

### San Diego & Arizona Eastern Railway Company

A NEVADA NONPROFIT CORPORATION

1255 IMPERIAL AVE., STE. 1000 SAN DIEGO, CA 92101-7490 (619) 231-1466

BOARD OF DIRECTORS
PAUL JABLONSKI, CHAIRPERSON
MATT DOMEN
JARED GOOCH

### OFFICERS

PAUL JABLONSKI, PRESIDENT MATT DOMEN, SECRETARY ERIN DUNN, TREASURER

LEGAL COUNSEL KAREN LANDERS

### **AGENDA**

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

April 9, 2019

9:00 a.m.

Executive Committee Room James R. Mills Building 1255 Imperial Avenue, 10th Floor

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least five working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

### **ACTION RECOMMENDED**

Approval of the Minutes of January 29, 2019
 Action would approve the SD&AE Railway Company Minutes of January 29, 2019.

Approve

2. Statement of Railway Finances (Erin Dunn)

- Informational
- 3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)

Informational

- 4. Report on Pacific Southwest Railway Museum (Diana Hyatt)
- Informational

5. Report on the Desert Line (Jorge Izquierdo)

Informational

- Real Property Matters (Tim Allison)
  - a. Summary of SD&AE Documents Issued Since January 29, 2019

Informational

b. <u>License for Water Main Replacement at Euclid Avenue</u>
Action would approve a license for a 16" water main replacement at Euclid Avenue in the City of San Diego.

Approve

c. <u>License for Underground Fiber-Optic Line Southwest of Smythe</u>
Avenue

Approve

Action would approve a license for an underground 18" casing pipe and fiber-optic conduits southwest of Smythe Avenue in the City of San Diego.

d. <u>License for Aerial Fiber-Optic Line at Lemon Avenue</u>
Action would approve a license for an aerial fiber-optic cable at Lemon Avenue in the City of La Mesa.

Approve

- 7. Board Member Communications
- 8. Public Comments
- 10. Next Meeting Date: July 9, 2019
- 11. Adjournment

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# San Diego and Arizona Eastern Railway Company

# April 9, 2019

## Sign-in Sheet (VOLUNTARY)

Name	Company
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### **MINUTES**

# BOARD OF DIRECTORS MEETING OF THE SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

January 29, 2019

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on January 29, 2019, at 9:03 a.m.

The following persons, constituting the Board of Directors, were present: Paul Jablonski, Matt Domen, and Jared Gooch. Also in attendance were members from:

San Diego Metropolitan Transit System: Tim Allison, Erin Dunn, Karen Landers,

Wayne Terry

Pacific Southwest Railway Museum: Diana Hyatt
Baja California Railroad (BJRR): Jorge Izquierdo

Other: R. Mitchel Beauchamp

### 1. Approval of Minutes

Mr. Gooch moved to approve the Minutes of the October 9, 2018, SD&AE Railway Board of Directors meeting. Mr. Domen seconded the motion, and it was unanimously approved.

### 2. Statement of Railway Finances

Erin Dunn reviewed the Statement of Railway Finances for the fourth quarter of 2018 (attached to the agenda item). Ms. Landers reported that at the last meeting, there was discussion regarding a potential project to pave over some abandoned, deteriorating rail that is creating safety hazards at F, Cleveland, and Commercial Streets, and that project will be going forward in the MTS 2020 CIP plan. She reiterated that SD&AE reserve funds will most likely be used for this project.

### Action Taken

Informational item only. No action taken.

### 3. Report on San Diego & Imperial Valley Railroad (SD&IV) Operations

Matt Domen reviewed the SD&IV Periodic Report for activities for the fourth quarter of 2018 (attached to the agenda item).

### Action Taken

Informational item only. No action taken.

### 4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the Pacific Southwest Railway Museum (PSRM) report for the fourth quarter of 2018 (a written report was distributed at the meeting and is attached). Ms. Hyatt will contact Rob Schupp, MTS Director of Marketing, to discuss PSRM's request for a speaker to represent MTS at the SD&A Centennial Day in Campo.

