



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

June 9, 2005

9:00 a.m.

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

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 (ADLs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - May 26, 2005 Approve
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 furnish a copy to the Clerk of the Board.
4. Presentation of Employee Awards Receive



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

5. Closed Session Items
None.

Possible Action

Oral Report of Final Actions Taken in Closed Session

CONSENT ITEMS - RECOMMENDED BY THE CHIEF EXECUTIVE OFFICER (indicated by *)

- | | | |
|-------|--|---------|
| * 6. | <u>MTS: Internal Audit Report on the Payroll Process</u>
Action would receive this report for information. | Approve |
| * 7. | <u>MTS: San Ysidro Intermodal Transportation Center Project Update and Phase III Ticket Booth Project Construction Contract Award</u>
Action would (1) waive the irregularity in the bid submitted by HAR Construction, Inc.; (2) authorize the CEO to execute a contract with HAR to construct the San Ysidro Intermodal Transportation Center Phase III Ticket Booth Project; and (3) approve a 10 percent construction contingency. | Approve |
| * 8. | <u>SDTC: Leased Bus Tires and Related Services - Contract Award</u>
Action would authorize the MTS Chief Operating Officer-Bus to execute a three-year contract with 2 one-year options with Michelin North America, Inc., for leased bus tires and related services for the Imperial Avenue and Kearny Mesa Divisions. | Approve |
| * 9. | <u>MTS: Construction Contract Change Orders for Mission Valley East</u>
Action would authorize the CEO to execute contract change orders with Balfour Beatty/Ortiz Enterprises, Inc., Stacy & Witbeck, Inc., and Orion/Balboa Construction, Joint Venture, for work on the Mission Valley East Extension Project. | Approve |
| * 10. | <u>MTS: Disadvantaged Business Enterprise (DBE) Semiannual Report</u>
Action would receive this report for information. | Receive |
| * 11. | <u>MTS: Rural Bus Services - Contract Amendment</u>
Action would authorize the CEO to execute: (1) Amendment No. 1 to Contract No. B0397.0-03 for Rural Bus services for the first one-year option period; and (2) Amendment No. 1 to Contract No. B0439.0-04 for Rural Bus automated vehicle location services for a 17-month period. | Approve |
| * 12. | <u>MTS: Election to Fill Vacant Position of San Diego and Arizona Eastern (SD&AE) Railway Company Treasurer and Alternate Board Member</u>
Action would: (1) receive the San Diego and Imperial Valley (SD&IV) Railroad, Pacific Southwest Railway Museum Association (PSRMA), and Carrizo Gorge Railway, Inc. (CZRy) quarterly reports; (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Board of Directors at its meeting of May 10, 2005; and (3) appoint Jim Bertram, as recommended by the SD&AE Board, to replace Mike Ortega's positions as Treasurer and Alternate for Tom Schlosser (Board Member). | Approve |

- * 13. MTS: An Ordinance Amending Ordinance No. 13, An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, As Ordinance No. 13: Second Reading Approve
Action would adopt the ordinance "An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13," and direct publication of an ordinance summary.

NOTICED PUBLIC HEARINGS

25. MTS: FY 2006 Budget: Public Hearing and Adoption Hold Public Hearing and Adopt
That the Board of Directors hold a public hearing, receive testimony, review and comment on the FY 2006 budget information presented in this report, and adopt Resolution No. 05-4 approving the operating and capital budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry.

NOTE: A FIVE-MINUTE RECESS WILL BE TAKEN AT APPROXIMATELY 10:30 A.M.

DISCUSSION ITEMS

None.

REPORT ITEMS

None.

60. Chairman's Report Possible Action
61. Chief Executive Officer's Report Information
62. Board Member Communications
63. Additional Public Comments Not on the Agenda Possible Action
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.
64. Next Meeting Date: June 23, 2005
65. Adjournment

JGarde

AGENDAS EC 6-2-05 BD 6-9-05

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 6/9/05

CALL TO ORDER (TIME): 9:04 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:20 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:09 a.m. during AI 7	
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		9:58 a.m. during Public Hearing
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:18 a.m. during AI 9	
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input type="checkbox"/> (Zarate) <input checked="" type="checkbox"/>	9:09 a.m. during AI 7	
RINDONE	<input type="checkbox"/> (Davis) <input type="checkbox"/>	9:09 a.m. during AI 7	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:12 a.m. during AI 7	
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:09 a.m. during AI 7	
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Tyler Williams

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM,
SAN DIEGO TRANSIT CORPORATION,
AND SAN DIEGO TROLLEY, INC.

May 26, 2005

BOARD OF DIRECTORS MEETING ROOM, 10TH FLOOR
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Vice Chairman Rindone called the meeting to order at 9:06 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Lewis moved to approve the minutes of the May 12, 2005, Board of Directors meeting. Mr. Clabby seconded the motion, and the vote was 9 to 0 in favor.

3. Public Comments

Chuck Lungerhausen: Mr. Lungerhausen expressed concern that MTS is abandoning bus riders along Friar's Road with the service efficiencies being implemented for Route Nos. 27 and 81. He stated that these routes serve businesses, condominiums, apartments, and Sea World. He suggested that Board members set a good example by riding transit themselves in order to encourage the public to ride transit.

4. Presentation of Employee Awards

San Diego Trolley, Inc. employees were presented with service awards as follows: For 10 years of service: Tom Doogan (Special Events Coordinator) and Bill Weidman (Assignment Supervisor).

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:13 a.m. for CONFERENCE WITH LABOR NEGOTIATORS Agency Designated Representative – Jeff Stumbo; Employee Organization – International Brotherhood of Electrical Workers (IBEW) 465

The Board reconvened to Open Session at 9:51 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following action taken in Closed Session: The Board received a report from the chief labor negotiator, Mr. Jeff Stumbo, and gave direction to Mr. Stumbo.

CONSENT ITEMS

6. SDTI: Quarterly MTS Security Report (January – March) (OPS 960.11, PC 30102)

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

7. SDTI: Light Rail Vehicle Resistor Banks Procurement (OPS 970.6, PC 30102)

Recommend that the Board of Directors authorize the President/General Manager to execute a Standard Procurement Agreement, in substantially the same form as Attachment A of the agenda item, with Siemens Transportation Systems, Inc. to supply ten light rail vehicle brake resistor banks contingent upon receipt of a Buy America waiver from the Federal Transit Administration.

8. MTS: Rural Bus Insurance Renewal (OPS 920.5, PC 30207)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to renew the vehicle and general liability insurance coverage for MTS Rural Bus with the California Transit Insurance Pool for FY 04-05 and FY 05-06.

Recommended Consent Items

Mr. Lewis moved to approve Consent Agenda Item Nos. 6, 7, and 8. Ms. Atkins seconded the motion, and the vote was 11 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: An Ordinance Amending Ordinance No. 13, An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13 (ADM 122.2, PC 30100)

Ms. Lorenzen read the title of Ordinance No. 13. She reported that the primary change being recommended relates to the consumption of beverages that are contained in covered, spill-proof containers. She reviewed staff's reasons for recommending this change at this point in time. She pointed out that staff is not recommending a similar rule change for bus passengers.

SDTI President-General Manager Peter Tereschuck explained that there has been much interest in such a change of rules. He also pointed out that MTS has food vendors at transit stations that sell beverages, and there are soda vending machines at many locations. He stated that making this change in conjunction with the opening of MVE will allow staff to incorporate this change into the re-signing efforts currently underway. He stated that many other systems have changed this rule and provided specific examples. SDTC Chief Operating Officer Claire Spielberg stated that allowing this activity on buses would present special problems and recommended against it. She pointed out that trolley cars provide a fairly stable ride compared to buses. She added that, even though this activity is prohibited on buses, that rule is sometimes ignored and beverages are

spilled on buses. She stated that this already poses a maintenance problem and a vermin problem as well.

In response to a comment by Mr. Ewin, Mr. Tereschuck stated that there are no refuse containers onboard trolley cars, and staff feels the number of containers at stations is adequate to meet the need that will be created by this rule change. He stated that staff will monitor the stations to ensure that there are adequate trash receptacles after the rule change. Mr. Jablonski pointed out that the ordinance prohibits the consumption of beverages and food on board, but passengers may carry these items on the bus.

In response to a question from Mr. Jones about passengers transferring from trolley to bus with a beverage container, Ms. Spielberg stated that passengers sometimes board buses with beverage containers and are not challenged by the bus operator. MTS Director of Multimodal Operations Susan Hafner stated that passengers are also handled in that manner by contract services bus operators. Ms. Spielberg stated that, if problems arise, this subject may need to be revisited. Mr. Jones stated that new signage should indicate that the rule has changed and point out that it has not changed for bus riders. Mr. Lewis suggested that MTS provide recycle bins for disposal of beverage containers.

Ms. Spielberg confirmed that most bus operators across the country have the same rules as San Diego regarding food and beverages.

Action Taken

Mr. Emery moved to read the title of Ordinance No. 13, "An Ordinance to Repeal and Adopt Document No. 164, codified Rules and Regulations, as Ordinance No. 13," waive further readings of the ordinance, introduce the ordinance for further consideration at the next Board meeting, and direct publication of an ordinance summary. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

31. MTS: Proposed Changes to MTS Enabling Legislation (LEG 410, PC 30100)

Ms. Lorenzen reviewed the recommended resolution and its purpose. She stated that the resolution requests that the California State Senate and Assembly pass Senate Bill (SB) 959 and grant MTS a mandate waiver. She stated that SB 959 would revise MTS's enabling legislation to incorporate changes and modifications to MTS's powers and responsibilities consistent with the intent of SB 1703. In response to a question from Mr. Morrison, Ms. Lorenzen stated that North County Transit District supports this effort, and SANDAG is taking a similar action. In response to a question from Ms. Rose, Ms. Lorenzen explained that there will be an opportunity to discuss other types of changes when Mr. Mark Watts, MTS's lobbyist, makes a full presentation about the bill to the Board on June 23, 2005.

Action Taken

Mr. Emery moved to approve Resolution No. 05-5 requesting passage of Senate Bill 959 and request that the state issue a mandate waiver. Mr. Clabby seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. MTS: March Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 30101, 102, 103)

Ms. Anika deSilva, MTS Associate Transportation Planner, reviewed monthly performance indicators for March 2005. She reviewed the operating environment, system ridership, on-time performance, mean distance between failures, customer complaints, and collision accidents.

In response to a question from Mr. Monroe regarding the decrease in mean distance between failure, Ms. deSilva pointed out that both SDTC and contract bus services are included in the "bus" category in staff's report. Mr. Jablonski pointed out that mean distance between failures will have a natural fluctuation up and down from month to month. Mr. Lewis stated that special attention should be paid to the on-time performance of Laidlaw in the rural portion of the service they provide. He stated that he has received complaints regarding this issue. In response to a question from Ms. Kaltenborn, Ms. Hafner stated that the majority of ADA complaints relate to policy rather than service issues. Mr. Jablonski pointed out that MTS carries approximately 2,000 riders per day on its paratransit service.

Action Taken

Ms. Rose moved to receive this report for information. Mr. Clabby seconded the motion, and the vote was 12 to 0 in favor.

46. MTS: Operations Budget Status Report for March FY 05 (FIN 310.1, PC 30100)

Mr. Larry Marinesi, MTS Budget Manager, reviewed the financial highlights for MTS operations. He also reviewed operating revenues, costs, and net operating subsidy compared to amended budget and reviewed the net operating subsidy variance summary.

Mr. Monroe stated that he was disappointed with the decrease in rail revenues. Mr. Tereschuck reported that there have been six fewer games to date in the 2006 Padres season, and trolley is carrying about 18.2 percent of the gate. He added that attendance at the ballgames has decreased, although it resurged during the last home stand. He added that SDTI carried about 18.5 percent to the most recent Padres day game.

Action Taken

Mr. Emery moved to receive the MTS Operations Budget Status Report for March FY 05. Ms. Rose seconded the motion, and the vote was 12 to 0 in favor.

60. Chairman's Report (ADM 121.7, PC 30100)

There was no Chairman's Report.

61. Chief Executive Officer's Report (ADM 121.7, PC 30100)

Reauthorization of Transportation Equity Act for the 21st Century (TEA-21): Mr. Jablonski reported that the 7th 30-day extension to the current TEA-21 bill has been given to allow time for the passage of the reauthorization bill.

FY 06 Budget Presentation to SANDAG: Mr. Jablonski stated that MTS's presentation of its FY 06 budget to the SANDAG Transportation Committee was favorably received and no changes were made.

62. Board Member Communications

News Clips: Ms. Judy Leitner, Interim Director of Marketing and Community Relations, showed the Board two news clips in which a television reporter used public transit to get to his news station from Escondido and from his home. She also showed the Board a news clip of SDSU graduates who were given the opportunity to take a special ride on the Green Line.

School Safety/Security: Mr. Young thanked staff for its successful efforts in keeping students informed and aware of safety/security issues. He suggested that these efforts be repeated and requested that staff be extra vigilant about this matter. He stated that students are being intimidated by gang members. He added that this is a quality-of-life issue and was not included in the security report that appeared on the Board's Consent Agenda today.

Padres South Bay Community Night: Ms. Rose advised the Board that the four South Bay mayors will be throwing out first pitches at this event.

Interim Director of Marketing and Community Relations: Mr. Ewin expressed his support of the appointment of Ms. Judy Leitner to this position. He stated that, since this appointment, communication has greatly improved with La Mesa regarding the MVE opening. He also commended Trolley Officer Rios for his professionalism during a recent event. He reported that Mr. Rios, not knowing Mr. Ewin, offered to assist him. He also discussed the responsibilities of his position with Mr. Ewin.

Mr. Rindone also endorsed the appointment of Ms. Leitner and added that he was looking forward to the exciting opening of MVE.

Start Time of Board Meetings: Mr. Ewin also stated that anything that could be done to make sure Board meetings start on time would be appreciated. He stated that Board and staff members who arrive on time are required to wait until a quorum of Board members is present.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, June 9, 2005, at 9:00 a.m. in the same location.

65. Adjournment

Vice Chairman Rindone adjourned the meeting at 10:38 a.m.



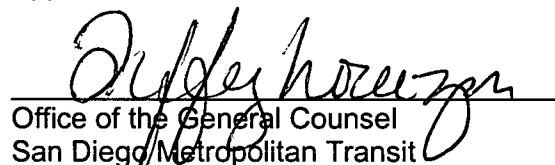
Chairman
San Diego Metropolitan Transit
Development Board

Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit
Development Board

Attachment: A. Roll Call Sheet

gail.williams/minutes

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 5/26/05

CALL TO ORDER (TIME): 9:06 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:13 a.m.

RECONVENE: 9:51 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 10:38 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:11 a.m. during Employee Awards	
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	10:05 a.m. during AI 30	
MATHIS	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:50 a.m. during Closed Session	
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Tiffany Williams



1255 Imperial Avenue, Suite 1000
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Agenda

Item No. 6

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492 (PC 30100)

June 9, 2005

Subject:

MTS: INTERNAL AUDIT REPORT ON THE PAYROLL PROCESS

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

The MTS Internal Auditor recently performed an audit of the payroll process at MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). The objective of the audit was to assess the adequacy of controls over the payroll process.

As a result of this audit, several recommendations were offered to improve controls. Management has accepted these recommendations, and implementation is underway.

Paul G. Jablonski
Chief Executive Officer

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

JGarde/JUNE9-05.6.PAYROLLAUDIT.MABBEY
5/20/05

Attachment: Internal Audit Report on the Payroll Process **(Board Only)**



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



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Agenda

Item No. 7

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIP 10453

June 9, 2005

Subject:

MTS: SAN YSIDRO INTERMODAL TRANSPORTATION CENTER PROJECT UPDATE
AND PHASE III TICKET BOOTH PROJECT CONSTRUCTION CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors:

1. waive the irregularity in the bid submitted by HAR Construction, Inc. (HAR);
2. authorize the Chief Executive Officer (CEO) to execute a contract (MTS Document No. L0726.0-05) with HAR to construct the San Ysidro Intermodal Transportation Center (SYITC) Phase III Ticket Booth Project (LRT-10453C), in substantially the same form as shown in Attachment A, in an amount not to exceed \$393,888; and
3. approve a 10 percent construction contingency totaling \$39,389.

Budget Impact

A total of \$433,277 would be encumbered from the SYITC Project budget (WBS #10453), leaving a balance of \$178,015.



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DISCUSSION:

Phases I and II of the SYITC Project consolidated transit services into one area and eliminated mixing pedestrian and vehicular traffic in order to relieve congestion and enhance public safety and convenience. The projects provided a new General Services Administration (GSA) parking lot with a pedestrian bridge. This improvement replaced the original GSA parking lot that is now a multibay bus transit center. The project also included:

- a realignment of the light rail transit tracks and station platform to the east side of the former San Ysidro Boulevard;
- a pedestrian plaza between the bus transit center and trolley station platform;
- the realignment and extension of Rail Court and intercity bus parking area; and
- the realignment of a 10-inch City of San Diego sewer main.

The Phase I Project has been closed out, and final closeout for the Phase II Project is commencing.

The SYITC Phase III Ticket Booth Project consists of constructing a new service building at the San Ysidro/Tijuana Transit Center with ticket-selling windows, drivers' restroom, janitorial area, and code compliance office. The project also includes installing fencing, landscaping, traffic stripping, and sign installation. The Engineer's Estimate for the project was \$236,000.

The project was advertised on December 20, 2004. The Invitation for Bids was directly mailed to 829 contractors, including 442 disadvantaged business enterprise (DBE) contractors. A prebid conference was held on January 13, 2005, at which time the bid requirements, including the DBE goal of 2 percent and Good Faith Effort (GFE) requirements were discussed.

On February 10, 2005, a total of 3 bids were received as summarized in Attachment B, "Bid Summary." HAR submitted the apparent low bid of \$393,888.00 with a DBE participation of 11 percent.

In evaluating the bids, as summarized in the Bid Evaluation (Attachment C), an irregularity was found in HAR's bid on the "Designation of Subcontractors" bid form. The subcontractor's name, city, and description of work columns were filled in; however, HAR failed to fill in the Age of Firm, Annual Gross Receipts of Firm, and Amount of Work by Subcontractor in Dollars columns.

In determining whether a bid is responsive to an invitation to bid, and whether a deviation from the bid requirements may be disregarded as insubstantial, a local agency must provide the bidder with notice and the opportunity to submit materials concerning

the issue of responsiveness. "[T]he entity need not conduct a hearing, make formal findings, or otherwise comply with due process requirements for determining whether a bidder is responsible, which were defined by the Supreme Court in City of Inglewood-L.A. County Civic Center Auth. v. Superior Court (1972) 7 Cal. 3d 861, 870-871" (Ghilotti Construction Company v. City of Richmond (1996) 45 Cal. App. 897, 904).

