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Agenda

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

August 20, 2009

9:00 a.m.

James R. Mills Building
Board Meeting Room, 10th Floor
1255 Imperial Avenue, San Diego

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - July 16, 2009
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. Transportation Security Administration Presentation

Receive

Please turn off cell phones and pagers
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



CONSENT ITEMS

6. MTS: Audit Report - Accounts Receivable and Cash Receipts Receive
Action would receive an audit report on MTS's accounts receivable and cash receipts process.
7. MTS: Adoption of Local California Environmental Quality Act (CEQA) Guidelines Adopt/Amend
Action would: (1) adopt proposed local California Environmental Quality Act (CEQA) Guidelines; (2) amend Board Policy No. 2 entitled "Environmental Quality"; and (3) adopt Resolution No. 09-21.
8. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its July 28, 2009, Meeting Ratify
Action would: (1) receive San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports; and (2) ratify actions taken by the SD&AE Railway Company Board of Directors at its meeting on July 28, 2009.
9. MTS: Investment Report - June 2009 Receive
Action would receive a report for information.
10. MTS: Grossmont Substation Rehabilitation MOU and Funds Transfer Approve
Action would: (1) authorize the CEO to execute a Memorandum of Understanding (MOU) for a fund transfer to the San Diego Association of Governments (SANDAG) to rehabilitate the Grossmont substation under SANDAG's construction contract No. 5000956, which would include construction management services; and (2) forward a request to the SANDAG Transportation Committee to transfer \$88,000 from Grant No. CA-03-0525 and \$107,000 from Grant No. CA-03-0655 to Capital Improvement Program 1142100 to exercise an option for rehabilitation of the Grossmont substation.
11. MTS: Capital Rural Reserves Transportation Development Act Funds Approve
Action would approve the transfer of Transportation Development Act (TDA) capital rural reserve funds held at SANDAG to MTS FY 2010 operations.
12. MTS: Minor Service Adjustments Receive
Action would receive a report on minor service adjustments to be implemented in September.
13. MTS: Gate Turnoff (GTO) Firing Boards - Contract Amendment Approve
Action would authorize the CEO to execute MTS Doc. No. L0883.1-09 with Siemens Transportation Systems for Gate Turnoff (GTO) Firing Boards for SD 100 light rail vehicles (LRVs).

14. MTS: AT&T CALNET II Telecommunications Contract Renewal Approve
Action would authorize the CEO to execute MTS Doc. No. G1279.0-10 with American Telephone and Telegraph (AT&T) for leased-line telecommunications services for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). The contract would fall under the terms and conditions of the State of California's CALNET II Master Services Agreement for modules MSA-1 (voice data and video services) and MSA-2 (long-distance services) for a two-year period with renewable options for up to five years.

CLOSED SESSION

24. a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - Possible Action
EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a): Tuil v. SDTI, MTS, MTDB (San Diego Superior Court Case No. GIC 37-2008-00078029-CU-NP-CTL)
- b. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY Possible Action
NEGOTIATORS Pursuant to California Government Code section 54956.8
Property: Assessor's Parcel No. 548-051-17, San Diego, California, Euclid Avenue south of Market Street and north of Naranja Street
Agency Negotiators: Tiffany Lorenzen, MTS General Counsel; Tim Allison, Manager of Real Estate Assets
Negotiating Parties: Jacobs Center
Under Negotiation: Price and Terms of Payment
- c. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY Possible Action
NEGOTIATORS Pursuant to California Government Code section 54956.8
Property: Assessor's Parcel Nos. 667-020-70, 75, and 76, San Diego, CA, in the Community of San Ysidro
Agency Negotiators: Tiffany Lorenzen, MTS General Counsel; Tim Allison, Manager of Real Estate Assets
Negotiating Parties: United States General Services Administration
Under Negotiation: Price and Terms of Payment
- d. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY Possible Action
NEGOTIATORS Pursuant to California Government Code section 54956.8
Property: Assessor's Parcel No. 547-200-51, 52, & 53, City of San Diego at 220 47th Street
Agency Negotiators: Tiffany Lorenzen, MTS General Counsel; Tim Allison, Manager of Real Estate Assets; Gerald Trimble, Keyser-Marston Associates, Inc.
Negotiating Parties: Creekside Villas
Under Negotiation: Price and Terms of Payment

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. SDTC: Actuarial Report Adopt
Action would receive the actuarial report and adopt the annual pension contribution for San Diego Transit Corporation (SDTC) at the rate of 15.82% of payroll.

REPORT ITEMS

45. SDTC: Pension Investment Status Receive
Action would receive a report for information.

46. MTS: Natural Gas Hedge Program Receive
Action would receive a report on MTS's Compressed Natural Gas (CNG) Hedge Program.

47. MTS: Super Loop Pilot Update Receive
Action would receive a report on the Super Loop Pilot Project.

48. MTS: Operations Budget Status Report for May 2009 Receive
Action would receive a status report on MTS's operations budget for May 2009.

60. Chairman's Report Information

61. Audit Oversight Committee Chairman's Report Information

62. Chief Executive Officer's Report Information

63. Board Member Communications

64. Additional Public Comments Not on the Agenda
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.

65. Next Meeting Date: September 10, 2009

66. Adjournment

DRAFT

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

July 16, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:02 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the June 25, 2009, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 9 to 0 in favor.

3. Public Comments

There were no Public Comments.

CONSENT ITEMS:

Ms. Tiffany Lorenzen, MTS General Counsel, clarified for the Board that approval of Consent Agenda Item No. 6, would permit MTS to exercise the 2 one-year options at its own discretion without returning to the Board for approval.

Chairman Mathis pointed out that a revised Consent Agenda Item No. 13 had been placed at each Board member's place reflecting that \$5.6 million, not \$5.8 million, would be transferred from the Blue Line Rehabilitation Project (CIP 1210001) to MTS fiscal year 2010 operations

6. MTS: LRV Paint and Body Rehabilitation, Vandalism, and Accident Repair – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. L0884.0-09 (in substantially the same form as Attachment A of the agenda item) with Carlos Guzman, Inc. for a three-year base period with 2 one-year options for light rail vehicle paint and body rehabilitation, vandalism, and accident repair services.

7. MTS: LRV Hi-Rail Vehicle – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. L0874.0-09 (in substantially the same form as Attachment A of the agenda item) with Dion International Truck, LLC for a one-time purchase of a hi-rail vehicle.

8. MTS: Proposed Policy No. 60 – Ticket Distribution (ADM 110.2)

Recommend that the Board of Directors adopt MTS Policy No. 60 regarding ticket distribution (Attachment A of the agenda item).

9. MTS: Investment Report – May 2009 (FIN 300)

Recommend that the Board of Directors receive a report for information.

10. MTS: Increased Authorization for Legal Services – Trovillion Inveiss Ponticello & Demakis, APC (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1139.4-08 (in substantially the same form as Attachment A of the agenda item) with Trovillion Inveiss Ponticello & Demakis, APC for legal services and ratify prior amendments entered into under the CEO's authority.

11. MTS: Increased Authorization for Legal Services – Wheatley Bingham & Baker (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1111.10-07 (in substantially the same form as Attachment A of the agenda item) with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

12. MTS: Increased Authorization for Legal Services – Law Offices of Mark H. Barber, APC (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1162.5-08 (in substantially the same form as Attachment A of the agenda item) with the Law Offices of Mark H. Barber, APC for legal services and ratify prior amendments entered into under the CEO's authority.

13. MTS: Federal Economic Stimulus Supplemental Appropriations Act (CIP 1210001)

Recommend that the Board of Directors approve (1) the use of the Supplemental Appropriations Act for the American Recovery and Reinvestment Act (ARRA) of 2009 to fund MTS fiscal year 2010 operations; and (2) the transfer of \$5.6 million from the Blue Line Rehabilitation Project (CIP 1210001) to MTS fiscal year 2010 operations.

14. MTS: Capital Improvement Project (CIP) Budget Transfer and Contract Amendment (CIPs 11164, 11216, 11254)

Recommend that the Board of Directors authorize the CEO to (1) transfer \$1,000,000 from CIP 11164 (Rehabilitate Traction Motors) to CIP 11216 (LRV Electronics Components) and CIP 11254 (LRV Brake Overhaul) equally (\$500,000); and (2) execute MTS Doc. No. L0888.1-09 (in substantially the same form as Attachment A of the agenda item) to Knorr Brake Corporation for the procurement and assembly of brake overhaul kits for SD 100 light rail vehicles.

15. MTS: Federal Section 5307 Formula Funds for ADA Paratransit Service (FIN 340)

Recommend that the Board of Directors approve the exchange of \$3.6 million in capital federal Section 5307 formula funds for nonfederal operating dollars for Americans with Disabilities paratransit service.

Action on Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.
Mr. Janney seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:05 a.m.

- a. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a) Balfour Beatty/Ortiz v. Metropolitan Transit System (Superior Court Case No. GIC 868963)
- b. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Tuil v. SDTI, MTS, MTDB (San Diego Superior Court Case No. GIC 37-2008-0078029-CU-NP-CTL)
- c. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Gladden v. SDTI, MTS (San Diego Superior Court Case No. GIC 37-2008-0082698-CU-PO-CTL)

The Board reconvened to Open Session at 9:52 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. The Board received a report from General Counsel.
- b. The Board received a report from outside counsel.
- c. The Board received a report from outside counsel.

PUBLIC HEARING

25. There were no Public Hearings conducted.

DISCUSSION ITEMS:

There were no Discussion Items on the agenda.

REPORT ITEMS:

There were no Report Items on the agenda.

60. Chairman's Report

Chairman Mathis reported that a pin commemorating MTS's APTA award for Best Large Transit Property had been placed at each Board member's place. He added that a formal presentation with Bill Millar, APTA, will take place on July 30 in San Diego, and invitations will be sent to all Board members. He also reported that he and Jerry Rindone will be attending the APTA Annual Meeting where the formal presentation of this award will be made. He advised the Board that Mr. Paul Jablonski, MTS CEO, has had extensive meetings with employees, who were also provided with pins. He added that he and Mr. Jablonski expressed their gratitude during these meetings for the fine job done by the employees.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin reported that the Audit Oversight Committee met on July 9 to receive a report on the initial review that was conducted by MTS's outside auditors. He reported that the auditors will complete their work in September. He added that the Committee's next meeting will be held in October.

62. Chief Executive Officer's Report

Ms. Sharon Cooney, Director of Government Affairs, reported on an incident that occurred at the Encanto trolley station on Wednesday, July 15, 2009, around 6:30 p.m.

63. Board Member Communications

There were no Board Member Communications.

64. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, August 20, 2009.

66. Adjournment

Chairman Mathis adjourned the meeting at 9:57 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet
gail.williams/minutes

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 7/16/09

CALL TO ORDER (TIME): 9:01 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:07 a.m.

RECONVENE: 9:53 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:57 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>	9:07 a.m. during AI 24	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:03 a.m. during Consent Agenda	
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input type="checkbox"/> (Denny) <input checked="" type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>	9:02 a.m. during Consent Agenda	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:10 a.m. during AI 24	
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]



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Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492

August 20, 2009

SUBJECT:

MTS: AUDIT REPORT – ACCOUNTS RECEIVABLE AND CASH RECEIPTS

RECOMMENDATION:

That the Board of Directors receive an audit report on MTS's accounts receivable and cash receipts process.

Budget Impact

None.

DISCUSSION:

During June 2009, the MTS Internal Auditor performed a review of MTS's accounts receive and cash receipts internal controls and procedures. The objective of the review was to assess the adequacy of internal controls over the accounts receivable and cash receipts functions. As a result of the review, three recommendations were made for management's consideration. Management has reviewed the recommendations and is taking action to address the issues noted.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mark Abbey, 619.557.4573, mark.abbey@sdmts.com

AUG20-09.6.AUDIT RPT AR CASH RECEIPTS.MABBEBY.doc

Attachment: A. Audit Report





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Memorandum

DATE: June 20, 2009 LEG 492 (PC 50601)
 TO: Linda Musengo
 FROM: Mark Abbey
 SUBJECT: AUDIT REPORT - ACCOUNTS RECEIVABLE AND CASH RECEIPTS REVIEW

EXECUTIVE SUMMARY

I have completed a review of internal controls over the accounts receivable and cash receipts functions at MTS. The review was performed in accordance with the approved audit plan.

Audit Objectives and Scope

The objective of the review was to assess the adequacy of controls over accounts receivable and cash receipts.

The scope of the audit included a review in the following areas:

1. controls over accounts receivable for MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC); and
2. controls over the various sources of cash receipts, including property management income for MTS, SDTI, and SDTC.

Background

MTS billings, receipts, and accounts receivable are processed on the Integrated Fund Accounting System (IFAS) while SDTI and SDTC accounts receivable and receipts are processed on the Ellipse system. The same accounting staff process billings and receipts for the three agencies using the two systems.

Most billings and receipts relate to MTS accounts. Many of the SDTI billings relate to recovery of flagging labor charges. SDTC seldom has any trade billings. MTS billings are made to the San Diego Association of Governments (SANDAG) and the California Department of Transportation (Caltrans) for grant money as well as to some outside parties for various charges. One major source of MTS billings and cash receipts consists of over \$300,000 in property management income received on the various leased properties on MTS right-of-way property—these properties are managed by MTS Real Estate

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Agenda

Item No. 7

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492

August 20, 2009

SUBJECT:

MTS: ADOPTION OF LOCAL CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
GUIDELINES

RECOMMENDATION:

That the Board of Directors:

1. adopt proposed local California Environmental Quality Act (CEQA) Guidelines;
2. amend Board Policy No. 2 (Attachment A) entitled "Environmental Quality"; and
3. adopt Resolution No. 09-21 (Attachment B).

Budget Impact

None.

DISCUSSION:

The CEQA Guidelines require local agencies to adopt "objectives, criteria and procedures" to implement the requirements of the CEQA statute and the State CEQA Guidelines (State CEQA Guidelines Section 15022). Previously MTS had simply adopted the State guidelines by reference. However, MTS has now created Local CEQA Guidelines to reflect recent changes to the State CEQA Guidelines, the Public Resources Code, and local practices.

Notably, new sections were added to the guidelines to address key provisions of Senate Bill 375, such as transit priority projects. Additionally, new information was added regarding climate change and the increase in Department of Fish and Game fees for filing environmental documents. These guidelines also provide instructions and forms for preparing any environmental documents required under CEQA.

As part of this process, Board Policy No. 2 needs to be revised and Resolution No. 09-21 needs to be enacted. Therefore staff is requesting that the Board adopt the proposed and revised Local CEQA Guidelines, amend Board Policy No. 2 entitled "Environmental Quality," and adopt Resolution No. 09-21.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, tiffany.lorenzen@sdmts.com

AUG20-09.6.AUDIT RPT AR CASH RECEIPTS.MABBEY.doc

Attachments: A. Proposed Amendments to Board Policy 2
B. Proposed Resolution 09-21
C. Best, Best & Krieger memo summarizing 2009 changes to Local CEQA Guidelines
D. Local CEQA Guidelines (Not included due to volume - available upon request or on MTS's Web Site at http://www.sdmts.com/MTS/MTS_board.asp)



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Policies and Procedures

No. 2

SUBJECT:

Board Approval: 1/29/048/20/09

ENVIRONMENTAL QUALITY

PURPOSE:

To ensure that MTS-initiated projects, as that term is defined in the California Environmental Quality Act, will be in compliance with state and federal environmental laws.

BACKGROUND:

The California Environmental Quality Act (CEQA) requires all public agencies to adopt objectives, criteria, and specific procedures consistent with the State Environmental Impact Report (EIR) Guidelines for the orderly evaluation of projects and preparation of environmental documents.

~~The State EIR Guidelines also state that in adopting procedures to implement CEQA, a public agency may adopt the State CEQA Guidelines through incorporation by reference. The State CEQA Guidelines provide appropriate guidance and adequate specificity for MTS to fulfill its responsibilities for implementing the CEQA. Therefore, MTS has adopted the State CEQA Guidelines by incorporating them by reference into this Environmental Quality policy. MTS has prepared a set of Local CEQA Guidelines for adoption in compliance with CEQA's requirements. These Guidelines reflect recent changes in the State CEQA Guidelines and relevant court opinions. A copy of these Local CEQA Guidelines is on file in the Office of General Counsel. The Local CEQA Guidelines may be modified or amended from time to time by resolution of the Board of Directors.~~

POLICY:

As a public agency, it is the policy of MTS to conform with CEQA, and, where appropriate, the National Environmental Policy Act (NEPA) to avoid or minimize environmental damage where feasible and to protect the interest of the public in securing, maintaining, preserving, protecting, rehabilitating, and enhancing the environment within the MTS jurisdictional area.

GUIDELINES:

~~The State EIR Guidelines~~ MTS Local CEQA Guidelines are hereby incorporated into this policy by reference as MTS's objectives, criteria, and procedures for administering its responsibilities under CEQA.

SChamp/JGarde

AUG20-09.7.AttA.POLICY2 ENVIRONMTL QTY.TLOREN.doc

7/10/068/20/09

Original policy approved on 9/11/78.

Policy revised on 5/23/85.

Policy revised on 12/8/88.

Policy revised/renumbered on 1/29/04.

Policy revised on 8/20/09.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 09-21

Resolution Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code Section 21000 Et Seq.)

WHEREAS, the San Diego Metropolitan Transit System (MTS) is a public entity established under the laws of the State of California for the purpose of providing transportation services in the County of San Diego who desires to apply for and obtain funding for transit security purposes.

WHEREAS, the California Legislature has amended the California Environmental Quality Act ("CEQA") (Pub. Resources Code §§ 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA;

WHEREAS, Section 21082 of CEQA requires all public agencies to adopt objectives, criteria and procedures for the evaluation of public and private projects undertaken or approved by such public agencies and the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, MTS must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS adopts "Local Guidelines for Implementing the California Environmental Quality Act (2009 Revision)," a copy of which is on file with the Office of General Counsel of MTS and is available for inspection by the public. All prior actions of MTS enacting earlier guidelines are hereby repealed.

PASSED AND ADOPTED, by the Board of Directors this ____ day of August 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Memorandum

TO: Project 5
FROM: Best Best & Krieger LLP
DATE: March 13, 2009
RE: 2009 Summary of Changes to Local CEQA Guidelines

Important changes in the law have been incorporated into the 2009 Update to your Local Guidelines for Implementing the California Environmental Quality Act ("Local Guidelines"). For easy reproduction and access to these Local Guidelines, as well as the California Environmental Quality Act ("CEQA") forms your entity will need, and any other important legal alerts, please access the CEQA client portal at www.bbklaw.net/CEQA. For technical support please contact Gar House at Gar.House@bbklaw.com.

This memorandum summarizes numerous amendments to your Local Guidelines that were made in response to legislation and legal cases that changed or impacted certain aspects of CEQA between January 2008 and January 2009. Your Local Guidelines and this memorandum are designed to assist in assessing the environmental implications of a project prior to its approval, as mandated by CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial or unusual projects or activities.

2008 Revisions to the Local CEQA Guidelines

Section 3.12 (A)(1)(b). This section was modified slightly to clarify that certain residential housing project exemptions may apply even if a project is inconsistent with applicable zoning.

Section 3.15. A new section 3.15, entitled "Transit Priority Project," was added in response to the enactment of Senate Bill 375, which addresses the intersection of land use planning and project impacts on global warming. Section 3.15 provides for an exemption from CEQA review for "transit priority projects", as defined in section 10.67, below, that are either consistent with a State Air Resources Board-approved Sustainable Community Strategy or an alternative planning strategy that would achieve greenhouse gas emission reduction targets. Furthermore, a transit priority project that otherwise would not qualify for the exemption from CEQA may be eligible for streamlined environmental review. Lastly, environmental review of residential or mixed-use residential projects may limit or omit discussion of growth-inducing impacts or traffic impacts on global warming under certain circumstances. The exemption or streamlined environmental review discussed in this section will not be available until the Air Resources Board sets target greenhouse gas emission levels (which may not occur until September 30, 2010) and the Southern California Association of Governments adopts a Sustainable Communities Strategy for the area.

Section 5.15. Section 5.15, "Consultation with Water Agencies Regarding Large Development Projects," was revised to include a statement summarizing existing law to the effect that programmatic CEQA documents may not be required to analyze water supply impacts to the same level of detail as project-level CEQA documents.

Section 5.18. Section 5.18, "Climate Change and Greenhouse Gas Emissions," was expanded in order to reflect developments in the requirements of CEQA with regard to global warming. First, it is noted that projects funded through transportation and flood protection bond measures are not subject to legal challenge on the basis of a failure to adequately analyze global warming impacts. This protection expires, however, on January 1, 2010. Second, section 5.18 references the Governor's Office of Planning and Research's ("OPR") technical advisory on addressing climate change through CEQA. This advisory includes information on methods by which the greenhouse gas impacts of a project may be analyzed and mitigated and includes factors that the City may consider in establishing a threshold of significance. It is also noted that OPR is required, by July 1, 2009, to transmit to the Resources Agency guidelines for the feasible mitigation of greenhouse gas emissions and that the Resources Agency must adopt those guidelines by January 1, 2010. When these guidelines are adopted, further revisions to the Local Guidelines may be required. Lastly, the streamlined analysis of greenhouse gas impacts pursuant to SB 375 (see section 3.15, as described above) is referenced.

Section 6.02. To clarify the Lead Agency's responsibility to prepare a Mitigated Negative Declaration, a sentence regarding applicant approved mitigation measures was deleted from this section.

Section 6.13. Section 6.13, "Mitigation Reporting or Monitoring Program for Mitigated Negative Declaration," was revised to provide clarification with regard to designing the mitigation and monitoring program to assure compliance during the implementation or construction of a project.

Section 6.20. Section 6.20, "Filing Fees for Projects Which Affect Wildlife Resources," has been revised with regard to the process for obtaining a waiver from the Department of Fish & Game filing fee that is due when filing a Notice of Determination with the County Clerk. It is now specified that projects that are statutorily or categorically exempt are not subject to the filing fee and do not require a "no effect" determination, and that the regional divisions of the Department of Fish & Game are responsible for making "no effect" determinations. A request for such a determination should be submitted to the Department at the time public review of the CEQA document begins, and the City must have written confirmation of a "no effect" determination from the Department before the County Clerk can accept a Notice of Determination filing that is not accompanied by payment of the Department of Fish & Game filing fee.

Section 7.06. Section 7.06, "Consultation with Other Agencies and Persons," has been revised to add transportation planning agencies and public agencies with transportation facilities that could be affected by a project to the list of agencies that must be given notice of a scoping meeting regarding a Draft EIR to be prepared by the City. The revisions further specify that the inclusion of such agencies within the scoping process is for the purposes of obtaining information concerning the project's effect on major local arterials, public transit, freeways,

highways, overpasses, on-ramps, off-ramps, and rail transit services. These agencies must also be provided copies of environmental documents that relate to the project.

