

Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos, CA 94070

Minutes
Thursday, April 5, 2007

Board members present: Chair Cisneros, D. Gage, J. Hartnett, J. Hill, A. Lloyd, K. Yeager, F. Williams

Board members absent: N. Ford, S. Maxwell

MTC Liaison present: S. Lempert

Staff present: J. Cassman, J. Hardie, G. Harrington, C. Harvey, R. Haskin, R. Lake, M. Martinez, I. McAvoy, D. Miller, M. Scanlon, M. Simon

Chair Cisneros called the meeting to order at 10:02 a.m. and led the Pledge of Allegiance.

PUBLIC COMMENT

Jeff Carter, Burlingame, thanked Caltrain for the new stairs at the 22nd Street station. Mr. Carter provided the Board with a packet of written comments. He is disappointed with the comments made by Caltrain last month. There are several commuter rail systems around the country that have stations as close as one mile apart. Mr. Carter also provided the Board with several charts that show a correlation between gas prices and Caltrain ridership.

Vaughn Wolf, San Francisco, said he opposes efforts to install more stops if it negatively impacts travel times. Additional stops at the Broadway and Atherton stations should occur only if those stations are grade-separated. The number of trains isn't what draws ridership, it is increased travel speed, as ridership increases have already been demonstrated.

Carla Campbell, Atherton, said service changes to Caltrain have changed her life for the worse. She could not get to this meeting on the train and could have under the old schedule. The new schedule now adds an hour to every trip she takes.

CONSENT CALENDAR

1. Approval of Minutes of March 1, 2007
2. Acceptance of the Statement of Revenues and Expenses, February 2007
3. Authorization to Submit Federal Grant Applications to the Federal Transit Administration for a Section 5307 Urbanized Area Formula Program Grant in the Amount of \$4,592,733 and for a Section 5309 Fixed Guideway Modernization Program Grant in the Amount of \$26,312,688 for Caltrain Capital Projects

The Consent Calendar was unanimously approved by roll call.

CHAIRPERSON'S REPORT – JOSÉ CISNEROS

1. Resolution of Appreciation to outgoing Board member John McLemore.
The Resolution of Appreciation for outgoing Board member, John McLemore, was unanimously approved by the Board. Chair Cisneros and Vice Chair Hartnett presented the resolution and a Caltrain safety vest to Mr. McLemore.

2. JPB Budget and Finance Subcommittee

A meeting will be scheduled for the committee, consisting of Directors Hartnett, Yeager and Maxwell.

MTC LIAISON REPORT – COMMISSIONER SUE LEMPERT

MTC is currently looking for members to serve on its advisory committees.

California Transportation Commissioner Carl Guardino and CTC Chair James Ghielmetti were present at the last MTC meeting. They will be meeting with transit agencies in each county in the Bay Area to hear their concerns.

REPORT OF THE CITIZENS ADVISORY COMMITTEE – CHAIR MICHAEL KIESLING

The Committee met on April 27 and discussed changes to Muni when the T-Line service begins.

The committee received a presentation on the Coast Daylight service. The CAC approved a resolution of support similar to one approved by the Board in October 2006. The Coast Rail Coordinating Committee meets in San Carlos on April 27.

REPORT OF THE EXECUTIVE DIRECTOR – MICHAEL J. SCANLON

1. The Board approved a Resolution of Appreciation for Board Secretary, Jennifer Hardie who is leaving the agency for other career opportunities. Mr. Scanlon presented the resolution to Ms. Hardie.

2. Caltrain Performance Report -

February, 2007 compared to 2006:

Total Ridership – 790,600 up 6.1 percent from 745,000

Average weekday ridership - 32,900 up 5.7 percent from 31,100

Farebox Revenue – \$2.5 million, up 5.7 percent from \$ 2.35 million

On-time Performance – 97 percent, up from 96.2 percent

Shuttles AWR – 5,222, up 17 percent from 4,463

Year to date - 2007 compared to 2006:

Total Ridership - 7.1 million, up 7.3 percent from \$6.6 million

Average weekday ridership - 34,100, up 7.3 percent from 31,800

Farebox revenue - \$22.1 million, up 14.5 percent from \$19.3 million

On-time performance – 95.5 percent, up from 94 percent

Shuttles AWR – 4, 839 up 15.9 percent from 4,174

3. The fare increases were implemented on Monday morning, April 2, without incident.

4. New timetables were distributed to the Board. There were changes to seven morning trains – four of them by three minutes and three of them by one minute.