A construction bid which substantially conforms to contract specifications may be accepted "if the variance cannot have affected the amount of the bid or give a bidder an advantage or benefit not allowed other bidders, or in other words, if the variance is inconsequential" (Id.). A deviation from the bid specifications is substantial "unless it is so inconsequential that it could not affect the amount of the bid." (Konica Business Machines U.S.A., Inc. v. Regents of the University of California (1988) 206 Cal. App. 3d 449, 454-455.)

Although HAR did not submit the required information on the dollar value paid to each subcontractor at the time of bid, the total amount of its bid did not change even after the corrected information was received from HAR. Given that the final bid amount was not affected by the missing information, HAR did not receive an unfair competitive advantage in the bidding process.

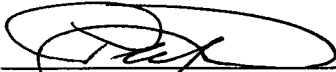
Furthermore, the requirement to list the dollar amount of work to be performed by subcontractors is a higher standard than required by the Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100). Therefore, it is within MTS's discretion to waive this irregularity as described above. However, in order to determine the DBE participation and percent of work retained by HAR, it was necessary to verify the omitted information. Therefore, on March 30, 2005, a letter was submitted to HAR requesting affidavits verifying that the subcontractor bid amounts provided after the bids were opened are true and unchanged from prior to bid opening. After evaluation of the submitted affidavits, it is recommended that all irregularities on HAR's "Designation of Subcontractors" bid form be waived; making HAR's bid the lowest responsive and responsible bid.

Therefore, after fully reviewing the bid prices compared to the Engineer's Estimate, it is recommended that the contract be awarded to HAR for the bid amount of \$393,888. In addition, it is recommended that MTS establish a 10 percent Construction Contingency for completing Change Orders as required to complete the project.

HAR's Workforce Report is included as Attachment D for informational purposes.

In addition to the cost to build the ticket booth, two other project budget concerns should be noted. First, the unresolved claim filed by the Phase II contractor, Stacy and Witbeck, Inc., requesting additional compensation for an alleged loss of productivity due to the volume of change orders required for the project, and, second, right-of-way issues resulting from the design and construction of the SYITC Project. The FY 06 project

budget will be increased by approximately \$1.8 million in consideration of these potential impacts should they not fall in our favor. The actual cost exposure is not known at this time.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Bill Prey, 619.699.1941, bpr@sandag.org

JGarde
JUNE9-05.7.SYITCCONTRACTAWARD.MBRITTEN.BHELGASON
5/24/05

Attachments: A. MTS Doc. No. L0726.0-05 (w/o attachments)
B. Bid Summary
C. Bid Evaluation
D. Workforce Report **(Board Only)**



DRAFT

CONSTRUCTION CONTRACT

SAN YSIDRO TICKET BOOTH PROJECT, PHASE III
LRT-10453C

L0726.0-05
CONTRACT NUMBER

CIP 10453C
FILE NUMBER(S)

THIS AGREEMENT is entered into this ____ day of _____, 20____, in the State of California by and between Metropolitan Transit System (MTS), and the following Contractor, hereinafter referred to as "Contractor":

Name: HAR Construction, Inc. Address: 3103 Market Street

Form of Business: Corporation San Diego, CA 92102
(Corporation, partnership, sole proprietor, etc.) Telephone: (619) 325-5995

Authorized person to sign contracts: Hector M. Romero President
Name Title

The Contractor agrees to furnish to the Board services and materials, as follows:

The work consists, in general, of constructing a new service building at the San Ysidro Trolley Station with ticket-selling accommodations, a restroom, janitor area, code compliance office, and fencing, landscaping, traffic stripping, and sign installation, including, but not limited to the following: earthwork, foundation, cast-in-place concrete, concrete unit masonry assemblies, structural steel, rough carpentry, interior architectural woodwork, metal roofing and flashing, custom steel doors, push-up service doors, bullet-resistant windows and doors, plaster and gypsum wallboard assemblies, acoustical tile ceiling, painting, signing, plumbing, ductwork, air conditioning, electrical, telephone, utility connect service, water, sewer, storm drain, chain link fencing and gate, wrought iron railing, paint traffic striping, traffic signing, landscaping, removal of temporary ticket booth, and procuring all materials and performing all other work in accordance with the Contract LRT-10453 Phase III Plans, Standard Specifications, and these Special Provisions dated December 20, 2004, and Addendum No. 1 dated January 20, 2005, and Addendum No. 2 dated February 7, 2005.

TOTAL AMOUNT OF CONTRACT SHALL NOT EXCEED \$393,888.00 AS SHOWN IN EXHIBIT A.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$393,888	10453-1000	2005

By: _____ Director of Finance and Administration Date
ARamir/10453C-SA-L0726.05.BHELGA - 5/19/05

(Continued on ____ sheets, each bearing name of Contractor)



Metropolitan Transit System

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

BID SUMMARY

SAN YSIDRO TICKET BOOTH PROJECT – PHASE III
LRT-10453C

Bids Due to SANDAG: February 10, 2005, at 2:30 p.m.

	<u>Total</u>
HAR Construction, Inc. 3103 Market Street San Diego, CA 92102	\$393,888*
RSM2 Contractors, Inc. 8265 Commercial Street La Mesa, CA 91947	\$394,000
Randall Construction 3656 Ruffin Road, Suite D San Diego, CA 92123-1896	\$471,261

Engineer's Estimate – Base Bid: \$236,000

*Apparent low bid.

^Contractor calculation error; revised correct total shown.

Pete d'Ablaing
Senior Transportation Engineer

Louise Torio
Administrative Assistant

LTorio
BS-10453C-SYTICKET-P3.PDABLA
4/28/05

cc: Jim Linthicum, +John Haggerty, *Brad Helgason, *Bill Prey, +Mike Ruth, *Pete d'Ablaing, Teresa Gonzalez-White, Renée Wasmund, Cathy Stansfield, *Louise Torio, Reception, Tiffany Lorenzen, Cathlina Castillo – MTS.
+send specs only/*send specs and plans



BID EVALUATION:
SAN YSIDRO TICKET BOOTH PROJECT PHASE III
BID OPENING DATE FEBRUARY 10, 2005

	HAR CONSTRUCTION	RSM2 CONTRACTORS	RANDALL
Business Address	3103 Market St. San Diego, CA 92102	8265 Commercial St. #9 La Mesa CA 91942	3656 Ruffin Rd. Ste D San Diego, CA 92123-1896
Telephone	619-325-5995	619-698-7777	858-560-5453
Type of Bid/Guarantee	Bidders' Bond	Bidders' Bond	Bidders' Bond
Principals	HECTOR ROMERO, PRES	MONTE MARTIN, PRES	GARY RANDALL, OWNER
Legal Name	HAR CONSTRUCTION, INC	RSM2 CONTRACTORS, INC	RANDALL CONSTRUCTION
Signature and Title Date Executed	HECTOR ROMERO, PRES 2/10/2005	MONTE MARTIN, PRES 2/10/2005	GARY RANDALL, OWNER 2/7/2005
Cost Proposal Bid Amount	\$393,888.00	\$394,000.00	\$471,261.00
Eng. Est. \$236,000			
Designation of Subcontractors Over 0.5%	Incomplete/Resubmitted Complete on 2/18/05 ¹	YES	YES
Designation of Subcontractors Less 0.5%	YES	Incomplete/Resubmitted After Bid ²	YES
% Retained by Prime 25% Minimum Irregularities	53.48%	56.56%	57.21%
DBE Participation Irregularities	11.07%	2.06% Required inclusion of DBE suppliers to meet DBE goal ²	2.28%
Subs. Not Considered in Bid Price Form	Signed	not signed or filled out/resubmitted complete on 2/23/05	Signed
EEO Certification Irregularities	YES NONE	YES NONE	YES NONE
Addenda Acknowledged	YES	YES	YES
Contractor License	A, B, C-8	A, B	B
Min Insurance Required	YES	YES	YES
Public Contract Code	Not Disqualified	Not Disqualified	Not Disqualified
Contractor Eligibility	Not Debarred	Not Debarred	Not Debarred
Subcontractor Eligibility	Subs Not Debarred	Subs Not Debarred	Subs Not Debarred
Buy America	Alternative A	Alternative A	Alternative A
Bidders Bond Executed	1/25/2005	2/8/2005	2/10/2005
Bond Rating Company	Insurance Company of the West	Travelers Casualty and Surety	Travelers Casualty and Surety
Rating	A-	A+	A+
Noncollusion Affidavit	YES	YES	YES
Certification of Restrictions on Lobbying	YES	YES	YES
Staff Recommendation	Responsive/Responsible ¹	Partial Evaluation ²	Responsive/Responsible
Notice of Intent to Award	29-Apr-05	29-Apr-05	29-Apr-05
End of Protest Period	13-May-05	13-May-05	13-May-05

Note # 1 - Recommend waive irregularity and approve form per affidavit process.

C-1

Note # 2 - Form incomplete, late submittal would require affidavit process in order to meet DBE goal.

5/23/2005



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 8

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 960.6 (PC 30101)

June 9, 2005

SUBJECT:

SDTC: LEASED BUS TIRES AND RELATED SERVICES: CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the MTS Chief Operating Officer-Bus to execute a three-year contract with 2 one-year options (SDTC Doc. No. B05-001 – Attachment A), in substantially the same form as attached, in an amount not to exceed \$3,791,182.43 with Michelin North America, Inc. for leased bus tires and related services for the Imperial Avenue and Kearny Mesa Divisions.

Budget Impact

These amounts are budgeted under the San Diego Transit Corporation (SDTC) operating budget.

DISCUSSION:

Like many other transportation agencies throughout the country, SDTC leases its revenue vehicle tires by the mile and outsources related tire services. The tires are leased from the tire manufacture by the tire mile at a predetermined fixed rate. The tire mileage rate is different for each tire size used. The related tire service is also provided by the tire manufacture at a fixed monthly rate. The tire mileage rate and monthly



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

service rate can adjust annually but is fixed for a one-year period. The contract is for a three-year period with 2 one-year options.

SDTC Contract No. IFB B05-001 was solicited and opened on May 6, 2005, for leased bus tires and related services for a three-year period and 2 one-year options. Two responsive bids were received in response to the solicitation: one was from Goodyear Tire and Rubber Company (SDTC's current contractor), and the other was from Michelin North America, Inc. (see Bid Summary, Attachment B). Michelin North America, Inc. was the lowest responsive, responsible bidder at a total bid amount of \$3,791,182.43; therefore, pursuant to the SDTC policy, staff recommends award of the contract to Michelin North America, Inc.

Staff has concluded that the bid submitted by Michelin North America, Inc. is fair and reasonable. Staff made this determination by conducting an independent cost estimate prior to the solicitation and by a comparison of Michelin North America, Inc.'s rates to rates received in early 2005 by Orange County Transit Authority from Bridgestone/Firestone for like tires and services.

The scope of work for this solicitation was reviewed for disadvantaged business enterprise (DBE) recommendations and outreach by our DBE consultant, Gonzalez-White Consulting Services. It was recommended that no goal be set for this contract.

Attached for the Board's information is SDTC's Workforce Report (Attachment C).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Claire Spielberg, (619) 238-0100 ext 400, Claire.spileberg@sdmts.com

JGarde
JUNE9-05.8.BUSTIRES.CAQUINO
5/11/05

Attachments: A. Draft Agreement No. B05-001
B. Bid Summary
C. Workforce Report **(Board Only)**

DRAFT

100 16th Street
P.O. Box 122511
San Diego, CA 92112-2511
(619) 238-0100
FAX (619) 696-8159

Att. A, AI 8, 6/9/05, OPS 960.6

STANDARD PROCUREMENT AGREEMENT
LEASED BUS TIRES AND RELATED SERVICES

B05-001
CONTRACT NUMBER

31553004
FILE NUMBER (S)

THIS AGREEMENT is entered into this _____ day of _____ 2005, in the state of California by and between San Diego Transit Corporation (SDTC) and the following contractor, hereinafter referred to as "Contractor":

Name: Michelin North America, Inc. Address: One Parkway South

Form of Business: Corporation Greenville, SC 29615
(Corporation, partnership, sole proprietor, etc.)

Telephone: 864-458-5323

Authorized person to sign contracts: Maxine Osborne Director, Tire Leasing
Name Title

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

Provide tire-related services to San Diego Transit Corporation's (SDTC's) two divisions located at 100 16th Street and 4630 Ruffner Street based upon SDTC's Invitation for Bids (B05-001), including Addendums A & B and Responses to Approved Equals/Clarifications, and in accordance with the MTS Standard Procurement Agreement, including the Standard Conditions and forms, General Contract Provisions, Technical Specifications, SDTC Safety Program, and Michelin North America, Inc.'s Bid Proposal dated May 6, 2005. If there are any inconsistencies between these documents, the following order of precedence will govern the interpretation of this contract:

1. General Contractual Provisions, including Bid Proposal, Technical Specifications, Addendums A & B, and Responses to Approved Equals/Clarifications.
2. Standard Procurement Agreement, including Standard Conditions Procurement.

This Contract shall remain in effect for three years with two 1-year options exercisable at SDTC's discretion. The total cost of this contract shall not exceed \$3,791,182.43.

SAN DIEGO TRANSIT CORPORATION (SDTC)		CONTRACTOR AUTHORIZATION
By: <u>Claire Spielberg, Chief Operating Officer (Bus)</u>	Firm: _____	
Approved as to form:	By: _____ Signature	
By: <u>Office of the General Counsel</u>	Title: _____	
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$3,791,182.43	31553004	FY 06

By: Cliff Telfer, Interim Chief Financial Officer Date _____

(Continued on ____ sheets, each bearing contract number)

San Diego Transit
An Operator in the Metropolitan Transit System

100 16th Street
P.O. Box 122511
San Diego, CA 92112-2511
(619) 238-0100
Purchasing Fax (619) 696-7084

BID SUMMARY**SDTC IFB #B05-001****Leased Bus Tires and Related Services**

COMPANY NAME	BID AMOUNT
Michelin North America, Inc. One Parkway South Greenville, SC 29615	\$ 3,791,182.43
The Goodyear Tire and Rubber Company 1144 East Market Street Akron, OH 44316	\$ 6,113,109.71



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 9

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIP 426.2, 426.3,
426.4, 426.5

June 9, 2005

Subject:

MTS: CONSTRUCTION CONTRACT CHANGE ORDERS FOR MISSION VALLEY
EAST

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to:

1. execute Contract Change Order (CCO) No. 206, Supplement No. 3, with Balfour Beatty/Ortiz Enterprises, Inc., Joint Venture (BBO), in substantially the same form as Attachment A, for additional removal and disposal of rock, and furnishing bedding materials for pipelines, under Contract LRT 426.4, La Mesa Segment, in an amount not to exceed \$41,654.48. This will increase the CCO total amount to \$131,654.48;
2. execute CCO No. 124, Supplement No. 2, with Stacy & Witbeck, Inc. (SWI), in substantially the same form as Attachment B, for increases in bid item quantities under Contract LRT-426.5, Track & Systems, in an amount not to exceed \$108,260; and
3. execute CCO No. 121 with Orion/Balboa Construction, Joint Venture (OBJV), in substantially the same form as Attachment C, to construct a pressure-reducing vault under Contract LRT-426.2 in an amount not to exceed \$165,000. This CCO would pay OBJV to install water main improvements, which were originally slated to be installed by the contractor for the Grantville Segment of the Mission Valley East (MVE) Project under Contract LRT-426.3 but were deleted.



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

Budget Impact

1. A total of \$41,654.48 for CCO No. 206, Supplement No. 3 with BBO would be encumbered from available funds in the La Mesa Segment Contract LRT-426.4 Construction Contingency (WBS #10426-109918LM), leaving a balance of \$1,051,720 in the LRT-426.4 Construction Contingency. The previous amounts for CCO No. 206, together with Supplement Numbers 1 and 2, have previously been encumbered under this Construction Contingency.
2. A total of \$108,260 for CCO No. 124, Supplement No. 2 with Stacy & Witbeck, Inc. (SWI), would be encumbered from available funds in the Trackwork and Systems Contract LRT-426.5 Construction Contingency (WBS #10426-109918TR), leaving a balance of \$361,375 in the LRT-426.5 Construction Contingency.
3. A total of \$165,000 for CCO No. 121 with OBJV would be encumbered from available funds in the Advanced Utilities Contract LRT-426.2 Construction Contingency (WBS #10426-1010), leaving a balance of \$331,340 in the LRT-426.2 Construction Contingency.

DISCUSSION:

Under Contract LRT-426.4, BBO is the contractor for the construction of the La Mesa Segment of the MVE Project. BBO has been working on the MVE Project since March 2002. CCO No. 206, Supplement No. 3, would allow BBO to balance and close out this CCO for work involved in removing rocks and debris and furnishing and placing additional bedding materials for underground pipelines.

The Board is requested to approve CCO No. 206, Supplement No. 3, for \$41,654.48 to pay BBO for this extra work and for furnishing extra materials. This would increase the total amount of the CCO to \$131,654.48. The BBO Workforce Report is attached for information (Attachment D).

Under Contract LRT-426.5, SWI is the contractor for the installation of track and systems for the entire MVE Project. SWI has been working on the MVE Project since January 2003.

CCO No. 124, Supplement No. 1, would provide funds to reimburse the contractor for increased quantities of railroad signaling materials actually installed on the project. There was a discrepancy between the cost estimate provided to the contractor by the design engineer during the bidding process and the final quantities of materials actually installed in the railroad signaling system to make it function properly. There were five bid items where quantities exceeded the engineer's cost estimate at the time of bid, and the sum of these quantity increases at contract bid price exceeds the \$100,000 signature limit of the CEO. The SWI Workforce Report is attached for information as Attachment E.

OBJV has been on the project since November 2000 under Contract LRT-426.2. OBJV originally performed on the project relocating utilities throughout the San Diego State University (SDSU) campus. Staff now would like OBJV to finish an uncompleted task originally in the scope of work for the Grantville Segment contractor (LRT-426.3), Modern Continental Construction Company, which is the pressure-reducing vault for the City of San Diego along Camino Del Rio North on the MVE alignment.