Section 7.23. Section 7.23, "Public Hearing on Draft EIR," has been revised to state that a public hearing is required in order to utilize the limited exemption from CEQA for transit priority projects (see section 3.15, as discussed above).

Section 7.30. Section 7.30, "Findings," was revised to include a requirement that a finding be made that air quality at a proposed project site does not present a significant health risk to students if a project involves the acquisition of a school site within 500 feet of the edge of a freeway or other busy traffic corridor. This finding is to be made pursuant to a health risk assessment and after consideration of any potential mitigation measures.

Section 7.36. Section 7.36, "Filing Fees for Projects Which Affect Wildlife Resources," has been revised to reflect the current amount of the Department of Fish & Game filing fee for a Notice of Determination for an EIR. This amount has increased from \$2,606.75 to \$2,768.25. Additionally, text addressing the procurement of a "no effect" determination allowing for waiver of the filing fee has been deleted and replaced with a reference to section 6.20 (as discussed above).

Section 8.08. Section 8.08, "Program EIR," has been revised to include further descriptions of the uses and limitations of program EIRs.

Section 10.13. Section 10.13, "Developed Open Space," has been added to define that term as being land that is publicly owned or financed, generally open to or available to the public, and predominately lacking structural development other than structures normally associated with open space, such as recreational facilities.

Section 10.25. Section 10.25, "Historical Resources," has been revised to more clearly delineate the statutory and regulatory criteria for determining whether a resource is a historical resource for the purposes of CEQA.

Section 10.26. Section 10.26, which defines the term "Infill Site," has been revised to read more clearly. Additionally, a parcel that has not previously been developed with urban uses, but which is adjacent to urban development, formerly could be considered to be an "infill site." Now, however, such parcels may not be considered to be "infill sites" if they were created within the past ten years, unless their creation was the result of a redevelopment plan. In short, new subdivisions may not be considered to be "infill sites."

Section 10.37. Section 10.37 has been added to define the term "Metropolitan Planning Organization" as a federally-designated agency that provides transportation planning and programming in metropolitan areas.

Section 10.65. Section 10.65 has been added to provide a definition for the term "Sustainable Communities Strategy." A Sustainable Communities Strategy is to be an integrated land use and transportation plan for the reduction of greenhouse gases. The Sustainable Communities Strategy that would apply to the City will be included as an element of the Regional Transportation Plan prepared by the Southern California Association of Governments.

Section 10.67. A new section 10.67 has been added to provide a definition for a "Transit Priority Project." A transit priority project is a mixed-use project that is consistent with the general use designation, density, building intensity, and applicable policies specified in a Sustainable Communities Strategy or an alternative planning strategy that has been approved by the State Air Resources Board. Specific size and location requirements are listed in this section, as well.

Section 10.68. Section 10.68 has been added to define "Transportation Facilities" as including major local arterials and public transit within five miles of a project site and freeways, highways, overpasses, on-ramps, off-ramps, and rail transit service within ten miles of a project site.

Other Changes. Several other minor grammatical and/or formatting changes were made to the Local Guidelines to facilitate the reading and use of the Local Guidelines.



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Agenda

Item No. 8

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

SDAE 710 (PC 50771)

August 20, 2009

SUBJECT:

**MTS: SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY
QUARTERLY REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE
RAILWAY COMPANY BOARD OF DIRECTORS AT ITS JULY 28, 2009, MEETING**

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 28, 2009 (Attachment A).

Budget Impact

None.

DISCUSSION:

Quarterly Reports

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided the attached quarterly reports of their operations during the second quarter of calendar year 2009 (Attachment A).

SD&AE Property Matters

Under its adopted policy for dealing with the SD&AE Railway, the MTS Board of Directors must review all property matters acted on by the SD&AE Board. At its meeting of July 28, 2009, the SD&AE Board:

1. received a report on the documents processed by staff since its last meeting on April 21, 2009 (Attachment A);
2. approved issuing a license to Tessera Solar for a proposed at-grade crossing over SD&AE tracks located west of Plaster City and south of S80 (Evans Hewes Highway) at County Road 2003. Tessera Solar will pay for and maintain a signalized crossing for any future freight operations, and the annual rate will be negotiated consistent with industry standards.
3. approved a public crossing and agreements for the Otay Valley Regional Park Trail north of the Palm Avenue Station in the City of San Diego.
4. approved issuing a license to the Redevelopment Agency of the City of Chula Vista for a proposed at-grade crossing over SD&AE tracks located on the Coronado Branch north of E Street in the City of Chula Vista. The Redevelopment Agency will pay for and maintain a crossing to railroad requirements, and the annual rate will be negotiated.
5. approved forwarding a recommendation to the MTS Board of Directors to elect Don Seil as Chairman of the SD&AE Railway Company Board of Directors to replace the position vacated by Pete Jespersen.
6. approved forwarding a recommendation to the MTS Board of Directors to elect Wayne Terry as Paul Jablonski's alternate on the SD&AE Railway Company Board of Directors to replace the position vacated by Peter Tereschuck.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, tiffany.lorenzen@sdmts.com

AUG20-09.8.SDAE REPORTS.TLOREN.doc

Attachment: A. SD&AE Meeting Agenda & Materials (**Board Only Due to Volume**)



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Agenda

Item No. 9

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 300

August 20, 2009

SUBJECT:

MTS: INVESTMENT REPORT – JUNE 2009

RECOMMENDATION:

Action would receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A is a report of MTS investments as of June 2009. The first column provides details about investments restricted for capital support and debt service—the majority of which are related to the 1995 lease and leaseback transactions

The second column (unrestricted investments) reports the working capital for MTS operations for employee payroll and vendors' goods and services. This column includes the investment in San Diego Transit Corporation's repurchased pension obligation bonds and represents an asset that is not currently available to fund operations.

Total cash and investment balances have decreased by \$7.6 million primarily due to reduced subsidy payments that are scheduled in the last two months of the fiscal year and a reduction in investments restricted for debt service related to a scheduled \$1.3 million payment.

The current monthly yield in the Local Agency Investment Fund is 1.51%, which represents a reduction from 2.779% since August 2008.

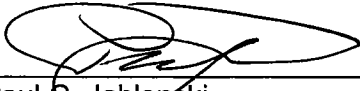


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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

The funds restricted for debt service are structured investments with fixed returns that do not vary with marked fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.

Other restricted funds are designated for various capital improvement projects.



Paul S. Jablonski
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4531, linda.musengo@sdmts.com

AUG20-09.9.JUNE INVESTMT RPT.LMUSENGO.doc

Attachment: A. June 2009 Investment Report

**San Diego Metropolitan Transit System
Investment Report
June 30, 2009**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 7,763,264	\$ 2,185,947	\$ 9,949,211	0.00%
Total Cash and Cash Equivalents	<u>7,763,264</u>	<u>2,185,947</u>	<u>9,949,211</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	3,087,872		3,087,872	N/A *
US Bank - retention trust account	2,515,455		2,515,455	N/A *
Bank of America - Proposition 1B TSGP grant funds	<u>2,699,649</u>		<u>2,699,649</u>	N/A *
Total Cash - Restricted for Capital Support	<u>8,302,976</u>	<u>-</u>	<u>8,302,976</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)		10,706,414	10,706,414	1.51%
Bank of New York Money Market POB interest	<u>-</u>	<u>40</u>	<u>40</u>	
Total Investments - Working Capital	<u>-</u>	<u>10,706,454</u>	<u>10,706,454</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	32,903,799	-	32,903,799	
Rabobank - Payment Undertaking Agreement	<u>84,951,545</u>	<u>-</u>	<u>84,951,545</u>	7.69%
Total Investments Restricted for Debt Service	<u>117,855,343</u>	<u>-</u>	<u>117,855,343</u>	
Investment in SDTC Pension Obligation Bonds				
Bank of America custodial account	<u>-</u>	<u>35,630,000</u>	<u>35,630,000</u>	
Total Investment in SDTC Pension Obligation Bonds	<u>-</u>	<u>35,630,000</u>	<u>35,630,000</u>	
Total cash and investments	<u>\$ 133,921,584</u>	<u>\$ 48,522,401</u>	<u>\$ 182,443,984</u>	

N/A* - Per trust agreements, interest earned on retention accounts is allocated to trust beneficiary (contractor)



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Agenda

Item No. 10

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIPs 11225, 11421

August 20, 2009

SUBJECT:

MTS: GROSSMONT SUBSTATION REHABILITATION MOU AND FUNDS TRANSFER

RECOMMENDATION:

That the Board of Directors:

1. authorize the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) (in substantially the same form as Attachment A) for a fund transfer to the San Diego Association of Governments (SANDAG) to rehabilitate the Grossmont substation under SANDAG's construction contract No. 5000956, which would include construction management services; and
2. forward a request to the SANDAG Transportation Committee to transfer \$88,000 from Grant No. CA-03-0525 and \$107,000 from Grant No. CA-03-0655 to Capital Improvement Program (CIP) 1142100 to exercise an option for rehabilitation of the Grossmont substation (as summarized in Attachment B).

Budget Impact

\$195,000 would be transferred from MTS CIP 11225 (Substation Transformer Rehabilitation) to SANDAG's CIP 1142100 (Fletcher Parkway Substation and Orange Line Substation Rehabilitation).

DISCUSSION:

SANDAG currently has a construction contract (5000956) with Mass Electric, Inc. to rehabilitate three Orange Line substations. The contract includes an option for rehabilitation of one more substation at Grossmont—this option has not been exercised so far due to the lack of funding. Rehabilitation work of three substations will be



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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities.

MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

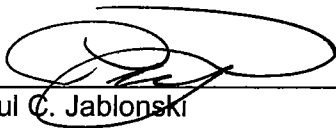
completed in the next four to six weeks. The project has about \$150,000 left in construction contingency that could be used toward exercising the option; however, the bid price for the Grossmont substation rehabilitation option is \$515,344, which would leave a shortage of \$365,344.

SANDAG also has two old grants with leftover funds (Grant No. CA-03-0525 with \$88,000 and Grant No. CA-03-0655 with \$107,000) totaling \$195,000. Staff recommends that the MTS Board of Directors forward a request to the SANDAG Transportation Committee to transfer these funds to SANDAG CIP 1142100 and use it toward exercising an option for rehabilitation of the Grossmont substation.

MTS CIP 11225 (Substation Transformer Rehabilitation) has \$195,000 available in the project budget. SDTI staff has carefully reviewed the needs and priorities for the current substation improvement projects and recommends transferring \$195,000 from MTS CIP 11225 to SANDAG CIP 1142100 (as summarized in Attachment B). This transfer together with the leftover contingency funds from CIP 1142100 and a transfer from two old grants would provide \$540,000, which would be sufficient for exercising the contract option and providing funds for construction management and administration of the project.

San Diego Trolley, Inc. (SDTI) staff considers the substation rehabilitation a higher priority over the transformer rehabilitation for the following reasons:

1. The primary cause of a fire resulting in the loss of two substations in the past was due to a weak design and components in the contactors of the substation. SDTI is aggressively pursuing replacement of the contactors with motorized circuit breakers in the substation rehabilitation projects. So far, 7 substations have been rehabilitated, and exercising the option to rehabilitation the Grossmont substation would increase it to 8.
2. The SANDAG substation contract has been awarded and is in place. Due to the lack of funding, the option for Grossmont was not exercised in the past. Staff believes that MTS would have significant cost savings by exercising the current option rather than waiting for future funding and a new bid solicitation.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, rushikesh.desai@sdmts.com

AUG20-09.10.GROSSMONT SUBSTATION REHAB MOU FUND TRANSFER.RDESAI.doc

Attachments: A. Memorandum of Understanding
B. Budget Transfer Summary

**MEMORANDUM OF UNDERSTANDING
BETWEEN SAN DIEGO ASSOCIATION OF GOVERNMENTS
AND METROPOLITAN TRANSIT SYSTEM
REGARDING FUNDING AND CONSTRUCTION OF GROSSMONT SUBSTATION
REHABILITATION PROJECT**

This Memorandum of Understanding ("MOU") is made and entered into effective as of this _____ day of August, 2009, by and between the San Diego Association of Governments ("SANDAG") and the Metropolitan Transit System ("MTS").

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, SANDAG implements construction projects for MTS on its light rail system; and

WHEREAS, SANDAG currently has a construction contract for rehabilitation of three substations on the MTS Orange Line, which includes the rehabilitation of the Grossmont substation; and

WHEREAS, SANDAG has not previously authorized the contractor to rehabilitate the Grossmont substation because of insufficient funds; and

WHEREAS, at its August 20, 2009, meeting, the MTS Board of Directors approved transferring funds from MTS Capital Improvement Project (CIP) 11225 to SANDAG CIP 1142100 for construction and construction management of the Grossmont Substation Rehabilitation Project; and

WHEREAS, MTS desires to utilize SANDAG's construction management services for the Grossmont Substation Rehabilitation Project; and

WHEREAS, MTS currently does not have resources to manage the construction contract; and

WHEREAS, SANDAG has resident engineer, Angel Morales, available to help manage the project; and

WHEREAS, under its current policies, SANDAG may provide construction management services to its member agencies; and

WHEREAS, the parties wish to memorialize their agreement in this MOU to carry out the purposes set forth above;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

SANDAG AGREES:

1. To execute a contract change to SANDAG CIP 1142100, contract 5000956 for rehabilitation of the Grossmont substation in accordance with the plans and specifications included in the contract bid documents.
2. That a not-to-exceed amount of \$195,000, in conjunction with other funding sources as shown in Exhibit A, will be sufficient to complete the construction and provide for construction management for rehabilitation of the Grossmont substation. In the event that SANDAG believes that this

amount will be exceeded, it will notify MTS, and the parties will meet to discuss whether an amendment to this MOU is appropriate.

3. To provide construction management services, including a Resident Engineer (RE), to manage the Grossmont Substation Rehabilitation Project.
4. That the maximum amount for the construction management services shall not exceed \$30,000 without prior written approval from MTS.
5. To use any funds provided by MTS under this MOU exclusively for the project and to return any remaining project funds to MTS upon completion of the project.
6. Neither MTS nor any director, officer, agent, or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, SANDAG shall fully defend, indemnify, and save harmless MTS, its officers, directors, agents, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU.

MTS AGREES:

1. Fund a portion of the cost for the construction and construction management of the project up to the maximum amount of \$195,000. In the event SANDAG notifies MTS that this amount will be exceeded, MTS will meet with SANDAG to discuss whether an amendment to this MOU is appropriate. In no event shall SANDAG have responsibility to move forward with the Project until the parties are able to identify sufficient funds to complete the work.
2. To provide staff support on the project at no cost to SANDAG, including, but not limited to, any staff support or cooperation needed to defend any contractor claims that may arise on the project.
3. Neither SANDAG nor any director, officer, agent, or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to MTS under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, MTS shall fully defend, indemnify, and save harmless SANDAG, its officers, directors, agents, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to MTS under this MOU.

THE PARTIES MUTUALLY AGREE:

1. That all obligations of the parties under the terms of this MOU are subject to the appropriation of the required resources by parties and the approval of their respective Boards of Directors.
2. Any notice required or permitted under this MOU may be personally served on the other party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

For SANDAG

Attn: Office of General Counsel
401 B Street, Suite 800
San Diego, CA 92101

For MTS

Attn: Office of General Counsel
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

- 3. That unless it is amended by the parties in writing, this MOU shall terminate on April 15, 2010, or on such earlier or later date as the parties may agree to in writing. This MOU shall continue in effect unless and until a party to the MOU gives 60 (sixty) days' written notice of its desire to withdraw from the MOU. If such notice is given, the MOU shall continue to be binding on those parties who have not formally withdrawn.
- 4. The indemnification provisions of this MOU shall survive termination of the MOU.
- 5. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
- 6. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto and each of their respective heirs, executors, administrators, successors, and assigns.
- 7. For purposes of this MOU, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.
- 8. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
- 9. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the parties to this MOU.
- 10. This MOU may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

MTS

GARY L. GALLEGOS
Executive Director

PAUL C. JABLONSKI
Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Office of General Counsel

Office of General Counsel

AUG20-09.10.AttA.MOU GROSSMONT SUBSTATION.RDESAI.doc

Attachment: Exhibit A – Funding Summary

Exhibit A

FUNDING SUMMARY
FOR
GROSSMONT SUBSTATION REHABILITATION PROJECT

MTS Project 11225	\$ 195,000
Project 1142100 Const. Contingency*	\$ 150,000
SANDAG Grant CA-03-0525*	\$ 88,000
SANDAG Grant CA-03-0655*	\$ 107,000
	<hr/>
	\$ 540,000
	<hr/> <hr/>

* Available balance

BUDGET TRANSFER SUMMARY

CIP NO.	PROJECT NAME	BUDGETS		
		<i>Existing</i>	<i>Proposed</i>	<i>Change</i>
11225	MTS Substation Transformer Rehabilitation	\$327,000.00	\$132,000.00	-\$195,000
1142100	SANDAG Fletcher Parkway and Orange Line Substation Rehabilitation	\$3,618,000.00	\$3,813,000.00	\$195,000



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REVISED

Agenda

Item No. 11

JOINT MEETING OF THE BOARD OF DIRECTORS
 for the
 Metropolitan Transit System,
 San Diego Transit Corporation, and
 San Diego Trolley, Inc.

FIN 340.2

August 20, 2009

SUBJECT:

MTS: CAPITAL RURAL RESERVES TRANSPORTATION DEVELOPMENT ACT FUNDS

RECOMMENDATION:

That the Board of Directors approve the transfer of Transportation Development Act (TDA) capital rural reserves funds held at the San Diego Association of Governments (SANDAG) to MTS FY 2010 operations.

Budget Impact

This action would increase MTS's FY 2010 operating revenues by \$530,481 to offset the current operating deficit.

DISCUSSION:

In June 2009, SANDAG notified MTS of a capital rural reserve TDA balance. As a result of the SANDAG annual TDA reserves audit, a total of \$530,481 in TDA funding has been identified. The balances of funds are the result of the completion of several rural projects related to TDA claim numbers 247, 252, and 255. The table below displays the TDA balances by claim number:

Unused Article 4 TDA Claim	
Claim #	Balance
247	\$ 13,595
252	\$ 470,000
255	\$ 46,886
	\$ 530,481



All three TDA claim numbers supported one or more of the following types of projects; rural bus work, bus stop improvements, facilities, and communication upgrades. Project descriptions and funding amounts are itemized below:

Project	Balance Remaining
Replacement Reserve	212,347
Major Bus Work	40,000
Bus Stop Improvements (#1107600)	248,300
Facilities (#1141000)	(166)
Communications (#1141200)	30,000
Total	530,481

All of the projects above have been successfully completed through MTS- and SANDAG-administered capital projects. Any future needs for rural capital upgrades will be included in the MTS system-wide annual Capital Improvement Program. [This action would increase MTS's FY 2010 operating revenues by \\$530,481 to offset the current operating deficit.](#) Therefore, staff recommends that the Board approve the transfer of the unused TDA funding (claim numbers 247, 252 and 255) to MTS fiscal year 2010 operations.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Lisa Fowler, 619.557.4510, lisa.fowler@sdmts.com

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San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda

Item No. 12

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

SRTP 830

August 20, 2009

SUBJECT:

MTS: SEPTEMBER 2009 MINOR SERVICE ADJUSTMENTS

RECOMMENDATION:

Action would receive a report on minor service adjustments to be implemented in September 2009.

Budget Impact

The service changes implemented during the September shake-up are expected to result in an annual operating subsidy savings of \$1.2 million.

DISCUSSION:

Changes to bus and trolley services are implemented three times a year in the fall, winter, and summer. These regularly scheduled service changes provide us with opportunities to improve the service, operation, and schedules of the transit system consistent with service evaluation and customer comments and implement actions from the annual budget process. The next scheduled date for implementing transit service changes is Sunday, September 6. All changes are minor adjustments, which is defined in MTS Policy No. 42 as any service change affecting 25 percent or less of a route's weekly in-service miles or hours and therefore do not require public hearing.

This report is provided so that the MTS Board of Directors is aware of upcoming changes to the regional transit system and services. A 'Take One' with information regarding these changes will be distributed on all service vehicles.



Service Adjustments

1. Minor Schedule Adjustments to Routes 7, 25, 30, 105, 845, 880, 921, and 923: These changes aim to increase on-time performance and to improve network connections. These changes entail modifying time points, adjusting running times, shifting trip times, or minor routing adjustments.
2. Service Adjustments Due to Seasonal Demand Changes: Routes 7 (Mid-City) and 14 (Mission Valley) will receive additional trips to address greater demand from students during the school year. Frequency on Routes 8 and 9 (Pacific Beach) will be reduced during the peaks from 15 minutes to 20 minutes on all days based on reduced demand.
3. Performance-Related Service Adjustments: Staff routinely evaluates the relative performance of each route in the MTS system. The adjustments listed below were determined to increase system productivity as guided by Policy No. 42. In addition to the specific performance measures, staff considered factors such as total number of passengers affected, number of lost passengers, cost savings achievable, and availability of transit alternatives.
 - Route 1 (Downtown to La Mesa): Sunday serviced to be reduced to 60-minute frequencies before 10:00 a.m. and after 6:00 p.m.
 - Route 41 (Mission Valley to UCSD): Sunday service to be reduced to 60-minute frequencies before 10:00 a.m. and after 6:00 p.m.
 - Route 44 (Old Town to Clairemont): Sunday service to be reduced to 60-minute frequencies before 10:00 a.m. and after 6:00 p.m.
 - Route 88 (Hotel Circle): Sunday service to be reduced to 60-minute frequencies all day.
 - Route 120 (Downtown to Kearny Mesa): Sunday service to be reduced to 60-minute frequencies north of Fashion Valley.
 - Routes 201 and 202 – Super Loop (University City): Beginning of service day moved later to approximately 5:45 a.m. on all days. Weekday peak-period 10-minute frequency also adjusted.
 - Route 845 (Poway): Weekend service to be reduced to 90-minute frequencies.
 - Route 929 (Downtown to San Ysidro): Weekend service will terminate at City College Station.
 - Route 964 (Mira Mesa): Weekday 964B service will be eliminated during midday hours.