5. Caltrain received the Federal Transit Administration’s “Success in Enhancing Ridership” Award, the top award issued by the FTA, at the American Public Transportation Authority Legislative Conference in Washington, D.C. The FTA selected Caltrain based on high ridership gains and the transferability of the Caltrain model to other transit agencies.

6. Thanked the Santa Clara Valley Transportation Authority (VTA) and General Manager Michael Burns for talking action to allow Caltrain to be part of a Disadvantaged Business Enterprise (DBE) Disparity Study necessary to determine availability and utilization of DBEs in the contracting marketplace.
7. On Tuesday, Caltrain took more than 4,000 additional riders to the baseball game in San Francisco and carried more than 6,000 additional riders on the post-game trip, believed to be the highest totals for ballpark service. Two parking lots have been closed adjacent to AT&T Park, which has prompted more people to turn to Caltrain, putting additional strain on the system.

CALTRAIN SERVICE REVIEW

Mr. Scanlon said at the last Board meeting, there was discussion on the Caltrain service model and stops. The Board requested staff to prepare an overview of the Caltrain service ridership and model history, including the efforts to reinvent the railroad, and the results of the annual ridership count conducted every February.

Chuck Harvey, Chief Operating Officer, provided an extensive report, including the following highlights:

- Total weekday ridership is up 5.7 percent from 2006 to 2007;
- Since the institution of Baby Bullet express service in 2004, total weekday ridership is up 32.3 percent; Revenues are up nearly 80 percent.
- Ridership from 2006 to 2007 is up at 21 of the railroad's 24 stations; Declines occurred at Hayward Park, Belmont and San Carlos, representing a total decline of 43 passengers;
- Average weekday trip length is 22.3 miles; average weekday Baby Bullet trip length is 28.4 miles; average weekday off-peak trip length is 20.1 miles;
- Ridership is up in all three counties
 - From 2006 to 2007, ridership in San Francisco County is up 6.9 percent, San Mateo County is up 2.8 percent, Santa Clara County is up 7.3 percent;
 - From 2004 to 2007, ridership in San Francisco County is up 49.7 percent; San Mateo County is up 24.3 percent; Santa Clara County is up 37.2 percent;
- Weekend ridership from 2006 to 2007 is up 10.9 percent; from 2002 to 2007, it is up 6.7 percent;
- An origin and destination survey conducted in 2006 provided critical data about ridership patterns
 - Peak trips between San Francisco and Santa Clara County increased 90 percent from 2001 to 2006;
 - Trips from Santa Clara County to San Francisco have increased 84 percent; trips from San Francisco to Santa Clara County have increased 70 percent;

Mr. Harvey also reviewed all the decisions and analysis that led to the 2005 "reinvention" of Caltrain, including a \$13.6 million budget deficit and growth in Baby Bullet ridership. An analysis of the mid-line stations showed that stop reductions necessary to make possible the increased express service were distributed equitably among each county.

Revenues now are growing faster than ridership.

At the request of the Atherton Rail Committee, staff analyzed and tested a proposed service model focused on reduction of train consist size. Projected savings in fuel and run time could not be verified.

Terry Nagel, Mayor of Burlingame and a member of the Coalition to Expand Transit Service, said that the needs of many San Mateo County residents are being inadequately served by the new service model and that it is forcing many people back into their cars. She urged the Board to retain an outside consultant to revisit the schedule and make sure it is optimal to serve those who value convenience as well as those who value speed. Their resolution has been adopted by five cities in San Mateo County so far. CETS has met with a nationally renowned train consultant who has shown that some adjustments could be made with minimal effect on the Bullet trains. They ask that Caltrain work with the cities to make transit serve every one better. She would like Caltrain to make the safety improvements with due speed and to work with the cities and other transit systems to improve reliability.

