



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

**Board of Directors Meeting
January 26, 2012, 10:00 a.m.
Mission Memorial Annex Conference Room
550 South King Street, Honolulu, Hawaii**

PRESENT:

Carrie Okinaga
Ivan Lui-Kwan
Damien Kim
David Tanoue
Keslie Hui

William "Buzz" Hong
Robert "Bobby" Bunda
Wayne Yoshioka
Don Horner

**ALSO IN ATTENDANCE:
(Sign-in Sheet and Staff)**

Toru Hamayasu
Joyce Oliveira
Gary Takeuchi
Simon Zweighaft
Cindy Matsushita
Andrea Tantoco
Frank Doyle
Jeanne Mariani-Belding
Rocco Sansone
Maurice Morita

Councilmember Breene Harimoto
Brandon Elefante
Pearl Johnson
Rich Palido
Russell Honma
Doug Chun
Lori Hiraoka
Michael Domingo
Nina Blanco

EXCUSED:

Glenn Okimoto

I. Call to Order by Committee Chair

At 10:03 a.m., the meeting of the Board of Directors was called to order by Board Chair Carrie Okinaga.

II. Public Testimony

Ms. Okinaga called for public testimony.

Michael Domingo offered testimony on the solicitation of local firms for geotechnical drilling. Mr. Domingo's testimony is attached hereto as Attachment A of these minutes.

Board Member Bobby Bunda asked whether contractors can give preference to local subcontractors. Interim Executive Director Toru Hamayasu stated that FTA requirements do not allow contractors to utilize geographical preferences in selecting their subcontractors. Board Member Keslie Hui stated that HART should ensure adequate competition and transparency. Board Member Don Horner requested that Kiewit give a presentation before the Project Oversight Committee to discuss the selection process for their subcontractors.

Pearl Johnson of the League of Women Voters offered testimony in which she urged the Board to provide more information on change orders and to publicly release materials accounting for how transit funds have been spent to date.

Victoria Cannon, a resident of Makakilo, offered testimony in which she expressed concern about transparency and project costs. Ms. Cannon also urged the Board to consider different technologies besides steel-on-steel, such as improved bus service, staggered hours, and light rail.

III. Approval of Minutes

Ms. Okinaga called for the approval of the minutes of the December 1, 2011 Board meeting. There being no objections, the minutes were unanimously approved.

Ms. Okinaga called for the approval of the minutes of the December 29, 2011 Board meeting. There being no objections, the minutes were unanimously approved.

IV. Report of Committee Meetings

A. Report of January 5, 2012 Project Oversight Committee Meeting

Project Oversight Committee Chair Damien Kim reported that the Project Oversight Committee met on January 5, 2012 to hear a presentation on activities associated with entry into Final Design and receipt of a Letter of No Prejudice, and to review the October monthly progress report.

B. Report of January 5, 2012 TOD Committee Meeting

Transit Oriented Development Committee Chair William “Buzz” Hong reported that the committee met on January 5, 2012. The committee heard an update by DPP staff, received reports on successful TOD projects throughout the United States, and was briefed on what cities can do to promote TOD. The committee also received information on potential TOD sites along the present alignment. Mr. Hong thanked HART and DPP staff for their work in providing the committee with detailed information on TOD.

C. Report of January 26, 2012 Finance Committee Meeting

Mr. Horner, Finance Committee Chair, reported that the committee met on January 26, 2012 and heard a thorough presentation on the processing of change orders. Mr. Horner indicated that the committee may propose the establishment of a “firewall” to require Board approval for change orders exceeding a certain dollar amount.

Ms. Okinaga asked whether this proposed “firewall” will be incorporated into the revised Project Management Plan (“PMP”). Mr. Hamayasu replied that the revised PMP, which should be issued in February, will need to incorporate the new threshold.

V. Status of Procurement of OCIP Management Services

Deputy Project Officer Frank Doyle reported that an RFP for OCIP management services will be issued by the end of January, and that a Notice to Proceed should be issued by the end of April. Identification of a brokerage firm will take three or four months after the issuance of a Notice to Proceed.

