

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

Agenda

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 10, 2012

Executive Conference Room

ACTION
RECOMMENDED

Approve

Receive

Receive

Approve

Approve

A. ROLL CALL

B. APPROVAL OF MINUTES - April 12, 2012

C. COMMITTEE DISCUSSION ITEMS

1. <u>Trolley Renewal Project Update (Wayne Terry and John Haggerty of SANDAG)</u>

Action would receive a report for information.

2. <u>City/Park Streetcar Feasibility Study Update and Final Report (Denis Desmond and Sharon Cooney)</u>

Action would receive a report for information and provide comments.

3. <u>Master Concessionaire - Gaslamp Quarter Station Vendor Services</u>
(Wayne Terry)

Action would receive a report for information.

4. Newsracks on MTS-Owned/Controlled Property (Sharon Cooney)
Action would forward a recommendation to the Board of Directors to approve a policy to regulate newsracks on MTS-owned/controlled property.

5. Palomar Street and Palm Avenue Transit Stations - Potential Site
 Development (Tim Allison and Karen Landers)
 Action would receive a report on the property and provide direction to staff.

Possible Action

Please SILENCE electronics 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.

6. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY
NEGOTIATORS Pursuant to California Government Code Section 54956.8

Property: Palomar Street and Palm Avenue Transit Stations (Assessor
Parcel Nos. 622-081-27 and 628-050-60); Agency Negotiators: Karen
Landers, General Counsel; Tim Allison, Manager of Real Estate Assets; Paul
Jablonski, Chief Executive Officer; Negotiating Parties: Chelsea Investment
Corporation; Under Negotiation: Price and Terms of Payment

Possible Action

CLOSED SESSION - CONFERENCE WITH REAL PROPERTY
NEGOTIATORS Pursuant to California Government Code Section 54956.8
Property: Rail Court, San Diego, California (Assessor Parcel No. 667-020-80); Agency Negotiators: Karen Landers, General Counsel; Tim Allison, Manager of Real Estate Assets; Paul Jablonski, Chief Executive Officer;
Negotiating Parties: SYPS, LLC; Under Negotiation: Price and Terms of Payment

Possible Action

- D. REVIEW OF DRAFT MAY 17, 2012, JOINT BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA
 Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc.
 Relevant excerpts will be provided during the meeting.

Possible Action

- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: June 14, 2012
- I. ADJOURNMENT

JOINT MEETING OF THE EXECUTIVE COMMITTEE FOR THE METROPOLITAN TRANSIT SYSTEM (MTS), 1255 Imperial Avenue, Suite 1000 San Diego, CA 92101

April 12, 2012

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 8:56 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Young moved for approval of the minutes of the March 8, 2012, MTS Executive Committee meeting. Mr. Minto seconded the motion, and the vote was 4 to 0 in favor with Mr. Roberts absent.

C. COMMITTEE DISCUSSION ITEMS

1. Trolley Rehabilitation Project Update

John Haggerty of the San Diego Association of Governments (SANDAG) gave the Executive Committee an update on the Trolley Rehabilitation Project. He provided an update of the station construction schedule for the Blue and Orange Line Improvement Corridor. He briefly talked about the budget and total expended dollars stating that 23% of the total budget has been expended thus far. He talked about the project status in terms of design and construction. Mr. Haggerty went on to show before and after photographs of the 12th & Imperial Station, the Gaslamp Quarter Station, and the Convention Center Station rehabilitation work.

Mr. Haggerty gave an update on the Blue Line Crossovers and Signaling Project. He provided pictures of the work being done near the 8th Street Station and the retaining wall being built by Main Street.

Mr. Haggerty talked about the work taking place at Orange Line stations. He showed pictures of the station shelter installation and platform improvements in progress at the 47th Street Station, Encanto/62nd Street Station, and the Massachusetts Station. He also showed pictures of the platform improvements in progress at the Lemon Grove Station and the track replacement work taking place at the 32nd & Commercial Station and the Euclid Avenue Station.

Wayne Terry, Chief Operating Officer of Rail, talked about the audio-visual messaging system with next-train-arrival information that should be complete within 9-12 months at Orange Line stations. He provided a station rendering with the sign display.