Wayne Terry asked about the status of the removal of the PCC cars. Ms. Hyatt responded that she has been in contact with Andy Goddard, and they are working on options for transport. Mr. Terry asked to be kept apprised of the progress.

### Action Taken

Informational item only. No action taken.

### 5. Report on the Desert Line

Jorge Izquierdo reported there were no traffic or security concerns. He stated that due to the government shutdown, negotiations with CBP and the Mexican government regarding new custom facilities will need to be reestablished. Ms. Landers asked about the effects from the changeover in government. Mr. Izquierdo responded that a lot of government representatives who were working on the new customs facilities are no longer there and therefore the new representatives need to be established and contacted. He stated that they have a list of people to visit to reopen working relationships through the Mexican Consulate in San Diego and a meeting is pending. Mr. Izquierdo reported that elections in Mexico will be held in July. In regard to the status of environmental work, Ms. Izquierdo stated that surveys will need to be completed to determine what CBP necessitates in regard to the customs facilities. There hasn't been any feedback since the government shutdown. New Mexican government officials will have to be informed about the project. Ms. Landers added that she talked with CBP in November about another site visit to Campo in January; however, due to the shutdown she will have to revisit that conversation.

### Action Taken

Informational item only. No action taken.

### 6. Real Property Matters

### a. Summary of SD&AE Documents Issued Since October 9, 2018

Since the October 9, 2018, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- <u>S200-19-687:</u> Right of Entry Permit to Segni Construction for potholing In La Mesa west of Jackson Drive.
- <u>S200-19-688</u>: Easement to San Diego Gas & Electric for underground electric facilities at North Avenue in the City of Lemon Grove.
- <u>S200-19-689:</u> Right of Entry Permit to HMS Construction, Inc., for traffic control at Palomar Street in the City of Chula Vista.

• <u>S200-19-891:</u> Right of Entry Permit to Segni Construction, Inc. for landscaping and slope repair west of Jackson Drive in La Mesa.

### Action Taken

Informational item only. No action taken.

### 7. <u>Board Member Communications</u>

There were no Board member communications.

### 8. Public Comments

There were no public comments.

### 10. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, April 9, 2019.

### 11. Adjournment

The meeting was adjourned at 9:17 a.m.

### 9. <u>Closed Session (taken out of order)</u>

CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant To California Government Code Section 54956.8

Property: APNs 667-020-52, 54, 71, 86, and 88 in San Diego, California

Agency Negotiators: Karen Landers, MTS General Counsel; Tim Allison, MTS Manager of Real

**Estate Assets** 

Negotiating Parties: United States of America
Under Negotiation: Price and Terms of Payment

Action Taken: The Board received a report by Agency Negotiators and Legal Counsel and gave

instructions.

/s/ Wayne Terry for Paul Jablonski /s/ Karen Landers
President General Counsel

2019-1-29 Final Minutes

Attachment: PSRM Quarterly Report



# Pacific Southwest Railway Museum La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

January 28, 2019

SD&AE Board c/o Metropolitan Transit System 1255 Imperial Avenue, Suite 1000 San Diego, CA 92101

Re: Fourth Quarter 2018

Dear SD&AE Board:

During the fourth quarter of 2018 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 24 Pumpkin Express trains, 64 Valley Flyer trains and 16 North Pole Limited trains, carrying a total of 7.698 passengers during 24 operating days. There were no FRA reportable accidents or injuries during the fourth quarter, 2018. Earned revenue from SD&AE property for the fourth quarter, 2018 was \$288,547.45 our check for \$5,770.95 is enclosed.

7,698 passengers during the fourth quarter of 2018

7.153 passengers during the fourth quarter of 2017

6.736 passengers during the fourth quarter of 2016

7,110 passengers during the fourth quarter of 2015

6,765 passengers during the fourth quarter of 2014

6.535 passengers during the fourth quarter of 2013

6,889 passengers during the fourth quarter of 2012

Ridership for the fourth quarter 2018 increased by 545 passengers and revenue increased by \$21,144 from the same quarter of the previous year with the same number of operating days for both years. The month of October was filled with four weekends of Pumpkin Express Trains followed by four weekends of Valley Flyer trains during November and four weekends of North Pole trains commencing on the last day of November and extending through December 22<sup>nd</sup>.

