

CALL TO ORDER

Chairman Ed Gallo called the meeting to order at 1:40 p.m.

Attachment No. 16

ROLL CALL OF BOARD MEMBERS

Ed Gallo (City of Escondido); Julianne Nygaard (City of Carlsbad); David Druker (City of Del Mar); Jerome Stocks (City of Encinitas); Jim Wood (City of Oceanside); Chris Orlando (City of San Marcos); Dave Roberts (City of Solana Beach); Bob Campbell (City of Vista).

Bill Horn (County of San Diego) arrived at 1:55 p.m.

CLOSED SESSION

The Board went into Closed Session at 1:42 p.m. to discuss agenda items A and B.

- A. Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiators – Location of Property is portion of Assessor Parcel Numbers 157-040-42 in Oceanside, CA. Negotiator: NCTD: Rick Howard. Negotiating Party: Loranda Corporation.
- B. Closed Session Pursuant to Government Code Section 54956.9 (b) and (c) – Conference with Legal Counsel – Anticipated Litigation – One Potential Case

The Board returned from Closed Session at 2:00 pm. Michael Cowett, General Counsel, stated that the Board met in Closed Session, discussed Agenda Item A and had nothing to report. He stated that in regards to Item B, the Board approved a SPRINTER Construction Improvement Agreement between NCTD and the City of Vista by unanimous vote, and that the agreement is at the Clerk of the Board's desk.

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PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG

Board member Dave Roberts led the Board, staff and the public in the Pledge of Allegiance to the American Flag.

CHANGES TO THE AGENDA

Michael Cowett stated that an information item regarding the settlement between NCTD and the SPRINTER Contractor, West Coast Rail Constructor, needs to be added and that item should be reviewed before Agenda Item E.

MOTION BY BOB CAMPBELL TO ADD THIS ITEM TO THE AGENDA, SECONDED BY DAVE ROBERTS. MOTION CARRIED UNANIMOUSLY.

C. JAKE Award

Wayne Penn, Rail Safety & Compliance Officer, introduced Mr. Pete Jesperson from the American Short Line & Regional Railroad Association and General Manager of the San Diego and Imperial Valley Railroad.

Mr. Jesperson presented the JAKE award to the San Diego Northern Railway for their excellence in safety for 2006.

Mr. Penn recognized the following Contractors who helped make this award possible: Mr. Joe Yanuzzi, Mr. John Eschenbach and Mr. Mike Chandler from Amtrak; and Mr. Doug Dailey from TransitAmerica (who was not in attendance).

PRESENTATION OF COMMENDATIONS

D. Presentation of April 2007 Employees of the Month Commendations

Tom Gallagher, Manager of Facility Maintenance, recognized Mr. Johnny D. Curtis, Facility Maintenance Worker and Kim Stone, Manager of Bus Operations, recognized Mr. Gerald Lane, Coach Operator, as the April 2007 Employees of the Month, with the Board's congratulations.

PUBLIC COMMUNICATIONS

Ms. Jennifer Knapic, San Marcos, CA, spoke on her concerns regarding Route 302 drivers not deploying the ramp when she requests it. She expressed her appreciation for assistance she has received from NCTD employees Rosalia Martinez, Alane Haynes and Alana Burkett.

Dave Roberts asked for an explanation of the policy for riders with physical disabilities in regards to ADA compliance.

Karen King, Executive Director, responded that if the customer needs those facilities and requests them to be deployed, the bus operator should be deploying those. She said that what we typically do is ask people to call in if they have a problem and provide specific information so we can identify who the bus operator is, and then we counsel them and do training, if that is necessary, so they conduct business appropriately.

Mr. Roberts requested that the Executive Director provide feedback at a future date on how the situation is progressing.

Chris Orlando asked if it is against policy for a driver to ask why a rider might need a ramp and requested that it be part of the inquiry when staff looks into the situation.

Mr. Peter Warner, Hanford, CA, spoke on his concerns regarding connections between the Amtrak Bus and the last bus 303 that leaves Oceanside at 11:30 pm.