Ms. Okinaga asked for clarification on the process to get bids for the insurance itself. Mr. Doyle clarified that HART is currently seeking bids for a consultant to help HART to place the insurance. The consultant will then help HART to prepare the actual insurance package.

VI. Presentation on Study of Fare Gate/Barrier-Free Entry Policy

Chief Project Officer Simon Zweighaft gave a presentation on fare systems, which is attached hereto as Attachment B of these minutes.

Mr. Hui shared some information he had learned about the fare system in Vancouver, British Columbia during a recent visit to the city.

Mr. Horner asked whether barrier-free entry might affect the public’s perception of safety within the rail system. Mr. Zweighaft stated that this is not a concern he has often heard, but also reported that he has heard of fare inspectors avoiding passengers whom they perceive to be “difficult.”

Mr. Hui asked how ridership data is currently calculated for TheBus. Board Member Wayne Yoshioka replied that there are two methods: the bus driver can press a button to record a passenger’s entry, and there is also an automatic counter that records boarding passengers as they traverse an infrared beam. Mr. Yoshioka also added that DTS is pulling TheBus back from reevaluating its fare collection system until HART’s fare collection policy for the rail becomes clearer. Mr. Horner requested feedback from OTS on cost estimates for their fare collection system.

Mr. Zweighaft noted his belief that fare evasion in Honolulu will be low, as a high number of passengers currently use monthly passes. He also indicated that in the future, the City Council may have to “ballpark” the division of revenues between TheBus and the rail, as it may be difficult to determine exactly how passengers are entering, exiting, and transferring between modes.

Board Member Ivan Lui-Kwan asked if anyone has quantified fare evasion rates in other localities. Mr. Zweighaft replied that some systems may be under-reporting fare evasion, while other systems perform stricter policing and thus have better data.

Mr. Zweighaft recommended that any decision on fare collection be postponed until more is known about the costs and rapidly developing technologies, but indicated that there is a general preference amongst HART staff for fare gates if they can be afforded.

Ms. Okinaga requested that the matter be referred to a future joint meeting of the Project Oversight Committee and Finance Committee.

VII. Report of Interim Executive Director

Mr. Hamayasu distributed a written report, attached hereto as Attachment C of these minutes. He also stated that HART continues to work toward receiving a FFGA and reported that HART has agreed to have a weekly teleconference with the FTA. He distributed a list of upcoming APTA conferences, noting that many relate to matters of interest to the Board, and asked Board members to let HART staff know if they would like to attend.

Following the Interim Executive Director’s report, Ms. Okinaga introduced Cindy Matsushita, who will be serving as the next Board Administrator for HART starting on February 23.

VIII. Update on Recruitment of Permanent Executive Director

Keslie Hui, in his capacity as Human Resources Committee Chair, reported that Krauthamer & Associates (“K&A”) has communicated with over 150 candidates nationally and internationally over the past two months, and that the HART Board remains on track to make its selection of a permanent executive director by March 1. He also reported that the candidates with whom K&A has communicated have experience in public transit, port and airport authorities, freight and passenger rail, engineering firms, among many other related fields, and all candidates are aware of the City Charter’s “five years of fixed guideway system experience” requirement. He further reported that K&A has indicated that the base salaries of potential candidates for the permanent executive director position are in the range of \$175,000-\$400,000 per annum. Mr. Hui also reported that several of the candidates have expressed serious concerns regarding the confidentiality of their participation in the application and hiring process, and thus recommended that the Board seek advice from Corporation Counsel with regard to the hiring, where privacy concerns will be involved.

Mr. Lui-Kwan asked for further details on the stated salary range and how that was formulated. Mr. Hui replied that K&A identified the range based on the current salaries of the most qualified individuals in the candidate pool.

IX. Executive Session and Continuation of Meeting

Mr. Hui moved that the Board enter into Executive Session, to consider the hire of an officer where consideration of matters affecting privacy will be involved and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities with regard to these matters, pursuant to HRS §92-4, HRS §92-5 (a)(2), and HRS §92-5 (a)(4). Mr. Yoshioka seconded the motion. The Board voted unanimously to approve the motion. (Aye: Bunda, Hong, Horner, Hui, Kim, Lui-Kwan, Okinaga, and Yoshioka)

Ms. Okinaga, noting that another group was waiting to use the meeting room, announced that the Executive Session would be held in the conference room of the Office of Corporation Counsel at Honolulu Hale, and that if the Board was unable to complete its Executive Session today, the Executive Session portion of the meeting would be continued at 8:00 a.m. on February 2, 2012 in the same conference room.