Director Hartnett asked Ms. Nagel to be more specific as to the number of local stops she would like to see increased and where.

Ms. Nagel responded that what needs to be done is some survey work to find out what people want. More stops were eliminated in San Mateo - 20 percent compared to 13 percent in Santa Clara County and a two percent gain in San Francisco since 2000. A survey by Caltrain that would make the system work more optimally would prompt people to respond better to the schedule.

Director Hartnett said the data in Mr. Harvey's report shows the counties are about equal in terms of the mid-line stops, which are the relevant ones. Director Harnett said it is important to know what it is that people want that is different from what Caltrain is doing now.

Ms. Nagel responded that the data that she is referring to are the actual stops counted in a train schedule in 2000 compared to the actual stops counted in the present schedule. She does not know how this data can be refuted.

In determining where these changes might be made, Ms. Nagel said she is not trying to get back Broadway service. She is trying to look at the bigger picture of transportation in this County. There is a need for objective analysis.

When Ms. Nagel met with an expert, one of the scenarios showed that by just adding a couple of minutes to the Baby Bullet schedule, you could restore some more intermediate stops. It may not be sexy to say that the Baby Bullet can no longer go between San Jose and San Francisco in under an hour, it's not a great marketing schedule. But if it serves more people and attracts new riders back into the train, it is worth looking at. She is not talking about doing away with the Baby Bullet at all, but enhancing the service in the intermediate points.

Ms. Nagel said there was an analysis done in Burlingame last year for the downtown. The land within one-half mile of the Burlingame Avenue Station was valued at \$100 million dollars more because of its proximity to the station. So when service is cut at stations, it impacts the cities economically.

Ms. Nagel stated that she is not trying to fight Caltrain, she would like to see the system work better. We all have the same interest at heart. How we get there though is something that has not been really studied well. The people have not been surveyed and have not been asked what they want.

Director Hill said he was surprised by her comment that politics is driving the decision. The politics she may be referring to is the fact that Caltrain is a three-county agency and decisions must be made in view of that regional body. Budget constraints of the past required us to salvage the system and make those changes to the system. He said he is unclear as to where the politics comes into the technical decisions in terms of the operation of the train.

Ms. Nagel said that to some extent, the service is determined by those who make the decisions. One example is that College Park was restored because of a massive campaign and other cities that perhaps didn't get enough emails in did not have their service retained.

Director Hill said he suggested at the last JPB meeting that consideration be given to obtaining a consultant. With the comments that he heard last month and his sense today, there probably won't be a lot of support for that from the Board. CETS met last year with him and Mike Scanlon and there was a willingness to work with the staff to achieve some goals or to look at maybe working with consultants. His concern is that he now sees the letters to the editors or the op-ed pieces, and he doesn't see an effort to sit down and really work on the details, numbers and the comprehensiveness of the issue. If the goal is just to have a survey, and have Caltrain pay for that study, he doesn't think that is going to resolve the concerns. He asked if there was still a willingness to sit down and work with Caltrain staff rather than the rhetoric that he sees coming from different areas or the threats of changing Measure A. He would like to see us move forward with some achievable goals. He hopes that as an outcome of today there could be a committed effort on part of the staff and on the part of the coalition to work on a regular basis.

Ms. Nagel said she appreciates Director Hill's willingness to work with them but wishes that she felt the same willingness on the part of Caltrain staff. The conversations the group has had with staff have been a reiteration of what was shown today – "the system works perfectly, the rubber band has been stretched as far it can go, it absolutely can not change in any way" – and she knows for a fact, and has seen it documented, that it could be modified slightly to improve local service.

Director Hill said that staff takes understandable pride in what it has accomplished. The staff has done an extraordinary job. Director Hill said he is sure that staff will be willing to work to achieve some of those goals. He also hopes that she will be willing to do so the same.