APPROVAL OF MINUTES

MOTION BY DAVE ROBERTS TO APPROVE THE MINUTES OF THE REGULAR MEETING OF APRIL 19, 2007, SECONDED BY BOB CAMPBELL. ABSTAIN: JULIANNE NYGAARD. MOTION CARRIED.

MOTION BY BILL HORN TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF MAY 2, 2007, SECONDED BY DAVE ROBERTS. MOTION CARRIED.

1. Conduct: Public Hearing for August 12, 2007 Services Changes

Stefan Marks, Manager of Service Development, reviewed the process for noticing the public hearing and the proposed service changes that will be effective August 12, 2007. He said that the staff recommendation is for the Board to adopt the service proposal.

Jerome Stocks clarified that ridership on Route 316 has actually gone down in the past year.

Chair Gallo opened the Public Hearing.

Ms. Jennifer Knapic, San Marcos, CA, spoke on her concerns regarding route 316.

Mr. Peter Warner, Hanford, CA, spoke on his concerns regarding Rincon Middle School service and route 316.

Ms. Deanna Brenay, Oceanside, CA, spoke on her concerns regarding route 316.

Ms. Mary Louise Farris-Martinez, Oceanside, CA, spoke on her concerns regarding route 316.

Ms. Rachael Gaines, Oceanside, CA, spoke on her concerns regarding route 316.

Ms. Bastien Atterbury, Carlsbad, CA, spoke on her concerns regarding the Carlsbad Village COASTER connection and submitted a petition with 60 names on it.

Mr. Mike Werner, La Mesa, CA, spoke on his concerns regarding the attitude of the COASTER conductors.

Ms. Bonnie Moody, San Marcos, CA, spoke on her concerns regarding routes 350, 351, 352, 353 and 355.

Mr. Patrick McIntosh, Carlsbad, CA, spoke on his concerns regarding the Carlsbad Village COASTER connection.

Chair Gallo closed the Public Hearing.

Jim Wood stated that the Oceanside City Council voted to continue to support route 316. He stated that he supports route 316 but also understands the budgetary issues for NCTD. He made a motion to keep route 316 until it can be looked into further by staff to see if there are any other recommendations from staff to modify it.

Bob Campbell asked what options were looked at for route 316.

Stefan Marks responded that the route is not carrying enough people to warrant bus service. He said that they have marketed it and encouraging the community to use the service and they have not done it. Mr. Marks said the alternatives are we either keep the route or we don't keep it, but he has not looked at any detailed alternatives.

Bob Campbell asked if there has ever been a precedence for a case like this, in an isolated place, using a voucher system to let people use taxis or other things that would relieve NCTD of the cost, the burden of scheduling, the equipment maintenance, and staffing.

Karen King responded that has not been considered as a means of NCTD delivering service.

Dave Roberts said he would like to support Mayor Wood as best he can. He asked if there is some way to delay this item, and not only look at different service options, but to see if there are any sharing agreements that could be worked out with the City of Oceanside, whereby they either heavily market this or they pay the subsidy difference to keep the route operating.

Karen King responded that we have worked with communities, employers and other entities to help underwrite the cost of service where there may be a specific issue that makes it difficult for us to serve, and where there is a particular interest in ensuring there is service to a location. She said NCTD would be happy to discuss this with the City.

Dave Roberts said he likes Mayor Wood's motion to defer this one item to see if there are other options, and that it's going to have to be a share the pain type thing, but our goal is public transit.

Jim Wood said he can't speak for the entire Council or the City Manager, but deferring it or continuing it for the time being, for looking at other options, would be an option today. He said that he would prefer we keep it and try to find some options. He said he doesn't know about subsidizing the route, but they have had vouchers for taxis for seniors and they have had difficulties with that.

Dave Roberts said he is also concerned with the Carlsbad Village COASTER Connection.

