of Directors authorize the CEO to transfer \$250,000 from the Grantville Segment Construction line item (WBS 10426-109918GR) into the Construction Contingency for the Grantville Segment, as shown on Attachment A of the agenda item, Approved Construction Contingency Changes, to fund pending and proposed change orders for the closeout of the Grantville Segment construction contract.

15. SDTC: Ride Monitoring Service – Sole Source Contract (OPS 960.6)

Recommend that the Board of Directors (1) waive the competitive bid requirements of MTS Policy No. 13, Section 13.5.2(b), which requires contracts exceeding \$50,000 to be formally bid, and authorize the Chief Operating Officer-Bus to enter into a retroactive month-to-month contract (Attachment A of the agenda item), not to exceed one year, with the incumbent contractor, First Transit, Inc., for an amount not to exceed \$118,018.20; and (2) waive the competitive bid requirements of MTS Policy No. 13, Section 13.5.2(i) to allow for a negotiated procurement that would evaluate the cost as well as experience of each proposer, instead of evaluating cost from only the highest-ranked technical proposer, for the bidding of a new multiyear contract.

Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15. Mr. Young 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: Interim Interest Rate Lock of Pension Obligation Bonds, Variable Rate Series (FIN 300, PC 50601)

Mr. Rindone moved to find that the need for action for this item arose after the issuance of the agenda, that it required immediate Board action, and to approve its addition to the agenda. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

Mr. Cliff Telfer, MTS Interim Chief Financial Officer, called Board's attention to the memo that was placed at the table prior to the start of the meeting. He explained that the variable interest rate climbed from 4.47 percent to 4.78 percent between the time the Board gave staff direction to proceed with locking in the interest rate and before the financing documents could be finalized. Staff presented the Board with four options for proceeding with this transaction: (1) go forward with the lock at 4.78 percent for seven years; (2) pursue a seven-year lock at 4.53 percent with an option to buy out after five years; (3) pursue a three-year term; or (4) make no change to the direction originally given to staff. Mr. Telfer pointed out that the seven-year lock with the five-year buy-out option would save MTS 25 basis points but involves a certain amount of risk at the end of five years. He pointed out that this approach would save \$500,000 over a straight seven-year term.

Mr. Rindone expressed displeasure that action was not taken immediately after Board direction to proceed with this transaction. He stated that, by delaying, MTS will experience an additional cost of thousands of dollars. He felt that the options presented were not very attractive. Mr. Telfer stated that there is legal review that must be conducted and financial documents that must be prepared, and staff and the consultants were not able to finalize these steps before the market rates increased. Mr. Jablonski added that it takes at least two weeks for the preparations and legal review for such a transaction. He stated that there were also timing issues that had a bearing on the completion of the transaction. Mr. Telfer reported that staff can move quickly now if the seven-year term with a five-year buyout option is selected because the existing documentation can be used and no further legal review is necessary. Mr. Jablonski added that the option for a seven-year term with a five-year buy-out will save MTS \$500,000. He added that the increase in the variable interest rate necessitated returning to the Board with this matter.

Mr. Roberts expressed his support for a seven-year term with a five-year buy out but felt that there should be an interest-rate limit of 4.63 percent. Mr. Ewin and Mr. Rindone both expressed support for having a slightly higher limit and pointed out that the interest rate could increase before the transaction is completed. They felt that one or two basis points should not hinder going forward with the transaction.

Mr. Ewin requested that staff notify Board members by e-mail or fax when this transaction is completed and providing the interest rate at which the transaction was locked in.

Action Taken

Mr. Roberts moved to direct staff to pursue a seven-year rate with a five-year cancellation option for an interest rate not to exceed 4.53 percent. Mr. Rindone amended this motion to change the percentage rate to 4.63. Mr. Young seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. SDTC: MTS Bus FY 05 Year-End Operations Report (OPS 960.2)

Mr. Byrne and Ms. Spielberg reviewed the MTS BUS FY 05 Year-End Report. Mr. Byrne provided the Board with information on service quality and on-time performance. He explained that the sudden decrease in on-time performance in April 05 was due to a Padres day game, which had a negative impact on the flow of traffic and affected Route Nos. 4, 20, and 25. Ms. Spielberg reviewed the mean distance between failures and service interruptions, which have shown improvement as a result of the Preventive Maintenance Program. She then showed the Board pictures of one of SDTC's buses being built by New Flyer and the application and painting of one of these buses by maintenance personnel at SDTC's Kearny Mesa facility.

In response to a comment by Mr. Clabby, Ms. Spielberg stated that she didn't feel that there was a correlation between the increase in mechanical failures in April 05 and the decline of on-time performance also in April 05. Ms. Spielberg explained for Mr. Lewis how field supervision staff members are used to monitor bus operations in the field. She also explained how the bunching of buses is handled. Ms. Spielberg also explained that all complaints at SDTC are handled within 48 hours, and everyone who complains receives a response if they provide a telephone number or address. Mr. Lewis suggested that supervisors in customer service randomly check with customers to monitor satisfaction.

Action Taken

Mr. Young moved to receive this report for information. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

46. SDTI: Preliminary Green Line/Red Line Service Observations (OPS 970.2)

Mr. Peter Tereschuck, SDTI President-General Manager, reported that the new Green Line has been in operation for three weeks. He then reported on the status of Green Line operations and challenges that arose during simultaneous Red Line special service. Mr. Tereschuck provided the Committee with information regarding consists and the number of train trips. He also provided the Committee with information on ridership, the interline service connection at Old Town Transit Center, and challenges with cycling trains through the Grossmont Transit Center and the Gillespie Field stop.