James Janz, Vice Mayor of Atherton and a member of CETS, requested that a consultant be retained to look at the schedule to see what can be done to tweak it to get more local service back. The old system did work. The highest ridership that Caltrain ever had was with the old schedule. Now after the dot.com bust, ridership dropped and it was turned around with the new schedule. It's great but it emphasizes express trains and getting from one end to other. All they are asking for is working at getting back to increasing the ridership in the middle. They have

reason to believe that there is some opportunity to get more local service without a detrimental effect on the express service.

Jeff Carter, Burlingame, asked if Caltrain adds some local service without serious detrimental effect to the express service, can they prove that it will drive ridership away – he doesn't think they can. A more extensive analysis need to be made as to why the ridership has increased. He would be pleased to meet with staff to discuss this.

Jerry Carlson, Mayor of Atherton and a member of CETS, said he has the highest respect for the professionalism of the Caltrain staff and it is not something he questions. He believes ridership increases can be tied to gas price increases. Weekend service has improved and that service stops at all stations. He asked for more balance between express trains and local service. This issue is not going to go away. Five cities so far have passed a resolution.

Richard Silver, Executive Director, Rail Passenger Association of California, said while his organization disagreed with staff when it made the decision to close the Atherton station, they did agree with the implementation of the present system. They wholly and enthusiastically support its continuation. Changes do need to be made based on ridership and changes in patterns, but what is being proposed is a whole new study. An outside consultant worked on the configuration of the present system. What is another consultant going to do? Either agree or disagree with the current study. If they do disagree, do you bring a third to break the tie? At what point does it end? We need to rely on staff and the fact that ridership and revenue is up. At any private corporation this would be a signal of success. He encourages Ms. Nagel to continue to sit down with the staff. Also in regards to the study performed by CETS' expert, he believes that staff should critique that study and it should be presented publicly. He is not satisfied that this whole effort is backed up by anything but a desire by Burlingame and Atherton to have their train stations reopened and all the other issues that they bring forward are superfluous.

Malcolm Dudley, a member of CETS, said he served on the Atherton Town Council for 25 years and played a leadership role in putting together the original expenditure plan for Measure A, which made survival and growth of Caltrain the plan's first priority. What they came up with is a plan that allocated half the money to Caltrain, about \$500 million over the 20-year period as opposed to \$20 million, which is why the right of way was able to be purchased. It is the same commitment to the train and that drives him to work very hard to restore a service that he thinks they should be getting. When you look at the loss of service throughout the system, not just by counties, we went from 1,831 stops to 1,544, a loss of 16 percent or 287 stops. Sure we have more trains zipping through our towns at 79 miles an hour but they are not stopping. He does want service restored to his town. There were better gains in the system pre Baby Bullet than we have now. BART and MetroLink have done better than us without any express stops. We can do better, and we should not be satisfied with what we are doing at the present time. If Atherton doesn't get service, Mr. Dudley said he will lead the drive to get the Measure A funds dedicated to Caltrain to be used in other ways. There is a need for a consultant, because staff is convinced that speed is the whole answer, it is not. It is reliability, frequency, destination, gas prices, and economy - all of these things.

Paul Wendt, Belmont, said he is one of the people who had their Belmont station reduced a little bit. He finds it acceptable. He is in it for the greater good. He frequently walks to San Carlos,

simply because there are northbound trains that fit the timing better and he is willing to accept that. Most people drive to the station and they can easily drive to one station out of their way just to get a better schedule. As a transit advocate he has met with Chuck Harvey, Michelle Bouchard, Bob Doty and Ian McAvoy. They are all outstanding people. Caltrain is doing a wonderful job. He has read all the op-eds and the letters to the editors. This is just a tempest in a teapot. These people are trying to kill Caltrain.

Kelly Fergusson, Mayor of Menlo Park and a member of CETS, said that on behalf of her City Council, she asks for an outside independent study to see if more local service can be restored without significantly impacting the success of the Baby Bullet. Cities were built around the train stations. The current schedule has stranded many passengers forcing them back into their cars. The current schedule has damaged Menlo Park businesses. They depend on the trains stopping in Menlo Park and not just passing through. Over the decades it has served their employment centers that have been built around the train station. Commercial vacancies are decreasing around the train station because of the inconvenience of the schedule. As the City Council looks at transit-oriented development, Menlo Park is looking for a specific plan for its entire El Camino rail corridor. If they cannot depend on service, they can't defend the densities that they would otherwise like to build.

