



MINUTES

Board of Directors' Meeting

Call to Order

The June 18, 2018 Board of Directors (Board) meeting of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was called to order by Chairman MacDonald at 12:36 p.m., at the Los Angeles County Metropolitan Transportation Authority, Mulholland Conference Room – 15th Floor, One Gateway Plaza, Los Angeles, California.

Chairman MacDonald announced that several of the Directors would participate in today's meeting via teleconferencing, and all votes would be taken by roll call.

Directors Present: Bryan MacDonald, Chairman
Al Murray, Vice Chairman (teleconference)
Ed Gallo, NCTD
John Shoals, SLOCOG
Michael T. Bennett, SBCAG
John Fasana, Metro
David Perry, Metro
Dana Reed, RCTC
Lorie Bragg, SDMTS (teleconference)
Ellie Haviland, SANDAG (teleconference)
Eric Hosey, Amtrak, Ex-Officio
Art Brown, SCAG, Ex -Officio

Directors Absent: Tony Kranz, NCTD
Fred Strong, SLOCOG
Tim Shaw, OCTA
Greg Pettis, RCTC
Kyle Grading, Caltrans, Ex-Officio
Michelle Boehm, CHSRA, Ex-Officio

Staff Present: Jennifer L. Bergener, Managing Director
Olga Prado, LOSSAN Agency Clerk of the Board
James Donich, General Counsel (teleconference)

Pledge of Allegiance

The pledge of allegiance was led by Director Reed.

1. Public Comments

Public comments were heard from:

Janet Rogers (via teleconference from San Diego), Train Coalition, Santa Fe Depot, reported that a letter was sent to Jennifer L. Bergener, Managing Director, as well as to the LOSSAN Agency's General Counsel, requesting that the Train Coalition stakeholders be allowed to participate in the planning and relocation of the railroad layover facility to provide comments. Ms. Rogers also cited an example of studies performed in the Kansas City area where stakeholders were included in the review/comment period.

Chairman MacDonald commented that LOSSAN Agency staff would reach out to the Train Coalition, Santa Fe Depot, to discuss the opportunities for participation.

Fred Hottinger (via teleconference from San Diego), Train Coalition, Santa Fe Depot, reported that announcements at the Santa Fe Depot are excessive, loud, and long, particularly during the weekends. He felt that announcements for safety and security are unnecessary and a nuisance to residents.

Jennifer L. Bergener, Managing Director, responded that the Santa Fe Depot announcements are made as part of the safety measurements for residents; however, staff will review to determine if the volume has been adjusted.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 and 3)

2. Approval of Minutes

A motion was made by Director Fasana, seconded by Director Shoals, and following a roll call vote, declared passed 10-0, to approve the minutes of the LOSSAN Agency's Special Board of Directors meeting of May 30, 2018.

3. State and Federal Legislative Status Report

A motion was made by Director Fasana, seconded by Director Shoals, and following a roll call vote, declared passed 10-0, to approve this receive and file information item.

Regular Calendar

4. Grover Beach Station Expansion Project – State Rail Assistance Program Funding

Roger Lopez, Principal Transportation Analyst, provided an overview on the Grover Beach Station Expansion Project and presented a short PowerPoint presentation on this item as follows:

- Grover Beach Station –
 - Background information on the expansion of the Station structure
 - Ridership; and
- Proposed Expansion Project –
 - Aerial view of the Station
 - Details on the project to make the Station a multi-modal facility.

Mr. Lopez also reported that:

- Construction bids are coming back significantly higher than previously anticipated, and there is a shortfall of \$800,000 for the project; however, the San Luis Obispo Council of Governments (SLOCOG) pledged to cover half of the shortfall costs.
- A correction is needed to Attachment A of the Staff Report in the “Funding Amount” column to read \$400,000 (current shortfall), not \$776,500.”

Director Shoals provided clarification on the \$400,000 being pledged by SLOCOG and noted a number of benefits that will occur as part of the project. He also thanked both SLOCOG and LOSSAN Agency staff for their efforts.

Director Haviland added that she supports this item and asked that when the reprogrammed funds become necessary for the previously intended program of projects, that staff and the Board consider that funding as a priority. Jennifer L. Bergener, Managing Director, responded that staff is working hard to protect Senate Bill (SB) 1 funding projects that can encumber these funds as quickly as possible and any future efforts to advance projects with shortfalls will be brought to the Board for consideration.

4. (Continued)

A motion was made by Director Shoals, seconded by Director Bennett, and following a roll call vote, declared passed 10-0, to:

- A. Approve the use of \$400,000 in fiscal year 2017-18 of State Rail Assistance formula funds for the Grover Beach Station Expansion project.
- B. Authorize the Managing Director to negotiate and execute an agreement with the San Luis Obispo Council of Governments for the use of State Rail Assistance formula funds for the Grover Beach Station Expansion project.
- C. Authorize the Managing Director to negotiate and execute all other necessary agreements to facilitate the utilization of State Rail Assistance funding as described herein.

