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Agenda

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

March 22, 2007

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - March 8, 2007 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 give your copies to the Clerk of the Board.



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.

CONSENT ITEMS

- | | | |
|-----|--|---------|
| 6. | <u>MTS: Property Insurance Renewal</u>
Action would authorize the CEO to renew the property insurance coverage for MTS, SDTC, and SDTI with the California State Association of Counties (CSAC) Property Insurance Program effective March 31, 2007, through March 31, 2008. | Approve |
| 7. | <u>MTS: Light Rail Vehicle Tires - Contract Award</u>
Action would authorize the CEO to execute a four-year contract (MTS Doc. No. L0805.07-07) with Siemens Transportation Systems to procure light rail vehicle (LRV) tire kits for San Diego Trolley, Inc. | Approve |
| 8. | <u>MTS: Audit Report on Fixed-Asset Accounting</u>
Action would receive the internal audit report on the fixed-asset accounting process. | Receive |
| 9. | <u>MTS: Liability Insurance Renewal</u>
Action would authorize the CEO to ratify and confirm the placement of the liability insurance policy effective March 1, 2007, through March 1, 2008. | Approve |
| 10. | <u>MTS: Liability Claims Management Services - Contract Award</u>
Action would authorize the CEO to enter into a contract amendment with McDowell Adjusting Company to provide liability claims administration services, supervision, and support of the self-insurance program for a term of up to one year. | Approve |
| 11. | <u>MTS: Workers' Compensation Claims Management Services - Contract Amendment</u>
Action would authorize the CEO to enter into a contract amendment with Hazelrigg Risk Management Services to provide workers' compensation claims administration services, supervision, and support of the self-insurance program. | Approve |
| 12. | <u>MTS: Policies and Procedures No. 54: Rules of Procedure for Metropolitan Transit System (MTS) Administrative Hearings</u>
Action would enact Policy No. 54 to establish Rules of Procedures for MTS administrative hearings. | Approve |
| 13. | <u>MTS: Follow-up Report on 2006 Internal Audit Recommendations</u>
Action would receive a follow-up report on 2006 internal audit recommendations. | Receive |
| 14. | <u>MTS: Engineering Services for the H Street Trolley Station Hazardous Waste Contamination Investigation - Contract Amendment</u>
Action would: (1) ratify the CEO's previous authorization for funds for this work order; and (2) authorize the CEO to execute Amendment No. 2 to Work Order No. 06.42 (MTS Doc. No. L0606.6-02) with Berryman & Henigar for engineering services for the investigation of hazardous waste contamination at the H Street Trolley Station. | Approve |

CLOSED SESSION

24. a. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): National Railroad Passenger Corporation (Amtrak) v. San Diego Trolley, Inc. (SDTI) Claim No. TL10339906
- b. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) City of National City v. Metropolitan Transit System Superior Court Case No. GIC880322

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: Second Contract Award for MTS Legal Services Approve
Action would authorize the CEO or appropriate staff persons to execute contracts on an as-needed basis to attorneys and firms from the second prequalified list for MTS and its subsidiaries contingent upon no protests being received by March 27, 2007.

REPORT ITEMS

45. MTS: 2006 Year-End Security Report Receive
Action would receive a report for information.
46. MTS: Trolley Dances 2006 Recap Receive
Action would receive a report for information.
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: April 12, 2007 (Finance Workshop at 8:00 a.m.)
65. Adjournment

Submitted by: Dunbar Bridge

Remove On: 3/22/07

Return to Submitter Gail Williams
OR (Pick one)

Retain in Posting File. _____

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

March 8, 2007

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

Finance Workshop – 8:00 a.m.

1. Roll Call

Chairman Mathis called the meeting to order at 8:09 a.m. A roll call sheet listing Board member attendance is attached.

2. MTS: FY 2008 Budget Development (FIN 310.1, PC 50601)

Mr. Larry Marinesi, MTS Budget Manager, provided the Board with an overview of operating revenues as projected in the FY 2008 budget and pointed out where revenues are increasing and decreasing. He then reviewed the updated assumptions for revenue miles and hours, total miles, revenue and total hours, passenger boardings, and average fare.

Mr. Monroe congratulated Mr. Telfer on his recent promotion to Chief Financial Officer. In response to a question from Mr. Monroe, Mr. Telfer, MTS CFO, reported that MTS could do a fare analysis, but he predicted that study would find that fare revenue is higher than the cost of collecting it. Mr. Monroe stated that MTS needs to know that. In response to another question from Mr. Monroe, Mr. Telfer explained that Congestion Mitigation and Air Quality (CMAQ) funds can currently be used for the first three years of a new-start project. He stated that the Federal Highway Administration (FHWA) wants to change that to two years. Ms. Sharon Cooney, Director of Governmental Affairs and Community Relations, stated that MTS has provided comments in response to the issuance of the new preliminary guidelines to that effect, and staff has spoken to the FHWA as well. She added that letters have also been sent to San Diego's congressional delegation and that staff discussed this matter with them in Washington, D.C. during the legislative advocacy trip in February. Ms. Cooney stated that CMAQ funding can also be used for capital items, and MTS has been talking to SANDAG about shifting funds to address this potential change in the guidelines. Mr. Jablonski, MTS CEO, pointed out that the level of CMAQ funding to the San Diego region would not be diminished by this change in the guidelines. It would just be used for a different purpose. He also pointed out that this would be a one-year issue as it pertains to the use of CMAQ funding for the first three years of operation of the Green Line because TransNet funds will be used after the third year to fund this service.

Mr. Marinesi provided the Board with details on the recent budget amendment to address the miscalculation of SDTC's contribution to the San Diego Transit Employees Pension Plan. He explained that overtime hours had inadvertently been excluded from the original calculation. He also provided, as requested at the last Board meeting, an explanation of how MTS has been able to reduce security costs from FY 2006 levels. He explained that there were extraordinary events in 2006 that caused security costs to increase. Mr. Marinesi also pointed out that a new

security contract was recently negotiated that is more efficient and, as a result, less costly. He reported that no reductions have been made in field deployments or shift assignments. In response to a question from Mr. Ewin, Mr. Peter Tereschuck, President-General Manager of SDTI, reported that there is a security presence at stations where there have been problems but not at every station. In response to a question from Mr. Monroe, Mr. Tereschuck reported that security coverage of Street Scene had to be increased because Qualcomm is a larger venue with more adjacent stations that required coverage.

In response to a question from Mr. Young regarding MTS's strategy for addressing MTS's reserve levels, Mr. Jablonski stated that reserves are currently at \$15 million to \$16 million. He stated that he would like to see MTS's reserves closer to \$25 million to \$26 million (10 percent of the operating budget), but he felt that capital needs outweighed the need to build reserves. He advised Mr. Young that MTS's vulnerability would come from facing the potential costs of multiple accidents.

In response to a question from Mr. Monroe, Mr. Telfer reported that MTS will have a \$2.4 million deficit if expenses increase 3.5 percent; therefore, work is underway to keep expenses from increasing that much. Mr. Jablonski stated that revenues, both operating and nonoperating, are not growing as fast as the cost of operation, and MTS may ultimately need to make some hard choices. He stated that MTS will have a clearer picture of its budget when issues regarding State Transit Assistance funding and the Governor's budget are resolved.

Mr. Jablonski advised Mr. Monroe that the APTA Annual Meeting and Expo, which is being held in San Diego, will not impact MTS's FY 08 budget except in a minimal way. He reported that FY 09's budget will be impacted by any additional service that is provided during the event, extra passes that are issued, etc. He stated that MTS staff will be involved in hosting the event.

Mr. Rindone reminded Board members that the next Finance Workshop will be held on Thursday, April 12, 2007.

Public Comment

Donna Erickson: Ms. Erickson stated that she represented the Linda Vista Planning Group's Transportation Committee. She requested that MTS allocate funding for cleaning the pavement around trolley stations and bus stops, particular at 1st & C Street. She also reported problems with cleanliness at the Civic Center trolley and the 12th & Imperial trolley stations. She suggested that landscaping be added to the station at Civic Center.

Ana Huerta, UCSD California Student Public Interest Research Group (CALPIRG): Ms. Huerta stated that CALPIRG is willing to work with MTS toward ensuring that transportation-related funding cuts currently in the Governor's budget do not get approved. Mr. Jablonski directed Ms. Cooney to meet with Ms. Huerta regarding this matter.

Action Taken

Mr. Young moved to receive a report on the FY 2008 operating budget and provide guidance. Ms. Hanson-Cox seconded that motion, and the vote was 11 to 0 in favor.

Board Meeting – 9:00 a.m.

4. a. Roll Call

Chairman Mathis called the meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

b. Approval of Minutes

Mr. Roberts moved to approve the minutes of the February 15, 2007, Board of Directors meeting. Mr. McLean seconded the motion, and the vote was 11 to 0 in favor.

c. Public Comment

Chuck Lungerhausen: Mr. Lungerhausen requested sponsorship donations for the 2007 MS Walk. He reported that he has collected \$510.00, of which \$150 was contributed by him. He briefly discussed his dedication to finding a cure for MTS, which has impacted his life since he was 25. He recognized County Supervisor Bill Horn, who was his largest donor last year with a \$1,000 donation.

Mr. Mathis stated that Mr. Lungerhausen's courage and perseverance inspires everyone.

CONSENT ITEMS

6. MTS: Audit Report on San Diego Transit Corporation's Revenue Process (LEG 492, PC 50121)

Recommend that the Board of Directors receive the internal audit report on SDTC's revenue process.

7. MTS: Audit Report on the Taxicab Administration (LEG 492, PC 50121)

Recommend that the Board of Directors receive the internal audit report on Taxicab Administration.

8. MTS: Investment Report (FIN 300, PC 50601)

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

9. MTS: Office of Homeland Security Grant Applications (AG 210.9, PC 50102)

Recommend that the Board of Directors approve Resolution No. 07-3 (Attachment A of the agenda item) authorizing the CEO to submit applications for Transit Security Grants Program funding.

10. MTS: Federal 5311 (f) Intercity Bus Program Grant Application (OPS 950.7, PC 50451)

Recommend that the Board of Directors approve Resolution No. 07-4 (Attachment A of the agenda item) authorizing the CEO to submit applications for three Federal 5311 (f) Intercity Bus Program grant applications: (1) to support FY 08 operating-subsidy costs for rural services; (2) for the East County Bus Maintenance Facility (ECBMF) Vehicle Steam Facility; and (3) for ECBMF security gates and cameras.

11. MTS: Budget Transfers and Construction Management Contract Amendment for Mission Valley East (CIP 10426.12)

Recommend that the Board of Directors authorize the CEO to (1) transfer funds as shown in Attachment A of the agenda item between various Mission Valley East Light Rail Transit (MVE LRT) Project budget line items to provide funding for the proposed contract actions and fund negative line items; (2) execute Contract Amendment No. 45 (MTS Doc. No. L6343.44-01) with Washington Group International (WGI), in substantially the same form as shown in Attachment B of the agenda item, in an amount not to exceed \$328,650 for Construction Management (CM) services on the MVE LRT Project, including extension of the CM services through June 30, 2007; and (3) execute Amendment No. 1 to Work Order No. 07.22 (MTS Document No. L0606.6-02; 07.22.01) with Bureau Veritas North America, Inc. (BVNA), formerly Berryman & Henigar, Inc., in substantially the same form as shown in Attachment C of the agenda item, in an amount not to exceed \$76,363 for General Engineering Consultant (GEC) services on the MVE LRT Project, including the extension of such services to September 17, 2007.

12. MTS: Capital Improvement Program Budget Transfers (CIP 10740, 11151)

Recommend that the Board of Directors forward a request to the San Diego Association of Governments Board of Directors to approve a transfer of funds to the Light Rail Transit Station Shelter Replacement project from the Capital Assessment Project as shown on Attachment A (Budget Transfer Summary) of the agenda item.

Recommended Consent Items

Ms. Atkins requested that the Board receive a status report once the four recommendations outlined in the Audit Report on SDTC's Revenue Process (Consent Agenda Item No. 6) have been implemented. She stated she was particularly interested in the recommendations regarding security. Mr. Jablonski reported that MTS's internal auditor follows-up to ensure that all recommendations have been properly implemented.

Ms. Atkins moved to approve Consent Agenda Item No. 6, 7, 8, 9, 10, 11, and 12. Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:06 a.m.

- a. **MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9(a): City of National City v. Metropolitan Transit System (Superior Court Case No. GIC 880322)

The Board reconvened to Open Session at 9:40 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, General Counsel, reported the following:

- a. The Board received a report from General Counsel. The National City representative was not present for the discussion of this item.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: C Street Master Plan Update (ADM 124, PC 50451)

Mr. Brandon Farley, MTS Senior Transportation Planner, presented a map displaying the consultant's proposal for accommodating S70 three-car consists in the C Street Corridor between 6th and 7th. Mr. Farley reported that the City of San Diego will not accept this plan because it involves narrowing traffic lanes and interferes with pedestrian access around the trains. He pointed out that the proposal actually gives MTS two feet more in platform length than it needs. Mr. Farley advised the Board that the platform length could be reduced by two feet, the island at the northwest corner of 6th and C Street could be reduced or eliminated, and an easement could be obtained on the northeast corner of 7th and C Street to reduce the sidewalk width. He stated that if these actions were taken, an S70 three-car consist could be accommodated, and the desired traffic lane widths and pedestrian access around the trains could be maintained.

Mr. Farley also reviewed projections made by City traffic engineers regarding traffic levels in 2030 on 6th, 7th, and 8th Avenues. He also reported that other options that are being considered include pedestrian scrambles or "C"-type crosswalk configurations and having trains span a street such as 6th or 7th.

In response to a question from Mr. Jones, Mr. Farley explained that the proposed islands were added to facilitate southbound left-hand turns and to provide pedestrian refuge. In response to a question from Mr. Monroe, Mr. Farley stated that the Centre City Development Corporation is working cooperatively with MTS toward a workable solution.

Mr. Monroe pointed out that having intersections or streets blocked by train traffic is not a new concept in San Diego. Mr. Jablonski stated that the couplers on trolley cars currently extend into the intersection when a trolley is in the station at 5th. He added that the City's objective as C Street gets developed is to reestablish the crosswalks and maintain traffic flow on 6th and 7th.

Mr. Roberts suggested that traffic lanes be reduced when trains are in the station and pointed out that MTS will ultimately want four-car trains serving this area. He stated that any solution should not only address accommodating three-car trains but four-car trains at some time in the future. He felt that there was more work to do toward a solution for the C Street corridor for that reason. He didn't anticipate that everyone would be happy with the solution or that traffic flow would not be disrupted. He felt that it would be less disruptive to have longer, less frequent trains than shorter trains, more frequent trains. He also pointed out that this particular station is the only one that poses a problem for four-car trains, and that traffic problems in the C Street Corridor will never be as bad as those on Ash. Mr. Jablonski advised the Board that MTS staff is looking at this in stages – an interim and then a final solution. He stated that the solutions being considered would not preclude four-car trains.

Mr. Monroe stated that approving a plan that would interfere with traffic on 6th and/or 7th may cause people to choose other routes thereby reducing traffic levels on those streets now and in the future. Mr. Conan Cheung, MTS Director of Planning and Scheduling, indicated that any changes to the roadway will have an impact on traffic-count numbers. He added that the proposed through street on C Street would increase traffic volumes in this area.

Public Comment

Chuck Lungerhausen: Mr. Lungerhausen advised the Board that, as a member of the Accessible Services Advisory Committee since 1995, he has been very pleased to see the increased access that low-floor buses and trolleys are providing to people with disabilities and to seniors. He pointed out that having the new S70 low-floor trolleys on C Street would reduce the time-consuming process for lift boardings and would also reduce the use of fuel.

Action Taken

Mr. Rindone moved to receive an update regarding the Centre City Development Corporations' C Street Master Plan. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

31. MTS: Update on Regional Compass Card Project (CIP 11457)

Mr. James Driesbach-Towle, SANDAG Systems Integration Administrator, provided the Board with an overview of the Automated Fare Collection Project Compass Card System. He provided a Compass Card to each Board member. He provided an overview of the project goals, scope, and duration. He stated that there are currently 208 different categories in the San Diego region at this time, and there is a fare study going on to determine how to simplify the fare structure and make it more equitable. He also provided the Board with information regarding Cubic's claim against SANDAG for schedule delays and out-of-scope work. He advised the Board that the mediator who worked with SANDAG and Cubic to resolve this matter felt that the contract did not clearly indicate who was responsible for integration of the system. He further advised the Board that, under the mediated contract settlement, all current and past claims will be dismissed, SANDAG will pay an additional \$1.75 million in contract costs, Cubic will pay \$700,000 for contract-value additions, and a new completion schedule with liquidated damages was developed. He reported that \$700,000 in bond interest will be used to increase the project budget. He added that this \$700,000 is interest accrued that is not part of the MTS budget. Ms. Lorenzen reported that these funds will not be used to pay the settlement per bond counsel.