Funds for this task were transferred into the Advanced Utilities Contract (LRT-426.2) Construction Contingency at the April 28, 2005, Board meeting to fund this task, among others. The OBJV Workforce Report is attached for information as Attachment F.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Dennis L. Wahl, 619.235.2635, dwh@sandag.org

Alsla/JGarde
JUNE9-05.9.MVECCOs.DWAHL
5/16/05

- Attachments:
- A. BBO Contract Change Order No. 206, Supplement No. 3
 - B. SWI Contract Change Order No. 124, Supplement No. 2
 - C. OBJV Contract Change Order No. 121
 - D. BBO Workforce Report
 - E. SWI Workforce Report
 - F. OBJV Workforce Report
- } **Board Only**

Contract No. LRT 426.4

MVE La Mesa Segment

File: 10426.7

Page 1 of 1 pages

CCO NO. 206
SUPPLEMENT NO. 3
REVISION NO. 0
TO: Balfour Beatty/Ortiz (JV)

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The General Manager

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
Change requested by Engineer

Balancing Contract Change Order.

Estimate of Extra Work at Force Account

Determination of the final cost caused by the work specified in Change Order No. 206 has been made and found to require a supplemental allotment of \$41,654.48. This sum constitutes full compensation, including all markups, for this change.

This supplement will close out this Contract Change Order.

Force Account Estimate \$41,654.48

Total Change This Supplement: \$41,654.48 (Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Submitted by: [Signature] Date April 12, 05
Resident Engineer Ramon Ruelas

Recommended by: _____ Date _____
Construction Engineer William A. Prey

Approved by: _____ Date _____
Director of Engineering & Construction Jim Linthicum

Approved by: [Signature] Date _____
~~General Manager~~ Paul Jablonski - CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Contractor: Balfour Beatty/Ortiz (JV)

CONTRACTOR SIGNATURE NOT REQUIRED

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

Contract No. LRT 426.4

MVE La Mesa Segment

File: 10426.7

Page 1 of 2 pages

CCO NO. 206
SUPPLEMENT NO. 0
REVISION NO. 0
TO: Balfour Beatty/Ortiz (JV)

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The Resident Engineer

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
Change requested by Engineer

The last percentage shown after each bid item is the net accumulated increase or decrease from the original quantity in the engineer's estimate.

Description of Changes in Contract Item Work at Contract Prices

Deduct from Bid Item No. 6 the funds required for the extra work to be paid for as part of this change order.

Estimate of Decrease in Contract Item Work at Contract Prices

Item 6 Allowance for Extra Work Items
-0.025 LS (-2.50%) @ \$200,000.00 = (\$5,000.00) (-2.50%)
Decrease (\$5,000.00)

Estimate of Extra Work at Force Account

In accordance with Sections 4-1.03D, Extra Work, 9-1.03, Force Account Payment, 20-4.03, Preparing Planting Areas, and Section 20-5.03D, Trenching And Backfilling, of the Standard Specifications, and as directed by the Engineer, provide labor, material, and equipment necessary for the removal, disposing of rocks, debris and the furnishing and placing bedding material for pipe.

This work will be paid as Extra Work at Force Account in an amount not to exceed \$5,000.

Force Account Estimate \$5,000.00

(continued next page) Total Change This Supplement: \$0.00
(Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Recommended by: Steve Paré Date 3/11/04
Construction Project Manager
Approved by: Gary Groff Date 3/9/04
Resident Engineer
Concurred by: William A. Prey Date 3/26/04
Construction Engineer

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Accepted Date 3/7/04 Contractor: Balfour Beatty/Ortiz (JV)
By [Signature] Title PM

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

Contract No. LRT 426.4**MVE La Mesa Segment****File: 10426.7**

Page 2 of 2 pages

CCO NO. 206
SUPPLEMENT NO. 0
REVISION NO. 0
TO: Balfour Beatty/Ortiz (JV)

Total Change This Supplement: \$0.00
(Increase)

Contract No. LRT 426.4

MVE La Mesa Segment

File: 10426.7

Page 1 of 1 pages

CCO NO. 206
SUPPLEMENT NO. 1
REVISION NO. 0
TO: Balfour Beatty/Ortiz (JV)

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The General Manager

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
Change requested by Engineer

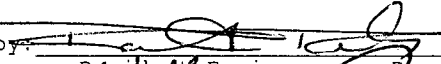
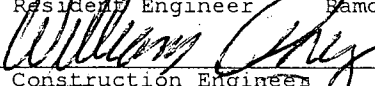
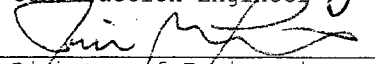
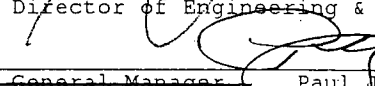
Estimate of Extra Work at Force Account

In accordance with Sections 4-1.03D, Extra Work, 9-1.03, Force Account Payment, 20-4.03, Preparing Planting Areas, and Section 20-5.03D, Trenching And Backfilling, of the Standard Specifications, and as directed by the Engineer, provide labor, material, and equipment necessary for the removal, disposing of rocks, debris and the furnishing and placing bedding material for pipe.

Force Account Estimate \$50,000.00

Total Change This Supplement: \$50,000.00 (Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Submitted by:  Date: Dec. 1, 04
Resident Engineer Ramon Ruelas
Recommended by:  Date: 12/22/04
Construction Engineer William A. Prey
Approved by:  Date: 12.27.04
Director of Engineering & Construction Jim Linthicum
Approved by:  Date: 1/3/05
General Manager Paul Jablonski - CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Contractor: Balfour Beatty/Ortiz (JV)

CONTRACTOR SIGNATURE NOT REQUIRED

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filling a written protest within the time therein specified.

CCO NO. 206
SUPPLEMENT NO. 2
REVISION NO. 0
TO: Balfour Beatty/Ortiz (JV)

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The General Manager

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
Change requested by Engineer

Estimate of Extra Work at Force Account

In accordance with Sections 4-1.03D, Extra Work, 9-1.03, Force Account Payment, 20-4.03, Preparing Planting Areas, and Section 20-5.03D, Trenching And Backfilling, of the Standard Specifications, and as directed by the Engineer, provide labor, material, and equipment necessary for the removal, disposing of rocks, debris and the furnishing and placing bedding material for pipe.

Force Account Estimate \$40,000.00

Total Change This Supplement: \$40,000.00 (Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Submitted by: [Signature] Date Feb 4 05
Resident Engineer Ramon Ruelas
Recommended by: [Signature] Date 2/15/05
Construction Engineer William A. Prey
Approved by: [Signature] Date 2-16-05
Director of Engineering & Construction Jim Linthicum
Approved by: [Signature] Date _____
~~General Manager~~ Paul Jablonski - CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Contractor: Balfour Beatty/Ortiz (JV)

CONTRACTOR SIGNATURE NOT REQUIRED

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filling a written protest within the time therein specified.

Att. B, AI 9, 6/9/05, CIP 426.7.3

MTDB**CONTRACT CHANGE ORDER (CCO)**

Report Date: 04/22/05

Contract No. LRT-426.5

MVE Trackwork & Systems

File: CIP10426.7

Page 1 of 2 pages

CCO NO. 124
 SUPPLEMENT NO. 2
 REVISION NO. 0
 TO: Stacy and Witbeck Inc.

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The Construction Engineer

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
 Change requested by Engineer

The last percentage shown after each bid item is the net accumulated increase or decrease from the original quantity in the engineer's estimate.

Description of Changes in Contract Item Work at Contract Prices

In accordance with Section 4-1.03B, Increased or Decreased Quantities, of the Standard Specifications, increase the following bid items to actual quantities of work performed: #114 (Signal Cable, Type: 7C#14, Signal and RS), #115 (Signal Cable, Type: SC#14), #116 (Signal Cable, Type: 2C#14 TW/SH, TWC Cable), #117 (Signal Cable, Type: 2C#6 TW, Track Circuits) and #119 (Signal Cable, Type: 2C#6, Power Cable).

Estimate of Increase in Contract Item Work at Contract Prices

Item 114	Signal Cable, Type: 7C #14, Signal and RS 2400 M (73.26%) @ \$9.00 =	\$21,600.00 (300.98%)
Item 115	Signal Cable, Type: SC #14, Signal 700 M (31.24%) @ \$7.00 =	\$4,900.00 (31.24%)
Item 116	Signal Cable, Type: 2C #14 TW/SH, TWC Cable 4540 M (64.23%) @ \$10.00 =	\$45,400.00 (108.09%)
Item 117	Signal Cable, Type: 2C #6 TW, Track Circuits 4990 M (124.91%) @ \$7.00 =	\$34,930.00 (190.24%)
Item 119	Signal Cable, Type: 2C #6, Power Cable 130 M (10.22%) @ \$11.00 =	\$1,430.00 (86.48%)
Increase	\$108,260.00	

(continued next page) Total Change This Supplement: \$108,260.00 (Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Submitted by: _____ Date _____
 Resident Engineer Steven Dill

Recommended by: _____ Date _____
 Construction Project Manager Mark Benson

Approved by: _____ Date _____
 Construction Engineer William A. Frey

Concurred by: _____ Date _____
 Director of Engineering & Construction Jim Linthicum

Concurred by: _____ Date _____
 General Manager Paul Jablonski / CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Accepted, Date _____ Contractor: Stacy and Witbeck Inc.

By _____ Title _____

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

MTDB**CONTRACT CHANGE ORDER (CCO)**

Report Date: 04/22/05

Contract No. LRT-426.5

MVE Trackwork & Systems

File: CIP10426.7

Page 2 of 2 pages

CCO NO. 124
SUPPLEMENT NO. 2
REVISION NO. 0
TO: Stacy and Witbeck Inc.

Estimate of Adjustment Compensation

Payment for quantities of Items #114 (Signal Cable, Type: 7C#14, Signal and RS), #115 (Signal Cable, Type: 5C#14), #116 (Signal Cable, Type: 2C#14 TW/SH, TWC Cable), #117 (Signal Cable, Type: 2C#6 TW, Track Circuits) and #119 (Signal Cable, Type: 2C#6, Power Cable), in excess of 125 percent of the Engineer's Estimate will be adjusted in accordance with Section 4 1.03B of the Standard Specifications. Determination of the adjustment is deferred.

Adjustment Comp. Estimate \$0.00

Total Change This Supplement:

\$108,260.00 (Increase)

MTDB**CONSTRUCTION MEMORANDUM**

Report Date: 05/06/05

Contract No. LRT 426.2

SDSU Advance Utilities

File: CIP 426

Page 1 of 1 pages

CONTRACTOR: Orion/Balboa (JV)
 TO: William A. Prey
 FROM: Chris P. Berk

CCO NO. 121
 SUPPLEMENT NO. 0
 REVISION NO. 0
 Amount of Change: \$165,000.00 (INCREASE)

Description: Pressure Reducing Station

THIS CHANGE ORDER PROVIDES FOR

Constructing a Pressure Reducing Station.

Mission Valley East LRT 426.3 issued a change order for constructing a pressure reducing station. The contractor as a result of existing utilities did not perform the work. The utility relocation would extend beyond contract time; therefore, the work will be performed under LRT 426.2.

Payment for this work, which is not part of any applicable contract item, will be made as extra work at agreed price. The extra work will include reimbursement for potholing to determine if to highline the current water service, removing the existing station, install a new station with all of the appurtenances and site restoration. In the event to not highline the existing water service, a credit will be taken. Records and calculations to determine the agreed price are on file in the project records.

This change order was reviewed by and has received concurrence from Dan Martin, SANDAG Field Construction Engineer and Dave Ragland, SANDAG Project Manager.

Contract time is not affected by this change order.

Approval History

S/O General Manager \$165,000.00 TTD \$165,000.00 (not approved)

WBS TOTALS:

WBS	Change	WBS Balance
104261010	\$165,000.00	\$331,340.10

REASONS FOR CHANGE ORDER:

Agency Requirement: 100.00%

MTD BOARD

1) AI#	0	/	/	\$0.00
2) AI#	0	/	/	\$0.00
3) AI#	0	/	/	\$0.00
TOTAL				\$0.00

Approved by:

Name _____ Date _____

Name _____ Date _____

Project Manager

Name _____ Date _____

Construction Engineer

Name _____ Date _____

Dir. of Eng. and Const.

ESTIMATE OF COST:

	THIS SUPPLEMENT	TOTAL TO DATE THIS CCO
Items	\$0.00	\$0.00
Force Account	\$0.00	\$0.00
Agreed Price	\$165,000.00	\$165,000.00
Adjustment Comp.	\$0.00	\$0.00
Total	\$165,000.00	\$165,000.00

PENDING CONTRACT CONTINGENCY BALANCE

(including this change)

\$694,847.10

Chris P. Berk
 Resident Engineer

Date _____

N/A
 CM Project Manager

Date _____



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 10

Board of Directors Meeting for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 430 (PC 30100)

June 9, 2005

Subject:

MTS: DISADVANTAGED BUSINESS ENTERPRISE (DBE) SEMIANNUAL REPORT

RECOMMENDATION:

That the Board of Directors receive the semiannual fiscal year (FY) 04 DBE reports for Federal Highway Administration (FHWA)- and Federal Transit Administration (FTA)-assisted contracts (Attachments A and B).

Budget Impact

None.

DISCUSSION:

On July 24, 2003, the Board of Directors approved the following DBE goals for FY 04:

FHWA-Assisted Projects

- DBE Goal for FY 04 – 12.8 percent

FTA-Assisted Projects

- DBE Goal for FY 04 – 13 percent



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

DBE Reporting Requirements

The DBE reporting requirements have changed. Previously, it was necessary to report on DBE progress payments, which consisted of all payments made to DBE subcontractors on a quarterly basis. Federal guidelines now require that only contracts that begin and end during a semiannual reporting period need to be monitored and submitted to the FTA and FHWA. For consistency, the same information will be reported to the Board for approval before submission to the FTA and FHWA. Due to this change and the fact that the San Diego Association of Governments (SANDAG) has acquired a sizeable portion of the construction contracts, the numbers reported to MTS are significantly smaller in scope.

DBE Semiannual FY 04 Report for FHWA-Assisted Projects

Attached is a summary illustrating semiannual FY 04 DBE participation for FHWA-assisted projects (Attachment A).

Although goals were set for FHWA monies for FY 04, it was later determined that due to the consolidation, no MTS projects received FHWA funding in FY 04. Therefore, this report was completed to reflect the lack of funds.

DBE Semiannual FY 04 Report for FTA-Assisted Projects

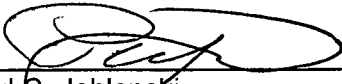
Attached is a summary illustrating semiannual FY 04 DBE participation for FTA-assisted projects (Attachment B).

The total dollar value of the prime contracts awarded during this reporting period was \$1,019,427.00. This consisted of seven contracts, work orders, and/or purchase orders. Two of the seven prime contracts awarded were DBEs with a dollar value of \$22,298.00. The percentage of prime contracts awarded to DBEs was 29% but the dollar value awarded to DBEs was only 2%. Again, due to the consolidation with SANDAG and the change in federal reporting requirements, the DBE progress was significantly less than in previous reporting periods.

Technical Assistance/Outreach

Various outreach efforts targeting DBEs are instituted by the agency to assist in achievement of agency DBE goals. Project bid advertisement notices are published in general circulation media, minority-focused media, and trade-focused media. DBE firms with trades specific to a project's work scope are also identified in the agency's DBE directory and the California Department Transportation's (Caltrans') DBE database and sent advertisement notices. To assist contractors in meeting a project goal, a DBE directory is compiled specifically to a project's scope of work and is provided to contractors at agency prebid meetings. Additionally, staff participates in community outreach workshops and trade fairs/expos to increase DBE awareness and to inform DBEs of agency contracting opportunities. For example, on April 25 MTS staff attended an outreach trade fair at the Scottish Rite Center where several small businesses

provided their service information. In addition, MTS will be attending the Western Regional Business Matchmaking Event in Pasadena on June 7 and 8 in order to facilitate meeting our DBE goals in the future.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Traci Bergthold, 619.557.4540, tbergthold@sdmts.com

JGarde
JUNE9-05.10.DBESEMIRPT.TBERGTHOLD
5/19/2005

Attachments: A. DBE Participation Report for FHWA-Assisted Projects
B. DBE Participation Report for FTA-Assisted Projects

Attachment A

UNIFORM REPORT OF DBE AWARDS OR COMMITMENTS AND PAYMENTS									
Please refer to the Instructions sheet for directions on filling out this form									
1. Submitted to (check only one):		<input checked="" type="checkbox"/> FHWA		<input type="checkbox"/> FAA		<input type="checkbox"/> FTA--Vendor Number			
2. AIP Numbers (FAA Recipients Only):									
3. Federal fiscal year in which reporting period falls: FY 04				4. Date This Report Submitted: 6/9/05					
5. Reporting Period		<input type="checkbox"/> Report due June 1 (for period Oct. 1-Mar. 31)				<input checked="" type="checkbox"/> Report due Dec. 1 (for period April 1-Sept. 30)			
6. Name of Recipient: Metropolitan Transit System									
7. Annual DBE Goal(s):		Race Conscious Goal 0 %		Race Neutral Goal 13 %		OVERALL Goal 13 %			
AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (total contracts and subcontracts awarded or committed during this reporting period)	A	B	C	D	E	F	G	H	I
	Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs /Race Conscious	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	TOTAL		0	0	0	0	0	0	0
DBE AWARDS/COMMITMENTS THIS REPORTING PERIOD-BREAKDOWN BY ETHNICITY & GENDER	A	B	C	D	E	F	G	H	I
	Black American	Hispanic American	Native American	Subcont. Asian American	Asian-Pacific American	Non-Minority Women	Other (i.e. not of any other group listed here)	TOTALS (for this reporting period only)	Year-End TOTALS
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
ACTUAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A		B		C		D		E
	Number of Prime Contracts Completed		Total Dollar Value of Prime Contracts Completed		DBE Participation Needed to Meet Goal (Dollars)		Total DBE Participation (Dollars)		Percentage of Total DBE Participation
	0		0		0		0		0
	0		0				0		0
	0		0				0		0
15. Submitted by (Print Name of Authorized Representative)					16. Signature of Authorized Representative				
17. Phone Number:					18. Fax Number:				

*Although goals were set for FHWA monies for FY04, it was later determined due to the consolidation, no MTS projects received FHWA monies for FY04. Therefore this report was completed to reflect the lack of funds.

