

**PENINSULA CORRIDOR JOINT BOARD
ADMINISTRATIVE BUILDING
1250 SAN CARLOS AVENUE
SAN CARLOS, CA 94002**

**BOARD MEETING
JANUARY 4, 2007**

MEMBERS PRESENT: D. Gage, J. Hartnett, J. Hill, A. Lloyd, J. McLemore, F. Williams

MEMBERS ABSENT: J. Cisneros, N. Ford, S. Maxwell

MTC LIAISON PRESENT: S. Lempert

STAFF PRESENT: G. Cameron, R. Doty, V. Harrington, J. Hardie, R. Haskin, R. Lake, I. McAvoy, M. Martinez, D. Miller, M. Scanlon, M. Simon,

Director McLemore called the meeting to order at 10:06 a.m. and led the Pledge of Allegiance. Forrest Williams, representing Santa Clara County Valley Transportation Authority, was sworn in as the newest Board member.

REPORT FROM NOMINATING COMMITTEE – ELECTION OF 2007 OFFICERS

Director Hill reported that the Nominating Committee, consisting of Directors Hill, Gage, and Maxwell, recommended that Director Cisneros serve as chair with Director Hartnett as vice-chair for 2007.

The motion (Hill/Gage) to accept the nomination was approved by the Board.

Following the election, vice-chair Hartnett presided over the meeting.

PUBLIC COMMENT

Emily Paz, San Carlos, urged the Board to discontinue the expiration of 10-ride tickets. She also said that during the baseball season, many people who use Caltrain to get to AT&T Park park their vehicles on her neighborhood streets rather than the Caltrain parking lot, often leaving behind refuse, making noise and creating an inconvenience for residents. She also said that she is dissatisfied with the cleanliness of the seats on the train.

Jeff Carter, Burlingame, said he would like to see more service operate on New Years Eve, especially after 9 p.m. He also said that the digital message boards do not display individual train delays long enough.

CONSENT CALENDAR

The motion to approve the Consent Calendar was unanimously approved by roll call.

- a) Approval of Minutes of December 7, 2006
- b) Acceptance of the Statement of Revenues and Expenses, November 2006

- c) Issuance of a Purchase Order to Contract Office Group, Inc. Under the California Multiple Awards Schedule for the Purchase of Haworth Workstations for an Amount Not to Exceed \$75,000

CHAIRPERSON'S REPORT

None.

MTC LIAISON REPORT

Sue Lempert reported that MTC is reviewing the final list of highway projects for submittal to the California Transportation Commission (CTC) for funding consideration. The list of projects exceeds the amount of money that will be available so not all recommended projects will be funded.

Director Gage asked if input could still be submitted to MTC for which projects should be included. Ms. Lempert responded that MTC will be taking the action at its next meeting on Wednesday, January 10. She said public hearings are still scheduled for public input. She said if new projects are added to the list, another project will have to be removed from the list. Ultimately the CTC will make the final decision on which projects will be funded.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Michael Kiesling reported that at the last CAC meeting:

- a) He was elected chair with Michael Blackman as vice-chair.
- b) Mark Simon, Special Assistant to the CEO, gave an update on the Don't Shortcut Life program.
- c) Larry Stueck gave a presentation on the Caltrain Short Range Transit Plan.

REPORT OF THE EXECUTIVE DIRECTOR

Michael Scanlon, Executive Director:

- a) Welcomed new Board member Director Williams.
- b) Congratulated newly elected chair Cisneros and vice-chair Hartnett.
- c) Reported that the San Francisco representatives were in Washington D.C. for the swearing-in of newly elected Speaker of the House Nancy Pelosi.
- d) 2006 proved to be a difficult year with regard to safety issues. The year tied with the second worst year for the number of fatalities. However, staff will continue with the zero tolerance safety campaign and will continue with the installation of fencing along parts of the right-of-way. At the same time, the year was very encouraging for ridership, revenue and on-time performance.
- e) The Safety and Security report was distributed.
- f) The latest edition of the Weekend Edition brochure was distributed.
- g) Performance Statistics for November 2006
 - Average Weekday Ridership was up 3.4 percent, from 32,260 riders to 33,341.
 - Total Ridership was up 3.9 percent from 835,987 riders to 868,522.
 - Farebox Revenue was up 11.7 percent from \$2.4 million to \$2.7 million.
 - On-Time Performance was up 2 percent from 93.1 percent to 95.1 percent.
 - Shuttle Ridership was up 15.5 percent from 4,286 riders to 4,950.

