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Agenda

JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

August 19, 2010

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - July 15, 2010 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.

Please turn off cell phones and pagers
during the meeting

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



CONSENT ITEMS

- | | | |
|-----|--|--------------------|
| 6. | <u>MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its July 20, 2010, Meeting</u>
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 20, 2010. | Receive/
Ratify |
| 7. | <u>MTS: Investment Report - June 2010</u>
Action would receive a report for information. | Receive |
| 8. | <u>MTS: September 2010 Minor Service Adjustments</u>
Action would receive a report on minor service adjustments to be implemented in September 2010. | Receive |
| 9. | <u>MTS: Increased Authorization for Legal Services - Wheatley Bingham & Baker</u>
Action would authorize the CEO to enter into MTS Doc. No. G1111.16-07 with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority. | Approve/
Ratify |
| 10. | <u>MTS: Increased Authorization for Legal Services - Nossaman, LLP</u>
Action would authorize the CEO to enter into MTS Doc. No. G1344.0-11 with Nossaman, LLP for legal services regarding light rail vehicle transaction agreements and ratify prior amendments entered into under the CEO's authority. | Approve/
Ratify |
| 11. | <u>MTS: LRV Fleet-Cleaning Services - Exercise Contract Option Year Two</u>
Action would authorize the CEO to execute option year two of MTS Doc. No. L0782.0-07 with NMS Management, Inc. for light rail vehicle (LRV) fleet-cleaning services. | Approve |

CLOSED SESSION

- | | | |
|------|---|--------------------|
| 24a. | MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a): <u>Tsilia Shuvaks v. Metropolitan Transit System</u> (Claim No. TL11423508) | Possible
Action |
| 24b. | MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8; <u>Properties</u> : 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09); <u>Agency Negotiators</u> : Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets; <u>Negotiating Parties</u> : RV Investment CA, LLC, RV Investment CA, LLC II; <u>Under Negotiation</u> : Price and Terms of Payment | Possible
Action |

CLOSED SESSION (Continued)

- | | | |
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| 24c. | SDTC: CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6; Agency-Designated Representative - Jeff Stumbo; Employee Organization - International Brotherhood of Electrical Workers, Local Union 465 | Possible
Action |
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Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

- | | | |
|-----|--|-------------------|
| 25. | <u>MTS: Public Hearing Regarding Equivalent Facilitation for Low-Floor Trolley Ramps (Tiffany Lorenzen)</u>
Action would: (1) receive public testimony; (2) adopt Resolution No. 10-21 approving the proposed design for the new low-floor vehicles (SD-8) without barriers; and (3) authorize staff to submit a Request for Equivalent Facilitation to the Federal Transit Administration (FTA). | Adopt/
Approve |
|-----|--|-------------------|

DISCUSSION ITEMS

- | | | |
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| 30. | <u>MTS: State Transit Assistance and Budget Updates (Larry Marinesi and Cliff Telfer)</u>
Action would approve distributing \$18,806,783 in State Transit Assistance (STA) funds as follows:
(1) Replenish \$4,371,345 to the Capital Improvement Program (CIP);
(2) Pay down the Dexia variable loan by an additional \$7,217,719; and
(3) Retain the remaining \$7,217,719 to assist in operating budget balancing in fiscal years 2011 and 2012. | Approve |
|-----|---|---------|

REPORT ITEMS

- | | | |
|-----|---|---------|
| 45. | <u>MTS: Urban Area Transit Strategy and 2050 Regional Transportation Plan Update (Dave Schumacher of SANDAG)</u>
Action would receive a report on the San Diego Association of Governments' (SANDAG's) long-range planning projects. | Receive |
| 46. | <u>MTS: Operations Budget Status Report for May 2010 (Mike Thompson)</u>
Action would receive a report on MTS's operations budget status for May 2010. | Receive |

REPORT ITEMS (Continued)

- | | | |
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| 47. | <u>MTS: Blue Line Rehabilitation and Outreach Schedule (Rob Schupp)</u>
Action would receive a report for information. | Receive |
| 48. | <u>MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project (Tim Allison)</u>
Action would receive an update regarding the status of the Grossmont Trolley Station Joint Development Project. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 65. | <u>Next Meeting Date:</u> September 23, 2010 | |
| 66. | <u>Adjournment</u> | |

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

July 15, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

DRAFT MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:01 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the June 24, 2010, MTS Board of Directors meeting. Mr. Van Deventer seconded the motion, and the vote was 11 to 0 in favor.

3. Public Comments

Clive Richard – Mr. Richard commented that yesterday he was watching an old video of Bill and Ted's Excellent Adventure, and there was a comment in the film from a high school college jock who said everything is different except it's the same, things are more modern than before, and things are getting smaller. Clive thinks the comment was correct in a real sense, things are different but they are the same, bigger, smaller, and more modern. He contemplated what the position of the Board would be if it were not in the middle of a great recession, how close MTS would be to providing great service to east Chula Vista. Clive stated that some decisions needed to be made and he was unsure if they were due to the great recession.

CONSENT ITEMS:

6. MTS: Investment Report - April 2010

Action would receive a report for information.

7. MTS: State Transit Assistance (STA) Claims

Action would adopt Resolution No. 10-20 approving fiscal year (FY) 2010 STA claims.

8. MTS: Proposed 2010/2011 Internal Audit Plan

Action would approve the proposed 2010/2011 Internal Audit Plan.

9. MTS: Resolution of Designated Individual/Position Authorized to Act on Behalf of Metropolitan Transit System

Action would adopt Resolution 10-16 to approve the Manager of Risk and Loss Prevention to act on matters relating to California State Association of Counties (CSAC) Excess Insurance Authority.

10. MTS: Investment Report - May 2010

Action would receive a report for information.

11. MTS: Internal Audit Report - Contract Services

Action would receive a report for information.

12. MTS: Internal Audit Report - Human Resources

Action would receive a report for information.

13. MTS: Fiscal Year 2011 Revised Transportation Development Act (TDA) 4.0 Capital Claim

Action would adopt Resolution No. 10-19 approving the revised fiscal year (FY) 2011 Transportation Development Act (TDA) Article 4.0 claim.

14. MTS: Transit System Safety, Security, and Disaster Response Account Program

Action would approve Resolution No. 10-17 authorizing the CEO to submit applications for funds provided by the Transit System Safety, Security, and Disaster Response Account (TSSSDRA) Program.

15. MTS: Amendments to the Joint Exercise of Powers Agreement and the Bylaws of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Member Agency

Action would approve the proposed amendments to the LOSSAN Joint Exercise of Powers Agreement and Bylaws.

16. MTS: Increased Authorization for Legal Services - Law Offices of R. Martin Bohl

Action would authorize the CEO to execute MTS Doc. No. G1072.5-07 with the Law Offices of R. Martin Bohl for legal services and ratify prior amendments entered into under the CEO's authority.

Action on Recommended Consent Items

Mr. Janney moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16. Mr. Van Deventer seconded the motion, and the vote was 13 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:08 a.m.

- a. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant To California Government Code Section 54956.8;
Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09);
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets;
Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II;
Under Negotiation: Price and Terms of Payment
- b. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Metropolitan Transit System v. San Diego State University (Case No. 37-2007-00083692-CU-WM-CTL)

The Board reconvened to open session at 10:18 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 and gave direction to the agency negotiators.
- b. The Board received a report and gave direction to General Counsel.

NOTICED PUBLIC HEARINGS:

25. There were no public hearings conducted.

DISCUSSION ITEMS:

30. MTS: Credit Agreement

Mr. Tom Lynch, Controller, presented to the Board a new line of credit for fiscal year 2011 with Bank of America. He stated that MTS had a \$10 million credit line in place for fiscal year 2010, which has expired. He explained that MTS experiences a timing difference between the receipt of various federal funds and payment for normal expenses creates a need for short-term financing. The specific terms of the negotiated line of credit agreement with Bank of America are as follows: \$10 million, one-year term with the ability to renew for a second year, interest rate is 64% of the London Interbank Offered Rate (LIBOR) plus 115 basis points, unused commitment fee of 40 basis points, and fees would be approximately \$7,000.

Mr. Lynch discussed comparison rates from Citibank to be LIBOR plus 1.5% and a .25% commitment fee and Union Bank LIBOR plus 1.75% and a .37% commitment fee. He explained that the Bank of America quote is the strongest even though the fees are slightly higher, the interest rate is significantly better, which would provide some offset against the fees.

Action Taken

Mr. Van Deventer moved to approve Resolution No. 10-18 authorizing the CEO to execute a credit agreement with Bank of America for \$10 million and any other ancillary documents

necessary to complete the transaction. Ms. Hanson-Cox seconded the motion, and the vote was 14 to 0 in favor.

31. MTS: Procurement, Integration, and Installation of Onboard Video Surveillance Systems for MTS Buses

Ms. Claire Spielberg, Chief Operating Officer of Transit, gave the Board PowerPoint presentation on the MTS Mobile Onboard Video Surveillance Systems (MOBVSS) for MTS buses. She explained that the contract was initially awarded in September of 2007, but the contractor defaulted and left MTS with a partially completed project. She further explained that the contractor had previously installed MOBVSS in 152 forty-foot buses so the new contractor would have to new MOBVSS' that would be compatible with the existing system, and the contractor would have to show proven reliability.

Mr. John Miller, Procurement Specialist, summarized the procurement Request for Proposals (RFP) process. He stated that RFPs were issued to forty-four potentially qualified vendors, six proposals were received back and deemed to be in compliance. He explained that proposals were evaluated by a five-member evaluation committee, and four contractors were called for discussions in person. Following discussions, proposers were asked to submit revised proposals, and evaluators then found two competitive bids based on a technical factor weighing 50% and cost, which was also a 50% weight factor.

Ms. Spielberg summarized the technical evaluation objectives; most important was making sure the equipment had the ability to integrate with the existing system. It was also important to choose a contractor that had equipment that could wirelessly download video events and could record a minimum of 240 hours of onboard, stored video. Another important feature was deemed to be synchronized audio in the driver's area. She explained that the desires for software performance needed to be license-free software, interactive speed and mapping interface, and integrated system management software. Ms. Spielberg mentioned that the new system will have features that the old system did not have, including the ability to record once awoken from a sleep mode. The new system will essentially run based on G-force.

Mr. Miller explained that cost proposals were scored with maximum points given to the lowest price, and the committee's scores were averaged for each technical evaluation factor resulting in an overall score of 91.8 for Apollo Video Technology and 79.8 for the Transit Marketing Group. The best and final offer from each contractor turned out to be roughly a \$1 million difference.

Ms. Emerald asked for clarification on the kind of bond the contractor is posting, where the contractor is located, and the time frame for completion of project. Ms. Spielberg responded that the bond is a completion bond and the contractor is based in Seattle, but a local contractor would be doing the installation of the cameras. Ms. Spielberg explained that the contract is broken up into several phases to ensure that the systems are integrated so the timeframe is based on the integration phase. Ms. Emerald asked for information regarding maintenance and protection on warranty contracts. Ms. Spielberg responded that the maintenance is provided under warranty; we would have the option to contract out the maintenance, and the bond would provide protection.

Ms. Hanson-Cox wanted confirmation that the existing system will be brought up to the new system software and technology. Ms. Spielberg replied that all the camera equipment would be

controlled by Apollo and, as the old cameras break or fail they would be replaced with new Apollo cameras.

Mr. Jones asked if the previous contractor that went bankrupt had shown financial statements to the company during the request for proposals process and what the dollar amount was that MTS had lost when the contractor could not finish the project. Ms. Spielberg responded that they did not ask the previous contractor to share their financial information nor did they require a completion bond. She also responded that MTS did not lose any money, but they lost time.

Mr. Ewin would like to add to best practices an audit of financial statements and if a contractor does not have one, he would like it noted that they are an ongoing financial concern.

Action Taken

Mr. Rindone moved to authorize the CEO to award MTS Doc. No. B0521.0-09 to Apollo Video Technology to procure, integrate, and install onboard video surveillance systems (OBVSS) on MTS buses. The contract would be completed in two phases and would also include three 1-year options for additional OBVSS. Ms. Hanson-Cox seconded the motion, and the vote was 14 to 0 in favor.

32. SDTI: Closed-Circuit Video System for San Diego Trolley Stations - Contract Award

Mr. Bill Burke, Director of Transit System Security, discussed the addition of eight trolley stations to the closed-circuit video system. He explained that the project should be complete before June 2011 for a total cost of \$579,943, and funding for this project is allocated under California Proposition 1B (Bond) for MTS fiscal year 2010 capital improvement projects. He mentioned that Security personnel will go to the eight stations to determine the best placement of the cameras. Mr. Burke explained that MTS is currently using the Avigilon Camera System and he is extremely impressed with the performance and value of the system. He then showed the Board several photographs of examples of the Avigilon Camera System technology noting in particular that the pan, tilt, zoom camera is not required any longer as a fixed camera can now provide the same functions.

Ms. Emerald asked if the contractor was required to have a completion bond and if the equipment was under warranty. Mr. Burke responded that the bond was required and it covers the equipment.

Mr. Rindone asked if any of the original twenty-two stations that have closed-circuit video systems would need to be upgraded to have the same technology. Mr. Burke responded that at this time, all of the sites are functioning in the capacity needed, and once systems begin to fail due to age the system will be replaced with the new technology. He also stated that part of the cost savings of this project is the fact that the new technology has made it possible to get the same quality of security with less equipment. Mr. Rindone asked how long the data is kept. Mr. Burke responded that data is kept for 15 days unless an incident is reported; in that case, the incident is downloaded onto a cd and stored in inventory for as long as necessary. Mr. Rindone asked if there was specific data available regarding the incidence of car theft at stations with cameras and if cars were in fact being stolen from stations that have cameras installed. Mr. Jablonski responded that cameras are not put into stations that do not need them, and that auto thefts do continue to happen at stations that have cameras, but it does deter some crime. Mr.

Burke added that the eight stations chosen to receive cameras were chosen because it was seen as a need.

Mr. Ewin wanted to thank staff for staying on top of security issues and for working on getting cameras into trolley stations. He mentioned a firsthand situation in which the camera had helped spot a man who committed a crime at Grossmont Center and used a restaurant to hide. Security staff spotted the individual and lead police to him for apprehension. He feels that the cameras are a service to the community as they deter crimes and, equally important, they help apprehend those who commit crimes. He also mentioned that he has been to the Operations Center and invites his colleagues to do the same to get a good look at the quality of the equipment.

Ms. Emerald wanted to make sure that lighting is adjusted to maximize the quality of the video and Ms. Hanson-Cox wanted to make sure that signage reflects that the station is recording video. In response, Mr. Burke stated that lighting at each station is different in terms of camera installation, and each station that has video surveillance has signage posted that live video is being recorded.

Clive Richard – Mr. Richard never thought that at a transit stop anyone has privacy, and he feels a lot more comfortable that cameras are recording actions. He does believe that video surveillance has an effect and that people do things differently on camera than when they are in the shadows. He added that MTS “rocks”, and security is good.

Mr. Jablonski added that the camera projects for busses and transit centers are being paid for with Homeland Security and California Proposition 1B funds expressly passed for security measures which means that the money is not being taken away from capital budgets. He also mentioned that cameras will be put onto trains and we are currently identifying qualified companies and should have some cameras on trains in the fall.

Action Taken

Mr. Ewin moved to authorize the CEO to execute MTS Doc. No. PWL125.0-10 with Electro Specialty Systems, Inc. for the procurement and installation of a closed-circuit video system for San Diego Trolley, Inc. (SDTI) stations. Mr. Rindone seconded the motion, and the vote was 14 to 0 in favor.

33. MTS: Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment

Ms. Lorenzen reviewed briefly the previous three Board approved amendments to the agreement with Siemens for the procurement of light rail vehicles; Amendment 1 was a name change for Siemens, Amendment 2 authorized the procurement of spare parts needed to operate fleet totaling \$4,224,249, and Amendment 3 changed the interior passenger lighting system and the exterior designation sign with supplier Luminator and a modified window installation to a zipper system totaling \$1,389,685. She explained that funds spent to date, including the base contract, are \$228,808,907.

Ms. Lorenzen is proposing an additional revision to Amendment 2 because of some further discussions with Siemens and dissimilarities to parts that are not interchangeable. There is a need to purchase additional spare parts and special tools, comprehensive training manuals, and

training for vehicle maintainers with a cost of \$2,314,908. Also being proposed is an Amendment 4 to add train-to-wayside communications to the car order costing \$215,716.

Mr. Wayne Terry, Chief Operating Officer of Rail, explained that the train-to-wayside communications acts as a transponder. It makes it possible to track trains and is used for train identification and variable message signs, which will be integral to operations. Ms. Lorenzen explained that the sales tax for the proposed changes would be \$711,127 for a total amendment cost of \$3,241,751, which would increase the project budget from \$228 million to \$233 million. She further explained that the total budget increase would be \$4,832,000 with a \$1 million contingency and \$619 million in the Blue Line Project.

Ms. Hanson-Cox wanted to make sure that lead time components were accounted for regarding the purchase of spare parts from Germany.

Mr. Ewin asked to see a breakdown of where the \$18 million in sales tax is going and to what jurisdictions. He mentioned that he would like to see a day when public agencies immediately see a return on the amount of paid state taxes.

Mr. Cunningham commented that it would be an opportunistic time to retrofit the 57 cars with video cameras in terms of efficiencies and having them roll off the line ready to go. Ms. Lorenzen responded that the vehicles have been ordered with pre-wiring for cameras, and, as the vehicles arrive on site, they will be outfitted before they are put on the line to begin service. She stated that the procurement of cameras for the existing fleet as well as the new fleet is currently in process. Mr. Jablonski clarified further that the camera installation did not occur at the time the rail cars were ordered because it was still unclear what type of camera system would be best, and they did not want to rely on the manufacturer to choose the cameras. He mentioned that in this scenario, Homeland Security funds can be used for the camera system, which protects some of the TransNet and local funds.

Action Taken

Mr. Cunningham moved to (1) authorize the CEO to execute a revised Amendment 2 identifying the list of spare parts, special tools, and training to be provided by Siemens; (2) authorize the CEO to execute Amendment 4 to add train-to-wayside communications to the car order; and (3) increase the total budget for the procurement of low-floor vehicles from \$228,168,000 to \$233,000,000 and amend the SANDAG LRV procurement funding Memorandum of Understanding (MOU). Mr. Rindone seconded the motion, and the vote was 14 to 0 in favor.

34. MTS: Salary Range Adjustments

Mr. Jablonski explained the last time we talked about salaries and position changes was in 2004 following the consolidation, and the Board made some approvals in 2005. He stated that maintenance of the grade structure needs to be done because over the last couple of years there have been a number of changes organizationally. About 20% of staff has been reduced so creating extra duties and the shifting of responsibilities has taken place so salary grades need to reflect changes. He mentioned that in order to make these recommendations, Mr. Jeff Stumbo has looked at California agencies and other transit systems in the country. Mr. Jablonski also stated that titles are being looked at to make them consistent with responsibilities. He is mostly looking at the titles of directors who report directly to him and the

possibility of making them Vice Presidents. He is continuing to look at titles in terms of relation to duties and what is logical in terms of the organization.

Mr. Jeff Stumbo, Director of Human Resources, mentioned that many changes have occurred since 2005 when the last comprehensive revised salary ranges took place, and, at that time three separate organizations merged into one entity. He mentioned that the annual merit increase is the only way to monetarily reward employees; there are no cost-of-living adjustments (COLA), or increased salary ranges, and performance bonuses are no longer given. Mr. Stumbo stated the importance that salary grades reflect market value in order to attract and retain quality employees. He explained that to ensure ranges remain competitive, he did a comprehensive review of local jurisdictions as well as agencies that have stolen employees in the past; most of them were trolley employees. He also mentioned that presently when employees are at the top of the range, instead of salary increases, they receive a bonus, which disadvantages the employee with a tax hit, and the raise is not spread out over the term of the year. Mr. Stumbo also mentioned that since ranges have not been revised since 2005, several key staff members are at their salary caps and have been so for a couple of years. He explained that Board approval of this agenda item would more closely align salary ranges with those of comparable employers in the market, take inflation into consideration for the next couple years, and provide relief to those employees who have been receiving bonuses rather than a raise. He also explained that Board approval would only modify salary ranges and would not increase the compensation of any particular employee and, therefore, would not have a budget impact.

Mr. Cunningham stated that staff has done a very good job and that the recruiting and retention of the management team is important because the management team is fantastic. He wanted to know how many management members are at the top of the salary range. In response, Mr. Stumbo replied that about 40 management employees are at top or within a 1% of the being at the top of their salary range. Mr. Cunningham asked how it could not have a fiscal impact if we see an immediate increase in salaries for 40 management employees. Mr. Stumbo gave an example that if an employee is getting a 2% raise and is already at the top of the range, then that employee would receive the raise in the form of a bonus versus making 2% more in salary. The agency would still pay out 2% to the employee spread out over 1 year as a raise instead of receiving a lump-sum bonus, which is presently what those receive who are at the top of their salary ranges. Mr. Cunningham asked if a management member goes to the next step and this is a 2-year process, then the next year would they receive a bonus on top of the step increase.

In response, Mr. Jablonski stated that nothing would happen automatically if this agenda item is approved. He explained that the only way we compensate for an increase in wages is through a performance review or promotion, and in certain instances, when a department is combined, a management position is eliminated, and responsibilities are shifted, which has been done over the last year and a half.

Mr. Cunningham stated that as he understood it, there were no more performance-based raises, so he wants to understand how an employee can get to the next salary range. Mr. Jablonski replied that it would be through an annual performance review. Mr. Cunningham asked if the employee receives a satisfactory or better on their performance review, do they go to the next step? Mr. Jablonski stated there are no steps in our grade ranges; we use percentages. He provided the following example: last year, the 2.5% budget allocation for performance reviews was suspended, however, the year before that it was 2.5%, so that was the budgetary cap that we went by.

Mr. Cunningham asked if any non management employees would receive an increase in salary ranges. Mr. Stumbo replied that bargaining units have their salaries negotiated and do not have salary ranges, and that trolley employees are scheduled to receive a 2% increase in April 2011 after being frozen for one year. Mr. Cunningham asked for clarification on when it would become effective if approved today. Mr. Stumbo responded July 1, 2010. Mr. Jablonski stated that we conduct performance reviews on employees based on their anniversary date; some will be conducted in July, October, December, and all the way through next May and June; it just depend on their anniversary date. Mr. Cunningham asked if we were to match the increase to July of next year, the same as non management staff would we recognize any savings?

Mr. Stumbo replied that there would be a de minimis cost in the future because if the salary of an employee has increased than the value of their vacation has increased but that would not be the case if the employee had received a bonus, however, for the current fiscal year there would be no increase. Mr. Cunningham then stated that it would not be called a bonus anymore, it would just be wrapped into an increase in the salary range. Mr. Stumbo replied that he was correct.

Chairman Mathis stated that salary reviews are something that has to be done periodically in any kind of management structure, and a significant number of people have reached the top end of the salary range signaling that it is time to review and adjust the ranges. It is an important tool to keep the management team receiving competitive compensation.

Mr. Cunningham wanted to note his concern that during these tough economic times, we are not asking non management to make significant sacrifices and that we are not giving a pass to management employees. He felt that it has been adequately explained that this is a salary range adjustment and deferred to our leadership to make appropriate recommendations for raises and such. Mr. Jablonski stated that the organization has probably been harder on management over the last several years than it has been on labor; the largest union has gotten an annual increase every year. He added that there has been a much bigger take away in benefits in terms of accrual of vacation, amount of vacation days and holidays, and, as a general rule, we have not asked labor to do anything that has not been imposed on management.

Mr. Rindone asked for clarification that range 17 on page 4 had five positions listed in red, and those positions have been eliminated or integrated in other positions in range 17. Mr. Stumbo explained that those positions that have been struck have been moved to range 18. Mr. Rindone asked that in the future, the organization look at designating authority to an assistant director in case of emergency.

Mr. Jones wanted clarification because he was having difficulty approving any increase in pay at this point in time when many jurisdictions have had to reduce employees' pay and/or benefits. He asked if the Board sets ranges as a policy. When an employee hits the top of the range, why would there be an instance that an employee would receive a bonus because they are already at the top of the range? Mr. Stumbo clarified that the Board policy states that a bonus shall be given to an employee who is at the top of their salary range. Mr. Jones commented that there seems to be conflicting policies. He then asked if all the new ranges are increases over the previous salary range. Mr. Stumbo responded that the only changes that are being proposed are changes in red and that not all of the salary maximums are being increased; some will remain the same. He gave an example of the salary range listed for range 7; the top of the

salary range currently tops out at \$61,743, and they are proposing to increase it to \$62,978, which is a 2% increase. Mr. Jones then wanted clarification as to why someone currently in range 17 would move to range 19, such as the position of Controller, and if that action needed Board approval. Ms. Lorenzen clarified that the Board is being asked to do two things: approve the moving of positions and approve increases where staff has proposed increases.

Mr. Jones then asked Mr. Jablonski to clarify his previous comment that the organization has been tougher on management. In response, Mr. Jablonski stated that on the salary side, an automatic COLA increase was eliminated, a goal-setting bonus was eliminated, the merit pool has been capped over the last four years, and last year, all merit increases were suspended. He stated that vacation accrual has been capped and reduced, overtime has been exempted, there are less paid holidays, higher health care benefits costs, and reduced retiree health care. Mr. Jones asked for clarification on the positions that are stricken in red and if any of them are being eliminated completely or simply being moved to a new pay category. Mr. Stumbo responded that they are simply being moved.