Mr. Tereschuck reported that Red Line Special Event Service created some particular challenges the weekend that both the Comic Con and a Padres ballgame occurred downtown, especially Friday, July 29. He stated that the primary cause of the difficulties was the bottleneck that occurred at the Old Town Transit Center, which was exacerbated by a car failure at one end of the line and a switch failure in the west pocket

track at Qualcomm. He stated that there is a trolley entering the Old Town Transit Center every one to two minutes.

Mr. Tereschuck advised the Board that centralized control of Old Town routing, which should improve this situation, should be in place by the end of September. He added that system-wide implementation of Central Train Control is now on an accelerated schedule for implementation and should be done in 18 months. He stated that staff also hopes to accelerate the modification of platforms at stations south of Old Town so S70 trolley cars can be used at those locations. He added that staff will also evaluate locations along the Red Line route where additional pocket tracks or sidings could be developed to provide additional flexibility while providing service. Mr. Jablonski stated that staff has a meeting scheduled with Macro to ensure that MTS will be using the latest technology in its Train Control Center. He added that Friday, July 29, was SDTI's second highest ridership day.

Mr. Monroe stated that the Board was unaware that there were potential problems with the system. He also stated that there should be more ambassadors at stations helping customers until they are familiar with how to use the system. He stated that, while he was using the system, there were ambassadors who, while they were very courteous, were not able to provide helpful information regarding when the next trolley train would arrive on the day when these problems occurred. He stated that some employees he encountered that day were not complimentary about the system. Mr. Tereschuck stated that staff has risen to all the challenges of the last 30 days and added that feedback he has received from both passengers and staff in the field has been positive. Mr. Emery pointed out that there are bound to be difficulties with a brand new system. Mr. Emery agreed that there should be more staff in the field to assist passengers, and these people should have known what was happening with the system. Mr. Tereschuck stated that he would address this issue with field staff.

Mr. Ewin stated that he has heard nothing but positive comments about trolley service. He also thanked San Diego Trolley for the assistance they provided East County cities for their events related to the trolley opening. Mr. Mathis stated that the weekend of July 29 presented unique circumstances – operating of a new line, switch problems, car shortages, and station platform problems. He stated that it is unfair to criticize staff for problems that were at least, in part, created by decisions made by the Board. He felt that Trolley staff had risen to the occasion.

In response to a question from Mr. Emery, Mr. Tereschuck stated that he didn't know if additional pocket tracks and sidings would have a positive effect on operations at Old Town. In response to a comment by Mr. Clabby, Mr. Tereschuck stated that he would have signage checked to ensure that it displays the correct information. In response to a question from Mr. Lewis, Mr. Tereschuck reported that field personnel are sometimes reassigned and, in some circumstances, are brought in outside of their regular work schedule.

#### Action Taken

Ms. Atkins moved to receive this report for information. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

47. MTS: June Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Action Taken

Mr. Rindone moved to defer this item to the next Board meeting. Mr. Janney seconded the motion, and the vote was 11 to 0 in favor.

48. MTS: Southern California Maglev Project (AG 230, PC 50121)

Action Taken

Mr. Emery moved to defer this item to the next Board meeting. Mr. Rindone seconded the motion, and the vote was 11 to 0 in favor.

49. MTS: Coordination of MTS Comprehensive Operational Analysis (COA) and SANDAG Independent Transit Planning Review (ITR) (AG 121.10, PC 50451)

Mr. Cheung and SANDAG Principal Transportation Planner Mr. Dave Schumacher, presented the Board with an overview of these two studies. Mr. Cheung reviewed the objectives of the two studies and stated that the COA would take a short-term view while the ITR would take a long-term view. He reviewed the elements and structure of the COA. Mr. Schumacher reviewed the ITR Study Approach, the makeup of the Peer Review panel and the issues to be studied. Mr. Cheung reported that this presentation will also be made to the SANDAG Transportation Committee.

Action Taken

Ms. Atkins moved to receive this report on the coordination of MTS's Comprehensive Operational Analysis and the SANDAG Independent Transit Planning Review for information. Mr. Morrison seconded the motion, and the vote was 11 to 0 in favor.

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

*Public Comment and Employee Awards:* Mr. Roberts stated that there should be no staff reports given during Public Comment, and each comment from the public should be no more than two minutes long. He stated that the Board is having debates and employee awards and is then not able to finish its business as outlined on the agenda. He stated that public comment is acceptable, but there should be no debate.

63. Additional Public Comments on Items Not on the Agenda

*Nathan Johnson, Amalgamated Transit Union (ATU), Local 1309:* Mr. Jablonski reported that Mr. Johnson was inadvertently overlooked when the Consent Agenda was



approved. He stated that Mr. Johnson wished to make comments regarding Consent Agenda Item No. 15 - SDTC: Ride Monitoring Service – Sole Source Contract. Mr. Johnson stated that the ATU would like to have input into the procedures and methods used to carryout this program. He also stated that approving this contract is in violation of MTS Policy No. 13 – Procurement of Services.

Mr. Johnson also stated that the decrease in complaints could be partially attributed to Mr. Jablonski's and Ms. Spielberg's expenditure of \$1 million in resources for improving bus routing and schedules. He also stated that Wage Order No. 9 requires that operators be given certain break periods, and ATC and McDonald Transit are involved in law suits because they failed to do so. He added that these two companies have policies that differ from SDTC's regarding the bunching of buses.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, September 8, 2005, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Williams adjourned the meeting at 12:05 p.m.

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Chairman  
San Diego Metropolitan Transit  
Development Board

Filed by:

Approved as to form:

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

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Office of the General Counsel  
San Diego Metropolitan Transit  
Development Board

Attachment: A. Roll Call Sheet

gail.williams/minutes