- h) Performance Statistics Compared to November 2003
- Average Weekday Ridership is up 30 percent.
 - Total Ridership was 610,500 riders compared to 868,522, a 42 percent increase.
 - Farebox Revenue was \$1.45 million compared to \$2.7 million, an increase of 83 percent.
- i) Special southbound service was operated December 27 following the Emerald Bowl at AT&T Park in San Francisco. There were approximately 3,000 additional riders.
- j) Three extra southbound trains operated after midnight on New Years Eve. Ridership increased approximately 11 percent compared to last year.
- k) The Freedom Train will operate to San Francisco on January 15.
- l) Fuel has averaged approximately \$2.22, slightly below the budgeted amount of \$2.40.
- m) There is a short-term structural financial problem that needs to be addressed. He said that it will be a great challenge for the short term but a greater opportunity for the long term. Staff is in the process of putting together a pro-forma budget excluding any one-time funding sources. The draft budget will be ready for discussion as early as the next Board meeting. Decisions that will be made in the short term, such as rolling stock, will drive the future of Caltrain.
- n) In response to Ms. Paz, Mr. Scanlon introduced her to Chuck Harvey, Chief Operating Officer, for further discussion of 10-ride tickets. Ms. Paz may need to discuss the parking situation with the City of San Carlos. In terms of the fabric seats, the seats are actually cleaner than they look. All seats will be replaced in the near future with vinyl-covered seats. Additionally, once the Centralized Equipment Maintenance Operations Facility (CEMOF) opens, the exterior of the trains will be cleaner with the train washer operation that will be available on site.

Director Hill noted that the average daily passenger ridership for the Atherton shuttle service is eight persons. He asked if any cost analysis has been done for the limited demand. Mr. Scanlon responded that the San Mateo County Transportation Authority made a commitment to fund the shuttle service for 18 months. Mr. Scanlon said the shuttle is being provided in the most cost-effective way.

PROJECT 2025 PRESENTATION ON COST/BENEFIT OF ROLLING STOCK ALTERNATIVES

Robert Doty, Director of Rail Transportation, gave a presentation on Project 2025. He said this is an implementation program and not a planning document. One of the most pivotal issues is the rolling stock. New rolling stock will need to be procured beginning in approximately two years in order to meet demand requirements of 2014. With the current technology and the characteristics of the equipment in place, there is no room for additional capacity at this time. Projections show that with normal growth, there will be a minimum 11,000 additional passengers in each peak hour with a maximum of 16,000 passengers.

Project 2025 incorporates the State of Good Repair program, which includes right-of-way maintenance, bridge replacement, station improvements to remove the hold-out rule, fencing, grade crossings, track rehabilitation, vehicle component replacement, and vehicle replacement.

There are some immediate improvements that can be made to Caltrain. These improvements include lengthening trains to six cars during peak service and improving terminal facilities at the San Francisco and San Jose Caltrain stations to allow for level boarding and improved signal controls. Additionally, the theory of positive train control needs to be addressed. Positive train control is a system, an overlay to the fundamental train control system that is operated today, which will bring significant safety improvements to the system. He said Caltrain's current equipment is compliant with the regulations of the Federal Railroad Administration (FRA). One of the equipment options for a rapid transit model is not FRA compliant, meaning it is not in compliance with the FRA required buff strengths, maintenance practices, and operating protocols. Electric locomotives are FRA compliant but an electric multiple unit (EMU) is not.