Mr. Terry mentioned that Mr. Jablonski is currently working with Siemens regarding the possibility of exercising the option to purchase 7 additional light rail vehicles under the original procurement. Mr. Jablonski will work with SANDAG to secure funding for the additional vehicles if the MTS Board of Directors approves the option which is slated for approval at the April 19, 2012, Board Meeting. Mr. Terry provided the Committee with

layouts of the mixed-consist trains on the Orange Line with the additional vehicle procurement and without. He added that on-time performance would increase with the additional vehicles as 2 low-floor trains could allow additional wheelchair boardings.

Action Taken

Mr. Minto moved to receive a report for information. Mr. Young seconded the motion, and the vote was 4 to 0 in favor with Mr. Roberts absent.

2. Airport Taxicab Trip Fee

Karen Landers, General Counsel, gave the Committee an update on the Airport Taxicab Trip Fee. She explained that in 2010, the Airport Authority began charging an "Airport Trip Fee" for all trips originating at the airport. This Trip Fee is paid by the airport taxicab operator to the Airport Authority and was imposed as part of the Airport Authority's Comprehensive Ground Transportation Management Plan (the Plan). She stated that the Airport Trip Fee is based on cost-recovery calculations under the Plan tied to taxicab operations at the Airport.

She explained that due to pressure from Airport taxicab operators, the Airport Authority has requested that MTS allow Airport taxicab operators to recoup some of the extra costs they are incurring as a result of the Airport Trip Fee. She reported that there is currently a proposal to allow installation of an "extra" button on the taxicab meter that would allow Airport taxicabs to charge an additional amount for trips originating at the Airport. The "extra" button would be programed in an amount equal to the Airport Trip Fee paid by each individual taxicab.

She informed the Committee that there could possibly be issues with the new rules established by Prop 26 for when a "fee" is a fee or a tax and because of this, the Airport Authority was asked to indemnify MTS. She explained that since the Airport Trip Fee is purely for the benefit of the Airport Authority, and was imposed by that public board following a public meeting process, the Airport Authority has agreed to indemnify MTS and its member cities for any liability associated with the Airport Trip Fee and/or the action requested today.

Action Taken

Mr. Young moved to forward a recommendation to the Board of Directors to hold a public hearing to amend MTS Ordinance No. 11 and Board Policy No. 34 to authorize collection of an amount equal to the Airport Trip Fee in addition to the standard rate of fare authorized for San Diego International Airport (Airport) taxicab fees. Mr. Ovrom seconded the motion, and the vote was 4 to 0 in favor with Mr. Roberts absent.

D. REVIEW OF DRAFT APRIL 19, 2012, JOINT BOARD AGENDA

Recommended Consent Items

6. <u>Investment Report – January 2012</u>

Action would receive a report for information.

7. <u>Investment Report – February 2012</u>

Action would receive a report for information.

8. <u>Fiber-Optics Cable Project – Funds Transfer</u>

Action would approve the transfer of funds from: (1) the LRV Onboard Cameras Project (CIP 11271) to the MVW Security Fiber Installation Project (CIP 11444000) for construction use; and (2) from the Substation SCADA Design Project (CIP 1144000) to the MVW Security Fiber Installation Project (CIP 11444000) to purchase network switches.

9. <u>Exercise Options to Purchase 53 40-Foot Low-Floor Compressed Natural Gas (CNG)</u> <u>Buses</u>

Action would authorize the CEO to: (1) execute MTS Doc. No. G1101.17-07 with New Flyer to purchase 31 40-foot low-floor, compressed natural gas (CNG) buses for the Imperial Avenue Division (IAD) and 22 40-foot low-floor CNG buses for the South Bay Maintenance Facility operations (for a total of 53 buses); and (2) authorize payment of Use Tax to the California Franchise Tax Board associated with the purchase of the 53 buses.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS

Lorraine Leighton: Ms. Leighton stated that there is competition between able-bodied patrons and patrons in wheelchairs when pushing the button to deploy the ramp on low-floor trolley cars.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for May 10, 2012, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 9:45 a.m.