Route 84

On March 26, 2009, the Board directed staff to eliminate weekend service on Route 84 in Point Loma in September but to reconsider if weekend productivity achieved 11 passengers per revenue hour. Since then, ridership has declined slightly to 6.8 passengers per hour on Saturday and 5.1 passengers per hour on Sunday; therefore, weekend service will be discontinued.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, sharon.cooney@sdmts.com

AUG20-09.12.SERVICE ADJUST.SCOONEY.doc

Attachment: A. September 2009 Service Change Take One

TOME UNO

- Cambios en el servicio de septiembre de 2009
- Horario del Día del Trabajo

ESTA INFORMACIÓN ESTÁ DISPONIBLE EN DIFERENTES FORMATOS.
 Para solicitar esta información en un formato diferente, por favor llame al (619) 231-1466. Los operadores del Metropolitan Transit System siguen una política que prohíbe la discriminación con respecto a los servicios e instalaciones.

Cambios en el servicio de septiembre de 2009

Todos los cambios en el servicio entrarán en vigor el domingo 6 de septiembre o el martes 8 de septiembre de 2009, para las rutas que no dan servicio los domingos. (El lunes 7 de septiembre es el día festivo por el Día del Trabajo). Asegúrese de tomar un horario nuevo de las rutas con cambios, según se listan a continuación:

ROUTE	DESCRIPTION OF CHANGES
1	Desde 06/09/09: la frecuencia de los domingos se reduce a cada hora antes de las 10am y después de las 6pm.
7	Desde 06/09/09: ajustes en los horarios de las tardes de entre semana para mejorar las conexiones en City College.
8/9	Desde 06/09/09: la frecuencia actual de cada 15 minutos se reduce a cada 20 minutos todos los días.
14	Desde 08/09/09: se agregan dos viajes hacia el este en las noches desde SDSU hasta La Mesa. También hay otros ajustes en los horarios.
25	Desde 08/09/09: el primer viaje hacia el norte se recorrió más tarde para mejorar las conexiones en Kearny Mesa.
30	Desde 06/09/09: ajustes en el horario.
41	Desde 06/09/09: la frecuencia de los domingos se reduce a cada hora antes de las 10am y después de las 6pm. También habrá otros ajustes en los horarios del domingo.
44	Desde 06/09/09: la frecuencia de los domingos se reduce a cada hora antes de las 10am y después de las 6pm. También habrá otros ajustes en los horarios de los fines de semana.
84	Desde 06/09/09: se suspende el servicio de fin de semana debido a la reducida cantidad de pasajeros.
88	Desde 06/09/09: la frecuencia de los domingos se reduce a una vez por hora. También habrá otros ajustes en los horarios de los fines de semana.
105	Desde 06/09/09: en todos los días después de las 7:15pm, los viajes de la noche que salen o llegan a Clairmont Square tomarán Morena Blvd. y Clairmont Dr. (por las calles de Denver e Ingulf) en vez de Milton St. y Burgener Blvd.

TAKE ONE

- September 2009 Service Changes
- Labor Day Schedule

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST. To request this notice in an alternative format, please call (619) 231-1466. The Metropolitan Transit System operators adhere to a non-discrimination policy with regard to both services and facilities.

September 2009 Service Changes

All schedule changes take effect on Sunday, September 6, 2009, or Tuesday, September 8, 2009 for routes that do not operate on Sunday. (Monday, September 7 is the Labor Day holiday.) Please be sure to pick up a new timetable for the routes with changes, as listed below:

ROUTE	DESCRIPTION OF CHANGES
1	Effective 9/6/09: Sunday frequency is reduced to hourly before 10am and after 6pm.
7	Effective 9/6/09: schedule adjustments on weekday evenings for better connections at City College.
8/9	Effective 9/6/09: the current 15-minute frequency is reduced to every 20 minutes on all days.
14	Effective 9/8/09: two later eastbound evening trips added from SDSU to La Mesa. Also other schedule adjustments.
25	Effective 9/8/09: the first northbound trip is adjusted later to improve connections at Kearny Mesa.
30	Effective 9/6/09: schedule adjustments.
41	Effective 9/6/09: Sunday frequency is reduced to hourly before 10am and after 6pm. Also, other weekend schedule adjustments.
44	Effective 9/6/09: Sunday frequency is reduced to hourly before 10am and after 6pm. Also, other Sunday schedule adjustments.
84	Effective 9/6/09: weekend service is discontinued due to low ridership.
88	Effective 9/6/09: Sunday frequency is reduced to hourly. Also, other weekend schedule adjustments.
105	Effective 9/6/09: on all days, evening trips after 7:15pm that start/end at Clairmont Square will use Morena Blvd. and Clairmont Dr. (via Denver and Ingulf Streets) instead of Milton St. and Burgener Blvd.
120	Effective 9/6/09: Sunday service is reduced to hourly north of Fashion Valley. Also, other weekend schedule adjustments.

- 201/202 (Super Loop)** **Effective 9/16/09:** beginning of service day changed to approximately 5:45am daily. Weekday peak period 10-minute frequency changed to 7 - 10:30am and 2 - 5:30pm.
- 845** **Effective 9/16/09:** schedule adjustments to weekday mornings to improve connections at Rancho Bernardo. Also, weekend service is reduced to approximately every 90 minutes.
- 880** **Effective 9/8/09:** schedule adjustments.
- 921** **Effective 9/8/09:** weekday schedule adjustments.
- 923** **Effective 9/16/09:** weekend schedule adjustments.
- 929** **Effective 9/16/09:** weekend service will terminate at City College Trolley Station in Downtown San Diego instead of Broadway and State St. Options for passengers travelling west on Broadway include transferring to/from: Route 11 or 901 at 12th/Imperial; Route 3 at Market St.; Blue or Orange Line at City College Trolley station; or Route 2, 7, or 15, on Broadway. Also, other minor weekend schedule adjustments.
- 964** **Effective 9/8/09:** Route 964B service is discontinued during the midday. Route 964A service will continue to operate all day on weekdays, and Route 964B will operate during weekday rush hour periods.

Labor Day Schedule

On Monday, **September 7, 2009**, MTS and NCTD service will operate as follows:

- * MTS buses and Trolleys: Sunday schedule
- * NCTD services (BREEZE, SPRINTER, and COASTER): Sunday schedule
- * Telephone Information (511): available from 8:00am through 5:00pm
- * The Transit Store: Closed
- * MTS Access and ADA Suburban Paratransit subscriptions are cancelled for the day. Please call to maintain your trip.



- 120** **Desde 06/09/09:** la frecuencia de los domingos se reduce a cada hora al norte de Fashion Valley. También habrá otros ajustes en los horarios de los fines de semana.
- 201/202** **Desde 06/09/09 - Super Loop:** el inicio del servicio de día cambiará a aproximadamente las 5:45am todos los días. La frecuencia de cada 10 min. para el periodo de las horas pico cambiará a 7-10:30am y de 2-5:30pm.
- 845** **Desde 06/09/09:** ajuste en el horario de la mañana de entre semana para mejorar las conexiones en Rancho Bernardo. También se reduce el servicio del fin de semana a aproximadamente cada 90 minutos.
- 880** **Desde 08/09/09:** ajustes en el horario.
- 921** **Desde 08/09/09:** ajustes en el horario de los días de entre semana.
- 923** **Desde 06/09/09:** ajustes en el horario de los fines de semana.
- 929** **Desde 06/09/09:** el servicio de fin de semana llegará hasta la estación del Trolley City College en el centro de San Diego en vez de hasta Broadway y State St. Los pasajeros que viajan hacia el oeste en Broadway tienen como opción realizar transbordos en: Ruta 11 ó 901 en la estación de 12th & Imperial; Ruta 3 en Market St.; Blue ó Orange Line en City College Trolley Station; o Ruta 2, 7, ó 15 en Broadway. Además habrá otros ajustes menores en el horario de fin de semana.
- 964** **Desde 08/09/09:** el servicio de la Ruta 964B se discontinuará durante el mediodía. El servicio de la Ruta 964A continuará todo el día entre semana, y la Ruta 964B dará servicio en las horas pico en los días de entre semana.

Horario del Día del Trabajo

El lunes, **7 de septiembre de 2009** los servicios de MTS y de NCTD serán como sigue:

- * Autobuses y Trolleys de MTS: horario de domingo
- * Servicios de NCTD (BREEZE, SPRINTER y COASTER): horario de domingo
- * Información telefónica (511): disponible desde las 8:00am hasta las 5:00pm
- * The Transit Store: Cerrada
- * Las suscripciones de MTS Access y el servicio suburbano de ADA estarán canceladas durante este día. Por favor llame para conservar su viaje.





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Agenda

Item No. 13

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.4, CIP 11216

August 20, 2009

SUBJECT:

MTS: GATE TURNOFF (GTO) FIRING BOARDS - CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0883.1-09 with Siemens Transportation Systems Gate Turnoff (GTO) Firing Boards for SD 100 light rail vehicles (LRVs).

Budget Impact

The total price of this amendment would not exceed \$500,000. This amendment would be federally and locally funded (80% federal and 20% local) under CIP 11216-0200.

DISCUSSION:

Background

On April 26, 2009, a sole-source, five-year contract was awarded to Siemens Transportation Systems, Inc. to supply GTO Firing Boards, which is a vital component of the SD 100 LRV propulsion system.

GTO Firing Boards have been identified as a high-priority existing capital project related to vehicle fleet improvement. Limited funding availability necessitated a multiyear contract rather than a one-time purchase. The base year for the current contract with Siemens Transportation Systems for supplying GTO Firing Boards is \$230,000.00. Adding \$500,000 through this amendment would enable MTS to procure 38 GTO Firing Boards for the SD 100 LRV fleet. This additional funding would accelerate the rehabilitation process critical to safety and performance by 30 months.



Therefore, MTS staff recommends that the Board authorize the CEO to execute MTS Doc. No. L0883.1-09 with Siemens Transportation Systems Gate Turnoff (GTO) Firing Boards for SD 100 LRVs.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Marco Yniguez, 619.557.4576, marco.yniguez@sdmts.com

AUG20-09.13.GATE TURNOFF FIRING BOARDS.MYNIGUEZ.doc

Attachments: A. MTS Doc. No. L0883.1-09
B. Siemens' Cost Proposal

DRAFT

August 20, 2009

MTS Doc. No. L0883.1-09
OPS 970.6, CIP 11216

Mr. Tony Ritter
Director
Siemens Transportation Systems
7464 French Road
Sacramento, CA 95828

Dear Mr. Ritter:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. L0883.0-09 – GATE TURNOFF (GTO) FIRING
BOARDS PROCUREMENT

This letter will serve as Amendment No. 1 to MTS Doc. No. L0883.0-09.

SCOPE OF SERVICES

Provide Gate Turnoff (GTO) Firing Boards in accordance with the attached Siemens Transportation Systems' proposal dated February 23, 2009, and the original Procurement Agreement.

SCHEDULE

There are no changes to the schedule of this contract.

PAYMENT

The total cost for providing all of the materials shall not exceed \$500,000 without prior formal authorization by MTS.

All other terms and conditions of the original Gate Turnoff (GTO) Firing Boards Procurement Agreement shall apply.

If you agree with the above, please sign below, and return the document marked "Original" to the Contracts Specialist at MTS. The second copy is for your records:

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Tony Ritter
Siemens Transportation Systems

AUG20-09.13.AttA.GTO FIRING BOARDS.MYNIGUEZ.doc

Date: _____

Attachment: A. Siemens' Cost Proposal

From: Allison, Bradrick (STS US) [bradrick.allison@siemens.com]
Sent: Thursday, February 26, 2009 4:33 PM
To: Marco Yniguez
Subject: Re: GTO Price Quotation - Per Your Request

From: Allison, Bradrick (STS US)
To: Marco Yniguez
Sent: Mon Feb 23 10:01:25 2009
Subject: GTO Price Quotation - Per Your Request

Marco,

I have negotiated with our suppliers, and we are prepared to offer quantity-based discounts for the new GTO Firing Boards. The discount is 10% at quantity 4, and 20% at quantity 20. Core exchange is required for this pricing, meaning that you send us an old unit in exchange for the new one. The old unit does not need to be functional.

GTO Firing Board, SD100 (with core exchange)
P/N: 422901908024
Qty 1=\$14,700/each
Qty 4=\$13,230/each
Qty 20=\$11,755/each
Delivery: 6 available from stock, balance in 6 months maximum
Warranty: Two years from delivery date

Please let me know if I can provide any further information.

Thank you,
Brad

Bradrick Allison
Account Representative

Siemens Transportation Systems, Inc.
A Siemens Industry Business, Mobility Division
Integrated Services
7464 French Road
Sacramento, CA 95828, USA
Tel.: +1 (916) 681 3209
Fax: +1 (916) 681 3296
Mobile: +1 (916) 752 6763
Email: bradrick.allison@siemens.com

B-1



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Agenda

Item No. 14

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

ADM 130.2

August 20, 2009

SUBJECT:

MTS: AT&T CALNET II TELECOMMUNICATIONS CONTRACT RENEWAL

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1279.0-10 with American Telephone and Telegraph (AT&T) for leased-line telecommunications services for the Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). The contract would fall under the terms and conditions of the State of California's CALNET II Master Services Agreement for modules MSA-1 (voice data and video services) and MSA-2 (long-distance services) for a two-year period with renewable options for up to five years.

Budget Impact

The total adjusted cost for the two-year contract would not exceed \$890,760 without prior written approval from MTS and would be paid by MTS operating funds.

DISCUSSION:

Background Information

AT&T currently provides telecommunication services for MTS, SDTC, and SDTI. Staff has evaluated other telecommunication services and cost alternatives to replace the existing leased-line services supplied by AT&T. Due to additional costs and complexities with the existing leased-line infrastructure currently in place, staff has determined that it would not be cost effective to competitively bid out leased-line

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

telecommunications services. Staff has also concluded that the rates under the CALNET II State of California Master Service Agreement (MSA) are competitively priced compared to other types of data and voice services offered by other telecommunications service providers.

Utilizing the MSA allows staff to satisfy the bidding requirements of MTS Policy No. 52. The CALNET II contract was a competitively bid process awarded in January 2007. Under the existing State of California contract, MTS, SDTC, and SDTI will be authorized to order telecommunications services under the CALNET II state plan. Four types of service modules are available under the State MSA and CALNET II plan:

1. MSA 1 – Voice Data and Video Services (awarded to AT&T)
2. MSA 2 – Long-Distance Service (awarded to AT&T)
3. MSA 3 – Internet Protocol Services (awarded to Verizon Business)
4. MSA 4 – Broadband and Fixed-Wireless Services (awarded to Verizon Business)

The CALNET II plan allows “non-state” public entities to enroll in the plan for a two-year term. After the two-year period, MTS, SDTC, and SDTI would have the option to terminate the plan or automatically renew the plan with optional years. The two-year CALNET II service agreement contract would be with AT&T.

Therefore, staff recommends that the Board authorize the CEO to execute MTS Doc. No. G1279.0-10 with American Telephone and Telegraph (AT&T) for leased line telecommunications services.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Dan Bossert, 619.238.0100, Ext. 6445, daniel.bossert@sdmts.com

AUG20-09.14.AT&T CALNET II TELECOMMUNICATIONS CONTRACT.DBOSSERT.doc

Attachment: A. Standard Services Agreement & Attachments

DRAFT

Att. A, AI 14, 8/20/09

STANDARD SERVICES AGREEMENT

MTS Doc. No. G1279-0.10
CONTRACT NUMBER
ADM 130.2 (PC 55510)
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2009, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: AT&T Address: 3675 T Street, Room 121

Form of Business: Corporation Sacramento, CA 95816
(Corporation, partnership, sole proprietor, etc.)

Telephone: 619.237.2515

Authorized person to sign contracts: Gordon Moss Contract Program Manager
Name Title

The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

Provide telecommunications voice and data services under the terms and conditions of the State of California CALNET II Master Services Agreement for modules MSA-1 (Voice Data and Video Services) and MSA-2 (Long-Distance Service). This Agreement shall remain in effect for a two-year commitment period with renewable options (exercisable at the sole discretion of MTS) for up to five years after the initial two-year commitment period has ended. The total contract value for the initial two-year period shall not to exceed \$890,760.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer	Firm: _____
Approved as to form:	By: _____
By: _____ Office of General Counsel	Signature Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$890,760	50902-55510	FY 10 and FY 11

By: _____ Date _____
Chief Financial Officer

(___ total pages, each bearing contract number)

EXHIBIT A-2

AUTHORIZATION TO ORDER UNDER STATE CONTRACT

SBC Global Services, Inc., dba AT&T Global Services on behalf of Pacific Bell Telephone Company, dba AT&T California ("AT&T" or "Contractor") and the State of California ("State") have entered into a Contract for California Integrated Information Network (CALNET) 2 ("CALNET 2") MSA 1 Services dated January 30, 2007 ("Contract"), for a term of five (5) years. The State may, at its sole option, elect to extend the Contract term for up to two (2) additional periods of one (1) year each. Pursuant to the Contract, which is incorporated herein by reference, any public agency, as defined in Government Code section 11541, is allowed to order services and products ("Services") solely as set forth in the Contract.

A non-State public agency (herein "Non-State Agency") shall also be required to complete and submit this Authorization to Order Under State Contract (ATO) prior to ordering Services. A description of the Service(s), applicable rates and charges and the specific terms and conditions under which the Service(s) will be provided to a Non-State Agency are fully set forth in the Contract. Access to the Contract is available at www.stnd.dts.ca.gov.

The San Diego Metropolitan Transit System ("Non-State Agency") desires to order Service(s), and Contractor agrees to provide such Service(s), as identified in the State of California, Telecommunications Service Request (STD. 20), pursuant to the terms and conditions and rate tables contained in the Contract.

1. This ATO shall become effective upon execution by Non-State Agency, Contractor, and the Department of Technology Services, Statewide Telecommunications and Network Division (DTS/STND) ("Effective Date"). No Service(s) shall be ordered by Non-State Agency or provided by Contractor until this ATO has been executed by both parties and approved by DTS/STND.
2. With respect to Services ordered under this ATO, as authorized on Attachment 1, Non-State Agency hereby agrees to obtain such Services exclusively through the Contract and this ATO for a two (2) year commitment period, starting with the Effective Date of the ATO, provided that such commitment does not extend beyond the Term of the Contract, including any extension periods. Any new Services added to an existing ATO shall not extend the two (2) year commitment period previously agreed upon on the ATO.
3. Upon expiration of the two (2) year commitment period, this ATO shall continue in effect through the remainder of the Term of the Contract, unless terminated by Non-State Agency. The Non-State Agency will automatically continue to receive Services at Contract terms and conditions when the two year commitment period ends, and may add, delete or change Services without penalty or additional commitment periods (unless a specific Service requires a term per the Contract).
4. Non-State Agency may terminate this ATO, for specific Service(s) or in total, prior to termination of the Contract, by providing the Contractor with thirty (30) calendar days' written notice of cancellation.

If Non-State Agency elects to terminate Service prior to completion of the two (2) year commitment period, a termination charge may apply. The termination charge may not exceed sixty-five percent (65%) of the Non-State Agency's average monthly bill for the disconnected Service(s), multiplied by the number of full months remaining in the two (2) year commitment period. If Service(s) are terminated after the two (2) year commitment period, no termination liability shall apply.

5. No termination charge will be assessed when Non-State Agency transfers Service(s) to a like Service offered under this Contract, or from one CALNET 2 MSA to another, if the Contractor is the same for both MSAs, or is affiliated with the Contractor for the other MSA.

6. By executing this ATO, Non-State Agency agrees to subscribe to, and Contractor agrees to provide Service(s), in accordance with the terms and conditions of this ATO and the Contract. Upon execution of this ATO by Non-State Agency and Contractor, Contractor shall deliver this ATO to DTS/STND for review and approval.
7. The DTS/STND will provide Contract management and oversight, and upon request by the Non-State Agency or Contractor, will advocate to resolve any Contract service issues. The ATO, and any resulting STD. 20, is a Contract between the Non-State Agency and the Contractor. The State will not represent the Non-State Agency in resolution of litigated disputes between the parties.
8. Non-State Agency, upon execution of this ATO, certifies that Non-State Agency understands that Contractor and the State may, from time to time and without Non-State Agency's consent, amend the terms and conditions of the Contract thereby affecting the terms of service Non-State Agency receives from Contractor.
9. Non-State Agency, upon execution of this ATO, certifies that it has reviewed the terms and conditions, including the rates and charges, of the Contract.
10. Non-State Agency, upon execution of this ATO, certifies the Non-State Agency understands that billing invoices for Service(s) subscribed to under the Contract are subject to review and/or audit by the State, pursuant to provisions of the Contract.
11. All Service(s) ordered under this ATO will be submitted using the STD. 20, signed by the Non-State Agency's authorized signatory. Any additions or deletions to Service(s) shall likewise be accomplished by submission of a STD. 20, noting changes.
12. Non-State Agency may, by placing Service orders issued by its duly authorized representative with Contractor, order any of the Service(s) listed in the Contract. Contractor shall bill Non-State Agency, and Non-State Agency shall pay Contractor according to the terms and conditions and rate tables set forth in the Contract for such Service(s).
13. If, for any fiscal year during the term of this ATO, funds are not appropriated to enable the Non-State Agency to continue paying for services, or universal service discounts are not received, the Non-State Agency may terminate impacted Service(s) without penalty.
14. Whenever any notice or demand is given under this Contract to Contractor or Non-State Agency, the notice shall be in writing and addressed to the following:

Non-State Agency:
MTS
1255 Imperial Avenue, Suite 1000
San Diego, California 92101
Attn: Paul Jablonski CEO

Contractor:
AT&T
3675 T Street, Room 121
Sacramento, CA 95816
Attn: Contract Program Manager

Notices delivered by overnight courier service shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) State business days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this ATO to be executed on the date shown below by their respective duly authorized representatives:

CONTRACTOR	NON-STATE AGENCY
By: Authorized Signature	By: Authorized Signature
Printed Name and Title of Person Signing	Printed Name and Title of Person Signing
Date Signed:	Date Signed:

Approved By:
Department of Technology Services,
Statewide Telecommunications and Network Division

By: Authorized Signature
Printed Name and Title of Person Signing
Date Signed:

MTS

MSA 1 ATTACHMENT 1

Selected Services	Voice Services - Core Services Products	Customer Initials
<input checked="" type="checkbox"/>	Bus Access Lines	
<input checked="" type="checkbox"/>	Central Office Exchange Basic Services (Centrex)	
<input checked="" type="checkbox"/>	Central Office Trunk Services (SuperTrunk/PBX/DID)	
<input type="checkbox"/>	Locally Based Automatic Call Distribution (ACD) (Available Option w/C2 Centrex)	
<input type="checkbox"/>	Interactive Voice Response (IVR)	
<input type="checkbox"/>	Specialized Call Routing (Call Router)	
<input type="checkbox"/>	Computer Telephone Integration (CTI) (Compucall)	
<input type="checkbox"/>	Voice Mail Services (Available Option w/C2 Exchange Svcs)	
Selected Services	Data Services - Core Services Products	Customer Initials
<input checked="" type="checkbox"/>	Data Transmission Services (Analog Service, Carrier DS0 (ADN), Carrier DS1 (Hicap/T1), Carrier DS3)	
Custom ATO Required	Gigabit Ethernet Metropolitan Area Network (MAN) (GigaMAN, MON, OPT-E-MAN, CSME, EPLS-WAN, ESS-MAN)	Custom ATO Required
<input checked="" type="checkbox"/>	Multi Protocol Label Switching (MPLS) (AVPN, Network Based Firewall, ANIRA)	
Custom ATO Required	Synchronous Optical Network (SONET) (Point-Point SONET, Ethernet-over SONET, SONET Ring ICB)	Custom ATO Required
<input type="checkbox"/>	ISDN (BRI)	
<input checked="" type="checkbox"/>	ISDN (PRI) (PBX/DID)	
<input type="checkbox"/>	Switched 56/Switched Digital Services (SDS)	
<input type="checkbox"/>	Frame Relay & ATM (Managed or Non Managed)	
<input checked="" type="checkbox"/>	Internet	
<input type="checkbox"/>	DSL Agency Hosted (DSL)	
<input type="checkbox"/>	DSL DSL Virtual Private Network (AVPN, Network Based Firewall, ANIRA)	
<input type="checkbox"/>	Enhanced Centrex VDNA	
Included Services	Other Services - Core Services Products	Automatic Coverage
	IntraLata Calling (Local Usage Zone 1 - 3) (Included on C2 Exchange Services)	
	Bldg. Wiring Services (Automatic Service Coverage on C2 Svcs) Jacks/Wiring Inside Wire Repair Plan(Voice)(If subscribed to) Inside Wire Repair Plan(Data)(If subscribed to)	

Revised: Amendment No. 1.1

EXHIBIT A-2**AUTHORIZATION TO ORDER UNDER STATE CONTRACT**

SBC Global Services, Inc., dba AT&T Global Services on behalf of Pacific Bell Telephone Company, dba AT&T California ("AT&T" or "Contractor") and the State of California ("State") have entered into a Contract for California Integrated Information Network (CALNET) 2 ("CALNET 2") MSA 2 Services dated January 30, 2007 ("Contract"), for a term of five (5) years. The State may, at its sole option, elect to extend the Contract term for up to two (2) additional periods of one (1) year each. Pursuant to the Contract, which is incorporated herein by reference, any public agency, as defined in Government Code section 11541, is allowed to order services and products ("Services") solely as set forth in the Contract.