Electric locomotives would provide service for approximately 16,000 passengers per peak hour by 2025 with a total of 33 locomotives and 240 cab/coaches. Benefits of electric locomotives include a reduction of end-to-end run time, a simpler transition from current equipment, level boarding, it would potentially have compatible ability with the San Francisco Downtown Extension (DTX) project, and lower operating costs compared to diesel. Risks of electric locomotives include that they are not compatible with the high speed rail (HSR), low operational flexibility, and performance degradation as consists lengthen. The capital cost of electric locomotives is approximately \$0.788 billion more than the current program of \$2.076 billion through 2025. The operation and maintenance cost for electric locomotives is estimated to be \$1.026 billion, \$0.222 billion more than the current program estimated at \$0.804 billion through 2025. Total cost for the electric locomotive option is estimated to be \$3.890 billion, \$1.010 billion over the current program estimated at \$2.880 billion through 2025.

EMUs are not FRA compliant but would be able to provide service to up to 20,000 passengers per peak hour by 2025 with 6 locomotives, and 29 cabs/coaches. Benefits of EMU service include a significant reduction in end-to-end run time over electric, possible level boarding, high operational flexibility, compatible ability with HSR and the DTX, lower operational and maintenance costs compared to electric locomotives, performance would not degrade with longer consists, and it would have a reduced infrastructure impact. Risks include that it is not FRA compliant so it would require positive train control overlay and regulatory relief from the FRA. The capital cost of EMU service is approximately \$0.965 billion more than the current capital program of \$2.076 billion. The operation and maintenance cost for EMU service is estimated to be \$.866 billion, \$0.062 billion more than the current program estimated at \$0.804 billion through 2025 for the current fleet providing one third the capacity and the O&M savings would continue beyond the 2025 time frame. The total cost for EMU service is estimated to be \$3.907 billion, \$1.027 billion more than the current program estimated at \$2.880 billion through 2025.

On a 15-stop schedule, the run time for diesel equipment is 1 hour 16 minutes. Run time with electric locomotives would be 1 hour 12 minutes, a savings of 4 minutes. EMU service would have a run time of 1 hour 6 minutes, a savings of 10 minutes.

Mr. Doty concluded the presentation by reiterating that the type of fleet drives the system design. Critical design and construction processes are interlinked. It is essential to decide on rolling

stock by 2008 so that the new equipment can be tested and accepted by 2015, which is when the electrification program is scheduled to be completed.

Mr. Scanlon asked Mr. Doty to elaborate on what positive train control means. Mr. Doty said Caltrain currently operates under a fundamental train control system used all over the United States which allows for a 5-minute operating headway. He said that the primary system will remain intact. However, there is a need to overlay an additional system that takes discretion away from an operator on a violation and forces the train to stop short of a leading train or equipment. Today's operations rely on engineers to keep alert and aware at all times and make decisions based on signals. This additional system would take control of the train and stop the train in the event that the engineer does not notice the need to reduce speed or stop.

Director Lloyd said he believes EMU is the future of Caltrain. He said Santa Fe is also looking at positive train control. Mr. Doty said there are several positive train control options that are being explored. Director Lloyd asked if having freight on the right-of-way posed any problems with positive train control. Mr. Doty said the regulations are stated that if a system can operate freight, that entity must comply with the regulations. He said that there is an option to have temporal separation where freight can only operate when commuter rail is not in operation. Mr. Doty said it would be optimal to devise a system where there can be mixed traffic so there is not an issue of instantaneous transition of the different types of service.

Director Gage asked how increased demand will be addressed. Mr. Doty responded that with the EMU operation, there can be up to 12 trains per hour. Director Gage asked if this program includes all future expansions. Mr. Doty said this program supports all expansions including Dumbarton rail, HSR and the DTX project. He also said that this program supports the operation of diesel locomotives as well.

Director McLemore asked how the rolling stock options compare to the Strategic Plan. Mr. Doty replied that Project 2025 dovetails with the Strategic Plan. Director McLemore said it is essential to address the near-term tactical issues of the Project 2025. Mr. Scanlon said all three counties are facing budget problems for the operation of Caltrain. Project 2025 relies heavily on capital improvements, which may save money in the long term, particularly with the EMU option. Mr. Scanlon said in addition to the funding aspect of Project 2025, there are Federal Railroad Administration (FRA) fundamental issues that need to be addressed and Caltrain needs to be ready to be willing and able to speak to those issues to create a new model for a domestic railroad.

