

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

MINUTES

October 22, 2009

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

1. Roll Call

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

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the September 24, 2009, MTS Board of Directors meeting. Mr. Janney seconded the motion, and the vote was 9 in favor with 2 abstentions, by Ms. Denny and Ms. Zarate.

3. Public Comments

There were no public comments.

CONSENT ITEMS

6. MTS: Federal Legislative Representation. Action would authorize the Chief Executive Officer (CEO) to execute Task Order No. 5 of the triagency contract with Blank Rome Government Relations, LLP (MTS Doc. No. G0980.0-06) effective November 1, 2009.
7. MTS: Adoption of 2010 MTS Executive Committee and Board of Directors Meeting Schedule. Action would adopt the 2010 Executive Committee and Board of Directors meeting schedule.
8. MTS: Increased Authorization for Legal Services - Paul, Plevin, Sullivan & Connaughton LLP. Action would authorize the CEO to execute MTS Doc. No. G1095.2-07 with Paul, Plevin, Sullivan & Connaughton LLP for legal services and ratify prior amendments entered into under the CEO's authority.
9. MTS: Increased Authorization for Legal Services - Law Offices of Julie Morris Soden. Action would execute MTS Doc. No. G1173.6-08 with the Law Offices of Julie Morris Soden for legal services and ratify prior amendments entered into under the CEO's authority.
10. MTS: Increased Authorization for Legal Services - Liebman, Quigley, Sheppard & Soulema, APC. Action would authorize the CEO to execute MTS Doc. No. G1087.6-07 with Liebman, Quigley, Sheppard & Soulema, APC for legal services and ratify prior amendments entered into under the CEO's authority.
11. MTS: Liability Claims Analysis Report. Action would receive the Liability Claims Analysis Report for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI).

12. MTS: Approval of the Old Town Transit Center Improvements and Fund Transfer Memorandum of Understanding (MOU) with SANDAG. Action would: (1) authorize the CEO to execute an MOU with the San Diego Association of Governments (SANDAG) for the construction of Public Utilities Code- (PUC)-mandated improvements at Old Town Transit Center; and (2) transfer California Department of Transportation- (Caltrans)-contributed funds to SANDAG for these improvements.
13. MTS: Light Rail Vehicle Gearbox Overhaul Kits - Contract Award. Action would authorize the CEO to execute MTS Doc. No. L0900.0-10 with Hi-Tec Enterprises to purchase up to 180 light rail vehicle (LRV) gearbox overhaul kits and an option to purchase an additional 40 if needed (contingent upon receipt of a Buy America waiver from the Federal Transit Administration (FTA)).
14. MTS: Job Access and Reverse Commute Grant. Action would approve Resolution No. 09-23 authorizing the CEO to submit applications for federal fiscal year 2009 Job Access and Reverse Commute (JARC) (5316) "Non-Urban (Rural) Areas - Federal Transit Administration" funding.
15. MTS: LRV Station CCTV Components (Phase 2) - Work Order Amendment. Action would: (1) ratify MTS Doc. No. G1246.0-09 Work Order No. 09.05 for \$99,506.02 with David Evans and Associates for engineering and design services for Capital Improvement Project (CIP) "LRV Station CCTV Components (Phase 2)" previously approved under the CEO's authority; and (2) authorize the CEO to execute MTS Doc. No. G1246.0-09 Work Order Amendment No. 09.05.01 for \$6,553.47 for changes in the scope of design work.

Comment on Consent Agenda Item #6

Mr. Gloria stated that he noted that this is a shared agreement between MTS, SANDAG, and NCTD. Ms. Lorenzen confirmed that this is the last year of a five-year contract with the existing contractor and that SANDAG will be putting out an RFP region wide for all three of the entities to rebid the contract.

Comment on Consent Agenda Item #11

Ms. Denny stated that in order to save lives and to cut down on legal costs, consideration should be given to public education on trolley safety at the airport or hotels.

Comment on Consent Agenda Item #15

Ms. Lorenzen confirmed for Ms. Zarate that the work that is being deleted from this work order is being added to the Blue Line Rehabilitation Program contract.

