

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

Minutes
Thursday, May 3, 2007

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

Board member absent: N. Ford

MTC Liaison present: S. Lempert

Staff Present: G. Cameron, C. Cavitt, G. Harrington, C. Harvey, R. Haskin, R. Lake, R. Lee, M. Martinez, I. McAvoy, D. Miller, M. Scanlon, M. Simon

Chair Cisneros called the meeting to order at 10:04AM and led the Pledge of Allegiance.

Public Comment

Eric Svetcov, Mountain View, said that he is a regular commuter to San Francisco. He created a petition that has been signed by 159 people who are interested in the Board's assistance in working with Muni and hopefully receive a hearing with Muni Management so they can understand the issues that some Caltrain riders have regarding service around 4th and King Street in San Francisco.

Jeff Carter, Burlingame, submitted written comments and noted the section regarding ridership and receiving the award from the FTA. He said the increases in ridership on Caltrain are not uncommon and are not necessarily due to the schedule. Ridership increased by 13.4 percent from 1999 to February 2000, and by 35 percent from February 1995 to February 1998. He asked where were the awards and accolades for these increases in ridership. Mr. Carter said he is still waiting for answers he has posed to the Board in previous meetings in writing and in public comment and he posed these questions again, hoping for answers. His written comments also provided a chart that showed annual ridership count which goes back to October 1975.

Michael Kiesling, San Francisco, said that even if the operational issues were worked out at Fourth and King, with the way the J and T lines back up, Muni has basically cut service to Caltrain. He said that when there were two buses that ran down Sansome and Second Streets to the Caltrain Station, there is now one, and this bus is completely standing room only. He also said that there used to be two-car trains leaving the Caltrain station to go downtown and all the streetcars are now one-car trains. Mr. Kiesling hopes that this can be worked out. He is very frustrated. He said that there are also significant safety problems with people crossing the street at 4th and King on sidewalks that are not wide enough for the crowds. There is also general confusion as to which platform to go to. He hopes that Muni can work something out.

Francis Wong, Mountain View, said he was very impressed with the fare inspection policy. He receives more inspections on a single trip on Caltrain than he does in a month of journeys on any other agency that uses proof of payment in the Bay Area. He thinks we should keep it up. On the ballpark literature, there is a complimentary pass that was distributed that has to be validated and he thinks this proves the merit of having advanced purchase, single trip tickets that can be validated as needed. He says this should be considered as a new fare media.

Consent Calendar

- a. Acceptance of the Statement of Revenues and Expenses, March 2007
- b. Award of Contract to Corey, Canapary, and Galanis Research to Conduct Ridership Research and Passenger Satisfaction Surveys for an Estimated Cost of \$255,000
- c. Award of Contract to John Glenn Adjusters & Administrator, Inc. for Providing Liability Claims Administration Services for an Estimated Cost of \$136,343
- d. Authorization to Enter into a Five-Year Commercial Lease of Joint Powers Board Railroad Property Located within the Diridon Station with McCarthy's Newsstand, Inc.
- e. Authorization to Execute a Five-Year Lease with Stazione LLC for Use of Broadway/Burlingame Caltrain Station as a Restaurant
- f. Authorization to Submit an Application to the Metropolitan Transportation Commission (MTC) to Request Regional Improvement Program Funds in the Amount of \$9,139,000

The minutes of April 5, 2007 were removed from the Consent Calendar.

The Board approved the consent calendar unanimously by roll call vote.

Approval of Minutes of April 5, 2007

Ms. Lempert asked that the name of the Chair of California Transportation Commission be spelled correctly, James Ghielmetti.

Public Comment:

Jeff Carter, Burlingame, requested that his comments at the meeting state that there are several commuter rail systems around the country that have stations as close as one mile apart.

The motion to approve the amended minutes was passed unanimously by roll call.

(Director Maxwell arrived at 10:12AM)

Report of the Chair

Director Cisneros reported that the JPB Budget subcommittee meeting will be scheduled shortly. He thanked the members of the Board who are on the subcommittee for their participation.

He also announced that the JPB is seeking members to its Citizens Advisory Committee. Applications are available on the agency Website or by contacting the Board Secretary's office. Completed applications are due by 5:00 PM on May 15.