Doug DeLong, San Francisco, said scheduling Caltrain is a highly non-linear process and there are some subtleties that don't necessarily jump right out. One of the upcoming staff reports mentions requiring additional rail cars that will help get the spare levels closer to the norm of other rail systems, which reinforce that we are in a rolling stock emergency in addition to a fiscal emergency that has been declared by the Board. Where this comes to play in the scheduling issue is that perhaps the availability of rolling stock is the biggest operating constraint that we are working against in the design of the current schedule. He applauds the idea of purchasing additional cars that will come on line a few years from now. This may be a mechanism to address some of the concerns without increasing number of stops per train and slowing down the express trains, which would be an inevitable consequence of having individual trains stop more frequently. The models, which he thinks MTC and others have, show that if you stop more often and slow the trains down, customers are going to leave.

Jerry Kaufman, a transportation engineer and consultant, said he has been involved with and managed many transportation projects and studies, especially in Northern California. He acknowledges that there may be possibilities for improving the service to accommodate some of what has been heard. There has been detraction this morning from a really amazing achievement. It's been mentioned that we want to get people out of their cars. By increasing patronage by 30 percent, it is being done. A 30 percent increase is considerably more than the average across the country and many other transit agencies have not seen similar increases in ridership despite the same gas price increases. He warned that other properties, mostly bus, in trying to micro-manage the logic of an increase in order to cater to all kinds of small groups, end up removing the potential for more patronage.

Margaret Okozumi, Executive Director, Bay Rail Alliance, said she hears CETS representatives saying there is a lot of pain around their downtown stops not getting service and negative impacts to people because of this. She does not hear an acknowledgement that they could be in a lot more pain now if it weren't for the miracle that staff has been able to figure out a way to help

Caltrain from being in a deeper financial hole and from having to cut a lot more service. If they were to be surveyed, they of course would say that they would like the train to run every five minutes, but at the same time, they are cognizant of the very real constraints that Caltrain is operating under. It could be a lot worse. What she would like to see from CETS is a vision of what they want the railroad to be. Caltrain has a vision -- the 2025 plan and the vision of electrifying. She would like the cities to partner with Caltrain. The partnership requires acknowledging and understanding these constraints.

Francis Wong said it is good to see local governments represented although they are coming forward with a stick and no carrot. They reflect that they have property values that depend on Caltrain service and they want to do transit-oriented development. They have not come forward saying that they will support Caltrain by sharing the increased tax revenues from these. They also are ignoring the complementary bus service provided within all three counties. Transit is a system and each mode has a role to perform in public mobility. Caltrain, with its long, high-speed capability, performs that role admirably well. The schedule supports that. The numbers that they are talking about need to be taken into a whole and show that bus service is a local feeder. Intra-county trips fulfill that role. Caltrain fulfills the inter-regional role.

Director Don Gage said VTA recently did a \$500,000 study on its service and the study said that the focus of the Board was political - each person on the Board was looking out for their jurisdiction and not for the greater transportation of the whole region. Director Gage said he hears a lot of people talking about not having stops or they want extra stops. The ridership presentation shows that South County service was cut by 20 percent because there is no weekend service to Gilroy. Cities to the south are the fastest growing cities per capita in the County of Santa Clara. People are moving there because of the cost of living in Santa Clara County and Highway 101 is full. He said if Caltrain begins adding local stops to the schedule, he would argue those stops should come first in South Santa Clara County.

Director Gage said VTA will have to contribute additional funds to help resolve Caltrain's \$5 million deficit, and that may mean more service is going to have to be cut in Santa Clara County for VTA. If the money is going to be spent on doing another survey, he is opposed to it. If cities that have approved this resolution think it is that important for a consultant to be hired, they should pay for it. Director Gage stated that this is a regional Board and a regional body that needs to do best for a regional area.