PSRM continues to maintain both signalized railroad crossings within our right of way limits; PSRM signal maintainers perform the monthly, quarterly and annual inspections.

Please mark your calendars and plan on joining us at Campo on Saturday, September 7, 2019 to celebrate the Groundbreaking of the SD&A and again on Saturday, November 16, 2019 for SD&A Centennial Day in Campo. At both events, we welcome the participation of members of the SD&A board and key personnel of MTS as speakers at the events. Other 2019 events celebrating the centennial year of the completion of the railroad include hikes to China Camp, Dos Cabezas and the Goat Canyon Trestle, slide shows at various San Diego venues, SD&A Centennial exhibits around town and at select museums in Balboa Park and SD&A silent movie night at the Spreckels Organ Pavilion. The centennial celebration calendar is updated frequently and more information can be found at https://www.psrm.org/centennial/calendar/

I would like to extend my thanks to this board and the MTS board for continuing to support our efforts in educating our community on the history and importance of passenger and freight rail through our preservation efforts and living history train ride.

Sincerely,

Diana Hy**a**tt President

# Agenda Item No. $\underline{2}$

# San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

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STATEMENT OF RAILWAY FINANCES

### RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the period ending February 28, 2019.

### **Budget Impact**

None.

### **DISCUSSION:**

SD&AE's financial results are attached for the period ending February 28, 2019.

As of February 28, 2019, fiscal year-to-date revenues are \$579,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget.

Expenses are \$88,000 favorable to budget primarily due to a favorable variance in Outside Services.

The year-to-date Net Income as of February 28, 2019 was \$614,000.

Attachment: SD&AE Operating Statement for period ending February 28, 2019

SD&AE Operating Statement FY2019-18

			FY 2019	119			FY 2018	18
	Q1 Actual	Q2 Actual	Jan - Feb Actual	YTD Actual	YTD Budget	Variance	Q1 - Q3 Actual	Variance
Revenues				(Jul - Feb)	(Jul - Feb)		(Jul - Feb)	
Right of Entry Permits	\$ 750	\$2,250	\$3,000	\$ 6,000	\$20,000	\$(14,000)	\$14,700	(8,700)
Lease Income	19,144	18,949	9,785	47,878	103,336	\$(55,458)	49,799	(1,921)
Desert Line Lease Revenue	250,000	250,000	166,667	666,667	ı	\$666,667	666,674	(7)
Operator Income - SD&IV 1%	10,000	10,000	1,822	21,822	40,000			
Freight Fee						\$(18,178)	24,800	(2,978)
Total Revenues	279,894	281,199	181,274	742,367	163,336	579,031	755,973	(13,606)
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Expenses	100	1	1	2.00	000			
Personnel Costs	1./0,/	0,755	7,039	77,405	35,280	12,825	36,310	13,845
Outside Services	5,030	13,347	13,682	32,058	93,676	61,618	80,748	48,690
Risk Management	3,533	4,353	43,176	51,062	63,536	12,474	60,422	9,360
Misc. Operating Expenses	4,290	18,782	25	23,097	23,739	642	99,615	76,518
Total Expenses	20,524	44,237	63,922	128,683	216,241	87,558	277,095	148,412
Net Income/(Lose)	\$ 259.370	\$236,962	\$117,352	\$ 613.684	\$(52,905)	082 888	0.720 0.720	\$137 BOR
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Reserve Balance July 1, 2018	\$1,375,700
Allocated Interest Earnings - Estimated	16,667
Contributed Operating Capital to MTS	
Less Desert Line Lease Revenue	(666,667)
Estimated Reserve Balance as	
of February 28, 2019	\$1,339,384

# Agenda Item No. 3

### San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

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REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS

### RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

**Budget Impact** 

None.

### **DISCUSSION:**

An oral report will be given during the meeting.