MTC Liaison Report

Sue Lempert – Requested that Mr. Scanlon refer to the MTC the Muni situation that was addressed during Public Comment. She said it is a concern when two separate transit agencies aren't connecting.

She said that the Dumbarton Rail Policy Committee met last week. Director Ken Yeager is also a member of the committee. There was a lot of progress. Like all major transportation projects, there are problems and funding is one of them. There are also problem with Union Pacific and obtaining some of the right-of-way. The Policy Committee (representatives from Alameda, San

Mateo, and Santa Clara Counties) approved that the project be done in phases. The project has also taken on new urgency with the region's recent disaster with Bay Bridge access.

Citizens Advisory Committee Report

Michael Kiesling, Chair of the CAC, reported there were two public comment speakers at their last meeting. One pointed out that communities along the right-of-way wonder what Caltrain does for them; the rail service is relieving as much as a lane or two of traffic away from freeway with the trains running up and down the peninsula. The second speaker, Jeff Carter, presented information he also presented to the Board on ridership. The Committee received a presentation on how things went in Washington and how things are being received on the regulatory issues concerning Caltrain's adoption of modern worldwide rail standards. The committee also received a short presentation on how Caltrain deals with government relations between local governments and agencies. The next meeting will be May 16.

Executive Director Report

Mr. Scanlon reported:

Total ridership was 943,000, up 12.5 percent from 838,000.

March 2007 compared to March 2006

Average Weekday Ridership (AWR) was 34,900, up 14.8 percent from 30,400. Revenue was \$2.85 million, up 15.6 percent from \$2.47 million. On-Time Performance was at 96.7 percent, a slight slip from 97.1 percent, but above the 95 percent goal. Shuttles were at 5,379 AWR, up 13 percent from 4,761.

Year to Date comparison - For the first nine months, total ridership is 8.05 million, up about 8 percent from 7.46. AWR is 34,200 up 8.1 percent from 31,700. Revenue is just under \$25 million, up 14.6 percent from 21.8 percent. On-Time Performance is 95.7 percent, a significant improvement from 94.4 percent. Shuttles are at 4,900 average daily rides, up 15 percent from 4,200. Average ridership in the first month per baseball game is up about 1,000 riders from 3,200 to 4,200.

Using the base line of June 2004, ridership is up about 33 to 35 percent and revenues are up about 80 percent. In looking at the average fare per rider and the average fare per employee, there is a lot more going on to drive ridership than gas prices.

Governor Schwarzenegger and the Metropolitan Transportation Commission (MTC) worked very closely during the collapse of the 580 freeway interchange. They made a decision to offer free rides throughout the Bay Area on Monday.

Mr. Scanlon said that the earlier comments about Muni were expected. He pointed out that they are working as closely as they can with Muni. The problem is not the scheduling, but a number of institutional issues that are going on at Muni. Many of them are not going to have quick fixes. Director Ford and he have spoken on some of the things Muni is trying to accomplish and are working together to address the issues.

Since last month's meeting, there has been a meeting with Citizens for Expanded Transit Service (CETS). The parties have agreed to continue to work together. Mr. Scanlon said he would report back to the Board before any recommendations of service changes.

At the request of Chair Cisneros, Vice Chair Hartnett and he participated in a meeting at the MTC on the subject of regional rail. There were a number of service providers present. This was a good first discussion about possible governance models, finance models, and operational models. There is a study by MTC of other properties across the country. Regional rail is not just a structural issue, and there is not a perfect governance structure to take off the shelf. This was the first of a number of meetings.

There will be special service to the annual KABOOM event on May 12.

There will be special service to the Bay-to-Breakers on May 20.

Caltrain will provide Sunday level of service on Memorial Day.

There was recently an APTA Safety System Audit. They were able to identify a number of corrective actions that need to be taken, some which staff had already identified. They also pointed out some industry-leading best practices established by Caltrain.

Chief Financial Officer Gigi Harrington is going to present a draft operating budget. It is somewhat better news than the pro forma budget presented to the Board in February, but not yet in balance. Mr. Scanlon said he is cautiously optimistic that we will be able to work with the Budget Committee to identify where we need to make some adjustments and hopefully bring a balanced budget in June for the Board's consideration.