A non-State public agency (herein "Non-State Agency") shall also be required to complete and submit this Authorization to Order Under State Contract (ATO) prior to ordering Services. A description of the Service(s), applicable rates and charges and the specific terms and conditions under which the Service(s) will be provided to a Non-State Agency, are fully set forth in the Contract. Access to the Contract is available at www.stnd.dts.ca.gov.

The San Diego Metropolitan Transit System ("Non-State Agency") desires to order Service(s), and Contractor agrees to provide such Service(s), as identified in the State of California, Telecommunications Service Request (STD. 20), pursuant to the terms and conditions and rate tables contained in the Contract.

15. This ATO shall become effective upon execution by Non-State Agency, Contractor, and the Department of Technology Services, Statewide Telecommunications and Network Division (DTS/STND) ("Effective Date"). No Service(s) shall be ordered by Non-State Agency or provided by Contractor until this ATO has been executed by both parties and approved by DTS/STND.
16. With respect to Services ordered under this ATO, as authorized on Attachment 1, Non-State Agency hereby agrees to obtain such Services exclusively through the Contract and this ATO for a two (2) year commitment period, starting with the Effective Date of the ATO, provided that such commitment does not extend beyond the Term of the Contract, including any extension periods. Any new Services added to an existing ATO shall not extend the two (2) year commitment period previously agreed upon on the ATO.
17. Upon expiration of the two (2) year commitment period, this ATO shall continue in effect through the remainder of the Term of the Contract, unless terminated by Non-State Agency. The Non-State Agency will automatically continue to receive Services at Contract terms and conditions when the two year commitment period ends, and may add, delete or change Services without penalty or additional commitment periods (unless a specific Service requires a term per the Contract).
18. Non-State Agency may terminate this ATO, for specific Service(s) or in total, prior to termination of the Contract, by providing the Contractor with thirty (30) calendar days' written notice of cancellation.

If Non-State Agency elects to terminate Service prior to completion of the two (2) year commitment period, a termination charge may apply. The termination charge may not exceed sixty-five percent (65%) of the Non-State Agency's average monthly bill for the disconnected Service(s), multiplied by the number of full months remaining in the two (2) year commitment period. If Service(s) are terminated after the two (2) year commitment period, no termination liability shall apply.

19. No termination charge will be assessed when Non-State Agency transfers Service(s) to a like Service offered under this Contract, or from one CALNET 2 MSA to another, if the Contractor is the same for both MSAs, or is affiliated with the Contractor for the other MSA.

20. By executing this ATO, Non-State Agency agrees to subscribe to, and Contractor agrees to provide Service(s), in accordance with the terms and conditions of this ATO and the Contract. Upon execution of this ATO by Non-State Agency and Contractor, Contractor shall deliver this ATO to DTS/STND for review and approval.
21. The DTS/STND will provide Contract management and oversight, and upon request by the Non-State Agency or Contractor, will advocate to resolve any Contract service issues. The ATO, and any resulting STD. 20, is a Contract between the Non-State Agency and the Contractor. The State will not represent the Non-State Agency in resolution of litigated disputes between the parties.
22. Non-State Agency, upon execution of this ATO, certifies that Non-State Agency understands that Contractor and the State may, from time to time and without Non-State Agency's consent, amend the terms and conditions of the Contract thereby affecting the terms of service Non-State Agency receives from Contractor.
23. Non-State Agency, upon execution of this ATO, certifies that it has reviewed the terms and conditions, including the rates and charges, of the Contract.
24. Non-State Agency, upon execution of this ATO, certifies the Non-State Agency understands that billing invoices for Service(s) subscribed to under the Contract are subject to review and/or audit by the State, pursuant to provisions of the Contract.
25. All Service(s) ordered under this ATO will be submitted using the STD. 20, signed by the Non-State Agency's authorized signatory. Any additions or deletions to Service(s) shall likewise be accomplished by submission of a STD. 20, noting changes.
26. Non-State Agency may, by placing Service orders issued by its duly authorized representative with Contractor, order any of the Service(s) listed in the Contract. Contractor shall bill Non-State Agency, and Non-State Agency shall pay Contractor according to the terms and conditions and rate tables set forth in the Contract for such Service(s).
27. If, for any fiscal year during the term of this ATO, funds are not appropriated to enable the Non-State Agency to continue paying for services, or universal service discounts are not received, the Non-State Agency may terminate impacted Service(s) without penalty.
28. Whenever any notice or demand is given under this Contract to Contractor or Non-State Agency, the notice shall be in writing and addressed to the following:

Non-State Agency:
 MTS
 1255 Imperial Avenue, Suite 1000
 San Diego, California 92101
 Attn: Paul Jablonski CEO

Contractor:
 AT&T
 3675 T Street, Room 121
 Sacramento, CA 95816
 Attn: Contract Program Manager

Notices delivered by overnight courier service shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) State business days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this ATO to be executed on the date shown below by their respective duly authorized representatives:

CONTRACTOR	NON-STATE AGENCY
By: Authorized Signature	By: Authorized Signature
Printed Name and Title of Person Signing	Printed Name and Title of Person Signing
Date Signed:	Date Signed:

Approved By:
 Department of Technology Services,
 Statewide Telecommunications and Network Division

By: Authorized Signature
Printed Name and Title of Person Signing
Date Signed:

MTS

MSA 2 ATTACHMENT 1

Selected Services	Long Distance - Voice Services	Customer Initials
<input checked="" type="checkbox"/>	Long Distance Calling Services (Includes Intralata Toll)	
<input type="checkbox"/>	900 Services	
<input type="checkbox"/>	Automatic Call Distributor (ACD) Services	
<input type="checkbox"/>	Network Based Interactive Voice Response (IVR) Services	
<input type="checkbox"/>	Computer Telephone Integration (CTI) for Network Based ACD	
<input checked="" type="checkbox"/>	Toll Free Services	
<input type="checkbox"/>	International Toll Free Services	
<input type="checkbox"/>	Calling Card Services	
<input type="checkbox"/>	Pre-Paid Calling Services	
<input checked="" type="checkbox"/>	Network Audio Conferencing Service	
<input checked="" type="checkbox"/>	Network Conferencing (Web Conferencing)	
Included Services	Other Services - Long Distance Voice Services	Automatic Coverage
	Bldg. Wiring Services (Automatic Service Coverage on C2 Svcs) Jacks/Wiring	

Revised: Amendment No. 2.1



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda

Item No. 30

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 370

August 20, 2009

SUBJECT:

SDTC: ACTUARIAL REPORT

RECOMMENDATION:

That the Board of Directors receive the actuarial report and adopt the annual pension contribution for San Diego Transit Corporation (SDTC) at the rate of 15.82% of payroll.

Budget Impact

The FY 2010 budget was developed using this assumption.

DISCUSSION:

Bob McCrory from EFI Actuaries will present the latest actuarial report for SDTC's pension plan, including potential future contributions to the plan, the current plan's assumptions, and possible changes to the current plan's assumptions that could impact SDTC's future funding requirements.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Cliff Telfer, 619.557.4532, cliff.telfer@sdmts.com

AUG20-09.30.ACTUARIAL REPORT.CTELFER.doc

Attachment: A. SDTC Retirement Plans Actuarial Review **(Board Only due to Volume)**
Available on MTS's Web Site



Retirement Plans of San Diego Transit Corporation

Actuarial
Review and
Analysis as of
July 1, 2008



Robert T. McCrory, FSA



Graham A. Schmidt, ASA

Prepared July 27, 2009

EFI* Actuaries • EFI Asset/Liability Management Services, Inc.

The nation's leader in plan-specific, interactive asset allocation optimization counseling

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*Ed Friend, Inc.

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Summary of Results

A Brief Summary

This actuarial valuation of the Retirement Plans of San Diego Transit Corporation (the Plan) as of July 1, 2008 has produced an increase in recommended contributions. The table below shows how the cost of the Plan has changed since the last actuarial valuation as of July 1, 2007:

	<u>Cost in Dollars</u>	<u>Cost as % of Payroll</u>
July 1, 2007 (Section 3.1, Column 1)	\$4,717,735	14.285%
Change in cost due to demographic gains/losses from July 1, 2007 to July 1, 2008	74,892	2.021%
Change in cost due to gains/losses from salary increases from July 1, 2007 to July 1, 2008	(141,218)	(0.327)%
Change in cost due to entry of new hires into the Plan from July 1, 2007 to July 1, 2008	503,285	(0.477)%
Change in cost due to investment gains/losses from July 1, 2007 to July 1, 2008	105,669	0.318%
July 1, 2008 (Section 3.1, Column 2)	\$5,260,363	15.820%

These computations are based on the Plan provisions and on the actuarial assumptions as of July 1, 2008. To the best of our knowledge, there have been no changes in the Plan provisions since the July 1, 2007 valuation. There were no changes to the actuarial methods or assumptions in this valuation.

We have computed the cost of the Plan as of July 1, 2008 using a five-year asset smoothing method. The smoothing method spreads investment gains and losses over five years. The resulting actuarial value of assets is constrained to remain within 20% of market value.

Current Plan provisions are outlined in Section 1.1. A summary of current actuarial methods and assumptions is presented in Section 1.3.

The percentage of payroll cost shown above is based on a member payroll of \$33.25 million projected for the 2008-09 fiscal year. We expect that the contribution rate above will become effective for the 2009-10 fiscal year. Therefore, the payroll figure actually used by the Corporation to compute its dollar contributions for the 2009-10 fiscal year will differ from this number, and the contribution rate shown above should be applied to the actual covered payroll for the fiscal year.

We note that the recommended employer contribution has increased since the July 1, 2007 valuation. The principal reason for this increase is the higher than expected number of retirements; the actual

number of retirements was about twice that expected, producing an actuarial loss. This issue and others are discussed in more detail below.

Purpose of the Report

This Report presents the results of an actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of July 1, 2008. The purposes of this actuarial valuation are:

- To compute the annual contribution required for the 2009-10 fiscal year to fund the Plan in accordance with actuarial principles, and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Organization of the Report

This Report is organized in five sections:

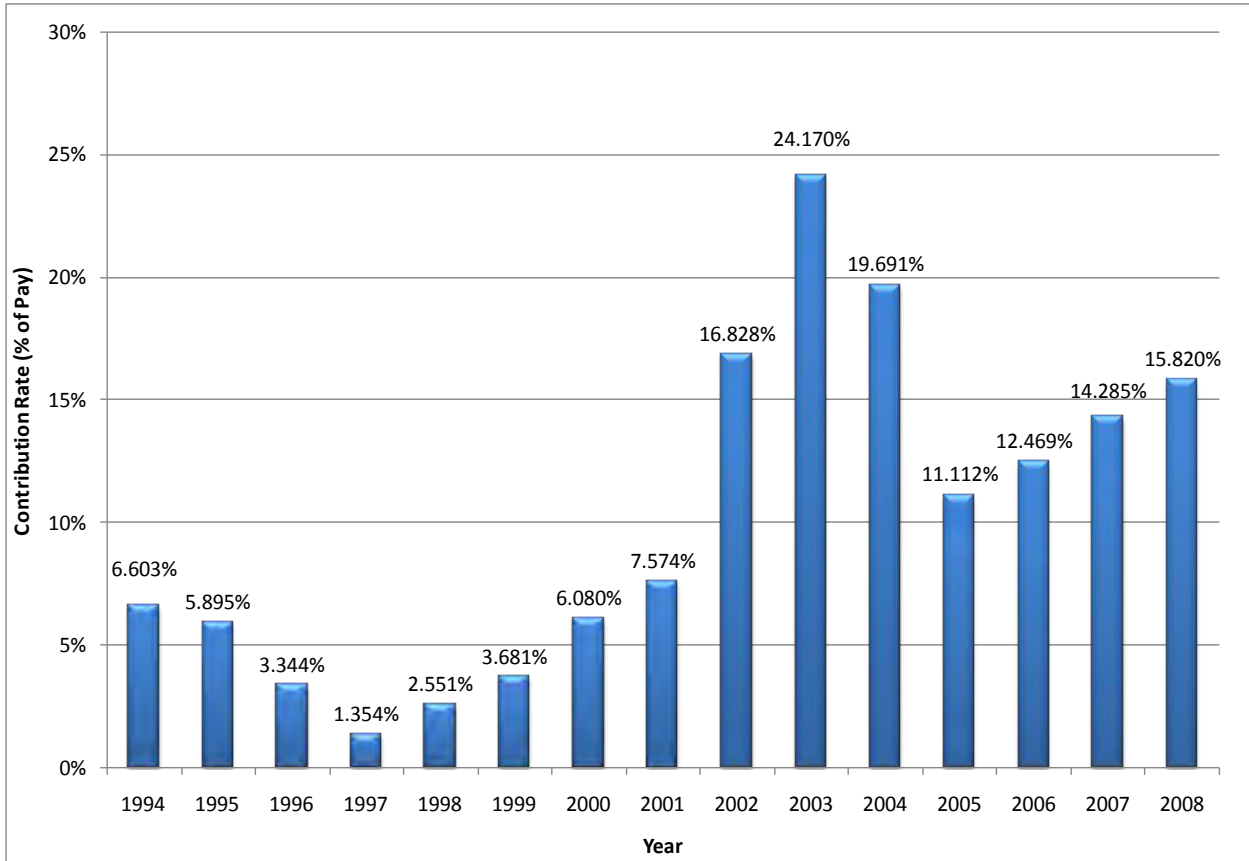
- This Summary presents the conclusions of the Report and discusses the reasons for changes since the last valuation.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions employed to compute liabilities and costs.
- Section 2 presents information concerning Plan assets, including an income statement from July 1, 2007 to June 30, 2008.
- Section 3 contains the actuarial calculation of liabilities and Plan cost.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.

Plan Cost

Since the last actuarial valuation was performed as of January 1, 2006, the Plan cost has increased both in dollar terms and as a percentage of active members’ payroll. The table below shows a brief summary.

<u>Valuation Date</u>	<u>Total Cost</u>	<u>Total Cost (% Payroll)</u>
July 1, 2007 (Section 3.1, Column 1)	\$4,717,735	14.285%
July 1, 2008 (Section 3.1, Column 2)	\$5,260,363	15.820%

The percentage of payroll cost shown above is based on a member payroll of \$33.25 million projected for the 2008-09 fiscal year. We expect that the contribution rate above will become effective for the 2009-10 fiscal year. The graph below shows the history of Plan costs since the July 1, 1994 actuarial valuation.



We note in the graph above that the Plan cost increased from the July 1, 1997 actuarial valuation to January 1, 2003. These increases in cost were due to Plan improvements combined with actuarial losses from investments. The decline in costs since January 1, 2003 has been a result of asset gains in 2003 combined with the large contribution from the Pension Obligation Bond in 2004.

Costs have been increasing since January 1, 2005 due to investment losses and losses from an unexpectedly high rate of retirement in the past two years.

The unfavorable investment climate since July 1, 2008 will cause further actuarial losses, and a significant increase in the Plan cost.

Change in Plan Cost from July 1, 2007 to July 1, 2008

The following is an analysis of the changes in Plan cost since July 1, 2007.

- In the July 1, 2007 Report, the computed cost was \$4,717,735, or 14.285% of active member payroll. This was based on the same actuarial assumptions and Plan provisions currently in place.

This computation is shown in Section 3.1 below.

- Demographic experience was unfavorable.

The demographic experience of the Plan from July 1, 2007 to July 1, 2008 – rates of retirement, death, disability, and termination – produced actuarial losses. In particular, there were many more retirements than expected. Among ATU and IBEW members, there were 50 retirements versus 23 that would have been expected under the actuarial assumptions. For clerical and administrative members, five retired while about nine were expected to retire.

The larger than expected number of retirements produced an actuarial loss during 2007-08; the impact of this loss was to increase the cost of the Plan by \$75,000 annually.

- Salary increases were lower than expected.

During the 2007-08 plan year, salaries for Plan members increased at a rate slightly below our assumptions. Much of this resulted from overall wage inflation below our assumption of 3.5% annually. As a result, liabilities and costs increased less than assumed, and the Plan cost decreased by 0.327% of payroll.

- New members joined the Plan.

During 2007-08, 293 newly hired employees became Plan members. As a result, Plan costs decreased as a percentage of payroll by 0.477%, but increased in dollar terms, by \$503,285, as a result of the additional covered payroll.

- Investment returns were below expectations on an actuarial value basis.

As can be seen in Section 2.1, the return on Plan assets on a market value basis was approximately -3.2% during the 2007-08 fiscal year, well below the 8% assumed return. However, most of the loss is deferred for up to five years under the actuarial smoothing method used to reduce cost volatility.

The combination of the return on market value during the 2007-08 fiscal year and the operation of the actuarial smoothing method caused a small cost increase of 0.318% of pay, or \$106,000.

In summary, the principal reason for the increase in Plan cost since July 1, 2007 was the unexpectedly large number of retirees. This is the second year in a row that excess retirements have occurred. We will be working with staff to discern if there is an emerging pattern, what may be causing it, and if any such pattern is expected to continue in the face of the current economic downturn.

Future Plan Costs

In general, we know with certainty that actuarial assumptions will not be met. In particular, the current turmoil in the financial markets has meant that returns in 2008 and 2009 will not be favorable. The investment losses for the 2008-09 fiscal year will result in a sharp increase in District contribution requirements, with higher contributions expected to continue for some years. In addition, we note that the last actuarial experience study was completed four years ago, for the period from January 1, 2001

through December 31, 2005. Since that study was prepared, the active membership in the Plan has declined and aged, with a resulting impact on patterns of future Plan cost.

Given the investment losses and their impact on Plan cost, the length of time since the last review of Plan assumptions, and the changes in Plan membership, we recommend a comprehensive review of all aspects of Plan funding in connection with the July 1, 2009 actuarial valuation. This review would include:

- Actuarial methods and assumptions, through the preparation of an updated actuarial experience study,
- Funding policy, including all aspects of the funding method: Actuarial methods, asset smoothing policy, and amortization methods and periods, and
- Projections of Plan cost under various future economic scenarios.

Conclusion

This report has been prepared using generally accepted actuarial methods and assumptions. If there are any questions about this report, please feel free to contact us. We enjoy being of service to you and we look forward to doing so in the future.

Section 1:

**Summary of Plan Provisions,
Member Statistics, and
Actuarial Assumptions**

1.1: Brief Outline of Plan Provisions

Definitions

Average Monthly Final Earnings

Average Monthly Final Earnings means the average monthly compensation during the consecutive months that produces a Participant's highest average compensation, computed by dividing the Compensation Earnable for such period by the number of months in such period.

- For ATU, IBEW, and Clerical Participants, the averaging period is thirty-six (36) consecutive months.
- For Non-Contract Participants, the number of consecutive months is twelve (12).

Those months during which the Participant did not receive Compensation from the Employer equivalent to one half the regular working days will be excluded. The average is then based on that portion of the averaging period remaining after the excluded months.

Compensation

Compensation means the remuneration for services paid by the Employer. The monetary value of board, lodgings, fuel, car allowance, laundry or other advantages furnished to a Participant is not included.

Compensation Earnable

Compensation Earnable is the Compensation actually received by a Participant during a period of employment. For ATU and Non-Contract Participants, any bonus or retroactive wage increases are treated as compensation when received rather than when the services are performed. For IBEW Participants, Compensation Earnable is limited to 2,140 hours of straight time equivalent hours in any 12-month period.

In addition, the value of any vacation or sick leave accumulated but unused when benefits begin is excluded from Compensation Earnable and from Average Monthly Final Earnings.

Credited Years of Service

In general, Credited Years of Service is continuous Service with the San Diego Transit Corporation and its predecessor company from the last date of employment through the date of retirement, death, disability, or other termination of service.

As of November 10, 1997, part-time ATU employees receive one Credited Year of Service for every 2,080 Hours of Service worked as a part-time employee after December 1, 1990.

For Non-Contract Participants, Credited Years of Service includes any year commencing on or after July 1, 1982 in which the Participant completes at least 1,000 Hours of Service. In addition, Credited Years of Service for Non-Contract Participants will exclude any period of Service after the Participant's Normal Retirement Date.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will not receive Credited Years of Service for the period of disability.