X. Adjournment

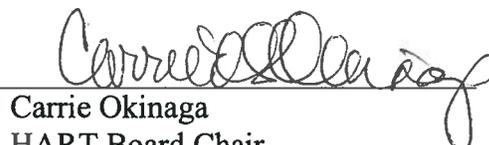
Having no other pending public business, and there being no objections, the public portion of the January 26, 2012 meeting was adjourned at 11:30 a.m.

The Board formally entered into Executive Session at 11:30 a.m.

Respectfully Submitted,


Tyler Dos Santos-Tam
Board Administrator

Approved:


Carrie Okinaga
HART Board Chair

3/1/12
Date

[ATTACHMENT A]

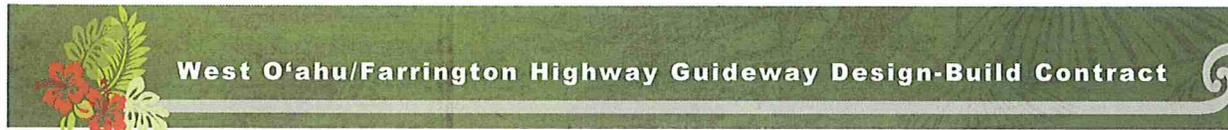
From: admin@honolulurail.com
Sent: Friday, January 20, 2012 11:53 AM
Subject: Speaker Form Submission

Attachments: 436336r.LTR-KIWC-CCH-00176-HART-WOFH-111-Response to City Council Letter from Councilwoman Kobayshi[1].pdf



A new registration form was submitted from the Honolulu Rail Site Speaker Registration Form page:

Meeting Date and Time...: Jan 26, 2012 / 10:00 am Committee Name.....: Board of Directors
Name.....: Michael Domingo
Address.....: 91-458 Komohana St.
Kapolei, HI 96707
Telephone Number.....: 808-721-8381
Email Address.....: mkdomingol@yahoo.com Agenda Item.....:
Geotech drilling was awarded to a mainland company.
Quotes for the geotech drilling was solicited from only two companies and both were awarded the projects. One company that sent a quote and awarded the project is from the mainland.
Subject.....:
It is to my understanding that a mainland company was awarded the geotechnical drilling portion of the project when there are local companies on island with the "specialized" equipment and personnel.



KIEWIT INFRASTRUCTURE WEST CO.
94-235 LEOKU STREET
WAIPAHU, HI 96797
(808) 679-0600

HONOLULU HIGH CAPACITY TRANSIT CORRIDOR PROJECT
CONTRACT NO. CT-DTS-1000137
WEST O'AHU-FARRINGTON HIGHWAY

Ref: LTR-KIWC-CCH-00 176

November 9, 2011

City and County of Honolulu
Department of Transportation Services
650 South King Street, 3rd Floor
Honolulu, Hawaii 96813

Attention: Mr. James T. Voglino

Subject: Honolulu High-Capacity Transit Corridor Project
Contract No. CT-DTS-1000137

RE: HART-WOFH-111-Response to City Council Letter from Councilwoman Kobayashi

Dear Mr. Voglino,

Kiewit received your letter, dated October 27, 2011, regarding the September 29, 2011 inquiry addressed to Interim Director Hamayasu signed by Councilwoman Ann H. Kobayashi. In response to Councilwoman Kobayashi's concerns, I would like to provide the following information in relation to the firms that have been selected by Kiewit to perform geotechnical borings for the Honolulu High-Capacity Transit Corridor Project.

Kiewit received competitive quotes from two firms, YK Drilling, LLC and Boart Longyear, to perform the exploratory boring work for the West O'ahu/Farrington Highway Guideway and Kamehameha Highway Guideway projects. YK Drilling is, in fact, a local company that was awarded a contract to perform geotechnical boring work on both projects. They have conducted borings along the project alignments as a subcontractor for Kiewit since early 2010 and will continue to perform this work in the future.