Sue Lempert said from MTC's perspective they are interested in increased ridership, increased revenues and they would be very pleased with the ridership presentation. She thinks it is unfortunate that the dialogue has been focused on hiring an outside consultant to redo the schedule. What the dialogue should really be is working for a robust Caltrain express and local service. Time is important if you are a commuter and every minute counts and people will not take the train if it takes longer than the automobile drive. Local service is important to many people in the community. The question is timing of how soon there could be restored robust local service. In the longer term, it can be done with electrification but that may take some time. Ms. Lempert said that if the cities have experts that can show a different schedule, she would hope staff would be open to it. She does not see the Board voting to spend money on someone else to do a survey. She hopes the end result of the discussion today is that both the staff and cities will work together.

Director Lloyd said it is not timely to spend money on a consultant. He said there is a capable staff that has handled the schedules.

Director Yeager also agrees that Caltrain dollars should not be spent on this study but hopes that all are mindful that this is a three-county system. The discussion today is focused on the service cuts in San Mateo County. Service cuts also occurred in Santa Clara County. Any survey or study cannot be limited to just one of the counties. He appreciated the comments about development that is planned in cities of San Mateo near the train stations and the impacts. The same is true for Santa Clara County.

Director Yeager expressed concern that adding a few minutes here and there to the schedule will lead Caltrain back into deeper deficits. The Board considered the schedule change with the Baby Bullet and the additional trains. The Board was well aware of the fact that this was hurting some people but as a Board we decided that there was a general good that was more important.

Director Yeager said it is important for the group that is organized to continue the dialogue. He hopes the discussion is done in a manner of respect for the staff. The goal is to get the most people on the train to gain the most revenue and to relieve the congestion on the roads.

Director Williams said although he is new to this issue, he has taken a look at the system and has asked the question of optimization of the system. He heard a statement today that we are running the system at a point that it is encroaching on some of the caution lights that tell the conductor to slow down. If we add additional things to get the system to do what we want it to do and be optimal in that, can we still be a safe system? We all have to give up something if it's a system-wide thing. He hopes we can come to a place where if the facts tell us it can't be changed, that's reality not someone's view of it, and that they will accept that. We must be careful and make sure that the decisions don't risk the system for safety reasons just to squeeze something out to get the results we desire. He encouraged the cities to fund the consultant.

Director Hartnett said that he does not expect the discussion to conclude today and it shouldn't since there are many things that need to be considered and reviewed. The fact is that our transit system is designed to have people be able to get places without being in a car. Most people in the three counties don't use our transit system. They are depending upon the components of the transit system - the train, the bus, the shuttle, bikes and walking - to relieve congestion and get cars off the road.

Director Hartnett said everyone would like to have the entire transit system be better, work better, be more convenient, and to be able to do it in a way that is affordable. We probably need a lot more in resources and infrastructure to accomplish that and we don't have that right now in our current system. We have a structural deficit.

Director Hartnett said equity is an important issue. It should not be a political issue but an important community issue. There is equity for all of the counties, particularly for San Mateo County, by having millions of cars off the road because of our train. When we increased the number of trains to 96, they obviously had to stop in San Francisco and San Jose. By including those numbers as increased trips, because the train necessarily stops or starts in San Francisco or

San Jose, you may have a skewed view of the trip reductions. If you eliminate this as a frame of reference and look at all the other stops, the stop reduction is almost the same in every single county. He would expect his colleagues in San Francisco and Santa Clara to say that they would also want stops.

Director Hartnett said that when he asked Ms. Nagel what is it they want, the response was to conduct a survey to tell us what people want. We know a lot about what people want by how they are riding the train and the transit system already. He suspects there is more data that we have that wasn't talked about today about what we know what people want. This should be discussed for all three counties. He asked if there is something else we can do in our existing system to accomplish what people want. He would hope there would be further discussion.

Mike Scanlon, Executive Director, said that this has been a very important meeting. On one hand, the railroad is so fragile right now – a fragile partnership, and no dedicated source of funding. On the other hand, we are poised to revolutionize the way railroading is done in this country. We are busy and working towards that. The good news is that we all want the same thing.