Action Taken

Mr. Young moved to (1) receive an update on the Compass Card Project, and (2) authorize the CEO to use the interest earned on the debt proceeds in the project fund (\$700,000) for increasing the Regional Automated Fare Collection Technology Project budget. Mr. Cafagna seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. MTS: Second Quarter 2007 Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Ms. Anika Smart, Associate Transportation Planner, reviewed the operating environment, ridership, on-time performance, mean distance between failures, collision accidents, and customer complaints for the second quarter of FY 2007.

Mr. Monroe asked if a different method was used to calculate the Mean Distance Between Failures for MTS Bus versus Contract Services. Ms. Spielberg stated that, with the recent consolidation of MTS Bus and Contract Services, it will be possible to use a consistent comparative method. She stated that the high distance between failures for demand-responsive service is due to the fact that they are using new buses. She stated that MTS performance in this area experienced a small decline due to the fact that MTS Bus's new maintenance manager is including certain road calls that weren't previously included.

Mr. Ewin requested that the goals for each of these performance indicators be included in future written agenda items on this topic. Mr. Cheung stated that, as the Comprehensive Operational Analysis is implemented, the Planning and Scheduling Department will be revamping Policy No. 42, New and Existing Service Evaluation, according to MTS's new vision statement and service development plan. He stated that staff will provide the Board with new goals and criteria in approximately two months. Mr. Ewin stated that he would like to have a separate sheet of paper summarizing MTS's goals.

Action Taken

Mr. Ewin moved to receive this report for information. Ms. Hanson-Cox seconded the motion, and the vote was 12 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

Water Leak: Mr. Jablonski reported that the City recently had to locate a water leak on Commercial just west of Cesar Chavez Parkway. He stated that the City found the leak 30 to 40 feet from where they started excavating. He stated that SDTI was able to run a single-track operation with no significant delays during this process, and service should be completely restored within 24 hours.

62. Board Member Communications

Brown Act: Ms. Lorenzen advised Board members that she had updated copies of the Brown Act for Board members who were interested. She stated that the revised Brown Act incorporates updates from the 2006 legislative session, none of which were significant.

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, March 22, 2007, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 10:34 a.m.

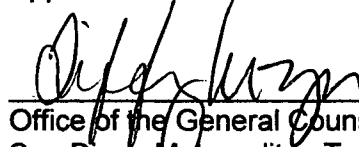


Chairperson
San Diego Metropolitan Transit System
Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams/minutes](#)

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): 3/8/07

CALL TO ORDER (TIME): 8:09 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 8:54 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input type="checkbox"/> (Cafagna) <input type="checkbox"/>		<input checked="" type="checkbox"/>
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>	8:23 a.m. during AI 2	
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input checked="" type="checkbox"/> (Lewis) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>	8:12 a.m. during AI 2	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B Jones) <input checked="" type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Jeffrey

NOT TURNED IN TO ACCOUNTING FOR THE PAYMENT OF FEES. ONLY THE ROLL CALL FOR THE FULL BOARD MEETING ON THIS DATE WAS TURNED IN FOR PAYMENT OF FEES.

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 3/8/07

CALL TO ORDER (TIME): 9:00 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:07 a.m.

RECONVENE: 9:40 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 10:34 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input type="checkbox"/> (Cafagna) <input checked="" type="checkbox"/>	9:05 a.m. during Consent Agenda	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input checked="" type="checkbox"/> (Lewis) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Dale Hansen

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 3/22/07

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:06 a.m.

RECONVENE: 9:21 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 10:50 a.m.

BOARD MEMBER (Alternate)				PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>	9:06 a.m. during AI 24	
CLABBY	<input checked="" type="checkbox"/>	(Selby)	<input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/>	(Cafagna)	<input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/>	(Allan)	<input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		10:21 a.m. during AI 46
HANSON-COX	<input checked="" type="checkbox"/>	(Lewis)	<input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>	(Vacant)	<input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/>	(Janney)	<input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/>	(Downey)	<input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/>	(McCann)	<input type="checkbox"/>		
ROBERTS	<input type="checkbox"/>	(Cox)	<input checked="" type="checkbox"/>	9:06 a.m. during AI 24	
RYAN	<input type="checkbox"/>	(B. Jones)	<input checked="" type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>	9:06 a.m. during AI 24	10:43 a.m. during AI 60
ZARATE	<input type="checkbox"/>	(Parra)	<input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Diff. Hueso



AGENDA ITEM NO.

3

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

****PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM****

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date 3-22-07
Name (PLEASE PRINT) DANNA ERICKSON
Address 1814 Coolidge
SD 92111
Telephone 858-277-2169
Organization Represented (if any) LV Planning Group's
Transportation Committee
Subject of your remarks: Questions

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

****REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.****



from the Jan. 07 Newsletter at
Saint Paul's Manor

Writers' Club

Stop!

One of Dolo's favorite expressions when we are on a bus is "This is better'n watching TV". Here is an example:

One morning we got on the Number 120 bus at Fourth and Laurel to go downtown. This is an express bus making only three stops between Hillcrest and the Broadway stop downtown. There were two men standing at the bus stop at Fourth and Hawthorne. This is a stop just for the Number 3 bus. Our #120 bus pulled over and stopped. The driver opened the door and said to the men "You can't get on this bus, it's an express bus" We couldn't hear what one of the men replied, but it sounded like "Why did you stop?" The driver said "This route is new to me and I made a mistake in stopping, sorry, you can't get on here". The guy said something like "You gotta be kiddin'!" and the driver finally told them that they could get on. We were on our way.

Witnessing things like this really is better than watching TV, but then there's nothing worse nowadays than watching TV.

-Forrest Johnson



1255 Imperial Avenue, Suite 1000
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619.231.1466, FAX 619.234.3407

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 491 (PC 50633)

March 22, 2007

SUBJECT:

MTS: PROPERTY INSURANCE RENEWAL

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to renew the property insurance coverage for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) with the California State Association of Counties (CSAC) Property Insurance Program, effective March 31, 2007, through March 31, 2008, with a basic coverage deductible of \$25,000, \$100,000 for collision on buses and light rail vehicles, and \$1,500,000 on roads, bridges, and tunnels.

Budget Impact

The renewal premium is \$1,112,490, which is about 16% higher than last year's premium of \$955,725. This increase is attributed to a sharp increase in the area of bus vehicle property. The premium is anticipated to be charged against the budgets of MTS (\$3,440), SDTC (\$228,770), and SDTI (\$880,280). No budget adjustment is proposed at this time. Fiscal year 2008 budgets are being developed, and funds will be designated and included within them.

PROPERTY PREMIUM ESTIMATED FISCAL YEAR SPLIT			
Policy Period: 03/31/07 - 03/31/08			
Agency	FY 07	FY 08	Total Premium
MTS	\$860	\$2,580	\$3,440
SDTC	\$57,193	\$171,578	\$228,771
SDTI	\$220,070	\$660,210	\$880,280
TOTAL	\$278,123	\$834,368	\$1,112,491



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:

MTS's property insurance policy expires on March 31, 2007, and covers the real and personal property of MTS, SDTC, and SDTI. The policy is obtained through CSAC, a joint purchase group of all but a handful of California counties created for the purpose of obtaining insurance at a reduced cost. SDTC has been insured through this group since 1993. Effective November 1, 1997, all MTS entities became insured with CSAC.

The CSAC Property Program is a complex layering of multiple insurance carriers, including both domestic and European insurers. Most of the CSAC members, including both the City and County of San Diego, purchase earthquake insurance. MTS and its entities have elected not to purchase this optional coverage.

The entire CSAC Program consists of 54 of the 58 California counties, which gives them tremendous purchasing power with premiums. At inception of the three-year purchasing endorsement, CSAC listed premiums to be over \$48 million. This allows MTS to take advantage of significant leverage in the marketplace.

Coverage provided is on an "all-risk" basis, which means that for a loss to be excluded from coverage, a loss must arise from a peril specifically excluded in the policy. Some excluded perils excluded in our policy are earthquake, wear and tear, pollution, war risk, fraud (by an employee), nuclear radiation, and loss to trees, money, or watercraft. These exclusions do not include all of the perils or properties specifically excluded, but gives an idea of the kind of losses that would not be covered. As a legal contract, an insurance policy may require extensive effort to determine if disputed coverage exists.

Our current policy carries a blanket limit of \$600 million, which applies to perils for any one occurrence (some sublimits are applicable to specific types of losses). We have a \$25,000 self-insured retention per occurrence, \$100,000 for collision on buses and light rail vehicles, \$250,000 for comprehensive coverage on buses, and \$1,500,000 on roads, bridges, and tunnels. In general, loss valuation is on a replacement-cost basis.

The premium is increasing 16% over the previous year. The policy includes terrorism coverage for all CSAC members. In general, the premium rate charged per unit value remains very competitive within the insurance marketplace.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

MARRCH22-07.6.PROPERTY INS RENEWAL.JDOW



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

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 11167-0200

March 22, 2007

SUBJECT:

MTS: LIGHT RAIL VEHICLE TIRES - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute a four-year contract (MTS Doc. No. L0805.0-07 – Attachment A) with Siemens Transportation Systems to procure light rail vehicle (LRV) tire kits for San Diego Trolley, Inc. (SDTI).

Budget Impact

Funding would come from Capital Project LRV Tire Kit 11167-0200, which uses federal funds (80 percent federal and 20 percent local).

2007	\$350,818.92
2008	\$438,725.68
2009	\$467,671.64
2010	\$498,111.01
Total	\$1,755,327.25

DISCUSSION:

MTS's Invitation for Bids was solicited and opened on February 6, 2007, to procure LRV tire kits for a four-year period. Two responsive bids were received in response to the solicitation (see Bid Summary – Attachment B). Siemens Transportation Systems was the lowest responsive, responsible bidder for the four-year period; therefore, pursuant to MTS policy, staff recommends award of the contract to Siemens Transportation Systems.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Marco Yniguez, 619.238.6494, marco.yniguez@sdmts.com

MARCH22-07.7.LRV TIRE CONTRACT.MYNIGUEZ

Attachments: A. SDTI Doc. No. L0805.0-07
B. Bid Summary



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.



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

Doc. No. L0805.0-07
CONTRACT NUMBER

DRAFT

CIP 11167-0200
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2007 in the State of California, by and between San Diego Metropolitan Transit System, a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Siemens Transportation Systems, Inc. Address: 7464 French Road

Form of Business: Corporation Sacramento, CA 95828
(corporation, partnership, sole proprietor, etc.)

Telephone: (916) 681-3000

Authorized person to sign contracts: Brad Allison After Market Sales
Name Title

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

Provide tire kits for Siemens U2/SD100 and S-70 light rail vehicles as follows: 144 U2/SD-100s and 52 S70s in 2007; 176 U2/SD-100s and 52 S70s in 2008; 176 U2/SD-100s and 52 S70s in 2009; and 176 U2/SD-100s and 52 S70s in 2010, in accordance with the Invitation for Bids (IFB) specifications dated January 11, 2007, the Standard Procurement Agreement, the Standard Conditions Procurement, the Cost Proposal Unit Prices, and the Federal Requirements. This contract shall remain in effect for two years with two 1-year options exercisable at MTS's sole discretion effective April 1, 2007, through March 30, 2011.

The total cost of this procurement shall not exceed \$1,755,327.25, including California sales tax and freight, without prior written approval from SDTI.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$350,818.92	CIP 11167-0200	07
\$438,725.68	CIP 11167-0200	08
\$467,671.64	CIP 11167-0200	09
\$498,111.01	CIP 11167-0200	10

By: _____ Date
Chief Financial Officer

MARCH22-07.7.AttA.LRV TIRE KITS.MYNIGUEZ

A-1

Bid Summary
LRV Tires - IFB FY 06-07

GRAND TOTAL	<i>Penn Machine Company</i>	<i>Siemens Transportation</i>
YEAR ONE (1)	\$ 406,579.54	\$ 350,818.92
YEAR TWO (2)	\$ 439,038.15	\$ 438,725.68
YEAR THREE (3) / OPTION YEAR ONE (1)	\$ 467,850.50	\$ 467,671.64
YEAR FOUR (4) / OPTION YEAR TWO (2)	\$ 498,451.50	\$ 498,111.01
Subtotal:	\$ 1,811,919.69	\$ 1,755,327.25
GRAND TOTAL AMOUNT (Basis of Award)	\$ 1,811,919.69	\$ 1,755,327.25

Due to the limited MTS budget for FY 07, the first-year bid quantities would be reduced by \$55,392.12 to \$350,818.92. Subsequent yearly quantities shall remain as bid.



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Agenda

Item No. 8

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

LEG 492 (PC 50121)

March 22, 2007

SUBJECT:

MTS: AUDIT REPORT ON FIXED-ASSET ACCOUNTING

RECOMMENDATION:

That the Board of Directors receive the internal audit report on the fixed-asset accounting process.

Budget Impact

None.

DISCUSSION:

During February 2007, the Internal Auditor performed a review of MTS's fixed-asset accounting procedures. The objective of the review was to assess the adequacy of internal controls over fixed assets. As a result of the review, five recommendations were made for management's consideration. Management has accepted the recommendations and is taking action to address the issues noted.

Paul C. Jablonski
Chief Executive Officer

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

MARCH22-07.8.FIXED ASSETS AUDIT.MABBEY

Attachment: A. MTS Fixed-Assets Accounting Audit Report (**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.



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.

LEG 491 (PC 50633)

March 22, 2007

SUBJECT:

MTS: LIABILITY INSURANCE RENEWAL

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to ratify and confirm the placement of the liability insurance policy (limits of \$75 million less a \$2 million self-insurance retention) at an annual cost of approximately \$2,248,524, effective March 1, 2007, through March 1, 2008.

Budget Impact

The proposed premium, including taxes and fees, would be approximately \$2,248,524. The total premium for excess liability insurance coverage, including terrorism coverage and excess workers' compensation, represents a 13.7 percent decrease (\$358,263). The specific allocation among MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), and San Diego and Arizona Eastern (SD&AE) Railway Company would be based on the underwriting exposure. Costs associated with the excess insurance policies are allocated across two fiscal years. For fiscal year 2007, we estimate that SDTI, SDTC, and MTS will be within budget. No budget adjustment is proposed at this time. Fiscal year 2008 budgets are being developed, and funds should be designated and included within them.

The approximate annual breakdown between agencies is noted within the table below.

COMBINED TOTAL EXCESS INSURANCE PREMIUMS					
Estimated Annual Budget Impact					
Agency	MTS	SD&AE	SDTC	SDTI	TOTAL
Excess Insurance Costs	\$324,022	\$44,005	\$897,351	\$985,165	\$2,250,543
	14.4%	2.0%	39.9%	43.8%	



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:

MTS, SDTC, SDTI, and SD&AE jointly purchase commercial insurance in order to finance large catastrophic awards for bodily injury and other damage claims. Existing policies expired March 1, 2007, and had limits up to \$75 million, including \$2 million in self-insurance retention per general liability loss occurrence. Our insurance broker, John Burnham Insurance Services, has contacted interested insurance companies to obtain the best coverage for a tolerable premium. This report outlines the proposal for renewing MTS's liability insurance and staff's recommendations. Due to pressures to deliver excess liability insurance at the most favorable terms and to avert potential damage to MTS of not having insurance, MTS utilized the "Procurement Special Provisions" as provided in Policy No. 52 (Section 54.2, paragraph C).

Current Program. MTS currently has excess liability coverage contained in five layers of insurance limits from various insurance companies. These layers provide for a total general liability limit of \$75 million. These policies contain coverage for war or warlike action, including specific forms of terrorism. The cost of these policies, including taxes and fees, was approximately \$2,402,245.

Proposed Program. The proposed liability program is anticipated to include five policy layers and would carry self-insurance retention (SIR) of \$2 million for general liability and director/officer and employment practices liability. The SIR for workers' compensation was required to be brought down to \$1 million. Additional coverage to include terrorism is being proposed. This coverage would provide full limits up to \$75 million at an annual cost of approximately \$2,047,561. Terrorism coverage has become critical due to the potential of a catastrophic loss from the occurrence of one event. The need to obtain terrorism coverage rests with the importance of avoiding the broadly worded terrorism exclusion.

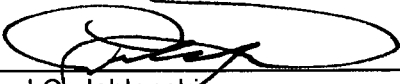
The total premium for excess liability insurance coverage, including terrorism coverage and excess workers' compensation, represents a 13.7 percent decrease (\$358,263).

An underlying policy just for workers' compensation has been retained for the limits between \$1 million and \$2 million. This policy will offer the required policy outline form for which the layers above will follow in coverage format. The premium coverage cost for this policy is approximately \$200,963. This premium has been incorporated in the total recommended insurance cost request.

RENEWAL ISSUES

Underwriting Base. Some of the factors influencing the premium rates are payroll for excess workers' compensation and construction costs, car miles, and revenue miles. Calculated in for the policy period was a consistent payroll, which is anticipated to have adjustments at audit. Overall annual passenger counts and revenue miles submitted were marginally increased.