Action on Consent Items

Mr. Ewin moved to approve Consent Agenda Item Nos. 6 through 15. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION

24. None

PUBLIC HEARING

25. There were no public hearings.

## DISCUSSION ITEMS

30. MTS: Proposed Changes to MTS Taxicab Administration Administrative Penalty Guidelines  
Mr. John Scott, MTS Taxicab Administration Manager, gave a PowerPoint presentation on Taxicab Administrative Penalty Guideline revisions. He stated that declines in driver and vehicle compliance were tracked in the City of San Diego. He added that of the total inspections, 80.3% were taken out of service. He reported on inspections that were conducted at the airport on four separate days, which resulted in 43.4% of total inspections taken out of service.

Members discussed the safety violations that include tires, seats, door locks, brakes, wiper blades, excessive oil leaks, batteries that are not secured, nonoperation of two-way radios, safety lights, and windshield wipers.

In response to Mr. Gloria, Mr. Scott stated that this matter was taken to the full Taxicab Committee on August 26, 2009, and to the Workshop on Regulatory Matters (WORM) Subcommittee. At the second WORM meeting held on September 8, 2009, subcommittee members unanimously approved staff's recommended changes.

Mr. Scott reviewed the substantive changes that were made to the guidelines and pointed out that there are multiple scenarios for each offense with subsequent penalties. In response to Mr. Gloria, Mr. Scott stated that taxicab owners are responsible for the maintenance of the vehicles.

In response to Mr. Ewin, Mr. Scott stated that there are 995 taxicab permits in the City of San Diego; currently there are 993 taxicabs operational. Mr. Ewin stated that serious concerns are raised with these violations. He added that the owners should take this seriously because many people entrust themselves to the taxicab drivers. He said that education issues need to be identified and moved on quickly.

Mr. Cunningham stated that this is not a good first impression by visitors to San Diego; the number of taxicabs that are in noncompliance is not a good record. Mr. Scott stated that vehicles were taken out of service on an average of 2-3 days.

### Public Speakers

Antoine Khabbaz – Mr. Khabbaz stated that he has been driving taxicabs since 1994. He added that during this time, he has noticed tremendous safety violations against owners who find loopholes forcing the drivers to pay the penalty creating exploitation and oppression.

Mr. Khabbaz recommended having semiannual inspections, and stated that the inspections should take place at MTS instead of in the field. He also recommended that the guidelines for inspections include taking a test drive on the freeway to assess the integrity of the vehicle. Mr. Khabbaz also made recommendations that the pedicab industry be regulated.

Margo Tanguay – Ms. Tanguay stated that she is the driver representative on the Taxicab Committee. She explained that she has been a taxi driver since 1979 when the lease program went into effect. She stated that in the early years, inspections were handled by the SDPD, adding that the cabs were in bad shape, and there were always problems.

She stated that in 1989, MTDB took over, and mechanical inspections were implemented. She gave examples of violations, sabotage, and regulation violations that caused drivers to be ticketed. She stated that new drivers do not know what to expect, and experienced drivers do not know how to get their cabs inspected. There are a multitude of problems.

Ms. Tanguay urged legal operational guidelines and regulations to include "hail downs," have more cab stands, and implement methods to service the Gaslamp District and special events in a better way.

Mr. Mathis acknowledged and thanked Margo Tanguay for her service as the Taxicab Committee's driver representative and also Mr. Gloria who serves as Chair of that committee.

Alfredo Hueso – Mr. Hueso stated that he faxed a letter in support of the changes to the guidelines and acknowledged that the committee did realistic work on the changes. He urged education for the owners and fair treatment.

Mosses Woldemariam – Mr. Woldemariam stated that he is in support of the recommended changes to the guidelines. He urged that more education about Ordinance 11 and safety issues be given to owners through workshops once or twice a year.

Mr. Scott clarified owner qualifications, the application process, vehicle inspection guidelines, driver safety classes, and education opportunities. Mr. Jablonski stated that staff is considering methods to improve communications with drivers to educate them. Mr. Roberts suggested orientation and a certification program through a written examination to test comprehension.

#### Action Taken

Mr. Gloria moved to authorize proposed changes to the MTS Taxicab Administration's "Administrative Penalty Guidelines." Mr. Ewin seconded the motion, and the vote was 13 to 0 in favor.

#### 31. MTS: update on Siemens Light Rail Vehicle (LRV) procurement

Tiffany Lorenzen, MTS General Counsel, gave an update on the status of the Siemens procurement. She stated that everything went according to plan. On September 30, 2009, an MOU was executed with SANDAG to fully fund the project in the amount of \$228 million. Also on that day, an agreement was executed with Siemens to procure the 57 light rail vehicles for a total of \$224 million.