The Centralized Equipment Maintenance and Operations Facility (CEMOF) is close to completion. There have been some service problems that are related to the CEMOF move. The Central Control Facility is being moved from the Butcher Building to CEMOF. There was a problem on April 23 and this morning with the control system. The problems were not technical problems and they appear to be human error.

He said staff continues to work with the neighborhood group. As we get closer to the opening, there is some real fear as to how this may impact the quality of life in the community. Staff is committed to work with the community and he hopes that they understand their needs.

There are continuing meetings with the Federal Regulatory Agency (FRA). A key FRA official will be here in June for a meeting with Rail Services Director Bob Doty and others.

The Monthly Safety and Security report highlights an excellent session with Federal Transit Administration (FTA) Region 9 officials on the Don't Shortcut Life campaign.

Public Comment:

Jeff Carter, Burlingame, said that on the Bay to Breakers, it indicates that people can take the SamTrans service north of Millbrae. Will people who have their monthly pass and 10-ride pass be able to use those on the SamTrans bus or do they have to pay the \$12 fare for SamTrans?

Mr. Scanlon responded that they would have to pay the special fixed route rate of \$12.

Mr. Carter said that for the base year of 2004, the price of gas was averaging \$1.75 per gallon. Since then it's been up to \$3.50 and it has been down and is now at \$3.50. Gas price does play a role.

Proposed DBE Overall Annual Goal for FY 2008

Raymond Lee, DBE Officer, reported that the DBE Review Committee is recommending a goal of 11.9 percent for Federal Transit Administration (FTA) funds for the fiscal year that commences on October 1, 2007 and ends on September 30, 2008. For the upcoming fiscal year, the JPB expects to receive \$47 million dollars in FTA funds for various construction and engineering projects. There is no expectation of Federal Highway Administration (FHWA) funds for any new projects for the next fiscal year and the agency has not established an FHWA goal.

For FY 2007, the overall annual goal was 7.4 percent for FTA assisted contracts, and 4.2 percent for FHWA contracts. As of the end of May, DBE participation on FTA assisted contracts is around 9 percent. There have been no contracts let for FHWA funded contracts. For FY 2006, the JPB did achieve an overall rate of participation of 11.4 percent.

Consistent with the U.S. Department of Transportation guidance, the JPB is recommending a wholly race neutral implementation of the DBE Program. This is pending the outcome of a business availability and utilization study. Santa Clara Valley Transportation Authority (VTA) has included Caltrain as an option agency in its disparity study. Should this take place by VTA, staff would evaluate the proposal and determine whether to exercise. There may be a study completed by year end. If the study does dictate or require race conscious remedies, we may approach FTA for reconsideration of the current year goal.

As required by the federal program, the JPB is required to publish the proposed goal to allow public comment and the DBE review committee is recommending that the board approve the proposed goal for publication. In the event that there is no public comment that would require a change to the goal, the Board authorizes the Executive Director to formally adopt the goal.

The Board approved the resolution unanimously through roll call vote.

Mr. Scanlon thanked Raymond Lee and Bill Carson on the outstanding job they did.

Declaration of Official Intent to Reimburse the Joint Powers Board for Certain Expenditures

Ms. Harrington said this item is a reimbursement resolution. Should the Board approve this, it means that any costs that are incurred as we move forward with the proposed procurement of eight rail cars and financing could be reimbursed through the terms of a debt issuance.

The Board approved the resolution unanimously by roll call vote.

Proposed Caltrain FY 2008 Operating Budget

Ms. Harrington presented the proposed FY08 operating budget. She said that the budget is out of balance by approximately \$3.6 million and she is looking forward to working with the Budget Committee to bring the budget into balance.

There are no proposed changes in service levels. The proposed budget also builds upon changes that were put in the FY07 budget. There was a fare increase as part of the FY07 budget that started on April 2, 2007 and this budget includes annualizing the fare increase.

Total revenues are \$84.7 million, a decrease of \$1.6 million. Total expenses are \$88.6 million, an increase of \$3.5 million.

Member contribution total is \$38,268,530, an increase of \$1,114,618, or 3 percent.

Director Maxwell asked about what the \$0.5 million in administrative costs is. Ms. Harrington said that there are some increases included for wages and benefits. Postage and banking fees also are going up.. She said there is also a slight increase in overhead. Director Hill asked that a breakdown be made available at the next meeting.