Insurance Market. A favorable competitive market opened up due to a business tie split between two insurance entities (C.V. Star and A.I.G.). The open competition between these two companies allowed MTS to obtain favorable rates and still maintain the necessary connections within the industry to assure the level of service that MTS expects. In comparison with last policy period, two of the five layers quoted coverage with a rate decrease, one had an increase, and two layers remained flat with no significant change.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

MARCH22-07.9.LIABILITY INSURANCE.JDOW

Attachments: A. Memo Dated 2/28/07 (with attachment)



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

Memorandum

DATE: February 28, 2007
TO: Harry Mathis, Chairman of the Board
FROM: Jim Dow, Risk Management Coordinator
SUBJECT: EXCESS LIABILITY INSURANCE PROCUREMENT

LEG 491

Pressures to deliver excess liability insurance to MTS resulted in the selection process running to the final hours of the existing policy. Our current policies, consisting of five layers, are set to expire on midnight, February 28, 2007. Fortunately our efforts have resulted in a favorable proposal that has resulted in a premium savings of over 13 percent (>\$350,000).

In order to realize this savings and avert the potential damage to MTS of not having insurance, we are placed in a position where we must utilize the "Procurement Special Provisions" as provided in Policy No. 52 (Section 54.2, paragraph C).

I recommend that you authorize the expenditure of the insurance renewal amount (\$2,248,523.75) as outlined in the attached proposal received from John Burnham Insurance Services. In following this special provision, MTS will avert and alleviate any potential damage that could be caused by a gap in insurance coverage.

In accordance with Policy No. 52, the proposal and an explanation of the necessity for enacting the Special Provision of the policy will be brought to the Board at the next available meeting.

Approved by:

Chairman of the Board

M022807_Insurance Procurement

Attachment

750 B Street, Suite 2400
San Diego, CA 92101
(619) 231-1010

Presented By

JOHN C. STARICH, ARM, CIC
Senior Vice President

and

SHERRY ENANO
Account Manager

METROPOLITAN TRANSIT SYSTEM

EXCESS LIABILITY AND WORKERS' COMPENSATION
RENEWAL PROPOSAL AND COVERAGE SUMMARY

MARCH 1, 2007 TO MARCH 1, 2008

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SCHEDULE OF NAMED INSURED

- ▶ Metropolitan Transit System (MTS)
- ▶ San Diego Metropolitan Transit Development Board (MTDB)
- ▶ San Diego Trolley, Inc. (SDTI)
- ▶ San Diego & Arizona Eastern Railway (SD&AE)
- ▶ San Diego Transit Corporation (SDTC)
- ▶ San Diego Vintage Trolley

EXCESS WORKERS' COMPENSATION

Carrier: ACE American Insurance Company

A.M. Best Rating: A+ XV

Policy Term: March 1, 2007 to March 1, 2008

Coverage and Limits:

WORKERS' COMPENSATION	\$ 2,000,000	Each Accident
	\$ 2,000,000	Each Employee for Disease
EMPLOYER'S LIABILITY:	\$ 2,000,000	Each Accident
	\$ 2,000,000	Each Employee for Disease

Self-Insured Retention:

	\$ 1,000,000	Each Accident
	\$ 1,000,000	Each Employee for Disease

Covered State: California

Included: Terrorism coverage is included in premium

Rate: \$ 0.3429 per \$100 Payroll

Estimated Annual Payroll: \$ 57,452,225

Endorsements: ACE Specific Excess WC and EL policy CKE-1167; Loss and Expense Adjustment Endorsement – ALAE included
Endorsement CK-12887

** On expiring form, the retention for Communicable Disease applied per disease when one or more employee was affected by the same Communicable Disease as defined in the policy. The retention for injury by disease now applies "per person" regardless if it is a communicable disease affecting more than one person.*



EXCESS WORKERS' COMPENSATION

Premium:

\$	197,023	Minimum & Deposit.	25% Minimum Earned
		Premium	
	<u>3,940</u>	CIGA Fee	
\$	200,963		

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation



EXCESS LIABILITY – FIRST LAYER

Carrier: Everest National Insurance Company

A.M. Best Rating: A+ XV

Policy Term: March 1, 2007 to March 1, 2008

Coverage: Special Excess Liability for Public Entities covered excess of a Retained Limit or Scheduled Underlying insurance.

Limits:

- \$ 10,000,000 Any one Occurrence or Wrongful Act or Employee Benefit Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts or Employee Benefit Wrongful Acts in Excess of Self-Insured Retention and/or Underlying Coverage
- \$ 10,000,000 Separate Annual Aggregate for Products Completed Operations and Employee Benefit Liability

Inclusive of Loss Adjustment Expenses and Costs

Self-Insured Retention: \$ 2,000,000 Each Occurrence or Wrongful Act or Employee Benefits Wrongful Act, Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Premium is included

Rate: Flat



EXCESS LIABILITY – FIRST LAYER

Endorsements:

Public Entity Excess Liability Declarations
California Changes – Cancellation and Nonrenewal
Common Policy Conditions
Nuclear Energy Liability Exclusion
Pollution Exclusion "Blended" 72 Hour form as per
current coverage (Manuscript)
Additional Insured, per current coverage: *San Diego Unified
Port District; California State University-SDSU as
respects Mission Valley East Line*
Earlier Notice of Cancellation – 90 days
Delete Transit Exclusion (Manuscript)
Reimbursement of Defense costs EPLI
Delete UN/UIM Exclusion (Manuscript)
Schedule of Underlying Insurance (Excess Workers
Compensation and Employers Liability for MTDB, SDTI,
and SDTC - \$2,000,000 excess \$1,000,000 SIR).
Conditional TRIA exclusion

Premium:

\$ 1,025,596 Minimum & Deposit. 25% Minimum Earned
Premium

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation

EXCESS LIABILITY – SECOND LAYER

Carrier: Lexington Insurance Company (AIG)

A.M. Best Rating: A+ XV (non-admitted)

Policy Term: March 1, 2007 to March 1, 2008

Coverage: Following Form Excess Liability. Form #70108 (Ed 3/98)

Limits: \$ 10,000,000 Each Occurrence
\$ 10,000,000 Annual Aggregate, Where Applicable

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 10,000,000 Each Occurrence or Wrongful Act or Employee Benefits Wrongful Act
\$ 10,000,000 Separate Annual Aggregate for Products Completed Operations and Employee Benefit Liability excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Terrorism coverage is included in premium

Rate: Flat

Endorsements:

A. EXCLUSIONS: Punitive Damages (LX9407)
Personal Injury Protection / No Fault Uninsured /Underinsured Motorists (LX0086)
Securities & Financial Interests (OCC262)
Cross Suits (OCC098)
War Exclusion (LX9578)



EXCESS LIABILITY – SECOND LAYER

B. OTHER ATTACHMENTS:

50% Minimum Earned (CME077)
Surplus Lines Endorsement (LX1103)
Act of Terrorism Retained Limit (LX9594)
Territory Limitation Endorsement (LX9883)
Named Insured
Schedule of Underlying
Accident Insurance Endorsement (LX9594)

Premium:

\$ 350,000.00	Minimum & Deposit.	50% Minimum Earned
	Premium	
10,500.00	State Tax	
<u>437.50</u>	Stamping Fee	
\$ 360,937.50		

The net premium is due 20 days from inception.

Failure to remit by that date, will normally result in Notice
of Cancellation

EXCESS LIABILITY – THIRD LAYER

Carrier: Endurance American Specialty Insurance Company

A.M. Best Rating: A- XV

Policy Term: March 1, 2007 to March 1, 2008

Coverage: Following Form Excess Liability.

Limits: \$ 5,000,000 Each Occurrence
\$ 5,000,000 Annual Aggregate, Where Applicable

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 20,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Terrorism coverage is included in premium

Rate: Flat

Endorsements:

EXCLUSIONS:

Asbestos

Nuclear Energy

Silica

Employment Practices Liability

Pollution

Premium: \$ 110,000.00 Minimum & Deposit. 50% Minimum Earned
Premium
3,300.00 State Tax
137.50 Stamping Fee
\$ 113,437.50

The net premium is due 20 days from inception.

Failure to remit by that date, will normally result in Notice of
Cancellation



EXCESS LIABILITY – FOURTH LAYER

Carrier: Steadfast Insurance Company

A.M. Best Rating: A XV (non-admitted)

Policy Term: March 1, 2007 to March 1, 2008

Coverage: Following Form Excess Liability.
Form #STF-RRP-D-102-A (12/94)

Limits: \$ 30,000,000 Each Occurrence
\$ 60,000,000 Policy Aggregate

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 25,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Terrorism coverage is included in premium

Rate: Flat

Endorsements:

A. EXCLUSIONS:

Employment Practices Liability
Punitive Damages
Wrap-ups or OCIP
Professional E&O
Securities & Financial E&O
Fungus / Mold
Earth Movement/ Subsidence
Financial Institutions
Joint Venture
War



EXCESS LIABILITY – FOURTH LAYER

B. OTHER ATTACHMENTS

50% Minimum Earned
Service of Suit
Terrorism Retained Amounts Endorsement
Electronic Data Liability Amendment Endorsement
90 Day NOC except for non-pay; amend to "Pay on Behalf"

Premium:

\$ 405,000.00	Minimum & Deposit.	50% Minimum Earned
	Premium	
12,150.00	State Tax	
<u>506.25</u>	Stamp Fee	
\$ 417,652.25		

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation



EXCESS LIABILITY – FIFTH LAYER

Carrier: Starr Excess Liability Insurance Company, Ltd. (AIG)

A.M. Best Rating: A+ XV (non-admitted)

Policy Term: March 1, 2007 to March 1, 2008

Coverage: Following Form Excess Liability. Form #FF-03 (Ed 6/01)

Limits: \$ 18,000,000 Each Occurrence
\$ 18,000,000 Annual Aggregate, Where Applicable

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 55,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Terrorism coverage is included in premium

Rate: Flat

Endorsements:
A. EXCLUSIONS Public Officials Errors & Omissions
Employment Discrimination and Employment –Related
Practices



EXCESS LIABILITY – FIFTH LAYER

B. OTHER ATTACHMENTS

Schedule of Followed Policy
Arbitration & Choice of Law
Cancellation Endorsement
Changes in Followed Policy Endorsement
Notice of Claim Reporting
Payment of Premium
Service of Suit - CA
Terrorism Retained Amounts Endorsement

Premium:

\$ 126,000.00 Minimum & Deposit. 50% Minimum Earned
Premium
3,780.00 State Tax
157.50 Stamping Fee
\$ 129,937.50

PENDING CONFIRMATION OF PREMIUM

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation

PREMIUM COMPARISON

	3/1/2006 - 3/1/2007	3/1/2007 - 3/1/2008
Excess Workers Compensation	ACE American Insurance Company \$ 2,000,000 Each Occurrence \$ 1,000,000 Retention Per Occurrence 0.349 rate per \$100 Payroll \$ 57,452,225 Estimated Annual Payroll \$ 204,542.00 Total Premium (includes CIGA Fee)	ACE American Insurance Company \$ 2,000,000 Each Occurrence \$ 1,000,000 Retention Per Occurrence 0.3429 rate per \$100 Payroll \$ 57,452,225 Estimated Annual Payroll \$ 200,963.00 Total Premium (includes CIGA Fee)
Excess Liability - First Layer	Insurance Company of the State of PA \$ 10,000,000 Each Occurrence \$ 10,000,000 Aggregate \$ 2,000,000 Retention Per Occurrence MTDB / SD&AE 116.647 rate per \$1,000 Construction Costs \$ 2,530,000 Construction Costs SDTI 5.767 rate per 100 Car Miles 9,781,874 Car Miles SDTC 5.438 rate per 100 Revenue Miles 9,440,154 Revenue Miles \$ 1,372,638.00 Total Premium	Everest National Insurance Company \$ 10,000,000 Each Occurrence \$ 10,000,000 Aggregate \$ 2,000,000 Retention Per Occurrence FLAT rate \$ 1,025,596.00 Total Premium
Excess Liability - Second Layer	Lexington Insurance Company \$ 10,000,000 Each Occurrence \$ 10,000,000 Aggregate Excess Of \$10M/\$10M; \$2M SIR 1.924 rate per 100 Miles 19,222,028 Miles \$ 381,747.50 Total Premium (includes tax & fees)	Lexington Insurance Company \$ 10,000,000 Each Occurrence \$ 10,000,000 Aggregate Excess Of \$10M/\$10M; \$2M SIR FLAT rate \$ 360,937.50 Total Premium (includes tax & fees)



PREMIUM COMPARISON

Excess Liability - Third Layer

Insurance Company of the State of PA
\$ 5,000,000 Each Occurrence
\$ 5,000,000 Aggregate
Excess Of \$20M; \$2M SIR

FLAT rate
\$ 100,000.00 Total Premium

Endurance American Specialty Insurance Co.
\$ 5,000,000 Each Occurrence
\$ 5,000,000 Aggregate
Excess Of \$20M; \$2M SIR

FLAT rate
\$ 113,437.50 Total Premium (includes taxes & fees)

Excess Liability - Fourth Layer

Steadfast Insurance Company
\$ 30,000,000 Each Occurrence
\$ 60,000,000 Aggregate
Excess Of \$25M; \$2M SIR

FLAT rate
\$ 417,858.75 Total Premium (includes tax & fees)

Steadfast Insurance Company
\$ 30,000,000 Each Occurrence
\$ 60,000,000 Aggregate
Excess Of \$25M; \$2M SIR

FLAT rate
\$ 417,652.25 Total Premium (includes tax & fees)

Excess Liability - Fifth Layer

Starr Excess Liability Insurance Company, Ltd.
\$ 18,000,000 Each Occurrence
\$ 18,000,000 Aggregate
Excess Of \$55M; \$2M SIR

FLAT rate
\$ 130,000.50 Total Premium (includes tax & fees)

Starr Excess Liability Insurance Company, Ltd.
\$ 18,000,000 Each Occurrence
\$ 18,000,000 Aggregate
Excess Of \$55M; \$2M SIR

FLAT rate
PENDING CONFIRMATION OF PREMIUM
\$ 129,937.50 Total Premium (includes tax & fees)

	<u>3/1/2006 - 3/1/2007</u>
Excess Workers Compensation	\$204,542.00
Excess Liability - First Layer	\$1,372,638.00
Excess Liability - Second Layer	\$381,747.50
Excess Liability - Third Layer	\$100,000.00
Excess Liability - Fourth Layer	\$417,858.75
Excess Liability - Fifth Layer	\$130,000.50
Total	\$2,606,786.75

	<u>3/1/2007 - 3/1/2008</u>	
	\$200,963.00	-1.7%
	\$1,025,596.00	-25.3%
	\$360,937.50	-5.5%
	\$113,437.50	13.4%
	\$417,652.25	0.0%
	\$129,937.50	0.0%
Total	\$2,248,523.75	-13.7%



SPECIAL NOTATIONS

I**MPORTANT:** *This proposal of insurance is intended to be only a brief outline of coverages to be afforded. It is not intended to replace actual contract language. The policies themselves must be read for specific details of coverages, extensions, limitations, and exclusions, as well as conditions which, as an insured, you would need to comply with in the event of a loss.*

β

Coverage recommendations and premiums are reflective of information (payrolls, locations, operations, products data, financial data, loss experience, etc.) provided to us and supplied to the carriers and could vary before or after inception date of the policy, subject to the carriers' final review. Premiums contained in this proposal are valid for 30 days unless extended by the carrier.

β

The first named insured listed will be responsible for handling all communications, including but not limited to, payment of premium, request for policy changes and loss information, and receipt of cancellation notices.

β

There is no coverage for any current or past joint venture, partnership, or corporation that is not shown as a named insured.

β

This proposal does not constitute an insurance binder, nor does it convey any type of interest, therein. Once coverage is ordered, evidence of coverage will be issued.

β

If you need clarification of any terms, conditions, limitations, or exclusions contained in this proposal or checklist, please contact our office.

β

Higher liability limits of coverage than those contained in this proposal may be available. We recommend that you consider increasing your liability limits to minimize the risk of being underinsured in the event of a large claim filed against you.

β



SERVICING PERSONNEL

COORDINATION OF SERVICES:

All services, as requested by the client, can be provided for, or coordinated by, your Burnham Representatives. The Burnham philosophy fully embraces the idea that true teamwork, combined with a sincere commitment to service, will continue to enhance our mutual benefits.

PRIMARY CONTACTS

CONTACT	E-MAIL ADDRESS	DIRECT PHONE	DIRECT FAX
SENIOR VICE PRESIDENT			
John Starich	starich@johnburnham.com	(619) 525-2803	(619) 525-1870
ACCOUNT MANAGER			
Sherry Enano	senano@johnburnham.com	(619) 525-2863	(619) 525-1854
VICE PRESIDENT/ CLAIMS MANAGER			
Diane Ammel	ammel@johnburnham.com	(619) 525-2853	(619) 525-1809
WORKERS' COMPENSATION CLAIMS			
ANALYST:			
Janet Nord	nord@johnburnham.com	(619) 525-2856	(619) 525-1847
LOSS CONTROL:			
Courtney Lindsay	courtney@dynamicrisksolutions.com	(951) 551-6869	

ADDRESSES/TELEPHONES:

750 B Street, Suite 2400	Or	PO Box 129077
San Diego, CA 92101-2476		San Diego, CA 92112-9077

Main Office Number: (619) 231-1010

Facsimile: (619) 236-9134



CLIENT ACCEPTANCE

I. COVERAGES/LIMITS:

- A. We do hereby accept the insurance companies' offer of coverages and limits as outlined in John Burnham Insurance Services' proposal of insurance for the term March 1, 2007 to March 1, 2008 except as noted below:
- B. Further, we do hereby acknowledge our understanding that the referenced proposal is not intended to alter, amend, or otherwise change actual policy language. Actual policy terms, conditions, limitations, and exclusions will prevail in all circumstances.