Additional Credited Years of Service

The following additional Credited Years of Service have been provided for in amendments to the Plan document.

Non-Contract Participants

<u>Name</u>	<u>Additional Credited Service</u>
Marv Dougall	3 Years
John Garland	2 Years, 9 Months, 28 Days
Sandra Showalter	5 Years, 6 Months
Dianne Daley	2 Years, 3 Months
Tim Price	8 Months, 14 Days

ATU Participants

<u>Name</u>	<u>Additional Credited Service</u>
Lawrence D. Maxwell	1 Years, 15 Days
Roderick A. Lagrimas	3 Years, 10 Months, 12 Days
Olavo Michel	5 Years, 7 Months, 13 Days
William M. O'Donovan	6 Years, 9 Months, 13 Days
Guadalupe Guerrero, Jr.	1 Years, 11 Months, 12 Days
A.E. Napier	6 Years, 4 Months, 3 Days
R.F. Enhelder	4 Years, 7 Months, 25 Days
R.E. Dey	4 Years, 7 Months, 25 Days
L. Dietmeyer	10 Months, 11 Days
Karol Ferris	9 Months

Participation

All full-time and certain part-time ATU and IBEW employees become Participants on their date of hire. All Non-Contract employees become Participants after earning one Credited Year of Service.

Retirement Benefit

Eligibility

Clerical and Non-Contract members are eligible for normal service retirement upon attaining age 63 and completing five or more years of service and eligible for early service retirement upon attaining age 53 and completing five or more years of service.

ATU and IBEW members are eligible for normal service retirement upon attaining age 63 (65 for IBEW) and completing five or more years of service and eligible for early service retirement upon attaining age 55 and completing five or more years of service.

Benefit Amount

The monthly service retirement benefit is the Participant's Average Monthly Final Earnings multiplied by the percentage figures shown in the tables below.

- For ATU and Clerical Participants terminating prior to October 1, 2005, ATU/Clerical Table A-1 is used; for ATU and Clerical Participants terminating on and after October 1, 2005, ATU/Clerical Table A-2 is used. Prior to January 1, 2006, the benefit from the table is limited to 60%.
- For IBEW Participants terminating prior to January 1, 2007, IBEW Table A-1 is used; for IBEW Participants terminating on and after January 1, 2007, IBEW Table A-2 is used.
- For Non-Contract participants terminating prior to July 1, 2000, Non-Contract Table A-1 is used; for Non-Contract participants terminating on and after July 1, 2000, Non-Contract Table A-2 is used.

For Participants with fractions of a year of age or service, the Participant's age or service will be rounded to the completed quarter year, and the percentage multiplier will be computed from the table using interpolation.

ATU participants who are active as from November 10, 1997 to December 31, 1998 and from November 10, 1997 to December 31, 1999 receive an additional 2.5% and 2.5%, respectively. However, the multiplier from Table A-1 or A-2, as augmented by the additional 2.5% increments, is still limited to 60% prior to January 1, 2006 and 70% thereafter.

Non-Contract Participants who are active as of July 1, 1994 and July 1, 1995 receive an additional 6% and 2%, respectively. However, the benefit multiplier, as augmented by the additional 6% and 2% increments, is still limited to 60% under Table A-1 and 70% under Table A-2.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will have this benefit amount reduced by the actuarial equivalent of the benefits paid during the period of disability.

Form of Benefit

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

ATU/Clerical Table A-1

Credited Years Of Service	Age at Retirement								
	55	56	57	58	59	60	61	62	63+
5	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

ATU/Clerical Table A-2

Credited Years Of Service	Age at Retirement										
	Clerical		55	56	57	58	59	60	61	62	63+
	53	54									
5	8.71%	9.33%	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	10.45%	11.20%	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	12.19%	13.06%	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	13.94%	14.93%	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	15.68%	16.79%	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	17.42%	18.66%	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	19.16%	20.53%	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	20.90%	22.39%	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	22.65%	24.26%	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	24.39%	26.12%	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	26.13%	27.99%	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	27.87%	29.86%	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	29.61%	31.72%	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	31.36%	33.59%	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	33.10%	35.45%	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	34.84%	37.32%	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	36.58%	39.19%	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	38.32%	41.05%	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	40.07%	42.92%	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	41.81%	44.78%	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	43.55%	46.65%	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	45.29%	48.52%	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	47.03%	50.38%	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	48.78%	52.25%	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	50.52%	54.11%	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	52.26%	55.98%	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	54.00%	57.85%	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	55.74%	59.71%	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	57.49%	61.58%	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	59.23%	63.44%	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	60.97%	65.31%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

IBEW Table A-1

Credited Years Of Service	Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65+
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

IBEW Table A-2

Credited Years Of Service	Age at Retirement								
	55	56	57	58	59	60	61	62	63+
5	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

Non-Contract Table A-1

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63+
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

Non-Contract Table A-2

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63+
5	8.71%	9.33%	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	10.45%	11.20%	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	12.19%	13.06%	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	13.94%	14.93%	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	15.68%	16.79%	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	17.42%	18.66%	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	19.16%	20.53%	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	20.90%	22.39%	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	22.65%	24.26%	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	24.39%	26.12%	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	26.13%	27.99%	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	27.87%	29.86%	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	29.61%	31.72%	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	31.36%	33.59%	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	33.10%	35.45%	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	34.84%	37.32%	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	36.58%	39.19%	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	38.32%	41.05%	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	40.07%	42.92%	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	41.81%	44.78%	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	43.55%	46.65%	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	45.29%	48.52%	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	47.03%	50.38%	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	48.78%	52.25%	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	50.52%	54.11%	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	52.26%	55.98%	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	54.00%	57.85%	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	55.74%	59.71%	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	57.49%	61.58%	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	59.23%	63.44%	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	60.97%	65.31%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

ATU and IBEW Participants may elect an Alternative Retirement Formula if they terminate employment before early retirement but after 10 years of credited service or were hired between April 1, 1968 and March 31, 1971 and desire to retire at their Normal Retirement Date. These Participants are eligible for a deferred benefit commencing at age 65 based on Table B.

Table B

Credited Years Of Service	Percentage
10	20.1%
11	22.2%
12	24.2%
13	26.2%
14	28.2%
15	30.2%
16	32.2%
17	34.3%
18	36.3%
19	38.3%
20	40.3%
21	42.3%
22	44.3%
23	46.3%
24	48.4%
25	50.4%
26	52.4%
27	54.4%
28	56.4%
29	58.4%
30	60.4%
31	62.5%
32	64.5%
33	66.5%
34	68.5%
35 or more	70.5%

Disability Retirement Benefit

Eligibility

A Participant is eligible for a Disability Retirement Benefit if:

- The Participant has earned five Credited Years of Service (ATU, IBEW, Clerical and Non-Contract), and
- The Participant is unable to perform the duties of his or her job with the Corporation, cannot be transferred to another job with the Corporation, and has submitted satisfactory medical evidence of permanent disqualification from his or her job.

Benefit Amount

The Disability Retirement Benefit is a monthly benefit equal to the lesser of:

1. 1½% times Credited Years of Service at Disability Retirement Date times the Participant's Average Monthly Final Earnings; and
2. The Normal Retirement Benefit calculated using the Average Monthly Final Earnings at Disability Retirement Date and the projected Credited Years of Service to Normal Retirement Date.

The benefit is reduced by 50% of the amount of any earned income from other sources in excess of 50% of the Participant's Average Monthly Earnings during the 12 months prior to disability; this reduction applies to all IBEW and Non-Contract Participants, but only to ATU Participants hired after June 30, 1983.

Form of Benefit

The normal form of benefit is an annuity commencing at disability and payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The Disability Retirement Benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

Pre-Retirement Death Benefit

Eligibility

A vested Participant is entitled to elect coverage of a pre-retirement spouse's benefit.

For years a Participant is age 55 or under, the cost of the coverage is paid by the Company. For the years a Participant is over age 55 and has elected this coverage the cost of this coverage is paid by

the Participant in the form of a reduced benefit upon retirement. The reduction is 3.5¢ per \$10 of monthly benefit for each year of coverage.

There is no cost for this benefit for any ATU, Clerical, or Non-Contract Participant whose monthly benefit commences after November 27, 1990. There is no cost for this benefit for any IBEW Participant whose monthly benefit commences after December 3, 1996.

In order for the spouse to be eligible for this benefit, the participant must be married to the spouse for one year prior to death, unless death occurs from accidental causes.

Benefit Amount

For a Participant who is eligible to retire at death, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant retired immediately prior to his or her death and elected to receive a 50% Joint and Survivor annuity.

For a Participant who dies before being eligible to retire, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant survived to his or her earliest retirement date, retired, elected to receive a 50% Joint and Survivor annuity, and died immediately.

Form of Benefit

For a Participant who is eligible to retire at death, the death benefit begins when the Participant dies and continues for the life of the surviving spouse.

For a Participant who dies before being eligible to retire, the death benefit begins when the Participant would have reached his or her earliest retirement data and continues for the life of the surviving spouse.

Termination Benefit

Eligibility

A Participant is eligible for a termination benefit after earning five years of service.

Benefit Amount

The termination benefit is computed in the same manner as the Normal Retirement Benefit, but it is based on Credited Years of Service and Average Monthly Final Earnings on the date of termination.

Effective July 1, 2000, Non-Contract participants who terminate prior to eligibility for early service retirement will have their benefits actuarially reduced if they begin receiving benefits before normal retirement age.

Form of Benefit

The Participant will be eligible to commence benefits at the later of termination and earliest retirement eligibility age.

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

Cost of Living Adjustments

Eligibility

An annual Cost of Living Adjustment (COLA) has been added for Non-Contract Participants who were actively employed on or after June 30, 1999. One time only (ad hoc) COLAs were granted to ATU and IBEW Participants in 1991 and 1992.

Benefit Amount

For Non-Contract Participants, the cumulative COLA is the increase in the Consumer Price Index (CPI) since the Participant began receiving benefits.

The COLA is subject to the following limits for Non-Contract Participants:

- The cumulative COLA cannot exceed 2% compounded annually for all years since the Participant's benefits began;
- The annual COLA is zero if the CPI increase in that year is less than 1%;
- The annual COLA is limited 6% of the initial benefit amount in any year; and
- A Participant's benefit cannot be reduced below the benefit level when payments commenced.

Voluntary Early Retirement Program

The Plan provided enhanced benefits to ATU participants who voluntarily elected early retirement during the window period from January 1, 1998 through February 20, 1998.

The Plan provided enhanced benefits to certain IBEW participants who voluntarily elected early retirement during the window period from July 1, 2004 through December 31, 2004.

DROP Program

The Plan provided DROP benefits to a number of ATU participants who elected retirement from July 1, 2002 through December 31, 2002.

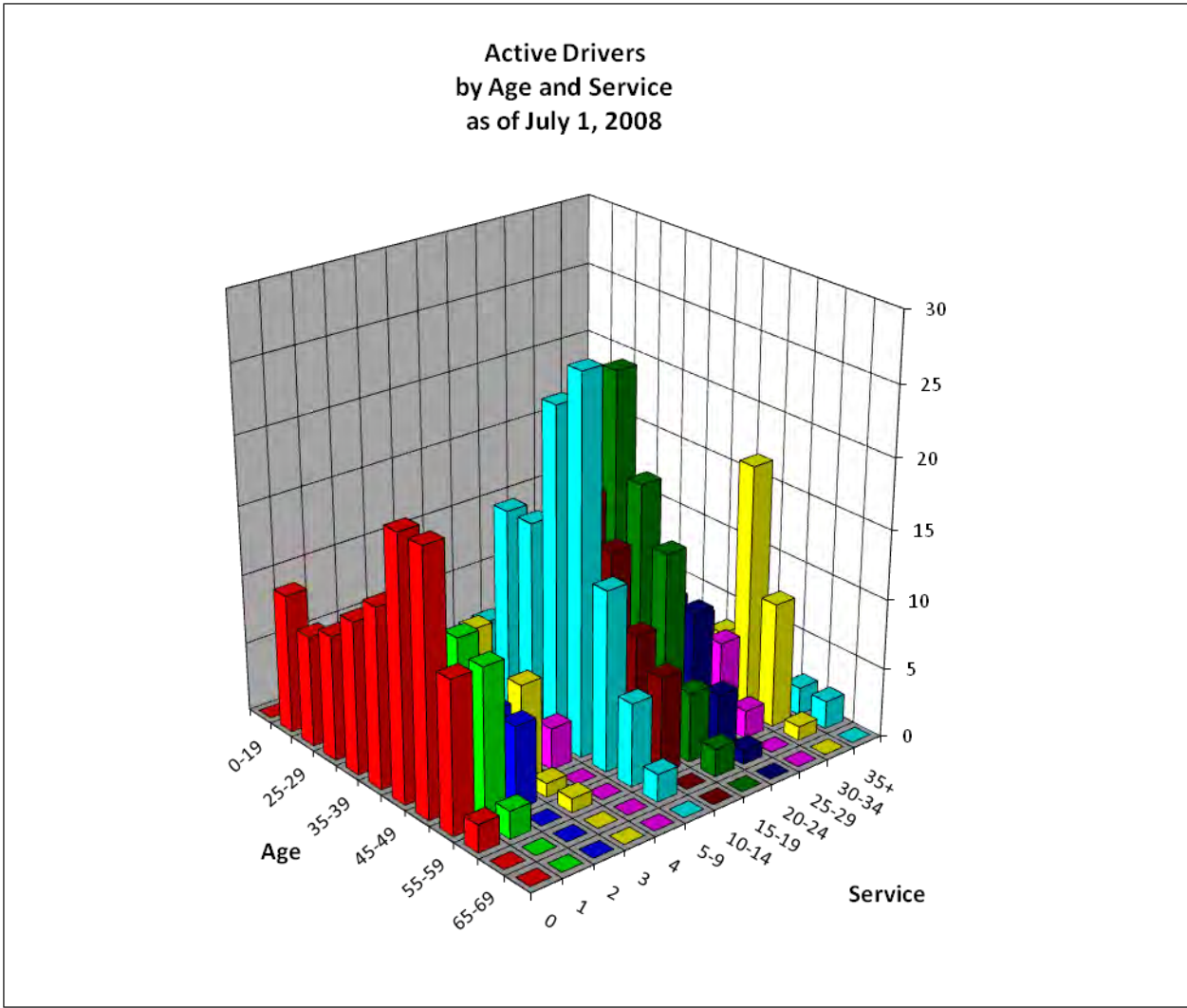
Funding

The Corporation pays the entire cost of the Plan.

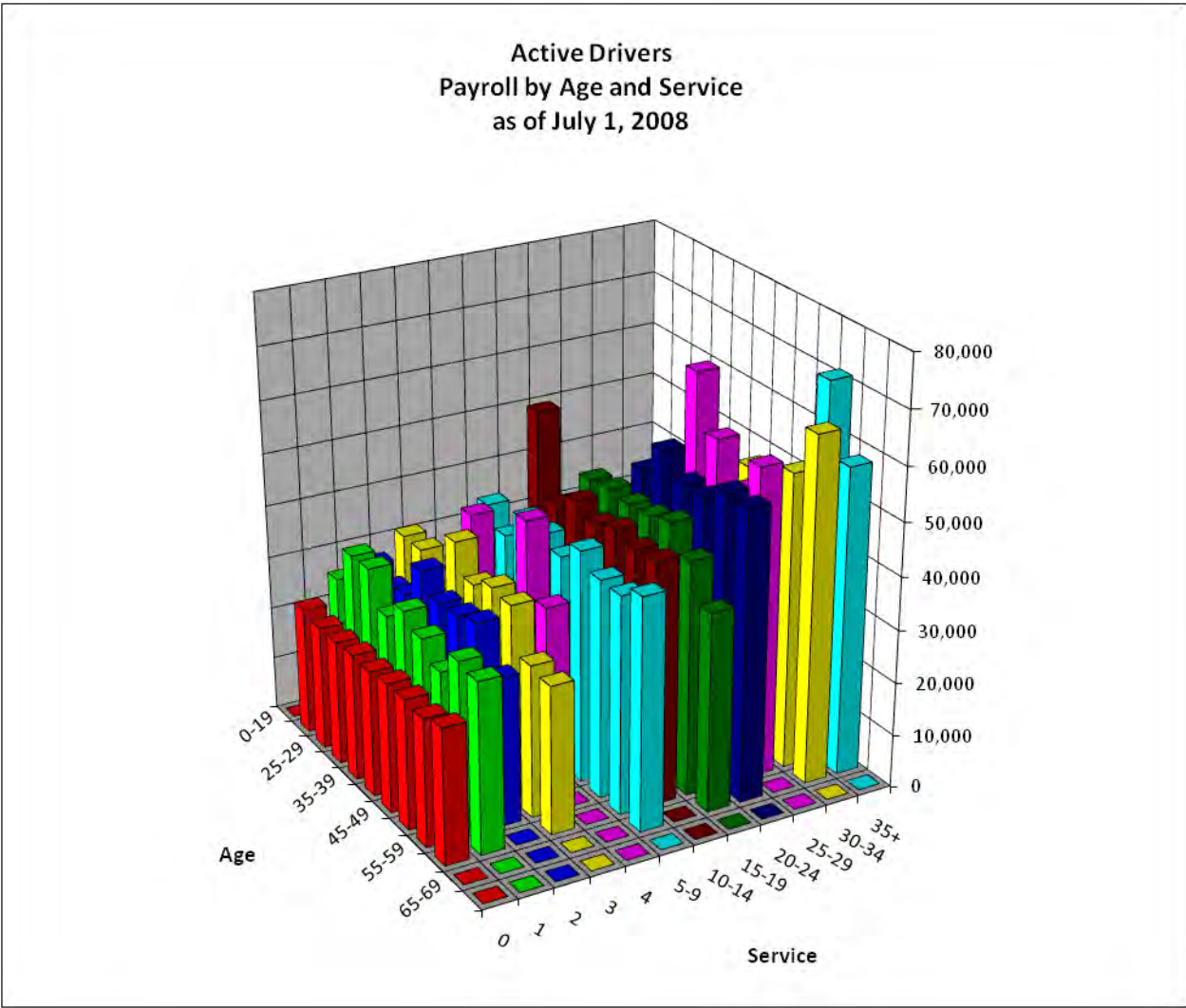
1.2: Participant Data as of July 1, 2008

Active Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
Number	562	183	24	76	0	845
Average Age	48.25	45.04	50.18	49.98	0.00	47.76
Average Service	10.02	13.50	11.09	16.59	0.00	11.40
Average Pay	\$39,610	\$40,403	\$36,181	\$63,975	\$0	\$41,876

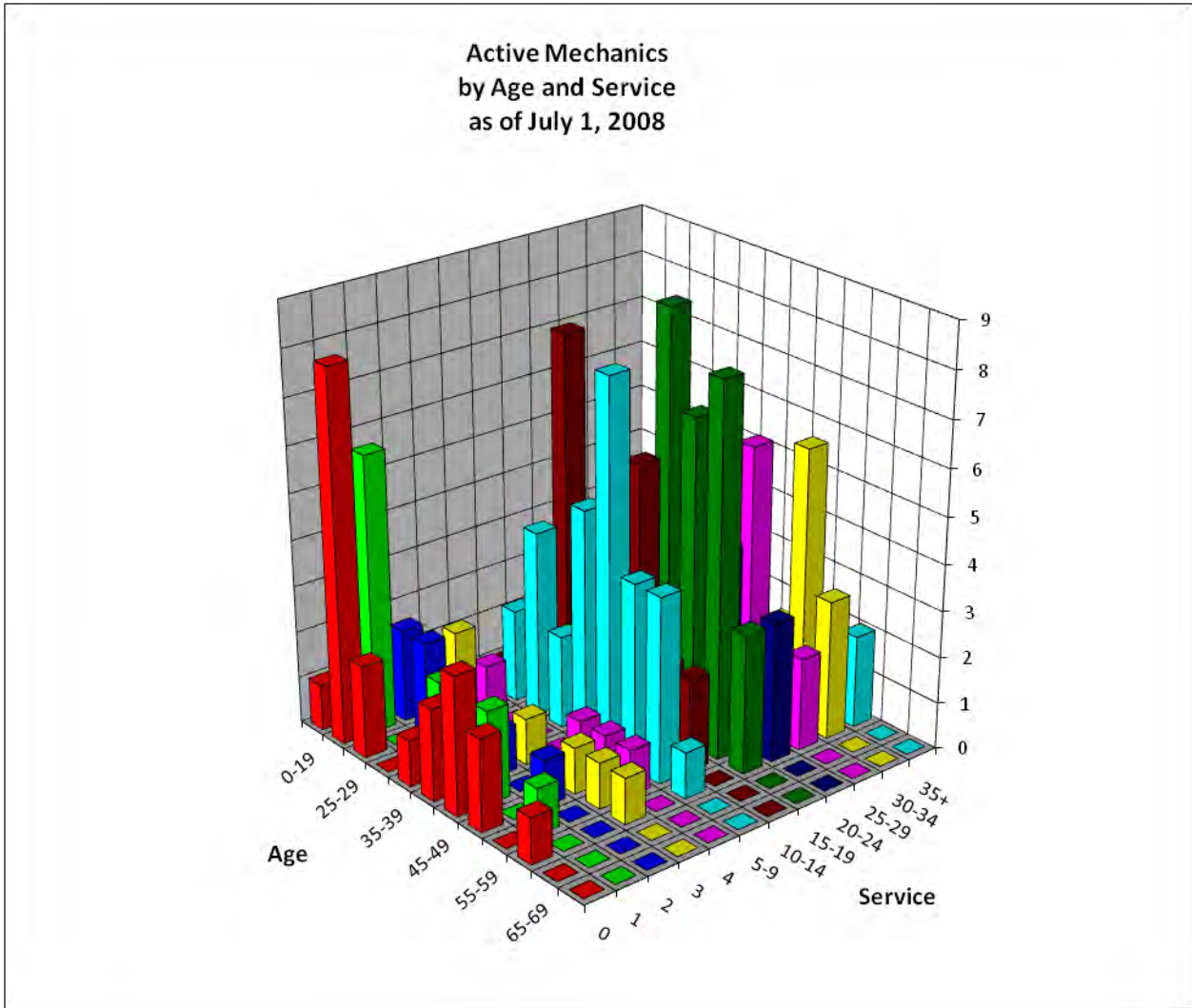
Inactive Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
Service Retired						
Number	318	58	27	84	2	489
Average Age	67.67	68.59	74.30	62.98	70.88	67.35
Average Benefit	\$18,426	\$15,351	\$10,722	\$32,833	\$4,401	\$20,054
Beneficiaries						
Number	78	17	4	23	0	122
Average Age	72.52	76.78	71.63	66.17	0.00	71.89
Average Benefit	\$5,203	\$4,709	\$3,984	\$13,910	\$0	\$6,737
Disabled						
Number	97	15	4	2	0	118
Average Age	62.87	59.18	64.17	58.72	0.00	62.37
Average Benefit	\$8,637	\$11,959	\$5,149	\$7,437	\$0	\$8,920
Terminated Vested						
Number	146	48	20	30	12	256
Average Age	50.97	49.77	48.50	49.81	50.42	50.39
Average Benefit	\$6,205	\$5,233	\$5,950	\$13,943	\$3,139	\$6,766