Director Gage said that by the end of summer, gas will be \$4 per gallon or more. He asked if this is reflected in the budget.

Ms. Harrington said that the budget for fuel is the same at \$2.40 a gallon. Year-to-date fuel is an average of \$2.21 per gallon. She said that there can be further discussion as to whether this amount is sufficient.

Mr. Scanlon said the fuel cost was raised to \$2.40 after the adoption of the budget and we are running well under budget. The amount is wholesale. When we go to adopt next month, it will be an educated guess. We do look at the other transit agencies and what they are budgeting.

Director Williams asked about the member contribution increase. Ms. Harrington said that a 3 percent increase is proposed. He asked if this will balance the budget. Ms. Harrington said no, the revenue is already included in the proposed budget. Director Williams asked if there is a possibility of coming back and asking for more. Mr. Scanlon said that there is always that possibility.

Director Yeager said that with the additional dollars from the contributing agencies, the 3 percent is probably as much as we can expect this time around. Ms. Harrington said that it is her understanding that the member agencies have the 3 percent included in their proposed budgets for consideration by their various boards. Director Yeager asked if this was the maximum or just happened to be in their budget.

Mr. Scanlon said that we haven't gone further along those lines. The unwritten and informal understanding in recent years is to increase by three percent, which represents something similar to a cost of living range. Some of this will come down to risk and how much risk we want to take with the budget? Some of the big unknowns this year include CEMOF, which will have

costs associated with it. Ms. Harrington will discuss later an opportunity to take some money from the surplus this year so we can continue to keep track of the initial start-up costs as opposed to on-going costs associated with CEMOF. Also, the budget relied on the use of one-time money which we have used for a few years. The Governor's proposal does not include STA funds. As soon as the Budget Committee can meet, we can discuss what risks to take. Speaking on behalf of SamTrans, Mr. Scanlon said they still have a structural problem to deal with and he thinks he speaks for the other two general managers.

Authorizing Amendment of FY07 Operating Budget to Transfer \$1,500,000 from Contract Operating & Maintenance Expenses to CEMOF Startup Line Item

Ms. Harrington said that any unspent budget authority in FY07 would roll to FY08. This line item will be in the FY08 budget. It would allow the capture of the startup costs.

Director Maxwell asked if there is still a possibility of generating revenue after the facility is open. Mr. Scanlon said he did not think so. Ms. Maxwell said that there would be people who have to do the same kind of work can go to where they use to go. Mr. Scanlon said that we may be able to do something modest.

The Board approved the resolution unanimously by roll call vote.

(Director Hartnett arrived at 10:56 AM)

Presentation on Grade Separation Footprint Study

Ian McAvoy said that footprint studies are very important during the planning process to work out whether certain projects can be done or not. He will be focusing on three distinct elements.

1) San Francisco Yard and Terminal– Being implemented through Caltrain 2025. The goal includes bringing the facility into a state of good repair; improving operational efficiency to allow for future service increases; and consideration of future transit oriented development opportunities above the rail yard site. Phasing includes adding tracks to improve access and provide room for train storage; widening platforms and constructing a mezzanine; and potential development of the SF rail yards. Overall the preliminary cost is \$100 million to \$200 million for Phases 1 and 2.

2) Potential grade separation projects in San Mateo County – Burlingame/Broadway, Redwood City, Atherton and Menlo Park. Reviewed the right of way (ROW) requirements for the proposed projects; assessed the potential impacts; and established conceptual cost estimate of alternatives.

Combinations of alternatives were evaluated:

- Physical ROW alternatives – Horizontal and vertical profiles.
- Station Configurations - Center boarding vs. outside boarding.

The preliminary cost estimates for each location are as follows:

Burlingame/Broadway \$82 million – \$165 million

Redwood City \$130 million – \$300 million

Atherton \$110 million – \$730 million (includes trenching of ROW)
Menlo Park \$95 million – \$447 million (includes trenching of ROW)

The key impacts, depending on alternative, that were identifiable were property acquisitions, loss of parking in proximity to stations, and roadway reconfiguration/potential closures.

The San Mateo County Transportation Authority (TA) will prioritize grade separations in San Mateo County and will work with Caltrain and cities. San Bruno is prioritized already as number one.