Attachment: Periodic Report for the 1st Quarter of 2019



SD&AE Board C/O MTS 1255 Imperial Avenue, Suite 1000 San Diego, California 92101 April 1, 2019

# Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 1<sup>st</sup> Quarter of 2019 are listed as follows:

### 1. Labor

At the end of March 31, 2019 the San Diego & Imperial Railroad had 8 employees:

1 General Manager	1 Mechanical Manager
1 Manager - Marketing & Sales	1 Maintenance of Way Employee
1 Office Manager	3 Train Service Employees

### 2. Marketing

Volume in the 1st Quarter had a 27% decrease as compared to the same quarter in 2018. Bridge traffic into Mexico was down about 22% while traffic terminating or originating on the SDIY was down about 33% versus last year. The primary drivers for this is a slowdown in the ethanol volumes and a shift in the Tecate brewery ingredient sourcing.

### 3. Reportable Injuries/Environmental

Days through year to date, March 31, 2019, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad. Days FRA Reportable Injury Free: **8030** 

### 4. Summary of Freight

	2019	2018	2017
Total rail carloads that moved by SDIY Rail Service in the quarter.	603	833	1450
Total railroad carloads Terminating/Originating Mexico in the quarter.	333	430	1092
Total railroad carloads Terminating/Originating El Cajon, San Diego, National			
City, San Ysidro, California in the quarter.	270	403	358
Total customers directly served by SDIY in the quarter	13	11	10
Regional Truck trips that SDIY Railroad Service replaced in the quarter	1809	2499	4350

Respectfully, Matt Domen, General Manager

# Agenda Item No. 4

### San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

SUBJECT:				
	REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM			
RECOMMEN	DATION:			
	That the SD&AE Board of Directors receive a report for information.			
	Budget Impact			
	None.			
DISCUSSION:				
	An oral report will be given during the meeting.			

Attachment: Quarterly report not submitted in time for the mail-out

# Agenda Item No. 5

### San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

SUBJECT:

	REPORT ON THE DESERT LINE
RECOMMEN	IDATION:
	That the SD&AE Board of Directors receive a report for information.
	Budget Impact
	None.
DISCUSSION	N:
	A report will be presented during the meeting.

Attachment: Quarterly report not submitted in time for the mail-out

# Agenda Item No. 6a

# San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

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SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JANUARY 29, 2019

### **RECOMMENDATION:**

That the SD&AE Railway Company Board of Directors receive a report for information.

### **Budget Impact**

None.

### **DISCUSSION:**

Since the January 29, 2019, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- <u>S200-19-690:</u> Right of Entry Permit to AT&T California for underground telephone line construction at Petree Street in the City of El Cajon.
- <u>S200-19-693:</u> Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for the Navy's 31<sup>st</sup> Annual Bay Bridge Run / Walk.
- <u>S200-19-700:</u> Right of Entry Permit to Par Electric Contractors to install an aerial transmission electric line at Palomar Street in the City of Chula Vista.

# Agenda Item No. 6b

### San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

SUBJECT:

LICENSE FOR WATER MAIN REPLACEMENT AT EUCLID AVENUE

### RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve a license for a 16" water main replacement at Euclid Avenue in the City of San Diego.

### **Budget Impact**

Fees will be credited to the San Diego and Arizona Eastern budget.

