

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

Minutes  
June 7, 2007

**MEMBERS PRESENT:** J. Cisneros, D. Gage, N. Ford, J. Hartnett, J. Hill, A. Lloyd,  
S. Maxwell, F. Williams, K. Yeager

**MEMBERS ABSENT:** None

**MTC LIAISON PRESENT:** S. Lempert

**STAFF PRESENT:** G. Cameron, C. Cavitt, A. Chan, B. Fitzpatrick, V. Harrington,  
C. Harvey, R. Haskin, R. Lake, I. McAvoy, M. Martinez,  
D. Miller, M. Scanlon, M. Simon

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

**PUBLIC COMMENT**

Jim Bigelow, Belmont, recently witnessed an elderly gentleman with a walker fall across the tracks on the pedestrian walkway at the Ravenswood grade crossing near the south end of the Menlo Park Caltrain Station. He said two Menlo Park police officers responded quickly to move the man out of the crossing area as a train was approaching. Mr. Bigelow asked if a letter of appreciation could be sent to the Menlo Park Police Department.

Jeff Carter, Burlingame, said he is pleased that the debt to SamTrans for the purchase of the right of way is being resolved by Muni and possibly by the Santa Clara Valley Transportation Authority (VTA) with the help of the Metropolitan Transportation Commission (MTC).

Mr. Carter said he has heard reports of changes in BART service to SFO. He said one BART line is going to go to Millbrae Intermodal, bypassing the airport, and the other line is going to SFO but not Millbrae. In order to transfer from Caltrain, people will have to get off at Millbrae and take BART to San Bruno and then transfer to an airport BART train. He urged Caltrain to run a free shuttle bus from Millbrae to SFO to avoid a transfer.

Director Sophie Maxwell arrived at 10:10 a.m.

**CONSENT CALENDAR**

- a) Approval of Minutes of May 3, 2007
- b) Acceptance of the Statement of Revenues and Expenses, April 2007
- c) Award of Contract to Climate Insulating Products, Inc. for San Francisco Caltrain Station Window Film Installation for an Estimated Cost of up to \$94,608
- d) Authority to Renew Mobile Trailer Lease and Execute an Option to Purchase Agreement with GE Capital for a Trailer Required for the CEMOF Project

A motion (Gage/Lloyd) was passed to approve the consent calendar.

### **CHAIRPERSON'S REPORT**

Chair Cisneros reported two incumbents were recommended for reappointment to the JPB Citizen's Advisory Committee (CAC). Sepi Richardson will represent San Mateo County and Michael Kiesling will represent San Francisco. San Francisco and Santa Clara Counties have one vacancy each remaining.

A motion (Hartnett/Lloyd) was passed to appoint Ms. Richardson and Mr. Kiesling to the JPB CAC.

### **MTC LIAISON REPORT**

Sue Lempert said the Metropolitan Transportation Commission's discretionary powers of giving money to regional transit are still to be determined by the Commission. She said the governor's budget has left many transit agencies unhappy and the Legislature is addressing the problem.

She said the MTC and Association of Bay Area Governments formed a Joint Policy Committee several years ago in response to the disconnect between land use planning and money for transportation. She said transportation dollars are now tied, in most cases, by land use decisions by city councils and the board of supervisors. The Committee has a regional approach on how best to do planning for the future in terms of housing, jobs and transportation with representation from the Air Resources Board and the Bay Conservation and Development Commission. The Commission will be speaking to issues of reducing congestion and emissions and impacts of global warming.

### **REPORT OF THE CITIZEN'S ADVISORY COMMITTEE (CAC)**

Michael Kiesling, Chair of the CAC, reported that the Committee had a presentation on Caltrain ridership.

### **REPORT OF THE EXECUTIVE DIRECTOR**

Michael Scanlon reported:

Michael Kiesling and Sepi Richardson were congratulated for their reappointment to the JPB CAC.

- Performance Statistics for April 2007 compared to April 2006
  - a. Total Ridership was 913,567, an increase of 8.9 percent.
  - b. Average Weekday Ridership was 35,196, an increase of 6.7 percent.
  - c. Farebox Revenue was \$3,033,997, an increase of 17.6 percent.
  - d. On-time Performance was 94.7 percent, an increase of .2 percent.
  - e. Caltrain Shuttle Ridership was 5,426, an increase of 14 percent.
- Year-to-Date Statistics for April 2007 compared to April 2006
  - a. Total Ridership was 8,966,967, an increase of 8 percent.
  - b. Average Weekday Ridership was 34,324, an increase of 8 percent.
  - c. Farebox Revenue was \$28,000,938, an increase of 14.9 percent.
  - d. On-time Performance was 95.6 percent, an increase of 1.3 percent.
  - e. Caltrain Shuttle Ridership was 4,922, an increase of 14.7 percent.