Ms. Lorenzen stated that Siemens has gone through an internal consolidation combining several of its mobility units into a new company called Siemens Industry, Inc. On October 1, 2009, a contract amendment was processed to change the name, and an amendment was processed to modify the parent company guaranty that has been put in place while trying to determine whether or not to proceed with the performance bond or letter of credit.

Ms. Lorenzen summarized the next steps for the procurement:

1. By next week, Siemens will provide a draft conformed technical specification. This document will summarize all of the changes made to the specification that the Utah Transit Authority produced. This will combine all of the changes for the new vehicle.
2. Major vehicle components will be ordered in 6 months and will continue for the next 12 months.
3. The car shells for the LRVs will be delivered in 18 months, and the first car will arrive in August of 2011.

4. A postdelivery audit will be completed by MTS's internal auditor. According to the pre award audit, everything went according to plan, and the certificates of compliance have been signed off.

Mr. Jablonski stated that when discussions began with Siemens about this procurement, it was discovered that Utah and Denver had gone with a Letter of Guaranty from Siemens instead of a performance bond. He added that the cost for the performance bond is estimated to cost \$3.3 million to \$3.4 million.

Mr. Jablonski stated that after discussions with other people in the industry, he feels that the company guaranty is adequate rather than spending \$3.3 million on the performance bond. This issue has been presented to the Budget Development Committee and the Executive Committee and both concurred.

In response to Mr. Ewin, Ms. Lorenzen stated that Mr. Telfer and Mr. Marinesi reviewed the financials of Siemens Corporation as well as Siemens Transportation, which is now Siemens Industry.

Mr. Jablonski stated that if this procurement has to be federalized, the FTA has already approved the company guarantee for both Denver and Utah, and there would be no reason why the company guaranty would not be approved for MTS. In the event that the FTA reverses that decision, a performance bond could be purchased to be in compliance.

#### Action Taken

Mr. Roberts moved to receive a report and to approve staff's recommendation for a Letter of Guaranty from Siemens. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor.

#### 32. MTS: Pension Obligation Bonds – Refinancing Options (Tom Lynch). Action would:

Mr. Lynch, MTS Controller, gave a PowerPoint presentation on the Pension Obligation Bonds (POBs). He explained the advantages of refinancing and presented the background on the bonds. He stated that \$38.7 million are fixed-rate bonds due in maturities in 2024, and \$38.8 million are variable rate bonds with maturities in 2024-2034.

Mr. Lynch stated that MTS currently owns \$35.6 million of its own bonds. He added that currently, MTS has not been able to remarket or refinance the bonds due to market conditions. The total cost of funds, inclusive of all interest expense, interest income, and fees is 7.7% or \$2.9 million per year.

Mr. Lynch explained that on September 29, 2009, staff made a presentation to the Budget Development Committee that included various options. Staff was instructed to forward two options to the Executive Committee on October 15, 2009. Mr. Lynch described the bond payoff structure, loan amounts and uses, initial funding sources, funding and refinancing details, and total operating costs.

Mr. Lynch stated that in the long-term, the savings over the status quo would be \$55 million, and in the short term, the next three years' savings would be approximately \$4.3 million or \$1.4 million a year.

Mr. Lynch stated that the staff recommendation is to approve Option #2, Resolution No. 09-25, to pay off the \$38.8 million variable bonds, terminate the swap agreement for \$2.8 million, and obtain a 6-year loan from Dexia for \$30 million. This would include amending the FY 2010 CIP

by reducing it by \$5 million to aid in paying off the variable bonds and utilize \$6.8 million of MTS reserves to aid in paying off the variable bonds.

Members continued to discuss use of reserves, reserve balance, the LIBOR, and use of CIP funds.

Action Taken

Mr. Rindone moved to receive a report and to approve staff's recommendation for Option No. 2, which is the six-year option. Mr. Cunningham seconded the motion, and the vote was 13 to 0 in favor.

REPORT ITEMS

45. MTS: SuperLoop Pilot Update

Mark Thomsen, MTS Senior Transportation Planner, gave a PowerPoint presentation on the SuperLoop Pilot Update. He stated that the SuperLoop began operation four months ago. Included in this presentation are ridership trends, operating results, public acceptance of the design, and the operating plan. He included service descriptions, marketing updates, and the status of the expansion of SuperLoop to Judicial Drive next year.