Attachment B

UNIFORM REPORT OF DBE AWARDS OR COMMITMENTS AND PAYMENTS									
Please refer to the Instructions sheet for directions on filling out this form									
1. Submitted to (check only one): <input type="checkbox"/> FHWA <input type="checkbox"/> FAA <input checked="" type="checkbox"/> FTA--Vendor Number									
2. AIP Numbers (FAA Recipients Only):									
3. Federal fiscal year in which reporting period falls: FY 04									
4. Date This Report Submitted: 11/8/04									
5. Reporting Period <input type="checkbox"/> Report due June 1 (for period Oct. 1-Mar. 31) <input checked="" type="checkbox"/> Report due Dec. 1 (for period April 1-Sept. 30)									
6. Name of Recipient: Metropolitan Transit System									
7. Annual DBE Goal(s): Race Conscious Goal 11 % Race Neutral Goal 2 % OVERALL Goal 13 %									
AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (total contracts and subcontracts awarded or committed during this reporting period)	A	B	C	D	E	F	G	H	I
	Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs /Race Conscious	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
	1,019,427	7	22,298	2	0	0	22,298	2	2%
	0	0	0	0	0	0	0	0	0
	TOTAL		22,298	2	0	0	22,298	2	2%
DBE AWARDS/COMMITMENTS THIS REPORTING PERIOD-BREAKDOWN BY ETHNICITY & GENDER	A	B	C	D	E	F	G	H	I
	Black American	Hispanic American	Native American	Subcont. Asian American	Asian-Pacific American	Non-Minority Women	Other (i.e. not of any other group listed here)	TOTALS (for this reporting period only)	Year-End TOTALS
	0	2	0	0	0	0	0	2	289
	0	22,298	0	0	0	0	0	22,298	3,811,804
	10. Total Number of Contracts (Prime and Sub)	0	2	0	0	0	0	0	2
11. Total Dollar Value	0	22,298	0	0	0	0	0	22,298	3,811,804
ACTUAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A		B		C		D		E
	Number of Prime Contracts Completed		Total Dollar Value of Prime Contracts Completed		DBE Participation Needed to Meet Goal (Dollars)		Total DBE Participation (Dollars)		Percentage of Total DBE Participation
	0		0		0		0		0
	0		0				0		0
	0		0				0		0
15. Submitted by (Print Name of Authorized Representative)					16. Signature of Authorized Representative				
17. Phone Number:					18. Fax Number:				



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 11

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 920.05 (PC 30207)

June 9, 2005

Subject:

MTS: RURAL BUS SERVICES – CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute:

1. Amendment No. 1 to Contract No. B0397.0-03 for Rural Bus services for the first one-year option period; and
2. Amendment No. 1 to Contract No. B0439.0-04 for Rural Bus automated vehicle location (AVL) services for a 17-month period.

Budget Impact

1. The estimated amount proposed for Rural Bus services in Amendment No. 1 is \$802,000 (an 11-month period) in FY 05-06 and \$78,000 (a 1-month period) in FY 06-07. The total estimate is \$880,000.
2. The estimated amount proposed for Rural Bus AVL Services in Amendment No. 1 is \$3,662 (a 5-month period) in FY 05-06 and \$10,137 (a 12-month period) in FY 06-07. The total estimate is \$13,799.

DISCUSSION:

The County of San Diego initiated Rural Bus services in 1979 serving the eastern two-thirds of the county with lifeline public transit service. On February 13, 2002, the San Diego County Board of Supervisors approved the divestiture of the County Transit



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

System to MTS effective July 1, 2002. Rural Bus service was operated under the Divestiture Agreement through FY 03-04.

In January 2004, MTS-area boundaries were extended to include all areas of the county not included in the North San Diego County Transit District's area.

A contract to provide Rural Bus services was competitively bid and awarded on June 26, 2003, for a base term of 2 years with three 1-year options. The contractor (Laidlaw Transit Services) has performed satisfactorily, and the original bid included prices for the option years. The pricing structure in this agreement includes both fixed and variable rates allowing MTS the greatest flexibility in making adjustments to the amount of service provided. Any change in service operated will be reflected in the actual costs.

Due to Rural Bus services' very large service area, it is necessary to use AVL. Each vehicle is equipped with a global positioning system (GPS) device that obtains its position and forwards it to a central Internet-based service. In the most remote areas, cellular service is not available, and the vehicle units are able to transmit via satellite if no cellular site is located. This information is used to monitor bus location, to respond to mechanical and passenger problems, and in customer service; i.e., locating a bus. This agreement may be cancelled in whole or in part with 15 days' written notice.

All of these items are variable in cost in accordance with service allocation depending on the Comprehensive Operational Analysis outcomes and funding availability.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Hafner, susan.hafner@sdmts.com, 619.595.3084

JGarde
JUNE9-05.11.RURALBUS.JKEHOE
5/16/05

Attachments: A. Amendment No. 1 for Rural Bus Services (B0397.1-03)
B. Amendment No. 1 for Rural Bus AVL Services (B0439.1-04)



Metropolitan Transit System

Att. A, AI 11, 6/9/05, OPS 920.5

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

DRAFT

June 9, 2005

MTS Doc. No. B3097.1-03
OPS 920.5 (PC 30207)

Ms. Susan Spry
Area Vice President
Laidlaw Transit Services, Inc
15260 Ventura Boulevard, Suite 1050
Sherman Oaks, CA 91403

Dear Ms. Spry:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. B0397.0-03; RURAL BUS SERVICES

In accordance with page 1 of the Standard Services Agreement, "Contract Duration," of our original agreement, MTS amends the contract in regard to the following:

Contract Duration: The contract will remain in effect for a **three-year period** through August 1, 2006, a **36-month period**, with **two** additional 1-year options.

Please note that changes are shown in **boldface** type.

All other terms and conditions remain unchanged. Please sign below and return the document marked "Original" to Traci Bergthold, Contract Specialist, at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Susan Spry
Laidlaw Transit Services, Inc.

JUNE9-05.11.ATTA.B0397.1-03.JKEHOE

Date: _____



A-1

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

Att. B, AI 11, 6/9/05, OPS 920.5

DRAFT

June 9, 2005

MTS Doc. No. B0439.1-04
OPS 920.5 (PC 30207)

Mr. Gregory Jay White
President and CEO
AirTrak/CB Wireless, Inc
11353 Sorrento Valley Road
San Diego, CA 92121

Dear Mr. White:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. B0439.1-04; RURAL BUS AVL SERVICES

In accordance with Article 13 of the Agreement, "Term of Agreement," of our original agreement, MTS amends the contract in regard to the following:

- 13. Term of Agreement.** The term of this Agreement is for a **35-month** period that commenced on August 1, 2003. This Agreement shall continue in effect from this date until **June 30, 2006**, (the "Initial Term") unless AirTrak terminates it earlier. MTS agrees that the Initial Term cannot be cancelled by MTS except as provided in Section 3. If this Agreement has not been terminated as provided in the Agreement, then at the end of the Initial Term, this Agreement shall automatically renew for successive one-month periods (each a "renewal Term;" the Initial Term and all renewal Terms, if any, are referred to collectively as the "Term"). Either party may terminate this Agreement at any time during any renewal term upon not less than 15 days' prior written notice, such termination to be effective on the first day of the calendar month immediately after the expiration of the 15-day notice period.

All other terms and conditions remain unchanged. Please sign below and return the document marked "Original" to Traci Bergthold, Contract Specialist, at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Gregory Jay White
AirTrak/CB Wireless, Inc

JUNE9-05.11.ATTB.B0439.1-04.JKEHOE

Date: _____

B-1





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 12

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

SDAE 710.1 (PC 40099)

June 9, 2005

Subject:

MTS: ELECTION TO FILL VACANT POSITION OF SAN DIEGO AND ARIZONA
EASTERN (SD&AE) RAILWAY COMPANY TREASURER AND ALTERNATE BOARD
MEMBER

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley (SD&IV) Railroad, Pacific Southwest Railway Museum Association (PSRMA), and Carrizo Gorge Railway, Inc. (CZRy) quarterly reports (Attachment A);
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Board of Directors at its meeting of May 10, 2005 (Attachment B); and
3. appoint Jim Bertram, as recommended by the SD&AE Board, to replace Mike Ortega's positions as Treasurer and Alternate for Tom Schlosser (Board Member).

Budget Impact

None.



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

DISCUSSION:

Quarterly Reports

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, PSRMA and CZRy have provided the attached quarterly reports of their operations during the first quarter of calendar year 2004 (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 May 10, 2005, the SD&AE Board considered and approved an easement to the Otay Water District to install reclaimed water facilities within SD&AE right-of-way at Dairy Mart Road and Beyer Boulevard in San Diego, located on Assessor Parcel No. 637-021-06. The Board also approved an agreement and entitlement documents with 9Jay, LLP, owner of Assessor Parcel No. 538-710-08, to cover encroachments into its property by SD&AE. Copies of these agenda items are included for your review (Attachment B).

Appointment of Corporate Officers

At its meeting on May 10, 2005, the SD&AE Railway Company Board of Directors approved sending a recommendation to the MTS Board to elect Jim Bertram as the Treasurer and Alternate for Tom Schlosser (Board Member) to replace the positions vacated by Mike Ortega.

Pursuant to RailAmerica's Operating Agreement, it holds two positions on the SD&AE Board of Directors, and MTS holds one position.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JUNE9-05.12.SDAETREASURER.TLOREN
5/18/05

Attachment: A. Operators' Quarterly Reports
B. SD&AE Agenda Item Nos. 6a and 6b



April 28, 2005

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

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 1st Quarter of 2005 are listed as follows:

1. Labor

At the end of March 31, 2005 the San Diego & Imperial Railroad had 15 employees:

- 1 General Manager
- 1 Operations Manager
- 1 Manager - Marketing & Sales
- 1 Customer Service Representative
- 2 Mechanical Employees
- 1 Maintenance of Way Employee
- 1 Assistant Trainmaster
- 6 Full Time Train Service Employees
- 1 Part Time Train Service Employee

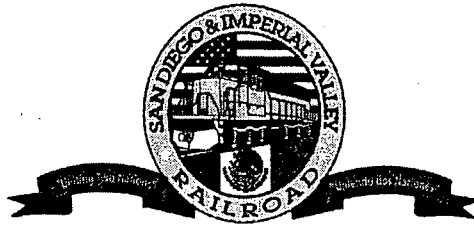
- **FREEDOM FOUNDATION Award Nomination:** The *Soroptimist International*, Mission Bay Chapter has nominated the Christmas Train Program for the National Medal of Freedom Award. This award was created as a way to say thank you to those whose projects, words or deeds best reflect the American spirit of volunteerism. WWW.FFVF.ORG
- **Tecate Handicap School:** The *Border Rail Institute* outreach program was able to supply the handicap School in Tecate with large stuffed animals for the 30 children in January. The Tecate Mayor's wife Blanca Sandoval arranged for the opportunity to deliver gifts to the children as they were not able to attend the Christmas Train event on January 9th. In addition, we have been able to help a severely handicapped boy, who was badly burned several years ago, to obtain a birth certificate through the City of Tecate, which will allow him to travel to the United States where the Shriners organization has arranged the necessary surgery for the boy.
- **Preliminary Scout of Archeological Site:** The T20 construction camp location may have also had military occupation during WWI. A joint formal survey and possible sampling of the site may be undertaken by the *Institute* and *Imperial Valley College* to determine its distinct history from that of other construction camp sites in the Carrizo Gorge.
- **Publication Grant:** In cooperation with the *Mountain Empire Historical Society*, The *Border Rail Institute* was recipient of a grant which will prepare for publication of a book entitled "The Valley". Written by Don Scheckler of Dulzura. It recalls four generations of Scheckler family history, including a chapter dedicated to the arrival of the first passenger steam locomotive to San Diego from Los Angeles.
- **Donations Received:** The *Border Rail Institute* receives many donations to support its program of history, cultural, environment and geography. Recently donated was a 1920s 16mm home movie of a trip thru Carrizo Gorge. Lasting approximately 10 minutes, it gives the viewer a good look at the line not long after its completion.



Construction Camp Remains at T20

Ongoing recruitment of Faculty, Community and Academic Advisory Board members and pursuit of funding and projects in support of the Iron Road of the Californias and Border Tapestry programs moves forward. We continue to look for opportunities to work with other agencies in regard to their project efforts in the Border Californias region. ■

May 10, 2005



May 2, 2005

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

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 1st Quarter of 2005 are listed as follows:

1. Labor

At the end of March 31, 2005 the San Diego & Imperial Railroad had 15 employees:

- 1 General Manager
- 1 Operations Manager
- 1 Manager - Marketing & Sales
- 1 Customer Service Representative
- 2 Mechanical Employees
- 1 Maintenance of Way Employee
- 1 Assistant Trainmaster
- 6 Full Time Train Service Employees
- 1 Part Time Train Service Employee

2. Marketing

There was a decrease in pulp board shipments to Celulosa Corrugados from the previous quarter. This facility is a box plant in outskirts of Tijuana that manufactures boxes for the television manufacturers and maquiladoras. There was also a reduction in pulp board shipments to Dole who was receiving pulp board for transfer to containers to dray to the port of San Diego for loading on ocean vessels destined to Ecuador. This business was lost to another shipping line calling on a Gulf Port. New business included LPG to Mexico, plastic and pulp board to industries at El Cajon, CA, and frozen strawberries from a facility located at Otay Mesa, CA. The decrease previous business carloads totaled 370 carloads. New business carloads totaled 303

3. Reportable Injuries/Environmental

There were no FRA Reportable injuries on the SDIY Railroad, during the 1st Quarter of 2005

4. Summary of Freight

	1st Qtr 2005	1st Qtr 2004	1st Qtr 2003
Total Carloads for Quarter Periods	2143	2138	1710
Received from BNSF for patron on SDIY	655	1050	869
Received from BNSF for patrons on CZRY	1393	1027	774
Originated on SDIY - Interchanged to BNSF	77	61	67
Originated on CZRY - Interchanged to BNSF	18	0	0
Number of Trucks replaced via SDIY Service	7501	7483	5985

Respectfully,

Douglas Verity

General Manager

Pacific Southwest Railway Museum

4695 Nebo Drive
La Mesa, CA 91941-5259

May 2, 2005

SD&AE Board
C/O MTS
1255 Imperial Av #1000
San Diego, CA 92101

FIRST QUARTER REPORT FOR 2005

The overall health of the Museum continues to improve, with additional members, volunteers, donations and spirit.

Here are the highlights for this quarter:

1. Using all volunteer crews we ran 50 passenger trains and carried 2,826 visitors, with no accidents or incidents. Our check for \$258.94 will be presented at the meeting.
2. We received a communication from CZRy stating they had no objections to the installation of a loading dock at the Campo Depot as presented at the last SD&AE Board meeting. A volunteer has been identified to complete this work. The start-up of this effort should begin in the near-term.
3. We continue work on a third locomotive to be put into service for the excursion trains.
4. We continue the major rebuilding effort on our excursion fleet, taking one car out of service and rebuild it from top to bottom.
5. The mediation process between CZRy and PSRM has progressed. I believe an agreement will be presented at this meeting.
6. As requested by the SD&AE Board, we have sent a memo outlining the issues and solutions to issues for the permission of the SD&AE to extend our

A California Non-Profit, Public Benefit Corporation, IRS Tax # 95-2374478

Owners and operators of the Campo Railroad Museum,
San Diego & Arizona Railway and the La Mesa Depot Museum

operations further east to allow us to operate occasional excursion passenger trains. These trains would greatly add additional revenue for us and are important to our Museum. At this time, would appreciate a response from the SD&AE Board outlining any objections which we could work on. These types of trips are important to our Museum.

7. We noted that a tour operator "Trains Unlimited Tours" continues to announce a passenger train from San Diego to El Centro over the SD&AE. By agreement between CZRy and the Museum, we have placed a disclaimer on our web pages that the trip is unauthorized and not proceeding.
8. Improvements continue at the Campo Depot. The baggage room is being prepared to host our expanded gift shop.
9. We await word from the SD&AE Board on our proposal for railway history library in El Cajon on the SD&AE.
10. We await word from the SD&AE Board on our proposal for purchasing surplus property in Campo on the SD&AE.
11. We attempted to communicate directly to CZRy our concerns about storing any cars, and specifically gas cars, at the shared Campo yard tracks. CZRy was non-responsive, and this issue was added to the agenda for the SD&AE consideration.

We appreciate the support of everyone and every organization in our efforts to save the railway history of San Diego and our region.

Sincerely,

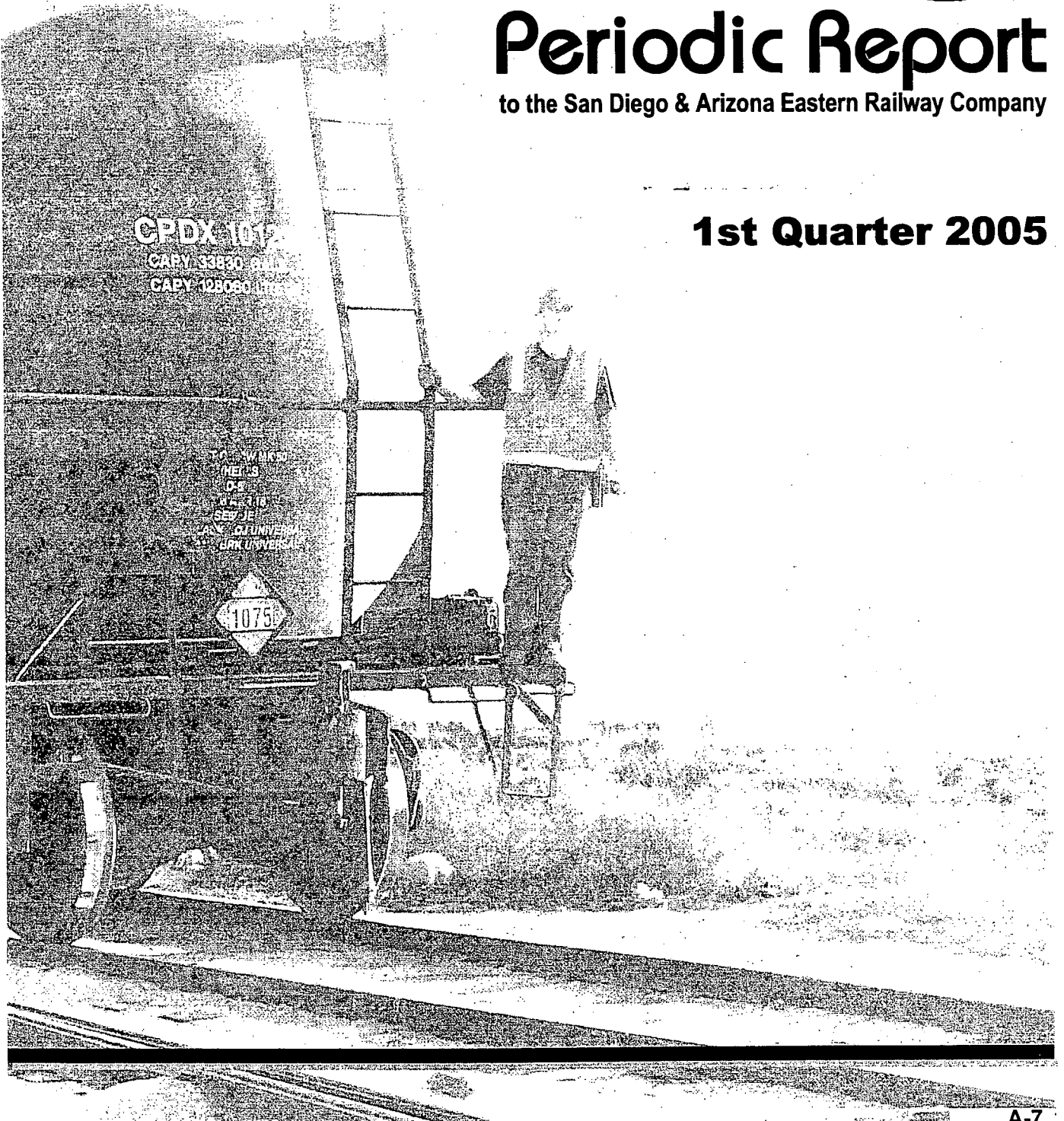
Jim Lundquist, President
Pacific Southwest Railway Museum



Periodic Report

to the San Diego & Arizona Eastern Railway Company

1st Quarter 2005





Periodic Report

to the San Diego & Arizona Eastern Railway Company

1st Quarter 2005

© 2005 Carrizo Gorge Railway, Inc.