II. TERMS: The following terms are understood and agreed to:

- A. PAYMENT IN FULL: All premiums are due and payable on the inception date of the policies referenced. Premiums will be considered past due and policies subject to cancellation 30 days after inception.
- B. FINANCE/INSTALLMENT OPTION: Premium financing/installments are generally available upon request. Deposit premiums are due and payable on the inception date of the policies. Policy cancellation provisions apply to finance/installment options as referenced above.
- C. AUDITS: Various elements of the proposed insurance program are subject to annual audit. Resulting "additional premium" charges are due and payable upon receipt of invoices. "Return premiums" will be applied to outstanding balances. If there are no outstanding items, a refund check will be issued.

Insured's Signature

Printed Name & Title

Date

Named Insured: **METROPOLITAN TRANSIT SYSTEM**



CLIENT ACCEPTED PREMIUM SUMMARY

Policy Term: March 1, 2007 to March 1, 2008.

Coverage:	Carrier :	Estimated Premium:	Carrier Policy Fee:	Carrier Inspection Fee:	Taxes:	Services Fees:	Broker Fee:	Total
Excess Workers Comp	ACE American Insurance Co.	\$197,023.00	\$	\$	\$3,940.00	\$	\$	\$200,963.00
1 st Layer Excess	Everest National Insurance Co.	\$1,025,596.00	\$	\$	\$	\$	\$	\$1,025,596.00
2 nd Layer Excess	Lexington Insurance Co.	\$350,000.00	\$	\$	\$10,937.50	\$	\$	\$360,937.50
3 rd Layer Excess	Endurance American Specialty	\$110,000.00	\$	\$	\$3,437.50	\$	\$	\$113,437.00
4 th Layer Excess	Steadfast Insurance Co.	\$405,000.00	\$	\$	\$12,656.25	\$	\$	\$417,652.25
5 th Layer Excess	Starr Excess Liability Insurance Co.	\$126,000.00	\$	\$	\$3,937.50	\$	\$	\$129,937.50
Total Estimated Premium, Fees & Taxes:								\$2,248,523.75

This is a convenient coverage summary, not a legal contract. This proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operations, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed.

Premiums may include a commission paid by the carrier to the agency. For further information regarding UnionBanc Insurance Services, Inc.' compensation, please refer to the Agency Compensation Disclosure provided to you by your producer

 Client's Signature

 Date



PROPOSED INSURERS/PLACEMENT AUTH.

<u>Policy Type</u>	<u>Insurance Company</u>	<u>A.M. Best Rating</u>	<u>Admitted</u>
Excess Workers Comp	ACE American Insurance Company	A+ XV	Yes
1 st Layer Excess Liability	Everest National Insurance Company	A+ XV	Yes
2 nd Layer Excess Liability	Lexington Insurance Company	A+ XV	No
3 rd Layer Excess Liability	Endurance American Specialty Ins Co	A- XV	No
4 th Layer Excess Liability	Steadfast Insurance Company	A XV	No
5 th Layer Excess Liability	Starr Excess Liability Insurance Co	A+ XV	No

A.M. BEST'S RATINGS

Assigned to insurers which meet Best's standards for the quantitative and qualitative analysis of the company's financial condition and operating performance. For further information, see the Best's Guide to Ratings.

Secure Ratings

A++, A+ Superior
A, A- Excellent
B++, B+ Very Good
B, B- Fair

Vulnerable Ratings

C++, C+ Marginal
C, C- Weak
D Poor
E Regulatory
F In Liquidation
S Rating Suspended

Rating Modifiers

g Group
p Pooled
r Reinsured
u Under Review

Guide to Best's Financial Size Categories (in \$Millions of Reported Policyholders' Surplus & Conditional Reserve Funds)

FSC I Up to 1	FSC VI 25 to 50	FSC XI 750 to 1,000
FSC II 1 to 2	FSC VII 50 to 100	FSC XII 1,000 to 1,250
FSC III 2 to 5	FSC VIII 100 to 250	FSC XIII 1,250 to 1,500
FSC IV 5 to 10	FSC IX 250 to 500	FSC XIV 1,500 to 2,000
FSC V 10 to 25	FSC X 500 to 750	FSC XV 2,000 or greater

Not Rated Categories (NR) (Companies not assigned a Best's Rating or FPR are assigned to one of the five NRT categories which identifies the primary reason a rating opinion was not assigned to the company.)

NR-1 Insufficient Data	NR-4 Company Request
NR-2 Insufficient Size and/or Operation Experience	NR-5 Not Formally Followed
NR-3 Rating Procedure Inapplicable	

NON-ADMITTED CARRIERS

Insurance policies issued by insurers that are not licensed by the State of California are called "Non-Admitted" or "Surplus Lines" insurers. These insurers are not subject to the financial solvency regulation and enforcement which applies to California licensed insurers. These insurers do not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

Signature is required when purchasing coverage from either a non-admitted insurer, non-rated insurer or an insurer rated less than A- by the A.M. Best Company.

I understand the explanations above and approve the use of the above insurers and hereby authorize and their representatives to complete the placement of my insurance with this company.

Signed By: _____

Title: _____ Date: _____

Name of Company: _____

COMPENSATION DISCLOSURE

UnionBanc Insurance Services, Inc. Compensation Disclosure

UnionBanc Insurance Services, Inc. derives revenue in several forms from its activities within the insurance industry. Those forms may include, but are not necessarily limited to, the following:

Compensation directly related to specific transactions – Concerning the placement of insurance or surety contracts, such directly related compensation may include commissions paid by insurers or sureties, and/or overrides paid by intermediaries (such as wholesale and surplus lines brokers), which are calculated as a percentage of the premiums charged to UnionBanc Insurance Services, Inc.'s clients. Directly related compensation may include fees charged to clients in lieu of or in addition to commissions. Where such fees are charged they will be negotiated with clients and disclosed to them. Where UnionBanc Insurance Services, Inc. assists in arranging premium financing, UnionBanc Insurance Services, Inc. may be paid compensation by the premium finance company based on a percentage of the financed amount, which compensation will be disclosed to the client as required by law.

Compensation derived from multitude transactions - UnionBanc Insurance Services, Inc. may also derive revenue which is dependent upon or related to multiple transactions. Some, but not all, insurers, sureties and insurance intermediaries may offer such compensation, which is sometimes referred to as contingent commissions or profit sharing payments. Whether UnionBanc Insurance Services, Inc. receives such compensation and, if so, the amount thereof, is determined by one or more factors which include, but are not necessarily limited to, the volume of new, renewal or total business produced by UnionBanc Insurance Services, Inc. and/or the profitability of that business when taking into account such factors as insurance losses and expenses. UnionBanc Insurance Services, Inc. typically arranges premium financing for its clients with one premium finance company. The finance company offered may vary by UnionBanc Insurance Services, Inc. Divisional Office.

Most forms of compensation set forth above are subject to negotiation as to rates or amount, and may be influenced by the volume or profitability of business between UnionBanc Insurance Services Inc. and the companies paying such compensation. Some or all compensation may be waived by UnionBanc Insurance Services Inc. in its discretion.

Income derived from other activities - UnionBanc Insurance Services, Inc. may derive income from other activities. UnionBanc Insurance Services, Inc. may derive investment income, usually in the form of interest, on funds held for clients and insurers by UnionBanc Insurance Services, Inc. in a fiduciary capacity, as premiums, return premiums, claim payments or otherwise. UnionBanc Insurance Services, Inc. may derive compensation in the form of commissions or fees from managing underwriting or captive insurance programs. UnionBanc Insurance Services, Inc. may experience return on investments in other companies, such as captive insurance or reinsurance companies, which may insure or reinsure risks relating to UnionBanc Insurance Services, Inc.'s clients. Such return on investments is usually in the form of dividends, but it may occur as capital appreciation or in other forms.

If you have any questions regarding the compensation or income received by UnionBanc Insurance Services, Inc., please contact our Compliance Officer at (714) 578-7000.

CA License # 0619252

INTRODUCTION TO MYWAVE

Our Leading-Edge Solutions

John Burnham Insurance a division of UnionBanc Insurance Services' innovative, value-added services stand out as truly unique in the industry. Simply by partnering with us, you will be introduced to a wealth of insurance-related tools and information. These services enhance our commitment to providing you the latest in strategic planning, expertise, innovation and technology.

**MyWave® Portal**

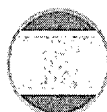
We extend many of our value-added services via a personalized MyWave Portal Web site. Access offers you time-saving tools and resources that build convenience into managing your everyday work tasks. Whether you want to collaborate with our agency online, access timely information and resources, or connect with peers in your industry, this is the place to be.

**ZywaveRx™**

The ZywaveRx program gives us access to preferred pharmacy benefits pricing from two leading national PBMs, and to pass those benefits onto you, as well as the expertise and resources needed to better manage your pharmacy benefits program.

**Decision Master® Warehouse**

Our Decision Master Warehouse application helps us meet your data reporting and analysis needs. With it, we can detect problems with medical utilization or plan cost, isolate causes of utilization problems and create money-saving solutions for you.

**Broker Briefcase®**

We utilize an exclusive Broker Briefcase library, which helps us to educate our clients and their employees. Access to this online tool allows us to provide you professionally-developed and customized programs, forms, flyers, announcements, payroll stuffers, posters, newsletters, etc.

**HRconnection®**

Our HRconnection tool offers you access the most powerful HR communication system available, featuring more ways for you to educate and empower your employees than any other site of its kind.

**RALLE® Warehouse (Risk Analysis Loss & Liability Examiner)**

With our RALLE Warehouse application, a comprehensive, Web-based claims analysis tool, we can help you identify claims costs and provide detailed data analyses to help you minimize your costly safety gaps.



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

Agenda

Item No. 10

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

LEG 491 (PC 50633)

March 22, 2007

SUBJECT:

MTS: LIABILITY CLAIMS MANAGEMENT SERVICES - CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into a contract amendment with McDowell Adjusting Company (McDowell) (MTS Doc. No. G0848.3-03, Attachment A) to provide liability claims administration services, supervision, and support of the self-insurance program for a term of up to one year.

Budget Impact

The total contract cost would not to exceed \$396,500 and would be charged against each of the three agencies involved according to services provided. Contract extension represents an approximate 1.5% decrease over the last annual contract amount (\$402,000). Funds have been identified and allocated within each agency. The estimated annual breakdown between agencies is noted within the table below.

ESTIMATED ANNUAL BUDGET IMPACT				
AGENCY	MTS	SDTC	SDTI	TOTAL
YEAR 5	\$12,500	\$211,700	\$172,300	\$396,500
	3%	53%	44%	100%

DISCUSSION:

At the direction of the Board, staff released a Request for Proposals (RFP) in December 2002. From that RFP, McDowell was identified as the top contender and was contracted



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.

for a two-year period plus 3 one-year options to provide the services requested. Two of the three option years were subsequently approved.

This contract would exercise the final one-year option for claims adjustment services. The agreement contains a termination provision that could be exercised in whole, or in part, at any time by written notice when it is in MTS's best interest. The contractor shall be paid its costs up to the time of termination.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

MARCH22-07.10.LIABILITY MGMT SVCS.JDOW

Attachment: A. MTS Doc. No. G0848.3-03



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

Att. A, AI 10, 3/22/07

DRAFT

March 22, 2007

MTS Doc. No. G0848.3-03
LEG 491 (PC 50633)

Mr. Tom McDowell
McDowell Adjusting Company
Post Office Box 87484
San Diego, CA 92138-7484

Dear Mr. McDowell:

Subject: AMENDMENT NO. 3 TO MTS DOC. NO. G0848.0-03: LIABILITY CLAIMS ADMINISTRATION

This letter will serve as Amendment No. 3 to MTS Doc. No. G0848.0-03.

SCOPE

Continue to provide liability claims administration pursuant to the original agreement.

SCHEDULE

This amendment extends the contract terms to cover the period through March 31, 2008.

PAYMENT

This amendment authorizes additional costs not to exceed \$396,500 for professional services. The total value of this contract, including this amendment, is \$2,322,000.

All other terms, requirements, and provisions as indicated in the Standard Conditions Services contract remain in effect. Additional authorization is contingent upon MTS approval.

If you agree with the above, please sign below and return the document marked "original" to Melissa Fernandez, Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Tom McDowell
McDowell Adjusting Company

MARCH22-07.10.AttA.MCDOWELL.JDOW

Date: _____

A-1



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.

LEG 491 (PC 50633)

March 22, 2007

SUBJECT:

MTS: WORKERS' COMPENSATION CLAIMS MANAGEMENT SERVICES -
CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into a contract amendment with Hazelrigg Risk Management Services (Hazelrigg) (MTS Doc. No. G0843.1-03, Attachment A) to provide workers' compensation claims administration services, supervision, and support of the self-insurance program.

Budget Impact

The total contract cost would not exceed \$283,730. The term of the contract extension would be for one year with one additional year option. The total costs would be charged against each of the three agencies involved according to the services provided. Contract extension represents an approximate 24% decrease over the last annual contract amount (\$372,600). Funds have been identified and allocated within each agency. The estimated annual breakdown between agencies is noted within the table below.

ESTIMATED ANNUAL BUDGET IMPACT				
AGENCY	MTS	SDTC	SDTI	TOTAL
YEAR 5	\$730	\$188,000	\$95,000	\$283,730
	1%	82%	17%	100%



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:

At the direction of the Board, staff released a Request for Proposals (RFP) in December 2002. From that RFP, Hazelrigg was identified as the top contender and was contracted for a two-year period with 3 one-year options to provide the services requested.

This amendment would exercise an additional contract year of claims adjustment services. The agreement contains a termination provision that could be exercised in whole, or in part, at any time by written notice when it is in MTS's best interest. Hazelrigg would be paid up to the time of termination.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

MARCH22-07.11.WORKERSCOMPSVCS.JDOW

Attachment: A. MTS Doc. No. G0843.1-03

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

Att. A, AI 11, 3/22/07

DRAFT

March 22, 2007

MTS Doc. No. G0843.2-03
LEG 491 (PC 50633)

Ms. Arlene Hazelrigg
Hazelrigg Risk Management, Inc.
14275 Pipeline Avenue
Chino, CA 91710-5639

Dear Ms. Hazelrigg:

SUBJECT: AMENDMENT NO. 2 TO MTS DOC. NO. G0843.0-03: WORKERS' COMPENSATION
CLAIMS ADMINISTRATION

This letter will serve as Amendment No. 2 to MTS Doc. No. G0843.0-03.

SCOPE

Continue to provide workers' compensation claims administration as outlined in the original agreement.

SCHEDULE

This amendment extends the contract terms to cover the period through March 31, 2008.

PAYMENT

This contract amendment authorizes additional costs not to exceed \$283,730 for professional services. The total value of this contract, including this amendment, is \$2,112,530.

All other terms, requirements, and provisions as indicated in the Standard Conditions Services contract remain in effect. Additional authorization is contingent upon MTS approval. If you agree with the above, please sign below and return the document marked "original" to Melissa Fernandez, Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Arlene Hazelrigg
Hazelrigg Risk Management, Inc.

MARCH22-07.11.AttA.HAZELRIGG.JDOW

Date: _____



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.

LEG 405

March 22, 2007

SUBJECT:

MTS: POLICIES AND PROCEDURES NO. 54: RULES OF PROCEDURE FOR
METROPOLITAN TRANSIT SYSTEM (MTS) ADMINISTRATIVE HEARINGS

RECOMMENDATION:

That the Board of Directors enact Policy No. 54 (Attachment A) to establish Rules of Procedure for MTS administrative hearings.

Budget Impact

None.

DISCUSSION:

On January 1, 2006, MTS modified its enabling legislation to allow for the appeal of the denial of a protest regarding any MTS procurement by way of an administrative hearing. Public Utilities Code section 120224.4 and MTS Procurement Policy No. 52 allow individuals to file a protest in response to a procurement solicitation or a Notice of Intent to Award. Protests based on the content of a procurement solicitation must be filed with the Board within 10 calendar days after the procurement solicitation is first advertised. Protests based on the issuance of a Notice of Intent to Award must be filed within 15 calendar days after the mailing of the notice.

Thereafter the MTS Chief Executive Officer (CEO), or his or her designee (typically a Protest Evaluation Committee or outside counsel), issues a written decision on the protest. Individuals then have the opportunity to appeal the denial of any protest through an administrative hearing before the full MTS Board. The decision on the appeal of the



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.

protest by the MTS Board must be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to Section 1094.6 of the Code of Civil Procedure.