The second firm, Boart Longyear, was also awarded a contract and has provided boring services using specialized equipment at a competitive price in an effort to maintain the contracts' projected schedules. Both YK Drilling and Boart Longyear provided their quotes prior to the submission of our proposals.

In closing, Kiewit has executed contracts to over fifty Hawaii-based companies on the combined West O'ahu/Farrington Highway Guideway and Kamehameha Highway Guideway projects and this number will continue to grow, as Kiewit remains committed to encouraging job opportunities for Hawaii's local workforce.

Sincerely,

 11/9/11

STEVE CANIGLIA Date

Project Manager

cc: File, Lee Zink, Lance Wilhelm, Greg Uyematsu



[ATTACHMENT B]

Fare Systems

27 January 2012

Simon Zweighaft, Chief Project Officer

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HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Introduction

The current plan capitalizes on the predominant use of monthly passes by today's bus riders (approximately 84% of daily riders)



Ansaldo Contract Fare System

- **Barrier Free**
- **Proof of Payment**
- **Basic Fare Media-Card Stock**
- **Fares Checked Randomly by Inspectors**
 - **Cost of Inspectors has been included in the Ansaldo Contract**
- **Citations Issued for Fare Violations**
- **No Electronic Bus/Rail Fare Integration**

Reasons for Selection of the Barrier Free System

- High Usage of Passes of Various Types
- Lower Capital Cost
- Lower Operating Cost
- Simple Technology
- Technology is Evolving Rapidly

Ticket Vending Machine

- Will be vend single and multiple ride tickets and passes
- Will initially accept bills and coins
- Will be capable of accepting credit and debit cards (including smart cards)



Ansaldo Price for Fare Vending System

Proof of Payment

- Design
- Procure (TVMs)
- Install
- Test

Total **\$10,844,822**

This is by far the lowest capital cost option.

Systems Using Proof of Payment

- San Diego Trolley
- San Francisco MUNI
- Denver RTD
- Oregon TriMet
- Dallas Area Rapid Transit-DART
- Utah Transit Authority-UTA



Barrier Free Concerns

- **Requires Roving Inspectors Authorized to Issue Citations**
 - High inspection rates require substantial staffing
 - Paying passengers are inconvenienced by inspections
 - Occasional users (tourists) might not understand the system
- **Fare Evasion Rates are Higher**
- **Limited Data is Available on Ridership**

Fare Integration

- **HART and TheBus will need to agree on a mechanism for sharing revenues**
- **TheBus fare equipment is nearing obsolescence**
- **Any system not relying on visual inspection requires technological compatibility between rail and bus**

Systems Using Fare Gates

- Bay Area Rapid Transit-BART
- Metropolitan Atlanta Rapid Transit Authority-MARTA
- New York City MTA
- Chicago Transit Authority-CTA
- Port Authority Transit Corporation-PATCO



Gated Fare Options

- Study completed to explore the integration of bus and rail fare systems
- Three fare options were chosen by HART for evaluation



Smart Card



Open Card



Cell Phone App

Option Variations

- **Type of fare media issued**
- **Back office support required**
- **Integration with TheBus**

System Elements

Major elements of a comprehensive integrated transit Fare Collection system are:

- Smart Card encoding equipment
- Closed System Smart Cards for cash customers
- Open Payment bank issued smart cards
- Near Field Communications enabled cellular telephones with transit application
- Fare Gates for entry and exit at rail stations
- Full featured Ticket Vending Machines in rail stations
- Handheld smart card readers for TheHandi-Van



System Elements

(continued)

- Fare boxes with smart card capability and related equipment for TheBus
- Multifunction Point of Sale Terminals for HART & TheBus
- Retail Point of Sale Terminals
- Central computing equipment for:
 - Ridership analysis
 - Master processing
 - Data query
 - Card base management
- Cash Handling Systems
- Provisions for future parking integration



Gated System Capital Cost Estimates (2011 Dollars)