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Appendix B– 1st Quarter Desert Line Rehabilitation Financial Summary	



CARRIZO GORGE RAILWAY, INC.

2295 Fletcher Parkway, Suite No. 101, El Cajon, CA 92020

Phone (619) 938-1943

Fax (619) 561-4367

May 10, 2005

Metropolitan Transit Development Board
San Diego & Arizona Eastern Railway Board
1255 Imperial Avenue
San Diego, California 92101

Pursuant to reporting agreement, here is the summary of 1st Quarter activity for 2005.

PERIODIC REPORT

1. Labor

At the end of March 31, 2005 the *Carrizo Gorge Railway (CZRY)* had 31 employees to cover operations in the U.S. on the Desert Line.

- 1 Vice President of Operations
- 1 General Manager
- 1 Chief Mechanical Officer
- 1 Safety & Training Officer
- 1 Marketing Director
- 1 Office Manager / Accounting
- 2 Revenue Freight Administrators
- 1 Superintendent / Engineer MOW
- 9 Maintenance-of-Way Employees
- 2 Mechanical Employees
- 7 Train Service Employees
- 1 Railroad Police Chief
- 3 Railroad Police Special Agents

2. Marketing

Marketing efforts as of 2005 are centered around connecting the Imperial and Mexicali Valleys with the Ports of San Diego and Ensenada. This work has been ongoing, in fact, for the past 3 years and serious efforts are underway towards planning a series of "test runs" to ensure procedures, routing and documentation in conjunction with the Ports and major shipping lines are workable.

Also, over the past three years, CGRy has been working with the aggregate mines of the Imperial Valley and Mexicali Valley on procedures to process and deliver a finished, CalTrans-specification sand for the 20,000 ton-plus demand, per day, in San Diego County.

3. Mexican Railroad

Carrizo Gorge Railway is the rail freight operator for the State of Baja California, México, and interchanges railcars with the SDIY at San Ysidro. *Carrizo Gorge Railway's* subsidiary, *The Ferrocarriles Penninsulares del Noroeste* (FPN) subsidiary employs the following 28 personnel dedicated to freight service south of the border:

- 1 Manager
- 1 Trainmaster
- 3 Agents
- 6 Train Service Employees
- 1 Carman
- 1 General Track Engineer
- 15 Maintenance-of-Way Employees

Within the next few weeks (beginning 2nd Quarter 2005), *AdmiCARGA* will be obtaining a specific in-bound permit from the Mexican Federal Government that will allow the movement of "In-Transit Through" U.S. rail traffic from Campo to San Ysidro. This rail movement has been held up until the issuance of the permit, causing some difficulty for the customers attempting to ship this way. This is the responsibility and must be handled by *AdmiCARGA* due to the fact that they are the government agency in charge of the rail line in Baja California.

4. Desert Line

Carrizo Gorge Railway is the rail freight operator on the Desert Line by contractual agreement with RailAmerica / SD&IV and with the approval of SD&AE / MTDB. In addition to the continued haulage of MOW sand off of the right-of-way and drainage areas, the interchange traffic from the *Union Pacific Railroad* continues to rise. CGRy was recently granted trackage rights to Seeley, MP 140 for the purpose of interchange and to relieve congestion at Plaster City. We also have the use of the siding at *Kuhn's Farms*, (MP 135), for the purpose of developing additional trans-loading for freight traffic on behalf of CGRy / Railport.

5. Government / Community Relations

CGRy's Government Relations team has been an active participant in both Jacumba and Campo communities. After meeting with many of the residents of Jacumba and in the interest of being "good neighbors," *Carrizo Gorge Railway* will not idle locomotives in or around Jacumba for extended periods of time. Instead, if circumstances make it necessary to idle locomotives, they will be left secured at Titus Siding. To initiate this, the old railroad maintenance frontage road to Titus from Jacumba has been re-graded to provide company vehicles direct access to Titus siding for the above mentioned purpose.

In Campo, Government Relations Representative Byron Wear has been meeting with the *Campo-Lake Morena Planning Group* and has established a working relationship with the newly designated transportation liaison, Mr. Robert Shea. Mr. Wear has been present and has participated at the monthly meetings of the planning group and been available to provide information and answer questions from the public.

6. Security

The *Carrizo Gorge Railway Police* have been made a member of the *FBI's* Joint Terrorism Task Force and the San Diego County Railroad Local Point of Contact on all rail, law-enforcement issues. The RR Police have been working closely with the *U.S. Immigration and Customs Enforcement Agency*, *Department of Justice* and *Department of Homeland Security*. Additionally, they are currently working on a criminal and intelligence case relating directly to homeland security.

The *CGRy Railway Police* have started an Operation Lifesaver / Law Enforcement school education training program. The intention is to provide training in both the U.S. and in México on railroad related safety programs; "Safety Through Education."

The *CGRy Railroad Police* are also assisting the *Grossmont Community College Police Academy* in the form of personnel and equipment for the training of new police recruits in San Diego County.

7. Reportable Injuries / Environmental Incidents

There were no reportable injuries during the 1st Quarter of 2005.

There were no environmental incidents during the 1st Quarter of 2005.

8. Summary of Freight Activity

Total carloads moved from January 1st, 2005 to March 31st, 2005, on the Desert Line.

MOW Sand:	363
------------------	------------

Total carloads moved from January 1st, 2005 to March 31st, 2005, to/from Seeley via interchange with *UPRR*, on the Desert Line.

Revenue Freight:	50
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Total carloads Terminating / Originating México from January 1st, 2005 to March 31st, 2005, to / from San Ysidro via interchange with *SD&IV*.

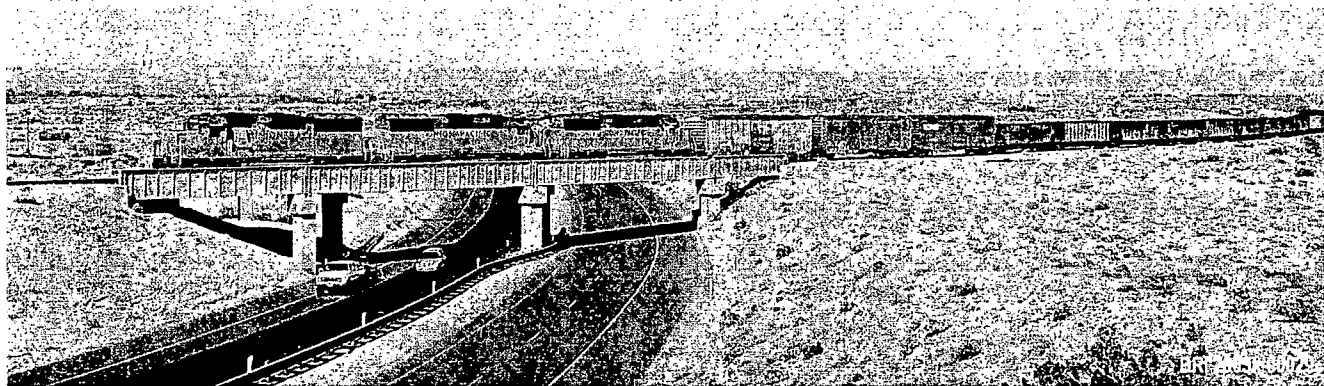
Revenue Freight:	1411
-------------------------	-------------

Total 1st Quarter 2005 Carloads Moved:	1824
--	-------------

Respectfully,

Geoffrey T. Scheuerman
General Manager
Carrizo Gorge Railway, Inc.

*Images are courtesy of the Mountain Empire Historical Society,
International Border Rail Institute, or individual photographers as noted.*

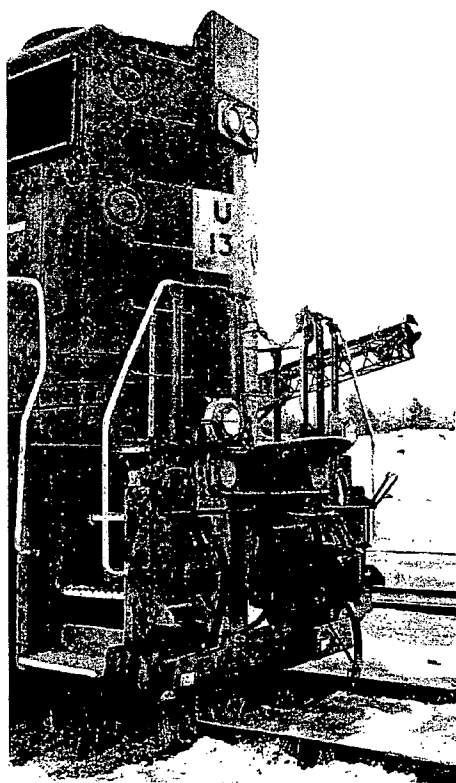


KEN KAHAN PHOTO

ONCE AGAIN, FREIGHT ROLLS ON THE DESERT LINE

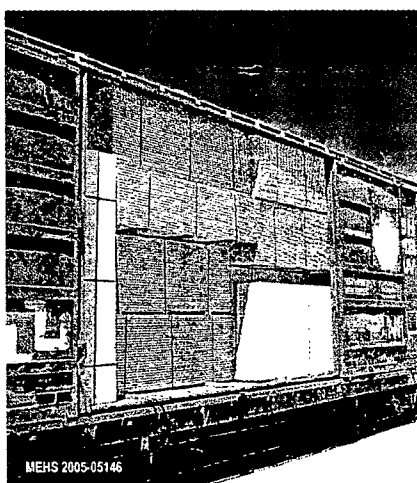
*Mixed Freight Crosses
over I-8 Near Ocotillo*

*And
in
Snow*

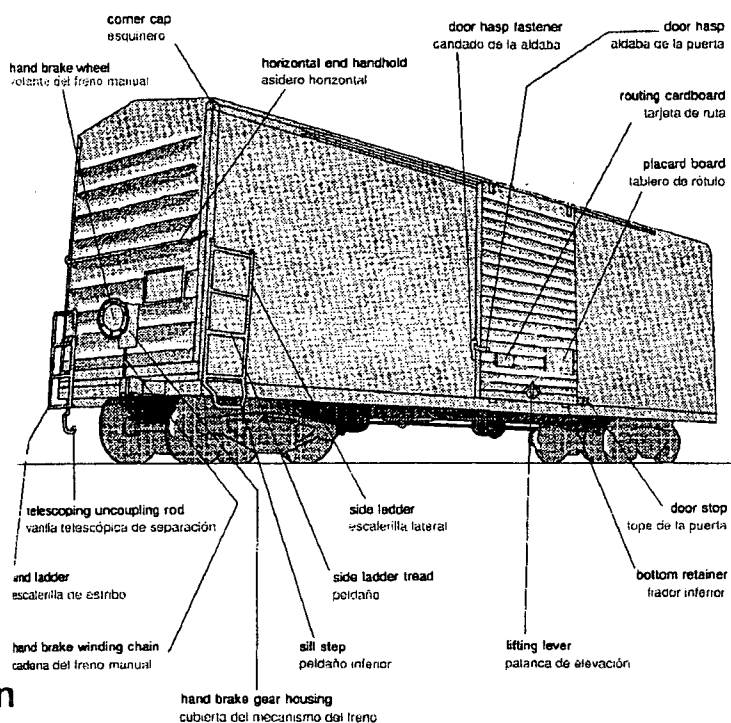


MEHS 2005-04386

Box Car
bogie wagon ; Furgón



*Plywood
Offload
At Campo*





Types of Freight Rail Cars

Types of Cars ; Types of Freight Wagons
Tipos de Vagones

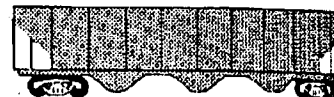
North American English
British
Spanish



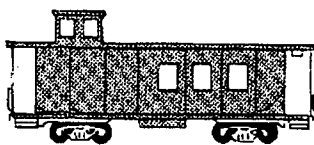
gondola car; bogie open wagon
vagón de cajón



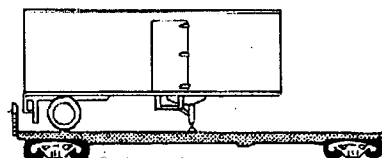
flat car; bogie flat wagon
plataforma



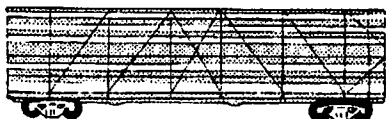
hopper car; hopper wagon
vagón tolva



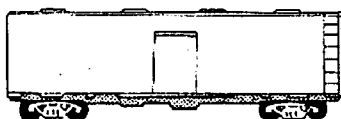
caboose; brake van
cabús o furgón de cola



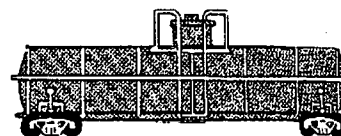
piggyback car; piggyback flat wagon
plataforma con redilas



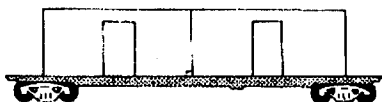
livestock car; livestock van
vagón para ganado



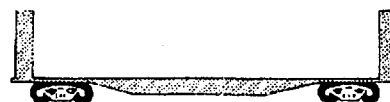
refrigerator car; refrigerator van
vagón frigorífico



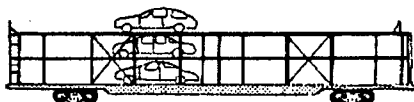
tank car; bogie tank wagon
vagón cisterna



container car; container flat wagon
vagón para contenedores



bulkhead flat car; bulkhead flat wagon
vagón plano con retenciones

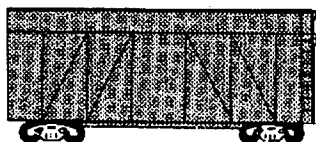


autorack car ; bogie car-carrying wagon
vagón para automóviles

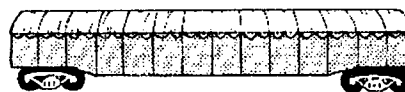
depressed-center flat car; bogie well wagon
plataforma de piso bajo



hopper ore car; hopper ore wagon
vagón para minerales

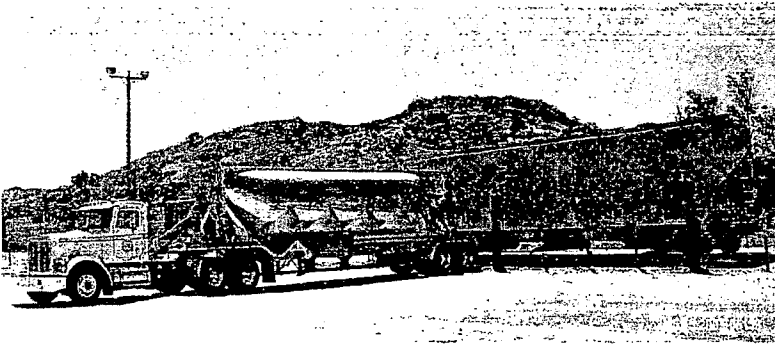


wood chip car; bogie van
vagón para madera



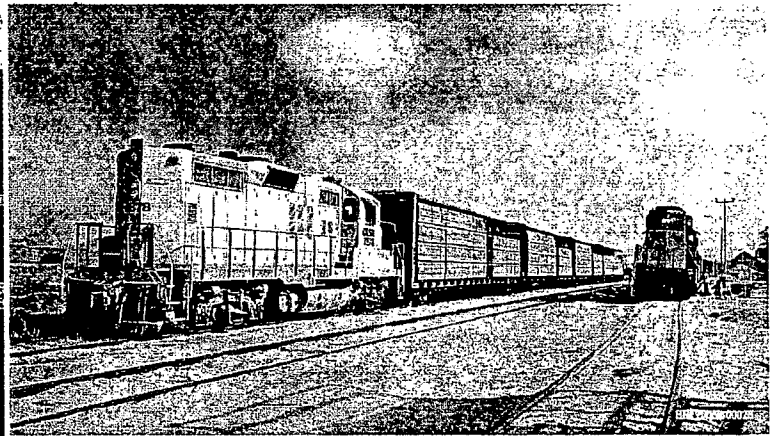
tarpaulin covered gondola; tarpaulin covered open wagon
vagón de medio cajón con toldo

VARIOUS CARGOS



*Pellet Plastic Being Unloaded
from Covered Hopper in Campo*

*Plywood Panels Transferring to Truck
for Final Leg of Journey to Customer*



*Lumber on Way to Baja for Assembly
into Roof Trusses*

First Propane at Campo Port of Entry

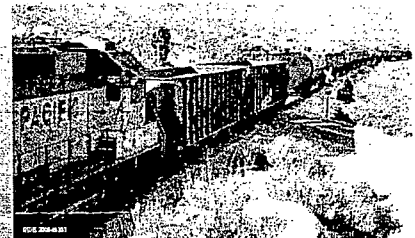
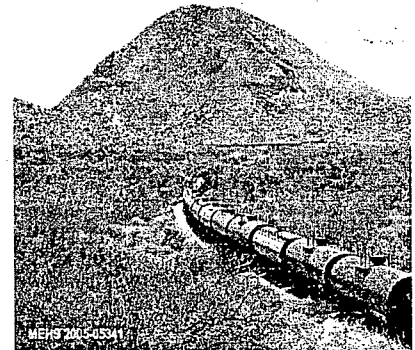