The provisions of Code of Civil Procedure section 1094.6 allow for only a limited superior court review of an administrative decision by a local agency and help to limit liability on behalf of MTS. In order to comply with the provisions of this section, MTS needs to enact a procedure to govern administrative hearings to be conducted by the Board to allow for due process.

The attached draft policy is mirrored off of similar policies in place at the cities of San Diego, El Cajon, La Mesa, and Lemon Grove, as well as the County of San Diego. The General Counsel is recommending enactment of the policy.



Paul C. Jablonski
Chief Executive Officer

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

MARCH22-07.12.POLICYNO54.TLOREN

Attachments: A. Proposed Policy No. 54
B. Excerpt from Policy No. 52 Procurement of Goods and Services
C. Excerpt from California Public Utilities Code section 120224.4



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

Att. A, AI 12, 3/22/07

Policies and Procedures

No. 54

SUBJECT:

Enacted: 3/22/2007

RULES OF PROCEDURE FOR METROPOLITAN TRANSIT SYSTEM (MTS) ADMINISTRATIVE HEARINGS

PURPOSE:

To define the rules of procedure for MTS Board of Directors administrative hearings.

BACKGROUND:

On January 1, 2006, MTS modified its enabling legislation to allow for the appeal of the denial of a protest regarding any MTS procurement by way of an administrative hearing. Public Utilities Code section 120224.4 and MTS Procurement Policy No. 52 allow individuals to file a protest in response to a procurement solicitation or a Notice of Intent to Award. Protests based on the content of a procurement solicitation must be filed with the Board within 10 calendar days after the procurement solicitation is first advertised. Protests based on the issuance of a Notice of Intent to Award must be filed within 15 calendar days after the mailing of the notice.

Thereafter, the MTS Chief Executive Officer (CEO) or his or her designee, typically a Protest Evaluation Committee or outside counsel, issues a written decision on the protest. Individuals then have the opportunity to appeal the denial of any protest through an administrative hearing before the full MTS Board. The decision on the appeal of the protest by the MTS Board must be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to section 1094.6 of the Code of Civil Procedure.

The following rules of procedure shall govern any administrative hearing before the MTS Board of Directors.

54.1 Definitions

For purposes of this policy, the following definitions shall apply:

54.1.1 "Board" shall mean the Board of Directors of the San Diego Metropolitan Transit System.

A-1



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.

- 54.1.2 "CEO" shall mean the Chief Executive Officer of the San Diego Metropolitan Transit System.
- 54.1.3 "General Counsel" shall mean the General Counsel of the San Diego Metropolitan Transit System.
- 54.1.4 "Protestor" shall mean a person, or business entity represented by a designated employee or officer, who submits or who plans to submit a proposal or bid in response to a procurement solicitation and who submits a written protest to any acquisition or procurement conducted by MTS or its subsidiaries.

54.2 Setting the Matter for Hearing

- 54.2.1 Upon receipt of a Request for Reconsideration of Protest, the General Counsel shall set the matter for a hearing not less than 10 calendar days and no more than 90 days from receipt of the request. The General Counsel shall provide written notice to the Protestor of the date, time, and location of the hearing no less than 5 calendar days before the hearing is scheduled to occur. Any hearing may be continued for more than 90 days upon a showing of good cause and approval by the Board.
- 54.2.2 Whenever this policy authorizes or requires the delivery of any notice or paper, the notice or paper shall be deposited in the United States mail, certified return receipt requested, in a sealed envelope addressed to the Protestor, at the Protestor's last known address. Delivery of the notice or paper shall be complete at the time of the deposit.

54.2 Right to Representation by Counsel

- 54.3.1 Protestors may be represented by an attorney at any hearing before the Board. If the Protestor is to be represented by an attorney, written notice of that representation, including the name, address, and phone number shall be provided to the General Counsel at least 3 calendar days before the hearing. After the filing of a written notice indicating the Protestor shall be represented by an attorney, all notices transmitted by MTS shall be served upon the Protestor's attorney.

54.4 Failure to Appear at the Scheduled Hearing

- 54.4.1 Any Protestor who has filed a Request for Reconsideration of Protest and who fails to make an appearance at the hearing, either in person or through an attorney, after having received the notice of the time and place of the hearing shall be deemed to have waived the right to appeal and shall forfeit all rights to a hearing.

54.5 Discovery

- 54.5.1 Copies of all documents and materials upon which the MTS CEO (or his or her designee) relied upon in issuing the denial of the protest shall be mailed by the General Counsel to the Protestor (or his or her attorney) 5 calendar days before the scheduled hearing date.
- 54.5.2 Copies of all documents and materials upon which the Protestor intends to rely upon as part of his or her defense to the CEO's, or his or her designee's, written decision shall be mailed (pursuant to Section 54.2.2) to the MTS General Counsel no later than 5 calendar days prior to the scheduled hearing. Such copies shall be mailed to:
- MTS Office of General Counsel
Attention: Administrative Hearing Materials
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
- 54.5.3 Only those documents filed with the General Counsel in accordance with Section 54.5.2 of this policy shall be considered for admission into evidence at the hearing.

54.6 Conduct of the Hearing

Hearings held by the Board shall be conducted according to the following format:

- 54.6.1 The Clerk of the Board shall read the title of the case and ask for appearances from all parties. The names of the parties and all witnesses shall be entered into the record.
- 54.6.2 The Clerk of the Board shall mark for identification only, and not as evidence, all papers in the official file of the hearing, which should include:
- a. The Request for Reconsideration of Protest filed by the Protestor.
 - b. The Notice of Administrative Hearing setting the date and time of the hearing.
 - c. Copies of all reports and materials upon which the MTS CEO or his or her designee relied upon in issuing the denial of the protest.
 - d. Copies of all reports and materials submitted by the Protestor upon which the Protestor intends to rely upon as part of his or her defense to the CEO's (or his or her designee's) denial of the protest.

- 54.6.3 The Clerk of the Board shall swear in any witnesses. All testimony shall be under oath or affirmation.
- 54.6.4 Outside Counsel representing MTS shall present evidence to support the denial of the protest. MTS shall bear the burden of proof upon a preponderance of the evidence that the denial of the protest should be upheld.
- 54.6.5 The Protestor or his or her attorney shall then present evidence that the denial of the protest was improper.
- 54.6.6 Each party will be allowed to cross-examine witnesses in the order determined by the Board.
- 54.6.7 Each party shall have the opportunity to present rebuttal evidence in the order determined by the Board.
- 54.6.8 The Chairman of the Board shall have the discretion to set reasonable time limits on the presentation of evidence by each party.
- 54.6.9 The Board will then close the hearing and submit the matter for decision.
- 54.6.10 The Board may, upon a motion, continue any hearing to another time and place, order additional evidence to be presented, or allow other evidence to be gathered and presented to allow proper presentation of the case. Upon a motion of either party, the Board may grant a continuance for good cause shown.

54.6 Rules of Evidence Applicable to Hearing

- 54.7.1 The hearing need not be conducted according to technical rules relating to evidence and witnesses. The Board shall have the discretion to hear all relevant evidence if it is the type on which a responsible person would rely regardless of the existence of any common law or statutory rule, which might make it an improper admission of evidence in a civil action. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions. The Board shall have the discretion to exclude any irrelevant or repetitive evidence.
- 54.7.2 Each party shall have the right to call and examine witnesses on any matter relevant to the issues even though that matter may not have been covered in direct examination.
- 54.7.3 Each party shall have the right to impeach any witness regardless of which party first called the witness to testify.

- 54.7.4 Each party shall have the right to rebut the evidence against that party.
- 54.7.5 If the Protestor does not testify on his or her behalf, the Protestor may be called and examined under cross-examination.
- 54.7.6 In its discretion, the Board may consider hearsay evidence if it would be admissible in a civil action.
- 54.7.7 The hearing shall be conducted in the English language. The proponent of any testimony to be offered by a witness in a language other than English shall provide a certified interpreter proficient in the English language and the language in which the witness will testify to serve during the hearing. The cost of the certified interpreter shall be paid by the party providing the interpreter.

54.8 Findings and Determinations by the Board

- 54.8.1 The Board shall determine all factual issues raised by the Request for Protest Reconsideration.
- 54.8.2 Upon completion of the hearing, the Board shall make findings of fact as to whether the decision of the CEO, or his or her designee, in denying the protest is supported by the evidence presented or existing in the official file.
- 54.8.3 The Board shall have the discretion to uphold the denial of the protest, overturn the denial of the protest, or order additional evidence to be submitted in order to make a final decision.
- 54.8.4 The Board shall issue a final written decision within 10 calendar days of the hearing. The time for judicial review of the final written decision of the Board shall be governed by California Code of Civil Procedure section 1094.6.

54.9 Judicial Review

- 54.9.1 Judicial review of any decision of the Board may be had pursuant to section 1094.5 of the California Code of Civil Procedure only if the petition for writ of mandate authorized by said section is filed within the time limits specified in this chapter.
- 54.9.2 Any petition for writ of mandate authorized by section 1094.5 of the California Code of Civil Procedure must be filed no later than the 90th day following the date on which the final written decision of the Board is issued.

- 54.9.3 The complete record of the proceedings at which the decision was reached shall be prepared by the Clerk of the Board and shall be delivered to the Protestor within 190 days after the filing of a written request therefore. The Board may recover its actual costs for transcribing or otherwise preparing the record. Such record shall include the transcript of the proceedings, all pleadings, all notices and orders, any decision by the CEO or his or her designee, the final written decision, all admitted exhibits in the possession of the Board, and any other papers in the matter.
- 54.9.4 If the Protestor files a request for the record as specified in Section 54.9.3 of this policy within ten days after the date the decision becomes final, the time within which a petition pursuant to section 1094.5 of the California Code of Civil Procedure may be filed shall be extended to no later than the 30th day following the date on which the record is either personally delivered or mailed to the Protestor or the attorney of record.
- 54.9.5 In making a final written decision, the Board shall provide notice to the Protestor that the time within which judicial review must be sought is governed by this policy and section 1094.6 of the California Code of Civil Procedure.

TLoren/JGarde
POLICY.54.ADMINISTRATIVEHEARINGS.doc
3/22/07

Original Policy enacted on 3/22/07.

52.3 Protests

A person who submits or who plans to submit a proposal or bid in response to a procurement solicitation may protest any acquisition conducted in accordance with this section as follows:

- A. Protests based on the content of the procurement solicitation shall be filed with the Board within ten calendar days after the procurement solicitation is first advertised. The Chief Executive Officer or his/her designee shall issue a written decision on the protest prior to opening of the procurement solicitation. A protest may be renewed by refiling the protest with the Board of Directors within 15 calendar days after the mailing of the notice of the intent to award.
- B. Any bidder may protest the intent to award on any ground not based upon the content of the procurement solicitation by filing a protest with the Board within 15 calendar days after the mailing of the notice of the intent to award.
- C. All protests shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. Protestors shall have an opportunity to appear and be heard before the Board prior to the opening of the procurement solicitation in the case of protests based on the content of the procurement solicitation or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the procurement solicitation.
- D. The decision of the protest by the Board shall be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to Section 1094.6 of the Code of Civil Procedure.

PUBLIC UTILITIES CODE

SECTION 120224.4

120224.4.

(a) A person who submits, or who plans to submit, a proposal in response to a procurement solicitation may protest any acquisition conducted in accordance with Sections 120222 and 120223 as follows:

(1) Protests based on the content of the procurement solicitation shall be filed with the board within 10 calendar days after the procurement solicitation is first advertised. The general manager or the chief executive officer, or the designee of the general manager or chief executive officer, shall issue a written decision on the protest prior to opening of the procurement solicitation. A protest may be renewed by refiling the protest with the board within 15 calendar days after the mailing of the notice of the intent to award.

(2) Any bidder may protest the intent to award on any ground not based upon the content of the procurement solicitation by filing a protest with the board within 15 calendar days after the mailing of the notice of the intent to award.

(3) Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. Protestors shall have an opportunity to appear and be heard before the board prior to the opening of the procurement solicitation in the case of protests based on the content of the procurement solicitation, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the procurement solicitation.

(b) The decision of the protest by the board shall be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to Section 1094.6 of the Code of Civil Procedure.

MAR22-07.12.AttB.PUBUTILCODE.doc



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
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492 (PC 50121)

March 22, 2007

SUBJECT:

MTS: FOLLOW-UP REPORT ON 2006 INTERNAL AUDIT RECOMMENDATIONS

RECOMMENDATION:

That the Board of Directors receive a follow-up report on 2006 internal audit recommendations.

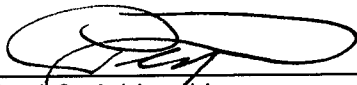
Budget Impact

None.

DISCUSSION:

In March 2007, MTS's Internal Auditor completed a follow-up review on the status of the recommendations made in internal audit reports issued during 2006. Of the 32 recommendations made, 18 have been implemented, and several others are scheduled for implementation later in 2007. A further follow-up review will be performed on the outstanding issues within the next 6 to 12 months.

A question was raised by Board Member Toni Atkins during the March 8, 2007, meeting regarding San Diego Transit Corporation's (SDTC's) yard security at the Kearny Mesa Division. A total of \$850,000 in Transportation Security Administration (Department of Homeland Security) funding has been approved for SDTC security improvements, and SDTC has until 2008 to complete the improvements.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Follow-up Report (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.



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

Agenda

Item No. 14

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

ADM 160.2 (PC 50788)

March 22, 2007

SUBJECT:

MTS: ENGINEERING SERVICES FOR H STREET TROLLEY STATION HAZARDOUS
WASTE CONTAMINATION INVESTIGATION - CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors:

1. ratify the CEO's previous authorization of \$50,935 for Work Order No. 06.42; and
2. authorize the CEO to execute Amendment No. 2 (in substantially the same form as Attachment A) to Work Order No. 06.42 (MTS Doc. No. L0606.6-02) with Berryman & Henigar (Berryman), not to exceed \$69,282.00, for engineering services for the investigation of hazardous waste contamination at the H Street Trolley Station.

Budget Impact

A total of \$69,282.00 for Amendment No. 2 with Berryman would be encumbered from available funds in the Land Management line item WBS #50788-53114.

DISCUSSION:

A right of entry permit was issued to Secor in 2001 for entry onto the H Street Trolley Station property to construct a monitoring well. The purpose of the well was to further characterize a release from an ARCO station across H Street.



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.

During the course of its investigation, Secor determined that the contamination found in the well on MTS property, and some of the contamination found on the ARCO property, had a different source. Secor opined that the source was a gas station that formerly occupied the MTS site. A survey of old photographs showed the gas station, but there is no evidence in San Diego County's records found to date about a station or if it was properly demolished under County of San Diego Department of Environmental Health (DEH) supervision. DEH subsequently agreed with Secor's assessment and created a new file for the MTS site.

A work plan to construct four additional monitoring wells on the MTS property, prepared by Testing Engineers, was approved by DEH on January 4, 2005. The additional wells were constructed some time thereafter. Results of tests on the new wells were provided in a report entitled "Phase II Site Assessment" prepared by Clayton Group dated April 7, 2006. The new wells contained the same type of contamination found by Secor. Clayton prepared a Groundwater Investigation Work Plan, dated June 19, 2006, to further identify the limits of contamination by constructing six additional monitoring wells and six hydropunch samples. The DEH approved the work plan less three monitoring wells proposed in the medium of H Street.

Staff is requesting Board approval to ratify the CEO's authorization of Work Order No. 06.42 and authorize the CEO to execute Amendment No. 2 of Work Order 06.42 for an additional \$69,282.00. Amendment No. 2 would bring the total contract amount to \$120,217.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tim Allison, 619.595.4903, tim.allison@sdmts.com

MARCH22-07.14.H ST ENG SVCS CONTRACT AMD.TALLISON

Attachment: A. Draft MTS Work Order No. 06.42.02



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

March 22, 2007

DRAFT

MTS Doc. No. L0606.6-02
Work Order No. 06.42.02
ADM 160.2 (PC 50788)

Mr. Stephen K. Smith
Business Unit Manager, West Region
Berryman & Henigar
11590 West Bernardo Drive
San Diego, CA 92127-1624

Dear Mr. Smith:

Subject: MTS DOC. NO. L0606.0-02, AMENDMENT NO. 2 TO WORK ORDER NO. 06.42,
GENERAL ENGINEERING SERVICES FOR THE PHASE 2 ENVIRONMENTAL SITE
ASSESSMENT FOR THE H STREET TROLLEY STATION PARK-N-RIDE LOT AND BUS
STATION IN CHULA VISTA, CA

This letter will serve as our agreement for professional services under the General Engineering Consultant Agreement as further described below.

SCOPE OF SERVICES

Provide services to develop a work plan to further investigate subsurface contamination in soil and groundwater and complete groundwater investigation in accordance with the work plan. Work shall include a hydropunch survey to identify the extent of dissolved phase hydrocarbon plume in groundwater, installing groundwater monitoring wells to assess the extent of the Light Non-Aqueous Phase Liquid (LNAPL) and dissolved phase hydrocarbon plumes in groundwater, laboratory analysis, and preparation of a summary report for the H Street Trolley Station park-n-ride lot and bus station in Chula Vista in accordance with the attached Scope of Services.