Bill Horn said that route 316 has an average of 10 riders, which averages out to \$800 per month per rider. He suggested that the City of Oceanside look at another way to transport people in this neighborhood.

**MOTION BY BILL HORN TO ACCEPT STAFF RECOMMENDATION, SECONDED BY
JEROME STOCKS.**

Julianne Nygaard stated that ridership criteria is very important to running the system and that if we don't abide by using some criteria that looks at how much it actually costs, we are going to be in a whole lot of trouble. She said she likes the idea of going forward with these cuts today and sending letters off to the cities of Oceanside and Carlsbad, engaging them in the notion that there are problems in the community with our bus service and we need their help.

Jerome Stocks stated that he thinks Ms. Nygaard's suggestion is very reasonable and fair. He said that we have an obligation to try to maximize the amount of service to riders with the tax payer dollars.

Bob Campbell clarified that these changes would be effective August 12, 2007. He said this would give the cities time to respond to this suggestion.

Dave Druker asked what would be the last possible date that changes could be made to these routes.

Stefan Marks responded that the date would be the June 21, 2007 Board meeting.

Chris Orlando questioned the farebox recovery for the Carlsbad Village COASTER Connection.

Stefan Marks responded that NCTD typically does not look at farebox recovery specifically as performance criteria. He said that the main performance criteria we look at is the number of riders and the ridership per hour, and we look at how many riders are on a per trip basis and an hourly basis in terms of weekday, Saturday and Sunday. Mr. Marks said that in the case of the COASTER Connections, it's about the number of riders for the number of trips we are operating.

Chris Orlando said the criteria is a good guide, but one thing that doesn't show up in the numbers is the geographic location and questioned if there are other options for folks who live in a particular area. He said in the case of route 316, there are no other options. Mr. Orlando said that he would be supportive of Mayor Wood's request to take a little more time to look at that route.

Bob Campbell asked if there was a precedent for premium service, where we have a defined service area that is not working, but the people have very little options, where we could maintain some level of service but at a premium cost that would bring our subsidy down.

Karen King responded that our focus typically is trying to simplify fares not complicate them. She said that NCTD regularly looks at that, but that has not been considered on this route as a way of defraying the cost.

Dave Roberts asked for a point of order. He stated that Mayor Wood made a motion and that he seconded the motion before Supervisor Horn made a motion.

Ed Gallo stated that he wanted to hear from all the Board members first.

Dave Druker suggested we make the changes at this point, look at route 316 and the Carlsbad Village COASTER Connection, see if there is some way we can go to the Cities of Oceanside and Carlsbad to see if there is a way for them to subsidize some of the cost if they truly believe these routes are important parts of their communities. He said that we have until the June 21, 2007 Board meeting to finalize the decision.

Julianne Nygaard said that she likes Board member Druker's suggestion to see if there is a way to solve this issue by a joint effort.

Bill Horn questioned if the route times could be combined for the Carlsbad Village COASTER Connection and have just one bus in the morning and one in the evening. He said that as a maker of the motion, he is okay with having staff look at route 316 to see if there is another solution before the June 21 meeting, but that he thinks the Board should go ahead and approve this.

Jim Wood stated that he thinks there are alternatives and that it's not for him or the staff to make a decision in five seconds. He said that he is concerned about subsidizing by cities. Mayor Wood said with staff meeting with the neighborhood, he thinks we could resolve some, if not all, of this. He stated that he would look at the city regarding the subsidies.

Jerome Stocks stated that the motion can stand with the understanding that staff would look at alternative scheduling and solutions and that we have a motion and a second.

Jim Wood stated that he would support the motion with the understanding that staff would get back with the neighborhood regarding scheduling and cost and that he would follow-up with the city regarding subsidy aspects, but he knows the city does not want to do that, but he would support that motion.

Ed Gallo said that his main issue would be with the 353/355, but the report states that the County is putting in sidewalks to provide for a safe pedestrian route to Rincon Middle School.

Kurt Luhrsen, Principal Planner, stated that he spoke with the Project Manager for the County and they have this project programmed for the third week in June, after school is out for the summer. He said it is their intent to have the project wrapped up before school starts.