Ms. Lightner asked if there is a merit pool dollar amount included in the fiscal year 2011 budget. In response, Mr. Jablonski stated that is 2% for management salaries. Ms. Lightner acknowledged that there may not be an effect on the current year budget but conceivably for subsequent years because, unlike a bonus, an increase in salary will affect vacation and retirement benefits. Mr. Stumbo responded that she was correct. Ms. Lightner then asked if the changing of positions were essentially a promotion. Mr. Stumbo stated that he did not view the changes as a promotion, simply a reflection of the current market for those particular positions. He clarified further that ranges were reviewed for cities, county, and comparable transportation agencies particularly ones that approached employees. Ms. Lightner wanted clarification that the reason for these increases in just certain classifications was not just because there are people at the top their ranges, but because these reflect the standard values found during market research. She also asked if the positions that weren't changed were found to be at the current market rate. Mr. Stumbo replied that the answer to her question was both; some were at the cap, and some are what the market dictates and that the positions that weren't changed were at current market value. Mr. Jablonski clarified further that some of the positions were reviewed during the recruitment period when the organization was unable to find qualified candidates locally and nationally at the salary grade level. In order to get qualified candidates, the company had to bring the salary up the current market values were found to be. Ms. Lightner asked if management took any pay cuts over the last several years. Mr. Stumbo stated that they had not taken a cut in pay, but that their take home pay is probably less due to a higher cost of benefits and not receiving any overtime pay.

Mr. Ovrom mentioned that while he agrees there is great management and agrees that there is not a budget impact this year thus far, he sees that the change in title and pay grade will have an impact on the future. Mr. Stumbo stated there will be a "de minimis" or a minor impact in the future. Mr. Ovrom does not agree that the impact will be only minor because if you are moving someone up three ranges to provide an opportunity to compensate that person better, it may not be "de minimis." Mr. Jablonski stated that it allows an employee getting a merit increase during a performance review to receive it in their annual salary instead of as a lump sum. He stated that it does affect pension, social security and payroll taxes. Mr. Stumbo mentioned that on the flip side, there are employees who have received a lump-sum bonus and then left the organization a couple of weeks later.

Chairman Mathis stated that the Board needs to concentrate on the fact that the salary range adjustments are a reflection of the times and competition in the market. He feels that management has made a lot of sacrifices on their part as a reflection of the times, and the CEO needs the latitude of the increased ranges to get away from the situation where people are hitting the ceiling.

Mr. Ewin said that he feels bonuses are based on performance. He wanted to know how many current vacancies there are within MTS. Mr. Stumbo replied that there are currently 3 or 4 vacant positions. Mr. Ewin mentioned that he views salaries as nonstatic and changing over time. He said that a number of years ago when there was low unemployment, salaries and benefits were raised to attract and retain staff. Now, with millions out of work, Mr. Ewin feels that the message being presented today is that nobody out there can perform duties for MTS better or cheaper. He appreciates the loyalty factor and feels that it needs to be recognized in some way. He also hopes that when performance reviews are being done, performance is really being reviewed. He stated that everyone does do their best and that is the assumption you make with the management team, but when the organization starts to compare itself against other agencies, it is going to be an automatic upward escalator. Mr. Ewin mentioned that he can appreciate what is really trying to be solved by the salary range increase, which are those unique circumstances when you really want to keep employees. He stated that as a public agency, we need to realize that we are running out of other people's money, and when looking at the market we need to look at what is best for the taxpayers. If this is what we as a Board believe to be in the best interest of our taxpayers and citizens who have backed us up on bonds, than that is fine.

Mr. Ewin stated that as an agency, we need to take into consideration that revenues are being cut and the state continues to steal from our funds. He stated that he understands that employees are assuming portions of their retirement, which is a declining benefit. Mr. Ewin added that he understands the adjustments to the retirement plan, which is an employee cost, and noted that the total employee compensation cost must be considered. Mr. Ewin then told staff that he would like to know whether employees who are leaving are only going to other local businesses or leaving the state because there are no longer opportunities here.

Mr. Jones stated that he is not inclined to support the agenda item presented today without more information and feels that the justifications for salary changes are probably valid, but the research information was not provided today for him to review. He stated that his agency has taken a 9% salary cut across the board. He is requesting that documentation be given to the Board from the market research conducted against the other agencies and evidence of what they are paying for comparable positions so that the statement can be justified that the organization is losing people to other agencies due to a lesser salary. He also feels that lower pay is not the only reason why people leave agencies.

Mr. Jablonski stated that approving the grade changes proposed today would not give people raises across the board. Mr. Jones declared that many members of the Board disagree with that statement. Mr. Jablonski said that as soon as the grade ranges are approved no one gets an automatic raise. He gave an explanation of the process. When an employee has a merit review in February 2011 and their supervisor gives them a 1.5% or 2% raise based on performance, than that employee will get that 1.5% or 2% raise if they are within the salary range. If they are at the top of their range, they will get that raise in the form of a bonus, which is in accordance with the current policy. He further explained that if salary ranges are extended, there will be far fewer employees at the top of the salary range and, therefore, far fewer

employees receiving bonuses. He asked that the Board reflect on the organization over the 5 or 6 years and how much has been accomplished; he affirmed that those accomplishments are due to the quality of the management team. Mr. Jablonski stated that a large part of the management team has a very specific expertise that is not easily found in local candidates, and sometimes a national recruitment is necessary. He explained that transit is a specific industry, and there is a definite lack of management in the rail business so management is farmed out almost weekly. He said that the organization overall takes great measures to make sure the management structure does appeal to the camaraderie side, and MTS has high expectations of its management, which was validated when MTS won system of the year. Mr. Jablonski stated that the increase in salary ranges and changing of titles is a tool that he can use to keep talent and ensure that MTS has the management needed to run an efficient transit system. He stated that the changes provide the ability to match the industry levels and place employees where they should be appropriately placed. He provided an example of a manager who is responsible for a 135 rail car fleet valued at over a billion dollars that is in a salary grade range capped at out at \$90,000, and that employee could go to another agency a hundred miles away and make \$140,000 annually. While MTS is an organization that people want to be a part of, the ability to compensate people is also important.

Mr. Jones clarified that his criticism of this agenda item is not a criticism of staff, and he believes that MTS is one of best rail systems in country but he just cannot support the item today.

Ms. Hanson-Cox wanted clarification as to whether management automatically receives a 2% raise each year. Ms. Lorenzen clarified that they do not automatically get a 2% raise. Raises are literally performance based at the time of review. Supervisors review performance and can give up to a 2% raise. Ms. Hanson-Cox then wanted clarification if the Board was being asked to approve the proposed industry standard for the salary ranges, but if raises are not in the budget, they are not given during the performance review that year. Ms. Lorenzen responded by stating that the Board sets the ranges and budget each year. The budget can include compensation for merit increases; or it can include zero compensation for merit increases, it is always based on the budgetary process. She further clarified that when the ranges are set and the Board agrees on the budgetary amount for merit increase, the discretion to award or not award merit increases is vested with the CEO and is strictly based on the performance of the employee. In the past years, other performance based items like a COLA were given to employees, but that was eliminated by the Board. In response, Ms. Hanson-Cox provided the following example: if an employee did a good job and their supervisor gave them a good performance review, if merit increases were not a line item in the budget, than basically their compensation is that they still have a job. Ms. Lorenzen responded that Ms. Hanson-Cox was correct, and that was the scenario that occurred last year. She then stated that today, the Board is being asked to make some adjustment to salary ranges, move positions to different ranges, and approve the cap of those ranges.

Chairman Mathis stated that some individuals have been given an increase in responsibilities due to cuts in management and reorganization. He directed a comment to Mr. Jones that the organization is not automatically raising salaries, and that he can disagree, but that the recommendation is just a change in salary ranges. Salary ranges are reviewed every few years to make sure that they are still competitive so that if someone leaves, it is possible to recruit someone well qualified taking into account a learning curve which makes that employee (even though they are making more money) significantly of less value than the person who has left. He stated that the reality of the situation is there has to be tools at the manager's level to get the kind of performance that is needed because these are specialists, and there is a demand.

There are headhunters who want these people. He feels it is important that the Board does not just give lip service but that it recognizes management and values their services. He feels that when there is a manager who has performed at the highest level, the Board should provide one of the tools to keep a team that can perform like it does, and that the management team in place has done wonders in the face of some difficult challenges.

Ms. Emerald asked Mr. Stumbo to clarify that the proposed changes would go into effect starting July 1, 2010, and that they would have an impact in the current fiscal year. Mr. Stumbo replied yes but stated that there would not be an impact because the employees are otherwise getting a bonus. Ms. Emerald stated that some of these raises are more than 2%. Mr. Stumbo told her that they are not raises. Ms. Emerald stated they were indeed raises and gave an example of the Controller position being moved from salary range 17 to range 19 where the minimum salary in range 17 is \$72,000 and the minimum salary in range 19 is \$88,000. She directed her statement to Mr. Stumbo saying that she did not want him to make her feel like she was missing something because if an employee was being moved to a higher paid category, then that employee would be making more money. She stated that the Board needed to do some due diligence and that she would not be supporting the agenda item today. She also told Mr. Stumbo that she did not like the word "de minimis" he had used and thought it to be a bureaucratic phrase and an arrogant term that raises a red flag for her. Ms. Emerald said that new salary ranges would be an instant raise because an employee is not moved into a higher paying category without paying them more money. She provided another example: Taxicab Administrator moving from salary range 13 to 16 where the minimum pay is \$59,000 in range 13 to \$69,000 minimum range in salary level 16, which is a \$10,000 increase. Mr. Stumbo stated that the Taxicab Administrator already makes more than \$69,000 because that employee has been in that position for 10 to 15 years.

Ms. Emerald declared that the Board has fiduciary responsibility for the agency, which means that she is personally liable, and therefore, she could not vote yes on something that would have a fiscal impact. This agenda item would because the whole purpose is that a few positions have been identified and those positions would receive raises. Ms. Emerald added that even though they have probably earned a raise 10 times over, she wants to see how the salary increases will impact the budget, including fringes and projections on the difference it will make in their pension benefits. She stated that once she sees the budgetary impact, she will be happy to consider approving the changes, but in the meantime, she cannot support the item. She also mentioned that the justification from management that we like these people, they do a good job, and if we don't give them more money they will go somewhere else, is not true. She stated that there is a 10-11% unemployment rate in San Diego and there are a lot of very qualified people who would love to step into these jobs. There are people down the food chain within MTS who have been here years and have lots of great experience that would bask in the opportunity and blossom in new positions. She does not believe that that headhunters are trying to raid employees of MTS, and she would like to see the proof.

Mr. Jablonski stated that there seems to be a misunderstanding, and that every position has a salary range. For example, an employee is hired into a range that makes from \$50,000 to \$100,000, and you hire them at \$75,000 (the vast majority of employees make close to the middle of the range), and you shift that same employee into a salary range from \$60,000 to \$120,000, that employee is still making \$75,000.

Ms. Emerald stated that she understood exactly what is being explained but thinks this is a way of having the flexibility to give people raises. She would like to know specifically what Mr.

Jablonski intends to do, and she wants to see the fiscal impact because it is her fiduciary responsibility as a Board member to know what the impact will be. She explained that the City of San Diego had to cut salaries and jobs, and everybody is working for less money. Nobody is being advanced to different higher pay grades, and she would like to make sure that she knows exactly what it is she is voting on when she votes on it.

Mr. Roberts commented that he would like to see a strong consensus by the Board before moving forward and feels that nobody is clear on what this is going to cost. He would like staff to do the math, figure out the cost, and put it into context so that if the Board adopts the proposed changes, there will be a dollar figure that the salaries costs cannot exceed. He feels that his colleagues may be nervous about this item because it could be viewed as a blank check. He mentioned that the Board was told what the cost would be for new trolley parts, but the cost of the salary changes are unknown. It could be \$50,000 or a potential of \$300,000. He deferred to Mr. Jones to clarify his previous statement regarding his desire for more evidence.

Mr. Jones clarified that he would like to see more information on the salary range increases because some of them are a 30% increase. He also stated that the other issue he has is the justification that is being provided regarding the increase of salary ranges. He strongly disagrees that the market demands increases in salary during this economic climate and he is concerned about the lack of information to support the statement. He feels that regardless of how much employees were compensated, it is impossible to stop headhunters from trying to recruit employees from MTS because it is one of the best transit systems in the country. In his opinion, the economy in California right now does not support the salary increases, but if management has information to the contrary, then he is willing to review it and consider approving the increases.

Ms. Hanson-Cox affirmed that she hears what her comrades are saying on the issue, and she has recently had to recruit management and increase salary ranges in her organization. She explained that she has not done a salary analysis in 5 years and needs to fill some management positions. She found that candidates want an amount higher than the current salary range. She explained further that she had to do her due diligence and research market rates and discovered that she had to adjust her salary range to bring in a qualified person. She understands why the salary range increases are being proposed but also understands why Mr. Jones wants to see the backup documentation for the ranges. Ms. Hanson-Cox agrees that the Board should be shown due diligence.

Ms. Lightner mentioned that given the significant change in some classifications, she felt it was deceptive moving people up three classifications and feels that it would be nice to know how each individual position range changed. Instead of showing a position moving to a classification where she has figure out what the new range is and why that range is so different than before, she would like the changes to be more clear.

Mr. Ewin requested the Board receive a copy of the current Board policy regarding salaries. He also requested that the organization continue to reflect an objective evaluation of a position as positions are designed for the needs of the organization.

Action Taken

Mr. Rindone moved to table this item and bring it back with additional information to show changes in ranges, changes in caps, the fiscal impact, and the justification for the market rate

analysis compared to the other districts for those ranges that are recommended to change. Mr. Ovrom seconded the motion, and the vote was 11 to 0 in favor.

35. MTS: Fiscal Year 2011 Revised Capital Improvement (CIP) Program

Mr. Larry Marinesi, Budget Manager, gave a presentation on the Capital Improvement Program (CIP) fiscal year 2011 revised budget. He explained that in May, MTS received notification from the U.S. Department of Homeland Security that it would be providing additional funding for security-related projects leading to a \$3.8 million addition to the fiscal year 2011 CIP. He explained that federal funding levels dropped by \$1,974,000. He stated that also in May, MTS would receive \$186,000 from the California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program.

Mr. Marinesi mentioned that in June, MTS received \$2.7 million in state Prop 1B funds for onboard trolley cameras. He stated that SANDAG approved the closeout of TransNet 1 funds, which provided the allocation of \$2.2 million in remaining expenses related to Mission Valley East Light Rail Transit Project. He also stated that in June, the Board of Directors approved a shift of 7.9 million of Transportation Development Act (TDA) funding into the CIP and fiscal year 2010 balancing the budget.

Mr. Marinesi proposed an \$800,000 earmark for federal register for the Regional Transportation Management System intended to support radio and dispatch equipment needs. In addition, staff has identified \$3,387,020 from previously budgeted capital projects to offset the decrease in federal formula funds and meet new identified fiscal year 2011 capital needs. He explained that there are a total of 47 projects funded in fiscal year 2011. He also explained that the federal and nonfederal funding adjustments resulted in a total of \$55.6 million available to be used for the CIP. Mr. Marinesi stated that the overall budget impact is a decrease in original funding and, combined with the addition of newly available funding, will provide a net increase of \$19.1 million to the CIP.

Action Taken

Mr. Ewin moved to (1) approve the adjusted fiscal year 2011 Capital Improvement Program (CIP) with the revised federal and nonfederal funding levels; and (2) forward a recommendation to the San Diego Association of Governments (SANDAG) Board of Directors to approve the amendment of the Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2011 CIP recommendations. Mr. Ovrom seconded the motion, and the vote was 10 to 0 in favor.

REPORT ITEMS:

45. MTS: Operations Budget Status Report for May 2010

This item was deferred.

46. MTS: Blue Line Rehabilitation and Outreach Schedule

This item was deferred.

60. Chairman's Report

There was no Chairman's report.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's report.

62. Chief Executive Officer's Report

There was no Chief Executive Officer's report.

63. Board Member Communications

There were no Board member communications.

64. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is scheduled for Thursday, August 19, 2010.

66. Adjournment

Chairman Mathis adjourned the meeting at 12:06 p.m. in memory of Gail Williams, Clerk of the Board, and her 24 years of service and devotion to the organization.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): July 15, 2010

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:08 a.m.

RECONVENE: 10:18 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 12:06 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyack) <input type="checkbox"/>	9:08 a.m.	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:05 a.m.	11:55 a.m.
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		11:00 a.m.
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:03 a.m.	
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input type="checkbox"/> (Hanson-Cox) <input checked="" type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		12:02 p.m.
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		11:30 a.m.
YOUNG	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]



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

Agenda

Item No. 6

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

SDAE 710 (PC 50771)

August 19, 2010

SUBJECT:

MTS: SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY
QUARTERLY REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE
RAILWAY COMPANY BOARD OF DIRECTORS AT ITS JULY 20, 2010, MEETING

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 20, 2010 (Attachment A).

Budget Impact

None.

DISCUSSION:

Quarterly Reports

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided the attached quarterly reports of their operations during the second quarter of calendar year 2010 (Attachment A).



SD&AE Property Matters

Under its adopted policy for dealing with the SD&AE Railway, the MTS Board of Directors must review all property matters acted on by the SD&AE Board. At its meeting of July 20, 2010, the SD&AE Board:

- approved issuing a license to Tessera Solar for a proposed aerial crossing over SD&AE tracks located west of Plaster City and south of S80 (Evan Hewes Highway) at County Road 2003.
- authorized the support of Lemon Grove's General Order 88b application and approve the various utility crossings for the City of Lemon Grove's North Avenue Realignment Project.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.6.SDAE RPTS.TLOREN.doc

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



San Diego & Arizona Eastern
Railway Company

A Nevada Nonprofit
Corporation

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

BOARD OF DIRECTORS
Don Seil, Chairman
Bob Jones
Paul Jablonski

OFFICERS
Paul Jablonski, President
Bob Jones, Secretary
Linda Musengo, Treasurer

OF COUNSEL
Tiffany Lorenzen

AGENDA

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

SDAE 710.1
(PC 50771)

July 20, 2010

9:00 a.m.

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

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

RECOMMENDED ACTION

1. Approval of the Minutes of April 20, 2010
Action would approve the SD&AE Railway Company minutes of April 20, 2010. Approve
2. Statement of Railway Finances (Linda Musengo)
Action would receive a financial report for the quarter ended June 30, 2010. Receive
3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Jose Ramos)
Action would receive a report for information. Receive
4. Report on Pacific Southwest Railway Museum (Diana Hyatt)
Action would receive a report for information. Receive
5. Report on the Desert Line (Armando Freire)
Action would receive a report for information and an updated on the status of rail operations. Receive
6. Real Property Matters (Tim Allison)
 - a. Summary of SD&AE Documents Issued Since April 20, 2010
Action would receive a report for information. Receive
 - b. License Agreement with Tessera Solar
Action would approve issuing a license to Tessera Solar for a proposed aerial crossing over SD&AE tracks located west of Plaster City and south of S80 (Evan Hewes Highway) at County Road 2003. Approve

- | | | |
|-----|--|---------|
| c. | <u>The City of Lemon Grove North Avenue
Realignment Project</u> | Approve |
| | Action would: (1) receive a report; (2) authorize the support of Lemon Grove's General Order 88b application; and (3) approve the various utility crossings. | |
| d. | <u>The City of Lemon Grove Main Street Promenade
Project</u> | Receive |
| | Action would receive a report for information. | |
| 7. | <u>Old Business</u> | |
| 8. | <u>New Business</u> | |
| 9. | <u>Public Comments</u> | |
| 10. | <u>Next Meeting Date:</u> October 19, 2010 | |
| 11. | <u>Adjournment</u> | |

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A-SDAE-JULY20-10.doc

MINUTES

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

April 20, 2010

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on April 20, 2010, at 9:02 a.m.

The following persons, constituting the Board of Directors, were present: Don Seil, Bob Jones, and Paul Jablonski. Also in attendance were:

MTS staff:

Tiffany Lorenzen, Tim Allison, Wayne Terry,
and Linda Musengo

SANDAG staff:

Dean Hiatt

SD&IV staff:

Matt Domen

Pacific Southwest Railway Museum (PSRM):

Diana Hyatt

Carrizo Gorge Railway, Inc. (Carrizo):

Armando Freire

Burlington Northern Santa Fe (BNSF):

John Hoegemeier

International Border Rail Institute:

Richard Borstadt

1. Approval of Minutes

Diana Hyatt stated that Bob Rechs is not affiliated with PSRM (as listed on the minutes).

Mr. Jablonski moved to approve the Minutes of the January 19, 2010, SD&AE Railway Board of Directors meeting with a correction noting that Mr. Rechs is not affiliated with PSRM. Mr. Jones seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Linda Musengo reviewed the financial statement attached to the agenda item. Ms. Musengo noted that the 1% freight fee was received from RailAmerica.

Action Taken

Mr. Jablonski moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

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

Matt Domen presented the first quarter report of SD&IV Railroad operations (attached to the agenda item).

Action Taken

Mr. Seil moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt presented the first quarter report for the calendar year (attached to the agenda item). Ms. Hyatt distributed a handout showing pictures of the Campo Depot restoration.

Action Taken

Mr. Jablonski moved to receive the report for information. Mr. Seil seconded the motion, and it was unanimously approved.

5. Report on the Desert Line

Armando Freire reviewed the report attached to the agenda item. He described Carrizo's cleanup efforts in regard to weed and rock abatement due to six rock slides throughout the Gorge. He added that there was no structural damage to the tunnels from the earthquakes and heavy rains. Mr. Freire stated that he had a meeting with the administrator on the Desert Line in the south and was unofficially informed that they were not going to do anything with Tunnel 3, which was badly burned during a fire last December (possibly due to fireworks). (He clarified that Tunnel 3 is the second tunnel into Mexico and is not an SD&AE tunnel.)

Mr. Freire reported that the plan for the rehab of the Desert Line will be published this summer, and Tunnel 3 will be included in that rehabilitation. He stated that the administrator from the south said they are open to diverting the line around Tunnel 3 to reopen it for freight operations, which would create a lot of problems for Carrizo. Mr. Freire clarified that the rehab of the Desert Line will be put out for bid this summer and estimated that it will take two years to complete. He added that the damage to Tunnel 3 is prohibiting Carrizo from carrying freight between the U.S. and Mexico.

Mr. Freire informed Board members that there is a locked metal gate at Tunnel 4, but he does not know who approved the installation.

- Public Speaker

Richard Borstadt – Mr. Borstadt stated that there is now a gate across Tunnel 4, which infringes on SD&AE right-of-way. He added that there has been no mention in the Board minutes regarding contemplating installation of this gate and feels that, as owners of the line, it would behoove SD&AE to take some action. Mr. Borstadt didn't anticipate the SD&AE Board going against the Border Patrol but felt it should officially document the implant of the gate; i.e., who is paying for it, etc.

Ms. Hyatt added that the installation of the gate came without warning to the Museum, and there may be a Public Utilities Code (PUC) issue because it is so close to the trestle. Ms. Hyatt clarified that the gate is about 75 feet east of tunnel and 12 feet west of the end of trestle on the U.S. side of the border. She stated that they contacted Mark Langlais of the Carrizo Gorge Railway Police, and he responded that Carrizo installed the gate to placate the Border Patrol.

Mr. Freire responded that he was aware that the Border Patrol had requested the gate to deal with drug trafficking, but that he never signed off or gave clearance to install it. He explained that this is the first time that he has heard of the new gate, and he will speak with Mr. Langlais regarding this matter.

Ms. Lorenzen asked Mr. Freire to contact Tim Allison to sign a permit. Mr. Allison added that it was reported to him that the gate was Carrizo's, so no action was needed. He clarified that the Border Patrol had no authority to install the gate.

Action Taken

Mr. Seil moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

6. Real Property Matters

a. Summary of SD&AE Documents Issued Since January 19, 2010

- S200-10-424: License to SES Solar Two LLC for a private crossing of the Desert Line west of Plaster City.
- S200-10-431: License to Cox Communications for an aerial fiber crossing at Palm Avenue in the City of El Cajon.
- S200-10-432: Easement to the City of San Diego for a sewer crossing at 54th Street in the City of San Diego.
- S200-10-437: Right of Entry Permit to Nolte Associates, Inc. to perform land surveying at the 47th Street Trolley Station in the City of San Diego.
- S200-10-438: Right of Entry Permit to Melchior Land Surveying to perform land surveying at the San Ysidro Yard in the City of San Diego.
- S200-10-439: Easement to Helix Water District for a fire hydrant installation at the Grossmont Trolley Station in the City of La Mesa.
- S200-10-440: Right of Entry Permit to Roel Construction Company for building construction at 15th Street and Commercial Street in the City of San Diego.
- S200-10-441: License to the Motor Transport Museum for use of railroad property east of Campo in the County of San Diego.
- S200-10-442: Right of Entry Permit to Kimley-Horn & Associates, Inc. to perform engineering investigations at the San Ysidro Yard in the City of San Diego.
- S200-10-443: Right of Entry Permit to Aguirre & Associates to perform land surveying at the San Ysidro Yard in the City of San Diego.

Action Taken

Mr. Seil moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

b. Bayshore Bikeway Project – Segment North of the Salt Works

Mr. Allison stated that SANDAG has requested modifications to the alignment of the Bayshore Bikeway. Mr. Allison explained that the SD&AE and MTS Boards previously approved three crossings on SD&AE right-of-way south of J Street to bring the bikeway along the west side of SD&AE tracks through private property. During the design process, SANDAG staff found that route to be problematic and is requesting an alternative that crosses SD&AE tracks at the north intersection of J Street and connect to Bay Boulevard south of L Street.