SCHEDULE

The Scope of Services, as described above, shall extend through September 1, 2007.

PAYMENT

Payment shall be based on actual costs, not to exceed \$69,282.00 without prior authorization.

All other terms and conditions shall remain the same and in effect. If you agree with the above, please sign below and return the document marked "original" to Melissa Fernandez, Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Stephen K. Smith
Berryman & Henigar

MARCH22-07.14.AttA.WO 06.42.TALLISON

Date: _____

Attachments: Scope of Services and Project Budget Estimate

A-1

SCOPE OF SERVICES

ENGINEERING SERVICES

PHASE 2 ENVIRONMENTAL SITE ASSESSMENT FOR THE H STREET TROLLEY STATION PARK-N-RIDE LOT AND BUS STATION IN CHULA VISTA, CALIFORNIA

Amendment No. 2
MTS Doc. No. L0606.6-02
Work Order No. 06.42

DESCRIPTION

Under Work Order Amendment No. 2, the General Engineering Consultant (GEC) will provide general engineering services for developing a work plan and performing and completing groundwater investigation in accordance with the work plan.

TASKS

1. Project Set-up
 - A. Develop work plan to further investigate subsurface contamination in soil and groundwater at the H Street Trolley Station park-n-ride lot and bus station in Chula Vista, California.
 - B. Meet/correspond with the County of San Diego Department of Environmental Health (DEH) for submittal and review processes concerning the work plan.
 - C. Investigate obstructions to placement of monitoring wells. In addition; an investigation at the City of Chula Vista Building Department will be conducted to search for any maps or files showing layouts of the former EXXON station.
 - D. Acquiring Permits – Before beginning the groundwater investigation, permits will be acquired from the DEH.
 - E. Coordination with Caltrans – Since the Interstate 5 freeway is located hydraulically down gradient and several feet below the site grade, Caltrans will be contacted to determine whether it has an operating dewatering system for this portion of the freeway.
 - F. Community Health and Safety Plan – To ensure that public health and safety is maintained and that nuisances are minimized during the groundwater investigation, a community health and safety plan will be developed that will include the following:
 1. hours of work;
 2. air-space monitoring;
 3. underground utility location and identification;
 4. public access restrictions to work area;
 5. dust control
 6. Department of Transportation-compliant storage procedures for spoils; and
 7. notice of intent to do work distributed to facilities adjacent to work area.

- G. Site Health and Safety Plan – A site-specific health and safety plan will be updated to ensure the safety of the site workers and subcontractors.

2. Field Investigation

- A. Install three groundwater monitoring wells at the site to assess the extent of the light non-aqueous phase liquid (LNAPL) and assist in assessing the extent of the dissolved phase hydrocarbons in groundwater using a hollow-stem auger drilling rig. Wells will be installed in the locations and under the procedure as outlined in the approved work plan.
- B. Develop, Survey, and Sample Groundwater Monitoring Wells – Following the installation of the groundwater monitoring wells, they will be developed (if they do not contain LNAPL) and surveyed. At least 48 hours after the wells have been developed and surveyed, groundwater samples will be collected from wells not containing LNAPL. Well development and sampling will be conducted in accordance with the approved work plan. Procedures for wells containing LNAPL will also be conducted in accordance with the approved work plan.
- C. Conduct Six Hydropunch Groundwater Surveys – Six hydropunch groundwater screening surveys will be conducted to assess the extent of the dissolved hydrocarbon plume in groundwater. The actual number of hydropunches will be determined by the analytical results of each survey. Procedures for conducting hydropunch surveys will be in accordance with the approved work plan.
- D. Disposal of Containerized Spoils – Spoils from well drilling and well development must remain containerized and stored onsite until a lab analysis is complete. Once a lab analysis is completed, it will be determined where the spoils will be disposed.

3. Laboratory Analysis

- A. A state-certified fixed laboratory will analyze groundwater samples obtained during the sampling operations. Samples will be analyzed for TPH using modified EPA Method 8015M for gasoline and diesel, and benzene, toluene, ethylbenzene, xylenes (BTEX), methyl tert-butyl ether (MTBE), ethyl tert-butyl ether (ETBE), tert-amyl methyl ether (TAME), di-isopropyl ether (DIPE), tert-butyl alcohol (TBA), and ethanol by EPA Method 8260 B.

4. Report Preparation

- A. The groundwater and LNAPL thickness measurements and laboratory analytical data will be used to construct groundwater flow direction and gradient maps. The maps will also illustrate the thickness of the LNAPL. These data will be included in a Supplemental Site Investigation Report that will also include:
 - 1. Tables containing the results of the groundwater analytical data.
 - 2. A discussion of the results of the investigation and recommendations for further investigation or interim removal actions as necessary.
 - 3. Laboratory data sheets and chain-of-custody forms.
 - 4. Soil boring logs including groundwater monitoring construction diagrams.

5. Well development and survey data and forms.
6. Groundwater sampling forms.
7. Summarize conclusions based upon the results of the groundwater investigation.

ITEMS TO BE PROVIDED BY SANDAG/MTS

Not used.

CLARIFICATIONS AND EXCLUSIONS

1. Right of entry permit is excluded.
2. The General Engineering Consultant and its constituents are to be indemnified and held harmless from any claim or liability for injury or loss that may arise as a result of waste materials being left onsite after their containerization and storage placement.
3. Disposal costs will be addressed under another amendment to this Work Order as the amount of spoils from well drilling and well development is unknown.

PROJECT SCHEDULE

1. Area investigation, acquiring permits, and coordinating with Caltrans will begin immediately upon Notice to Proceed (NTP).
2. Community Health and Safety Plan shall be distributed to adjacent properties prior to beginning work.
3. Site Health and Safety Plan shall be completed prior to beginning work.
4. Fieldwork is anticipated to begin within three weeks after NTP, but is dependent upon permit process and should be completed within two weeks of field work initiation.
5. The turnaround for groundwater sampling is approximately 5 to 7 days from submittal to the lab.
6. Preliminary results and a draft report will be submitted within 7 to 10 weeks of NTP.

MARCH22-07.14.AttA.WO 06.42.TALLISON
3/14/07

**EXHIBIT B
BERRYMAN & HENIGAR
BUDGET ESTIMATE**

NAME: H Street Phase 2 Environment Site Assessment PROJECT NO.: L0606.6-02 MTS PM: Tim Allison (619) 595-4903
 FIRM: Berryman & Henigar W.O. NO.: 6.42.02 B&H PM: Matt Britten (619) 699-7335
 DESCR: Develop workplan and complete a Groundwater investigation in compliance with the workplan at the San Diego Trolley Park-N-Ride Lot/Bus Station DATE: 3/13/2007

LABOR COSTS											
TASK NO.	NO. OF SHEETS	TASK DESCRIPTION	A	B	C	D	E	F	TOTAL HOURS	COST (loaded)	%
			Steve Smith		Matt Britten			La Necia Hines			
			GEC PROG MGR	CIVIL ENGR	CIVIL ENGR	CIVIL ENGR	ENGR CADD	DOC CONTROL			
			\$183.42	\$141.43	\$113.90	\$105.22	\$57.89	\$57.89	1.00		
1		Project Set-up	3					4	\$15,695.00	7	16,476.82 24%
									0	0.00	0%
		Scheduling and Permitting			4				4	\$455.60	1%
		Community Health and Safety Plan			2				2	\$227.80	0%
		Site Health and Safety Plan and Utility Clearance			2				2		
		Site review and agency coordination			2				2	\$227.80	0%
2		Field Investigation			8				\$32,343.00	8	\$33,254.20 48%
									0	\$0.00	0%
		Monitoring Well Installation & Hydropunch Investigation							0	\$0.00	0%
		Monitoring well Development							0	\$0.00	0%
		Groundwater sampling							0	\$0.00	0%
									0	\$0.00	0%
3		Laboratory Analysis							\$8,396.00	0	\$8,396.00 12%
									0	\$0.00	0%
4		Report Preparation			4				\$9,588.00	4	\$10,043.60 15%
									0		
									0	\$0.00	0%
PROJECT LABOR TOTALS			3	0	22	0	0	4	\$66,022	29	\$69,081.82 100%
PERCENTAGES			10%	0%	76%	0%	0%	14%			

DIRECT COSTS				
NO.	TASK DESCRIPTION	UNITS	w/profit	%
1	Reproduction		0.00	0%
2	Deliveries and Federal Express	200.00	200.00	100%
3	Parking	0.00	0.00	0%
4	Mileage	0.00	0.00	0%
5	Subsistence and Lodging	0.00	0.00	0%
6	Scanning	0.00	0.00	0%
7	Survey Materials	0.00	0.00	0%
8	Equipment Rental	0.00	0.00	0%
9	Other	0.00	0.00	0%
DIRECT COSTS TOTAL			200.00	100%

TOTAL CONTRACT BUDGET **\$69,281.82**

**** Note: All work done by Sub Consultants shall be in accordance to the hourly rates included in the Contract as approved by Caltrans (or prevailing wage rates for field services)**

H Street

Project Set-Up		Area Investigation, Permitting, Agency Coordination, Community Health & Safety Plan, Site Health & Safety Plan, Utility Clearance:		<u>rate</u>	
I.	Workplan				
A.	Director	4	\$150.00	\$600.00	
B.	Senior Project Manager	10	\$110.00	\$1,100.00	
C.	Geologist	40	\$87.00	\$3,480.00	
D.	Drafting	10	\$60.00	\$600.00	
	Field work				
E.	Senior Project Manager	8	\$128.00	\$1,024.00	
F.	CIH	2	\$128.00	\$256.00	
G.	Project Geologist	50	\$90.00	\$4,500.00	
H.	Subcontract Geophysical Survey			\$2,070.00	
I.	Well Installation Permits			\$965.00	
J.	Supplies			\$800.00	
Travel	Travel	2	\$150.00	\$300.00	
	Subtotal				\$15,695.00
II.	Field Investigation	Monitoring Well Installation & Hydropunch Investigation:		<u>rate</u>	
A.	Senior Project Manager	8	\$128.00	\$1,024.00	
B.	Project Geologist	40	\$90.00	\$3,600.00	
C.	Subcontract Drilling (3 wells)			\$18,460.00	
	Subtotal				\$23,084.00
III.	Laboratory Analysis:		<u>rate</u>		
A.	Total Petroleum Hydrocarbons Diesel and Gasoline (EPA 8015M)	6	\$63.25	\$379.50	
B.	BTEX, MTBE, ETBE, TAME, DIPE, TBA Full Scan (EPA 8260B)	6	\$143.75	\$862.50	
C.	Equipment			\$1,000.00	
D.	Supplies			\$500.00	
E.	Travel	3	\$185.00	\$555.00	
	Subtotal				\$3,297.00
	Monitoring well Development:				
A.	Senior Project Manager	2	\$128.00	\$256.00	
B.	Project Geologist	24	\$90.00	\$2,160.00	
C.	Well Development Rig			\$3,657.00	
D.	Equipment			\$150.00	
E.	Supplies			\$250.00	
F.	Travel	2	\$185.00	\$370.00	
	Subtotal				\$6,843.00
	Groundwater Sampling				
A.	Senior Project Manager	2	\$128.00	\$256.00	
B.	Project Geologist	24	\$90.00	\$2,160.00	
	Subtotal				\$2,416.00
	Laboratory Analysis:				
A.	Total Petroleum Hydrocarbons Diesel and Gasoline (EPA 8015M)	7	\$63.25	\$442.75	
B.	BTEX, MTBE, ETBE, TAME, DIPE, TBA Full Scan (EPA 8260B)	7	\$143.75	\$1,006.25	
C.	Survey			\$2,530.00	
D.	Equipment			\$500.00	
E.	Supplies			\$250.00	
F.	Travel	2	\$185.00	\$370.00	
	Subtotal				\$5,099.00
IV.	Report Preparation				
A.	Senior Project Manager	20	\$128.00	\$2,560.00	
B.	Project Geologist	60	\$90.00	\$5,400.00	
C.	CAD	14	\$67.00	\$938.00	
D.	Word Processing	8	\$55.00	\$440.00	
E.	Supplies			\$250.00	
	Subtotal				\$9,588.00
	Total Proposal Cost				\$66,022.00



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Agenda

Item No. 30

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

LEG 490 (PC 50121)

March 22, 2007

SUBJECT:

MTS: SECOND CONTRACT AWARD FOR MTS LEGAL SERVICES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) or appropriate staff persons to execute contracts on an as-needed basis to attorneys and firms from the second prequalified list (Attachment A) for MTS and its subsidiaries contingent upon no protests being received by March 27, 2007.

Budget Impact

The funding for these contract services is approved by the MTS Board on an annual basis within the MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) (hereinafter "the Agencies") operating budgets. The current combined funding assigned for these services is approximately \$937,657.

DISCUSSION:

The intent of the Legal Services RFP was to establish a list of qualified attorneys and law firms to advise, assist, and represent the Agencies in the areas of law as described in the Scope of Work. This list of qualified attorneys and law firms will remain effective for up to a five-year period. Although the Agencies have historically needed legal assistance in the categories described in the Scope of Work, the Agencies do not guarantee work to any qualified attorney for any category. Conversely, the Agencies may hire specific attorneys for specified durations for work that is outside of the scope of the Legal Services RFP.



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.

MTS solicited qualified attorneys and law firms to provide legal services for each entity (MTS, SDTI, SDTC, San Diego and Arizona Eastern [SD&AE] Railway Company, and San Diego Vintage Trolley, Inc. [SDVTI]). In general, the Agencies have in common the categories of labor and employment, pension, third-party liability, and workers' compensation. MTS also needs qualified attorneys in the areas of environmental law, land use, construction contract law, condemnation, taxicab regulation, finance, public employee law, Americans with Disabilities Act (ADA), civil rights, criminal law, historic designation, conflicts of interest, railroad operating law, storm water prevention and pollution, corporate transactional law, and intellectual property.

On November 8, 2006, 38 proposals were received of which 11 were found nonresponsive to the minimum requirements of the RFP and/or the pass/fail criteria (No. 1 below).

1. Pass/Fail Criteria

- a) Proposer has demonstrated the ability to meet the insurance requirements described in the Agreement. Proof of ability should be attached to your proposal. (P/F)
- b) Proposer has demonstrated at least five years of relevant experience as an attorney. Experience is relevant if it falls within a category in the Scope of Work. (P/F)
- c) Proposer has demonstrated previous experience working for or with public agencies, transit entities, or corporations. (P/F)
- d) Proposer is a licensed member of the California Bar and in good standing. Please attach proof from the California Bar. (P/F)

The remaining 27 proposals were evaluated by an evaluation committee using the evaluation criteria and assigned weights as set forth in the RFP (Nos. 2 – 5).

2. Qualifications of the Firm or Sole Practitioner 50%

Technical experience in performing legal services of a similar nature; experience working with public agencies; strength and stability of the firm or sole practitioner; strength, stability, experience, and technical competence of subcontractors; assessment by client references; references with demonstrated success in providing similar services.

3. Staffing, Firm Organization, and Management Plan 15%

Qualifications of attorneys and legal staff, particularly key attorneys and the Managing Partner; key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; logic of firm organization; adequacy of labor commitment. Your response should also include your procedures for delegating work and the types of work given to paralegals, law clerks, and associates in order to provide cost-effective services to MTS.

4. Work Plan 15%


Depth of Proposer's understanding of MTS's requirements as set forth in Section B, Scope of Work, and within this RFP; overall quality of work plan; logic, clarity, and specificity of work plan; appropriateness of labor distribution among the activities; ability to meet legal services proposed; reasonableness of legal service proposed; methods or processes used for data retention and confidentiality; evidence of insurability.

5. Cost and Price 20%

The reasonableness of the total cost proposal and the competitiveness of this amount with other offers received; adequacy of data in support of figures quoted; reasonableness of hourly rates; basis on which prices are quoted.

Firms and attorneys were given an overall score that included qualifications and price. Based on its review, the evaluation committee recommended a list of qualified attorneys and firms that best meet the requirements set forth in the RFP. Each of those firms or attorneys had an overall score of 70 or higher. Firms or attorneys scoring under 70 were deemed not advantageous to the Agencies. The Board approved the list of attorneys at its meeting on January 18, 2007. Thereafter, staff reissued the RFP in the hopes of obtaining bids for some of the services where no response had been received.

Staff received 14 proposals on February 9, 2007. The Evaluation Committee followed the same evaluation process for the second round of proposals. Firms and attorneys were given an overall score that included qualifications and price. Based on its review, the evaluation committee has determined that the proposals from the attached list of qualified attorneys and firms (Attachment A) best meet the requirements set forth in the RFP and, that based upon consideration of both technical and price factors, has found their offers to be the most advantageous and of the greatest value to the Agencies (Attachment B). Each of these firms or attorneys had an overall score of 70 or higher. Firms or attorneys scoring under 70 were deemed not advantageous to the Agencies. The evaluation committee is recommending the Board authorize staff to negotiate hourly rates and pricing with each of these firms and award a firm fixed-price contract, contingent upon successful negotiations, to those attorneys and firms on the prequalified list on an as-needed basis for a base period of up to five years, contingent upon staff not receiving any protests in response to the Notice of Intent to Award that was issued on Monday, March 12, 2007.