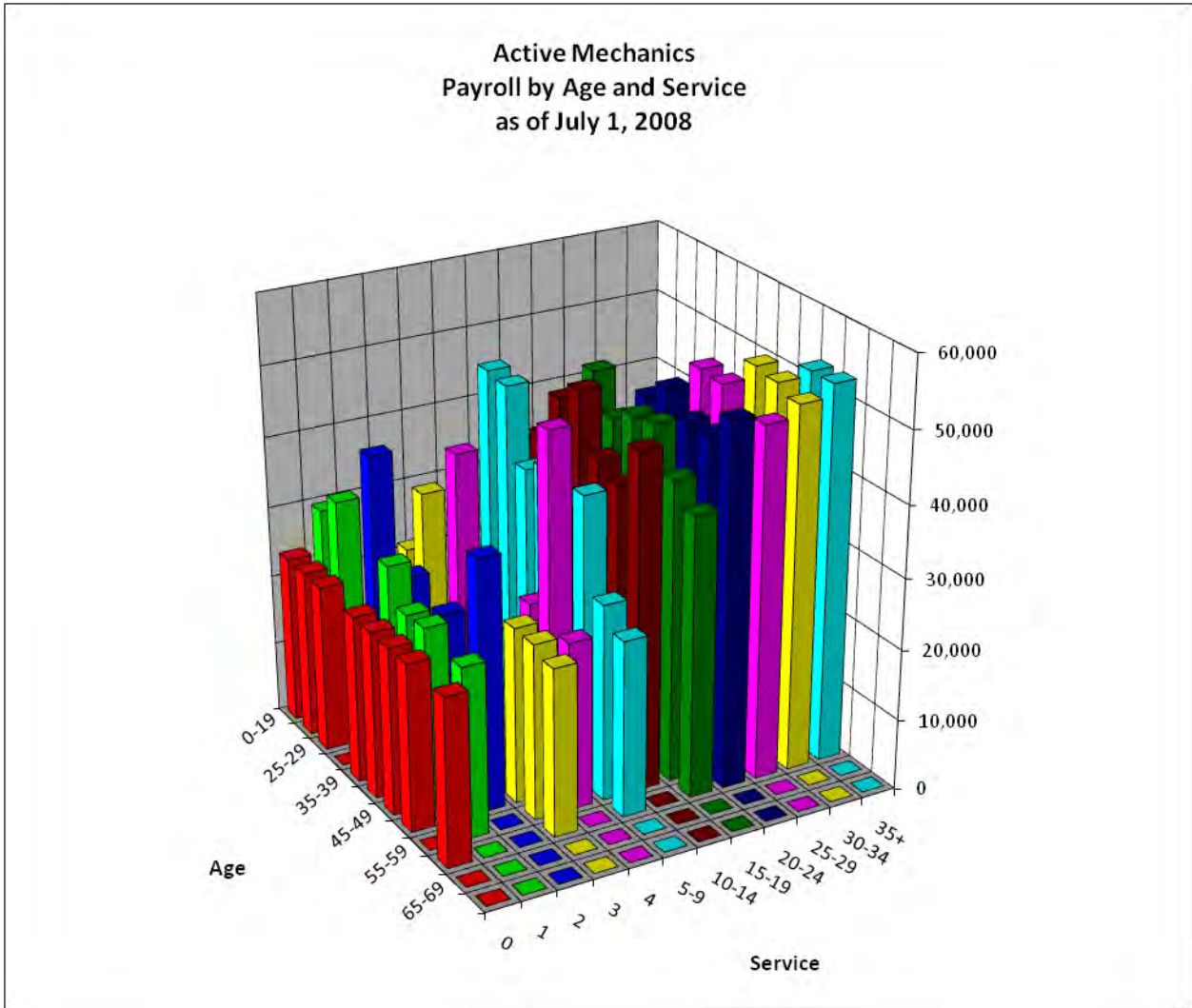
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	10	1	1	1	0	0	0	0	0	0	0	0	13
25-29	8	3	2	5	0	1	0	0	0	0	0	0	19
30-34	9	9	4	2	1	6	1	0	0	0	0	0	32
35-39	11	9	3	4	0	15	6	1	0	0	0	0	49
40-44	13	9	2	9	1	15	7	7	3	0	0	0	66
45-49	19	7	3	3	1	24	17	25	8	1	0	0	108
50-54	19	12	6	7	3	27	14	18	9	7	5	0	127
55-59	11	11	6	1	0	13	9	14	9	6	18	2	100
60-64	2	2	0	1	0	6	7	5	4	2	9	2	40
65-69	0	0	0	0	0	2	0	2	1	0	1	2	8
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	102	63	27	33	6	109	61	72	34	16	33	6	562



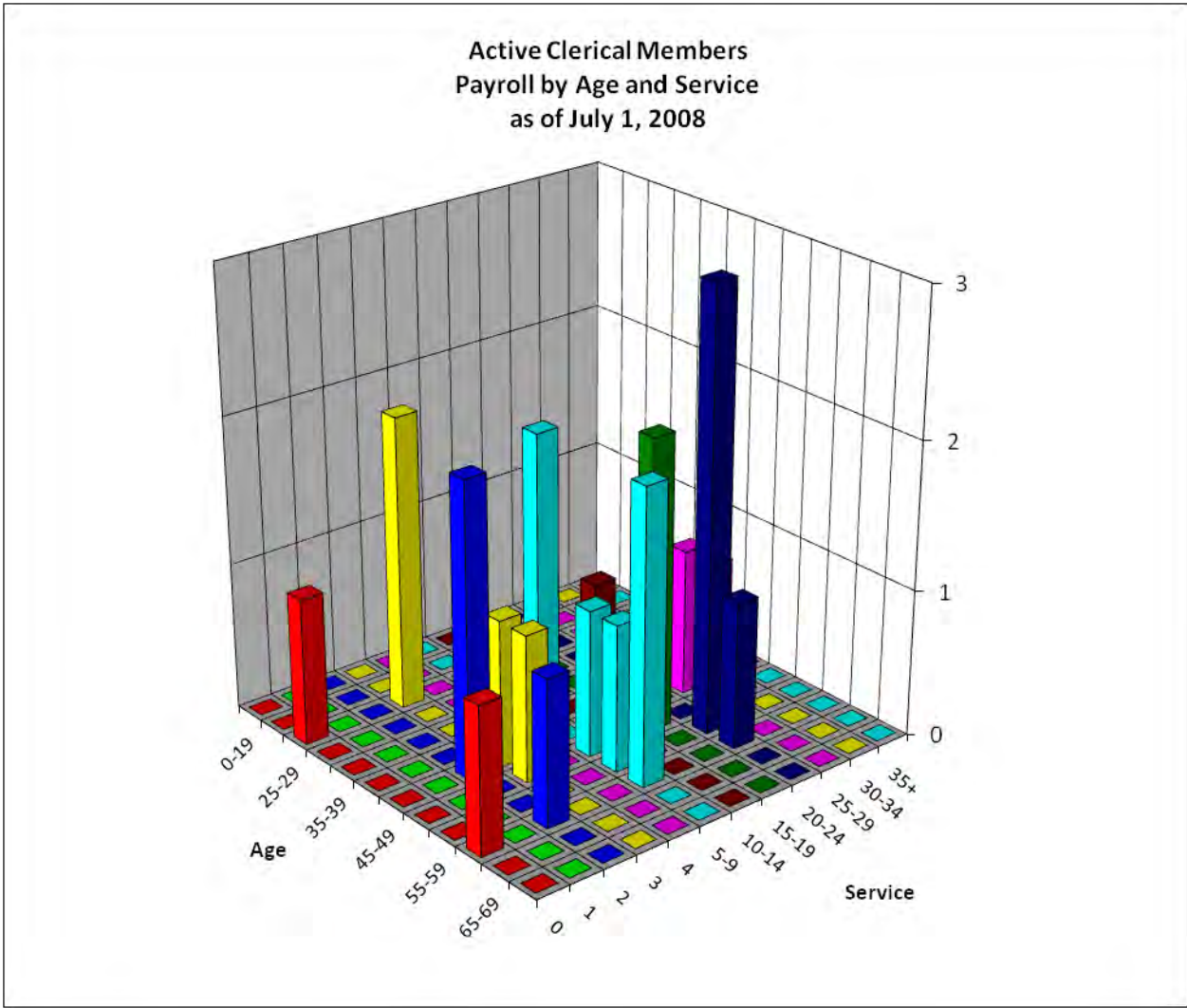
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	24,187	28,570	29,997	33,975	0	0	0	0	0	0	0	0	25,724
25-29	23,455	35,827	27,953	33,937	0	39,681	0	0	0	0	0	0	29,494
30-34	23,585	36,075	29,599	28,966	41,744	36,285	58,320	0	0	0	0	0	32,220
35-39	24,033	29,831	36,888	40,740	0	42,103	43,204	46,577	0	0	0	0	35,588
40-44	23,866	33,612	33,447	35,363	28,620	41,786	46,467	47,342	49,477	0	0	0	37,249
45-49	24,614	31,381	33,897	37,600	48,350	40,220	44,675	46,912	55,568	68,619	0	0	40,379
50-54	24,730	28,078	35,404	37,104	35,002	43,967	46,308	47,283	51,822	58,612	52,052	0	41,003
55-59	24,290	33,060	28,054	28,802	0	41,316	45,258	48,756	51,802	51,493	51,572	44,826	42,481
60-64	25,704	32,360	0	28,022	0	41,207	45,871	44,331	55,199	58,391	55,897	71,191	47,929
65-69	0	0	0	0	0	43,841	0	37,591	55,015	0	65,281	58,037	49,904
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	24,240	32,011	32,011	35,520	37,287	41,653	45,558	46,962	52,982	56,540	53,240	58,018	39,610



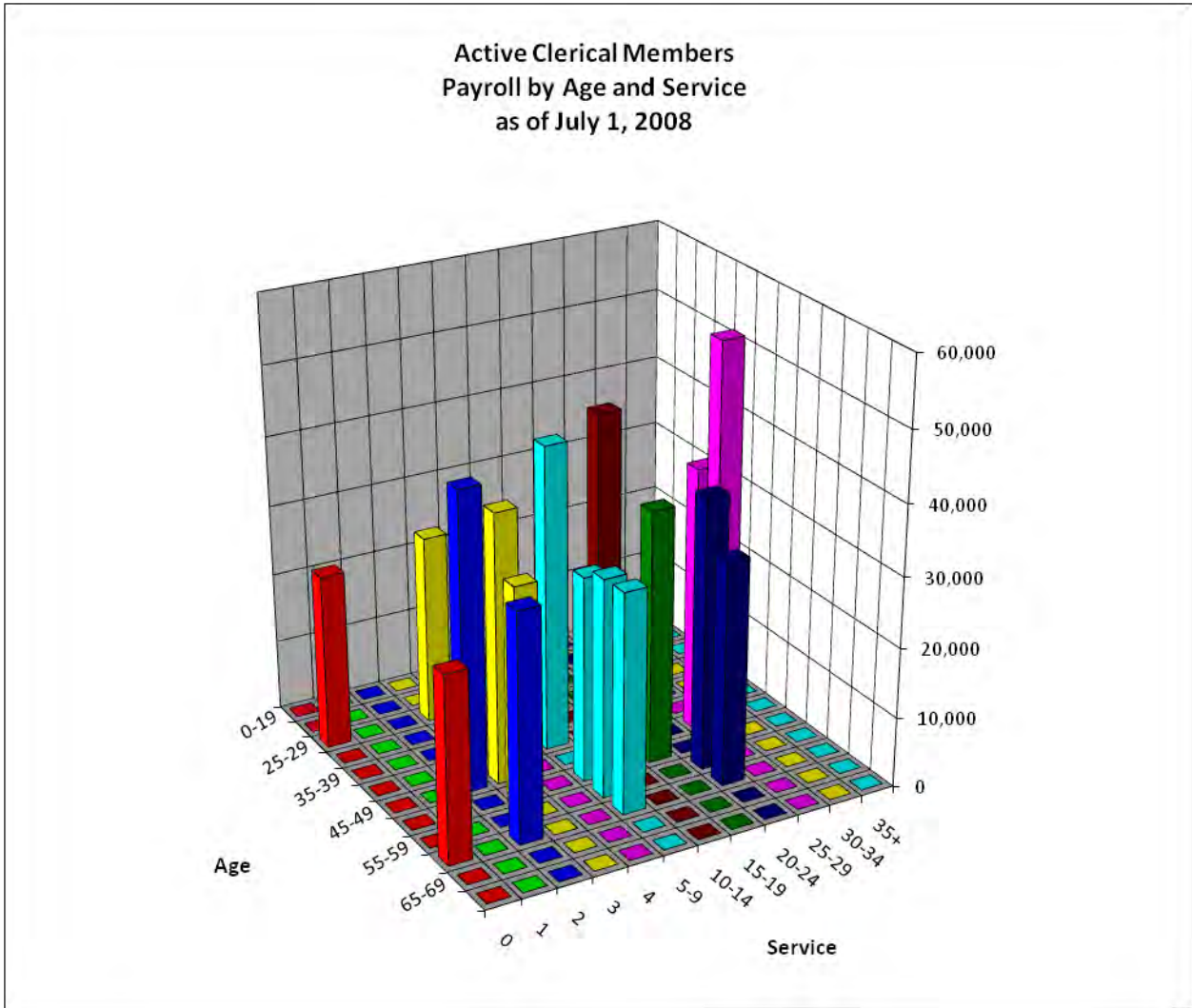
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	1	2	0	0	0	0	0	0	0	0	0	0	3
20-24	8	6	2	1	0	0	0	0	0	0	0	0	17
25-29	2	0	2	2	1	2	0	0	0	0	0	0	9
30-34	0	0	1	0	0	4	8	0	0	0	0	0	13
35-39	1	2	0	0	0	2	2	4	0	0	0	0	11
40-44	2	1	1	1	0	5	2	3	1	0	0	0	16
45-49	3	2	0	0	1	8	6	9	6	5	0	0	40
50-54	2	0	1	1	1	4	2	7	4	6	2	0	30
55-59	0	1	0	1	1	4	2	8	2	1	6	2	28
60-64	1	0	0	1	0	1	0	3	3	2	3	2	16
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	20	14	7	7	4	30	22	34	16	14	11	4	183



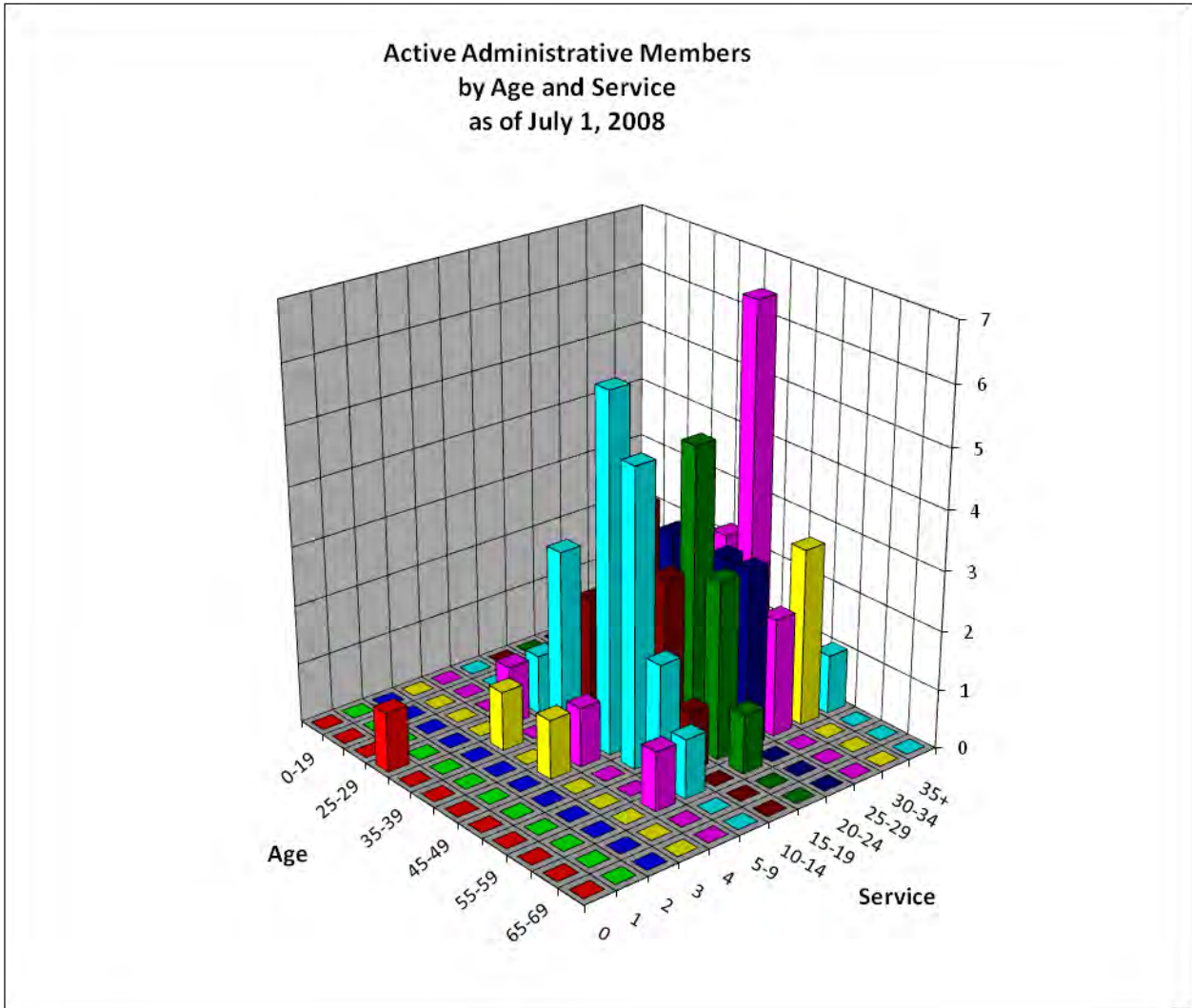
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	23,699	29,638	0	0	0	0	0	0	0	0	0	0	27,658
20-24	23,699	32,770	38,231	23,699	0	0	0	0	0	0	0	0	28,610
25-29	23,699	0	23,699	33,679	38,231	48,972	0	0	0	0	0	0	33,148
30-34	0	0	24,800	0	0	48,503	40,762	0	0	0	0	0	41,916
35-39	23,699	29,638	0	0	0	38,656	47,498	50,301	0	0	0	0	41,499
40-44	23,699	24,878	23,699	23,699	0	40,619	50,301	45,442	47,498	0	0	0	37,950
45-49	23,699	25,245	0	0	24,878	36,547	42,642	47,555	50,301	51,984	0	0	42,110
50-54	23,699	0	35,576	24,878	50,445	40,743	40,988	48,219	47,498	51,589	53,105	0	44,884
55-59	0	24,207	0	24,800	23,699	27,739	47,498	42,453	47,498	47,498	52,524	53,105	42,219
60-64	23,699	0	0	23,699	0	24,878	0	39,649	51,236	49,618	51,340	53,105	44,025
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	23,699	29,625	29,705	26,876	34,313	38,785	43,387	45,930	49,250	51,156	52,307	53,105	40,403



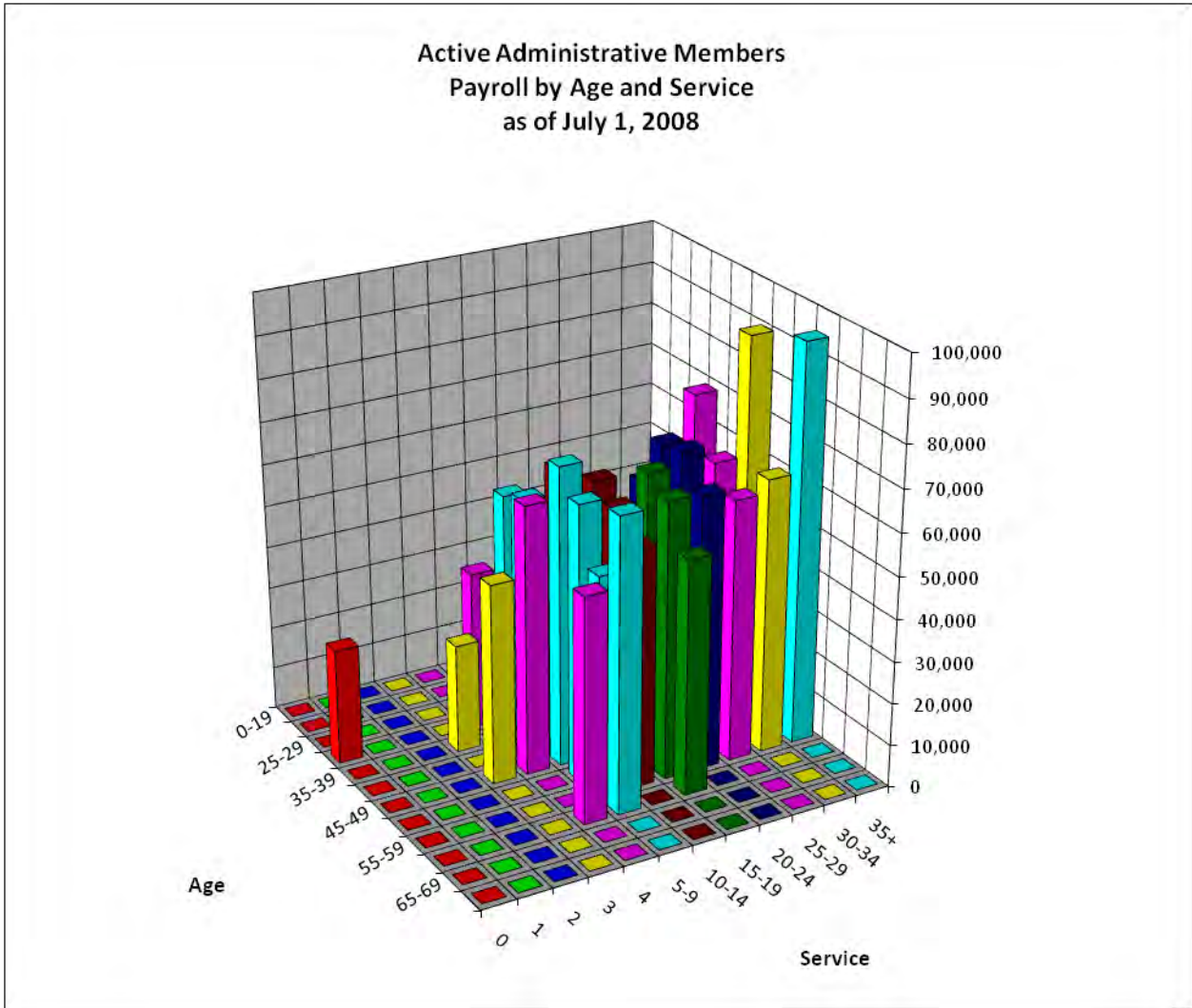
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	1	0	0	2	0	0	0	0	0	0	0	0	3
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	2	0	0	0	0	0	0	2
45-49	0	0	2	1	0	0	1	0	0	1	0	0	5
50-54	0	0	0	1	0	1	0	2	0	1	0	0	5
55-59	0	0	0	0	0	1	0	0	3	0	0	0	4
60-64	1	0	1	0	0	2	0	0	1	0	0	0	5
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	0	3	4	0	6	1	2	4	2	0	0	24