Mr. Allison reviewed Attachment 6b-3 to the agenda item and clarified that SANDAG's proposal would include one crossing instead of three as previously approved. He showed the proposed route and explained that it would be better for the railroad as both bicycles and freight could operate in the corridor. Mr. Jones added that it would also be safer.

Mr. Allison clarified for Mr. Jablonski that the agreement would contain a termination clause and that the project will be built by SANDAG, operated by the City of Chula Vista, and indemnified with SD&AE.

Action Taken

Mr. Seil moved to receive a report on Segments 7 and 8A of the Bayshore Bikeway Project and approve the revised alignment. Mr. Jones seconded the motion, and it was unanimously approved.

c. Request for Easements – SDG&E's Sunrise Powerlink Project

Mr. Allison reported that San Diego Gas and Electric (SDG&E) is requesting an easement for three crossings for the Sunrise Powerlink Project, which is a major transmission line from the desert through San Diego County. The crossings on SD&AE right-of-way would include Jacumba, Sugar Loaf, and Plaster City. He explained that the crossings would be aerial transmission power lines only (200-feet high), and SDG&E is requesting an easement even though it has the option of right of eminent domain. Mr. Allison informed Board members that SDG&E had an appraisal completed, and the total for all three locations was \$9,000. Mr. Allison reviewed the logistics of the three crossings in regard to SD&AE right-of-way.

Mr. Jones asked if SD&AE would charge any fees, and Mr. Jablonski asked about the ability to collect annual payments. Mr. Allison responded that the land valuation is very nominal, and SDG&E would pay \$9,000 for easements. He stated that SDG&E has the right to power of eminent domain, but it only needs the easement to satisfy the PUC. He added that it would be a permanent easement, and that the negotiated language would allow for railroad purposes.

Mr. Allison clarified for Mr. Jablonski that SDG&E would not be traversing SD&AE's tracks as it is only asking for aerial crossings.

Ms. Lorenzen clarified for Mr. Jones that SD&AE would not lose the ability to control the land. Mr. Allison added that the land valuation is \$2 per acre based on air rights only, which would allow SD&AE operations to continue. Mr. Allison explained that the valuation is different based on location; i.e. rights at Jacumba (more than \$2,500 each) would be more expensive than rights in the valley (less than \$2,500 each).

Mr. Jablonski stated concern regarding relinquishing control of SD&AE right-of-way in the event that there could be future proposals to develop the property. He added that SD&AE owns that property outright and, if it becomes economically viable, could have development there in the future.

Mr. Allison reiterated that SDG&E has the option for eminent domain. He stated that it has been challenged in the past and has prevailed, and that the amount proposed for the easements is a good deal. Ms. Lorenzen added that amount proposed is based on the value of the land relative to its use—not the acquisition value.

Mr. Jablonski expressed concern that the value of the land may be underestimated, and future financial opportunities could be lost. Mr. Jones agreed with Mr. Jablonski and added that SD&AE's investments should be protected.

Mr. Jablonski proposed that staff confer with SDG&E in regard to revising the easement agreement to add a stipulation that would allow SD&AE future development rights along the proposed area. Mr. Allison will contact SDG&E to request the revision and report back at the next meeting.

Action Taken

Mr. Jablonski moved to approve easements for the proposed Sunrise Powerlink Project crossing the Desert Line at Jacumba, Ocotillo, and Plaster City contingent upon staff requesting SDG&E's authorization to revise the agreement to allow SD&AE future development rights along its right-of-way. Staff will return with a report at next meeting. Mr. Seil seconded, and the motion was unanimously approved.

7. Old Business

There was no old business.

8. New Business

There was no new business.

9. Public Comments

There were no additional public comments.

10. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on July 20, 2010.

11. Adjournment

The meeting was adjourned at 9:55 a.m.

President

Of Counsel

Agenda

Item No. 2

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the quarter ended June 30, 2010.

Budget Impact

None.

DISCUSSION:

The 4th quarter 2010 report presents results for the year prior to audit adjustments. We have recorded an estimate of depreciation expense based on the amount recorded last year. Income has increased by \$27,000 due to an increase in lease revenue partially offset by a reduction in right of entry permit fees. Expenses for the current year have increased by only \$250 over last year.

Attachment: SD&AE 4th Quarter 2010 Financial Report

SD&AE operating statement for FY 2010 and FY 2009

Does not include audit adjustments

	FY 2010					FY 2009				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Revenue										
Right of entry permits	\$ 21,619	\$ 17,400	\$ 8,500	\$ 10,975	\$ 58,494	30,178	10,900	13,113	35,141	89,332
Lease income	25,871	43,341	819	33,401	103,432	9,820	14,783	16,677	3,620	44,900
SD&IV 1% freight fee	-	-	-	35,542	35,542	-	-	-	35,803	35,803
Carrizo Gorge	-	-	-	-	-	213	99	-	-	312
Total revenue	47,490	60,741	9,319	79,918	197,468	40,211	25,782	29,790	74,564	170,347
Expense										
Personnel costs	22,734	26,334	19,540	14,754	83,362	18,777	15,793	21,304	25,941	81,815
Outside services	12,031	5,989	5,147	34,285	57,452	7,196	13,273	1,026	23,186	44,681
Energy costs	-	-	-	-	-	-	-	-	99	99
Risk management	8,486	8,486	8,403	8,352	33,728	9,114	8,783	8,974	8,486	35,356
Misc operating expenses	20,474	(18,913)	25	-	1,586	6,666	1,772	337	5,152	13,927
Depreciation	-	-	-	19,499	19,499	-	-	-	19,499	19,499
Total expense	63,725	21,897	33,115	76,890	195,627	41,753	39,620	31,641	82,363	195,377
Net income/(loss)	<u>\$ (16,235)</u>	<u>\$ 38,845</u>	<u>\$ (23,796)</u>	<u>\$ 3,028</u>	<u>\$ 1,841</u>	<u>\$ (1,542)</u>	<u>\$ (13,838)</u>	<u>\$ (1,852)</u>	<u>\$ (7,799)</u>	<u>\$ (25,030)</u>

Misc operating expense includes \$20,416 paid to Baker & Miller, partially offset by \$19,150 cost reimbursement from CZRY

Outside services includes \$50,629 paid to LAN Engineering and \$6,823 paid to Kimley-Horn for services right-of-way-related services

Reserve balance 2009 - final	\$ 867,090
Allocated interest earnings - estimated	1,669
Operating profit (loss) estimated	1,841
Improvement expense 2010	-
Reserve balance 2010 - estimated	<u>\$ 870,600</u>

Agenda

Item No. 3

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

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

RECOMMENDATION:

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

Budget Impact

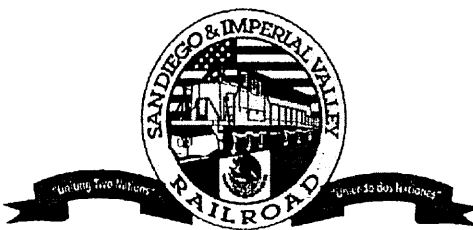
None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 2nd Quarter of 2010

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July 7, 2010

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

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 2nd Quarter of 2010 are listed as follows:

1. Labor

At the end of June 30, 2010 the San Diego & Imperial Railroad had 12 employees:

- 1 General Manager
- 1 Trainmaster
- 1 Asst. Trainmaster
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Officer
- 1 Roadmaster
- 1 Maintenance of Way Employee
- 4 Train Service Employees

2. Marketing

In the 2nd Quarter of 2010 versus 2009, volumes were relatively flat with a slight uptick in Mexican traffic due to increases in Malt and Corn Syrup and a slight decrease in U.S. traffic due to building materials.

3. Reportable Injuries/Environmental

Days through year to date, June 30, 2010, there were no FRA Reportable injuries or environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 3929

4. Summary of Freight

	2010	2009	2008
Total rail carloads that moved by SDIY Rail Service in the quarter.	1,442	1,424	1,853
Total railroad carloads Terminating/Originating Mexico in the quarter.	1,144	1,016	1,145
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	298	408	708
Total customers directly served by SDIY in the quarter	12	12	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	4,758	4,699	6,114

Respectfully,

Don Seil-

General Manager

Agenda

Item No. 4

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

SDAE 710 1 (PC 50771)

July 20, 2010

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachment: Second Quarter Report for 2010



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

July 9, 2010

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

Re: Second Quarter, 2010 report

Dear SD&AE Board:

During the second quarter of 2010, the Pacific Southwest Railway Museum operated a total of 50 Golden State trains carrying 1977 passengers; these trains included 3 School Trains and 2 Bunny Trains, plus two days operating the Santa Maria Valley Railbus within Campo Valley yard limits, with no FRA reportable accidents or injuries. Total income from SD&AE property for second quarter 2010 is \$31,215.63. A check for \$624.31 will be mailed under separate cover.

By comparison, during the second quarter 2009, total income from SD&AE property was \$23,293 and second quarter 2008 income was \$38,487. Ridership is up by 243 passengers over second quarter 2009 and down 787 passengers over second quarter 2008. The figures indicate a modest but consistent increase in ridership as the economy slowly recovers and the museum offers new products and experiences for its visitors.

Between July and September, the museum will be offering evening train rides to coincide with the full moon and new moon; these rides will occur every two weeks on a Saturday evening beginning on July 10th. These trains will allow passengers to escape the mid-day heat and enjoy the cool and calm sunsets and clear night skies of the beautiful high desert. We will also be offering two evening trains during October that will be themed around Halloween. These trains are meant to attract a broader demographic to our facility and may serve as one of several event themed train rides that will eventually replace the lost revenue from the Tecate and Garcia trips.

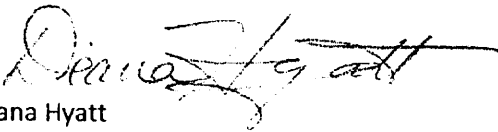
Due to the request by the SD&AE board for an inspection of the trestle at MP 66.77 and necessary repairs to the 1932 Santa Maria Valley Railbus, the museum has chosen to discontinue offering rides to the Motor Transport Museum just east of the trestle at MP 66.77. A re-inspection of this trestle every six months would place an additional financial burden of \$5,000 to \$6,000 annually on our operating budget without sufficient monetary benefit to offset such an expense. The museum continues to investigate long term rehabilitation strategies for the trestle.

Vegetation abatement efforts were renewed in late March and have continued on a weekly basis to the present time. During this quarter, work has been focused on clearing dead vegetation beyond the ten foot minimum, primarily in the cuts. This strategy should eliminate dead vegetation from falling within the minimum clearance area. The museum continues to investigate and apply for assistance from several government agencies who could expedite our efforts with vegetation abatement and general maintenance of way projects. We remain grateful for the continued cooperation of the local honor camp in our MOW efforts.

From June 11th to July 5th museum volunteers staffed a booth at the San Diego County Fair for the second year in a row. The guest of honor this year was an original railroad handcar, recently added to the museum's collection. The Fair is a great opportunity for the museum to practice community outreach on a large scale. It is estimated that the 2010 Fair hosted 1.3 million visitors.

Restoration work on the downstairs interior of the Campo Depot continues. The tongue and groove drop ceiling is now installed and quotes are being solicited from various insulation companies. Once the insulation is complete, the walls and floor will be finished and interior furnishings and displays will be installed. We are hopeful that this work will be completed before we begin operating our very popular North Pole trains later this year.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Diana Hyatt", with a stylized flourish at the end.

Diana Hyatt
President

Agenda

Item No. 5

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information and an update on the status of rail operations.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

5-DESERTLINE.doc

Attachment: Second Quarter Report



Periodic Report

To The San Diego & Arizona Eastern Railway Company

Second Quarter 2010

The periodic Report to the SD&AE Railway Company is produced quarterly by the Carrizo Gorge Railway, Inc for the SD&AE Board, in fulfillment of contractual requirements and to document activity in the restoration of the line to regional service along with its ongoing improvement for future generations.

CARRIZO GORGE RAILWAY, INC.

Accomplishments during Second Quarter 2010

- Weed Abatement.
- Bridge rehabilitation.
- Desert Line Spur Maintenance.

CONTENTS

SECOND QUARTER 2010 ACTIVITY

Appendix A- MOW Summary

Appendix B- Desert Line Track Rehabilitation
Offset Financial Summary

Appendix C- Desert Line Freight Revenues
Financial Summary

CARRIZO GORGE RAILWAY, INC.

Second Quarter 2010

Metropolitan Transit Development Board
San Diego & Arizona Eastern Railway Board
1255 Imperial Avenue 10th floor
San Diego, California 92101

Pursuant to reporting agreement, here is the summary of Second Quarter activity for 2010.

I. Labor

As of June 30th, 2010, Carrizo Gorge Railway has **15** employees to cover overall administration of the road and operations in the U.S. on the Desert Line.

- 4 Administration
- 1 Marketing
- 1 Purchasing Agent
- 1 Director of Operations
- 1 DSL (contractor)
- 1 Train Master
- 1 Division Engineer
- 1 Locomotive engineers
- 3 Railroad police
- 1 Railroad police chief

CARRIZO GORGE RAILWAY, INC.

II. Marketing

Carrizo Gorge Railway is currently not seeking any new business for the desert line until repairs can be completed

Carrizo Gorge Railway continued working to improve relations with Admicarga in an effort to increase revenues as well as the improvement of service to the shipping community in the region.

III. Desert Line

Carrizo Gorge Railway is the rail freight operator on the Desert Line by contractual agreement with Rail America/ SD&IV and with the approval of SD&AE/ MTDB.

In this quarter we focused primarily in track maintenance.

IV. Reportable Injuries / Environmental Incidents

There were no reportable injuries in the second quarter of 2010.

There were no reportable accidents in the second quarter of 2010.

There were was on enviromental incidents in the second quarter of 2010.

During the first part of the second quarter, we finished the clean-up of the rockslides throughout the Gorge (MP 97.0- MP 107.0) that resulted from the weather extremes back in the 1st quarter of 2010.

CARRIZO GORGE RAILWAY, INC.

V. Freight Activity

No freight activity in the 2nd quarter of 2010 due to the embargo with the purpose to start a rehabilitation program to improve safety, capacity and reliability on the Desert Line. Currently, we are still continuing to store empties, with a total amount of 49 GE cars located in the East end of the line as of this date.

MOW Sand carloads moved on the Desert Line	0
Revenue Sand carloads moved on the Desert Line	0
Revenue Freight carloads moved to/from Seeley Via interchange with UPRR, on the Desert Line	0
Non-Revenue Freight carloads moved from UPRR and USG, on the Desert Line	0
Revenue Freight carloads terminating/originating in Mexico to/from San Ysidro via interchange with SD&IV Railroad	0
Total overall second quarter 2010 Carloads Moved	0
Revenue Empties	0
Revenue Storage	49

CARRIZO GORGE RAILWAY, INC.

VI. Mexican Railroad

Carrizo Gorge Railway is the rail freight operator for the State of Baja California, Mexico and continues to employ the following personnel dedicated to freight service south of the border.

Here is an update of Carrizo Gorge Railway, Inc. Mexico's Operation.

CURRENT MEXICO PERSONNEL

- | | |
|---|--------------------------|
| 1 | Director of Operations |
| 1 | Supervisor of Operations |
| 3 | Dispatchers |
| 3 | Train Engineers |
| 6 | Conductors |
| 1 | Mechanic |
| 1 | Division Engineer |
| 1 | Track Inspector |
| 2 | Track Supervisor |
| 8 | Track laborer |

CARRIZO GORGE RAILWAY, INC.

Page 1 of 1

Appendix A M.O.W. SUMMARY

DESERT LINE

TRACK

Ties Installed (6" x 8" x 8')	4	each
(7" x 9" x 9")	0	each
Stringers	0	each
90 lb/yd Rail Change Out	4	ft.
113 lb. rail Change Out	0	ft.
Repair Open Joints	0	each
Track Regaging	0	each
Separator Rails (4" x 8" x 20")	0	each
Replace Missing Track Bolts	12	each
Rail Anchors Replaces	0	each
Repair Broken angle bars (60 lb.)	0	each
(75 lb.)	0	each
(90 lb.)	10	each
Track Surfaced	0	ft
Track Spikes Used (new)	35	each
Switch Ties Installed	0	each

CARRIZO GORGE RAILWAY, INC.

Page 1 of 1

Appendix B **OFFSET FINANCIAL SUMMARY**

DESERT LINE SAND OPERATION

There was no production or commercial sale of sand from M.O.W. activity on the Desert Line during Second Quarter of 2010.

CARRIZO GORGE RAILWAY, INC.

Page 1 of 1

Appendix C FINANCIAL SUMMARY

DESERT LINE

REVENUE FREIGHT HAULED

Railcar loads to/from UP Interchange, Seeley /Plaster City	0
--	---

Railcar loads revenue sand from Dixie (Plaster City) to Campo	0
---	---

Non-revenue Freight
USG Cars

Total	0
--------------	----------

Track Use Fees:

Interchange freight to/from UPRR over the Desert Line

SD&AE / MTS 1% payment	66.89
SD&IV / Rail America payment 6.9 (49 Railcars Storage)	461.52

Revenue Sand from Dixie to Campo

SD&AE / MTS 1% payment	0.00
SD&IV RailAmerica payment(0cars at \$0.00 each)	0.00

Agenda

Item No. 6a

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE APRIL 20, 2010

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the April 20, 2010, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-10-444: Right of Entry Permit to URS Corporation to perform environmental studies at the San Ysidro Border.
- S200-10-445: Right of Entry Permit to the United States Navy for the 24th Annual Bay Bridge Run/Walk.
- S200-10-446: Right of Entry Permit to Ortiz Corporation to reconstruct water facilities at 19th and Commercial Streets in the City of San Diego.
- S200-10-447: Right of Entry Permit to the City of La Mesa for the Flag Day Parade.
- S200-10-448: Right of Entry Permit to Cascade Drilling L.P. to perform soil borings at the San Ysidro Border.
- S200-10-449: Right of Entry Permit to Bike the Bay for its annual bike race.
- S200-10-453: Right of Entry Permit to California Boring Inc. for underground electric facility installation at 22nd and Commercial Street in the City of San Diego.

- S200-10-454: Right of Entry Permit to California Auger Boring, Inc. for directional boring operations at 22nd and Commercial Street in the City of San Diego.
- S200-10-456: Right of Entry Permit to Southland Electric for overhead electric facility installation at G Street in Chula Vista on the south line segment.

JULY20-10.6a.DOCS ISSUED.TALLISON.doc

Agenda

Item No. 6b

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

LICENSE AGREEMENT WITH TESSERA SOLAR

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing a license to Tessera Solar for a proposed aerial crossing over SD&AE tracks located west of Plaster City and south of S80 (Evan Hewes Highway) at County Road 2003.

Budget Impact

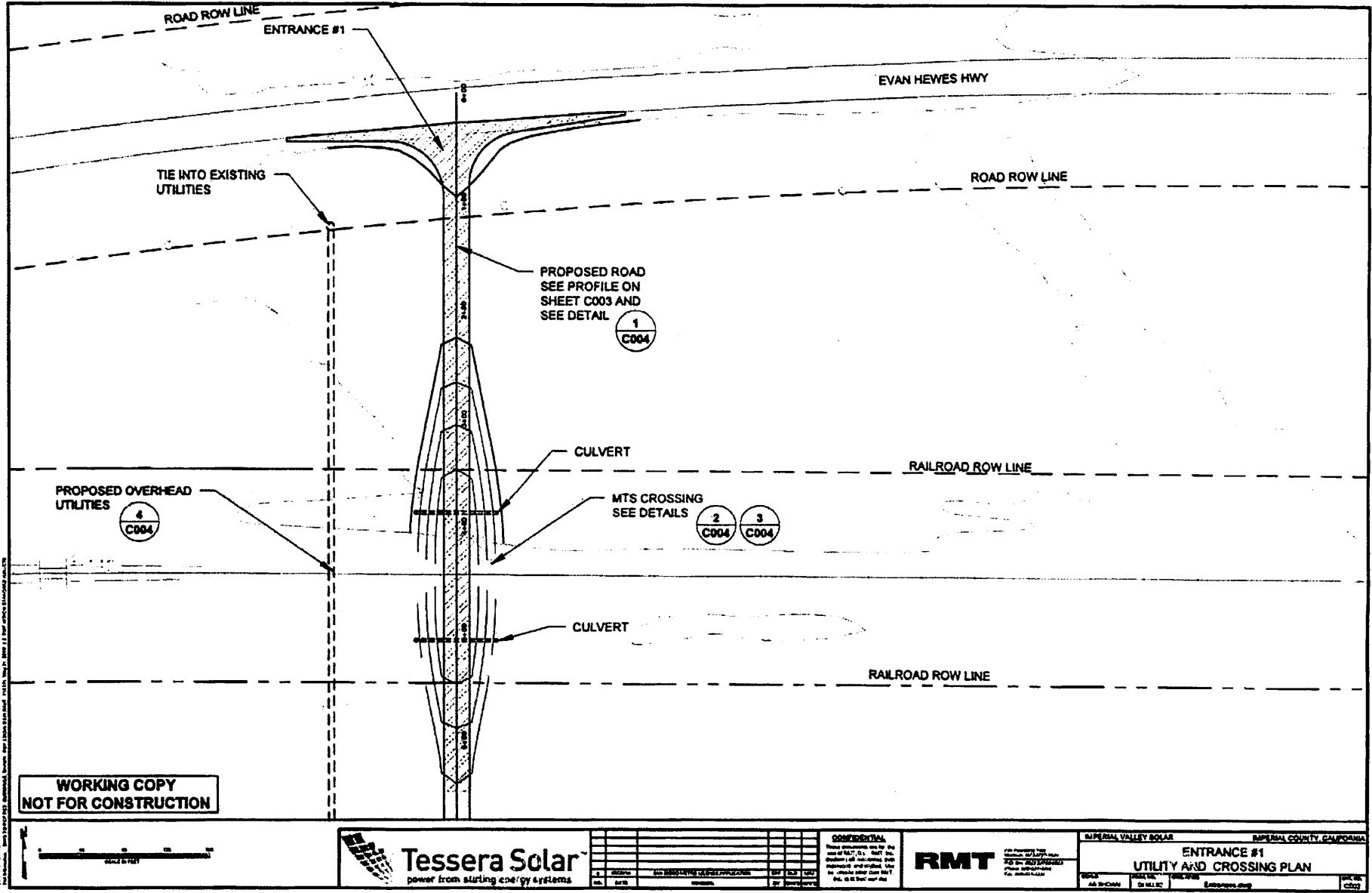
Yearly license fees would be credited to the SD&AE reserve, and processing fees would be reimbursed to MTS.

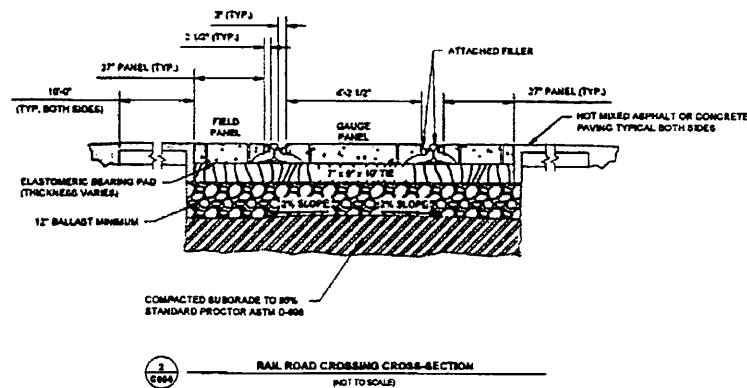
DISCUSSION:

Tessera Solar requests the issuance of a license for an aerial crossing over SD&AE tracks located west of Plaster City and south of S80 (Evan Hewes Highway) at County Road 2003 on the Desert Line. The SD&AE Board approved the at-grade crossing on July 28, 2009, to serve the proposed 750-megawatt solar panel power plant project. The proposed utility crossing would include an aerial electric line and an aerial communications line. Exhibits of the proposed crossing are attached.

JULY20-10.6b.TESSERA SOLAR LICENSE.TALLISON.doc

Attachment: Proposed Project (2 pages)





The image contains two technical drawings of railroad crossing components.