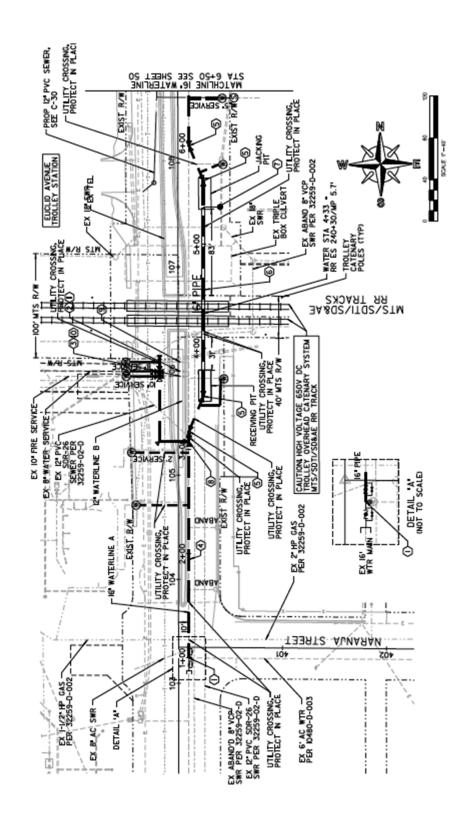
### **DISCUSSION:**

The City of San Diego (City) proposes to replace an existing 16" water main in Euclid Avenue with a similar pipe located adjacent to existing alignment. The City's project plans follow MTS design requirements for pipe boring under existing tracks.

The existing water main is in an easement granted by SD&AE in 1962. The existing pipe will be abandoned in place. Attachment A is the project plan for the new crossing. Staff recommends approval of the new license.

Attachment: 16" Water Main Plan

# Euclid Avenue 16" Water Main

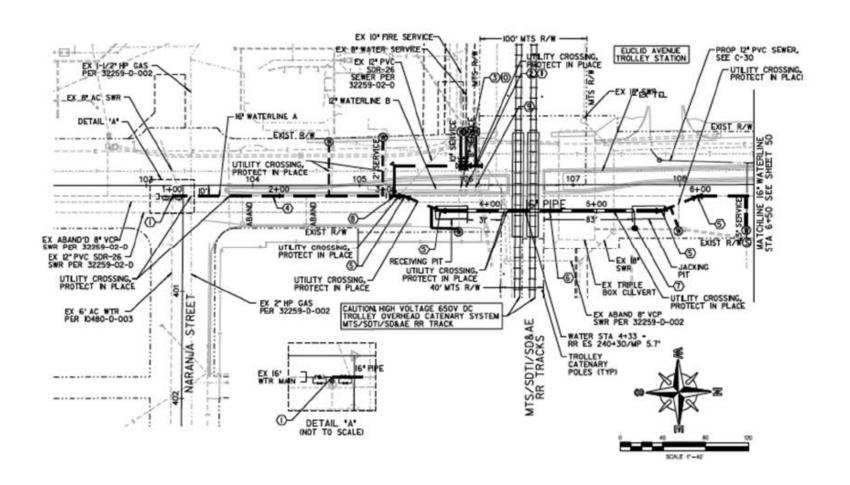


# **Euclid Transit Center**





# Euclid Avenue 16" Water Main





# Agenda Item No. 6C

# San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

### SUBJECT:

LICENSE FOR UNDERGROUND FIBER-OPTIC LINE SOUTHWEST OF SMYTHE AVENUE

### RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve a license for an underground 18" casing pipe and fiber-optic conduits southwest of Smythe Avenue in the City of San Diego.

### **Budget Impact**

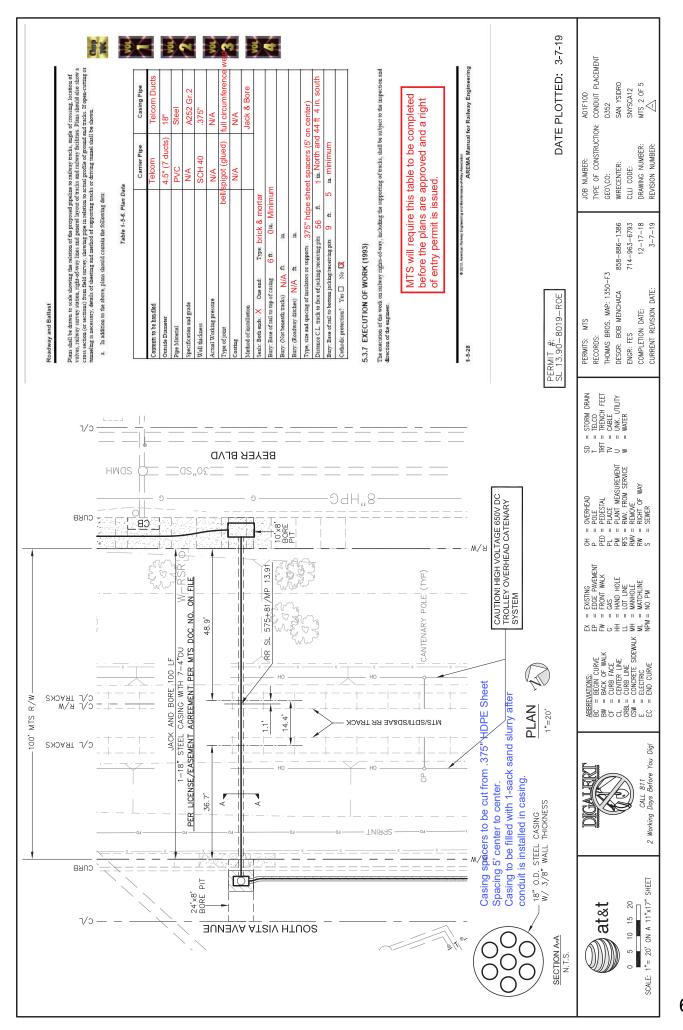
Fees will be credited to the San Diego and Arizona Eastern budget.