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	25,001	0	0	27,102	0	0	0	0	0	0	0	0	26,402
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	43,650	0	0	0	0	0	0	43,650
45-49	0	0	42,762	38,542	0	0	48,690	0	0	37,996	0	0	42,150
50-54	0	0	0	30,440	0	29,296	0	36,212	0	57,356	0	0	37,903
55-59	0	0	0	0	0	31,140	0	0	38,848	0	0	0	36,921
60-64	26,569	0	32,532	0	0	31,397	0	0	31,984	0	0	0	30,776
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	25,785	0	39,352	30,797	0	35,088	48,690	36,212	37,132	47,676	0	0	36,181



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	1	0	0	0	1	1	0	0	0	0	0	0	3
35-39	0	0	0	1	0	3	2	0	0	0	0	0	6
40-44	0	0	0	0	0	0	2	1	3	0	0	0	6
45-49	0	0	0	1	1	6	4	2	2	3	0	0	19
50-54	0	0	0	0	0	5	3	5	3	7	1	0	24
55-59	0	0	0	0	0	2	1	3	3	2	3	1	15
60-64	0	0	0	0	1	1	0	1	0	0	0	0	3
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	0	0	2	3	18	12	12	11	12	4	1	76



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	27,498	0	0	0	37,895	54,870	0	0	0	0	0	0	40,088
35-39	0	0	0	25,974	0	57,132	62,658	0	0	0	0	0	53,781
40-44	0	0	0	0	0	0	51,441	53,766	59,231	0	0	0	55,724
45-49	0	0	0	47,601	63,912	71,083	65,968	50,004	70,955	80,647	0	0	67,671
50-54	0	0	0	0	0	65,643	62,661	69,001	72,253	67,930	95,180	0	68,694
55-59	0	0	0	0	0	52,531	56,804	65,943	65,318	62,397	65,389	94,993	64,774
60-64	0	0	0	0	53,430	69,497	0	55,858	0	0	0	0	59,595
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	27,498	0	0	36,788	51,746	64,197	61,405	62,706	66,574	70,187	72,837	94,993	63,975

**Changes in Plan Membership
Drivers**

	Vested						Total Participants
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	
January 1, 2007	524	136	98	288	0	70	1,116
New Entrants	253	-	-	-	-	-	253
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(33)	(4)	-	37	-	4	4
Vested Terminations	(18)	18	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	(3)	-	(4)	-	7	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(164)	-	-	(1)	-	-	(165)
Beneficiary Deaths	-	-	-	-	-	(3)	(3)
Data Corrections	-	(1)	(1)	(2)	-	-	- 4
July 1, 2008	562	146	97	318	0	78	1,201

**Changes in Plan Membership
Mechanics**

	Vested						Total Participants
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	
January 1, 2007	192	49	15	41	0	15	312
New Entrants	34	-	-	-	-	-	34
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(17)	(2)	-	19	-	-	0
Vested Terminations	(4)	4	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	(1)	-	2	0
Transfers	(2)	-	-	-	-	-	(2)
Died, Without Beneficiary, and Other Terminations	(19)	(3)	-	(1)	-	-	(23)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	-	-	-	0
July 1, 2008	183	48	15	58	0	17	321

**Changes in Plan Membership
 Clerical**

	Vested						Total
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	Participants
January 1, 2007	29	20	3	26	0	3	81
New Entrants	4	-	-	-	-	-	4
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	-	(1)	-	1	-	-	0
Vested Terminations	(1)	1	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(1)	-	1	0
Transfers	(3)	-	-	-	-	-	(3)
Died, Without Beneficiary, and Other Terminations	(5)	-	-	(1)	-	-	(6)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	1	2	-	-	3
July 1, 2008	24	20	4	27	0	4	79

Changes in Plan Membership
Non-Contract

	Vested						Total Participants
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	
January 1, 2007	80	33	2	78	0	18	211
New Entrants	2	-	-	-	-	-	2
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(5)	(7)	-	12	-	2	2
Vested Terminations	(5)	5	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	(1)	-	(3)	-	4	0
Transfers	5	-	-	-	-	-	5
Died, Without Beneficiary, and Other Terminations	(1)	-	-	(3)	-	-	(4)
Beneficiary Deaths	-	-	-	-	-	(1)	(1)
Data Corrections	-	-	-	-	-	-	0
July 1, 2008	76	30	2	84	0	23	215

**Changes in Plan Membership
 Chula Vista**

	Vested						Total Participants
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	
January 1, 2007	0	13	0	2	0	0	15
New Entrants	-	-	-	-	-	-	0
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	-	-	-	-	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	-	(1)	-	-	-	-	(1)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	-	-	-	0
July 1, 2008	0	12	0	2	0	0	14

Changes in Plan Membership
Total of All Groups

	Vested						Total
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	Participants
January 1, 2007	825	251	118	435	0	106	1,735
New Entrants	293	-	-	-	-	-	293
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(55)	(14)	-	69	-	6	6
Vested Terminations	(28)	28	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	(4)	-	(9)	-	14	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(189)	(4)	-	(6)	-	-	(199)
Beneficiary Deaths	-	-	-	-	-	(4)	(4)
Data Corrections	-	(1)	-	-	-	-	- 1
July 1, 2008	845	256	118	489	0	122	1,830

1.3: Actuarial Methods and Assumptions

Actuarial Method

Annual contributions to the Retirement Plans of San Diego Transit Corporation (the Plan) are computed under the Aggregate Entry Age Actuarial Cost Method.

Under this Cost Method, Plan benefits are assumed to accrue ratably over the years from each Participant's Plan entry date to date of retirement, termination, disability, or death. At each valuation date, the actuarial present value of the benefits accrued to date is computed. This comprises the Actuarial Accrued Liability. The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and this liability is amortized over a fixed number of years.

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses.

The Normal Cost is obtained in three steps as follows:

1. The single sum present value of all future benefit payments to be made by the Plan to its present members and beneficiaries is determined. From this present value is subtracted the sum of:
 - a. The actuarial value of the assets in the Plan Trust Fund,
 - b. The Unfunded Actuarial Accrued Liability, and
 - c. The present value of any future contributions to be made by active members.
2. The remainder is divided by the present value of all future pay that the present members are expected to receive during their future working lifetime. The resulting quotient is a normal cost accrual rate per dollar of active member payroll.
3. The Normal Cost is obtained by multiplying the normal cost accrual rate per dollar of earnings by the total covered payroll projected for the upcoming year and adding any allowance for administrative expense.

The total Plan cost is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability.

In the valuation as of July 1, 1999, the entire Actuarial Accrued Liability had been funded. A new Unfunded Actuarial Accrued Liability was created as of April 1, 2000, primarily as a result of improvements in Plan benefits. Therefore, beginning with the April 1, 2000 actuarial valuation, all sources of the Unfunded Actuarial Accrued Liability are combined and amortized as a level dollar payment over a rolling 30-year period.

Valuation Date	All assets and liabilities are computed as of July 1, 2008.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 8.00% net of expenses.
Cost of Living	The cost of living as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 3.5% per year.

Pay for Benefits

For the most part, pay for benefits is based on each member’s pay during the year preceding the valuation date. Special procedures are used in some cases, as noted below for full-time Participants.

<u>Unit</u>	<u>Pay for Continuing Participants</u>	<u>Pay for New Participants</u>
Drivers	The larger of gross pay or 1,800 hours times the member’s hourly rate	
Mechanics	2,150 hours times the member’s hourly rate	
Clerical	Gross pay	The larger of gross pay or 2,100 hours times the member’s hourly rate
Non-Contract	Gross pay	The larger of gross pay or 2,080 hours times the member’s hourly rate

Part-time Participants are assumed to work 1,040 hours in the calculations shown above.

Increases in Pay

Assumed pay increases for active Participants consist of increases due to inflation (cost of living adjustments) and those due to longevity and promotion.

Based on an analysis of pay levels and service for the Drivers and Mechanics, we assume that pay increases due to longevity and promotion will be 7.5% per year for the first ten years of service and 0.5% per year thereafter.

Based on an analysis of pay levels and service for the Clerical and Non-Contract Participants, we assume that pay increases due to longevity and promotion will be 1.5% per year.

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 3.5%.

Active Participant Mortality	<p>Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.</p> <p>Rates of mortality for active Drivers and Mechanics are given by the UP-1984 Mortality Table published by the Society of Actuaries.</p> <p>Rates of mortality for active Clerical and Non-Contract Participants are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.</p>
Retired Participant Mortality	<p>Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.</p> <p>Rates of mortality for retired Drivers and Mechanics and their spouses, beneficiaries, and survivors are given by the UP-1984 Mortality Table published by the Society of Actuaries.</p> <p>Rates of mortality for retired Clerical and Non-Contract Participants and their spouses, beneficiaries, and survivors are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.</p>
Disabled Participant Mortality	<p>Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.</p> <p>Rates of mortality for disabled Drivers and Mechanics are given by the PBGC Mortality Table for Members Not Receiving Social Security Benefits, weighting male rates by 75% and female rates by 25%.</p> <p>Rates of mortality for disabled Clerical and Non-Contract Participants are given by the PBGC Mortality Table for Female Members Receiving Social Security Benefits.</p>
Disability	<p>Disability rates were reviewed in the Actuarial Experience Study for 1997-2000.</p> <p>Among Drivers and Mechanics, 0.85% of Participants eligible for a disability benefit are assumed to become disabled each year. For Clerical and Non-Contract Participants, the figure is 0.20%.</p> <p>Disabled Participants are assumed not to return to active service.</p>

Service Retirement

Retirement rates were reviewed in the Actuarial Experience Study for 2001-2005.

Retirement among Participants eligible to retire is assumed to occur at the ages shown in the following table:

<u>Age</u>	<u>Prior Rate</u>	<u>ATU/IBEW</u>	<u>Clerical/Non</u>
53	20%	0%	15%
54	7.5%	0%	15%
55	7.5%	5%	30%
56	7.5%	5%	30%
57	7.5%	5%	30%
58	7.5%	5%	30%
59	7.5%	10%	30%
60	7.5%	10%	30%
61	7.5%	10%	30%
62	25%	30%	60%
63	25%	30%	60%
64	25%	30%	60%
65	25%	55%	60%
66	25%	30%	60%
67	25%	30%	60%
68	25%	30%	60%
69	25%	30%	60%
70+	100%	100%	100%

Plan Expenses

No allowance for Plan administrative expenses has been included in the annual cost calculated.

Family Composition

All Participants are assumed to be married. Male spouses are assumed to be four years older than their wives.

Employment Status

No future transfers among member groups are assumed.

Termination

Termination rates were reviewed in the Actuarial Experience Study for 2001-2005.

Rates of termination for all Participants from causes other than death, disability, and service retirement are shown in the tables below. In each age group, the rate is shown at the central age. The rates are not applied to Participants eligible to retire.

The table below shows the assumed termination rates for ATU and IBEW members.

	<u>Prior Rates</u>		<u>Current Rates</u>			
	Under 3 Age Years	3+ Years	0-1 Years	2-3 Years	4-9 Years	10+ Years
20-24	25.0%	15.0%	25.0%	14.0%	8.0%	1.3%
25-29	22.6%	9.7%	25.0%	14.0%	8.0%	1.3%
30-34	20.2%	6.2%	25.0%	14.0%	8.0%	1.3%
35-39	17.8%	4.0%	25.0%	14.0%	8.0%	1.3%
40-44	15.3%	2.6%	25.0%	14.0%	8.0%	1.3%
45-49	12.9%	1.7%	25.0%	14.0%	8.0%	1.3%
50-54	10.5%	1.1%	25.0%	14.0%	8.0%	1.3%
55+	0.0%	0.0%	25.0%	14.0%	8.0%	0.0%

The table below shows the assumed termination rates for Non-Contract members.

Age	Prior Rates	<u>Current Rates</u>		
		0-3 Years Service	4-9 Years Service	10+ Years Service
20-24	8.0%	20.0%	7.0%	5.0%
25-29	7.1%	20.0%	7.0%	5.0%
30-34	6.3%	20.0%	7.0%	5.0%
35-39	5.5%	20.0%	7.0%	5.0%
40-44	4.9%	20.0%	7.0%	5.0%
45-49	4.3%	20.0%	7.0%	5.0%
50-54	0.0%	20.0%	7.0%	5.0%
55-59	0.0%	20.0%	7.0%	0.0%
60+	0.0%	0.0%	0.0%	0.0%

Termination (Continued)

The table below shows the assumed termination rates for clerical members. These are unchanged from the prior valuation.

<u>Age</u>	<u>Clerical</u>
20-24	40.00%
25-29	28.43%
30-34	20.21%
35-39	14.37%
40-44	10.21%
45-49	7.26%
50-52	5.16%
53+	0.00%

Actuarial Value of Plan Assets

Actuarial gains and losses from Plan investments over the four years prior to the valuation date are recognized at the rate of 20% per year in computing the actuarial value of Plan assets. The actuarial value of assets is constrained to within 20% of market value.

Participant Data

Data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

Section 2:

Asset Information

2.1: Income Statement: July 1, 2007 through June 30, 2008

	<u>Market</u>	<u>Expected</u>
Balance July 1, 2007	\$168,378,632	\$168,378,632
Employer Contributions	4,655,668	4,655,668
Investment Income	(5,265,896)	13,356,916
Net Benefit Payments	(11,325,295)	(11,325,295)
Other Expenses	(820,414)	(820,414)
Balance June 30, 2008	\$155,622,695	\$174,245,507
Estimated Return	-3.20%	8.00%

2.2: Computation of Actuarial Value of Assets

<u>Plan Year</u> ¹	<u>Assumed Earnings</u>	<u>Actual Earnings</u>	<u>Unexpected Earnings</u>	<u>Phase-In Factor</u>	<u>Phase-In Adjustment</u> ²
2006-07	12,165,718	21,767,825	9,602,107	0.6	5,761,264
2007-08	13,356,916	(5,265,896)	(18,622,812)	0.8	(14,898,250)
Total Adjustment					(9,136,986)
Market Value June 30, 2008					155,622,695
Actuarial Value June 30, 2008 (Market Value less Total Adjustment, within 80%/120% Corridor of Market Value)					164,759,681
Ratio to Market Value					105.87%

¹ Five year asset smoothing was reset as of July 1, 2006 due to the change in valuation date from January 1 to July 1. 2006-07 and future investment gains and losses will be recognized over a period of five years.

² Phase-in factor times unexpected earnings

Section 3:

Actuarial Computations

3.1: Computation of Annual Contribution

	<u>July 1, 2007</u>	<u>July 1, 2008</u>
(1) <u>Active Accrued Liability</u>		
ATU	42,620,746	41,391,274
IBEW	17,965,367	15,460,610
Clerical	2,292,446	2,132,950
Non-Contract	<u>21,220,579</u>	<u>21,186,223</u>
Total	84,099,138	80,171,057
(2) <u>Active Projected Liability</u>		
ATU	54,102,357	54,100,162
IBEW	21,709,075	19,007,263
Clerical	2,622,850	2,396,058
Non-Contract	<u>23,024,899</u>	<u>22,802,697</u>
Total	101,459,181	98,306,180
(3) <u>Inactive Liability</u>		
ATU	57,879,352	62,609,387
IBEW	7,139,560	10,345,574
Clerical	2,740,893	3,138,375
Non-Contract	<u>34,752,518</u>	<u>39,359,763</u>
Total	102,512,323	115,453,099
(4) Total Actuarial Accrued Liability (1) + (3)	186,611,461	195,624,156
(5) Assets	160,696,946	164,759,680
(6) Unfunded Accrued Liability (4) – (5)	25,914,515	30,864,476
(7) 30-Year Amortization of Unfunded Accrued Liability	2,131,407	2,538,530
(8) Total Projected Liability (2) + (3)	203,971,504	213,759,279
(9) Present Value of Future Normal Costs (8) – (4)	17,360,043	18,135,123
(10) Present Value of Future Member Payroll	256,315,297	258,563,820
(11) Normal Cost (% of Member Payroll) (9) / (10)	6.773%	7.014%
(12) Projected Member Payroll	33,026,594	33,251,305
(13) Normal Cost (\$) (11) X (12)	2,236,866	2,332,177
(14) Total Cost (7) + (13)	4,368,273	4,870,707
(15) Total Cost (Interest Adjusted) (14) X 1.08	4,717,735	5,260,364
(16) Cost (% Member Payroll) (15) / (12)	14.285%	15.820%

Section 4:

Disclosure Information

4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities on a public employer's financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for a public employer who seeks compliance with generally accepted accounting principles (GAAP) on behalf of its public employee retirement system.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information.

The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of prior actuaries employed by the employer in completing the schedules. While we have no reason to believe the information in our files or in prior actuaries' reports is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in Plan or employer financial statements.

Schedule of Funding Status						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
7/1/94	41,150,550	48,598,130	7,447,580	85%	30,446,521	24%
7/1/95	43,088,223	49,675,115	6,586,892	87%	30,097,199	22%
7/1/96	52,287,086	51,786,729	(500,357)	101%	29,501,808	-2%
7/1/97	61,387,821	54,474,874	(6,912,947)	113%	32,932,552	-21%
7/1/98	65,958,070	62,203,756	(3,754,314)	106%	34,371,069	-11%
7/1/99	70,915,059	70,205,508	(709,551)	101%	36,705,306	-2%
4/1/00	76,603,624	83,858,909	7,255,285	91%	39,890,376	18%
1/1/01	75,196,033	94,343,205	19,147,172	80%	40,510,107	47%
1/1/02	74,859,876	119,777,766	44,917,890	62%	38,245,667	117%
1/1/03	56,330,528	125,584,398	69,253,870	45%	34,944,956	198%
1/1/04	78,667,471	132,307,053	53,639,582	59%	36,236,639	148%
1/1/05	152,877,022	162,878,929	10,001,907	94%	34,858,941	29%
1/1/06	153,083,086	168,877,304	15,794,218	91%	34,958,968	45%
7/1/07	160,696,946	186,611,461	25,914,515	86%	33,026,594	78%
7/1/08	164,759,680	195,624,156	30,864,476	84%	33,251,305	93%

We note in the schedule above that the in the valuation as of January 1, 2002, the Plan's assumptions were modified to incorporate the results of an actuarial experience study for the years 1997-2000. As a result of these assumption changes and a minor benefit improvement, Plan liabilities and costs increased significantly.

In the valuation as of January 1, 2004, the Actuarial Value of Assets was changed from the market value to a five-year smoothing method. In 2004, a Pension Obligation Bond was issued, and subsequently \$76 million was contributed to the Plan, which is reflected in the January 1, 2005 asset value.

Schedule of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/96	1,774,262	1,774,262	100%
6/30/97	986,683	986,683	100%
6/30/98	446,001	446,001	100%
6/30/99	876,786	876,786	100%
6/30/00	1,351,090	1,351,090	100%
12/31/01	3,068,323	3,068,323 (Est)	100%
12/31/02	6,436,083	6,436,083 (Est)	100%
12/31/03	5,880,631	4,691,246	80%
12/31/04 ¹	7,135,333	76,282,335	1,069%
12/31/05 ²	3,884,661	1,800,066	46%
6/30/07 ³	4,575,781	4,575,781	100%
6/30/08 ⁴	4,655,668	4,655,668	100%

The table below summarizes certain information about this actuarial report.

Valuation date	July 1, 2008
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 Years (Level dollar open)
Asset valuation method	Market value less unrecognized investment gains or losses during the prior four years, phased in at 20% per year, but required to be within 20% of market value
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	4.00 – 11.00% for drivers and mechanics 5.00% for administrative and clerical members
*Includes inflation at	3.50%
Cost of living adjustments	Up to 2% annually for certain Non-Contract members only

¹ Based on 1/1/04 contribution percentage multiplied by 2005 projected payroll

² Based on 1/1/05 contribution percentage multiplied by 2006 projected payroll

³ Based on 1/1/06 contribution percentage multiplied by 2007 projected payroll

⁴ Based on 1/1/06 contribution percentage multiplied by 2007-08 projected payroll



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Agenda

Item No. 45

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 960.5

August 20, 2009

SUBJECT:

SDTC: PENSION INVESTMENT STATUS

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None at this time.

DISCUSSION:

Attachment A is a copy of RV Kuhn's pension investment performance analysis for San Diego Transit Corporation's (SDTC's) employee retirement plans as of June 30, 2009. During the fourth quarter of 2009, the plan's assets increased by approximately \$9.5 million and had an investment return of 10.8% for the quarter. The fourth quarter's positive return helped to offset some of the plan's earlier loss; however, the investment return for FY 2009 was still negative coming in at -17.3%. The pension plan's investment advisor, Bruno Grimaldi, will be attending the meeting to discuss the capital market's performance in general and SDTC's pension plan performance specifically. This report is being provided to the Board as an informational item only.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Cliff Telfer, 619.557.4532, cliff.telfer@sdmts.com

AUG20-09.45.PENSION INVESTMT STATUS.CTELFER.doc

Attachment: A. SDTC Pension Plan Investment Review - **Board Only Due to Volume**
(Available on MTS's Web site)





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Agenda

Item No. 46

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 310.2

August 20, 2009

SUBJECT:

MTS: NATURAL GAS HEDGE PROGRAM

RECOMMENDATION:

That the Board of Directors receive a report on MTS's Compressed Natural Gas (CNG) Hedge Program.