Crossing Plan View: This top-down view shows a section of a crossing with three parallel tracks. Key dimensions and labels include:

- CROSSING LIMIT TO BURT:** The total length of the crossing section.
- 8'-1 1/2" PANEL LENGTH:** The length of an individual track panel.
- 18 1/2" (TYP.)** and **TIE SPACING:** The distance between cross-ties.
- 18 1/2" WOOD TIE:** The length of the cross-ties.
- 4'-3 1/2" WOOD TIE:** The length of the end ties.
- LAG HOLE LOCATION** and **LIFTING INSERT LOCATION:** Specific points on the track structure.
- END DEFLECTORS (4 L.R., 4 R.R.):** Deflectors at the ends of the crossing.
- NOTE: TIE LEFT OFF PLAN VIEW FOR CLARITY**
- CROSSING PLAN VIEW**

SECTION A-A: This side view shows the vertical assembly of the crossing. Key dimensions and labels include:

- 27" FIELD PANEL:** The length of the field panel.
- 6'-9 1/2" TRACK GAUGE:** The distance between the rails.
- 50 1/2" GAUGE PANEL:** The length of the gauge panel.
- 3" PLANSIDEWAY:** The width of the side rail.
- 3 x 3 x 3/8 ANGLE:** The angle iron used for the side rail.
- 115RE RAIL:** The main crossing rail.
- 3/4" x 12" LQ. TIMBER SCREW:** The screw used to secure the rail.
- 1/4" TIE PLATE:** The plate between the rail and the tie.
- 18-4" WOOD TIE:** The cross-tie.
- 2 3/8"** and **7 3/8"** are vertical dimensions.
- SECTION A-A**

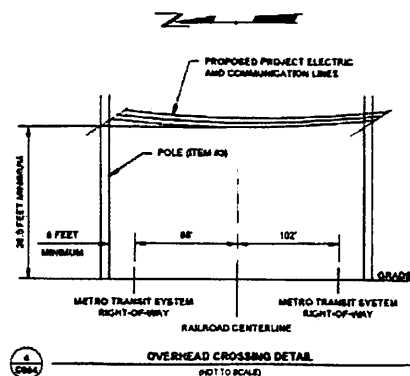
END DEFLECTOR DETAIL: This detail view shows the connection between the track and the end deflector. Key labels include:

- CONCRETE PANEL:** The base for the deflector.
- 3/4" x 12" TIMBER SCREW:** The screw used to secure the deflector.
- 5/8" x 8" TIMBER SCREW:** Another screw used in the assembly.
- TIMBER TIE @ 18 1/2" O.C.:** The cross-tie.
- 100A END DEFLECTOR:** The deflector itself.
- END DEFLECTOR DETAIL**

RAILROAD CROSSING PLAN AND SECTION VIEWS, 115RE RAIL, 18" TIMBER TIE, 8'-1 1/2" PANEL LENGTH

3
DRW

AS NOT TO SCALE



IMPERIAL VALLEY SOLAR		IMPERIAL COUNTY CALIFORNIA	
ROAD CROSSING DETAILS			
DATE	PROJECT	FILE NAME	SCALE
4-23-2019	IMV 2019	00000000	

Agenda

Item No. 6C

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

THE CITY OF LEMON GROVE NORTH AVENUE REALIGNMENT PROJECT

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors:

1. receive a report;
2. authorize the support of Lemon Grove's General Order 88b application; and
3. approve the various utility crossings.

Budget Impact

None at this time.

DISCUSSION:

The City of Lemon Grove is working with a team to develop an area of its downtown located adjacent to the Lemon Grove Trolley Station immediately to the west of the station (between Broadway, Olive Avenue, and North Avenue). As part of the development proposal, the project contemplates a realignment of several streets, including North Avenue at the Lemon Grove Avenue crossing. The existing crossing is proposed to be reconfigured at its present location. This realignment requires approval from the California Public Utilities Commission in the form of a General Order 88b application (attached). The crossing and its affiliated signaling and crossing equipment will be reconstructed as part of the proposal.

As part of the crossing reconstruction, several utilities are proposed be replaced. An existing 8-inch sewer line would be replaced by a 10-inch sewer line constructed in a steel casing. A 28-inch steel casing would be constructed to house San Diego Gas and Electric facilities, Cox Cable facilities, and AT&T facilities that would replace existing overhead crossings. These facilities would be entitled by licenses to the various entities owning the utilities.

**Request TO CPUC Staff for Authorization To Altering Public Highway-Rail Crossings
Pursuant To General Order 88-B**

1. Date Submitted: June 8, 2010

2. Applicant Information:

Organization Name:	City of Lemon Grove
Contact Person:	Patrick A. Lund, P.E.
Title:	Public Works Director / City Engineer
Street Address:	3232 Main Street
City:	Lemon Grove
Zip:	91945-1705
Phone:	(619) 825-3810
Email:	plund@ci.lemon-grove.ca.us

3. Crossing proposed to be altered:

PUC Crossing Number:	036D-10.30
U. S. DOT Crossing Number:	661918A
Street Name:	LEMON GROVE AVE & NORTH AVE
City:	Lemon Grove
County:	San Diego
Railroad Responsible for Crossing:	San Diego Metropolitan Transit Systems (MTS)
Other Railroads operating on Tracks:	San Diego and Imperial Valley Railroad (SDIY)

4. Describe Proposed Alterations (including any temporary reduced clearance variance requests):

- 175 ft raised median West of tracks
- Curb realignment and widening North Ave. East and West of tracks
- Curb realignment and widening Lemon Grove Ave. North of tracks
- Sidewalk modifications
- Pavement striping
- Installation of CA-MUTCD compliant signage and markings
- Pedestrian treatments including detectable warning strips and curb ramps
- Railroad crossing warning equipment changes including additional flashing lights
- Pre- signal at North Street for Eastbound direction
- Changes in roadway profile
- No changes in track profile are proposed

5. Describe the public benefits to be achieved by the proposed alterations:

The proposed alterations will result in increased vehicle and pedestrian safety at the crossing. The proposed Lemon Grove realignment will also decrease crossing movements thru this at grade crossing by re-routing and maintaining Northbound and Southbound traffic movement on the West side of tracks along Lemon Grove Ave and Main Street.

6. Explain why a separation of grades is not practicable:

The existing crossing is at grade. Grade separation is not practicable at this location because of the proximity of existing adjacent private properties and cross streets.

7. Describe crossing warning devices:

Status	Quantity	CPUC No.	Location	Quadrant	Notes
Existing	1	9	Median	W	Eastbound Entrance Gate on Lemon Grove Ave
Existing	1	9A	Sidewalk	SW	Eastbound Entrance Gate and Cantilever mast mounted flashers on Lemon Grove Ave.
Existing	1	9	Median	E	Westbound Entrance Gate on Lemon Grove Ave
Existing	1	9	Sidewalk	NE	Westbound Entrance Gate on Lemon Grove Ave
Propose New	1	9	Median	W	Eastbound Entrance Gate with back-lights
Propose New	1	9	Sidewalk	SW	Eastbound Entrance Gate with back-lights
Propose New	1	9	Median	E	Westbound Entrance Gate with back-lights and side-lights
Propose New	1	9A	Sidewalk	NE	Westbound Entrance Gate with cantilever and mast mounted flash lights, back-lights and side-lights
Propose New	1	8	Sidewalk	NW	With back-to-back flash lights
Propose New	1	8	Sidewalk	SE	With back-to-back and side flasher pairs

8. Temporary Traffic Controls - Include a statement of temporary traffic controls to be provided during construction:

During construction the work area traffic control including temporary crossing closures and detours will be provided in accordance with the Work Area Traffic Control Handbook (WATCH). Attachment 3 shows 90% Traffic control plans prepared for the project at Lemon Grove Avenue & North Avenue crossing.

Attachments:

1. Exhibit A – Lemon Grove Ave & North Ave CPUC Exhibit-Draft
2. Exhibit B – Lemon Grove Ave railroad crossing layout 90% plan
3. Exhibit C – Traffic control at Lemon Grove Avenue & North Avenue crossing 90% plans
4. Exhibit D – Lemon Grove phase I realignment profile 90% plan
5. Exhibit E – Existing Railroad Track Chart



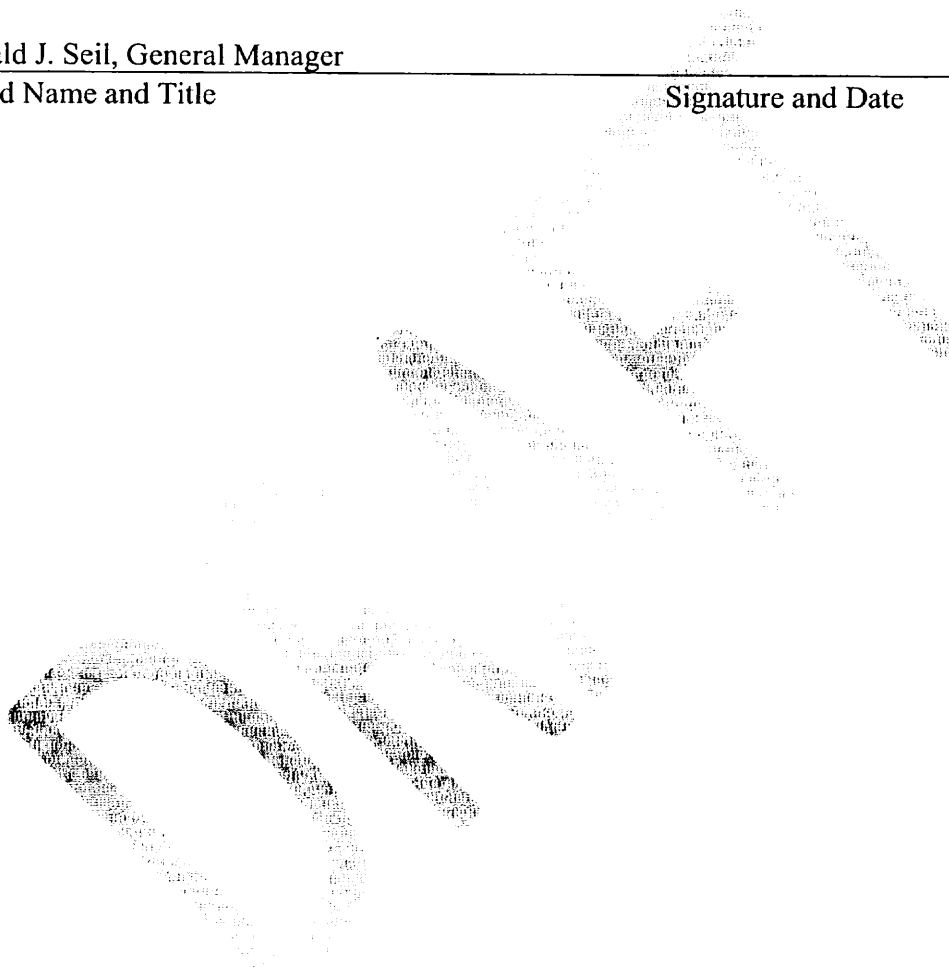
Evidence of Agreement – SDIY:

I, Donald J. Seil, am an employee of San Diego and Imperial Valley Railroad and am authorized to sign this letter of agreement on its behalf, hereby declare that SDIY concurs with the proposed project described above.

Donald J. Seil, General Manager

Typed Name and Title

Signature and Date

A large, faint, and illegible stamp or signature is visible in the center of the page, spanning across the signature and date lines. It appears to be a stylized, possibly mirrored or reversed, representation of text or a logo, but it is too light and blurry to read.

Evidence of Agreement - MTS:

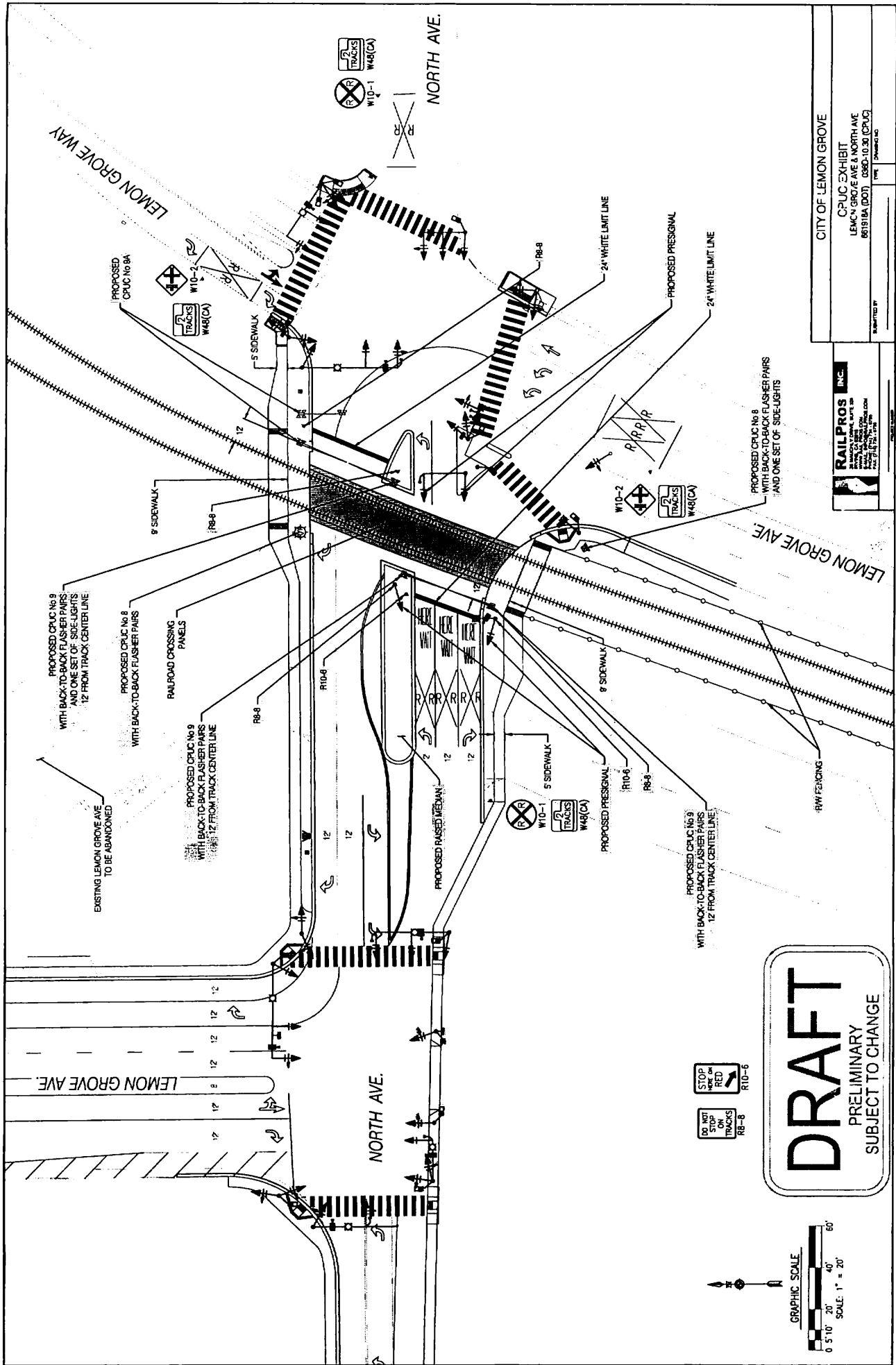
I, Wayne Terry, am an employee of MTS and am authorized to sign this letter of agreement on its behalf, hereby declare that MTS concurs with the proposed project described above.

Wayne Terry, Vice President of Operations

Typed Name and Title

Signature and Date





Agenda

Item No. 6d

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

SDAE 710.1 (PC 50771)

July 20, 2010

SUBJECT:

THE CITY OF LEMON GROVE MAIN STREET PROMENADE PROJECT

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

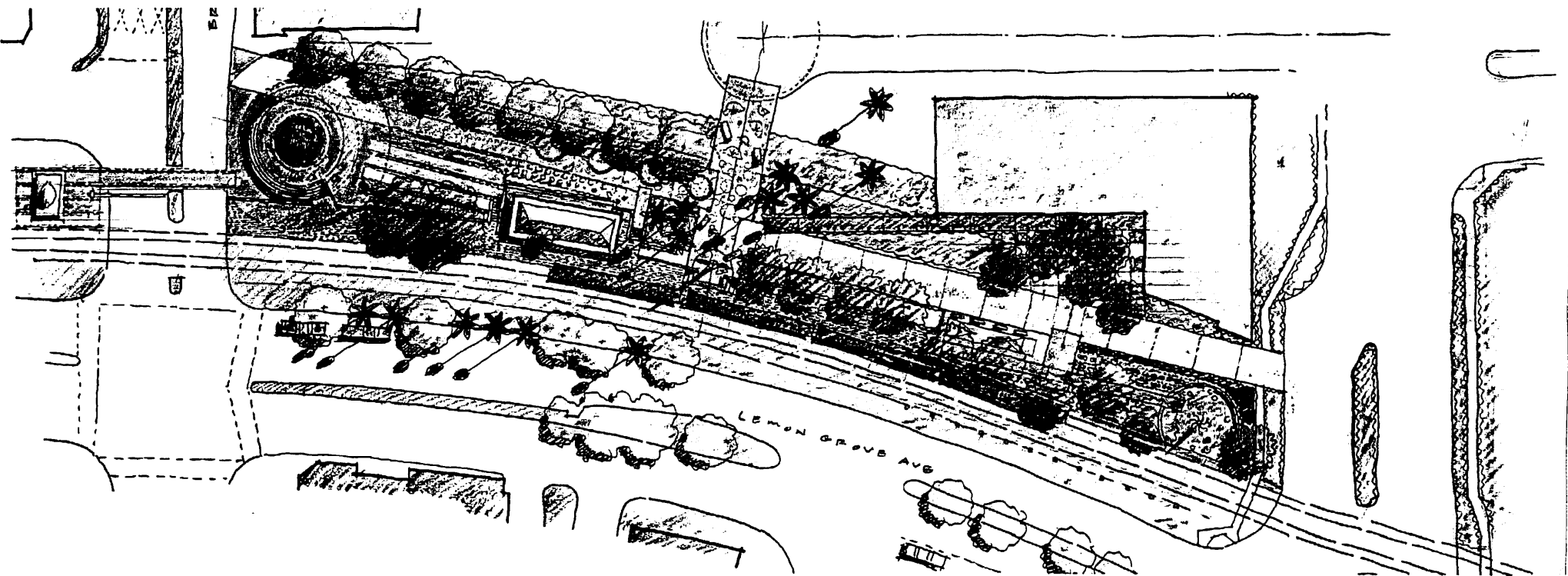
The City of Lemon Grove is working with a team to develop an area of its downtown located adjacent to the Lemon Grove Trolley Station immediately to the west of the station (between Broadway, Olive Avenue, and North Avenue). As part of the development proposal, the project contemplates a pedestrian promenade over the future vacated Main Street with connectivity to the existing trolley platform. The promenade would create a public plaza that integrates the existing station into the new mixed-use development.

The City of Lemon Grove asked for support of the project to seek additional public funds to supplement an awarded state infill infrastructure grant. The SD&AE Board approved this request at its July 15, 2008, meeting and subsequent MTS approval was granted by the MTS Board of Directors at its August 21, 2008, meeting.

The design team for the project has completed its design concept analysis (attached) and will present the proposal to the Board for comments.

JULY20-10.6d.CITY LEMON GROVE
MAIN ST.TALLISON.doc

Attachment: Design Concept





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

FIN 305

August 19, 2010

SUBJECT:

MTS: INVESTMENT REPORT – JUNE 2010

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A is a report of MTS investments as of June 2010. The combined total of all investments has increased by \$700,000 in the current month attributable to normal variability in the timing of payments and receipts and market value adjustments to investment balances.

The first column provides details about investments restricted for capital improvement projects and debt service—the majority of which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities. The second column (unrestricted investments) reports the working capital for MTS operations for employee payroll and vendors' goods and services.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.7.JUNE INVESTMT RPT.LMUSENGO.doc

Attachment: A. Investment Report

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

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



**San Diego Metropolitan Transit System
Investment Report
June 30, 2010**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 1,482,016	\$ 13,677,033	\$ 15,159,049	0.00%
Total Cash and Cash Equivalents	<u>1,482,016</u>	<u>13,677,033</u>	<u>15,159,049</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,257,200		2,257,200	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	<u>2,548,338</u>		<u>2,548,338</u>	0.53%
Total Cash - Restricted for Capital Support	<u>4,805,538</u>	<u>-</u>	<u>4,805,538</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)		29,105,692	29,105,692	0.53%
Bank of New York				
Total Investments - Working Capital	<u>-</u>	<u>29,105,692</u>	<u>29,105,692</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	35,941,175	-	35,941,175	
Rabobank - Payment Undertaking Agreement	<u>83,556,240</u>	<u>-</u>	<u>83,556,240</u>	7.69%
Total Investments Restricted for Debt Service	<u>119,497,414</u>	<u>-</u>	<u>119,497,414</u>	
Total cash and investments	<u><u>\$ 125,784,969</u></u>	<u><u>\$ 42,782,725</u></u>	<u><u>\$ 168,567,694</u></u>	

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



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Agenda

Item No. 8

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

SRTP 830

August 19, 2010

SUBJECT:

MTS: SEPTEMBER 2010 MINOR SERVICE ADJUSTMENTS

RECOMMENDATION:

That the Board of Directors receive a report on minor service adjustments to be implemented in September 2010.

Budget Impact

The service changes implemented during the September shake-up are expected to result in additional annual operating costs of \$1.3 million.

DISCUSSION:

Changes to bus and trolley services are implemented three times a year in the fall, winter, and summer. These regularly scheduled service changes provide us with opportunities to improve the service, operation, and schedules of the transit system consistent with service evaluation and customer comments and implement actions from the annual budget process. The next scheduled date for implementing transit service changes is Sunday, September 5, 2010. All changes are minor adjustments, which is defined in MTS Policy No. 42 as any service change affecting 25 percent or less of a route's weekly in-service miles or hours and therefore do not require public hearing.

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



Service Adjustments

1. *Demand-Based Service Adjustments:* The receipt of unbudgeted transit assistance funds from the State of California in June provided some flexibility to apply resources to the existing MTS system. This enables MTS to implement improvements in September 2010, including modifying service to respond to complaints received since the February 2010 weekend service reductions and provide more capacity where warranted—especially on Sundays.
 - Route 1 (Hillcrest - La Mesa): Sunday midday service to be extended from Downtown La Mesa to the Grossmont Transit Center in response to numerous requests for bus service to Grossmont Hospital and Grossmont Shopping Center.
 - Route 4 (Downtown - Skyline Hills): Sunday afternoon frequency to be increased from hourly to every 30 minutes due to passenger loads and demand.
 - Route 6 (North Park - Mission Valley): Sunday frequency to be increased from hourly to every 30 minutes and an additional later trip added due to passenger loads and demand.
 - Route 7 (Downtown – La Mesa): Sunday frequency to be increased from every 20 minutes to every 15 minutes due to passenger loads and demand. This should also substantially help reliability.
 - Route 11 (SDSU – Skyline Hills via Downtown): A Sunday Route 11 shuttle route will operate hourly to replace discontinued Route 11 service between Hillcrest, University Heights, and Normal Heights.
 - Route 13 (National City – Grantville): Sunday frequency to be increased from hourly to every 30 minutes due to passenger loads and demand.
 - Route 30 (Downtown – UTC): The weekend routing, which currently operates only between Old Town and the V.A. Medical Center, will be extended back to UTC to better reduce inconvenience and delays to passengers making connections.
 - Route 703 (Chula Vista): A later-evening trip is added on Sunday due to passenger loads and demand.
 - Route 832 (Santee): Sunday service on this route will be restored providing some limited Sunday bus service in Santee.
 - Route 833 (El Cajon - Santee): Sunday service on this route will be restored providing bus access to northern El Cajon and adding capacity between the El Cajon Transit Center and Parkway Plaza.

- Route 901 (Downtown – Iris Avenue Trolley Station via Coronado): The Sunday routing currently operates only every two hours south to Imperial Beach from Coronado, and only selected trips serve all the way to Iris Trolley Station. In September, all Sunday trips will be restored to Iris Avenue Trolley Station, which will greatly improve mobility and the utility of the route.
 - Route 929 (Downtown – Iris Avenue Trolley Station via National City, Chula Vista): The Sunday routing currently operates only between Iris Avenue Trolley and 8th Street Trolley Station in National City. In September, all Sunday trips will be restored to Downtown San Diego, which will provide a bus connection between National City, Barrio Logan, and Downtown San Diego.
 - Route 992 (Downtown – Airport): The weekday routing, which currently operates into Downtown San Diego only to Fourth Avenue, will be extended east to the City College Trolley Station allowing much better connections to routes that only serve the east side of downtown and matching the weekend routing.
2. Seasonal Service Adjustments: Frequency on Routes 8 (Mission Beach) and 9 (Pacific Beach) will adjusted for lower winter season demand, and the seasonal weekend summer schedule on Route 27 (Pacific Beach-Kearny Mesa) will end. Route 7 (Mid-City) will receive additional trips to address greater demand from students during the school year.
 3. Minor Schedule Adjustments to Routes 1, 4, 7, and 15: These changes aim to increase on-time performance and reliability and to improve network connections. This entails modifying time points, adjusting running times, shifting trip times, or minor routing adjustments.
 4. Super Loop/University City Changes: Working with San Diego Association of Governments (SANDAG) staff, MTS developed a trial change to the Super Loop routing, which should better serve and increase the Super Loop ridership and save costs on MTS Route 30. The La Jolla Colony area south of Nobel Drive in University City is currently served by regional Route 30. This change will shift the La Jolla Colony area to the Super Loop, which runs more frequently, allowing Route 30 to resume its former and more direct path on La Jolla Village Drive. After this six-month trial period, SANDAG will evaluate whether to permanently alter the Super Loop route or to resume the Super Loop's originally planned routing directly across Nobel Drive.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.8.MINOR SVC CHGS SEPT 2010.DDESMOND.doc

Attachment: A. September 2010 Service Change Take One



Cambios en el servicio de septiembre 2010

Puesto hasta 13/9/10



September 2010 Service Changes

Post until 9/13/10

En vigor a partir del 5 de septiembre del 2010 • Horario del Día del Trabajo adentro (06/09/2010)

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

La junta directiva de MTS está dedicada a aumentar los servicios como vayan mejorando las condiciones económicas. Mejoras económicas modestas y el proporcionamiento de un poco de financiamiento transito del estado de California permite a MTS restaurar algunos servicios y mejorar los horarios para mejor fiabilidad.