1st LP GAS TO BAJA OVER DESERT LINE



Leaving Coyote Wells

Volcano at Top of Gorge



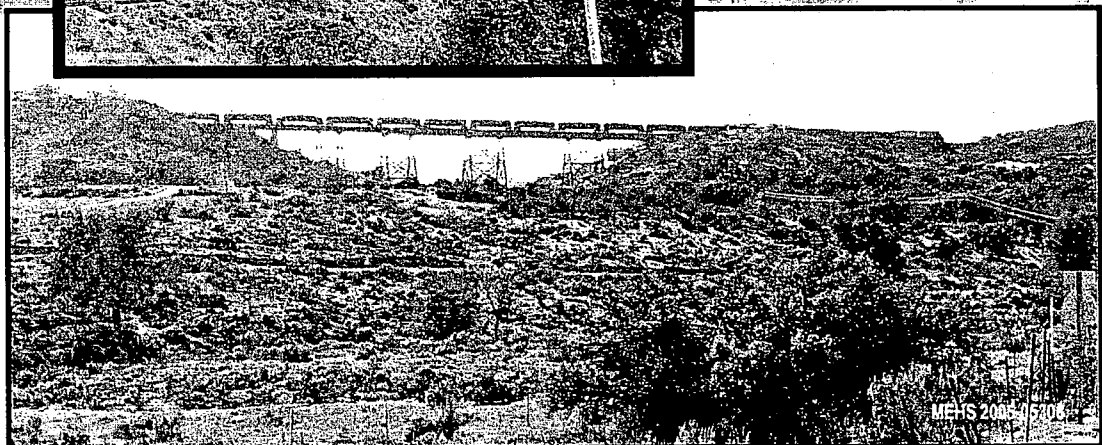
La Posta Crossing

Entering Jacumba Valley

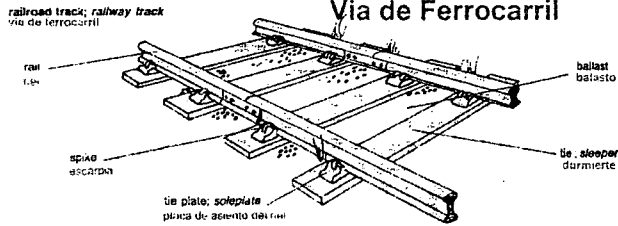


Climbing Toward HiPass

*Passing Over
Hi Bridge
with Carpet
of Spring
Flowers Below*



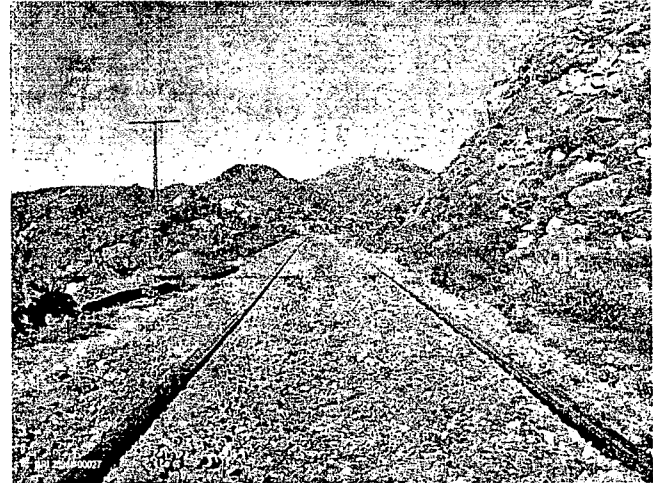
Railroad Track ; Railway Track Via de Ferrocarril



Track Crew at Coyote Wells

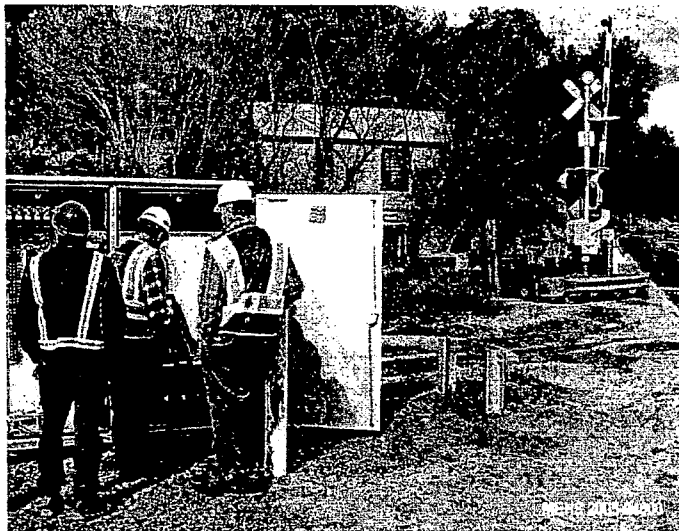
KEN KAHAN PHOTOS

New ballast at MP 104.9

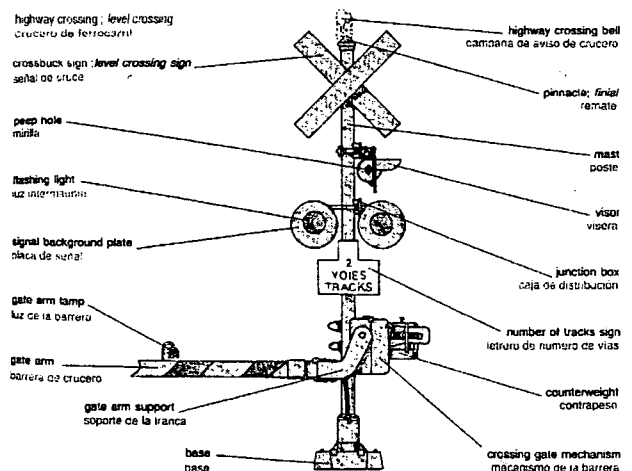


Railroad Museum's Reactivated Tecate Excursion Rounds Curve at Division Heading for International Tunnel and México

Routine FRA / PUC Signal Inspection Team Visit



Signals Señales



Appendix A
M.O.W. SUMMARY



January, February, March of 2004

MOW Man-hour Total		3180
Ties Replaced		
	Standard (6x8x8)	773
	Switch Ties	3
Joint Bars Replaced		
	75 lb.	3
	90 lb.	2
	112 lb. Insulated	4
Rails Replaced (39 ft.)		
	90 lb.	3
	112 lb.	1
Spikes		
	Kegs	19
Lining & Tamping	MP 99.1 MP 102.5 And including all locations where ties were replaced	
Ballast Dumping	2 Car loads	MP 104.8-105

Appendix B
FINANCIAL SUMMARY



DESERT LINE REHABILITATION

January, February, March of 2004

MOW Sand Gross Income	\$ 221,834
MOW Sand Recovery Expenses*	(219,702)
MOW Sand Operation Net Income	2,132
Desert Line MOW Expenditures	(191,781)
1st Quarter Desert Line Net Income*	\$ (189,649)

SAND RECOVERY EXPENSES— Equipment/Materials/Supplies/Payroll*

Komatsu Loader Lease	\$15,000
MOW Equipment Leases	13,350
(Water truck, F800 Hi-Rail truck, Pump trailer, Fire speeder)	
Hopper Cars (leases)	12,750
Locomotives (leases)	28,400
Total Fuel (Locomotives, loaders, vehicles, speeders, etc.)	82,004
CGRy Sand Train Worker Payroll	29,167
CG Aggregates Co.	12,309
(G&A Expense—Admin./phones/trailer rentals/electricity/water/tank pumping etc.)	
Offloading equipment purchases/Misc. Expenses	8,072
SDIV/RailAmerica Contract Sand Car Payments (Loaded Sand Cars moved)	18,650
Total Sand Recovery Expenses	\$ 219,702

DESERT LINE MOW EXPENDITURES

MOW materials, supplies, etc. (Rails, ties, joint bars, bolts, spikes, tools, oil, etc.)	\$ 48,842
CGRy MOW Crews Worker Payroll	104,806
Miscellaneous materials, supplies, services (Hardware, welding gas, radiator repair, etc.)	11,263
MOW Contract Brushing Work (Wills Materials Co., Campo, Contractor)	26,870
Total MOW Expenditures	\$ 191,781

* Figures do not include corporate G&A costs

Agenda

Item No. 6a

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

ADM 160.1 (PC 40099)

May 10, 2005

Subject:

OTAY WATER DISTRICT REQUEST FOR EASEMENT

RECOMMENDATION:

That the SD&AE Board of Directors forward a recommendation to the MTS Board of Directors to authorize staff to execute an easement to the Otay Water District to install reclaimed water facilities within SD&AE right-of-way at Dairy Mart Road and Beyer Boulevard in San Diego, located on Assessor Parcel No. 637-021-06, in substantially the same form as shown in Attachment A.

Budget Impact

Fair market value will be credited to the SD&AE Reserve.

DISCUSSION:

The Otay Water District is installing a 30-inch reclaimed water line that crosses the SD&AE right-of-way at Dairy Mart Road and Beyer Boulevard. The Otay Water District has had the easement appraised, and staff agrees with the compensation proposed. Otay Water District will need an easement for the reclaimed water line. The proposed easement will not interfere with the railroad's existing improvements since the Otay Water District plans on boring under the tracks. The proposed easement is written in such a way as to allow relocation of the easement if development of the property occurs in the future.

JGarde
MAY10-05.6a.OTAY.TALLISON
5/3/05

Attachment: A. Water Line Easement

Recording Requested By
and
When Recorded Mail To:
OTAY WATER DISTRICT

MTS Document No. S200-05-
ADM160.1 (PC 40099)

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT is made and entered into at San Diego, California, as of this _____ day of _____, 20_____, by and between the San Diego & Arizona Eastern Railway Company (SD&AE), a Nevada Nonprofit Corporation and wholly owned subsidiary of the San Diego Metropolitan Transit Development Board (herein referred to as "RAILROAD"), and Otay Water District (herein referred to as "Grantee"), with respect to the following facts:

RECITALS

A. Grantee desires to receive, and RAILROAD desires to grant, a certain easement to Grantee for the use of RAILROAD property for the benefit of Grantee, all as more particularly described herein.

B. This agreement is made pursuant to California Civil Code Section 1468, it being the intention of the parties to this Agreement that the provisions hereof shall bind and benefit each party, the real property owned by party, the successive owners of each parcel of real property described herein, and the successors in interest of each of the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Easement. For valuable consideration, receipt of which is hereby acknowledged, RAILROAD hereby grants to Grantee a revocable easement as hereinafter described and as shown on Exhibit(s) "A" and "B", attached hereto and by this reference incorporated herein.
2. Description of Easement. The easement granted herein is for the purpose of laying underground water pipelines and casing from time-to-time, together with the right to construct, operate, maintain, repair, and replace said pipelines and casing, and right of ingress and egress for such purposes.
3. Use. The easement granted herein includes the following uses by those entitled thereto: construction, operation, maintenance, repair, and replacement of pipelines and casing.
4. Exclusiveness of Easement. The easement granted herein is not exclusive.

5. Construction and Maintenance of Easement.

a. Grantee agrees to keep RAILROAD property in a good and safe condition, so far as affected by Grantee's use, free from waste, all to the satisfaction of RAILROAD. The installation or construction of any structure or improvement shall be accomplished at such times and in such a manner as not to interfere in any way whatsoever with the operations of RAILROAD, and shall be done subject to the inspection and approval of RAILROAD. In the event RAILROAD shall at any time or times require the removal, reconstruction, alteration, or changes in the location of said structure, or shall at any time or times construct an additional track or tracks, upon receiving written notice from RAILROAD so to do, to forthwith construct and maintain an additional structure or extend or change said structure or immediately remove, reconstruct, alter, or make changes in the location of said structure as may be requested by RAILROAD and in a manner satisfactory to RAILROAD. Grantee shall give RAILROAD five (5) days written notice prior to the commencement of any work of construction or reconstruction, or the restarting after a week or longer delay.

b. Grantee agrees to reimburse RAILROAD the cost of any necessary watchmen, flagmen, or inspectors and for performing any work during the installation, maintenance, or removal of said structure.

c. No work on RAILROAD property shall be commenced by any contractor for Grantee until such contractor has received a valid "Right of Entry Permit" issued by RAILROAD, together with insurance endorsements reasonably acceptable to RAILROAD.

d. Grantee will fully pay for all materials joined or affixed to the property, and pay in full all persons who perform labor upon the property, and will not permit or suffer any mechanics' liens or materialman's liens of any kind or nature to be enforced against the property for any work done or materials furnished thereon at Grantee's insistence or request.

e. All plans, specifications, and work plan procedures for any work on RAILROAD property shall be approved by RAILROAD prior to the use or construction thereof.

f. Grantee will fully pay for any grade crossing protection and safety devices which RAILROAD is required to install, pursuant to the safety rules, regulations, and laws of the state of California, the Public Utilities Commission, or any other governmental agency having jurisdiction over railroad safety requirements.

6. Relocation of Easement. The Grantee shall, after receiving written notice from RAILROAD, in a time and manner mutually agreed upon, remove and relocate the Facilities constructed pursuant to this Easement Agreement if RAILROAD determines that the Facilities interfere with RAILROAD's current or future use of its property. The Facilities may be relocated within RAILROAD's property if it is feasible to do so. The expense of relocating the Facilities shall be borne by Grantee. RAILROAD will give Grantee nine (9) months notice if facilities are required to be relocated.

7. Indemnity. Grantee agrees to release and indemnify RAILROAD from and against all liability, cost, and expense for loss of, or damage to, property and for injury to, or deaths of, persons (including, but not limited to, the property and employees of each of the parties hereto) when arising or resulting from:

a. The use of the property by Grantee, its agents, employees, or invitees, or

b. The construction, presence, maintenance, use or removal of said structure, whether or not caused or contributed to by any act or omission of RAILROAD. The term "RAILROAD" as used in this Section 7 shall include the lessor, successors, assigns, and affiliated companies of RAILROAD and any other Railroad Company operating upon RAILROAD's tracks.

8. Breach. Should Grantee fail to keep, observe, and perform any covenant or condition on Grantee's part herein contained, RAILROAD may give Grantee fifteen (15) days prior written notice to cure such breach. If Grantee does not cure such breach within said period, RAILROAD may cause said breach to be cured and all costs and expenses incurred by RAILROAD to cure such breach shall be paid by Grantee upon written demand of RAILROAD.

9. Entire Agreement. This instrument, the exhibits attached hereto, and the instruments referred to herein, contain the entire agreement between the parties relating to the rights granted herein.

10. Attorney's Fees. In the event of any controversy, claim, or dispute relating to this instrument, or the breach hereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

11. Binding Effect. This instrument shall bind and inure to the benefit of the respective heirs, personal representatives, and successors and assigns of the parties hereto.

12. Termination. This Easement shall be effective in perpetuity; provided, however, in the event Grantee shall discontinue the use of the Easement granted hereby and the structure, or Grantee abandons the same, all rights hereby given shall forthwith cease and terminate.

IN WITNESS WHEREOF, the parties hereto have caused this easement to be executed in duplicate the day and year first herein written.

RAILROAD: SAN DIEGO & ARIZONA
EASTERN RAILWAY COMPANY

GRANTEE: OTAY WATER DISTRICT

Signature: Paul C. Jablonski

Signature

Title: _____

Title: _____

Date: _____

Date: _____

Attachment(s):

Exhibit "A" – legal description

Exhibit "B" – plat

EXHIBIT "A"
[Legal Description – Easement Area]
APN 637-021-06

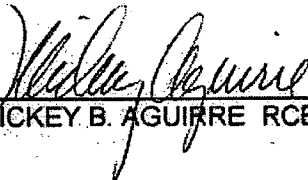
THAT PORTION OF THE 100-FOOT WIDE STRIP OF LAND GRANTED TO SAN DIEGO AND ARIZONA RAILWAY COMPANY BY DEED RECORDED JULY 7, 1909 IN BOOK 472, PAGE 75 OF DEEDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

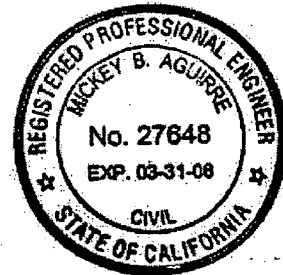
BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF SAID 100-FOOT WIDE STRIP OF LAND WITH THE EASTERLY LINE OF LAND GRANTED TO THE CITY OF SAN DIEGO PER PARCEL 1 OF DEED RECORDED DECEMBER 5, 1980 AS FILE/PAGE NO. 80-409626 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 52°48'11" EAST 12.33 FEET TO THE TRUE POINT OF BEGINNING.

1. THENCE LEAVING SAID SOUTHWESTERLY LINE NORTH 8°38'54" EAST 113.84 FEET TO THE NORTHEASTERLY LINE OF SAID 100-FOOT WIDE STRIP OF LAND;
2. THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 52°48'11" EAST 22.77 FEET;
3. THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 8°38'54" WEST 113.84 FEET TO SAID SOUTHWESTERLY LINE;
4. THENCE ALONG SAID SOUTHWESTERLY LINE NORTH 52°48'11" WEST 22.77 FEET TO THE TRUE POINT OF BEGINNING.

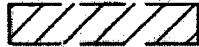
AREA = 0.060 ACRES MORE OR LESS.

THIS LEGAL DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN ACCORDANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.


MICKEY B. AGUIRRE RCE 27648 12-9-04



LEGEND



EASEMENT AREA

T.P.O.B.

TRUE POINT OF BEGINNING

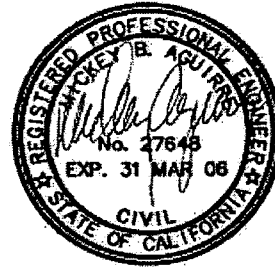
P.O.B.