5. **Fiscal Year 2018-19 Budget Amendment and Fiscal Years 2018-19 and 2019-20 Business Plan Amendment**

Jennifer L. Bergener, Managing Director, provided opening remarks and stated that Positive Train Control (PTC) is a Federal mandate, and reported that the Union Pacific Railroad requested the LOSSAN Agency, the State, and Amtrak fund the infrastructure improvements necessary to implement PTC on the Santa Barbara subdivision. She noted that the \$9 million of funding from the State was a “last-minute add” into the budget, as the LOSSAN Agency was previously operating under the assumption that the California Department of Transportation (Caltrans) would pay directly; however, Caltrans preference now is to have the LOSSAN Agency administer it. Staff intends to bring an update LOSSAN Board meeting in July to discuss the disposition, negotiations, and execution of funds for PTC. Ms. Bergener proceeded to introduce Jason Jewell, LOSSAN Chief Financial Officer, to report on the item.

Mr. Jewell provided an update on the Fiscal Years (FY) 2018-19 and 2019-20 Business Plan amendment as follows:

- Background information.
- The Business Plan was submitted to the Secretary of the California State Transportation Agency (CalSTA) prior to the April 1, 2018 deadline.
- In order to incorporate the federal FY 2018-19 revenue and expense forecasts from Amtrak, CalSTA has allowed for a revised budget and resubmittal of the Business Plan by June 30, 2018, for final approval.
- Revenue and expense details regarding the proposed budget amendment.
- Highlighted Attachment A of the Staff Report and reported on the changes between the original adopted budget and the proposed amendment.

5. (Continued)

A discussion ensued regarding:

- Compliments to staff for a clear and concise Staff Report, and SLOCOG is in agreement with the \$1.5 million in State Transportation Improvement Program revenue funds.

A motion was made by Vice Chairman Murray, seconded by Director Bennett, and following a roll call vote, declared passed 10-0, to:

- A. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 revenue and expense budget to reflect the revised Amtrak operating revenue and expense forecast and other adjustments.
- B. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's business plan for fiscal years 2018-19 and 2019-20 to reflect the revised budget.
- C. Direct staff to submit the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency revised business plan for fiscal years 2018-19 and 2019-20 to the Secretary of the California State Transportation Agency for approval.
- D. Authorize the Managing Director to amend the Master Fund Transfer Agreement annual supplement for federal fiscal year 2017-18 operating funds to include \$9 million in funding for positive train control and extend the period of performance to September 30, 2018.
- E. Authorize the Managing Director to execute the Master Fund Transfer Agreement annual supplements for federal fiscal year 2018-19 operating funds and fiscal year 2018-19 administrative and marketing funds.

6. Approval of the Interagency Transfer Agreement with the California Department of Transportation for Administration of the Pacific Surfliner Intercity Passenger Rail Service

Jennifer L. Bergener, Managing Director, provided background information on the Interagency Transfer Agreement (ITA) between the LOSSAN Agency and Caltrans Division of Rail and Mass Transportation, and reported that staff has negotiated the terms for the continuance of the ITA.

Ms. Bergener highlighted the following:

- Changes to incorporate the LOSSAN Agency policies and procedures to better document how the LOSSAN Agency administers its financial aspects of business.
- Elimination of adherence to Code of Federal Regulations (CFR) 200, as those requirements are overly restrictive and often do not apply to the funding sources received by the LOSSAN Agency.

6. (Continued)

- The State is in agreement with the LOSSAN Agency's Board-adopted policies and procedures as the "first line of defense," the Orange County Transportation Authority's (OCTA) policies and procedures as the second, and adherence to CFR 200 as the third in instances where the LOSSAN Agency or OCTA have not adopted a policy governing a specific action.
- Robust discussions have been held with the between the LOSSAN Agency and the State, and both have agreed to maintain the existing roles and responsibilities, with a commitment from the Statewide Working Group Executive Committee to determine if any changes need to be made in the future.
- SB 1 may impact some of the LOSSAN Agency's responsibilities.
- The ITA term is proposed for three years in order to set the next ITA renewal during the middle of an administration rather than at the beginning or end of one. From there on out, there will be an additional option for two four-year extensions.
- The existing ITA expires on June 30, 2018.
- There are no changes to the risk, liability, and insurance provisions included in the original ITA.

A discussion ensued regarding:

- The positive aspects of the ITA, with the LOSSAN Agency continuing at its current capacity, and moving away from the adherence to CFR 200 will streamline the LOSSAN Agency's process and make it more efficient.
- The three-year term is a good strategic addition.
- LOSSAN Agency staff will try to provide monthly updates to the LOSSAN Executive Committee related to the Statewide Working Group Executive Committee's review of the roles and responsibilities and SB 1.
- The Board expressed appreciation to the LOSSAN Managing Director and staff for their arduous work on the ITA, and a request to provide future large-sized documents, inclusive of "tracked changes," such as the ITA, as early as possible to allow a lengthier review time by the Board.