Mr. Thomsen continued to explain the design of SuperLoop as a bidirectional loop anchored at UTC Transit Center and serving as a regional distributor and local circulator with UCSD as the major market. He described the days of operation, frequencies, stops, and the vehicles.

Mr. Thomsen added that 92% of SuperLoop ridership are UCSD passengers. He stated that during the first quarter of the fall semester, the SuperLoop averaged 33 passengers per revenue hour. He reported on marketing efforts and outreach efforts. He stated that the ontime performance is 95% and the completion rate is 99.9%.

Mr. Thomsen stated that SANDAG is addressing the neighborhood complaints about the gas engine buses' sound levels..

Mr. Thomsen reported on the fleet fuel consumption comparisons and public comments about the service. He stated that public comments included requests to expand service, rerouting to serve additional riders, increased time spans, requests to implement Phase 2, and comments complimenting the convenience of the service. He added a report on milestones and the Phase 2 status.

Mr. Jablonski stated that the 35-foot New Flyer gasoline hybrid buses have proven to be one of the most reliable in the fleet getting close to 11,000 miles between road calls.

Action Taken

Ms. Lightner moved to receive the report. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor.

46. MTS: FY 09 Year-End Rail Operations Report

Wayne Terry, Chief Operating Officer – Rail, gave a PowerPoint presentation on the FY 09 Year End Operating Report. The report covers four primary departments: Transportation, Rail Vehicle Maintenance, Wayside Facilities Maintenance, and Revenue Departments. Superintendants for each division were present.

Transportation Department: Mr. Terry reported on several areas stating that ridership for FY 09 is 36.9 million, which is a decrease of 1.8% over FY 08; this can be attributed to lower gas prices and the rise in unemployment. He stated that operating efficiency is marginally higher at \$58.4 million. He reported that there were 8 fewer accidents in FY 09 and accidents per 100,000 miles compared to last year favorably. He continued to report on operating rule infractions, schedule adherence, lift service, special event service, and centralized train control.

LRV Maintenance Department: Mr. Terry reported that three rail vehicles are currently operated in the system--the U-2, the SD 100, and the S70. Major service failures recorded in FY 09 were fewer than FY 08 with 181,000 train miles between incidents. He reported on the painting program, door failures, and the LRV protective film used on train doors.

Wayside Maintenance Department: Mr. Terry stated that the tie change-out program included 28,000 cross ties last year and 18 miles of track was tamped. He reported on the rail grinding equipment, ultra sounding test equipment, crossing gate protection device, and the retired City College Substation rehabilitation for the new Fletcher Parkway Substation, which produced a savings of over \$900,000.

Revenue Department: Mr. Terry reported on the 107 Cubic fare vending machines that have been deployed system wide. He continued to report on the Smart Card – Platform Card Interface Devices and time between machine failures.

Mr. Terry stated that MTS continues to receive compliments on hosting the APTA Expo that was held in San Diego. The Expo was the most attended conference in the history of APTA expos (15,000 attendees and over 800 exhibitors).

In response to Mr. Roberts, Mr. Terry gave a report on the special event services provided for the Monday night Chargers game. He stated that there were 111 cars available to carry 18,000 people between Old Town and El Cajon to the venue. A lot of emphasis was put on the service and resources in the field.

Ms. Denny stated that public safety could be enhanced through education of “Stop, Look, and Listen.” Mr. Terry stated that MTS has been a long-time member of Operation Lifesaver where the phrase comes from. There has been community outreach in the past as well as with the schools.

#### Action Taken

Mr. Rindone moved to receive the report. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

#### 47. MTS: Transit Services Year-End Report

Ms. Claire Spielberg, Chief Operating Officer – Transit, gave a PowerPoint presentation on the FY 09 year-end transit report for MTS Bus, contract services, and ADA operations.

Ms. Spielberg gave a combined report on paratransit, contract bus, and in-house bus services. She stated that positive trends are reported this year in ridership, riders per hour, fare recovery ratio, and cost per passenger per trip. She added that there was a FTA triennial review that evaluated both contracted services and internal bus systems and found no fault.

She reported on FY 09 milestones, including bus operations having finished favorable to budget and described the implementation of the four-day "rostered" work week, the Request for Proposals for ADA Services, and SuperLoop service.