Option	HART Cost	TheBus Cost	Totals
Smart Card	\$36,040,000	\$21,830,000	\$57,870,000
Open Card	\$43,340,000	\$22,700,000	\$66,040,000
Cell Phone App	\$49,970,000	\$22,370,000	\$72,340,000

System Additional Operating Cost Estimates

(2011 Dollars)

System	HART Cost	TheBus Cost	Totals
Barrier Free	\$ 10,086,000	\$ 0	\$ 10,086,000
Fare Gates	\$ 7,929,000	\$ 5,974,000	\$ 13,903,000

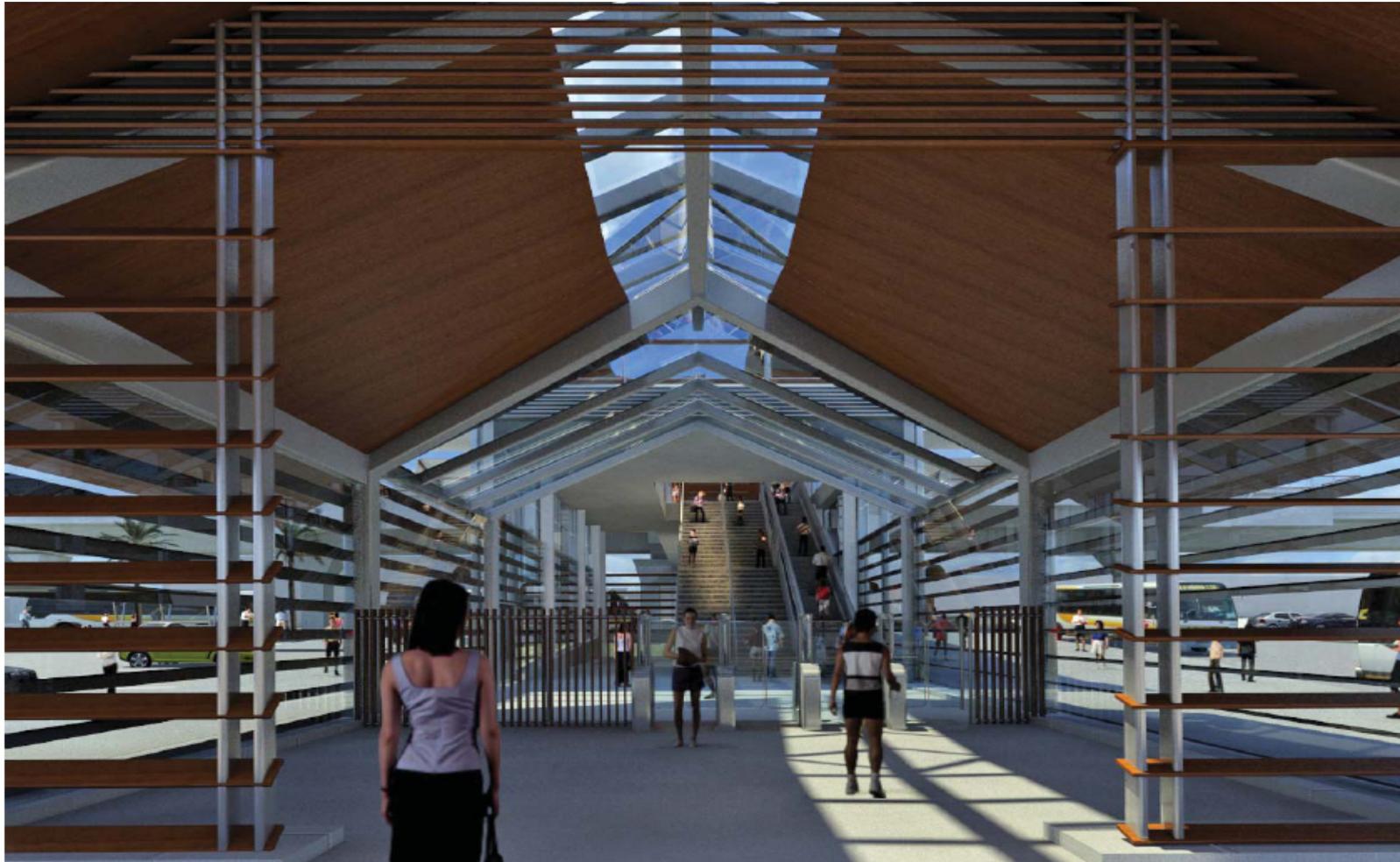
Implementation Options

- **Barrier Free System has been procured through the Ansaldo Contract**
 - Institutional issues still need to be worked out
- **Fare Gate System would require:**
 - Engineering and programming
 - Vending Equipment (modifications and/or new)
 - Fare Gates (new)
 - Back office equipment