A motion was made by Vice Chairman Murray, seconded by Director Bennett, and following a roll call vote, declared passed 10-0, to authorize the Managing Director to negotiate and execute the interagency transfer agreement between the California Department of Transportation Division of Rail and Mass Transportation and the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency to allow continued local administrative oversight and management for the state-supported Pacific Surfliner intercity passenger rail service for a three-year term beginning July 1, 2018.

7. Authorization to Execute Administrative Support Agreement with Orange County Transportation Authority

Jennifer L. Bergener, Managing Director, provided background information on the Administrative Support Agreement (ASA) with OCTA to provide administrative services and daily management of the state-supported Pacific Surfliner intercity passenger rail service operating on the LOSSAN rail corridor, which is set to expire June 30, 2018. Ms. Bergener reported that the LOSSAN Agency previously reached out to its Member Agencies regarding OCTA continuing to serve as the managing agency, and stated that those that provided feedback were in the affirmative for OCTA to continue serving in this capacity. She added that per Board direction and to ensure impartial parties during negotiations, separate legal counsel service was retained.

Ms. Bergener reported on the following:

- The original ASA included funding from Member Agencies during the “start-up period” and since then, and during the “initial period,” all administrative costs have been funded by the State. Moving forward, it is anticipated that all necessary administrative funding will come from the State.
- If administrative funding is not made available, OCTA has the right to vacate the agreement within 90 days.
- There have been significant changes with an expanded scope and new duties over the last three years, including the implementation of the Transit and Intercity Rail Capital Program, Passage of SB 1, the LOSSAN Agency’s roles related to grant pursuits and grant administration, and a LOSSAN’s robust role related to marketing services.
- The term is proposed to be executed for a three-year term, with a three-year option.
- There are no changes to the risk, liability, and indemnification provisions in the ASA.
- Small edits to correct grammar/punctuation may need to be made to the ASA, however, these will not be substantive or material changes.

A short discussion ensued regarding:

- The State budget was approved and passed.
- Clarification on the intent of the language related to administrative funding not being made available.

Ms. Bergener reiterated that OCTA would have the right to vacate the agreement and the LOSSAN Agency would not seek reimbursement from any of its Member Agencies.

A motion was made by Director Fasana, seconded by Director Shoals, and following a roll call vote, declared passed 10-0, to authorize the Managing Director to execute an updated administrative support agreement with Orange County Transportation Authority.

Discussion Items

8. Managing Director's Report

Jennifer L. Bergener, Managing Director, reported on the following:

- Extended her appreciation to the Board for their support on approving the ITA and ASA items on today's Agenda, noting these are the most significant efforts that the LOSSAN Agency undertakes.
- Amtrak is underway with the implementation of PTC on the LOSSAN corridor, and interoperability testing began last week.
- Siemens Charger locomotives testing is in place, and four of the 16 vehicles are in Los Angeles to help the LOSSAN Agency advance its testing efforts (two of the four vehicles have been assigned to the northern California fleet).
- Staff continues to provide special service to the FivePoint Amphitheatre in Irvine for concerts. Ridership on those trains varies significantly depending on the concert headliners, and a full overview of ridership for the concert series will be provided to the Board when the season concludes.
- Staff is holding discussions with Caltrans related to studies for the lead agency for the Santa Fe Depot layover study and scope.
- An update on the implementation of the Coachella special service should be provided at the July 2018 Board meeting.
- Director Bragg asked for clarification related to the Santa Fe Depot layover study, scope, and who would be the lead agency on this item. Ms. Bergener indicated that the LOSSAN Agency anticipates serving as the lead agency for these efforts, but that conversations are underway with the State to confirm.
- Director White complimented staff for the weekly reports and stated he found them very helpful.

9. Board Members' Report

Director Gallo stated that during his last travel to a LOSSAN Agency Board meeting, there was a short delay; however, today the train arrived on time and complimented staff.

Director Brown stated that during the recent American Public Transportation Association conference, Amtrak confirmed they will be in compliance with PTC by summer 2018.

Director Haviland complimented staff on the promotional service during their busy summer season for events such as the County fair, Comic-Con in San Diego, and the Del Mar races.



MINUTES

Board of Directors' Meeting

9. (Continued)

Chairman Mac Donald reminded the Board about the Monday, July 16, 2018 LOSSAN Board meeting in San Luis Obispo, and there would be a small reception hosted by SLOCOG the afternoon before.

10. Closed Session

There was no Closed Session scheduled.

11. Adjournment

The meeting of the LOSSAN Board adjourned at 1:25 p.m. The next regularly scheduled meeting of this Board will be held:

Monday, July 16, 2018

12:30 p.m. – 2:30 p.m.

San Luis Obispo County Board of Supervisors Chambers

County Government Center - First Floor

1055 Monterey Street

San Luis Obispo, California

ATTEST:

Olga Prado
Clerk of the Board

Bryan MacDonald
LOSSAN Chairman