Karen King clarified that the motion was to move to adopt staff recommendation that all these changes be implemented, but that over the course of the next 30 days, staff would look at route 316 and the Carlsbad Village COASTER Connection to see if there are service alternatives that could be implemented rather than what has been proposed here, including contacting the cities about possibly underwriting those services.

Julianne Nygaard said that she would like it to be a formal request from the NCTD Board to the cities that are impacted, not just staff passing it along.

Bill Horn suggested we put out a form and ask the riders if they would be willing to take one bus time if we cut back.

Ed Gallo clarified that everyone understood the motion.

MOTION CARRIED UNANIMOUSLY.

Chris Orlando said he does not want the Board to get in a precedent where we are asking the cities to throw in on this.

Jerome Stocks stated that we have a formal letter from the Oceanside City Council expressing absolute support for a non-performing route so it's only fair for NCTD to say if you are really that hot on keeping this service, at \$800 per rider, per month, we need to see if there's financial support to go along with it because it so misses the performance standards that it's very difficult to justify spending that kind of money on this one route.

Dave Druker said that there are times where the cities should be belying up to the bar to subsidize some of the service that they would like to see that is special for their citizens.

Karen King stated that in regards to Agenda Item 7 on the Consent Calendar, the Board has received an added attachment that did not go with the agenda item, that it's a resolution that is necessary for the Board to adopt it to allow NCTD to submit for these grant funds.

CONSENT ITEM 8 WAS PULLED BY CHRIS ORLANDO AND WAS HEARD AT THE END OF THE AGENDA.

CONSENT ITEMS

2. Approve: Purchase Order Increase to Heritage Security Services, Inc., for Supplemental Security at SPRINTER Construction Sites
3. Award: Five-Year Contract to Alliant Insurance Services for Insurance Brokerage and Risk Management Consulting Services
4. Approve: Retainage from SPRINTER Vehicle Maintenance Facility Construction Contract
5. Update: HDR Engineering for Design of Bridge 207.6
6. Adopt: Resolution #07-05 for the FY 08 Transportation Development Act 4.0 and 4.5 and State Transit Assistance Funds
7. Approve: Submission of FTA Section 5311 Application
9. Award: Contracts with Infinity Wireless Solutions and San Diego County Regional Communications System (RCS) Board to become an RCS Member Agency

MOTION BY JEROME STOCKS TO APPROVE AGENDA ITEMS 2, 3, 4, 5, 6, 7 AND 9, SECONDED BY DAVE ROBERTS. MOTION CARRIED UNANIMOUSLY.

**REPORT OF GOVERNANCE COMMITTEE
Ed Gallo, Committee Chair**

Ed Gallo stated that we need to start reassessing our mission and goals since SANDAG holds the purse strings and that we may have to re-look at how we function and operate as a transit district since we are out of the planning business.

**REPORT OF PLANNING COMMITTEE
Jerome Stocks, Committee Chair**

10. Review: FY 08 Proposed Budget

Richard Hannasch, Director of Fiscal and Support Services, stated that FY 08 is a significant year for NCTD with the completion of the SPRINTER construction and the beginning of SPRINTER operations. He said that the Planning Committee has already reviewed the detailed assumptions for the budget in its previous committee meetings and at the two budget workshops in March and April. Mr. Hannasch stated that at the April 2007 Budget Workshop, the Planning Committee approved the referral of the draft budget to the full Board. He added that since the draft budget was prepared and sent to the Board, NCTD received notice from SANDAG that they would be revising downward their estimates of the revenues available to both NCTD and to MTS. Mr. Hannasch said it is always distressing to get bad news about revenues at any time, but that it is particularly distressing to receive news this late in the budget process when it's too late to modify the draft budget.