Budget Impact

None at this time.

DISCUSSION:

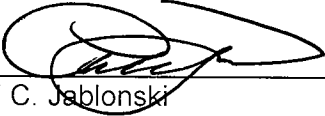
In February 2009, the MTS Board of Directors approved the Natural Gas Hedge Program in an effort to better manage costs and remove market volatility of this commodity for which MTS is budgeted to spend \$10.5 million dollars in FY 2010. This program consists of two parts: (1) utilizing San Diego Gas and Electric's Core Aggregation Transfer (CAT) Program to enable MTS to competitively purchase CNG directly from suppliers at market prices, and (2) the Commodity Swap Program to hedge future CNG rates from market volatility.

In March of 2009, MTS went out to bid for a direct supplier of CNG under SDG&E's CAT Program. After receiving competitive bids from three suppliers, British Petroleum was awarded the contract and became MTS's gas supplier effective June 1, 2009.

In June of 2009, MTS entered into swap agreements with three financial institutions. In July of 2009 MTS received bids for fixed CNG rates for the period of August 1, 2009, through June 30, 2010. Barclays submitted the lowest bid and was awarded the



contract. The result of this award includes a CNG price of \$1.29 per therm, which is \$0.06 lower than MTS's budgeted rate of \$1.35 per therm.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, larry.marinesi@sdmts.com

AUG20-09.46.GAS HEDGE PROGRAM.MTHOMPSON.doc



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Agenda

Item No. 47

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIP 11246

August 20, 2009

SUBJECT:

MTS: SUPER LOOP PILOT UPDATE

RECOMMENDATION:

That the Board of Directors receive a report on the Super Loop Pilot Project.

Budget Impact

None at this time.

DISCUSSION:

MTS began operating a precursor to the TransNet Super Loop Project on June 15, 2009. The pilot includes service operation in both directions every 10 minutes in the peak on a loop route serving 9 stops between University of California San Diego's campuses, University Towne Centre, and La Jolla Village Square. The service includes use of the newly purchased hybrid gas electric buses but does not include priority treatments or new-station amenities. Operation of this pilot provides additional service in the north city area, which has experienced high transit demand. Staff will provide a report on the first two months of operation.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

AUG20-09.47.SUPERLOOP.SCOONEY.doc



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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



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Agenda

Item No. 48

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 310.2

August 20, 2009

SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR MAY 2009

RECOMMENDATION:

That the Board of Directors receive a status report on MTS's operations budget for May 2009.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for May 2009 compared to the amended midyear budget. Attachment A-1 combines the operations, administration, and other activities results for May 2009. Attachment A-2 details the May 2009 combined operations results, and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS Administration, and Attachment A-10 provides May 2009 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company/debt service).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date May 2009 MTS net-operating subsidy favorable variance totaled \$588,000 (0.6%). Operations produced a \$1,189,000

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(1.1%) favorable variance, and the administrative/other activities areas were unfavorable by \$601,000.

MTS COMBINED RESULTS

Revenues

Year-to-date combined revenues through May 2009 were \$85,633,000 compared to the year-to-date budget of \$87,041,000, which represents a \$1,408,000 (-1.6%) negative variance.

Expenses

Year-to-date combined expenses through May 2009 were \$191,813,000 compared to the year-to-date budget of \$193,809,000, which resulted in a \$1,996,000 (1.0%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$90,555,000 compared to a year-to-date budgetary figure of \$90,865,000, which produced a favorable variance of \$309,000 (0.3%).

Outside Services and Purchased Transportation. Total outside services for the first 11 months of the fiscal year totaled \$64,524,000 compared to a budget of \$64,857,000, which resulted in a year-to-date favorable variance of \$333,000 (0.5%).

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$6,586,000 compared to a budgetary figure of \$6,869,000, which resulted in a favorable expense variance of \$283,000 (4.1%). This is primarily due to materials and supplies favorable variances within rail operations.

Energy. Total year-to-date energy costs were \$24,511,000 compared to the budget of \$26,249,000, which resulted in a year-to-date favorable variance of \$1,738,000 (6.6%). Year-to-date diesel prices averaged \$2.735 per gallon compared to the midyear-adjusted budgetary rate of \$2.570 per gallon. Year-to-date CNG prices averaged \$1.315 per therm compared to the midyear-adjusted budgetary rate of \$1.470 per therm.

Risk Management. Total year-to-date expenses for risk management were \$4,050,000 compared to the year-to-date budget of \$3,645,000, which resulted in an unfavorable variance totaling \$405,000 (-11.1%). This is primarily due to higher than expected legal claims costs within rail operations.

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$263,000 (-19.9%) unfavorable to budget totaling \$1,587,000 through May 2009 compared to a year-to-date budget of \$1,324,000. This is primarily due to a year-to-date reclassification of bank fees as well as some higher-than-expected office equipment expenses that were not qualified as capital procurements.

YEAR-TO-DATE SUMMARY

The May 2009 year-to-date net-operating subsidy totaled a favorable variance of \$588,000 (0.6%). These factors include favorable variances in outside services, energy, and materials and supplies partially offset by passenger revenue, risk management, and general and administrative expenses.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, Larry.Marinesi@sdmts.com

AUG20-09.48.OPS BUDGET MAY.MTHOMPSON.doc

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**MTS
CONSOLIDATED**

Att. A, AI 48, 8/20/09

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 78,987	\$ 79,932	\$ (945)	-1.2%
Other Revenue	6,646	7,109	(463)	-6.5%
Total Operating Revenue	\$ 85,633	\$ 87,041	\$ (1,408)	-1.6%
Personnel costs	\$ 90,555	\$ 90,865	\$ 309	0.3%
Outside services	64,524	64,857	333	0.5%
Transit operations funding	-	-	-	-
Materials and supplies	6,586	6,869	283	4.1%
Energy	24,511	26,249	1,738	6.6%
Risk management	4,050	3,645	(405)	-11.1%
General & administrative	1,108	899	(209)	-23.3%
Vehicle/facility leases	479	425	(54)	-12.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	0	-122.9%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 191,813	\$ 193,809	\$ 1,996	1.0%
Operating income (loss)	\$ (106,180)	\$ (106,768)	\$ 588	0.6%
Total public support and nonoperating revenues	(9,172)	(8,345)	(827)	9.9%
Income (loss) before capital contributions	\$ (115,353)	\$ (115,114)	\$ (239)	0.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 48, 8/20/09

CONSOLIDATED OPERATIONS

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 78,987	\$ 79,932	\$ (945)	-1.2%
Other Revenue	723	630	93	14.8%
Total Operating Revenue	\$ 79,710	\$ 80,562	\$ (852)	-1.1%
Personnel costs	\$ 80,846	\$ 81,260	\$ 414	0.5%
Outside services	61,715	61,834	119	0.2%
Transit operations funding	-	-	-	-
Materials and supplies	6,578	6,857	279	4.1%
Energy	24,169	25,893	1,723	6.7%
Risk management	3,645	3,256	(389)	-11.9%
General & administrative	406	355	(51)	-14.3%
Vehicle/facility leases	474	420	(54)	-12.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	8,415	8,415	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 186,247	\$ 188,288	\$ 2,041	1.1%
Operating income (loss)	\$ (106,537)	\$ (107,726)	\$ 1,189	1.1%
Total public support and nonoperating revenues	(619)	208	(827)	-397.3%
Income (loss) before capital contributions	\$ (107,156)	\$ (107,518)	\$ 362	-0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)

Att. A, AI 48, 8/20/09

COMPARISON TO BUDGET - FISCAL YEAR 2009
MAY 31, 2009
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 24,784	\$ 24,391	\$ 393	1.6%
Other Revenue	193	9	184	2006.6%
Total Operating Revenue	\$ 24,977	\$ 24,400	\$ 577	2.4%
Personnel costs	\$ 50,886	\$ 51,267	\$ 381	0.7%
Outside services	1,690	1,766	76	4.3%
Transit operations funding	-	-	-	-
Materials and supplies	3,993	4,057	64	1.6%
Energy	7,700	8,151	452	5.5%
Risk management	1,695	1,605	(90)	-5.6%
General & administrative	143	152	9	6.0%
Vehicle/facility leases	181	133	(49)	-36.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	4,358	4,358	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 70,647	\$ 71,489	\$ 842	1.2%
Operating income (loss)	\$ (45,669)	\$ (47,089)	\$ 1,419	3.0%
Total public support and nonoperating revenues	(4,220)	(3,393)	(827)	24.4%
Income (loss) before capital contributions	\$ (49,890)	\$ (50,482)	\$ 592	-1.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2009
MAY 31, 2009
(in \$000's)

Att. A, AI 48, 8/20/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 29,627	\$ 30,348	\$ (721)	-2.4%
Other Revenue	471	621	(150)	-24.1%
Total Operating Revenue	\$ 30,099	\$ 30,969	\$ (871)	-2.8%
Personnel costs	\$ 28,859	\$ 28,860	\$ 2	0.0%
Outside services	8,460	7,795	(665)	-8.5%
Transit operations funding	-	-	-	-
Materials and supplies	2,553	2,763	209	7.6%
Energy	8,251	8,099	(152)	-1.9%
Risk management	1,950	1,651	(299)	-18.1%
General & administrative	246	184	(62)	-33.7%
Vehicle/facility leases	155	150	(4)	-2.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,213	3,213	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 53,686	\$ 52,716	\$ (971)	-1.8%
Operating income (loss)	\$ (23,588)	\$ (21,746)	\$ (1,841)	-8.5%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (23,588)	\$ (21,746)	\$ (1,841)	8.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 48, 8/20/09

MULTIMODAL OPERATIONS (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 19,554	\$ 19,795	\$ (241)	-1.2%
Other Revenue	59	-	59	-
Total Operating Revenue	\$ 19,613	\$ 19,795	\$ (182)	-0.9%
Personnel costs	\$ 376	\$ 421	\$ 45	10.6%
Outside services	36,438	36,893	454	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	25	26	2	6.7%
Energy	6,159	7,019	860	12.3%
Risk management	-	-	-	-
General & administrative	11	10	(1)	-7.1%
Vehicle/facility leases	138	136	(2)	-1.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	668	668	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 43,816	\$ 45,174	\$ 1,358	3.0%
Operating income (loss)	\$ (24,203)	\$ (25,379)	\$ 1,176	4.6%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (24,203)	\$ (25,379)	\$ 1,176	-4.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 48, 8/20/09

MULTIMODAL OPERATIONS (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 1,666	\$ 1,726	\$ (60)	-3.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,666	\$ 1,726	\$ (60)	-3.5%
Personnel costs	\$ 119	\$ 125	\$ 6	4.9%
Outside services	9,381	9,630	248	2.6%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,553	1,879	326	17.4%
Risk management	-	-	-	-
General & administrative	4	4	(0)	-7.0%
Vehicle/facility leases	-	1	1	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	27	27	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 11,085	\$ 11,666	\$ 581	5.0%
Operating income (loss)	\$ (9,419)	\$ (9,940)	\$ 521	5.2%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (9,419)	\$ (9,940)	\$ 521	-5.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS

Att. A, AI 48, 8/20/09

COMPARISON TO BUDGET - FISCAL YEAR 2009
MAY 31, 2009
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 3,355	\$ 3,673	\$ (317)	-8.6%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 3,355	\$ 3,673	\$ (317)	-8.6%
Personnel costs	\$ 417	\$ 397	\$ (19)	-4.8%
Outside services	5,454	5,460	6	0.1%
Transit operations funding	-	-	-	-
Materials and supplies	7	11	4	39.9%
Energy	506	743	237	31.8%
Risk management	-	-	-	-
General & administrative	2	5	3	66.8%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	149	149	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 6,534	\$ 6,764	\$ 230	3.4%
Operating income (loss)	\$ (3,179)	\$ (3,092)	\$ (87)	-2.8%
Total public support and nonoperating revenues	3,454	3,454	-	0.0%
Income (loss) before capital contributions	\$ 275	\$ 362	\$ (87)	-24.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Att. A, AI 48, 8/20/09

OPERATIONS
CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	135	135	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 135	\$ 135	\$ -	0.0%
Operating income (loss)	\$ (135)	\$ (135)	\$ -	0.0%
Total public support and nonoperating revenues	148	148	-	0.0%
Income (loss) before capital contributions	\$ 12	\$ 12	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**ADMINISTRATION
CONSOLIDATED**

Att. A, AI 48, 8/20/09

COMPARISON TO BUDGET - FISCAL YEAR 2009

MAY 31, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	4,972	5,605	(633)	-11.3%
Total Operating Revenue	\$ 4,972	\$ 5,605	\$ (633)	-11.3%
Personnel costs	\$ 9,167	\$ 9,071	\$ (96)	-1.1%
Outside services	2,721	2,888	167	5.8%
Transit operations funding	-	-	-	-
Materials and supplies	6	5	(1)	-25.9%
Energy	334	342	8	2.4%
Risk management	372	358	(15)	-4.1%
General & administrative	603	443	(160)	-36.2%
Vehicle/facility leases	5	5	0	0.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(8,457)	(8,457)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 4,753	\$ 4,656	\$ (97)	-2.1%
Operating income (loss)	\$ 219	\$ 949	\$ (730)	76.9%
Total public support and nonoperating revenues	(8,554)	(8,554)	-	0.0%
Income (loss) before capital contributions	\$ (8,334)	\$ (7,604)	\$ (730)	9.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**OTHER ACTIVITIES
CONSOLIDATED**

Att. A, AI 48, 8/20/09

**COMPARISON TO BUDGET - FISCAL YEAR 2009
MAY 31, 2009
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	950	873	77	8.8%
Total Operating Revenue	\$ 950	\$ 873	\$ 77	8.8%
Personnel costs	\$ 542	\$ 534	\$ (8)	-1.5%
Outside services	88	135	47	34.6%
Transit operations funding	-	-	-	-
Materials and supplies	2	7	6	75.5%
Energy	8	15	7	47.5%
Risk management	33	31	(1)	-3.3%
General & administrative	99	101	2	2.1%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	42	42	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 813	\$ 865	\$ 52	6.0%
Operating income (loss)	\$ 137	\$ 8	\$ 129	-1595.7%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ 137	\$ 8	\$ 129	1595.7%



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Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

August 20, 2009

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period July 7, 2009, through August 10, 2009.

[gail.williams/agenda item 62](mailto:gail.williams/agenda%20item%2062)



CONTRACTS - Expense				
Doc #	Organization	Subject	Amount	Day
G1080.4-07	LAW OFFICES OF MICHAEL RIPLEY	LEGAL SERVICES GENERAL & TORT LIABILITY	\$45,000.00	7/13/2009
G1268.0-09	BP CORPORATION NORTH AMERICA	CNG DIRECT PURCHASING AGREEMENT	Variable	7/13/2009
B0509.1-09	KINGSBURY UNIFORMS	AMEND 1 BUS OPERATOR UNIFORMS	\$7,744.12	7/16/2009
G1111.9-07	WHEATLEY BINGHAM & BAKER	LEGAL SERVICES GENERAL & TORT LIABILITY	\$100,000.00	7/16/2009
G1162.4-08	LAW OFFICES OF MARK H BARBER	LEGAL SERVICES WORKERS COMP	\$10,000.00	7/16/2009
G1269.0-09	SHELL ENERGY	FINANCIAL CNG HEDGING AGREEMENT	Variable	7/16/2009
L0899.0-10	SLY BUILD, INC	ROE PERMIT ECTC TROLLEY STA TENANT IMPRO	\$0.00	7/16/2009
G1273.0-09	DIA PIPPER, LLP	LEGAL SVCS INTELLECTUAL PROPERTY, PATENT	\$25,000.00	7/20/2009
PWL112.1-09	ELECTRO SPECIALTY SYSTEMS, INC	AMENDMENT TO DELETE LICENSES FORM CONTRA	\$2,830.45	7/20/2009
PWL115.1-09	MOORE ELECTRICAL CONTRACTING	EXTENSION OF FIBER OPTIC CABLE TO CITY	\$19,090.00	7/20/2009
B0511.1-09	VEHICLE TECHNICAL CONSULTANTS	AMENDMENT ADD COSTS IN-PLANT INSPECT SV	\$14,178.00	7/22/2009
G1270.0-09	SAN DIEGO FILM FESTIVAL	2009 SD ASIAN FILM FESTIVAL PARTNERSHIP	Exchange Value	7/22/2009
B0526.1-09	FIRST TRANSIT INC	EXERCISE OPTION YEARS 1 AND 2 RFP 05-200	\$73,443.00	7/27/2009
L6301.8-05	MORENA VISTA, LLC	AMENDMENT TO GROUND LEASE	\$0.00	7/27/2009
G1111.10-07	WHEATLEY BINGHAM & BAKER	LEGAL SERVICES GENERAL & TORT LIABILITY	\$95,000.00	7/30/2009
T0475.1-00	SANDAG	2009 TAXICAB PASSENGER SURVEY	\$75,701.00	7/30/2009
G1162.5-08	LAW OFFICES OF MARK H BARBER	LEGAL SERVICES WORKERS COMP	\$55,000.00	8/3/2009
G1272.0-09	SAN DIEGO ASIAN FILM FESTIVAL	2009 SAN DIEGO ASIAN FILM FESTIVAL PARTN	Exchange Value	8/3/2009
G1139.4-08	TROVILLION INVEISS PONTICELLO	LEGAL SERVICES WORKERS COMP	\$45,000.00	8/6/2009
G1274.0-09	BEST BEST & KRIEGER, LLP	LEGAL SERVICES REAL ESTATE ACQUISITION	\$10,000.00	8/6/2009
G1276.0-10	CITY OF SAN DIEGO C/O STEVEN	FIBER USE AGREEMENT	\$0.00	8/6/2009
PWL119.0-09	SELECT ELECTRIC	FIBER OPTIC PROJECT	\$13,280.00	8/6/2009
PWL121.0-10	ANGUS ASPHALT, INC	ASPHALT REPAIR PROJECT AT EL CAJON TRANS	\$6,690.00	8/6/2009
G1260.0-09	ZOOLOGICAL SOCIETY OF SANDIEGO	ZOOLOGICAL SOCIETY FALL PROMOTION	Exchange Value	8/10/2009
G1264.0-09	BP CORPORATION	FINANCIAL CNG HEDGING AGREEMENT	\$0.00	8/10/2009

PURCHASE ORDERS			
DATE	Organization	Subject	AMOUNT
7/20/2009	BORDEAUX PRINTERS INC	SD TROLLEY POCKET GUIDE PRINTS	\$3,361.46
7/20/2009	THE PINNACLE GROUP	DELL ULTRA SHARP 1908 FLAT PANEL	\$11,617.76
7/20/2009	RAPHAEL'S PARTY RENTAL	RENTALS FOR APTA AWARDS RECEPTION	\$930.09
7/25/2009	WALL TO WALL INDOOR ADVERT	DRINK COASTERS	\$2,750.00
7/27/2009	COUNTYWIDE MECHANICAL SYSTEMS	REPLACE 7.5 TON GAS PKG UNIT MTS	\$11,500.00

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
7/27/2009	PIXEL IMAGING MEDIA	APTA AWARD TROLLEY WRAP	\$16,338.34
7/27/2009	CLEAR CHANNEL BROADCASTING	12-MONTH RADIO/ONLINE/PROMO PARTNER	\$75,000.00
7/27/2009	PHONE SUPPLEMENTS	H101N ENCORE HEADSET BINAURAL	\$225.72
7/30/2009	BORDEAUX PRINTERS INC	MTS NEWSLETTER - SUMMER 09	\$7,111.16
7/30/2009	DAY WIRELESS SYSTEMS	G808 ENH ASTRO DIGITAL FLASHPORT	\$7,045.75
7/30/2009	INTEGRATED OFFICE SYSTEMS	COPIER MAINTENANCE SVC AGREEMENT	\$7,666.50
8/3/2009	TENNANT SALES & SERV CO	SCRUBBER, 650/800 MM	\$23,577.59
8/3/2009	DIMENSIONAL SILKSCREEN	INTERIOR BUS DECALS PER QUOTE	\$793.88
8/3/2009	ABTECH SYSTEMS INC	ANNUAL SUPPORT MAINT HP UNIX SERVER	\$19,212.00
8/3/2009	COX MEDIA	OPEN PO FOR COX CABLE TV SPOTS	\$99,998.00
8/3/2009	SHI INTERNATIONAL CORP	HP WORK STATION XW4600 CORE 2	\$7,389.36

WORK ORDERS

Doc #	Organization	Subject	Amount	Day
G1246.0-09.03	DAVID EVANS & ASSOC. INC	GEN ENGINEERING FOR STORM WATER MON	\$39,000.00	7/16/2009
G1127.0-08.06.02	BUREAU VERITAS/BERRYMAN & HENN	HAZ WASTE ENVIRONMENTAL SVCS H ST.	\$20,000.00	7/29/2009
G1246.0-09-04	DAVID EVANS & ASSOCIATES	TECHNICAL SPEC ASSIST FOR LRV VIDEO	\$61,177.33	8/6/2009

CONTRACTS - Revenue

Doc #	Organization	Subject	Amount	Day
G0975.5-06	DAN FERBAL	ECO PASS	(\$18,144.00)	7/13/2009
G1006.4-06	SDSU ASSOC STUDENTS	ECO PASS	(\$17,452.80)	7/13/2009
S200-09-411	PAR ELECTRIC	ROE PERMIT SDGE POLE REPLACEMENT BAY BLV	(\$2,250.00)	7/13/2009
G1241.2-09	THE SOFIA HOTEL	ECO PASS	(\$5,022.00)	7/16/2009
L0898.0-09	SOUTHERN CONTRACTING CO.	ROE PERMIT SDGE METER PEDESTAL	(\$1,850.00)	7/16/2009
L5707.0-09	PAR ELECTRIC	JROE PERMIT NCTD SDGE POLO LINE TRANSFER	(\$2,800.00)	7/16/2009
S200-10-419	ERRECA'S, INC	ROE PERMIT I-805/IMPERIAL CALTRANS EMERG	(\$4,500.00)	7/16/2009
S200-10-417	TC CONSTRUCTION	ROE PERMIT L G AVE SEWER MAIN ABANDONED	(\$1,500.00)	7/22/2009
L0893.0-09	AFC HALF MARATHON	ROE PERMIT TO CROSSTRACKS @ BROADWAY	(\$500.00)	7/29/2009
G0878.7-03	SCRIPPS HEALTH CENTER	ECO PASS	(\$20,736.00)	8/3/2009
G1275.0-09	SDSU CONTRACTS/PROCUREMENT	PARTNERSHIP AGREEMENT TO SELL DAY PASS	(\$40,000.00)	8/3/2009