The next steps include commencing project study reports, environmental clearance and design, and anticipated construction schedule impacts.

3) San Jose Terminal, Santa Clara – Tamien. The goal is to improve operational efficiency to allow future service increases and alleviate bottlenecks; remove the hold-out rule and improve station access/pedestrian safety at Santa Clara Station; and consider potential TOD development above the San Jose Diridon station rail yards. Phasing includes adding tracks between CEMOF and San Jose Diridon to improve access and provide additional room for train storage; widening platforms and construct mezzanine at San Jose Diridon station; and potential development of rail yards. The overall preliminary cost is \$150 million – \$200 million for Phase 1 and 2.

Ms. Lempert asked about the grade separations at Hillsdale, 31st and 28th Avenues, which are part of the city's corridor study with transit oriented development. For that project to go forward it needs to have grade separations.

Mr. McAvoy said that there is a significant amount of analysis for these locations. He is working with the city staff to reengage them in a similar exercise so he can have information with the horizontal and vertical concerns. He is aware that the city is working with the developer at Bay Meadows.

Ms. Lempert asked if the grade separation requires elevated track starting at Belmont. Mr. McAvoy said that he has been working on the issue and has not yet determined whether to stay at grade at that location or end up in a partial elevation in the area. These are considerations that need to be looked at. If we change the grade of the railroad, the project becomes infinitely more expensive than staying at grade. Ms. Lempert said this is huge for neighborhood consideration.

Director Hill asked what would be the available funds in the new Measure A for grade separations. Mr. McAvoy said that in the new and old measures there is approximately \$250 million in total, not enough to do all of the locations. One of the key considerations of the TA in the use of their money, consistent with San Francisco and Santa Clara Counties, is leveraging money from other sources.

Director Hill asked what the VTA has in its budget. Mr. McAvoy said that they are in the process of prioritizing their program right now. It is premature to say how much is available for one type of project versus another. They are going through a strategic planning exercise as we speak.

Public Comment:

Jack Ringham, Atherton, said he hopes that the detailed back up behind some of these numbers can be made available so he can understand them. There are some inconsistencies that appear to exist in the Menlo Park and Atherton numbers. These numbers show that Atherton costs are significantly greater than Menlo Park costs. He would like to reconcile the fact that Atherton has two streets each of which are two lanes, no bike lanes and no sidewalks. Menlo Park has four streets, three of them are two lanes, and one of them is a divided four lane. There are businesses and/or apartments on both sides of the track that would influence the approaches. He wonders if these numbers have gotten reversed or some misunderstandings of how many crossings there are in each town.

Mr. McAvoy said that there is no mistake. He is willing to meet with Mr. Ringham to go through the details. The large numbers are associated with trenching through the area, which has nothing to do with the number of crossings.

Francis Wong, Mountain View, asked if the full trenching option is computed, does it include an offset for the resulting air rights that would accrue to the JPB? Since this is the highest priced real estate on the ROW, the greatest benefit would be the trenching option. He hopes they take this into account and come up with compensating numbers that might favor the trenching option, particularly with electrification and the clean propulsion that will result.

Mr. Scanlon cautioned everyone on the numbers, particularly on the extreme right hand numbers. They are very ballpark at this time. There haven't been any engineering estimates involved. If we are going to do this in the grand vision of building, it is beyond our means right now. There is a real opportunity for this railroad with the High Speed Rail and leveraging of some money.

Vaughn Wolf, San Francisco, said the reporting on these costs, relative to road vs. rail, as MTC says, 50/50 transit and rail. This kind of cost is because of the rail, and because of the road. The spending that goes for roads is to make incremental improvements to an existing large network. The spending for rail is the very basic little step to go from point A to B. It is accurate but not honest.

Report of Legal Counsel

Mr. Miller said several months ago the Board took action to authorize SamTrans to serve as lead agency for a San Carlos TOD project that SamTrans has acquired. We have now reached a point where an agreement with the proposed developer is nearing completion. This Board took action to authorize SamTrans to proceed subject to ultimately approving revised parking plans, etc.

Date/Time of Next Meeting

Thursday, June 7, 2007, 10 a.m. at San Mateo County Transit District Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070

The meeting was adjourned at 11:20AM.