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEEMETROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) <u>A</u>	pril 12, 2012	(CALL TO ORDER (TIME)	8:56 AM
RECESS			F	RECONVENE	
CLOSED SESSION			F	RECONVENE	
			A	ADJOURN	9:45 AM
BOARD MEME	BER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
YOUNG	Ø	(Gloria)			9:43 AM
MATHIS	Ø				
			···		
OVROM	Ø	(Bragg)			
ROBERTS		(Cox)			
MINTO		(Cunningham)			
Transportation	Committee	e Rep Slot (Mathis)			
SIGNED BY OF	FICE OF T	HE CLERK OF THE	BOARD:	Valerie Vi	rkelet:
CONFIRMED BY	Y OFFICE	OF THE GENERAL (COUNSEL	Kuru (a)	Dr



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Agenda

Item No. C1

MEETING OF THE EXECUTIVE COMMITTEE for the

Metropolitan Transit System

May 10, 2012

SUBJECT.

TROLLEY RENEWAL PROJECT UPDATE (WAYNE TERRY AND JOHN HAGGERTY OF SANDAG)

RECOMMENDATION:

That the Executive Committee receive a report for information.

Budget Impact

None.

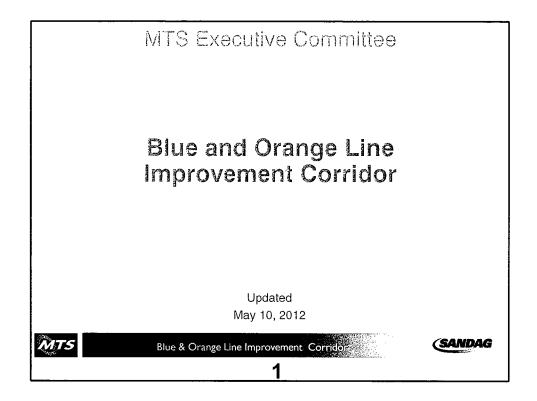
DISCUSSION:

The Trolley Renewal Project is a system-wide rehabilitation and upgrade of the existing Trolley system. The project includes the purchase of new low floor vehicles, the rehabilitation and retrofit of stations and transit centers throughout the system, new crossovers and upgraded signaling, replacement of the overhead catenary wire, track work and rail replacement, slope repair, and traction power substation replacement and rehabilitation. Construction and infrastructure work is currently underway in downtown San Diego and on the Orange and Blue Lines. Staff will provide an update.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdmts.com





MTS Executive Committee								
Construction Schedule								
Comparison of Station Construction Scheduled Vehicle Arrivate	Vehicle #10 Vehicle #20 Vehicle #30 Vehicle #30 Vehicle #30 Vehicle #37							
Vehicle Procurement	2011 2012 2013 2014							
OCS Contact Wire								
Fiber Optic / Aerial Cabiling								
Crossovers and Signaling								
C Street Double Crossover								
Green Line Extension Stations	1 1 2 2 2 2 3 3 4 1 3 3 2							
Downtown Stations	1 1 1 2 2 2 1 2 2 2							
Orange Line Stations	3 3 3 3 4 4 5 7 4 4 3 2 :							
Blue Line Stations	3 2 8 8 8 8 7 7 8 8 8 8 2 2							
Substation Procurement								
Substation Installation								
90-LB Rail Replacement								
MTS	Blue & Orange Line Improvement Corridor							
	2							

Budget - Expended Status

	\$ in Millions			
Description	FY2012 Budget	Committed As of 4/30/2012	Expended As of 4/30/2012	Expended (percent of Budget)
Program & Construction Management	\$33.4	\$16.6	\$10.9	33%
Blue Line Crossovers & Signaling	\$41.6	\$37.3	\$22.2	53%
Blue Line Station Improvements	\$79.7	\$6.4	\$6.0	8%
Blue Line Infrastructure	\$89.0	\$16.7	\$2.5	3%
Slope Repair / Substation Roof Repair	\$5.0	\$0.0	\$0.0	<1%
Green Line Extension, Downtown & Orange Line Station Improvements	\$63.1	\$62.4	\$22.3	35%
Low Floor Vehicles	\$240.2	\$230.7	\$70.3	29%
TOTAL	\$552.0	\$370.1	\$134.2	24%