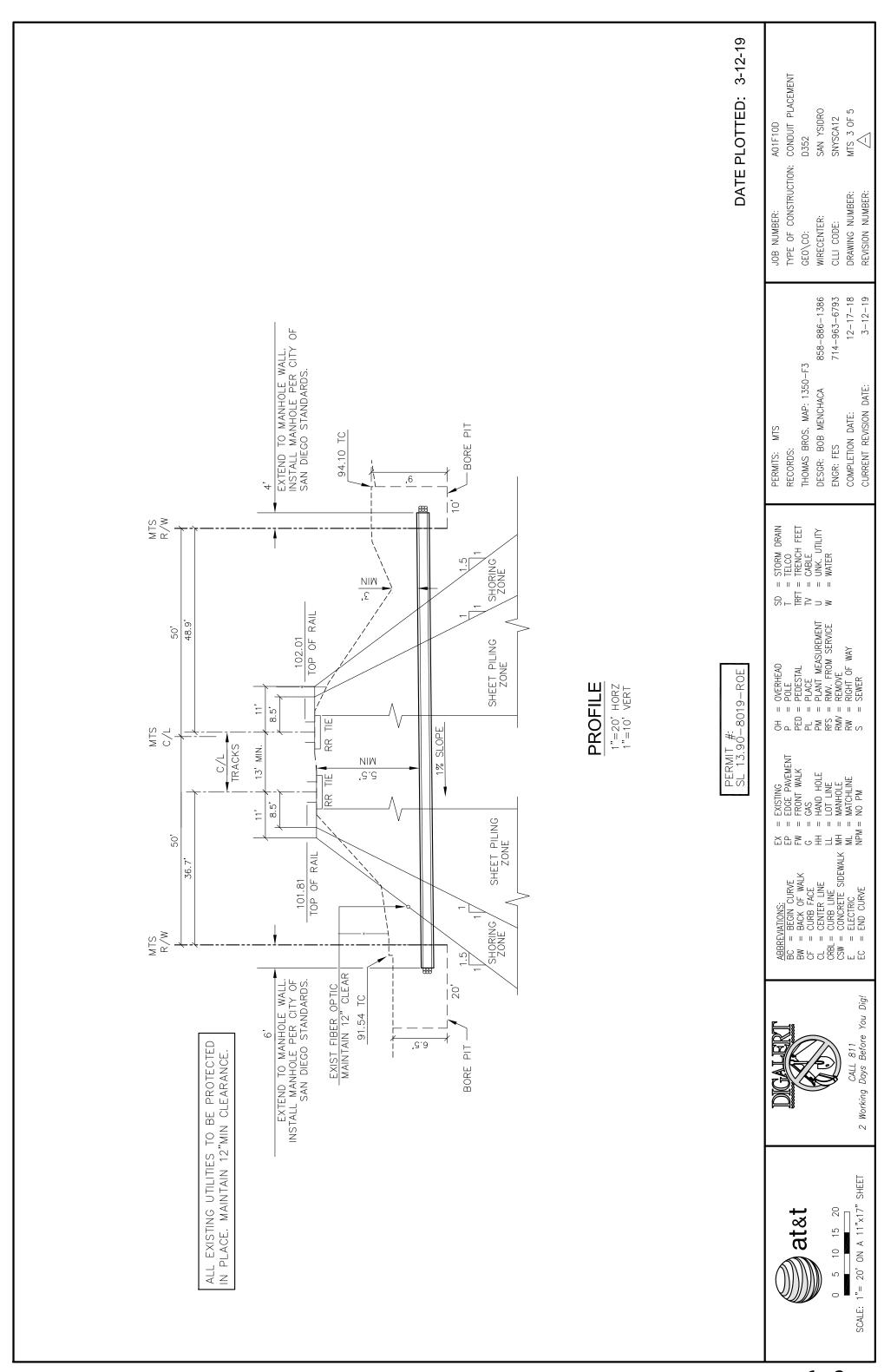
### **DISCUSSION:**

AT&T proposes to construct a new underground fiber crossing southwest of Smythe Avenue in the City of San Diego. The installation includes an 18" casing pipe containing seven ducts for fiber-optic cabling. The crossing adheres to all MTS design standards and will have no access handholds within the SD&AE right-of-way.

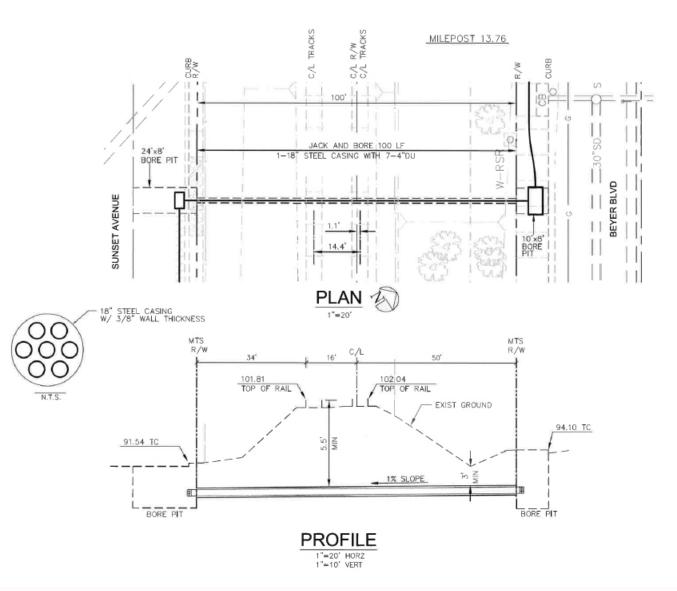
Staff recommends approval of the license per the attached project design drawings.

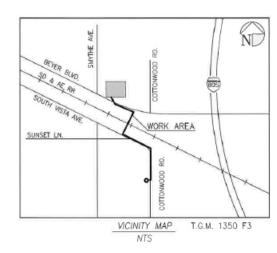
Attachment: Underground Fiber-Optic Plan





# Smythe Avenue Underground Fiber Crossing







# Agenda Item No. 6d

# San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors Meeting

April 9, 2019

SUBJECT:

LICENSE FOR AERIAL FIBER-OPTIC LINE AT LEMON AVENUE

### **RECOMMENDATION:**

That the SD&AE Railway Company Board of Directors approve a license for an aerial fiber-optic cable at Lemon Avenue in the City of La Mesa.