Current Status

- A Fare Gate System is not precluded in the current design
- The estimated duration to design, procure, install and test a Fare Gate System is 3 years
- Partial system operations begin in 2016 requiring a 2013 decision
- Full system operations begin in 2019 requiring a 2016 decision
- Technology is evolving rapidly so a postponed decision is not unreasonable

Station Rendering



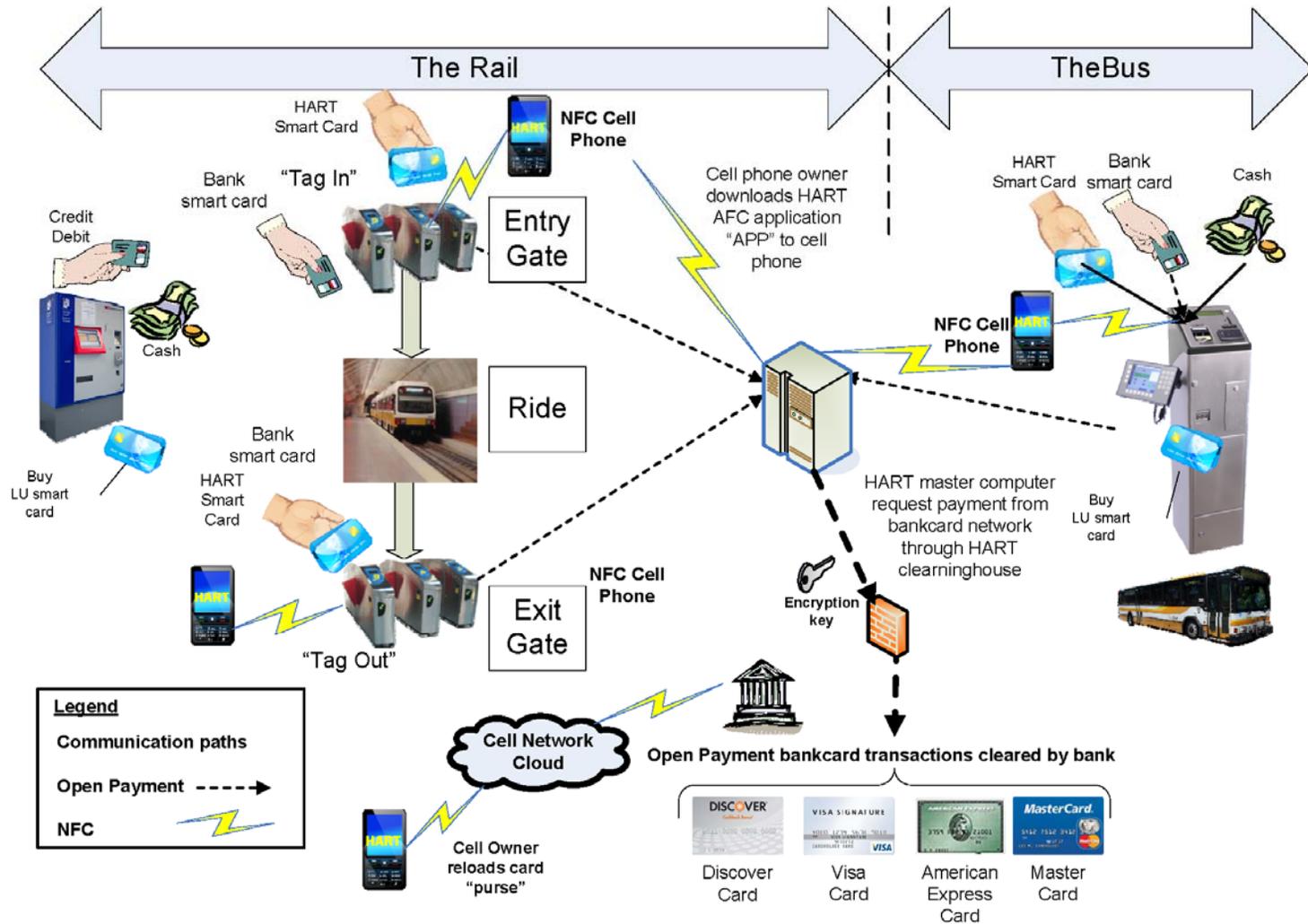
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NFC Rail/Bus