Mr. Hannasch stated that the draft budget document the Board has uses the revenue estimates that were received from SANDAG in February 2007. He said that before we can accurately determine the changes that will be necessary for the FY 08 budget, NCTD will need final estimates from SANDAG on the TDA revenues, which are expected to be received in June. Mr. Hannasch added that the other significant figures for NCTD is the state budget and whether or not there will be something more available for transit in the final budget from the legislature, which may help to partially offset the reductions from TDA. He stated that we would expect to hear that from the state in June or July, so we anticipate that it will be necessary to amend the FY 08 budget during the first quarter of the new fiscal year. Mr. Hannasch said that NCTD would need to convene another Budget Workshop, as soon as it's practical, to review the updated estimates.

Dave Druker noted an error in the draft budget regarding the "Fare Revenue Per Passenger for the SPRINTER" and requested that the number be changed from \$9.29 to \$0.92. He requested that the Board receive a copy of the five-year outlook after it is updated and an analysis of the TDA carryover reserve.

No action required.

REPORT OF MONITORING COMMITTEE
Dave Druker, Committee Chair

11. Approve: Rail 2 Rail Program and COASTER Weekend Padre Service Trial Demonstration

Tom Lichterman, Director of Rail Services, reviewed the Committee recommendation. He said that we have had a pass and fare increase approximately every two years. Mr. Lichterman stated that the current (original) ticket vending machines would be problematic to having a premium only to be used on Amtrak.

MOTION BY JEROME STOCKS TO APPROVE AGENDA ITEM 11, WITH PADRE SERVICE BEGINNING IN JUNE 2007, SECONDED BY BOB CAMPBELL. MOTION CARRIED UNANIMOUSLY.

12. Update: Customer Information Systems/511

Tom Kelleher, Manager of Communications and Marketing, reviewed the staff report.

No action required.

Receive: Claim Settlement Agreement with West Coast Rail Constructors (WCRC) on the SPRINTER Project

Michael Cowett stated that the Board has met in Closed Session for the last few months to negotiate an agreement with the SPRINTER contractor, WCRC, and considered a concept of an agreement at the last special meeting in Closed Session, and directed the Executive Director to sign an agreement once it was finalized. He said that the agreement was finalized and both the Executive Director and WCRC have signed it. Mr. Cowett added that the agreement settles all claims with WCRC and provides an incentive to them to complete the project by December 1, 2007.

Tom Lichterman added that we have been able to reach agreement with WCRC on all the outstanding claim issues that have been in discussion for approximately four months, and that this resolves the number of inefficiency and schedule delay issues that have arisen in the course of the project, principally related to design issues and it addresses all of the resequencing of work and impacts that the contractors encountered in order to be able to complete the project. He stated that they determined it would be in the best interest of the project, the district's and the public's to be able to resolve this before the project is complete and provides the contractor an incentive to complete the project on schedule rather than facing what could have been an extremely costly claim after the project. Mr. Lichterman added that the agreement calls for a not-to-exceed value of \$12.2 million for the impact and inefficiency

claim and that the \$12.2 million is subject to documentary verification and final documentation per contract requirements. He said that the incentive is \$3.3 million to accelerate construction activities in order to meet the December 1, 2007 completion date and that amount is spread out over a number of milestones that have been established in this new agreement. Mr. Lichterman stated that the Board has a copy of the legal portion of the agreement and that NCTD could provide 50 pages of exhibits if the Board wishes to review that. He said it is a very proactive step to get the project completed on time, with a very predictable budget, and that takes away a lot of the risk that we have been facing for about two years.

Jerome Stocks asked if NCTD would have to increase the budget on the SPRINTER as a result of this settlement.

Tom Lichterman responded we would not.

Ed Gallo added that we would have recourse on the design issues that caused this agreement.

Tom Lichterman responded that was correct.

No action required.

E. Update: SPRINTER Project

No action required.

F. Review: SANDAG Agenda

Ellen Roundtree, Intergovernmental Relations Officer, reviewed the SANDAG Transportation Committee agenda.

CONSENT ITEMS PULLED FOR DISCUSSION

8. Receive: Transportation Development Act Triennial Performance Audit

Chris Orlando asked for further explanation of the audit.