Todos los cambios de horario entrarán en vigor el domingo, 5 de septiembre del 2010, a menos de que se denote lo contrario. Favor de llevarse un horario nuevo para las rutas con cambios, como se detalla a continuación:

Interrupciones del servicio Trolley

Interrupciones del servicio los fines de semana en la Blue Line del Trolley a partir del mes de septiembre.

Planee para retrasos de viaje. Autobuses de enlace serán ofrecidos. Para más información, vea el Tome Uno de la renovación del Trolley, visite www.sdmts.com o llame la línea directa del Trolley al 619-557-4533.

RUTA DESCRIPCIÓN DE CAMBIOS

- 1 El servicio de **entre semana** tiene cambios de horario a fin de mejorar su fiabilidad. También, ajustes menores en el horario **sabatino**. Asimismo, se prolonga el servicio **dominical** a Grossmont Trolley Station durante el mediodía.
- 4 El servicio de **entre semana** tiene cambios de horario a fin de mejorar su fiabilidad. Se aumenta la frecuencia **dominical** en la tarde a cada 30 minutos.
- 6 Se aumenta el servicio **dominical** a cada 30 minutos y se agrega un viaje adicional en la tarde de Fashion Valley a North Park.
- 7 Se modifica el servicio **sabatino** a fin de mejorar su fiabilidad. Los viajes cortos los sábados finalizarán en la avenida College, en lugar de la calle 69. Se aumenta la frecuencia **dominical** a cada 15 minutos y se modifica el servicio a fin de mejorar su fiabilidad.
- 8 **Cambios significativos al horario.** La frecuencia de servicio diario es cada 20-30 minutos, dependiendo de la hora y la dirección. Vea el nuevo horario para mayores detalles.
- 9 **Cambios significativos al horario.** La frecuencia de servicio diario es cada 20-30 minutos, dependiendo de la hora y la dirección. Vea el nuevo horario para mayores detalles.
- 11 Se agrega servicio **dominical** entre Hillcrest y Normal Heights (la ruta 11u), a través de la avenida University, el Park Blvd. y la avenida Adams (hasta la calle 39). Para el servicio en dirección oriente desde las avenidas quinta y University, aborde en la esquina norte de la quinta avenida. Para servicio entre la Ruta 11 en el centro y la ruta 11u en Hillcrest, use las Rutas 3 o 120.

Rutas continúan en el otro lado →

Effective September 5, 2010

Labor Day Schedule Inside (9/6/2010)

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

The MTS Board of Directors is dedicated to increasing services as economic conditions improve. Modest economic gains and the receipt of some transit funding from the State of California allows MTS to restore some services and enhance schedules for better reliability.

All schedule changes take effect on Sunday, September 5, 2010, unless otherwise noted. Please be sure to pick up a new timetable for the routes with changes, as listed below:

Trolley Closures

Weekend closures on the Trolley Blue Line begin in **September**. Plan for travel delays. **Bus shuttles will be provided.** For more information, see Trolley Renewal Take One, go to www.sdmts.com or call the Trolley Hotline at 619-557-4533.

ROUTE DESCRIPTION OF CHANGES

- 1 **Weekday** service has schedule revisions to improve reliability. Also, minor **Saturday** schedule adjustments. **Sunday** service is extended to Grossmont Trolley Station during the midday.
- 4 **Weekday** service has schedule revisions to improve reliability. **Sunday** afternoon frequency is increased to every 30 minutes.
- 6 **Sunday** frequency is increased to every 30 minutes and one later trip is added from Fashion Valley to North Park.
- 7 **Saturday** service is rescheduled to improve reliability. Short Saturday trips will end at College Avenue instead of 69th Street. **Sunday** frequency is increased to every 15 minutes and the service is rescheduled to improve reliability.
- 8 **Major schedule revisions.** On all days, frequency of service is every 20-30 minutes, depending on time of day and direction. See new timetable for details.
- 9 **Major schedule revisions.** On all days, frequency of service is every 20-30 minutes, depending on time of day and direction. See new timetable for details.
- 11 **Sunday** service is added between Hillcrest and Normal Heights as Route 11u, via University Ave., Park Blvd., and Adams Ave. (to 39th St.). For eastbound service from 5th and University Avenues, board on the northbound 5th Avenue corner. For service between Route 11 in downtown and Route 11u in Hillcrest, use Routes 3 or 120.

Routes continue on other side →

RUTA DESCRIPCIÓN DE CAMBIOS

13	Se aumente la frecuencia dominical a cada 30 minutos. También, ajustes menores en el horario de entre semana .
15	Habrà ajustes menores en el horario en todos los días .
20	Habrà ajustes en el horario en la mañana de entre semana .
27	El servicio de verano concluirà después del día del trabajo. A partir del domingo 12 de septiembre del 2010, se discontinúa el servicio dominical . Asimismo, el servicio sabatino re-iniciará su frecuencia de 90 minutos.
30	Entre semana , el servicio entre el centro médico V.A. y el centro de tránsito UTC cambiará para viajar por La Jolla Village Drive en lugar de Nobel Dr. y La Jolla Colony. Se reemplazará el servicio en Nobel Drive y por La Jolla Colony con las rutas 201/202 (Super Loop) modificada. Se consolidarán las paradas de autobús en La Jolla Colony, por lo tanto, revise el nuevo horario de la ruta 201/202 para mayor información. Favor de notar que el servicio entresemana tiene otros ajustes menores de horario. También, se prolonga el servicio de sábado y domingo , del centro médico V.A. al centro de tránsito UTC, a través de La Jolla Village Drive.
201/202	La ruta se prolonga todos los días , al sur de Nobel Drive para servir La Jolla Colony, reemplazando a la ruta 30 entre semana y añadiendo servicio de fin de semana a la zona. Se consolidarán las paradas de autobús en La Jolla Colony, por lo tanto revise el nuevo horario para mayor información.
703	Se agrega un viaje de ida y vuelta aún más tarde (ruta únicamente los domingos).
832	Se agrega servicio dominical con una frecuencia de cada hora, desde aproximadamente 9am a 5pm. También, se ajusta el primer viaje de entre semana para enlazar con la ruta 834.
833	Se agrega servicio dominical con una frecuencia de cada hora, desde aproximadamente 9am a 5pm.
870	Se agrega un nuevo servicio en dirección contraria , con dos viajes de Kearny Mesa a El Cajon por la mañana, y un viaje de El Cajon a Kearny Mesa por la tarde. Vea el horario para mayores detalles.
901	Todos los viajes dominicales se prolongan para operar entre 12th/Imperial Transit Center y Iris Ave. Trolley Station.
929	Se prolonga el servicio dominical para operar hacia y saliendo de City College Trolley Station, en lugar de 8th Street Trolley Station.
992	Se prolonga el servicio de entre semana de Broadway/cuarta avenida a la City College Trolley Station. Para el servicio de la cuarta avenida hacia el aeropuerto, aborde en la Broadway en dirección poniente, esquina con la cuarta avenida.

HORARIO DEL DÍA DEL TRABAJO

Servicio	DÍA DEL TRABAJO (lunes, 6 septiembre del 2010)
Autobuses y Trolleys de MTS	Horario del domingo*
Ruta de MTS 888	Operará el martes 07/09/10 en vez
NCTD SPRINTER, BREEZE	Horario del domingo
NCTD COASTER	No hay servicio*
Información telefónica: (511)	8:00 am - 5:00 pm
The Transit Store	Cerrado
MTS Access/ADA Suburbano	Se cancelan las suscripciones. Los pasajeros con suscripciones que aún deseen servicio deben llamar para programar su transporte.

*El servicio de Trolley y COASTER de evento especial para el día de juego operará para el juego de los Padres de las 7:05 pm. Visite www.sdmts.com para mayores detalles sobre el servicio de evento.

ROUTE DESCRIPTION OF CHANGES

13	Sunday frequency is increased to every 30 minutes. Also, minor weekday schedule adjustments.
15	Minor schedule adjustments on all days .
20	Weekday morning schedule adjustments.
27	Summer-only Sunday service ends after Labor Day. Effective Sunday, September 12, 2010, Sunday service is discontinued. Also, Saturday service resumes 90-minute frequency.
30	On weekdays , service between the V.A. Medical Center and UTC Transit Center is changed to operate on La Jolla Village Drive instead of Nobel Dr. and La Jolla Colony. Service on Nobel Drive and through La Jolla Colony will be replaced by a revised Route 201/202 (Super Loop). Bus stops in La Jolla Colony will be consolidated, so see a new Route 201/202 timetable for information. Please note that weekday service has other minor schedule adjustments. Also, on Saturday and Sunday , service is extended from the V.A. Medical Center to the UTC Transit Center, via La Jolla Village Drive.
201/202	On all days , the route is extended south from Nobel Drive to serve La Jolla Colony, replacing the weekday Route 30 and adding weekend service to the area. Bus stops in La Jolla Colony will be consolidated, so please see a new timetable for information.
703	One later round trip is added (Sunday-only route).
832	Sunday service is added with an hourly frequency from approximately 9am to 5pm. Also, the first weekday trip is adjusted to connect with Route 834.
833	Sunday service is added with an hourly frequency from approximately 9am to 5pm.
870	New reverse-direction service is added, with two trips from Kearny Mesa to El Cajon in the morning, and one trip from El Cajon to Kearny Mesa in the afternoon. See timetable for details.
901	All Sunday trips are extended to operate between 12th/Imperial Transit Center and Iris Avenue Trolley Station.
929	Sunday service is extended to operate to and from City College Trolley Station, instead of 8th Street Trolley Station.
992	Weekday service is extended from Broadway/4th to the City College Trolley Station. For service from 4th Avenue towards the airport, board on westbound Broadway at 4th Avenue.

LABOR DAY SCHEDULE

Service	LABOR DAY (Monday, September 6, 2010)
MTS Buses & Trolleys	Sunday schedule*
MTS Route 888	Will operate on Tuesday 9/7/10 instead
NCTD SPRINTER, BREEZE	Sunday schedule
NCTD COASTER	No service*
Telephone Info: (511)	8:00 am - 5:00 pm
The Transit Store	Closed
MTS Access/ADA Suburban	Subscriptions are cancelled. Subscription passengers who still want service must call to arrange their transportation.

*Special event game day Trolley and COASTER service will operate for the 7:05 pm Padres game. Go to www.sdmts.com for event service details.



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Agenda

Item No. 9

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

LEG 491 (PC 50633)

August 19, 2010

SUBJECT:

MTS: INCREASED AUTHORIZATION FOR LEGAL SERVICES - WHEATLEY
BINGHAM & BAKER

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into MTS Doc. No. G1111.16-07 (in substantially the same form as Attachment A) with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

Budget Impact

Not to exceed \$145,000 for Wheatley Bingham & Baker. The recommended amount is contained within the FY 2011 budget.

DISCUSSION:

On January 18, 2007, the Board approved a list of qualified attorneys for general liability and workers' compensation for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies) staffs on an as-needed basis. Thereafter, MTS began to contract with approved attorneys for various amounts depending upon current and anticipated needs.

Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000. All attorneys listed have multiple cases that are

scheduled to proceed to trial, and the total cost of their legal services will exceed the CEO's authority.

Wheatley Bingham & Baker is currently under contract with the Agencies for \$1,425,000. Attorney Roger Bingham has successfully defended the Agencies in a number of tort liability matters. Pending future invoices for two open matters heading for trial along with past billings are anticipated to exceed current contract authority.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1111.16-07 (Attachment A) with Wheatley Bingham & Baker, for legal services and ratification of prior contracts/amendments entered into under the CEO's authority.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.9.LEGAL SVCS.WHEATLEY
BINGHAM BAKER.JDOW.doc

Attachment: A. MTS Doc. No. G1111.16-07

DRAFT

August 19, 2010

MTS Doc. No. G1111.16-07
LEG 491 (PC 50633)

Mr. Roger Bingham
Wheatley Bingham & Baker
1201 Camino Del Mar, Suite 201
Del Mar, CA 92014-2569

Dear Mr. Bingham:

Subject: AMENDMENT NO. 16 TO MTS DOC. NO. G1111.0-07: LEGAL SERVICES - GENERAL
LIABILITY

This letter will serve as Amendment No. 16 to MTS Doc. No. G1111.0-07. This contract amendment authorizes additional costs not to exceed \$145,000 for professional services. The total value of this contract, including this amendment, is \$1,570,000. Additional authorization is contingent upon MTS approval.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Roger Bingham
Wheatley Bingham & Baker

Date: _____

AUG19-10.9.AttA.G1111.16-07.
WHEATLEY BINGHAM BAKER.JDOW.doc



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Agenda

Item No. 10

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

LEG 490 (PC 50121)

August 19, 2010

SUBJECT:

MTS: INCREASED AUTHORIZATION FOR LEGAL SERVICES – NOSSAMAN, LLP

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into MTS Doc. No. G1344.0-11 (in substantially the same form as Attachment A) with Nossaman, LLP for legal services regarding light rail vehicle transaction agreements and ratify prior amendments entered into under the CEO's authority.

Budget Impact

Not to exceed \$125,000 for Nossaman, LLP. The recommended amounts should be contained within the FY 2011 budget.

DISCUSSION:

On January 18, 2007, the Board approved a list of qualified attorneys for general liability and workers' compensation for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies) staffs on an as-needed basis. Thereafter, MTS began to contract with approved attorneys for various amounts depending upon current and anticipated needs.

Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000. Attorneys listed would be tasked to assist in drafting purchase and sale agreements for light rail vehicles, and the total cost of legal services with Nossaman, LLP would exceed the CEO's authority.



Nossaman, LLP is currently under contract (MTS Doc. No. G1238.0-09) with the Agencies for \$100,000. This firm has successfully assisted the Agencies in matters involving pension obligation bonds. Pending invoices for open matters, past billings, and light rail transaction services are anticipated to exceed the current contract authority.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1344.0-11 with Nossaman, LLP for legal services and ratification of prior contracts/amendments involving Nossaman, LLP entered into under the CEO's authority.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.10.LEGAL SVCS.
NOSSAMAN G1344.0-11.JDOW.doc

Attachment: A. MTS Doc. No. G1344.0-11

DRAFT

Att. A, AI 10, 8/19/10

STANDARD SERVICES AGREEMENT

G1344.0-11
CONTRACT NUMBER
LEG 490 (PC 50121)
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2010, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Nossaman, LLP

Address: 445 S. Figueroa Street, 31st Floor

Form of Business: Partnership
(Corporation, partnership, sole proprietor, etc.)

Los Angeles, CA 90071

Telephone: 213.612.7895

Authorized person to sign contracts: Kathryn Pett
Name

Attorney
Title

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

Provide legal services as directed by the General Counsel regarding railroad law and light rail vehicle transaction agreements in accordance with the Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be \$450 per hour for Kathryn Pett (any other attorneys must be preapproved by MTS).

This contract shall remain in effect through January 18, 2012. The total cost of this Agreement shall not exceed \$25,000 without the express written consent of MTS.

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
\$25,000	50121-53910	2011

By: _____
Chief Financial Officer

_____ Date

(___ total pages, each bearing contract number)

A-1



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Agenda

Item No. 11

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

OPS 970.6

August 19, 2010

SUBJECT:

MTS: LRV FLEET-CLEANING SERVICES - EXERCISE CONTRACT OPTION YEAR TWO

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute option year two of MTS Doc. No. L0782.0-07 (in substantially the same format as Attachment A) with NMS Management, Inc. for light rail vehicle (LRV) fleet-cleaning services.

Budget Impact

The total cost for the second option year would not exceed \$924,502.58. Over the past four years, the yearly contract pricing has remained unchanged at \$897,575.32 per year. Exercising the final option year (option year two) would have a 3% increase in price when compared to the previous year pricing. Approval of this amendment would increase the total contract value by \$924,502.58 (from \$3,590,301.28 to \$4,514,803.86). The expenditure would come from San Diego Trolley, Inc.'s operating budget (Cost Center 352 Expense Element 53615).

DISCUSSION:

On June 14, 2006, MTS issued a Request for Proposals (RFP) under MTS Doc. No. G1031.0-07 for janitorial services, transit center maintenance, and LRV cleaning for a three-year base period with 2 one-year options.

- Base Period: October 1, 2006 - September 30, 2009
- Option Year One: October 1, 2009 - September 30, 2010
- Option Year Two: October 1, 2010 - September 30, 2011



The Scope of Work was separated into four groups to maximize competition. Participants were allowed to propose on all groups, a combination of groups, or a single group.

The grouping was established as follows:

- Group I - Janitorial Services for MTS Bus

This group included all janitorial services at both of MTS's bus-operating facilities.

- Group II - Janitorial Services for MTS Rail

This group included all janitorial services for Buildings A, B, and C, the yard observation tower, and the El Cajon Transit Center for MTS Rail.

- Group III - Transit Center Maintenance

This group included cleaning and pressure washing at various MTS transit centers.

- Group IV – LRV Cleaning

This group included daily, nightly, and periodical cleaning of all LRVs.

After MTS staff conducted proposal evaluations, it was determined that awarding two contracts would represent the overall best value to MTS. On September 28, 2006, the Board approved awarding the following two contracts:

1. Aztec Janitorial Services, Inc. for Groups I, II, and III identified above (MTS Doc. No. G1031.0-07); and
2. NMS Management, Inc. for Group IV (LRV fleet-cleaning services) (MTS Doc. No. L0782.0-07).

Therefore, staff is requesting Board approval to exercise option year two for Group IV LRV fleet-cleaning services (MTS Doc. No. L0782.0-07).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Lee Summerlott, 619.595.4904, lee.summerlott@sdmts.com

AUG19-10.11.LRV CLEANING SVCS.JMILLER.doc

Attachments: A. MTS Doc. No. L0782.2-07 for NMS Management, Inc.
B. Price Summary

DRAFT

August 19, 2010

MTS Doc. No. L0782.2-07
OPS 970.06

Mr. David S. Guaderrama
NMS Management, Inc.
155 West 35th Street, Suite D
National City, CA 91950

Dear Mr. Guaderrama:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. L0782.0-07; EXERCISE OPTION YEAR TWO
(FINAL OPTION YEAR)

In accordance with Article 2, "Changes," of the Standard Conditions Services of MTS Doc. No. L0782.0-07, MTS amends the Agreement to exercise option year two for Group IV - LRV Fleet Cleaning.

This Amendment shall consist of the following:

Exercise option year two (final option year)	<u>Unit Price</u>
Group IV - LRV Fleet Cleaning	\$924,502.58

SCHEDULE

Option year two period of performance: October 1, 2010 – September 30, 2011.

PAYMENT

As a result of this amendment, the total contract value has increased by \$924,502.58 from \$3,590,301.28 to \$4,514,803.86.

All other conditions remain unchanged. If you agree with the above, please sign below, and return the document marked "Original" to the Contract Specialist at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

David S. Guaderrama
NMS Management, Inc.

AUG19-10.11.AttA.NMS L0782.2-07.
LRV CLEANING.JMILLER.doc

Date: _____

NMS MANAGEMENT, INC.

PRICING FOR GROUP IV - LRV FLEET CLEANING	
CONTRACT YEARS 1:	\$ 897,575.32
CONTRACT YEARS 2:	\$ 897,575.32
CONTRACT YEARS 3:	\$ 897,575.32
TOTAL YEARS 1-3:	\$ 2,692,725.96
OPTION 1 - YEAR 4:	\$ 897,575.32
OPTION 2 - YEAR 5:	\$ 924,502.58
TOTAL OPTION YEARS 4 & 5:	\$ 1,822,077.90

GRANT TOTAL GROUP IV	
TOTAL CONTRACT VALUE BASE + OPTIONS \$ 4,514,803.86	



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Agenda

Item No. 25

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

LEG 461

August 19, 2010

SUBJECT:

MTS: PUBLIC HEARING REGARDING EQUIVALENT FACILITATION FOR LOW-FLOOR TROLLEY RAMPS (TIFFANY LORENZEN)

RECOMMENDATION:

That the Board of Directors:

1. receive public testimony;
2. adopt Resolution No. 10-21 (Attachment A) approving the proposed design for the new low-floor vehicles (SD-8) without barriers; and
3. authorize staff to submit a Request for Equivalent Facilitation to the Federal Transit Administration (FTA).

Budget Impact

None at this time. The design for an Americans with Disabilities Act- (ADA)-compliant ramp is included in the cost of the vehicle procurement.

DISCUSSION:

On March 5, 2009, in conjunction with San Diego Association of Governments (SANDAG) staff, MTS presented the Executive Committee with findings from the consultant's assessment of the light rail system's low-floor capability and vehicle procurement needs. On March 19, the staffs of the two agencies presented to the



Executive Committee a recommended implementation plan for execution of the Blue and Orange Line Rehabilitation Project and light rail vehicle (LRV) procurement. On March 26, the Board of Directors received a report and provided direction to staff regarding the consultant's recommendation for the procurement of shorter (82 feet v. 90 feet) LRVs and the Orange and Blue Line rehabilitation strategy based on funding availability and a project priority plan and phasing program.

Staff completed an agreement in August with the Utah Transit Authority to assume an option for a minimum of 57 (and up to 65) low-floor LRVs under its existing contract with Siemens. The CEO then conducted a two-day negotiation session with Siemens. The new SD-8 LRVs will be compatible with the existing fleet of 11 S70s and 52 SD 100s allowing the agency to operate low-floor LRVs on every consist in the system. The SD-8 LRVs mirror the look of the existing S70 fleet with respect to design and aesthetics with a car body length that is approximately 8 feet shorter to accommodate small block lengths in downtown San Diego.

On September 24, 2009, the Board of Directors authorized the CEO to execute a contract with Siemens to procure the vehicles contingent upon completion of FTA procurement requirements as well as execution of a Memorandum of Understanding (MOU) with SANDAG to fully fund the procurement. The contract with Siemens was executed on September 30, 2009, in the amount of \$224,000,000 along with an MOU between MTS and SANDAG to fully fund the procurement of the 57 low-floor vehicles.

The ADA requires that all public transportation vehicles meet certain accessibility requirements. One of those requirements pertains to the design of the low-floor vehicle ramps:

(a)(1) General. All new light rail vehicles, other than level entry vehicles, covered by this subpart shall provide a level-change mechanism or boarding device (e.g., lift, ramp or bridge plate) complying with either paragraph (b) or (c) of this section and sufficient clearances to permit at least two wheelchair or mobility aid users to reach areas, each with a minimum clear floor space of 48 inches by 30 inches, which do not unduly restrict passenger flow.

(c) Vehicle ramp or bridge plate--(1) Design load. Ramps or bridge plates 30 inches or longer shall support a load of 600 pounds, placed at the centroid of the ramp or bridge plate distributed over an area of 26 inches, with a safety factor of at least 3 based on the ultimate strength of the material. Ramps or bridge plates shorter than 30 inches shall support a load of 300 pounds. . . .

(4) Ramp barriers. Each side of the ramp or bridge plate shall have barriers at least 2 inches high to prevent mobility aid wheels from slipping off.

(49 C.F.R. § 38.83)

The design of the current SD-8 ramp proposes to utilize a ramp without the side barriers identified in section (4) of 49 C.F.R. § 38.38:



(Proposed Vehicle Configuration)

This is consistent with MTS's current vehicle configuration (pictured below) as well as the configuration of the low-floor vehicles being operated in Houston, Portland, and Utah. There are currently no low-floor vehicles being operated in the United States with barriers on low-floor boarding ramps. The primary reasons for this are: 1) safety concerns for ambulatory passengers, 2) design constraints with respect to a retractable side barrier; i.e. the barrier retracts when the ramp detracts, and 3) maintenance concerns; i.e., adding this component to the ramp may cause significant additional maintenance to be necessary.



(Current Vehicle Configuration)

The ADA requires that public transit agencies submit a Request for Equivalent Facilitation (REF) in order to obtain approval to procure and operate a low-floor vehicle with a barrierless ramp. As a condition precedent to submitting the REF to the federal Department of Transportation (DOT), public agencies are required to solicit public input on proposed alternative designs, consult with individuals with disabilities and groups representing them, and conduct a public hearing to take public comment on the proposed alternative design.

On July 15 and August 9, 2010, MTS conducted two community-outreach events giving disabled passengers the opportunity to try out a ramp configuration that included barriers and a second configuration that did not include barriers. As part of the outreach event, the MTS Marketing Department staff spoke with members of the Accessible Services Advisory Committee, Social Services Transportation Advisory Council, San Diego Center for the Blind, San Diego Regional Center for the Developmentally Disabled, Department of Rehabilitation, CalDiego Paralyzed Veterans, Muscular Dystrophy Association, Access to Independence, and Accessible San Diego soliciting participation in the outreach events and comments on the SD-8 ramp design.

The results of the outreach event are as follows:

WITHOUT Ramp Barriers		MANEUVERABILITY RESULTS*	
Trial Number	Start location	Pass	Fail (Comments)
1 up	Left	38	4
2 down	Left	41	1
3 up	Left	40	
4 down	Left	40	
5 up	Center	39	
6 down	Center	39	
WITH Ramp Barriers		MANEUVERABILITY RESULTS*	
Trial Number	Start location	Pass	Fail (Comments)
7 up	Center	39	
8 down	Center	39	
9 up	Right	39	
10 down	Right	40	2 - Went over flaps
11 up	Right	39	1
12 down	Right	39	

* Maneuver fails if a wheel, device end, or foot drops off of the edge of the ramp or if alighting is unsuccessful.