POINT OF BEGINNING

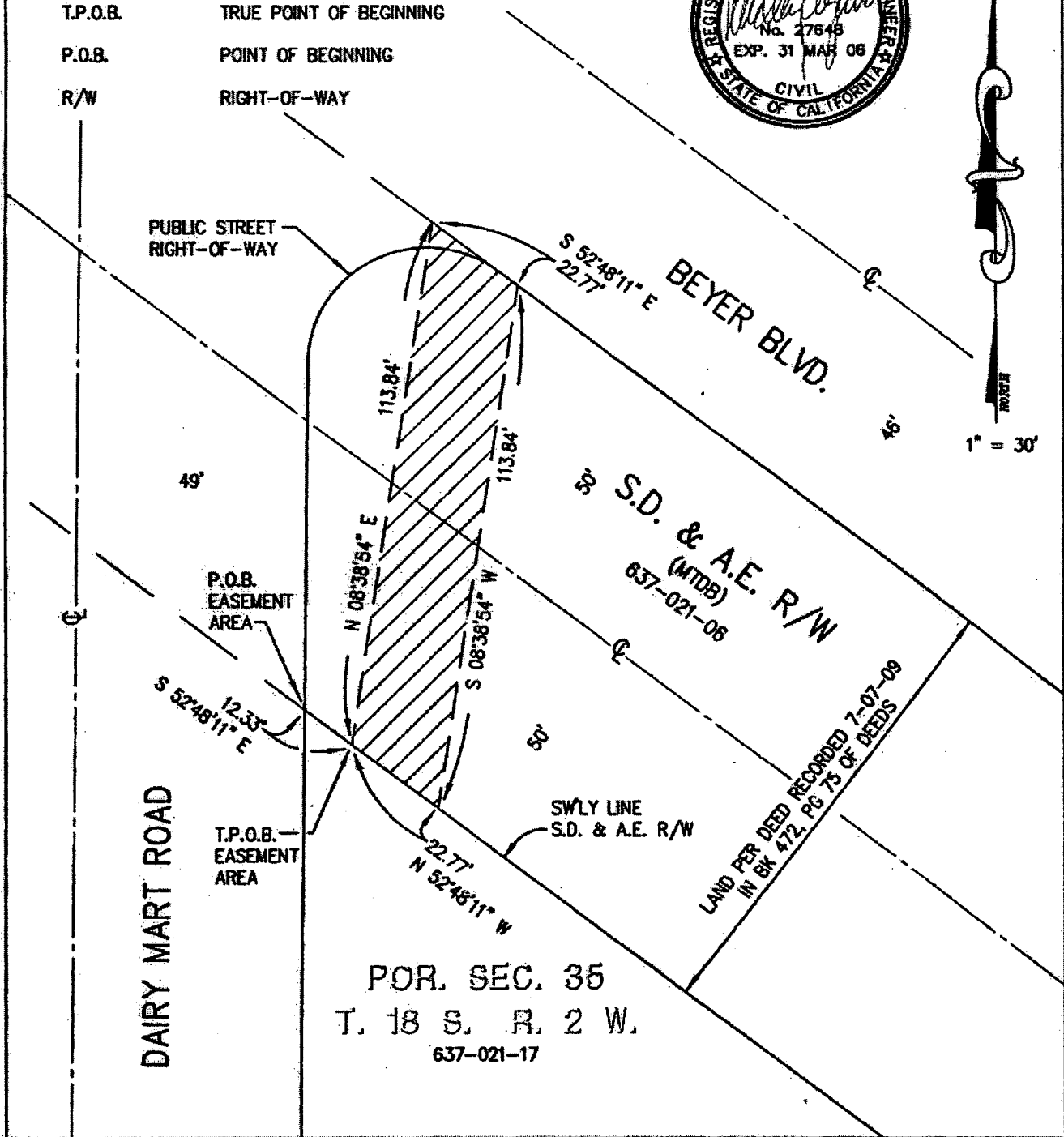
R/W

RIGHT-OF-WAY

EXHIBIT "B"



1" = 30'



MTDB



Metropolitan Transit Development Board

1255 Imperial Avenue, Suite 1000, San Diego, CA. 92101-7490 (619)231-1468

OWNERSHIP: METROPOLITAN TRANSIT
DEVELOPMENT BOARD
APN 637-021-06
12-09-04

Agenda

Item No. 6b

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

ADM 160.1 (PC 40099)

May 10, 2005

Subject:

9JAY, LLP GRANT OF EASEMENTS

RECOMMENDATION:

That the SD&AE Board of Directors forward a recommendation to the MTS Board of Directors to authorize staff to execute an agreement and entitlement documents with 9Jay, LLP, owner of Assessor Parcel No. 538-710-08, to cover encroachments into its property by SD&AE.

Budget Impact

Staff costs will be funded from the SD&AE Reserve.

DISCUSSION:

9Jay, LLP is the owner of several properties contiguous to the SD&AE right-of-way north of Sampson Street and east of the railroad right-of-way in the City of San Diego. Mr. Robert Shapiro, a representative of the partnership, inquired about the existing catenary poles that appear to be on his property. Staff researched the area and discovered that SD&AE reserved an 11-foot-wide easement for railroad purposes on the northeast side of the right-of-way when the property was granted to the property predecessor in interest. Staff had the area surveyed and a title report completed to determine ownership. Two catenary poles and a down guy are outside of the easement and encroach on 9Jay's property.

The title search also indicated that SD&AE has several easements that traverse the length of the property that accommodated now-abandoned spur tracks. Discussions with Pete Jespersen of the SD&IV indicate that these easements are no longer needed. The agreement would outline the terms for 9Jay, LLP to grant the new easements to accommodate the catenary pole encroachments in exchange for SD&AE quit claiming its easement rights for the abandoned spur tracks. The owner would be responsible to remove the tracks and appurtenances when and if the property is developed.

JGarde
MAY10-05.6b.9JAY.TALLISON

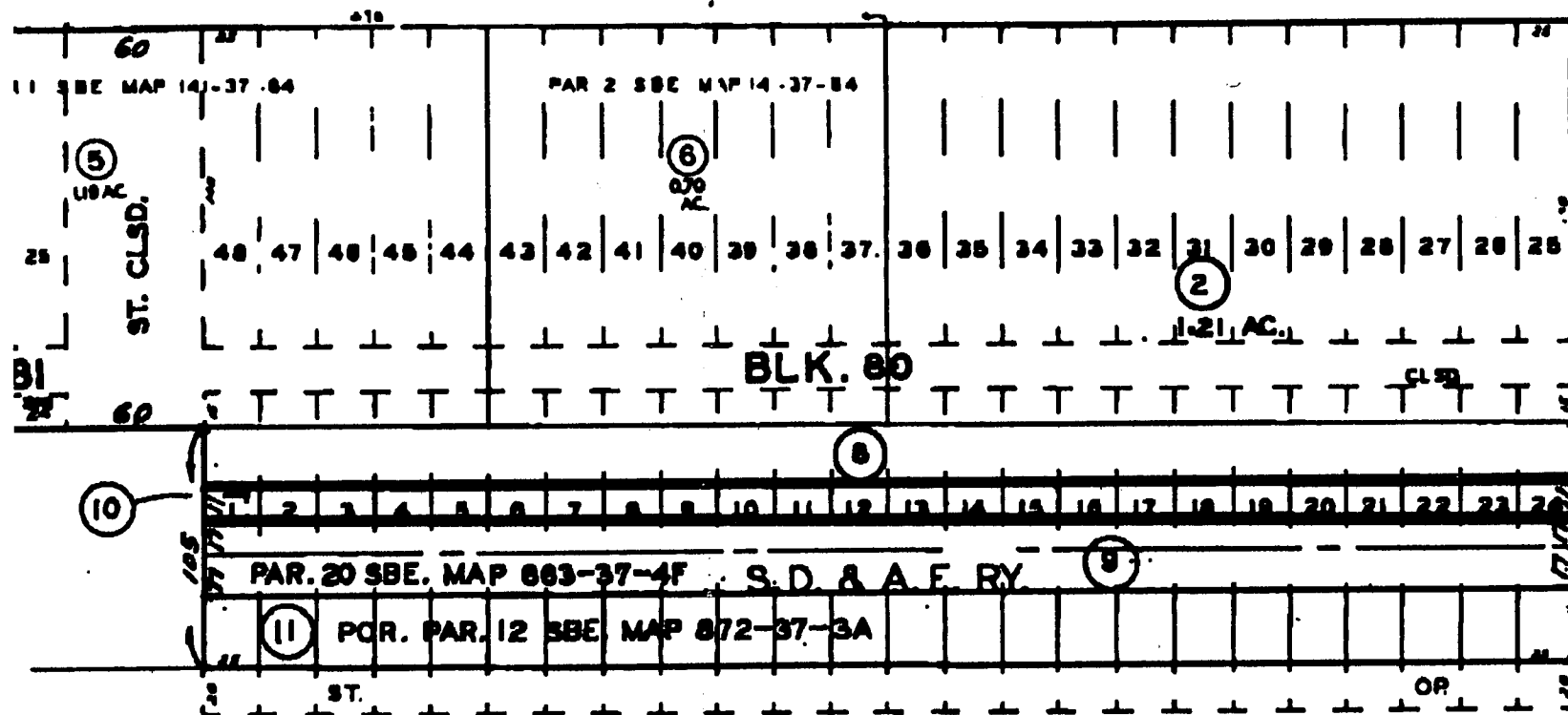
Attachments: A. Vicinity Map
B. Easement Plat Map

EVANS
ST

68

MAIN

ST.



HARBOR

DR.

ST.

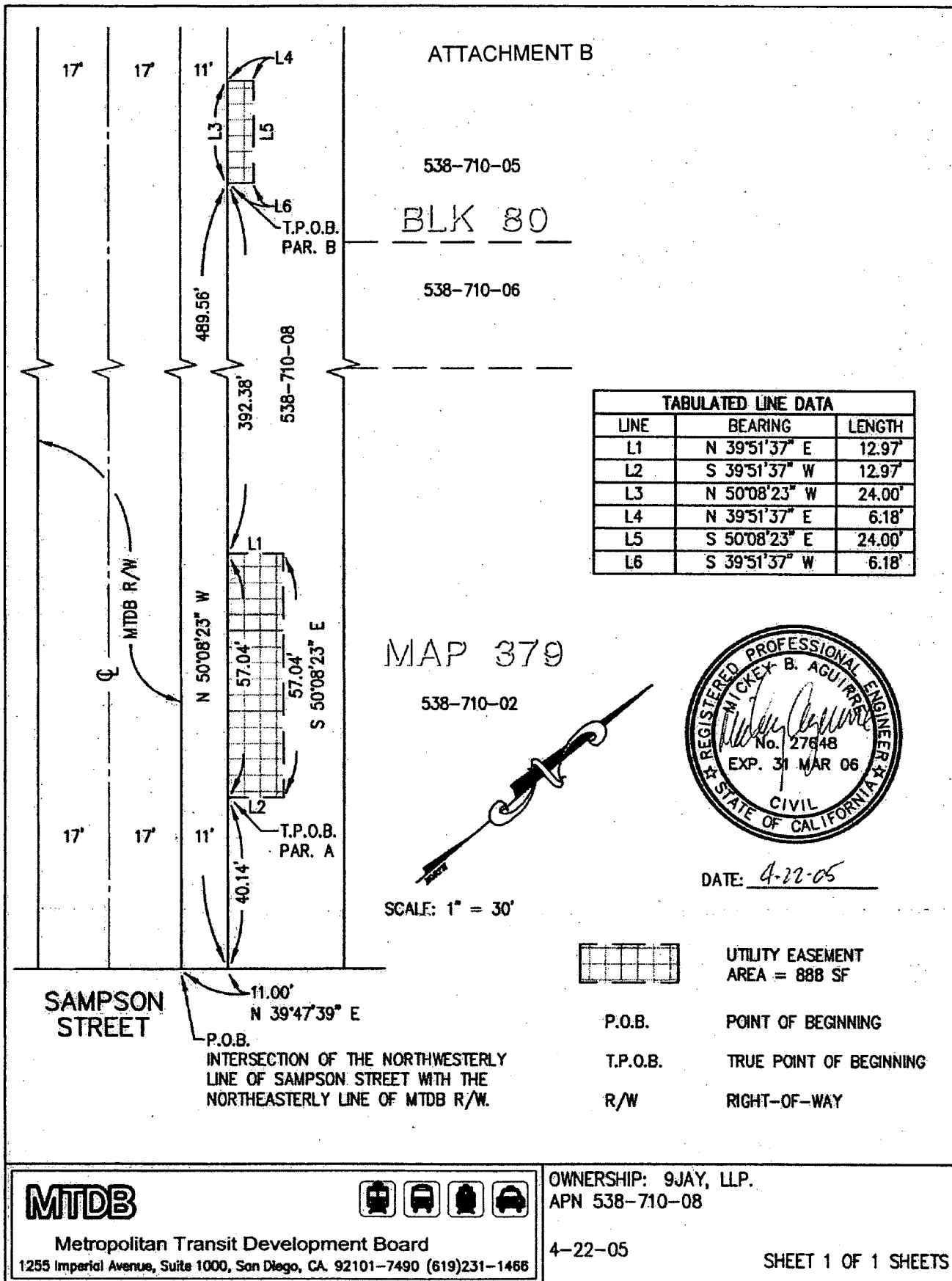
SAMPSON

ATTACHMENT A

79

SD&AE RAILWAY BOARD
MEETING
AI 6b, 5/10/05

70





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

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.

ADM 122.2 (PC 30100)

June 9, 2005

Subject:

MTS: AN ORDINANCE AMENDING ORDINANCE NO. 13, AN ORDINANCE TO REPEAL AND ADOPT DOCUMENT NO. 164, CODIFIED RULES AND REGULATIONS, AS ORDINANCE NO. 13: SECOND READING

RECOMMENDATION:

That the MTD Board of Directors adopt the attached (Attachment A) ordinance "An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13," and direct publication of an ordinance summary.

Budget Impact

None with the indicated recommendation. Costs associated with reprinting timetable information and in-station/on-train graphics will be covered as part of opening the Mission Valley East Green Line through re-signing efforts.

DISCUSSION:

The proposed amendments to Ordinance No. 13 were introduced and discussed at the May 26, 2005 Board of Directors meeting. Since the inception of our public transit service, eating and drinking while onboard transit vehicles (buses and light rail vehicles) has been prohibited in accordance with Ordinance No. 13.

Staff has determined that many systems have relaxed the strict prohibition of drinking while onboard trains to allow patrons to drink from covered, spill-resistant, or screw-top containers/bottles. Public response to these changes has been very positive in view of the increased popularity of personal water bottles and popular coffee sales outlets geared toward commuters.

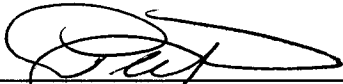


Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and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

In San Diego's case, there are many local food vendors at transit stations that are authorized to sell beverages as well as soda vending machines at over 44 locations. In the last several years, there were a number of inquiries asking that we relax the prohibition of drinking while onboard trains. Staff feels that it is appropriate to make these changes to coincide with the opening of the Mission Valley East Green Line.

At this time, we are not recommending a similar rule change for bus passengers due to maintenance concerns. Approval of the changes to Ordinance No. 13 will not alter any existing restrictions regarding the consumption of alcoholic beverages on transit vehicles.

Codified Ordinance No. 13 would be amended to modify Section 13.4 to allow for the consumption of beverages so long as they are contained in a covered, spill-proof container. Minor nonsubstantive modifications have been made to other sections as well. The proposed amendment to Codified Ordinance No. 13 is included as Attachment A with the additions underscored.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JUNE9-05.13.ORD13.TLOREN
6/2/05

Attachment: A. Proposed Amended Codified Ordinance No. 13

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

CODIFIED ORDINANCE NO. 13
(as Adopted 8/9/01 and amended ~~10/28/04~~5/26/05)

~~An Ordinance to Repeal and Adopt
Document No. 164, Codified Rules and Regulations, as Ordinance No. 13 Regarding Prohibited
Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility~~

The Board of Directors of the San Diego Metropolitan Transit Development Board (MTDB) do ordain as follows:

Section 13.1: General

The use of the San Diego Metropolitan Transit Development Board (MTDB) facilities shall be conditioned upon the observance of this ordinance or any rules and regulations hereafter promulgated by MTDB or pursuant to its authority; all rights, privileges, licenses and permits, express or implied, for the use of MTDB facilities are revocable; and each such right, privilege, license or permit shall at the option of MTDB or its duly authorized representative be revoked and canceled by and upon the breach of this ordinance or of the violation while in or upon MTDB facilities or any applicable laws or ordinances.

Nothing herein contained or omitted from this ordinance shall be construed to relieve any person whatsoever from exercising all reasonable care to avoid or prevent injury or damage to persons or property.

Any requirement or provision of these rules relating to any prohibited act shall respectively extend to and include the causing, procuring, aiding or abetting, directly or indirectly, of such act; or the permitting or the allowing of any minor in the custody of any person, doing any act prohibited by a provision hereof.

Any act otherwise prohibited by these rules shall be lawful if performed under, by virtue of, and strictly in compliance with the provisions of an agreement, permit, or license issued or approved by MTDB and/or San Diego Trolley, Inc. (SDTI), and to the extent authorized thereby.

These rules are in addition to and supplement all applicable laws or ordinances.

Section 13.2: Definitions

The following terms, as used in this ordinance shall, unless otherwise expressly stated or unless the context clearly requires a different interpretation, have the following meaning.

A. Bicycle - A "bicycle" is a device upon which any person may ride, propelled exclusively by human power through a belt, chain, or gears, and having two wheels.

B. Bus - A "bus" is any motor vehicle, other than a motortruck or truck tractor, designed for carrying more than 10 persons including the driver, and used or maintained for the transportation of passengers, except that any motor vehicle, other than a motortruck or truck tractor, designed for carrying not more than 12 persons, including the driver, which is maintained and used in the nonprofit transportation of adults to and from a work location as part of a carpool program or when transporting

only members of the household of the owner thereof, shall not be considered to be a bus for the purposes of this section.

C. Facility or Transit Facility – A "facility" or "transit facility," includes, but is not limited to, transit centers, rail stations, bus shelters, and bus stops on public or private property.

D. Pedestrian – A "pedestrian" is any person who is afoot or who is using a means of conveyance propelled by human power other than a bicycle.

E. Trolley – A "trolley" is a vehicle which is propelled by electric power obtained from overhead trolley wires and is operated upon rails.

Section 13.3: Fares

Passengers shall be permitted on a transit vehicle or in a transit station owned, controlled, or used by MTDB or its subsidiaries or contractors only upon payment of such fares and under such circumstances as may from time to time be ordained by MTDB. It is unlawful for any person to refuse to pay, or to evade or attempt to evade the payment of such fares.

Section 13.4: Prohibited Conduct Onboard Buses and Trolleys

It shall be unlawful for passengers or occupants while aboard a bus or trolley while said vehicle is transporting passengers in regular route service, contract, special, or community type service, within the MTDB jurisdictional area to:

A. Consume any food or beverage while on any trolley, except that passengers may consume beverages while onboard a trolley if the beverages are contained in a spill-proof or screw-top container or bottle. Examples of such spill-proof or screw-top containers or bottles include, but are not limited to, water bottles and soda bottles with screw tops, personal beverage containers with snap-on or screw-on lids, and coffee cups or mugs with snap-on or screw-on lids.

B. Smoke or carry a lighted or smoldering pipe, cigar, cigarette, or tobacco in any form; in or upon any trolley.

C. Operate any radio, phonograph, tape player, or other such instrument on a trolley that is audible to any other person on the vehicle;.