Karen King stated that NCTD has multiple audits every year and several triennial audits and that the audit of the TDA funds was recently concluded. She said that the compliance audit looked at the period 2004 through 2006 and that they look at 13 specific items to determine whether we are in compliance with the requirements to receive TDA funds. Ms. King added that these are state funds and that we view this report, even though there are some findings in it, as a very excellent report. She said that the findings are very minor, mostly having to do with recordkeeping or reporting.

Chris Orlando asked Ms. King to address the operating cost per hour and the increase that they noted in the executive summary.

Ms. King stated that operating costs have been growing more rapidly than revenues and that is not just NCTD, that's all transit agencies. She said that for the period, NCTD's was just a little more than 2% greater than revenues and that was primarily due to the cost of fuel, insurance revenues and other things that we don't necessarily have control over, such as competitively bid contracts for services such as the COASTER contract. Ms. King said contracts, such as the one with the sheriff's department, have gone up greater than the CPI. She added that the auditor that worked on this audit has audited us previously, and continues to tell us it is amazing how much we are able to accomplish with such constrained resources. Ms. King stated that is gratifying to staff, and hopefully to the Board, to know we are stretching the dollars to go as far as we possibly can.

Bob Campbell asked, if at a future meeting, would Ms. King come back and review the three recommendations as to what we can do.

Karen King said staff is already working on them, they are primarily reporting issues, we are working on modifying that, and we can bring back specific information.

MOTION BY BOB CAMPBELL TO APPROVE AGENDA ITEM 8, SECONDED BY CHRIS ORLANDO. MOTION CARRIED UNANIMOUSLY.

BOARD MEMBER REPORTS, COMMENTS AND CORRESPONDENCE

Dave Roberts requested a report be brought to the Board on NCTD's WiFi system versus what the cities are doing and how they tie in together.

Karen King asked if he would like that as a report to the Board.

Dave Roberts responded "yes". He said that the City of Solana Beach will be holding their 28th annual Fiesta Del Sol and that the City has their final two EIR meetings on June 14 and 19, 2007 at 5:00 pm and they have hired a fourth party reviewer from outside San Diego County to review the input to make sure it is good and that the EIR is valid.

Bob Campbell stated that he was at Sacramento for the League of Cities meeting.

Dave Druker said he was also in Sacramento and visited each Senator and Assembly people to ensure they understood it was important to fund transit.

Jerome Stocks stated that the City of Encinitas has been re-establishing dialog with NCTD regarding parking in the downtown area and he thanked staff for the level of cooperation. He said Encinitas recently approved a project next to the rail corridor that includes condos and commercial office space with underground parking. Mr. Stocks stated that the developer asked what it would cost to make E street into a quiet zone and that he might be willing to pay for it.

Bill Horn said he was approached by the Repertory Theatre in Solana Beach and they are waiting for the EIR to be done on the parking garage because they want the theatre on top of it. He stated that if they are not going to get it, they are going to move to Encinitas. He suggested the two cities should discuss this.

EXECUTIVE DIRECTOR'S REPORT

Karen King stated that she would be attending the APTA Commuter Rail Conference so she will not be in attendance at the June Committee meetings.

REMAINING PUBLIC COMMUNICATIONS

Mike Warner, La Mesa, CA, spoke on his concerns regarding the suggested price increase on the Rail to Rail agenda item.

Peggy Ramsing, Vista, CA, stated that she is on the Vista Art Commission. She said that she wants to make it clear that they are doing it in a marketing sense, they want to show off their community as a destination, they want to multiply the use of the SPRINTER to bring people in for fun activities and that there is no way they are going to be able to balance the NCTD budget with the arts.

ADJOURNMENT

The meeting adjourned at 4:40 p.m. Submitted by Jill McNaughton, Clerk of the Board for North County Transit District.

CHAIRMAN: _____

CLERK OF THE BOARD: _____

DATE: _____

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