### **Budget Impact**

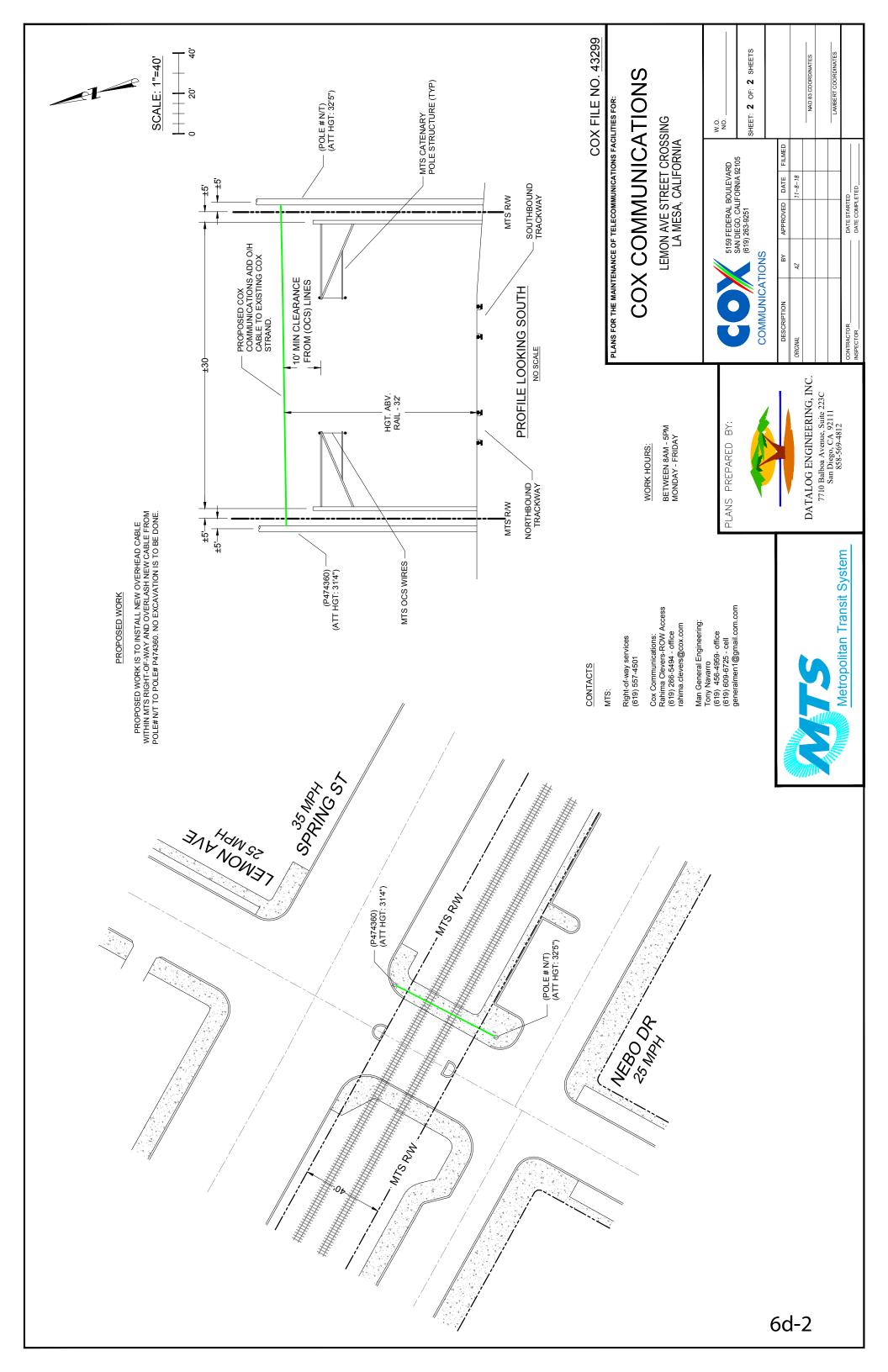
Fees will be credited to the SD&AE budget.

### DISCUSSION:

Cox Communications proposes to construct a new aerial fiber crossing at Lemon Avenue in the City of La Mesa. The installation includes an additional fiber cable to an existing overhead crossing. The proposed license will replace any old license for this installation and will include existing and proposed facilities. The crossing adheres to all MTS design standards and will have no access handholds within the SD&AE right-of-way.

Staff recommends approval of the license per the attached project design drawings.

Attachment: Aerial Fiber-Optic Plan



# Lemon Avenue Aerial Fiber Crossing