Director Williams said that he supports the work that staff has done to date and is willing to challenge current railroad regulations as needed. He said it is important for the Board and staff to look at operating efficiencies, energy consumption and maintenance costs while still providing high quality railroad service. Director Williams asked what the cost of the transition between the new and old system would be. Mr. Doty said that the current equipment is nearing its life cycle so new rolling stock is needed regardless of which equipment type of is procured. The transition of equipment is built into the costs associated with each rolling stock alternative.

Ms. Lempert said that it is very ambitious to try to change the regulations of commuter rail service. She asked if there is any preliminary indication of support for the proposed changes. Mr. Scanlon said staff believes there is a real opportunity to change railroad regulations and there are many interested parties looking to support Caltrain's efforts. He said now is the time to make the change. It's a great challenge but also a great opportunity. Ms. Lempert asked if freight would always operate on the Caltrain right-of-way. David Miller, Legal Counsel, responded that at the time that the right-of-way was acquired, the negotiations with the owner of the railroad that operates the freight, included provisions that provide relative times of day of operation and there is a procedure that could eliminate freight service based upon a change of technology that is not compatible with such service.

Director Hill asked what would happen if the staff was not able to change the current railroad regulations. Mr. Doty responded that there is a variety of alternatives that have been researched and assessed by staff. Director Hill asked that the Board be updated with the progress of the regulatory approvals.

Vice-chair Hartnett commended staff for the amount of work, effort and creativity that was put into Project 2025. He said that without the new service modal, the recent revenue and ridership growth would not have been achieved. He said as with the new service modal, Project 2025 will be a struggle to prove to other agencies, it is a great challenge and a great time to be on the Board.

Public Comment:

Norman Rolffe, San Francisco, urged the Board to have a fallback position in the event that regulatory changes can not be achieved. He also said that the appendices of the Project 2025 plan had some inaccuracies with regard to FRA compliant alternative car/coaches.

Brian Wilfley, Los Altos, said mass or weight is the enemy for a railroad operation because it costs more money to accelerate and decelerate, it wears out the rail quicker and it creates extra energy in a collision. He said he supports staff's efforts to challenge the FRA regulations.

Jack Ringham, Atherton, said that as he understands it, Project 2025 will cost about \$4 billion over the next 18 years, which amounts to approximately \$222 million per fiscal year. He noted that the current capital program for FY 2007 is approximately \$83 million. He questioned if there was a back-up plan in the event that full funding could not be secured. Mr. Scanlon said staff is looking at a wide-range of funding options including public/private partnerships and the amortization funds.

Francis Wong, Mountain View, noted that many of the proposed changes have immediate benefits, much before 2014, which will aid with the planning of future budgets. He said that even if the current FRA regulations are over ridden, new regulations will need to be devised.

Jeff Carter, Burlingame, said Caltrain needs to have a secured dedicated funding source. He said that he would like to see electrification of the right of way as soon as possible. He said he would

like to see restoration of service with electrification and urged staff to schedule an all-stop local train and improve weekend and evening service.

Greg Conlon, Atherton, said it is essential for Caltrain to be vigilant with the safety program especially with any new improvements on the railroad.

Director McLemore asked what fencing projects were scheduled for Santa Clara County. Ian McAvoy, Chief Development Officer, responded that staff created a multi year plan for the entire right-of-way. Due to the limitation of funds, the San Mateo County projects were accelerated because the San Mateo County Transportation Authority included funding in the current fiscal year's budget. Funds from Santa Clara County are expected in the next fiscal year.

Michael Kiesling, San Francisco, urged the Board to support the desire to change FRA regulations because it not only allows Caltrain to better its system but it also will allow Caltrain to become a model for other agencies as well.

BOARD MEMBER REQUESTS

None.

REPORT OF LEGAL COUNSEL

None.

DATE/TIME OF NEXT MEETING

Thursday, February 1, 2007, 10 a.m. at 1250 San Carlos Avenue, San Carlos, CA 94070.

ADJOURNED

The meeting adjourned at 11:59 a.m.