Mr. Scanlon said he met with CETS last May in his office, and at the end of the meeting, he thought he had a good meeting and they were committed to work together. The next thing he knows is that there is a meeting called by them in January and that they wanted to have a consultant to do an outside study. He does not know what they did to merit Ms. Nagel's comment about not wanting to work with staff.

He became aware that there was a resolution and he unwittingly escalated this by sending a communication to the City Managers informing them about some factual errors in the recitals of the resolution. That was interpreted as having taken the gloves off. He does not want to escalate this fight. We have to work together. It is apparent that we need an expert, not one to do schedules, but one to agree on what it is we want. What is the criteria, what are we after? What they are asking is not a small thing, it has a domino effect.

We have to live with the realities of the infrastructure. We are working diligently toward electrification, which is a whole new paradigm of how we can run this railroad.

What is important today is how we leave this meeting and go forward. Staff and the Board are willing to work with anyone. Malcolm Dudley can't stand there and threaten taking away the Measure A money if he doesn't get what he wants. That is not going to get us to where we need to go. We have to treat each other with dignity and respect.

The operative question is how we are going to go forward because none of us can change yesterday. We need to deal with facts and work with each other forthrightly and respectfully. The bottom line is that we got more riders, but what we really need is money. We had \$19 million in revenue the year before Baby Bullet. We are going to be over \$35 million this year. This has preserved the railroad service. Mr. Scanlon agreed that these communities grew around rail stations, but not just because there were stations, but because they had rail service. There was a very real threat that our financial problems could cause this community to lose this railroad, and it still could.

Chair Cisneros recommended that we continue to discuss this at the next meeting. There may be continued conversations between staff and interested parties that can be reported on.

(Director Gage left the meeting at 12:28PM.)

PRESENTATION ON FOOTPRINT STUDY

This item will be presented at next month's meeting.

AWARD OF CONTRACT FOR BURLINGAME OUTBOARD PLATFORM IMPROVEMENTS TO SHIMMICK/BALFOUR BEATTY RAIL SERVICE JOINT VENTURE OF HAYWARD FOR \$12,468,483

George Cameron, Chief Administrative Officer, presented this item to the Board. The Board unanimously approved the action by roll call vote.

AUTHORIZATION TO PROCEED TO INITIATE 2007 DEBT ISSUANCE

AUTHORIZATION TO USE THE COMPETITIVE NEGOTIATION PROCUREMENT PROCESS TO PROCURE UP TO EIGHT PASSENGER BI-LEVEL RAILCARS WITH AN OPTION TO PURCHASE UP TO TEN ADDITIONAL RAILCARS

Gigi Harrington, Chief Financial Officer, presented these two items together. This starts a process to begin to acquire eight new rail cars and leveraging grant funds, but there will be key points along the way where the Board will have the opportunity to make the policy decision whether to go ahead with the acquisition and how to fund it.

Public Comment:

Jack Ringham, Atherton, said he finds it difficult to understand there is a need to buy 20 new rail cars. These cars would be put in service in 2009 and only be needed through 2014 if electrification is completed by then. This debt and future service cost could be avoided by redeploying existing, underutilized cars without investing a penny. The February 2006 passenger counts showed seat utilization was 34 percent of capacity at the maximum stations. This means that on average, at the point of maximum load, there were twice as many empty seats as occupied seats. Average weekday seat utilization for all stops was 24 percent or three empty seats for every occupied seat. There were only five weekday trains with average seat utilization averaging more than 75 percent. Thirty nine trains per day had maximum utilization of 25 percent or less. If there is a 5.7 percent annual ridership increase in February 2007 to the maximum passenger loads in February 2006, the maximum seat utilization would be about 36 percent. He urged the Board to ask staff to re-analyze the need for additional cars and to come up with more cost effective alternatives.

Director Williams clarified that these two items authorize staff to come up with the approach and to understand what it means. It does not mean to go out and buy the cars. It is appropriate to take a look for opportunities before we purchase

Director Lloyd stated that the number of cars is eight not 20.

The Board unanimously approved the two actions by roll call vote.

The date and time of the next meeting is Thursday, May 3, 2007, 10 a.m. at San Mateo County Transit District Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070

The meeting adjourned at 12:37 PM.