Paul G. Jablonski
Chief Executive Officer

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

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Attachments: A. Proposed List of Prequalified Attorneys
B. Evaluation Committee Memorandum **(Board Only)**

Re-Issued Request for Proposal
Metropolitan Transit System
No. G1036.0-07
Legal Services 2007

LIST OF QUALIFIED ATTORNEY FIRMS

<i>PROPOSAL FIRM NAME</i>	<i>TYPE OF LAW</i>
Baker & Miller PLLC	Transportation, Railroad Operating
Best Best & Krieger LLP	Environmental, Eminent Domain, Condemnation, Land Use, Labor-Employment
DLA Piper	Finance Pension
Hanson Bridgett Marcus Vlahos Rudy, LLP	Railroad Operating, Transportation, Taxi, Land Use, Construction, Environmental
Hecht Solbert Robinson Goldbert Bagley LLP	Construction, Contracting
Latham & Watkins	Environmental, Land Use, Historic Designation, Water Quality
Liebman, Quigley, Sheppard & Soulema	Liability, Workers' Compensation
Liedle, Getty & Wilson, LLP	Railroad Operating, Civil Litigation, Civil Rights, Tort, Construction
Nossaman, Guthner, Knox & Elliot, LLP	Railroad Operating, Transportation, Finance, Environmental, Condemnation
Snell & Wilmer LLP	Railroad/Transportation, Conflict of Interest
Thomas P. Hock & Assoc.	Labor-Employment, Labor Contract Negotiations

Attached to NOI Letter 3-12-07



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Agenda

Item No. 45

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

OPS 970.11
(PC 50102)

March 22, 2007

SUBJECT:

MTS: 2006 YEAR-END SECURITY REPORT

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Statistics related to security incidents concerning the transit system are compiled by staff based on reports generated by security personnel and Code Compliance inspectors. This information is augmented by reports from local police authorities and is then compiled, summarized, and submitted to the Board of Directors on a midyear and year-end basis. The final 2006 year-end report covers the period from January 1, 2006, through December 31, 2006.

C Street Problem-Oriented Policing (POP) Project

The C Street POP Project brings together a select number of transit enforcement officers and San Diego Police officers who devote special attention to the trains and stations along the C Street business corridor. The project is closely monitored by the San Diego City Attorney's Office, which prosecutes offenders and issues stay-away orders to chronic violators, and it was designed to address chronic offenders and quality-of-life



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.

issues in the area. During this reporting period, the project was officially expanded to include the Park & Market Station due to similar issues at that location.

Department of Homeland Security Grant Funds

On November 30, 2006, the Governor's Office of Homeland Security received approval from the U.S. Department of Homeland Security for funding under the FY 06 Infrastructure Protection Program. Consequently, MTS was awarded \$563,000 for the rail division, and \$682,500 for the bus division. For rail, the projects will include enhanced security at four stations - America Plaza, Imperial Transfer Station, Old Town Transit Center, and San Diego State University. Bus projects will include additional security at two of the critical bus yards - Imperial Avenue Division and Kearny Mesa Division. MTS will contribute 25% in additional funds toward each award. Work on these grants will commence following the completion and closeout of the FY 05 grant projects.

A CCTV system was completed at the San Ysidro Intermodal Transit Center in November of 2006. The project included 19 cameras, including both fixed and pan-tilt-zoom (PTZ). Two megapixel facial-identification cameras are installed at this site in addition to behavioral recognition software on selected fixed cameras. Wireless cameras are utilized at this site that include transmissions to the Operations Control Center. MTS was awarded \$402,500 from the U.S. Department of Homeland Security, which reallocated these funds from other California agencies that had not utilized their grant funds.

Training

Training is a dynamic process in the transit system Security Department with ongoing classes, seminars, guest speakers, written directives, and other coaching media. In the second half of 2006, several significant training presentations were completed.

The Baron Center presented two half-day sessions that covered sensitivity training, profiling, public relations, enforcement etiquette, and ethnic sensitivity. The presentation included both lecture and hands-on exercises.

The National Transportation Institute (NTI) presented a comprehensive seminar concerning terrorist recognition, cultural considerations, and methods. This program was in keeping with our regular efforts to train personnel in terrorist detection and prevention activities.

Other in-house training sessions were conducted covering the following topics:

- Bicycle patrol training and certification.
- Scenario training - crowd control involving fights, injuries, and disabled persons.
- Proper use of restraints and arrest procedures.
- Defense tactics.

On a continuing basis, pertinent information received from law enforcement and Homeland Security agencies is circulated to all enforcement personnel to keep them informed of current or developing situations that may affect MTS operations.

Passenger Inspections

During calendar year 2006, inspections were:

- Rail: 11,518,966 – 33.50% of ridership
- Bus: 25,264,906 – 100% of ridership (inspections conducted by bus drivers as patrons boarded)

2006 Fare Evasion Rate – 1.67%

One hundred percent of passengers at randomly selected trolley stations and on trains passing through these stations were inspected for fare compliance.

During calendar year 2006, inspectors and officers contacted 123,857 passengers during 25 scheduled Special Enforcement Unit sweeps system wide. Of the passengers inspected, 2,064 passengers did not comply with the published fare structure. Annual statistics from these special fare-evasion inspections indicate a fare-evasion rate of only 1.67%.

Of the 2,064 who were not in fare compliance, 1,629 were issued citations and 435 were allowed to purchase an upgraded fare in order to meet compliance requirements. A total of \$1,322.25 in revenue was collected from patrons who were allowed to purchase or upgrade fares when found in noncompliance.

In addition to fare compliance, officers made arrests for quality-of-life violations, such as possession of alcohol and illegal substances.

Multiagency Emergency Preparedness Drill

In October 2006, Transit Enforcement, along with the Security Critical Incident Committee (SCIC), conducted a live exercise at the Qualcomm Stadium Station in compliance with the FTA grant guidelines. The purpose of the drill was to evaluate responses and field operations when confronted with an explosive device. Participants included the Operations Department, Code Compliance Department (including the canine unit), Security Department, and bus operations. The goals and objectives of this exercise emphasized multidepartment cross communications and field coordination.

Closed-Circuit Television (CCTV)

CCTV is a proven crime deterrent as well as a positive forensic tool in solving crimes and assisting law enforcement agencies. CCTV is presently functioning at 14 stations including:

1. Old Town Transit Center (12 cameras)
2. Euclid Avenue Station (8 cameras)
3. Fashion Valley Transit Center (5 cameras)
4. Qualcomm Stadium Station (16 cameras)
5. 47th Street Station (5 cameras)
6. El Cajon Transit Center (2 cameras)
7. San Diego State University Station (18 cameras)
8. Alvarado Medical Center Station (5 cameras)
9. 5th & C Street Station (8 cameras)
10. Bayfront/E Street Station (10 cameras)
11. H Street Station (10 cameras)

12. Palomar Street Station (8 cameras)
13. San Ysidro Intermodal Station (19 cameras)
14. Spring Street Station (1 camera)

Most stations have a combination of fixed and PTZ cameras. The PTZ cameras have the capability of rotating to capture a wide-area view and can zoom/tilt to capture view-specific views. Fixed cameras are aimed at specific targets, such as platforms and heavily populated patron areas. All cameras record to a digital video recorder (DVR) and have the capability of retaining 15 days of recorded history. The Euclid Avenue Station has a 30-day recording capacity. All CCTV systems are viewed on monitors in the Operations Control Center that is staffed with security personnel during train operating hours. San Diego State University is monitored on 24/7 basis at the on-campus security station.

During this reporting period, a total of five additional stations were equipped with CCTV systems, including some state-of-art "video analytics" that enhance the capabilities and enable mega-pixel high resolution views for facial identification in addition to capturing adverse behavioral patterns, such as suspicious persons and packages. Further, wireless technology was used for the first time and is proving very successful. The new stations are:

San Ysidro Transit Center. Nineteen cameras, including both fixed and PTZ, are now operational at the San Ysidro Station. Two mega-pixel facial-identification cameras are installed at this site in addition to behavioral-recognition software on selected fixed cameras. Wireless cameras are utilized at this site, which includes wireless transmission to the Operations Control Center. This project was paid for by the U.S. Department of Homeland Security with funds from a 2004 Transit Security Grant Program. Because of our positive relationship with the State of California Office of Homeland Security, unused funds from other projects were reallocated due to the importance of enhancing security at the international border.

Chula Vista. The Bayfront/E Street, Palomar, and H Street Stations came on-line in the latter part of 2006. Each station has a combination of fixed and PTZ cameras with 8 or 10 cameras per site. Wireless technology was employed for this project, which added the capability of viewing the cameras via laptop computer from a roving police unit. This was a joint project with the City of Chula Vista with that city providing 50% of the funding.

La Mesa. We have partnered with the Spectrum Company, a San Diego corporation that designs and produces wide-angle megapixel cameras and have installed one camera at the Spring Street Station. This was completed in November 2006. The new technology offers extremely high-resolution, zoom-in images for facial and event identification. The system also records for the purpose of historical retrieval.

The entire CCTV system is widely used by MTS Transit Enforcement officers and various law enforcement agencies for evidentiary purposes that have resulted in numerous court convictions. While not directly quantifiable, the system is a value-added crime-deterrent security measure.

Canine Teams

In 2006, three explosive-detection canine teams were funded through a Cooperative Agreement with the Transportation Security Administration (TSA). Two of the teams completed required training and have been certified by the TSA. The third team will be certified during the first half of 2007.

The teams have participated in several joint operations during this reporting period, including a call to search the San Diego State University Library for a reported bomb (none found), Old Town Transit Center to check out a suspicious object, and a call to the downtown courthouse following a call-in bomb threat (unfounded).

The teams have also partnered with other agency canine units for joint training at the San Diego Airport, San Diego Harbor Police, John Wayne Airport in Orange County, Orange County Sheriff's Department, and California Highway Patrol. Additionally, there has been significant positive publicity generated by various media organizations reporting on the program.

Community Outreach

In September, Transit Enforcement management staff attended the International Day of Peace in Southeast San Diego. William Burke, Transit System Security Director, was a guest speaker. Topics discussed included measures that the department is taking to make the public transportation system safer for the riding public, future enhancements (such as additional CCTV systems), and high visibility for the MTS canine units. He also emphasized that community assistance in combating crime is critical to our mission of providing a safe and secure transit system.

KUSI Channel 8 aired two morning shows on separate dates featuring security operations. The first segment showcased one of the canine units and included a demonstration of search techniques. The subsequent show focused on the Operations Control Center and specifically the remote viewing capability of the MTS CCTV system. The theme of both presentations was safety and security on public transportation. Channel 10 television and the San Diego Union-Tribune newspaper also conducted positive features on the canine units.

In October, one of the canine units visited Horton Elementary School to present a safety program in conjunction with the "Walk to School Week" program.

"Swarm" Enforcement

In order to maximize available resources in ways that afford the department the most visibility to the riding public, a "Swarm" detail was created and will be in effect until further notice. Operationally, Swarm is a rolling special enforcement unit with a specific purpose to enforce ordinances, monitor quality-of-life on trains and in stations, observe and report crimes (such as graffiti and vandalism), respond to patron complaints, and gather intelligence information relative to gang activity, potential problems, or any other conditions noted that may adversely affect safe and secure operations throughout the system.

During the daily details in the months of March through December 2006, 1,661,016 patrons were contacted by Swarm units. There were a total of 8,053 persons in violation of MTS ordinances, and 4,426 were issued citations. Of the citations, 4,059 were for fare evasion. Including fare-evasion citations and warnings, a .47% fare-evasion rate was witnessed by this unit during the nine-month period.

San Diego Trolley Inc.

San Diego Trolley, Inc. experienced 1,777 Part II arrests and 138 reports of Part I incidents in 2005. In 2006, there were 1,512 Part II arrests and 150 reports of Part I Incidents.

San Diego Transit Corporation

San Diego Transit Corporation experienced 93 Part II arrests and 4 reports of Part I incidents in 2005. In 2006, there were 101 Part II arrests and 6 reports of Part I incidents.

Contract Services

MTS Contract Services experienced 8 Part II arrests and 2 reports of Part I incidents for 2005. In 2006, there were 37 Part II arrests and 2 reports of Part I incidents.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Bill Burke, 619.595.4947, Bill.Burke@sdti.sdmts.com

MARCH22-07.45.SECURITY RPT.BBURKE

Attachments: A. Board FTA 405 Reports (1/06 – 12/06 SDTI)
 B. Board FTA 405 Reports (1/05 – 12/05 SDTI)
 C. Board FTA 405 Reports (1/06 – 12/06 SDTC)
 D. Board FTA 405 Reports (1/05 – 12/05 SDTC) **Board Only**

MTS

Semi-Annual Security Report January – December 2006



Passenger Inspections - Rail

January – December 2006

- 34,380,376 passengers carried
- 33.50% of total passengers inspected
- 98.30% in compliance



Passengers Carried – Bus

January – December 2006

- 25,264,906 passengers carried
- 17% Cash fare
- 80.3% Other fare (pass/token/jury/transfer)
- 2.6% Free ride



Special Enforcement Unit - Rail



- 123,857 patrons inspected
- 2,064 not in compliance



- 435 allowed to upgrade
- 1.67% fare evasion



Special Enforcement - Bus



SWARM

Rail

- Special Detail began March 2006
- Elevated concentration on real-time problems
- Fluid in number of officers, locations, and length of detail - adjusted "on the spot"
- Preemptory elimination of problems
- Received positive comments from patrons

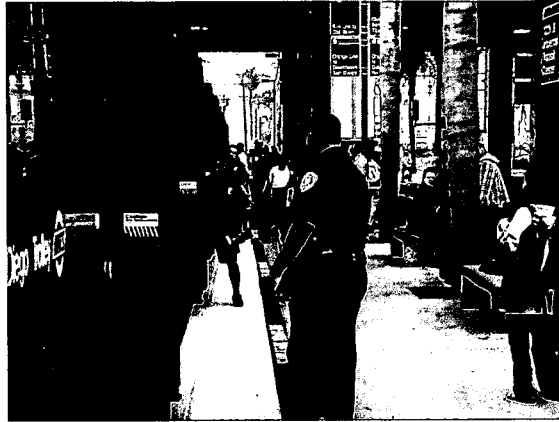


SWARM Statistics - Rail

March – December 2006

1,661,016 patrons contacted

4,059 not in fare compliance



Part I Incidents - Rail

	2003	2004	2005	2006
Ridership	25,379,176	28,772,441	32,132,530	34,380,376
Homicide	0	1	1	1
Rape	0	0	1	0
Robbery	25	17	37	31
Agg. Assault	18	11	15	19
Burglary	0	0	0	3
Theft	42	37	64	74
MV Theft	26	18	19	22
Arson	0	0	1	0
Part I Incidents	111	84	138	150
Per 100,000	.44	.29	.43	.44



Part II Arrests - Rail

	2003	2004	2005	2006
Ridership	25,379,176	28,772,441	32,132,530	34,380,376
Other Assaults	44	39	52	57
Vandalism	61	48	52	75
Sex Offenses	1	3	4	3
Drug Abuse	235	292	389	348
DUI	4	1	2	8
Drunkenness	172	119	127	173
Disorderly Conduct	612	686	818	617
Trespassing	380	145	224	180
Curfew/Loitering	156	105	109	52
Total	1,665	1,438	1,777	1,513



Grants/Cooperative Agreement

- \$150,000 Emergency Preparedness - FTA (Complete)
- \$121,000/year Cooperative Agreement - TSA Canine Program
- \$1,950,000 2005 DHS TSGP (Regional – SDMTS/NCTD)
- \$400,000 Special DHS Grant - San Ysidro CCTV Project (Complete)
- \$1,245,500 - 2006 DHS TSGP (25% Matching Funds)

Total of \$3,866,500 in funding for security related programs



Emergency Preparedness

LRVs
3003 & 3004

Onboard Surveillance Bus/Rail



Two Exterior View
Cameras



Four Interior View Cameras



U.S. Department of Homeland Security



National
Explosives
Detection
Canine
Team
Program



U.S. Department of Homeland Security

National
Explosives
Detection
Canine
Team
Program

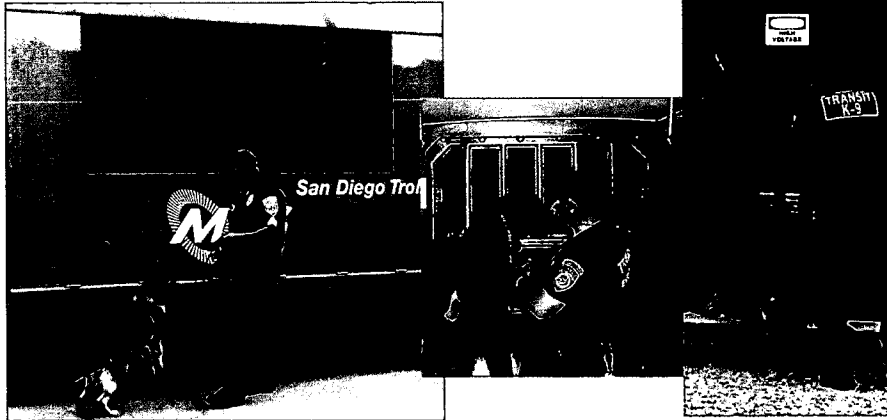


U.S. Department of Homeland Security

- Enables teams to respond to threats such as unattended packages or suspicious devices or persons
- Two teams certified