D. Expectorate; in or upon any trolley.

E. Discard litter; in or upon any trolley.

F. Extend his/her head, hand, arm, foot, leg, or other portion of the body through any window; of a trolley.

G. Interfere in any manner whatsoever with the operator or operation of the bus or trolley;

H. Possess an open alcoholic beverage container, irrespective of whether the container is spill-proof or screw-top; while onboard a trolley.

I. No person shall Ride any bike, skateboard, or scooter while onboard the trolley;.

J. No person shall put his foot on any seat provided for any passengers on a bus or trolley, or place any article on such seat which would leave grease, oil, paint, dirt, or any other substance on such seat; or

K. No person shall activate without justification, mutilate, deface or misuse in any manner, any safety device or intercom located onboard a bus or trolley.

L. No person shall ride upon the outside or roof of any bus or trolley.

Section 13.5: Prohibited Actions on or About the Transit Facility

A. No person (except MTDB/SDTI/SDTC employees, agents, or authorized visitors) shall enter upon the roadbed, tracks, structures, or other parts of the transit facility which are not open to passengers or to the public.

B. No person shall drink any alcoholic beverage or possess an open alcoholic beverage container on or in the transit facility except on premises licensed therefor.

C. No person shall sit, lie, or stand with any portion of his/her body extending within 8 feet 6 inches of the centerline of the outside rail on straight track or within 9 feet 6 inches of the centerline of the outside rail on curved track except while entering or alighting from a trolley stopped at that station.

~~D. No person shall ride upon the outside or roof of any trolley.~~

DE. No person shall injure, deface, destroy, loosen, remove, or tamper with the transit facility.

EF. No person shall injure, mutilate, deface, alter, change, displace, remove, or destroy any sign, notice, signal, or advertisement on the transit facility.

EG. No person shall interfere with any lamp, electric light, electric fixture, or density on the transit facility.

GH. No person shall write, paint, or draw any inscription or figure on or deface any transit facility.

HI. No person shall disobey or disregard the notices, prohibitions, instructions, or directions on any sign posted on the transit facility.

IJ. No person shall interfere with, encumber, obstruct, or render dangerous any transit facility.

JK. No person shall throw or project a stone or other missile at any trolley, bus or at any person or thing on or in the transit facility.

KL. No person shall throw or project a stone or other missile from any transit facility or vehicle.

LM. No person shall fail or refuse to comply with any lawful order or direction of any MTDB inspector, security officer, or any peace officer.

MN. No person shall do, aid, abet, or assist in doing any act which may be dangerous, harmful, or injurious to any person or property within the transit facility, said act being not specifically prohibited herein.

NO. No person shall put his foot on any seat provided for any passengers of the transit facility or place any article on such seat which would leave grease, oil, paint, dirt, or any other substance on such seat.

PO. No person shall urinate or defecate in or upon unauthorized locations on the transit facility.

PQ. No person shall post, distribute, or display commercial signs, advertisements, circulars, handbills, or written material of a commercial nature on or within the transit facility, nor shall any person engage in any verbal solicitations of a commercial nature on or within said facility.

QR. No person shall climb upon or jump the trolley couplers.

SR. No person shall discard litter in any transit facility or vehicle.

T.S. No person shall loiter in the immediate vicinity of any posted property.

Section 13.6: Animals

No person shall bring, carry unto, or convey upon the transit facility, a dog, or other animal unless it is completely enclosed in a carrying case which can be accommodated in the lap of a passenger with no danger or annoyance to other passengers. This rule shall not apply to a "service" or "assistance" animal. A "service" or "assistance" animal is trained to assist persons with disabilities. Such animals shall be properly harnessed when possible. MTDB reserves the right to inquire about the status of such animals.

Section 13.7: Meetings

No person shall hold any meeting, perform any ceremony, make any speech, address or oration, exhibit, or distribute any sign, placard, notice, declaration, or appeal of any kind or description within any transit facility or upon any transit vehicle or platform without written permit from an MTDB official.

Section 13.8: Selling, Peddling, Leasing, Etc.

No person shall exhibit, sell, or offer for sale, hire, lease, or let out in or about the transit facility or a transit vehicle any object or merchandise, whether corporeal or incorporeal, except concessions under contract to MTDB.

Section 13.9: Bicycles

Bicycles are permitted on trolleys under the following conditions:

A. Bicyclists must be at least 16 years of age and have a valid proof of payment of fare.

B. Only one bicycle is allowed onboard a trolley during the hours of 6:00 a.m. to 9:00 a.m. and 3:00 p.m. to 6:00 p.m. weekdays.

C. Bicycles will be permitted to board ~~vehicles-trolleys~~ at the rear doors only and must be placed against the rear driver's cab. No more than two bicycles per car will be allowed and no bicycles will be permitted in the aiseways at any time.

D. Bicyclists must remain with their bicycles at all times.

E. When part of a group charter, more than two bicycles per car will be permitted at any time.

gwilliams
CD-ORD13.JLIMBE
8/16/0105/18/05

| Amended: 05/26/05
Amended: 10/28/04
Adopted: 8/9/01

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 25

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 310.1 (PC 30100)

June 9, 2005

SUBJECT:

MTS: FY 2006 BUDGET: PUBLIC HEARING AND ADOPTION

RECOMMENDATION:

That the Board of Directors:

1. hold a public hearing, receive testimony, and review and comment on the fiscal year 2006 budget information (Attachment A) presented in this report; and
2. adopt Resolution 05-4 (Attachment B) approving the operating and capital budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry.

Budget Impact

None at this time. The action today establishes the fiscal year 2006 budget.

DISCUSSION:

FY 2006 Overview

The fiscal year 2006 total budgeted revenue is projected at \$224,558,000 and total projected expenses are budgeted at \$224,558,000, resulting in a balanced budget for fiscal year 2006. These fiscal year 2006 figures include \$4,588,000 of Congestion Mitigation and Air Quality (CMAQ) nonrecurring revenue directly attributable to the Mission Valley East operations, nonrecurring bus rapid transit (BRT) funding totaling \$2,371,000, and no contingency reserve utilization.



FY 2006 Revenue

FY 2006 Operating Revenues. Combined fare revenue for fiscal year 2006 is projected to increase \$1,670,000 (2.4%) compared to midyear-adjusted fiscal year 2005 levels. This increase is due to the start-up of Mission Valley East operations contributing \$2,891,000, offset by a bus operations fare revenue reduction of \$1,267,000 (-6.0%). Other operators have increased fare revenues of \$46,000 (0.1%).

Combined passenger levels for all operators are projected to total 79,946,000. This increase of 2,655,000 (3.4%) is due to Mission Valley East start-up contributing 4,015,000, offset by bus operations passenger levels decreasing by 1,598,000 (-6.7%). All other operators are budgeted to have increased levels of passengers totaling 239,000 (0.4%).

FY 2006 Other Revenues. Total other revenue is budgeted to decrease by \$297,000 (-9.7%). This is primarily due to a reclassification of miscellaneous income to offset related operating expenses, a reduction in advertising revenues, and a reduction in Taxicab Administration miscellaneous revenues.

FY 2006 Subsidy Revenues. Subsidy revenues are currently budgeted to rise \$15,313,000 or 11.3 percent. This fiscal year increase is segmented into debt service, operational recurring revenues, and operational nonrecurring revenues. Total debt service incremental increased \$9,497,000 (77.9%), operational recurring subsidies increased \$13,699,000 (12.6%), and operational nonrecurring revenues decreased by \$7,883,000 (-52.5%).

FY 2006 Expenses

FY 2006 Combined Expenses. Fiscal year 2006 combined expenses total \$224,558,000, an increase from midyear-amended fiscal year 2005 of \$16,686,000 (8.0%). Excluding nonpension bond debt service expenses and reserve contributions, the operational expense increase totals \$9,484,000 (4.9%). Excluding the incremental Mission Valley East costs of \$5,467,000, the comparable operational costs increased \$4,017,000 (2.1%) from midyear-amended fiscal year 2005.

In terms of functional operating variances, there are three areas of note: wages, fringes, and energy.

Wages expenses increased \$180,000 (0.3%) primarily due to contractual and merit increases, averaging approximately 3.0%, offset by a reduction of operator and shop overtime and operational efficiencies (Comprehensive Operational Analysis [COA] Phase I) implementation with bus operations and contracted services.

Fringe-related expenses increased \$997,000 (3.3%). Including the pension bond obligation, which is included within the functional debt-service line, the increase would have been \$5,950,000 (19.8%). This increase is primarily due to additional pension costs within bus operations and rail operations (\$2,086,000), additional health and welfare costs within bus operations (\$992,000), projected workers' compensation increases within bus and rail operations (\$733,000), Mission Valley East incremental

increases within fringe (\$645,000), and additional sick and vacation payout within bus operations (\$600,000).

Staff recommended and received guidance from the Board to adjust diesel prices to \$1.80 per gallon and compressed natural gas (CNG) rates to \$1.06 per therm. On an annual basis compared to fiscal year 2005 original energy rates, expenses increased \$3,675,000 (19.0%) compared to the original approved fiscal year 2005 budget. This is primarily due to the incremental increase in energy rates (FY 05 original budget was \$1.10 per gallon for diesel and \$0.90 per therm for CNG) from fiscal year 2005 (\$1,904,000), incremental Mission Valley East-related operational costs (\$1,700,000), and reclassifications of some utility costs from General and Administrative (\$71,000).

MTS Budget Status Review

A historical review of the MTS financial status and several operational issues were presented to the Board of Directors on May 12, 2005.

Review of MTS Financial Status

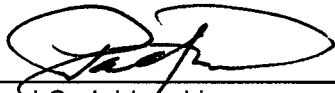
For the last several years, MTS has had an imbalance between recurring revenues and recurring expenses. The fiscal year 2005 amended budget utilized \$15,010,000 in nonrecurring revenues. This ranged from \$3,500,000 in BRT funds, \$8,173,000 in contingency reserves, and \$2,539,000 in Mission Valley East capital/CMAQ funds. In addition, MTS is also using \$23,200,000 in Federal Section 5307 Preventative Maintenance funding within the operating budget.

MTS has a fiscal year 2006 capital program that contains projects totaling \$76,002,000. Of these total needs, only \$25,045,000 is available for current fiscal year funding, which leaves \$50,957,000 unfunded. Additionally, as these capital projects go unfunded within the current fiscal year, the accumulated amount continues to grow.

Review of MTS Operational Issues

- Job Access Reverse Commute (JARC)/Air Pollution Control District (APCD) Revenue and Related Service
 - The subsidy funding for JARC of \$524,000, which helps to fund the following services (Otay Mesa Jobs Access, Mid-City Reverse Commute, Poway Reverse Commute, and the Sorrento Valley Coaster Connection), is in jeopardy for fiscal year 2006. This fiscal year 2006 budget currently assumes obtaining funding and continuing services. If JARC funding cannot be secured, a decision, within the 2006 fiscal year, will be necessary by the MTS Board of Directors on service continuance and potential usage of nonrecurring BRT funds. These services will also be reviewed as part of the operational efficiencies (COA Phase II) to determine whether operating these routes beyond the current fiscal year is prudent.

- Air Pollution Control District (APCD) funding is considered potentially in jeopardy. Discussions have taken place between MTS and APCD, and the funding request will be considered by late May or early June 2005.
- Operational Efficiencies (COA Phase I)
 - On April 28, 2005, the Board approved Phase I of the operational efficiencies (Comprehensive Operational Analysis [COA]) except for service changes within Route 3. Staff has quantified these efficiencies, and the budget reflects a \$2.85 million net operating deficit reduction for fiscal year 2006.
- BRT Funding
 - In fiscal year 2006, there is \$4,414,000 in nonrecurring funds available due to changes within the BRT program subsequent to the passage of TransNet. The MTS Board of Directors approved the utilization of \$2,371,000 to balance the fiscal year 2006 budget. The remaining BRT funding of \$2,043,000 will be utilized within the Capital Improvement Program.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, Tom.Lynch@sdmts.com

JGarde
JUNE9.25.FY06BUDGET.LMARINESI
3/16/05

Attachment: A. Proposed FY 06 Budget
B. Resolution No. 05-4

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 05-4

A Resolution Approving the Fiscal Year 2006 Budget

WHEREAS, MTS staff has coordinated with the staff of San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, National City Transit, and Coronado Ferry (hereafter referred to as MTS Operators) throughout the budget preparation process to ensure consistent budget assumptions; and

WHEREAS, the budgets have been prepared using the budget assumptions approved by the MTS Board of Directors; NOW THEREFORE, BE IT RESOLVED, by the San Diego Metropolitan Transit System Board of Directors, hereinafter "Board," as follows:

1. That the budget for fiscal year (FY) 2006, on file with the Clerk of the Board, is hereby adopted (including MTS, SDTC, SDTI, Chula Vista Transit, National City Transit, and Coronado Ferry).
2. That the Chief Executive Officer is authorized to transfer appropriate amounts up to \$100,000 between object accounts, so long as the total amount authorized to be spent for an object account by the FY 06 Budget is not exceeded by more than \$100,000, the total amount authorized to be spent by the FY 06 Budget is not exceeded, and all such transfers are reported to the Board of Directors in the monthly Budget Monitoring Report.
3. That the Chief Executive Officer is authorized to approve expenditures up to a maximum of \$100,000 for local firms and up to a maximum of \$25,000 for all others.
4. That the Chief Executive Officer or his designated representative is authorized to approve expenditures up to a maximum of \$5,000 for the purchase of materials, services, supplies, and equipment within the confines of the authorized budget.
5. That the check-signing authority on behalf of the Board shall be governed by MTS Policy No. 41, Signature Authority.
6. That the Board authorize a wage increase pool of 3 percent for all nonrepresented employees of MTS.
7. That the Board approves \$438,157 for the FY 06 Performance Incentive Plan.
8. That the annual lease and debt service payments are included in the FY 2006 Budget as set forth in Section 7.03 of the proposed FY 06 budget.
9. That each of the budgets for MTS and the MTS Operators establish absolute spending limits, and that the budgeted expenditures cannot be exceeded without prior written approval of the MTS Board of Directors.
10. That any budget variances will be reported to the MTS Board of Directors.
11. That MTS is authorized to withhold monthly subsidy payments to those operators who do not provide the information according to an established schedule.

12. That the position schedules of MTS, SDTC, and SDTI as contained in the FY 06 budget are approved.

PASSED AND ADOPTED, by the Board of Directors this _____ day of _____ 2005, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAINING:

Chairman
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

JGarde
RES-05-4.FY06BUDGET.LMARINESI
5/26/05

Metropolitan Transit System Public Hearing and Proposed Board Adoption

MTS Board of Directors Meeting
June 9, 2005



Finance Workshop Agenda

- FY 2006 Budget Process
- FY 2006 Budget
- FY 2006 Operational / Budget Highlights
- Five Year Forecast



FY 2006 Budget Process

- **Budget Development Committee**
 Reinstituted for FY 2006 Budget Development
 Four member committee of Board members
 Two development meetings guided staff through budget process
 Meetings in February and April 2005
- **Finance Workshops**
 Four Finance Workshops presented budget status to Board
 Meetings in January, February, April and May 2005
- **Public Hearing & Proposed Board Adoption**
 Final budget meeting for public comment



SAN DIEGO METROPOLITAN TRANSIT SYSTEM FY 2006 OPERATING BUDGET OVERVIEW (in 000's)

	FY 2005 AMENDED BUDGET	FY 2006 PROPOSED BUDGET	\$ VARIANCE	% VARIANCE
Fare Revenue	68,912	70,582	1,670	2.4%
Other Revenue	3,066	2,769	(297)	-9.7%
Total Operating Revenue	71,979	73,351	1,373	1.9%
Subsidy *	135,894	151,207	15,313	11.3%
Total Revenue	207,872	224,558	16,686	8.0%
Total Expenses	207,872	224,558	16,686	8.0%
Net Operating Subsidy	0	-	(0)	-

* Utilizes \$4.58M in CMAQ Revenue and \$2.37M in BRT Revenue
 in FY 2006 Proposed Budget



FY 2006 Operational / Budget Highlights

- **Operational Highlights**

Mission Valley East Segment is Slated to Open July 2005
 Implementation of COA Phases I and II are Scheduled FY06
 Continuing of Consolidation of Administrative and Support Depts.
 Procurement, Stores, Telephone Info Svcs, Transit Store

- **Budget Highlights**

COA Phase I Implementation

Annualized budgetary savings - \$4.0M

Mission Valley East Opening

Bus Operations route restructuring - \$0.5M in expense reductions

Rail Operations restructuring - \$1.0M in expense reductions

Base Expense Percentage Increase only 2.1%

Includes contractual union increases

Large increases in pension and health

Non Recurring Revenue Utilization (non CMAQ Funding)

Fiscal Year 2005 Non Recurring Revenues = \$12.5M

Fiscal Year 2006 Non Recurring Revenues = \$2.5M



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATING BUDGET

FIVE YEAR PROJECTIONS - SUMMARY

in (000's)

	Proposed Budget FY 2006	Projected FY 2007	Projected FY 2008	Projected FY 2009	Projected FY 2010
Total Recurring Revenues	195,741	201,290	208,017	215,609	223,583
Total Recurring Expenses	202,618	209,655	216,912	224,427	232,205
Non Recurring Revenues	7,127	4,761	4,941	-	-
Net Debt Service	(250)	-	-	-	-
Net Operating Subsidy	0	(3,604)	(3,954)	(8,818)	(8,622)



Metropolitan Transit System Public Hearing and Proposed Board Adoption

MTS Board of Directors Meeting
June 9, 2005





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 61

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

June 9, 2005

Minor Contract Actions

- San Diego City Treasurer for field and plan checks for the San Ysidro Intermodal Transportation Center (SYITC).
- Jaime Chavez for transit consulting services for East County Suburban and contract fixed-route services.
- The Wiggans Group for right-of-way services for the SYITC.
- Cruz Estralla's CADD and Drafting for drafting services for the 12th Avenue Corridor Improvements project.
- Stacy & Witbeck, Inc. for construction services for the SYITC.
- Orion Construction Corp./Balboa Construction, Inc. for construction services for the Mission Valley East (MVE) Light Rail Transit (LRT) Extension – SDSU Segment Utilities.
- Clark Construction Group Incorporated for construction services for the SDSU Tunnel and Underground Station portion of the MVE LRT Extension.
- Balfour Beatty/Ortiz Enterprises, Inc. for construction services for the La Mesa segment of the MVE LRT Extension.
- Bordeaux Printers, Inc. for the printing of timetables for the MVE LRT Extension.

Contract Matters

There were no Contract Matters.

gail.williams/agenda item 61



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.