Ridership and revenue increased in April which also was the first month of an 8.3 percent fare increase. Gas prices, special promotions and the new service model played a role in increased performance statistics.

Baseball ridership is averaging 4,300 per game due in part to reduced parking availability at AT&T Park.

Director Nathaniel Ford was recognized in his role as Chief Executive of the Municipal Transportation Agency (Muni) in San Francisco for meeting with Caltrain riders at a special meeting at the Ferry Building to discuss problems and solutions for the new T-Third Line.

Director Ford explained details of service changes on the T-Third Line. He said the service plan introduced on April 3 required a great deal of reliability on people, equipment and train control. He said it was quickly recognized that any small incident or delay concerning the headways through the subway system had a ripple effect. Because of this, a new service plan will simplify the system and improve service to Caltrain riders. The N-Line will be extended back to the Caltrain station using two-car trains and equipment for 20 hours a day. The J Line, which had been extended to Caltrain during peak period, will be terminated at the Embarcadero. In order to cut down the number of train movements in the subway, the K and T lines will be combined to create one large loop from Balboa Park to Sunnydale. As the train is heading inbound it will be a K train. When it enters the subway it will revert to a T, and coming back it will be a T train leaving Sunnydale into the subway and revert to a K train as it leaves the subway. The Castro Street shuttle will be restored as regular service.

The members of the JPB Budget Subcommittee Directors Hartnett, Maxwell, Yeager and Chair Cisneros were commended for their work with staff to balance the budget and for their willingness to continue to work on solutions to the problem of the structural deficit.

Caltrain observed a moment of silence on Memorial Day at the request of the Federal Transit Administration (FTA).

An agreement for procurement of rail cars has been executed on behalf of the JPB that will give Caltrain the ability to perhaps piggyback onto a purchase in New Mexico, in addition to working with a procurement group in Minneapolis.

Caltrain participated in a Rail Safety Enforcement Day coordinated by Amtrak Police Captain Jim Martino on May 30 with 24 police agencies from Gilroy to San Francisco. More than 100 citations were issued in a six-hour period, 97 for grade crossing violations.

The San Mateo County Economic Development Agency (Samceda) presented Caltrain with the Business Award of Excellence for growing service and building its way out of a deficit.

Spare the Air days for Caltrain, BART and ferries will be free only until 1 p.m.

Kaboom concert ridership was down 34 percent from last year due to an admission charge for the concert.

Bay to Breakers ridership increased 88 percent compared to last year.

A marketing promotion is planned to boost ridership during peak hours at San Bruno, Burlingame, Hayward Park, Belmont, California Avenue and San Antonio stations. The

promotion will include a direct mail piece, newspaper ads and station visits to offer free coffee and newspapers.

Special service will be added for the July 4 fireworks and July All-Star baseball events at AT&T Park.

Caltrain invited representatives from the Federal Railroad Administration (FRA) and the California Public Utilities Commission (PUC) to attend a safety peer review of the preparations for the upcoming opening of the Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF).

#### Public Comment

Ed De Lanoy said Spare the Air days reminded him of the upcoming possibility that we will have Cap and Trade. He said this is embraced by Speaker Pelosi and Governor Schwarzenegger who have gone to Canada to try to suppress energy consumption. He said Cap and Trade will encourage a movement of fewer cars on non-Baby Bullet service.

#### **APPROVAL OF FY 2008 OPERATING BUDGET**

Virginia Harrington, Chief Financial Officer, presented the proposed FY 2008 operating budget. The proposed budget is \$88.1 million with service levels remaining unchanged and FY 2007 fare increases annualized. Revenues have increased from May 2007 by \$2.4 million due to a combination of FY 2007 savings in the operating contract, excess fare revenue and professional service savings. Ms. Harrington said there will be a proposed reduction in the Amtrak budget by \$500,000 and \$25,000 in potential fees for Translink operating costs. Total fare revenue is \$36.7 million, member agency revenue is \$38.3 million and revenue from other sources is \$4.6 million. Revenue changes resulted from increased fares, annualization of the fare increase and increased ridership. Major expenses include \$55.9 million in Amtrak contract costs and \$11.4 million in fuel costs. Expense increases from FY 2007 of \$3 million include Amtrak contract costs of \$2.5 million and administrative costs of \$.5 million. The proposed budget assumes an increase in member agency contributions of 3 percent; \$6,812,783 from San Francisco, \$16,040,087 from San Mateo County and \$15,415,660 from Santa Clara County. Ms. Harrington said there is \$4.55 million in one-time funds used in the total budget. It is proposed to use \$800,000 from reserves to balance the budget.