In addition to testing the SD-8 ramp with barriers and without, passengers were asked to answer four questions, and the results are as follows:

Question	Yes	No	Did not Answer
1. Did you feel comfortable while using the ramp today?	33	5	4
2. Did you feel safe while using the ramp today?	32	5	5
3. Would you feel more comfortable or safe if there was a 2-inch barrier on each side of the ramp?	18	16	8
4. Would you feel more comfortable or safe if the trolley doors were fully opened?	15	20	7

Patrons were also asked to explain the justification for their answers. The following is a summary of those results:

- Eleven participants commented that adding a 2-inch barrier would present a tripping hazard for ambulatory passengers as well as a potential obstacle for individuals utilizing wheelchairs. Two participants commented that they would like the barriers to be included on the ramp.
- Most participants indicated that they like the ramp much better than the lift; some participants commented that they would prefer level boarding rather than the ramp because the angle of the ramp was too steep.
- Several passengers commented that they preferred the proposed new configuration with the doors only opening to the width of the ramp; one person commented they would prefer the doors open all the way to accommodate their belongings.
- Several passengers commented that the wider ramp was definitely more preferable to the existing S70 ramp with a few participants commenting that they would like the ramp even wider.

Based on the results of the outreach events (there was not a statistically significant difference between the ramp tests with and without barriers or the survey questions with or without barriers), while taking into consideration the comments provided at today's public hearing, the safety concerns, design constraints, and maintenance issues, staff is recommending that the Board approve by resolution the proposed SD-8 ramp design without barriers by adopting Resolution No. 10-21 and authorize staff to submit a Request for Equivalent Facilitation to the FTA.

 Sharon Cooney for

Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Tiffany Lorenzen, 619.557.4512, tiffany.lorenzen@sdmst.com
Wayne Terry, 619.595.4906, wayne.terry@sdmts.com

AUG19-10.25.REQUESTEQUIVALENTFACILITATION.TLOREN.doc

Attachment: A.Resolution No. 10-21

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 10-21

A Resolution Approving the Design of the SD-8 Low-Floor Vehicle Ramp without Barriers

WHEREAS, the Americans with Disabilities Act (ADA) requires that public transit agencies submit a Request for Equivalent Facilitation in order to obtain approval to procure and operate a light rail vehicle ramp that does not have 2-inch barriers, and

WHEREAS, MTS conducted two community-outreach events giving disabled passengers the opportunity to try out a ramp configuration that included barriers and a second configuration that did not include barriers. As part of the outreach event, MTS staff spoke with members of the Accessible Services Advisory Committee, Social Services Transportation Advisory Council, San Diego Center for the Blind, San Diego Regional Center for the Developmentally Disabled, Department of Rehabilitation, CalDiego Paralyzed Veterans, Muscular Dystrophy Association, Access to Independence, and Accessible San Diego soliciting participation in the outreach events and comments on the SD-8 ramp design, and

Whereas, MTS solicited public input on the proposed alternative designs, consulted with individuals with disabilities and groups representing them, and conducted a public hearing to take public comments on the proposed alternative design. NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by a vote of two-thirds or more of all of the members of the San Diego Metropolitan Transit System Board of Directors, hereinafter "Board," as follows:

Based on the results of the outreach events (there was no statistically significant difference between the ramp tests with and without barriers or the survey questions with or without barriers), while taking into consideration the comments provided at today's public hearing, the safety concerns, design constraints, and maintenance issues, the Board hereby approves the proposed SD-8 ramp design without barriers and authorizes staff to submit a Request for Equivalent Facilitation to the FTA.

PASSED AND ADOPTED by the Board of Directors this ____ day of _____
2010 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

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Agenda

Item No. 30

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

August 19, 2010

SUBJECT:

MTS: STATE TRANSIT ASSISTANCE AND BUDGET UPDATES
(LARRY MARINESI AND CLIFF TELFER)

RECOMMENDATION:

That the MTS Board of Directors distribute \$18,806,783 in State Transit Assistance (STA) funds as follows:

1. Replenish \$4,371,345 to the Capital Improvement Program (CIP) as detailed in Table 1 (on page 2);
2. Pay down the Dexia variable loan by an additional \$7,217,719; and
3. Retain the remaining \$7,217,719 to assist in operating budget balancing in fiscal years 2011 and 2012.

Budget Impact

\$18,806,783 in STA funding was received and requires MTS Board approval for distribution.

DISCUSSION:

Staff met with the Budget Development Committee (BDC) on Monday, August 2, 2010, to discuss updates to the fiscal year 2011 budget and STA-expected proceeds totaling \$18.8 million.



The MTS Board of Directors approved the fiscal year 2011 operating budget in June and amended the fiscal year 2011 capital budget in July. The FY 11 operating budget was approved shifting \$8.2 million from the CIP.

Since the operating budget was approved in June, staff has been made aware of two material adjustments that require modifications to the FY 11 operating budget.

1. The first adjustment is an additional one-time revenue stream of \$500,000 in nonoperating revenues due to higher FasTrak Program revenues than previously forecasted. The FY 11 operating budget assumed only the \$500,000 in recurring FasTrak Program revenues and MTS has been informed that an additional one-time amount of \$500,000 is available.
2. The second adjustment relates to a higher-than-anticipated actuarial cost for San Diego Transit Corporation's retirement plan. The recommended employer contribution is calculated at 22.708%. This is higher than the 17% that was assumed in the fiscal year 2011 operating budget, and the projected cost totals \$1.8 million.

These adjustments would create an approximate \$1.3 million budget shortfall in the current fiscal year and further increase the deficits in fiscal years 2012 – 2015. These future deficits range from \$12.8 million in FY 12 to \$17.6 million in FY 15.

MTS received \$18,806,783 in STA funds as part of the statewide legal settlement, and this funding is intended to cover fiscal years 2010 and 2011.

During the budget development process in the spring, the BDC provided direction that if STA revenues were received, the first priority was to repay the CIP needs that were originally shifted to balance the operating budget in fiscal year 2011. Staff reviewed all of the CIP needs and determined that only \$4.4 million of the \$8.2 million shifted to the operating budget was needed. During the August 2, 2010, BDC meeting, the BDC recommended that \$4.4 million (as detailed below) in STA would be reimbursed to the CIP.

Proposed Distribution of CIP Payback (Table 1)

FY11 Capital Project Categories	Approved 2011	Proposed 2011	Change
Major Land, Facility & Construction	\$ 31,507,000	\$ 35,662,000	\$ 4,155,000
<i>IAD HVAC and Roof Repairs</i>	<i>209,000</i>	<i>209,000</i>	<i>-</i>
<i>East County Facility Redevelopment</i>	<i>972,000</i>	<i>1,877,000</i>	<i>905,000</i>
<i>SBMF Land</i>	<i>-</i>	<i>300,000</i>	<i>300,000</i>
<i>SBMF Construction</i>	<i>1,817,000</i>	<i>4,767,000</i>	<i>2,950,000</i>
Rail Infrastructure	\$ 3,493,000	\$ 3,493,000	\$ -
LRV Components	\$ 5,010,000	\$ 5,010,000	\$ -
Revenue Vehicles	\$ 1,351,000	\$ 1,351,000	\$ -
Other Equipment & Installations	\$ 6,038,860	\$ 6,255,205	\$ 216,345
<i>SDTI Specialized Rail Vehicles (4)</i>	<i>665,000</i>	<i>881,345</i>	<i>216,345</i>
Security Projects	\$ 7,715,450	\$ 7,715,450	\$ -
Miscellaneous Operating Capital	\$ 500,000	\$ 500,000	\$ -
Total Project Funding Available	\$ 55,615,310	\$ 59,986,655	\$ 4,371,345

Staff then provided the BDC with four distribution options for the remaining \$14,435,438 in STA funding:

1. Utilize the remaining funds to assist in FY 11, FY 12, and FY 13 budget balancing.
2. Use the remaining funds to pay down the Dexia variable loan.
3. Split the remaining funds to pay down the Dexia variable loan and assist in FY 11 and FY 12 budget balancing.
4. Provide additional funding to the CIP.

The BDC selected option 3 preferring to split the remaining STA funds utilizing \$7,217,719 to pay down the Dexia variable loan and assist in budget balancing for the current 2011 fiscal year and upcoming 2012 fiscal year. This option would allow for a shortening of the time line in MTS's variable debt payoff, which would save approximately \$1.3 million in interest expense over the life of the loan and provide flexibility over the next two years to assist in balancing MTS's operating budget needs.

Therefore, staff recommends that the MTS Board of Directors distribute \$18,806,783 in State Transit Assistance (STA) funds as follows:

1. Replenish \$4,371,345 to the Capital Improvement Program (CIP) as detailed in Table 1 (on page 2);
2. Pay down the Dexia variable loan by an additional \$7,217,719; and
3. Retain the remaining \$7,217,719 to assist in operating budget balancing in fiscal years 2011 and 2012.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Larry Marinesi, 619.557.4542, larry.marinesi@sdmts.com
Cliff Telfer, 619.557.4532, cliff.telfer@sdmts.com

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Agenda

Item No. 45

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

August 19, 2010

SUBJECT:

MTS: URBAN AREA TRANSIT STRATEGY AND 2050 REGIONAL TRANSPORTATION
PLAN UPDATE (DAVE SCHUMACHER OF SANDAG)

RECOMMENDATION:

That the Board of Directors receive a report on the San Diego Association of
Governments' (SANDAG's) long-range planning projects.

Budget Impact

None at this time.

DISCUSSION:

SANDAG staff will present an overview of the 2050 Regional Transportation Plan (RTP)
update process and the status of the Urban Area Transit Strategy.


Paul C. Jablonski
Chief Executive Officer

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Attachment: A. SANDAG Board Agenda Item No. 10-07-14 (7/23/10)



****REVISED****

**BOARD OF DIRECTORS
JULY 23, 2010**

**AGENDA ITEM NO. 10-07- 14
ACTION REQUESTED - ACCEPT**

**2050 REGIONAL TRANSPORTATION PLAN:
DRAFT UNCONSTRAINED TRANSPORTATION NETWORK**

File Number 3100500

Introduction

During the past few months, staff presented the initial 2050 Regional Transportation Plan (RTP) Unconstrained Highway and Transit Networks to the Board of Directors, Policy Advisory Committees (PACs), various SANDAG working groups, and at other public meetings for input. The basis of the draft 2050 Unconstrained Transportation Network presented in this report includes the "hybrid" transit scenario from the Urban Area Transit Strategy, highway improvements to serve people and goods, local streets and roads improvements, bicycle projects within the regional network, rail grade separations, and other management strategies.

Recommendation

The Transportation Committee recommends that the Board of Directors accept the draft Unconstrained Transportation Network for use in the development of the 2050 Regional Transportation Plan.

At its July 16, 2010, meeting, the Transportation Committee discussed the draft Unconstrained Transportation Network and recommended its approval for use in the development of the 2050 RTP. The Transportation Committee supported incorporating the additional ideas suggested by the transit operating agencies in the Unconstrained Transportation Network. Based on the Transportation Committee's discussion, staff ~~will~~ has prepared necessary modifications and related cost estimate refinements to the network and incorporated the updated information into this report ~~for~~ and will provide this updated information to the Board of Directors prior to the July 23, 2010, Board meeting.

Discussion

Draft Unconstrained Transportation Network

In developing the 2050 RTP, the Unconstrained Transportation Network represents the region's vision for transit, highway, and arterial improvements and operations to meet travel demand in 2050. Defining the Unconstrained Transportation Network is an important step in developing an updated RTP, because it establishes the broadest multimodal network from which revenue-constrained network scenarios will be developed.

Once the Unconstrained Transportation Network is defined, staff will prioritize all of the future projects in this network using the Board-approved transportation project evaluation criteria. Based on revenue projections to 2050, various revenue-constrained transportation network scenarios will be developed using this prioritized project list and other factors. The revenue-constrained network scenarios would attempt to build and operate as much of the Unconstrained Transportation

Network as possible, given revenue availability and flexibility, and project priorities. These scenarios would be evaluated using performance measures leading to the eventual selection of a preferred revenue-constrained scenario by the Board of Directors.

The draft Unconstrained Transportation Network totals approximately ~~\$115~~¹¹⁹ billion to ~~\$130~~¹³⁴ billion through 2050. Costs will continue to be refined during the development of the 2050 RTP.

Transit Network

As described in previous reports, the Urban Area Transit Strategy has served as the basis for development of the regional transit network for the 2050 RTP. Through the planning process, three transit network alternatives with a focus on the urban areas of the San Diego region were developed and tested. The alternatives were based on the following themes: "Transit Propensity" (expanding transit in the most urbanized areas), "Commuter Point-to-Point" (emphasizing quick access to work), and "Many Centers" (connecting local smart growth areas and activity centers). The overarching goal is to create a world-class transit system for the San Diego region in 2050 that significantly increases the use of transit, walking, and biking in the urbanized areas of the region, makes transit more time-competitive with the automobile, maximizes the use of transit during peak periods, and reduces greenhouse gas emissions and vehicle miles traveled in the region.

The best transit system strategies from each of the three alternatives, as well as ideas received from the SANDAG working groups, PACs, and through the public outreach process have been combined into a "Hybrid" 2050 Unconstrained Transit Network. The Unconstrained Transit Network is based on the following strategies and network assumptions:

- Strengthen the current transit network in communities that already have strong transit/land use integration. Improvements focus on:
 - Including local transit routes and service frequencies called for in the comprehensive operational analysis of the two transit agencies and further enhancing most local bus frequencies in the urban areas to 10-minute or better all-day frequencies,
 - Developing rapid bus services along major arterial corridors with 10-minute all-day frequencies, and
 - Adding streetcar and/or other shuttle/circulator services with 10-minute all-day frequencies to help improve intra-community circulation within smart growth centers.
- Interconnect the existing, most highly urbanized areas and future smart growth centers to each other and to major employment areas. Improvements focus on:
 - Double-tracking the COASTER, ~~and~~ completing the Del Mar and University Towne Centre COASTER tunnels to provide 15-minute all-day frequencies, and adding a permanent station at the Del Mar Fairgrounds and a new station at the Convention Center in Downtown San Diego,
 - Extending the SPRINTER to North County Fair and eastern Escondido, and double-tracking the SPRINTER to provide 7.5-minute all day frequencies,
 - Providing "Express" SPRINTER service to the Oceanside, Vista, and Escondido transit centers with 10-minute peak period frequencies and 15-minute off-peak frequencies,

- Building a Trolley tunnel and supporting bus tunnel in downtown San Diego to support enhanced operations of the Blue and Orange Trolley lines and support capacity needs for the extensive network of BRT/rapid bus routes that serve downtown San Diego.
- Increasing frequencies along the Orange, Blue, and Green Trolley lines to 7.5-minute all-day.
- Completing the Mid-Coast Light Rail Transit (LRT) extension to University City.
- Adding new LRT service with 10-minute or better all-day frequencies to better serve high-demand corridors, such as Mira Mesa, Kearny Mesa, Chula Vista, Pacific Beach, and Mid-City/Southeastern San Diego communities.
- Adding Express LRT service along the Blue Line from San Ysidro to UTC and along several other lines to facilitate faster long-distance trips.
- Adding a system of high-frequency, high-speed bus rapid transit (BRT) services with 10- to 15-minute peak and off-peak frequencies that will facilitate easy and convenient access across the region along freeway/Managed Lanes corridors and build a dedicated transitway between Kearny Mesa and downtown San Diego to facilitate several high-speed BRT and rapid bus routes that provide access to the job centers in Kearny Mesa, Sharp/Children's Hospital Complex, Mission Valley, University of California, San Diego (UCSD) Medical Center/Hillcrest, Bankers Hill, and downtown San Diego, and
- Adding select peak commuter BRT bus services with 10- or 15-minute peak directional frequencies that offer high-speed, one-seat ride travel to facilitate access to key regional employment centers, also using the Kearny Mesa transitway.
- Integrate high-speed rail (HSR) from Riverside County to the U.S./Mexico international border and add a commuter rail overlay service (similar to existing COASTER service) into the transit network. Improvements focus on:
 - Providing HSR stations in downtown Escondido and at San Diego International Airport, as assumed in the most recent California High-Speed Rail Authority alignment (subject to change) with service frequencies to be determined by the Authority; and
 - Adding commuter rail overlay stations along the Interstate 15 (I-15) and I-5 corridors at the following locations: Temecula, State Route 76 (SR 76), Escondido Transit Center, Mira Mesa, University City, Destination Lindbergh, 8th Street in National City, H Street in Chula Vista, the San Ysidro border crossing, the proposed cross-border terminal, and the Otay Mesa border crossing with 15-minute peak period services and 60-minute off-peak services.
- Emphasize improvements to the pedestrian environment in and around rail and bus station areas to maximize convenient and safe walking access to transit, and create interconnections between transit and the Regional Bike Plan as a means to facilitate access to transit stations from areas outside a walking distance and create new last-mile solutions.

A "subway-style" map illustrating the "Hybrid" draft 2050 Unconstrained Transit Network is included as Attachment 1. Attachment 2 contains the list of transit routes and headways for the draft 2050 Unconstrained Transit Network. The following table summarizes existing miles of transit service by mode, miles of transit service included in the *TransNet* Early Action Program (EAP), and additional miles of transit service included in the Hybrid Unconstrained Transit Network. The table has been revised for two reasons: first, to reflect corrections to initial numbers that were listed inaccurately (the revised numbers more accurately reflect one-way directional route miles), and

second, to capture the modified route mileage resulting from the improvements that were suggested by MTS and NCTD and incorporated into the Unconstrained Transit Network per the Transportation Committee's recommendation:

**Summary of Transit Miles
(One-Way Directional Route Miles by Mode)**

Mode	Existing Miles	<i>TransNet</i> EAP Miles	Additional Miles*	Total Miles
Commuter Rail/HSR	41 (COASTER)	None	78 75 (HSR and commuter rail overlay service)	119 116
LRT	86 82 (Trolley and SPRINTER)	11 (Mid-Coast Extension)	89 210	186 303
BRT	None today	82 (I-15 BRT to Downtown San Diego, I-15 BRT to UTC, and South Bay BRT)	158 263	240 345
Rapid Bus	5 (SuperLoop)	19 (Mid-City Rapid, Escondido Rapid, and additional SuperLoop)	226	250
Streetcar/Shuttle	None today	None	36 33	36 33

* Assumed in Hybrid Unconstrained Transit Network

Initial cost estimates for the Unconstrained Transit Network total approximately ~~\$36~~ 39 billion to ~~\$42~~ 16 billion. This range is based on an estimated range of ~~\$29~~ 33 billion to ~~\$34~~ 38 billion (or approximately ~~80~~ 85%) for capital costs (including vehicle replacement) and \$6 billion to \$8 billion (or approximately ~~20~~ 15%) for transit operating subsidy costs (total operating cost minus fare revenues).

~~SANDAG staff met with staff from the Metropolitan Transit System (MTS) and the North County Transit District (NCTD) to review the Hybrid Unconstrained Transit Network. MTS and NCTD staffs provided the following comments:~~

- ~~•Consider substituting the HSR extension from Lindbergh Field to South Bay with third track improvements that would allow for Express Trolley service along the Blue Line~~
- ~~•Consider express Trolley service on other existing and future LRT lines~~
- ~~•Include a bus tunnel in addition to the proposed Trolley tunnel in downtown San Diego to support capacity needs for the extensive network of proposed BRT/rapid routes that would serve downtown San Diego. Underground layover terminals would be included.~~
- ~~•Add streetcar/shuttle in the Mission Bay area~~
- ~~•Add a COASTER station at the Convention Center at Harbor Drive in downtown San Diego and a permanent COASTER station at the Del Mar Fairgrounds~~

- ~~Test a BRT line along the future SR-78 high occupancy vehicle (HOV) corridor~~
- ~~Test the extension of the SPRINTER line into eastern Escondido along Grand Avenue~~
- ~~Explore the concept of interoperable trains for "one-seat ride" rail service in the region to minimize the need for transfers, for example, between COASTER and SPRINTER services. (This would be explored as a vehicle technology improvement in the RTP.)~~

~~SANDAG staff supports these additions/modifications and proposes incorporating them into the Unconstrained Transit Network. At its July 16 meeting, the Transportation Committee recommended incorporating these additional suggestions from MTS and NCTD staffs. Staff will prepare any necessary updated maps, cost estimates, and mode share figures for consideration by the SANDAG Board of Directors at its July 23, 2010, meeting.~~

Presentations on the Unconstrained Transit Network will be made to the NCTD Board of Directors on July 22, 2010, and to the MTS Board of Directors in August.

Transit Mode-Share Goals

In June the Board of Directors accepted home-to-work, peak-period transit mode share goals for 14 geographic subareas within the urban area. The current transit mode share (2008) for the overall combined urban area is 5 percent. The mode-share goal accepted by the Board of Directors for the urban area in 2050 is a range of 10 percent to 15 percent. Attachment 3 provides a map that illustrates the mode-share goal ranges for each geographic subarea. Attachment 4 provides a table that delineates the mode-share goal ranges for each subarea along with projected mode shares in 2050 under the Transit Propensity, Commuter Point-to-Point, Many Centers, and the Hybrid Unconstrained Transit Network scenarios.¹

Initial analysis of the Hybrid Unconstrained Transit Network shows that the unconstrained network results in a 12 percent home-to-work, peak-period transit mode share in the urban area, coming in at the mid-point of the goal range accepted by the Board of Directors. Other mode-share data of interest include a projected 29 percent transit mode share in downtown San Diego under the Unconstrained Transit Network, compared to the goal of 30+ percent; a 16 percent projected mode share in the University City area compared to the goal range of 15 percent to 20 percent; and a 19-20 percent projected mode share in the central core area compared to the goal range of 20 percent to 25 percent (see Attachment 3 map for definition of areas).

Initial analysis also indicates that the Hybrid Unconstrained Transit Network more than doubles daily transit trips compared to the existing transit network (+145%) and increases transit trips beyond the Many Centers scenario (overall highest performing scenario of the three initial scenarios). Regional population during the same time period is projected to increase by 40 percent.

The data also indicates that a higher percentage of people would be accessing transit stations by walking/biking than by park and ride.

¹ Staff is in the process of refining the transportation model to more accurately assign transit trips originating and/or ending at the international U.S./Mexico border, the San Diego/Riverside County border, and the region's military facilities, which may have an effect on the mode share projections. Any significant differences in mode share projections will be posted to the SANDAG Web site, and will be used to further refine the Unconstrained Transit Network.

Over the next several weeks, staff will conduct a series of sensitivity tests to see how various operating plan and policy options could further affect home-to-work, peak-period transit mode share and system performance. These may include options such as increasing transit frequencies, increasing transit travel speeds, decreasing fares, testing a regional parking pricing policy, and adjusting land use assumptions around key transit corridors. Results from the sensitivity tests, ~~as well as the network suggestions by MTS and NCTD staffs,~~ will help staff refine the transit networks to attempt to meet the mode-share goals by geographic subarea. Indications from other peer cities that were evaluated as part of the Urban Area Transit Strategy show these factors can have a significant impact on transit usage.

Highway Network

Similarly to the process being proposed for the transit network, SANDAG and Caltrans staffs are analyzing potential modifications to the 2030 RTP Unconstrained Highway Network. These modifications are based on supporting proposed transit investments in key corridors and communities, while providing an adequate level of service for the overall transportation system. It is important to note that the 2030 RTP Unconstrained Highway Network includes an extensive Managed Lanes system that provides tremendous flexibility in serving transit and HOVs by maximizing the available rights-of-way in several of the region's major highway corridors. The goal in reviewing the highway network is to build upon this existing plan by integrating the revised transit network into it, thereby creating the most efficient and balanced transportation system.

Modifications to the 2030 RTP Unconstrained Highway Network include:

- Removal of the SR 54 outer loop extension from SR 125 to I-8 (I-8)²
- Removal of two HOV lanes on SR 52 from I-5 to I-805 and on SR 94 from SR 125 to Avocado Boulevard
- Additional operational improvements to I-5 from SR 15 to I-8 and to I-8 from I-5 to SR 67 and removal of two HOV lanes on I-5 and I-8 from I-5 to Los Coches³
- Removal of general purpose lane-widening (two lanes) on I-5 from I-8 to La Jolla Village Drive, I-805 from Telegraph Canyon Road to I-8, and SR 52 to La Jolla Village Drive, and SR 125 from I-8 to SR 52
- Additional operational improvements on SR 76 east of I-15

Remaining congested corridors that are proposed for further study include:

- SR 78 from I-5 to I-15⁴
- I-8 from I-5 to College Avenue

Initial cost estimates for the draft 2050 RTP Unconstrained Highway network total approximately \$26 billion to \$30 billion. A map of the draft 2050 Unconstrained Highway Network is included as Attachment 5.

² The City of El Cajon and County of San Diego concur with SANDAG and Caltrans' findings that the expansion of the SR 54 freeway between SR 125 and I-8 is not needed.

³ In the central I-5 and I-8 corridors, SANDAG and Caltrans' staffs believe that operational improvements will work as well or better than HOV lane improvements. The overall HOV system will still operate satisfactorily without these segments.

⁴ The SR 78 Corridor Study will be initiated in late July 2010.

Goods Movement

The draft unconstrained goods movement system consists primarily of road and truckway projects (accommodating over 90 percent of freight by volume) that comprise the backbone of the freight distribution network. The unconstrained system outlined in the draft 2050 Goods Movement Strategy (GMS) also includes several maritime, rail, border, air cargo, and pipeline related projects. The cost to implement the unconstrained goods movement project list is estimated at \$28 billion, including approximately \$22 billion in highway projects already identified in the draft Unconstrained Highway Network. Projects included in the GMS will be evaluated using updated evaluation criteria approved by the Board of Directors in June 2010.