Ms. Spielberg reported a growth of 4.4% in ridership adding that numbers on revenue miles and hours show that MTS has become far more efficient. Fuel expenses have been reduced by 12.2%, and fully allocated direct expenses have only grown by 1%. Annual fare revenue has grown by 16.1%, and the indicators are going in the right direction. Also reported on were: the annual operating subsidy, cost reductions of 6.5%, and cost per passenger reductions of 3.2%. She stated that there were improvements in fare box recovery, passenger per revenue hour, reductions in contracted services, and in-house service complaints, and also that accidents have been reduced, the cost per revenue hour has increased by 4.9%, and fuel costs have been reduced by 8.9%.

Ms. Spielberg continued her report on ridership growth, combined fixed-route revenue hours, fully allocated expenses, combined fuel expenses, farebox recovery ratio, passengers per revenue hour, costs per revenue hour, combined subsidy, combined cost per passenger, and combined costs less fuel.

#### MTS Contract Services – Paratransit

Scott Transue reported that this service operates as a curb-to-curb service for disabled passengers. The passengers qualify to use the service based on their functional inability combined with disability that prevents them from utilizing fixed-route services.

He reported that ridership increased by 1.5% providing 372,373 ADA trips during FY 09. He stated that on-time performance was 92.7%, which is a positive statistic.

Ms. Spielberg continued her report with the Maintenance Department showing improvements in costs per mile in FY 09 due to the purchase of newer buses. She reported on costs per mile by age of bus, mean distance between failures, and distance between failures by age groups. She pointed out that as the buses get younger, the distance between failure gets longer.

Ms. Spielberg completed her report on maintenance of the fleet. Availability is 85%, the Federal Transit Administration requires a 20% spare ratio, which is 80%. MTS is doing better at 15%.

#### Action Taken

Mr. Rindone moved to receive the report. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor.

#### 60. Chairman's Report

Mr. Mathis reported that he and Mr. Jablonski and Mr. Rindone were in Orlando for the APTA Conference. MTS was given an award for the Outstanding System of the Year in North America. This award to MTS is in largely due to the efforts of Mr. Jablonski, Mr. Terry, Ms. Spielberg, and all MTS employees.

He reported that he is impressed with the dedication to public transportation by the new APTA administration. He stated that the team will work very hard to support public transportation throughout the country. He added that the bill for public transportation will be a new bill with new policies, which APTA has worked on with members of Congress to promote the needs of public transportation. He also reported on the high speed rail discussions at APTA.



61. Audit Oversight Committee (AOC) Chairman's Report

Mr. Ewin reported that the final Audit Oversight Committee meeting is scheduled for November 5, 2009, to review the CAFR, which will be presented to the full Board on November 12, 2009.

62. Chief Executive Officer's Report

Mr. Jablonski reported on the APTA conference stating that he attended a number of policy and technical-related sessions. The highlight of the conference was the award ceremony for the Outstanding System of the Year. MTS also received the grand prize in the media category for the NABI bus door hanger.

63. Board Member Communications

Mr. Rindone stated that the APTA Outstanding System of the Year award is the result of the diligence of MTS staff. He also commented on the significant improvements in the bus area.

Mr. Ewin thanked Mr. Jablonski, Mr. Mathis, Mr. Burke, and MTS Officer Reynoso for attending a ceremony held in La Mesa to recognize the efforts of the La Mesa officers who apprehended the person who shot the MTS Security officer at the Grossmont platform.

64. Additional Public Comments on Items Not on the Agenda

None.

65. Next Meeting Date

The next regularly scheduled Board meeting is November 12, 2009.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:20 a.m.



Chairperson  
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

VRogers/  
MINUTES - Board 10-22-09.doc

METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL

MEETING OF (DATE): 10/22/09

CALL TO ORDER (TIME): 9:04 a.m.

RECESS: -

RECONVENE: -

CLOSED SESSION: -

RECONVENE: -

PUBLIC HEARING: -

RECONVENE: -

ORDINANCES ADOPTED: -

ADJOURN: 11:20 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input type="checkbox"/> (Cunningham) <input checked="" type="checkbox"/>	9:05 a.m.	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:07 a.m.	10:37 a.m.
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		11:02 a.m.
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input type="checkbox"/> (Denny) <input checked="" type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:12 a.m.	
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VANDEVENTER	<input type="checkbox"/> (Zarate) <input checked="" type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

*J. Gardetto for Paul Williams*  
*[Signature]*