U.S. Department of Homeland Security



2005 TSGP Grant Regional Goals with NCTD

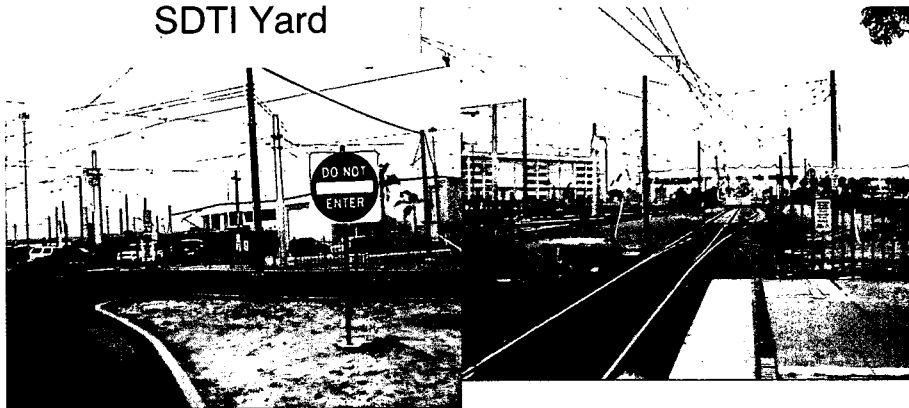
Hardening facilities to include:

- Fencing
- Lighting
- Cameras
- Employee and Contractor ID Card System



Department of Homeland Security Grants

SDTI Yard



Department of Homeland Security Grants



SDTI Yard



Department of Homeland Security Grants

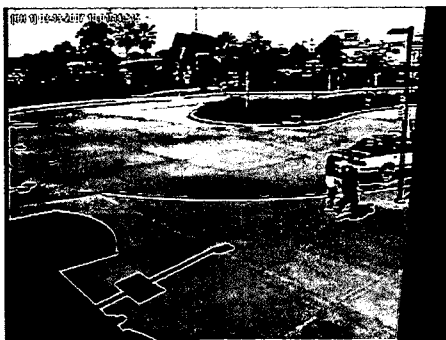
SDTC Imperial Avenue Yard



Hardening facilities

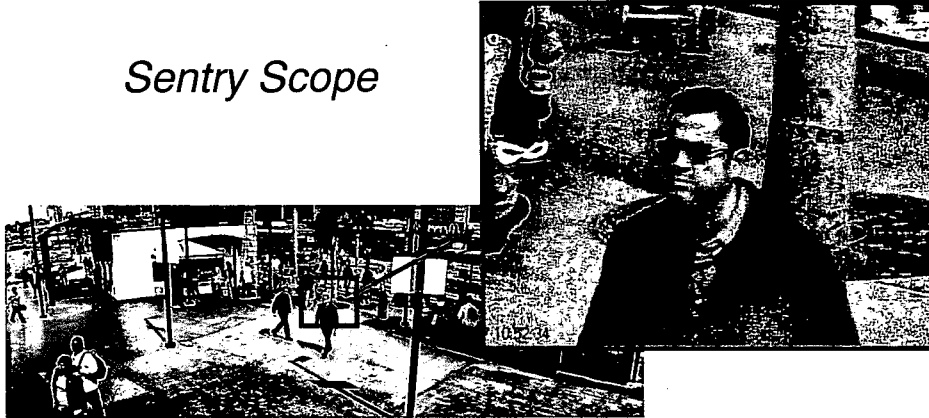


San Ysidro Intermodal Border Station



San Ysidro Intermodal Border Station

Sentry Scope



San Ysidro Intermodal Border Station

Sentry Scope



2006 TSGP Grant

25% MTS Matching Funds

Rail (\$563,000)

- Enhanced Security at four stations
 - America Plaza
 - Imperial & 12th
 - Old Town Transit Center
 - San Diego State University

Bus (\$682,500)

- Enhanced Security at KMD and IAD bus yards



San Diego MTS

Transit Enforcement

Next Year

2007 TSGP Grant Application (25% MTS matching funds)

- \$1,600,000 Onboard "smart" wireless CCTV
- \$55,000 Training
 - Security Awareness
 - Behavioral Recognition
 - Operations Control Center Readiness
 - Managing Counterterrorism Programs





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

Agenda

Item No. 46

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

MKPC 620.8

March 22, 2007

SUBJECT:

MTS: TROLLEY DANCES 06 RECAP

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None at this time.

DISCUSSION:

In 1999, San Diego Dance Theater Director Jean Isaacs (with sponsorship from MTS) introduced a new program to commission choreographers to create original site-specific dances at or near trolley stations. Now in its ninth year, Trolley Dances has become an annual arts event and has a strong following. It generates extensive media coverage and introduces many new people to the art of dance and public transit. Trolley Dances has been recognized by local and national arts reviewers and has been named by *San Diego Magazine* as San Diego's "best annual art event."

Each year, Trolley Dances performances take place on a different line and at different stations. This past September and October, *Trolley Dances* "targeted" the Orange Line. The performance began at the Euclid Avenue Station. Groups led by two or more docents were taken to three different dance sites before boarding the Trolley to see the



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other dances at the 47th Street Station and the 25th and Commercial Street Station. The program included the following dances and performance sites:

- Euclid Avenue Station
 - Food for Less produce aisle (Italian music, modern)
 - Green belt by Amphitheater (Hungarian folksongs/interpretative)
 - Writerz Block Teen Center (modern with hip-hop influences)
- 47th Street Station
 - Sidewalk below platform (classical ballet)
- 25th & Commercial
 - Vacant school lot (modern/interpretive)
 - Community Center (modern/jazz)

Before and after the tours, many people spent time at Market Creek Plaza enjoying the various restaurants and shops.

This year's Trolley Dances performances drew more than 1,700 spectators with emphasis on children, students, and seniors. In addition, many more people who just happened to be at a station or location when the dance took place also had the opportunity to see the performances. Trolley Dances creative director Jean Isaacs has been asked to duplicate this program in other cities such as San Francisco, which has just held its third Trolley Dances.

Each year, the local and national media coverage has generated thousands of impressions. For example, in 2005 the UCSD-TV filmed a 30-minute program about the Green Line Trolley Dances, and the program airs frequently. Some of the 2006 coverage is listed in Attachment A. For 2007, KPBS-TV is interested in doing a documentary program of the entire process.

Information about Trolley Dances is sent out via e-mail, advertising, and through news stories. This past year, awareness was increased via a newsletter from Councilmember Anthony Young's office that encouraged members of the community to come out and view the event.

In addition to creating a new and exciting dance event that showcases the San Diego Trolley, this program can also introduce people to public transit in a positive way. In 2005, Trolley Dances randomly surveyed 368 participants. The survey results showed that 25 percent were riding the trolley for the first time, 82 percent rated their experience as very good, and 95 percent said they would attend another Trolley Dance performance.

Trolley Dances also receives financial support from various organizations. The 2006 supporting organizations included the City of San Diego Commission for Arts and Culture, San Diego National Bank, the James Irvine Foundation, and the Jacobs Foundation.



Paul C. Jablonski
Chief Executive Officer

Staff Contact: Judy Leitner, 619.557.4526, judy.leitner@sdmts.com

MAR22-07.46.TROLLEY DANCES.JLEITNER

Attachment: A. Trolley Dances 2006 Media Coverage

SAMPLING OF TROLLEY DANCES 2006 MEDIA COVERAGE

MEDIA COVERAGE

- Front and back of Currents Section on Monday, September 25
- Night and Day story
- KNSD-TV Morning Show
- KUSI-TV Rod Luck (2 segments)
- Channel 10 – advance
- Channel 10 – weekend story
- C Magazine
- San Diego Magazine
- Dance Magazine
- Web-based Stories (sampling)
 - <http://entertainment.signonsandiego.com/profile/289198>
 - <http://www.qocitykids.com/calendar/?area=198>
 - www.sandiegodance.org/
 - sandiegoblog.com
 - tickets.sandiegoperforms.com/eventperformances.asp?evt=204 - 31k -
 - www.sandiego.com/critichome.jsp
 - www.signonsandiego.com/uniontrib/20060921/news_lz1w21crossin.htm
 - provost.ucsd.edu/sixth/
 - <http://www.signonsandiego.com/news/features/20061008-9999-1a08artsnews.html>
 - http://www.signonsandiego.com/uniontrib/20060925/news_lz1c25trolley.html
 - http://www.signonsandiego.com/uniontrib/20060914/news_lz1w14curtain.html
 - http://www.signonsandiego.com/uniontrib/20060921/news_lz1w21crossin.html
 - http://www.signonsandiego.com/uniontrib/20060918/news_mz1c18essent.html
 - http://www.signonsandiego.com/uniontrib/20060831/news_lz1w31ahead.html
 - <http://www.signonsandiego.com/feature/326/>
 - www.epiphanydance.org/performances.html
 - www.10news.com/specialassignments/9913694/detail.html
 - www.kusi.com/news/goodmorning/lineup/3891762.html
 - [www.sandiegoartandsol.com/events.php?s=1&use_date=t&category=82&date_begin=2006-09-18&date...](http://www.sandiegoartandsol.com/events.php?s=1&use_date=t&category=82&date_begin=2006-09-18&date_end=2006-09-18&date...)
 - www.hillquest.com/cgi-bin/calendar/calendar.cgi?d=23&m=09&y=2006
 - www.sdreader.com/php/evarea.php?area=San%20Diego –
 - www.sdcitybeat.com/article.php?id=148&atype=
 - www.accesssandiego.org/headline.asp?showImg=N&event=1484&idno=2 - 29k –
 - www.sandiegomag.com/issues/june05/featurea0605.asp - 29k
 - www.sandiegogetaway.com/may_events.php
 - uctv.tv/schedule2.asp?Date=9/16/2006&summary=show&title=&keyword=&showID= - 64k –
 - www.gaylesbiantimes.com/?id=8176 - 25k -

MTS AND TROLLEY DANCES 2006 RECAP

MTS Board Meeting
March 22, 2007



San Diego & Arts

- 86 Arts and Culture Organizations
- 4.1 million annual admissions
- Cultural Visitors stay longer and spend more than average tourists
- Tourists spent \$398 in 2005 on admissions



Arts Audience Demographics

- Ten US Cities Surveyed in 2002
 - All age groups and income levels
 - Frequent attenders have higher education levels
 - More involved in civic activities
 - Higher incidence of volunteering in community
 - Vote more often

The Value of the Performing Arts in Ten Communities;

Performing Arts Research Coalition and Urban Institute, 2004,
funded by Pew Charitable Trust



Trolley Dances

- Original site-specific dances at stations began in 1998
- Immediate success
- Named *San Diego's Best Annual Art Event*
- Generates extensive local and national media coverage
- Introduces many people to art of dance and to Trolley
- 1,700 attendees over two weekends



Integrates Transit and Community

- Euclid Station/Market Creek Plaza
 - Food for Less
 - Green belt by Amphitheater
 - Writerz Block Teen Center
- 47th Street Platform
- 25th & Commercial/Cesar Chavez
 - Community Center
 - Vacant Lot



Design ©: 2004 © 2004



2005 Survey

- Diverse age and income range
- 70% have college or graduate degree
- 13% only ride for Trolley Dances
- 95% would attend again
- 25% riding Trolley for the first time



KGTV Evening News Cast



Elaine C. Reed © 2006





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Agenda

Item No. 61

Chief Executive Officer's Report

ADM 121.7 (PC 50101)

March 22, 2007

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts and purchase orders that have been approved within the CEO's authority (up to and including \$100,000) for the period February 27, 2007 through March 12, 2007.

[gail.williams/agenda item 61](#)



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Agenda Item 61
Chief Executive Officer's Report

March 22, 2007

Contracts

Organization	Subject	Amount
WILLIAM NORRIS	CONSULTING SERVICES FOR FEDERAL GRANTS	\$25,000.00
METROPOLITAN WASTEWATER DEPT.	RIGHT OF ENTRY TO FIX MANHOLES ON MORENA BLVD	(\$1,500.00)
SIEMENS TRANSPORTATION	190 BRAKE HOSES	\$10,484.08
THE KOBAY CORPORATION	MASTER CONCESSIONAIRE SERVICE CONTRACT	\$0.00
PM REALTY FOR HAZARD CENTER	2007 PARTNERSHIP AGREEMENT	(\$8,500.00)
SIEMENS TRANSPORTATION	CAMSHAFT UNITS	\$5,549.13
P&G AUTO PARTS INC.	PROVIDE RETROFIT ON 142 U-2 BLOWER MOTORS	\$36,374.72
NTC DEVELOPMENT INC.	LICENSE FOR MAINTAINING LANDSCAPING	\$0.00
SANDAG	ASSIGNMENT OF PADILLA SERVICES FOR DBE	\$0.00
PADILLA & ASSOCIATES	DBE/EEO/LABOR COMPLIANCE CONSULTANT	\$32,000.00
TRAPEZE SOFTWARE	SOFTWARE MAINTENANCE ASSESSMENT	\$245,011.25
CREATIVE BUS SALES. INC	PURCHASE OF 1 EL DORADO CHEVROLET	\$41,142.02
DIVERSIFIED UTILITY SERVICES	AMEND LEASE OF BALTIMORE LOT	(\$1,500.00)
SANDAG	TRACK REPAIR THROUGH SANDAG CONSTRUCTION CONTRACT	\$350,000.00
DELLNER COUPLERS, INC.	PROVIDE 300 MOVING CONTACTS	\$15,058.06
SANDAG/NCTD/GIRO	FUNDING ALLOCATION FOR SCHEDULING SYSTEM	\$0.00
MCDUGAL LOVE	GENERAL LIABILITY LEGAL SERVICES	\$50,000.00
AZTEC LANDSCAPING	LANDSCAPE MAINTENANCE FOR MVE	\$579,980.00
J.E. GRANT GENERAL CONTRACTOR	RIGHT OF ENTRY PERMIT	\$2,250.00
CITY OF CHULA VISTA	CONSOLIDATION OF BUS SERVICE	\$0.00
HANSON BRIDGETT MARCUS	LEGAL SERVICES	\$50,000.00
SANDAG	MOU FOR SD COMMUTE WEBSITE	\$0.00
SNELL & WILMER LLP	LEGAL SERVICES	\$5,000.00
SAFETRAN SYSTEMS	PROVIDE TWO TRACK CIRCUIT KITS	\$5,980.78
LATINO FILM FESTIVAL	2007 PARTNERSHIP	\$7,000.00
GIRO, INC	REGIONAL SCHEDULING SYSTEM	\$56,881.00
SIEMENS TRANSPORT	PROVIDE SIX S70 FRONT WINDSHIELDS	\$19,537.35
DELLNER COUPLERS INC.	REPAIR COUPLER FROM LRV 1035	\$35,198.12

Agenda Item 61
Chief Executive Officer's Report

March 22, 2007

Contracts

Organization	Subject	Amount
SIEMENS TRANSPORTATION	PROVIDE 3 INTERIOR PUSH BUTTONS	\$6,109.43
MARSHALL STEVENS	MVE COST SEGREGATION ANALYSIS	\$15,000.00
WASHINGTON GROUP INTERNATIONAL	CONSTRUCTION MANAGEMENT SERVICES	\$0.00
WASHINGTON GROUP INTERNATIONAL	CONSTRUCTION MANAGEMENT SERVICES	\$0.00
CUMMINS CAL PACIFIC	REMOVE, OVERHAUL, AND REPLACE CUMMINS	\$74,860.00
AAA PRINTING COMPANY	CHANGE ORDER #4 FOR SDTC	\$482,047.48
OMEGA ELEVATOR CORP	REPAIR SDSU ESCALATOR #3	\$18,000.00
ALLAN WASH	ADVERTISING SERVICES	\$1,608,479.09
PETCO PARK MANAGEMENT	PASSES FOR PETCO EVENT STAFF FOR PADRES GAMES	\$0.00

Agenda Item No. 61
Chief Executive Officers Report

March 22, 2007

Purchase Orders

Organization	Subject	AMOUNT
ADD-ONS INC.	DATA FIX	\$640.00
CONCEPTS, RECOGNITION, IDEAS	MTS AWARD PINS	\$15,000.00
STAR NEWS	1/2 PAGE 4-COLOR AD IN 2007 SECTION	\$1,035.00
RUSH PRESS	PRINTING FOR REGIONAL TRANSIT	\$28,000.00
SEDONA STAFFING SERVICES	TEMP HELP FOR PURCHASING	\$13,000.00
SEDONA STAFFING SERVICES	TEMP HELP FOR PURCHASING	\$13,000.00
THE GATES GROUP	600 2007 PADRES EMPLOYEE SENIOR AND FULL SEASON PASSES	\$743.48