Local Streets and Roads

The draft Unconstrained Transportation Network also includes improvements to the local streets and roads. The cost estimates for improvements to local streets and roads are currently being developed to incorporate into the 2050 RTP.

San Diego Regional Bicycle Plan

The San Diego Regional Bicycle Plan proposes a vision for a diverse regional bicycle system of interconnected bicycle corridors, support facilities, and programs to make bicycling more practical and desirable to a broader range of people in our region. The Board of Directors approved the San Diego Regional Bicycle Plan in May 2010. The cost to implement the Regional Bicycle Network is estimated at \$419 million. The projects will be prioritized, using previously approved evaluation criteria, for inclusion in the 2050 RTP. The San Diego Regional Bicycle Network is included as Attachment 6.

Intermodal Transportation Center

The draft Unconstrained Transportation Network also includes improvements to intermodal transportation centers, such as Destination Lindbergh and San Ysidro. The cost estimates are currently being developed to incorporate into the 2050 RTP.

Rail Grade Separations

The Transportation Committee approved the rail grade separation evaluation criteria in October 2009. These criteria will be used to create a prioritized list of potential grade-separation projects for the COASTER, SPRINTER, and Trolley corridors within the San Diego region for incorporation into the 2050 RTP. The cost estimates for the rail-grade separations are currently being developed.

Transportation Demand Management

The Transportation Demand Management (TDM) program at SANDAG, known as iCommute, provides sustainable and flexible transportation options to reduce peak-period traffic congestion. These programs include: vanpool, carpool, buspool, SchoolPool, Guaranteed Ride Home, telework, and bike programs, in addition to employer outreach, public education, and marketing. While transportation infrastructure, land use, and smart growth development patterns can take many years and resources to implement, TDM strategies are cost-effective, proven methods for reducing environmental pollutants and alleviating congestion more immediately. Consequently, TDM

programs are likely to play a larger role in achieving the near-term goals of the 2050 RTP. The cost of the TDM program is estimated at approximately \$730 million through 2050. The iCommute Strategic Plan currently under development will refine and prioritize the implementation of the various TDM programs.

Transportation System Management

Our existing transportation system represents a major investment of resources over the past several decades. While the RTP identifies additional infrastructure investments needed to meet future transportation needs, it is critical that the region place an increased focus on maximizing the efficiency of the facilities already in place. SANDAG is developing a multimodal and integrated strategy for the comprehensive management of the transit, arterial, and highway networks serving both people and goods. Through a combination of programs, such as signal- and ramp-metering coordination and optimization; improved performance monitoring and microsimulation; and advanced vehicle/roadside communication platforms, the delivered tools and services will increase monitoring capabilities, enhance management, and improve system efficiency. The initial estimate for the programs totals approximately \$700 million through 2050 and will be further refined and prioritized through the Intelligent Transportation Systems Strategic Plan currently under development.

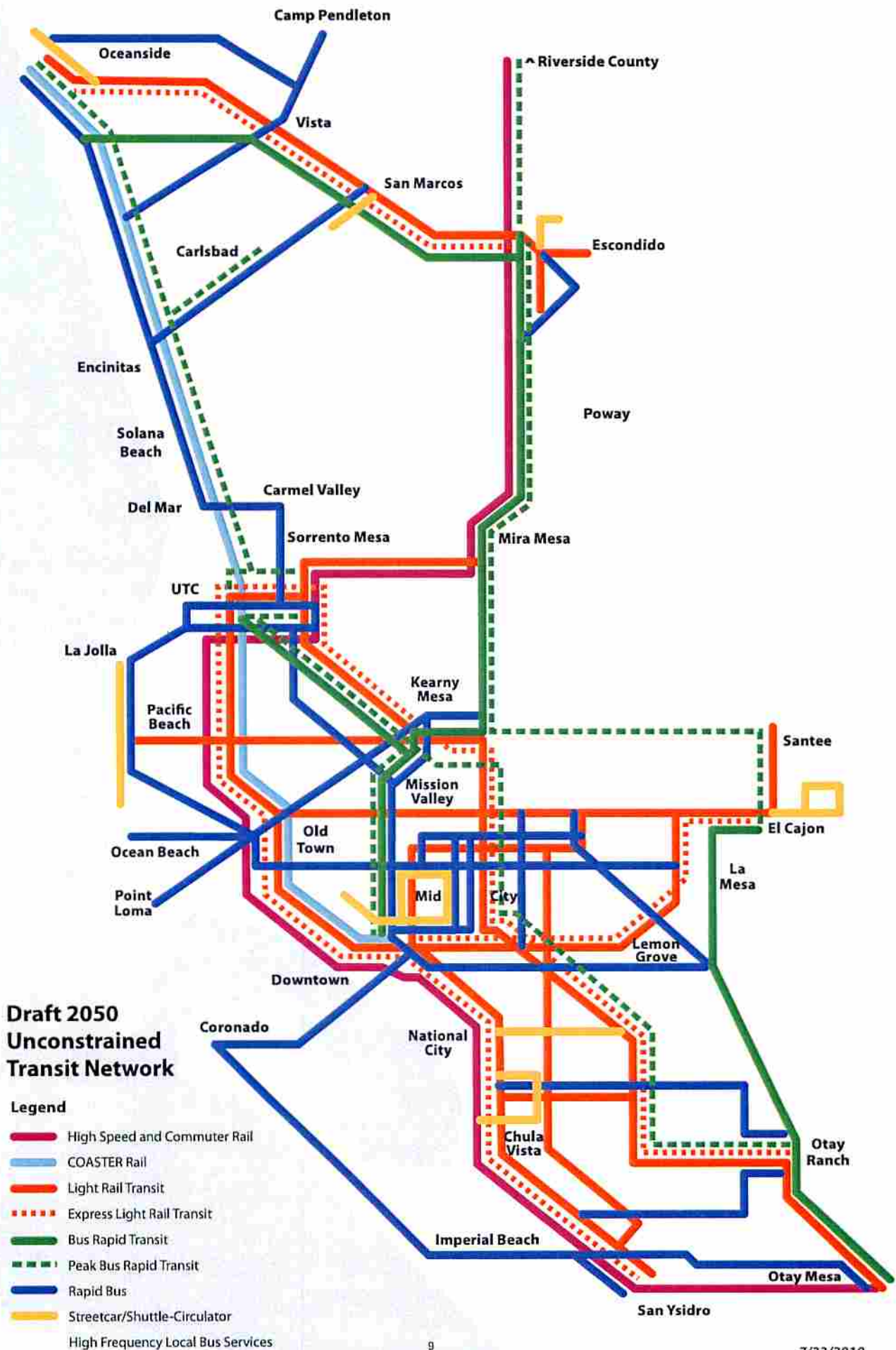
Next Steps

Staff would prioritize all of the future projects in the Unconstrained Transportation Network, using Board-approved evaluation criteria. Based on revenue projections, various revenue-constrained transportation scenarios would be developed using this prioritized project list and other factors. The revenue-constrained transportation scenarios would attempt to build and operate as much of the Unconstrained Transportation Network as possible, given revenue availability and flexibility and project priorities. Alternative revenue-constrained transportation scenarios would be brought back in the fall for discussion and would be evaluated using the network performance measures that the Board of Directors approves (see Agenda Item No. 13).

GARY L. GALLEGOS
Executive Director

- Attachments:
1. Draft 2050 Unconstrained Transit Network (Revised)
 2. Draft 2050 Unconstrained Transit Routes and Headways (Revised)
 3. 2050 Transit Mode-Share Goal Ranges
 4. Transit Mode-Share Goal Ranges and Projected Transit Mode Shares for Initial Transit Network Alternatives and Draft 2050 Unconstrained Transit Network (Revised)
 5. Draft 2050 Unconstrained Highway Network
 6. Regional Bicycle Plan Network

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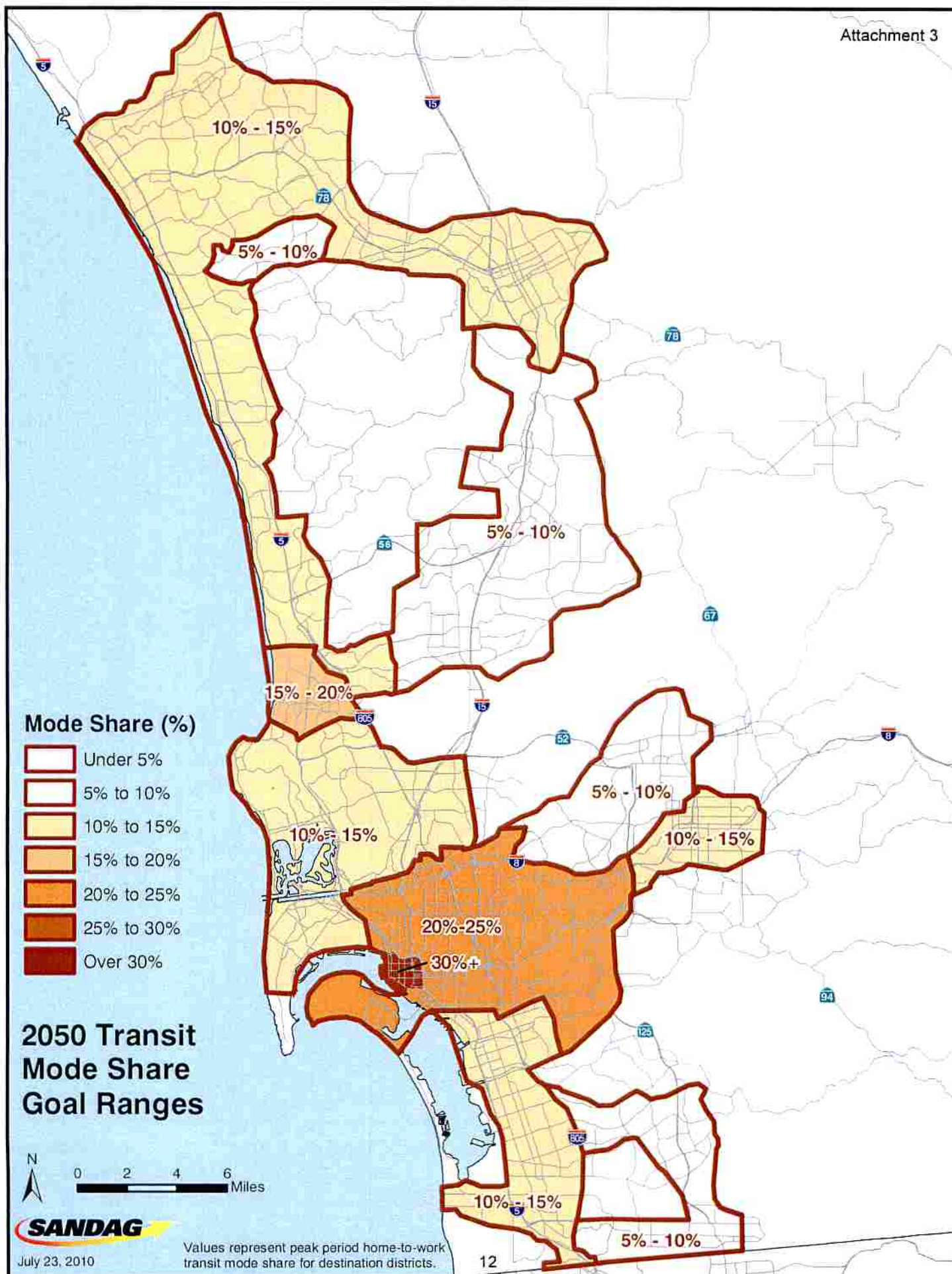


Draft 2050 Unconstrained Transit Routes and Headways

Route	Mode	Description	Peak Frequencies	Off-Peak Frequencies
398	Commuter Rail	COASTER with Del Mar and University Town Center (UTC) Tunnels, <u>Permanent Station at Del Mar Fairgrounds, and New Station at Convention Center in downtown San Diego</u>	15	15
598	Commuter Rail	High Speed Rail - Commuter Rail Service from Riverside to int'l border	15	60
399	Light Rail	SPRINTER (with branch extensions to North County Fair, <u>East Escondido</u>)	7.5	7.5
510	Light Rail	Blue Line w/ Mid-Coast Extension and downtown tunnel	7.5	7.5
520	Light Rail	Orange Line with Extension to Airport and downtown tunnel	7.5	7.5
530	Light Rail	Green Line with Extension to 12th/Imperial	7.5	7.5
550	Light Rail	SDSU to San Ysidro via East San Diego, SE San Diego, National City	7.5	10
560	Light Rail	SDSU to Downtown via El Cajon Blvd/Mid-City	7.5	7.5
561	Light Rail	UTC to Mira Mesa via Sorrento Mesa	7.5	10
562	Light Rail	UTC to Chula Vista via Kearny Mesa, Mission Vly, Mid-City, Nat'l City	7.5	10
563	Light Rail	Pacific Beach to El Cajon via Kearny Mesa, Mission Valley, SDSU	7.5	10
564	Light Rail	Otay Mesa to Chula Vista via Otay Ranch/Millenia	7.5	10
588	<u>Express Light Rail</u>	SPRINTER - Stops only at Oceanside, Vista, Escondido Transit Centers	10	15
540	<u>Express Light Rail</u>	<u>UTC to San Ysidro via Downtown San Diego</u>	10	10
522	<u>Express Light Rail</u>	<u>El Cajon to Downtown San Diego via Euclid</u>	10	10
566	<u>Express Light Rail</u>	<u>Otay Ranch to UTC via Mid-City, Kearny Mesa</u>	10	10
610	BRT	Temecula/Escondido to Downtown via I-15, Kearny Mesa Guideway	10	10
640	BRT	San Ysidro to Kearny Mesa via South Bay, Downtown San Diego, Hillcrest, Mission Vly	10	10
692	BRT	El Cajon to Otay Mesa via Spring Valley, SR125, Millenia	10	15
652	BRT	San Ysidro Downtown to UTC via South Bay Hillcrest, Mission Valley, <u>Kearny Mesa Guideway</u>	10	10
430	BRT	<u>Oceanside to Escondido via SR 78 HOV Lanes</u>	10	10
607	<u>Peak</u> BRT	Rancho Bernardo to Downtown San Diego via Sabre Springs/Kearny Mesa	10	0
608	<u>Peak</u> BRT	Escondido to Downtown San Diego via South Escondido, Kearny Mesa	10	0
650	<u>Peak</u> BRT	Otay Ranch/Chula Vista to Palomar Airport Bus. Park via I-805/I-5	15	0
653	<u>Peak</u> BRT	SE San Diego/Mid-City to Palomar Airport Road Bus. Park via I-805/I-5	15	0
688	BRT	Millenia/Otay Ranch to Sorrento Mesa via Chula Vista, I-805	15	0
689	BRT	Millenia/Otay Ranch to UTC via Chula Vista, I-805	15	0
870	<u>Peak</u> BRT	El Cajon to UTC via Santee, SR 52, Kearny Mesa	10	0
890	<u>Peak</u> BRT	El Cajon to Sorrento Mesa via Santee, SR 52	10	0
940	<u>Peak</u> BRT	Oceanside to Sorrento Mesa via I-5, Carlsbad, Encinitas	10	0

Draft 2050 Unconstrained Transit Routes and Headways

Route	Mode	Description	Peak Frequencies	Off-Peak Frequencies
2	Rapid Bus	30th Ave to Downtown San Diego via North Park	10	10
10	Rapid Bus	La Mesa to Ocean Beach via Mid-City, Hillcrest, Old Town	10	10
11	Rapid Bus	Spring Valley to SDSU via SE San Diego, Downtown, Hillcrest, Mid-City	10	10
28	Rapid Bus	Point Loma to Kearny Mesa via Old Town, Linda Vista	10	10
30	Rapid Bus	Old Town to Sorrento Mesa via Pacific Beach, La Jolla, UTC	10	10
41	Rapid Bus	Old Town to UTC via Linda Vista, Clairemont	10	10
120	Rapid Bus	Kearny Mesa to Downtown via Sharp Hospital, Mission Valley, Hillcrest	10	10
350	Rapid Bus	Escondido to North County Fair via South Escondido	10	10
440	Rapid Bus	Carlsbad to San Marcos via Palomar Airport Rd Corridor	10	10
471	Rapid Bus	Downtown Escondido to East Escondido	10	10
473	Rapid Bus	Oceanside to UTC via Hwy 101 coastal communities, Carmel Valley	10	10
474	Rapid Bus	Oceanside to Vista via Mission Ave/Santa Fe Rd corridor	10	10
477	Rapid Bus	Camp Pendleton to Carlsbad Village via College Blvd, Plaza Camino Real	10	10
635	Rapid Bus	Millenia to Palomar Trolley via Main St corridor	10	10
636	Rapid Bus	SDSU to Spring Valley via East San Diego, Lemon Grove, Skyline	10	10
637	Rapid Bus	North Park to 32nd St Trolley via Golden Hill, SE San Diego	10	10
638	Rapid Bus	San Ysidro to Otay Mesa via Otay, SR 905 corridor	10	10
639	Rapid Bus	Otay to North Island via Imperial Beach, Silver Strand, Coronado	10	10
709	Rapid Bus	H St Trolley to Millenia via H St corridor, Southwestern College	10	10
910	Rapid Bus	Coronado to Downtown via Coronado Bridge	10	10
448/449	Streetcar/Shuttle	San Marcos Downtown	10	10
551	Streetcar/Shuttle	Chula Vista Downtown	10	10
552	Streetcar/Shuttle	National City Downtown	10	10
553	Streetcar/Shuttle	San Diego Downtown - Little Italy to East Village	10	10
554	Streetcar/Shuttle	Hillcrest/Balboa Park/ Downtown San Diego Loop	10	10
555	Streetcar/Shuttle	30th Ave to Downtown San Diego via North Park/Golden Hill	10	10
557	Streetcar/Shuttle	El Cajon Downtown	10	10
558	Streetcar/Shuttle	Escondido Downtown	10	10
559	Streetcar/Shuttle	Oceanside Downtown	10	10
565	Streetcar/Shuttle	Mission Beach to La Jolla via Pacific Beach	10	10



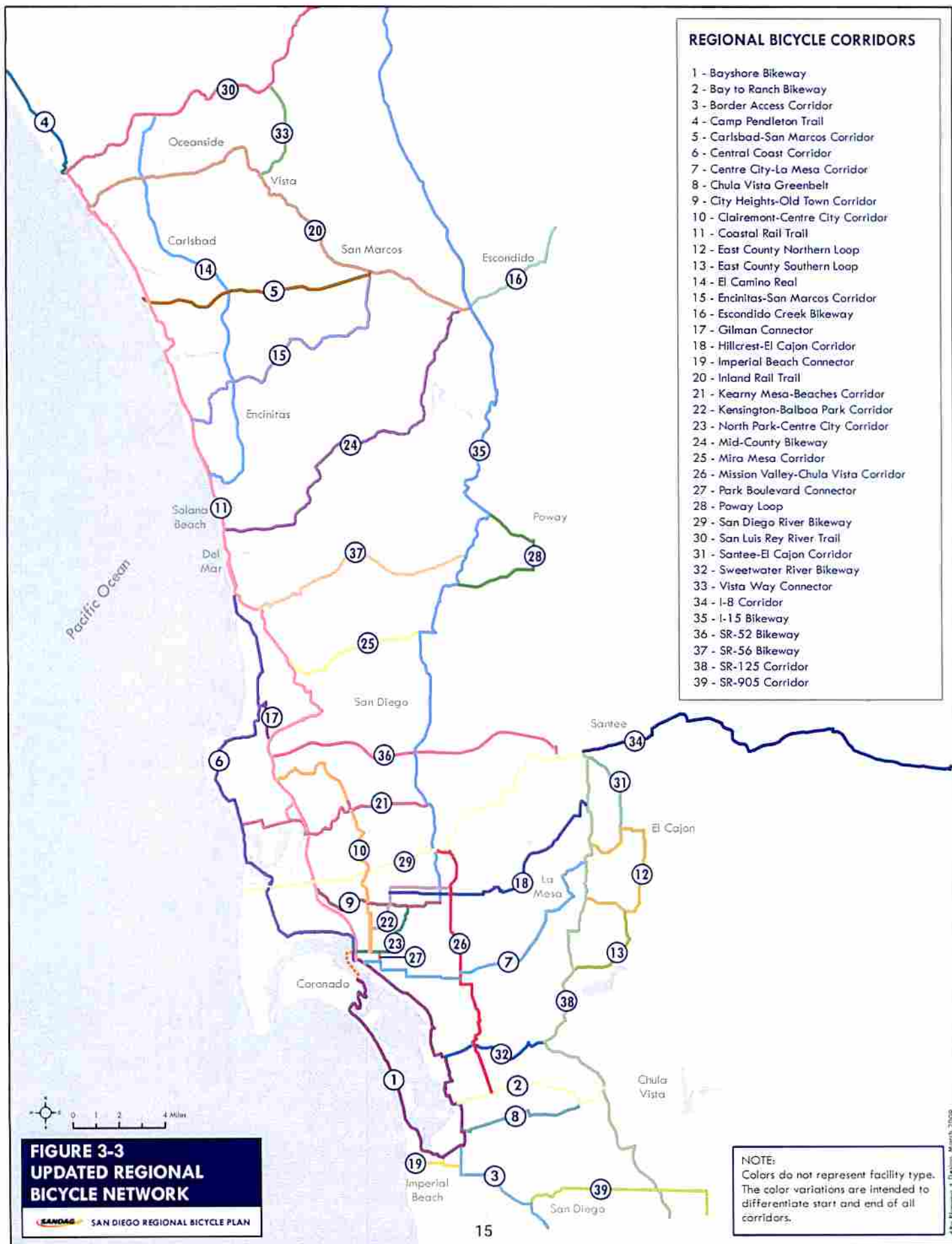
Urban Area Transit Strategy

Transit Mode Share Goals and Projected Transit Mode Shares for Initial Transit Network Alternatives and Draft 2050 Unconstrained Transit Network Peak-Period, Home-to-Work Trips¹

Peak-Period, Home-to-Work Transit Mode Share

Identified Corridors/Areas	Baseline Data	Goals	Projected Performance of Initial Transit Network Alternatives			Projected Performance of Unconstrained Network
	2008 Existing Transit	2050 Peak-Period Transit Mode Share Goal Ranges	Transit Propensity	Commuter Point-to-Point	Many Centers	2050 Unconstrained Transit Network
Major Employment Areas						
Downtown San Diego	24%	30% +	28%	26%	28%	29%
University City	3%	15%-20%	14%	15%	17%	16%
Sorrento Mesa	2%	10%-15%	9%	12%	12%	12%
Kearny Mesa	3%	10%-15%	11%	11%	15%	15%
Otay Mesa/ Otay Ranch	3%	5%-10%	6%	4%	7%	9%
Palomar Airport	1%	5%-10%	5%	5%	7%	6%
High Activity Areas						
Central Core	12%	20%-25%	18%	16%	18%	19% 20%
Oceanside/Escondido Corridor	3%	10%-15%	7%	7%	8%	8%
Other Urbanized Areas						
North I-15 Corridor	1%	5%-10%	4%	6%	7%	7%
North Central Coastal Area	2%	10%-15%	9%	9%	9%	9%
Central Coastal Area	5%	10%-15%	11%	11%	13%	14% 15%
Coastal South Bay	8%	10%-15%	13%	11%	13%	14%
East County/El Cajon	4%	10%-15%	9%	8%	10%	11%
East County/Santee	3%	5%-10%	7%	6%	8%	8%
Urban Area Transit Strategy Study Area	5%	10%-15%	11%	10%	12%	12%

¹ Values represent peak period home-to-work trip transit mode-share for destination districts.





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Agenda

Item No. 46

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

FIN 310.2

August 19, 2010

SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR MAY 2010 (MIKE THOMPSON)

RECOMMENDATION:

That the Board of Directors receive a report on MTS's operations budget status for May 2010.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for May 2010 compared to the fiscal year 2010 amended budget. Attachment A-1 combines the operations, administration, and other activities results for May 2010. Attachment A-2 details the May 2010 combined operations results, and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS Administration, and A-10 provides May 2010 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date May 2010 MTS net-operating subsidy favorable variance totaled \$602,000 (0.6%). Operations produced a \$769,000 (0.7%) favorable variance, and the administrative/other activities areas were unfavorable by \$167,000.



MTS COMBINED RESULTS

Revenues

Year-to-date combined revenues through May 2010 were \$85,346,000 compared to the year-to-date budget of \$84,462,000, which represents a \$884,000 (1.0%) positive variance.

Expenses

Year-to-date combined expenses through May 2010 were \$190,006,000 compared to the year-to-date budget of \$189,725,000, which resulted in a \$282,000 (-0.1%) unfavorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$91,214,000 compared to a year-to-date budgetary figure of \$90,718,000, which resulted in an unfavorable variance of \$496,000 (-0.5%).

Outside Services and Purchased Transportation. Total outside services for the first 11 months of the fiscal year totaled \$63,661,000 compared to a budget of \$63,730,000, which resulted in a year-to-date favorable variance of \$69,000 (0.1%).

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$6,346,000 compared to a budgetary figure of \$6,374,000, which resulted in a favorable expense variance of \$28,000 (1.6%).

Energy. Total year-to-date energy costs were \$22,865,000 compared to the budget of \$23,249,000, which resulted in a year-to-date favorable variance of \$384,000 (1.6%). Year-to-date diesel prices averaged \$2.460 per gallon compared to the midyear adjusted budgetary rate of \$2.430 per gallon. Year-to-date CNG prices averaged \$1.180 per therm compared to the midyear adjusted budgetary rate of \$1.290 per therm.