Ms. Lempert asked if reserves would be replenished if funds were received from the state.

Ms. Harrington said the Board would be asked for a budget amendment if spillover funds are received.

Director Forrest Williams asked how much money is in the reserves.

Ms. Harrington said there will be \$3.44 million in reserves at the end of FY 2007 and the final amount will be determined after the books are closed in the next few months.

Director Williams asked if there was an annual policy or percentage in place to replenish reserve funds.

Ms. Harrington said the Board has discussed a reserve policy of 10 percent of the operating budget when the budget is closed out each fiscal year to the extent that there are any savings. Reserve funds have been building up over the past couple of years.

Director Don Gage asked if there was any reason why funds couldn't be allocated to reserves now in case the Board does not meet in July.

Mr. Scanlon said it is possible but it is an unknown amount. He said it would be preferable for the Board to discuss options if money is received.

Chair Cisneros thanked Ms. Harrington, her staff and the JPB Budget Subcommittee for their work and flexibility in budget preparations.

A motion (Yeager/Hill) to adopt the FY 2008 Operating Budget was approved.

#### Public Comment

Jack Ringham, Atherton, said he was surprised the budget did not include a fare increase because Caltrain is a real bargain compared to automobile costs of approximately 50 cents a mile. He said he thinks Caltrain costs per mile are less than BART and most commuter rail systems in the country. Caltrain passengers are paying about 20 percent of total costs of Caltrain which is a bargain because the farebox only covers about 40 percent of operating costs and none of the capital costs. Mr. Ringham said that recent fare increases have not adversely affected ridership and hopes that consideration would be given to fare increases that could be used to increase reserves.

#### **DISTRIBUTION OF THE FY 2008 CAPITAL BUDGET**

April Chan, Director of Capital Program Support, presented the proposed FY 2008 Capital Budget for informational purposes only. Action will be taken at the August 2 Board meeting. The focus of the proposed budget is to continue to complete safety, operational and accessibility improvements, to continue to upgrade and maintain the system to a state of good repair, to complete capital infrastructure and system improvements and to focus on safety and security. A highlight of the FY 2008 budget is the start of engineering studies in a number of project development areas for the Caltrain 2025 program.

The total FY 2008 capital budget is \$61.7 million. Major categories include \$27 million for right of way, signal and communication improvements, \$1.8 million for operational facilities and equipment, \$3.2 million for capital program management, \$6.2 million for stations and intermodal access, \$26.3 million for rolling stock, \$4 million for Caltrain electrification and \$3.3 million for the Caltrain 2025 program. Funding sources include \$17.5 million from federal grants, \$4 million from state and regional grants, \$9.5 million from JPB member agency contributions, \$8.8 million from county-specific match and \$21.9 million from other sources. San Francisco, San Mateo and Santa Clara county member contributions total \$18.3 million.

Ms. Lempert asked when the San Mateo Poplar/Tilton Bridge would be replaced.

Ms. Chan said the project is in the 35 percent design phase.

#### Public Comment

Francis Wong, Mountain View, said it would be good to keep the ridership and stakeholders involved in the guidelines for the Caltrain 2025 program, particularly in rolling stock negotiations with the FRA.

**AWARD OF CONTRACT FOR LENZEN FIXED-FUEL FACILITY TO PARADISO MECHANICAL, INC. FOR UP TO \$1,029,995 INCLUDING BID OPTION 1**

Cheryl Cavitt, Director of Contracts and Procurement, said Staff Coordinating Council (SCC) recommends that the Board authorize the Executive Director or his designee to award and execute a contract for a fixed-fuel facility at CEMOF for \$775,911 and Bid Option 1 for \$253,974 for a second 35,000-gallon above-ground fuel tank, in full conformity with the terms and conditions of the solicitation documents to Paradiso Mechanical Inc. upon successful resolution of soil removal issues at the project site.

David Miller, Legal Counsel, said staff had hoped by now that the Union Pacific Railroad (UPRR) would commit to removing the dirt. He said staff must contemplate the possibility that the UPRR will not act in a timely way and staff may have to pursue reimbursement from them. Mr. Miller said dirt removal may involve the UPRR or Paradiso Mechanical Inc. To this end, Mr. Miller recommended an addition to the resolution to read as follows: "Be it further resolved that the Executive Director or his designee is authorized to negotiate and issue a contract change order to Paradiso Mechanical, Inc. to effect removal of the stockpile of impacted soil if he determines it is in the best interest of the Peninsula Corridor Joint Powers Board to do so under circumstances in which the UPRR refuses to perform the work."