[ATTACHMENT C]



HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Interim Executive Director & CEO's Report January 26, 2012

Construction Activities

- Contractor Kiewit continued utility relocation work in Kapolei, tree work in the Banana Patch area and shaft testing near the H2 Northbound on-ramp at Farrington Highway.
- Contractor Kiewit is also relocating AT&T communication lines along Farrington Highway fronting Waipahu High School.
- Night work continues on Kamehameha Highway where the contractor is locating existing utilities and conducting soil testing.

General Update

- Our revenue remains strong. The General Excise and Use Tax (GET) surcharge revenue came in higher than projected for the quarter that ended December 31, 2011. We received \$49.02 million, \$12.08 million more than the quarterly projection. This marks the third consecutive quarter that our GET surcharge revenue has surpassed projections. To date we have received a total of \$810 million in GET surcharge revenue, about 25 percent of the total surcharge revenue expected.
- HART staff along with HART Board Vice Chairman Ivan Lui-Kwan presented an update of the rail transit project to the City Council's Transportation Committee on earlier this month.
- SB2193 Relating to County Budgets is scheduled for a hearing today (1/26/12) at 2:50 p.m. before the Senate Public Safety, Government Operations and Military Affairs Committee. This measure proposes to reduce the county reimbursement to the State from gross proceeds of the county's surcharge from 10 percent to 5 percent. HART will be present at today's hearing to answer questions that may arise that are specific to this bill.

- At 8:30 today, HB 2145 Relating to Economic Development was heard before the House Economic Revitalization & Business Committee. This measure expresses, as state policy, the intent to complete or facilitate the completion of a list of 10 projects by December 31, 2023. One of the 10 projects listed is the “locally preferred alternative mass transit system of the city and county of Honolulu.” HART submitted written testimony in support of this bill, which has been sent to all Board Members.
- I would like to thank Board Member Bobby Bunda for his assistance during our latest round of meetings at the State Legislature. We met with House and Senate leadership to update members regarding the status of this project. HART also worked with Senate leadership to reintroduce SB2338 Relating to County Administrative Procedures. This measure was introduced last session and is being introduced again for the purpose of exempting from the administrative procedures act the requirement that the adoption of any rule by a county agency must be subject to the approval of the mayor. The Charter amendment included the power of adopting rules by HART so the measure is to be consistent with the Charter.
- HART’s public involvement team canvassed the area from Ward Avenue to Ala Mona Center providing residents and businesses with information regarding the Archaeological Inventory Survey work in the area. Another round of trenching in the area is set to begin shortly.



HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

**COUNCIL/THIRD PARTY CORRESPONDENCE
QUARTER: October 1, 2011 – December 31, 2011**

CORRESPONDENCE RECEIVED	STATUS/COMMENTS
<ul style="list-style-type: none">• HART received a letter from CM Gabbard's office on Jan. 19, 2012, forwarding a letter dated April 2011 from Kent Hirata - This letter requests information on review of alternatives to steel wheel on steel rail	HART is in the process of preparing a response
<ul style="list-style-type: none">• HART received letter dated 11-09-2011 from Sumitomo Corporation of America requesting government records relating to Ansaldo contract	Documents were provided 11-29-11
<ul style="list-style-type: none">• HART received a letter dated 09-12-2011 from CM Ann Kobayashi requesting update on subcontractors' registration with DCCA	HART is in the process of preparing a response