Risk Management. Total year-to-date expenses for risk management were \$4,247,000 compared to the year-to-date budget of \$3,950,000, which resulted in an unfavorable variance totaling \$297,000 (-7.5%).

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$31,000 (1.8%) favorable to budget totaling \$1,673,000 through May 2010 compared to a year-to-date budget of \$1,704,000.

YEAR-TO-DATE SUMMARY

The May 2010 year-to-date net operating subsidy totaled a favorable variance of \$602,000 (0.6%). These factors include unfavorable variances in personnel costs, other revenue, and risk management offset by favorable variances in passenger revenue and energy.



Paul C. Jablonski
Chief Executive Officer

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

AUG19-10.46.OPS BUDGET MAY 2010.MTHOMPSON.doc

Attachment: A. Comparison to Budget

MTS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

MAY 31, 2010

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 80,132	\$ 79,019	\$ 1,113	1.4%
Other Revenue	5,214	5,443	(229)	-4.2%
Total Operating Revenue	\$ 85,346	\$ 84,462	\$ 884	1.0%
Personnel costs	\$ 91,214	\$ 90,718	\$ (496)	-0.5%
Outside services	63,661	63,730	69	0.1%
Transit operations funding	-	-	-	-
Materials and supplies	6,346	6,374	28	0.4%
Energy	22,865	23,249	384	1.6%
Risk management	4,247	3,950	(297)	-7.5%
General & administrative	1,129	1,144	15	1.3%
Vehicle/facility leases	544	560	16	2.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 190,006	\$ 189,725	\$ (282)	-0.1%
Operating income (loss)	\$ (104,660)	\$ (105,262)	\$ 602	0.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 80,132	\$ 79,019	\$ 1,113	1.4%
Other Revenue	584	552	33	5.9%
Total Operating Revenue	\$ 80,716	\$ 79,571	\$ 1,146	1.4%
Personnel costs	\$ 79,145	\$ 78,582	\$ (563)	-0.7%
Outside services	55,164	55,126	(38)	-0.1%
Transit operations funding	-	-	-	-
Materials and supplies	6,334	6,354	21	0.3%
Energy	22,237	22,608	371	1.6%
Risk management	3,784	3,564	(220)	-6.2%
General & administrative	297	320	23	7.2%
Vehicle/facility leases	477	508	30	6.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	18,715	18,715	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 186,153	\$ 185,777	\$ (376)	-0.2%
Operating income (loss)	\$ (105,437)	\$ (106,206)	\$ 769	0.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 24,318	\$ 24,539	\$ (221)	-0.9%
Other Revenue	117	56	62	111.3%
Total Operating Revenue	\$ 24,435	\$ 24,594	\$ (160)	-0.6%
Personnel costs	\$ 50,974	\$ 50,495	\$ (479)	-0.9%
Outside services	1,839	1,631	(208)	-12.7%
Transit operations funding	-	-	-	-
Materials and supplies	3,770	3,873	103	2.7%
Energy	6,358	6,335	(23)	-0.4%
Risk management	1,637	1,516	(121)	-8.0%
General & administrative	114	128	14	10.8%
Vehicle/facility leases	183	197	14	7.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	6,583	6,583	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 71,459	\$ 70,759	\$ (700)	-1.0%
Operating income (loss)	\$ (47,024)	\$ (46,164)	\$ (860)	-1.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 30,360	\$ 29,178	\$ 1,182	4.1%
Other Revenue	419	496	(77)	-15.5%
Total Operating Revenue	\$ 30,779	\$ 29,674	\$ 1,105	3.7%
Personnel costs	\$ 27,234	\$ 27,117	\$ (117)	-0.4%
Outside services	3,163	3,122	(41)	-1.3%
Transit operations funding	-	-	-	-
Materials and supplies	2,561	2,466	(94)	-3.8%
Energy	8,254	8,331	77	0.9%
Risk management	2,147	2,048	(99)	-4.8%
General & administrative	159	178	20	11.0%
Vehicle/facility leases	161	176	15	8.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	11,162	11,162	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 54,840	\$ 54,600	\$ (240)	-0.4%
Operating income (loss)	\$ (24,060)	\$ (24,926)	\$ 866	3.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 20,668	\$ 20,270	\$ 398	2.0%
Other Revenue	47	-	47	-
Total Operating Revenue	\$ 20,715	\$ 20,270	\$ 445	2.2%
Personnel costs	\$ 240	\$ 291	\$ 51	17.6%
Outside services	35,994	36,130	135	0.4%
Transit operations funding	-	-	-	-
Materials and supplies	1	12	11	93.4%
Energy	5,717	6,042	324	5.4%
Risk management	-	-	-	-
General & administrative	(2)	1	2	392.4%
Vehicle/facility leases	133	134	2	1.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	772	772	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 42,855	\$ 43,381	\$ 527	1.2%
Operating income (loss)	\$ (22,139)	\$ (23,111)	\$ 972	4.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 1,652	\$ 1,694	\$ (42)	-2.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,652	\$ 1,694	\$ (42)	-2.5%
Personnel costs	\$ 136	\$ 144	\$ 9	6.1%
Outside services	8,753	8,732	(21)	-0.2%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,517	1,541	25	1.6%
Risk management	-	-	-	-
General & administrative	3	4	1	26.4%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	22	22	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 10,430	\$ 10,444	\$ 14	0.1%
Operating income (loss)	\$ (8,778)	\$ (8,749)	\$ (28)	-0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 3,135	\$ 3,338	\$ (203)	-6.1%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 3,135	\$ 3,338	\$ (203)	-6.1%
Personnel costs	\$ 374	\$ 347	\$ (27)	-7.7%
Outside services	5,132	5,227	95	1.8%
Transit operations funding	-	-	-	-
Materials and supplies	2	3	1	21.3%
Energy	391	359	(32)	-9.0%
Risk management	-	-	-	-
General & administrative	23	9	(14)	-157.3%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	177	177	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 6,099	\$ 6,122	\$ 23	0.4%
Operating income (loss)	\$ (2,964)	\$ (2,784)	\$ (180)	-6.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	127	127	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 127	\$ 127	\$ -	0.0%
Operating income (loss)	\$ (127)	\$ (127)	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2010
MAY 31, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	3,664	3,937	(274)	-6.9%
Total Operating Revenue	\$ 3,664	\$ 3,937	\$ (274)	-6.9%
Personnel costs	\$ 11,479	\$ 11,553	\$ 74	0.6%
Outside services	8,334	8,354	20	0.2%
Transit operations funding	-	-	-	-
Materials and supplies	7	15	8	53.8%
Energy	619	631	12	1.9%
Risk management	432	355	(77)	-21.7%
General & administrative	735	731	(4)	-0.5%
Vehicle/facility leases	67	52	(14)	-26.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(18,784)	(18,784)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 2,889	\$ 2,908	\$ 18	0.6%
Operating income (loss)	\$ 774	\$ 1,030	\$ (255)	-24.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

MAY 31, 2010

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	966	955	12	1.2%
Total Operating Revenue	\$ 966	\$ 955	\$ 12	1.2%
Personnel costs	\$ 589	\$ 583	\$ (7)	-1.2%
Outside services	162	250	87	34.9%
Transit operations funding	-	-	-	-
Materials and supplies	5	5	(0)	-6.1%
Energy	10	10	0	3.1%
Risk management	31	31	0	0.2%
General & administrative	98	93	(4)	-4.7%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	68	68	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 964	\$ 1,040	\$ 76	7.3%
Operating income (loss)	\$ 2	\$ (86)	\$ 88	102.6%



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Agenda

Item No. 47

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

OPS 970.2

August 19, 2010

SUBJECT:

MTS: BLUE LINE REHABILITATION AND OUTREACH SCHEDULE (ROB SCHUPP)

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Blue Line rehabilitation work is scheduled to begin in late August commencing the construction that will necessitate weekend closures of portions of Blue Line service on weekends for the next several years. This report will outline the tentative schedule of construction activity and the communication tactics that will be implemented prior to the construction start and throughout the project to ensure that as many MTS customers as possible are aware of the project in advance.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Rob Schupp, 619.557.4511, rob.schupp@sdmts.com

AUG19-10.47.BLUE LINE REHAB
& OUTREACH.RSCHUPP.doc



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



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Agenda

Item No. 48

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

August 19, 2010

SUBJECT:

MTS: UPDATE ON THE STATUS OF THE GROSSMONT TROLLEY STATION JOINT DEVELOPMENT PROJECT (TIM ALLISON)

RECOMMENDATION:

That the Board of Directors receive an update regarding the status of the Grossmont Trolley Station Joint Development Project.

Budget Impact

Revenue generation estimated at \$381,285 beginning in year 1 of the Ground Lease with total revenue projection over the 99-year lease term at \$635,278,000.

DISCUSSION:

The purpose of this item is to update the Board on the status of the Grossmont Trolley Station Joint Development Project. In July 2003, the MTS Board entered into an Exclusive Negotiating Agreement (ENA) with the City of La Mesa and Fairfield Grossmont Trolley LLC (Fairfield) to create a mixed-use, transit-oriented development project consisting of 527 apartments over the existing parking lot at the Grossmont Transit Center Station. Eighty of these units would be made affordable to low- and moderate-income families. The project also provides 2,800 square feet of ground-floor commercial space. The bus stop and trolley station are retained on site along with planned pedestrian enhancements. The apartments would be built over two levels of structured parking. Approximately six hundred exclusive parking spaces would be provided on the ground level of the parking structure oriented to the existing trolley station to replace the existing 600 surface parking spaces.

MTS and Fairfield reached an agreement regarding the financial terms and conditions for the development of the Grossmont Transit Center Station and a long-term lease of the land thereafter. The Ground Lease was executed in October 2006. The Ground Lease governs how the project was designed and constructed and gives Fairfield a long-term lease for the project.

The economic terms include:

- Term of Ground Lease: 55-year lease term with one option to renew for 20 years and a second option to renew for 24 years. Total term of 99 years.
- Base Rent: \$85,333 year one; \$170,667 year 2; \$256,000 per year thereafter until year 30.
- Base Rent Commencement Date: Upon close of escrow.
- Overage Rent: 1.25 % of gross income commencing year 1 and completing in year 30.
- Appraisal Adjustment of Base Rent: Base rent is adjusted to 8% of the fair market value of the land based upon "mark-to-market" appraisal at the start of years 31, 56, and 76, capped at 6.5%, 8.0%, and 10% of gross income based upon appraisals at years 31, 56, and 81.
- Base Rent Escalation: Consumer Price Index adjustment every 5 years limited to 15% commencing in year 31.
- Parking: MTS will have a total of 600 spaces inside of the garage along with street parking parallel to the existing station.

Fairfield constructed the apartments in two separate phases starting with the west side of the property. The Pravada at Grossmont Trolley was completed in January 2008. Fairfield released 230 units for lease and MTS took occupancy of the westerly parking garage spaces. Construction on phase 2 began thereafter and was completed in late July of 2010. Alterra at Grossmont Trolley occupies the easterly side of the development and consists of 342 units that are currently available for lease.

In conjunction with the apartment project, SANDAG is currently constructing public improvements to the station consisting of an elevator tower, pedestrian bridge, platform amenities, paving, and drainage enhancements. SANDAG completed the drainage channel improvements in 2009 and is expected to complete the remaining work by 2012. The total value of the public improvements is \$7,900,000 consisting of local, state, and federal funds.


Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Project Exhibit



ALTERRA
AT GROSSMONT TROLLEY

PRAVADA
AT GROSSMONT TROLLEY

A FAIRFIELD RESIDENTIAL DEVELOPMENT



Location:

Adjacent to the Grossmont Trolley Station in La Mesa

8655 & 8725 Fletcher Parkway
La Mesa, California 91942

Number of Units:

527 with 80 affordable

Phase I - Pravada: 230 Apartment Homes

Phase II - Alterra: 297 Apartment Homes

Density:

67 units/acre

Retail:

2,700 square feet

Year Completed:

Pravada: January 2009

Alterra: February 2010

Description of Affordability:

Pravada – 35 affordable

14 apartments reserved for very low income (50% AMI) families

21 apartments reserved for moderate income (110% AMI) families

Alterra – 45 affordable

18 apartments reserved for very low income (50% AMI) families

27 apartments reserved for moderate (110% AMI) families



For more information visit: www.fairfieldresidential.com



PRAVADA

ALTERRA

General Description:

Fairfield is currently building a 527 apartment home community adjacent to the Grossmont Trolley Transit Station in La Mesa. This development is on leased land (99 year term) from the San Diego's Metropolitan Transit Development Board (MTDB), and is within walking distance to major medical facilities and Grossmont Mall (1.3 million square feet). This 5- and 6-story community will include 2,700 square feet of ground floor retail space and will be built over 2 levels of parking (on grade). This development was planned using urban design techniques that focus on creating a quality urban environment that supports transit usage.

Fairfield achieved this goal by:

- having a compact design that brings together housing and neighborhood retail, providing a density of approximately 67 apartment homes per acre.
- building a pedestrian and bicycle friendly environment, where open corridors are wide enough to invite foot/bike traffic flows.
- providing 80 affordable apartment homes, which offer a variety of housing types affordable to families over a range of incomes.
- including 600 parking spaces for those who use the San Diego light rail trolley system.

Fairfield received the 2007 Outstanding Planning award from the California Chapter APA and the San Diego Chapter APA and is currently striving for a LEED Silver Certification for this development.



Amenities:

- 2 resort style swimming pools with outdoor heated spas and fountain
- clubroom/community room with plasma television and DVD player
- cybernet lounge with high-speed Internet access (WiFi)
- fully equipped fitness center furnished with television and stereo system
- gated parking garage with elevators
- in-home washer and dryer
- Trolley provides direct access to San Diego State University, Mission Valley and Downtown San Diego
- minutes from Grossmont center with shopping, dining, entertainment and more



For more information visit: www.fairfieldresidential.com



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Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

August 19, 2010

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period July 2, 2010, through August 10, 2010.

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EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1323.2-10	GEORGE DAVIS TRUST	AMEND & RESTATED PURCHASE AGREE - 1313 N	\$0.00	7/6/2010
G1335.0-10	GEORGE DAVIS TRUST	GRANT DEED 1313 NATIONAL AVE	\$0.00	7/6/2010
G1336.0-10	GEORGE DAVIS TRUST	GENERAL ASSIGNMENT 1313 NATIONAL AVE.	\$0.00	7/6/2010
B0454.2-06	A TO Z TOWING DBA ROAD ONE TOW	EXERCISE OPTION YR 2 FINAL OPTION 7/1/10	\$72,325.00	7/8/2010
G0856.15-03	GIRO INC	PROVIDE SUPPORT FOR HASTOP FOR FY10	\$2,784.00	7/12/2010
G1323.1-10	GEORGE DAVIS TRUST	SUPPLEMENTAL ESCROW INSTRUCTIONS	\$0.00	7/12/2010
L0970.0-10	JACOBS CENTER	ROE PERMIT FOR MAINTENANCE OF MURAL	\$0.00	7/12/2010
L5241.0-10	REPUBLIC ITS	ROE PERMIT CITY SANTEE SIGNAL IMPROVEMEN	\$0.00	7/12/2010
G1194.2-08	THE BUSINESS CLEANING CO	EXERCISE OPTION YR 2 10/15/10 - 10/14/11	\$12,010.56	7/15/2010
L0755.2-06	NEW CINGULAR WIRELESS	AMEND TO ORIGINAL LEASE ASSIGN & SUBLETT	\$0.00	7/15/2010
L0888.2-09	KNORR BRAKE CORPORATION	REPLACE WORDS TO SD 100 BRAKE SYSTEM	\$0.00	7/15/2010
L0972.0-10	ROEL CONSTRUCTION CO	CONSTRUCTION ON SB PLATFORM @ SMART CORN	\$1,250.00	7/15/2010
B0537.0-10	FUEL SOLUTIONS, INC	ENG CONSULT & CM SVCS IAD KMD CNG	\$29,562.00	7/19/2010
G0856.16-03	GIRO, INC	CHANGE HASTOP POSTERS INCLUDE AM/PM	\$2,650.00	7/19/2010
G1332.0-10	SANDAG	SITE LEASE AGREEMENT MT WOODSON	\$17,000.00	7/19/2010
L4598.0-11	WARRIOR POETS	ROE PERMIT ALLOWING FILMING LRV TROLLEY	\$0.00	7/20/2010
G0930.5-04	SANDAG	AMEND TO MASTER MEMO RE PROPERTY TRANSFE	\$0.00	7/22/2010
G1334.0-11	THE SOHAGI LAW GROUP, PLC	LEGAL SERVICES - APPELATE WORK & ENVIRON	\$25,000.00	7/22/2010
YCO106.1-07	SAN DIEGO SWEEPING	PARKING LOT SWEEPING FOR SDTI & SDTC	\$68,536.00	7/22/2010
G1338.0-10	AURIGA CORPORATION	PROVIDE BUSINESS CONSULT SVCS FOR ELIPSE	\$12,000.00	7/23/2010
B0480.1-08	HD INDUSTRIES	REBUILD BUS TRANSMISSIONS	\$98,951.63	7/27/2010
L0912.1-10	INIT INNOVATIONS IN TRANSPORT	CHANGE IN QUANTITIES OF APCS	\$12,616.05	7/27/2010
L6343.52-01	WASHINGTON INFRASTRUCTURE SERV	CONSTRUCTION MANAGEMENT CLOSEOUT SVCS	\$40,296.00	7/27/2010
G1067.10-07	MCDUGAL LOVE ECKIS SMITH BOEH	LEGAL SERVICES - GENERAL & TORT LIABILIT	\$55,000.00	8/3/2010
B0523.1-09	SANDAG	EXTENSION AGREE W/SANDAG SUPER LOOP OP	\$0.00	8/5/2010
G0980.2-06	SANDAG	AMEND 2 OF TASK ORDER 5	\$38,824.00	8/5/2010
G1072.5-07	LAW OFFICES OF R. MARTIN BOHL	LEGAL SERVICES - LAND USE	\$100,000.00	8/5/2010
G1343.0-11	IKON OFFICE SOULUTIONS INC	PROF SVCS APP XTNDER PROJECT PER MTS SCO	\$6,950.00	8/5/2010
G1345.0-11	ISD TRIANGLE, LLC	GRANT DEED 1344 NATIONAL AVE	\$0.00	8/5/2010
G1346.0-11	ISD TRIANGLE, LLC	GENERAL ASSIGNMENT B44 NATIONAL AVE	\$0.00	8/5/2010

EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L0974.0-10	SANDAG	MOU BETWEEN LOSSAN MEMBER AGENCIES	\$0.00	8/5/2010
PWL123.0-10	DICK MILLER, INC.	K-9 KENNEL SHELTERS	\$74,058.75	8/5/2010
B0399.5-03	TRAPEZE SOFTWARE GROUP, INC.	ANNUAL LICENSE AND SUPPORT FEE	\$19,175.00	8/9/2010

REVENUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1331.0-10	SAN DIEGO STATE UNIVERSITY	PARTNERSHIP AGREEMENT TROLLEY WRAP	(\$12,000.00)	7/19/2010
L0976.0-11	AMERICAN YOUTH HOSTELS, INC.	ROE PERMIT - MIDNIGHT MADNESS BIKE RUN	(\$500.00)	7/19/2010
L0971.0-10	SANDAG	LEASE AGREEMENT 9TH FLOOR MILLS BLDG	(\$2,315.00)	7/22/2010
L6637.0-10	CITY OF DEL MAR	JROE PERMIT NCTD N TORREY PINE RD BRDG	(\$500.00)	7/22/2010
L6638.0-10	SIMON WONG ENGINEERING	JROE PERMIT NCTD N TORREY PINE RD BRDG	(\$500.00)	7/22/2010
L6639.0-10	TYLIN INTERNATIONAL	JROE PERMIT NCTD N TORREY PINE RD BRDG	(\$500.00)	7/22/2010
G1340.0-11	SDSU	PARTNERSHIP FOR DAY PASSES AZTEC GAME	(\$12,500.00)	7/27/2010
S200-11-459	GRYPHON DETECTIVE AGENCY	ROE PERMIT TO VIDEO RECORD SYITC	(\$500.00)	7/27/2010
L0979.0-11	TURNER CONSTRUCTION CO	ROE PERMIT-PRIME CONTR SD NEW MAIN LIBRA	(\$5,000.00)	8/5/2010
L0981.0-11	AEGIS SOFTWARE INC	ROE PERMIT-WEBCAM MTS BLDG CLOCK TOWER	(\$1,500.00)	8/5/2010
M6679.0-11	CASS CONSTRUCTION INC	ROE PERMIT CITY SD HAZARD CTR RD	(\$2,000.00)	8/5/2010
L0980.0-11	SDG&E	ROE PERMIT UTIL RELOCATION 12TH & J ST	(\$2,100.00)	8/5/2010

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
7/1/2010	CONAN CONSTRUCTION INC	9TH FLR HR SECURITY GLASS	\$3,300.00
7/1/2010	NEAL ELECTRIC	INSTALL BATTERIES, TEST POWER	\$9,430.00
7/1/2010	SIEMENS INDUSTRY INC	LRV TIRE KITS BOCHUM	\$95,265.00
7/1/2010	GROSSMONT COLLEGE	BLACK AND WHITE ADS 1/4 PAGE	\$1,920.00
7/1/2010	MESA PRESS	BLACK AND WHITE ADS 1/4 PAGE	\$1,250.00

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
7/1/2010	WAXIE SANITARY SUPPLY	27 GALLON GALVANIZED LINER	\$740.37
7/8/2010	SIGCON INC	ENGINEERING SUPPORT AND FIELD WORK	\$7,840.00
7/8/2010	THE DAILY AZTEC	ADS BLACK AND WHITE FALL/SPRIN 2010	\$5,400.00
7/8/2010	ONTIRA	ANNUAL SUPPORT MAINT 7/1/10-6/30/11	\$12,437.00
7/8/2010	TRICK SHOT	REPAIRS AND REPAINTING TRAILER	\$15,845.00
7/8/2010	RR DONNELLEY	A/P CHECKS QUANTITY 12,500 @78.95/S	\$986.88
7/8/2010	VEOLIA TRANSPORTATION	MAY 2010 IT SUPPORT FOR DCU/CARDQUE	\$1,190.00
7/8/2010	MORRISON METALWELD PROCESS CO	RECONDITIONING TRACKS BY WELDING	\$13,500.00
7/8/2010	DION INTERNATIONAL TRUCKS INC	2011 INT'L 4300 SBA 4X2 CAB & CHASS	\$80,238.18
7/12/2010	INC. ADDONS	10 HRS OF BLOCK RETAINER SUPPORT	\$9,000.00
7/12/2010	NATIONAL CITY CA CHAMBER	HALF PAGE AD IN NATIONAL CITY CHAMB	\$1,395.00
7/12/2010	PRESSNET EXPRESS	SAN YSIDRO MINI FLYERS	\$793.88
7/15/2010	REPROHAUS	COMIC-CON GASLAMP STATION TEMP	\$756.08
7/15/2010	BUSINESS SOFTARE INC	1 DAY WEB BASED TRAINING	\$900.00
7/15/2010	IACCESS INC	HID CARDS	\$1,126.63
7/15/2010	REID AND CLARK SCREEN ARTS CO	NO SMOKING SIGNS NO PARKING DECALS	\$1,104.90
7/15/2010	MARK CARASS	CLEANING SVCS MTS NATIONAL AVE	\$1,084.00
7/22/2010	THE BETTY MILLS CO INC	HON 694lp 600 SERIES FOUR-DRAWER	\$1,430.15
7/28/2010	VOLOGY INC	NORTEL BAYSTACK	\$1,469.33
7/28/2010	THE STAR NEWS	BLACK AND WHITE ADD BLUE LINE	\$8,715.12
7/28/2010	ALPINE FENCE	RENTAL OF FENCING FOR 6 MONTHS	\$1,200.00
7/28/2010	REID AND CLARK SCREEN ARTS	NOTICE SIGNS	\$5,002.50
7/28/2010	SAN DIEGO SWEEPING	SWEEPING SERVICES I-15	\$2,292.00
7/28/2010	EL LATINO NEWSPAPER	NEWSPAPER ADS FOR BLUE LINE CONSTR	\$13,560.00
7/28/2010	ASIAN JOURNAL	NEWSPAPER ADS FOR BLUE LINE CONSTR	\$6,600.00
8/5/2010	US POSTAL SERVICE	POSTAGE FOR HASSLER WJ 135	\$6,000.00
8/5/2010	PACIFICA HEALTH AND MEDICAL	FLU SHOTS	\$6,132.50
8/5/2010	VOLOGY INC	NORTEL BAYSTACK 5510-48T	\$2,098.88
8/5/2010	VOLOGY INC	NORTEL BAYSTACK 5510-24T SW	\$1,489.88
8/9/2010	STREAMLINE FORMS & GRAPHICS	MTS PAYROLL/AP CHECK STOCK	\$664.98

WORK ORDERS

Doc #	Organization	Subject	Amount	Day
G1245.0-09.03.02	KIMLEY-HORN & ASSOC	HAZARD WASTE SVCS 1313 &1344 NATION	\$6,900.00	7/8/2010
G1246.0-09.01.02	DAVID EVANS & ASSOCS	ADD TO WORK ORDER SAV-ON ACQUISITIO	\$0.00	7/15/2010
G0980.2.06.08.5.1	SANDAG	AMEND 1 OF TO 5	\$38,824.00	8/5/2010