Director Jerry Hill asked what dirt removal would cost.

Mr. Miller said the existing contractor has quoted \$35 per ton which could be upwards of \$500,000 to \$700,000.

Mr. Scanlon said staff believes it is the responsibility of the UPRR to remove the dirt, their removal estimate is the lowest and it is hoped UPRR will do the soil removal.

Director Art Lloyd asked why the UPRR maintenance crews can't remove the dirt.

Mr. Scanlon said they have section crews that could do the removal. He said a dispute about the indemnification exists stemming from Southern Pacific and the UPRR which assumed responsibility for the soil issues when it acquired Southern Pacific.

Mr. Miller said the indemnification was bought from the UPRR but the property was bought quite a few years ago. For a variety of reasons, the implementation of the project was delayed so the issues that the UPRR has raised have to do with whether the Environmental Indemnity Agreement has expired. Mr. Miller said staff believes it has not because they have been on notice of this for a long time.

Director Ken Yeager said he did not have a problem proceeding with this matter. He said the CEMOF facility has a big impact in Santa Clara County and the county is happy to do this for the sake of the whole system including San Francisco and San Mateo counties. Director Yeager said the neighborhoods around the facility have felt that if there were going to be fuel tanks in place for fueling trains it would be best to have them in place rather than having truck deliveries

coming through the neighborhood on a regular basis. Director Yeager asked if Director Lloyd had any comments to add since he has worked with the CEMOF Monitoring Committee.

Director Lloyd agreed that it would be best to have fuel tanks in place and not have fuel truck traffic through the neighborhoods. He said the best solution would be to have an electrified system.

A motion (Gage/Lloyd) to award the contract was approved.

Chair Cisneros thanked staff and legal counsel for their creative approach to solving the problems involved with soil removal.

### **QUARTERLY CAPITAL PROGRAM STATUS REPORT**

Ian McAvoy, Chief Development Officer, said he would report on the Quarterly Capital Program after addressing San Mateo rail bridge replacement concerns from MTC Liaison Sue Lempert.

Mr. McAvoy said the San Mateo rail bridges are coming to the end of their useful life and will eventually need replacement. Pre-construction activities include the environmental process, dealing with the PUC on vehicle clearance issues, and dealing with community concerns. The PUC has given clearance approvals. The work will proceed to 35 percent design. Mr. McAvoy said the project can move to final design when the environmental clearance is completed.

Mr. McAvoy referred to the Quarterly Capital Program Status Report. Final details are being worked out on the CEMOF project to include mechanical electrical piping, ventilation air conditioning, completion of the central control facility, commission and testing of equipment, and working with the contractor to mitigate any potential delay issues.

Mr. McAvoy reported that site surveys, planning work and installation of some pedestrian gate arms at specific sites have been completed at 25 grade crossings in San Mateo County. Next steps include diagnostics and engineering efforts that will go into the final design of the project with continued negotiations with the cities and the PUC to meet all criteria set forth in the design process.

Mr. McAvoy said staff is discussing preliminary details with the PUC to allow electrification on a heavy railroad in California and consultants have been retained to deal with funding issues. He said the design criteria manual is complete and a design team is being organized.

### Public Comment

Vaughn Wolffe asked what the mechanism would be for the Board or staff to look into alternative forms of energy including the purchase of windmills instead of paying Pacific Gas & Electric (PG&E) on a per month basis. He said if this had been done 10 years ago \$80 million spent in fuel could be expended for power over the next 10 years. He said wind power is cost beneficial compared to natural gas.

Mr. Scanlon said renewable energy sources have been discussed by staff and these options could be considered for public-private partnerships but not in Caltrain's core competence. Mr. Scanlon said staff may be able to look into this issue and report at a later date.

Chair Cisneros thanked Mr. McAvoy for the presentation.

**CORRESPONDENCE**

None

**BOARD MEMBER REQUESTS**

None

**REPORT OF LEGAL COUNSEL**

None

**DATE/TIME OF NEXT MEETING**

The July 5, 2007 meeting was cancelled and the next meeting will be Thursday, August 2, 2007, 10 a.m. at San Mateo County Transit District Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

**ADJOURNED**

The meeting adjourned at 11:16 a.m.