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Blue & Orange Line Improvement Corri

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Project Status

- Design
- 2009 2012
- Rail Rehabilitation

In Process

- 90 lb Rail Replacement
- Track and Tie Replacement
- Construction (Work Completed)
 - Blue Line Contact Wire
 - Fiber Optic / Aerial Cabling
 - Euclid Avenue Station Trackwork and Grade Crossing
 - 32nd & Commercial Station Trackwork and Grade Crossing
 - America Plaza Station
 - Civic Center Station Trackwork

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Blue & Orange Line Improvement Corrido

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Project Status

Construction 2010 – 2014 (Work In Progress)

C Street Double CrossoverOrange Line Stations95% HMS (local)30% WCG (local)

- Green Line Extension Stations 30% Wier, HMS and ABC (all local)

Crossovers & Signaling
 48% JV HMS/WCG (local)

Downtown Stations> 5% HMS (local)

- Traction Power Substations

Substation Procurement NTP (Siemens)

Substation Installation Bidding

Blue Line Station Improvements To Be Advertised – June 2012

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Blue & Orange Line Improvement Corrido

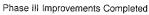
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MTS Executive Committee

12th and Imperial Station







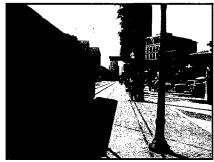
Duct Bank to Building A in Progress

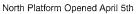
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Blue & Orange Line Improvement Corridor

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Gaslamp Station







Gaslamp Plaza Area Completed

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Blue & Orange Line Improvement Corrido

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Gaslamp Station



South Platform -Tactile Warning Pavers in Progress

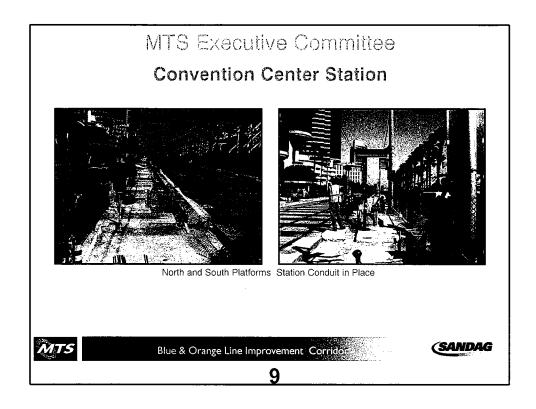


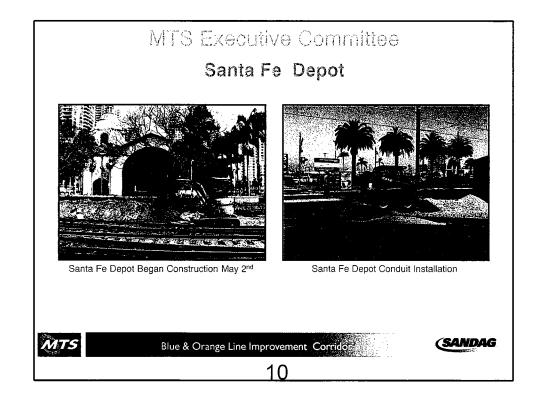
South Platform Conduit Complete

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Blue & Orange Line Improvement Corrido

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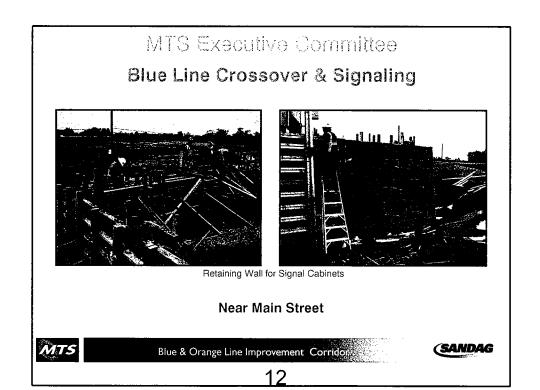


BLUE LINE CROSSOVERS & SIGNALING PROJECT

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Blue & Orange Line Improvement Corrido

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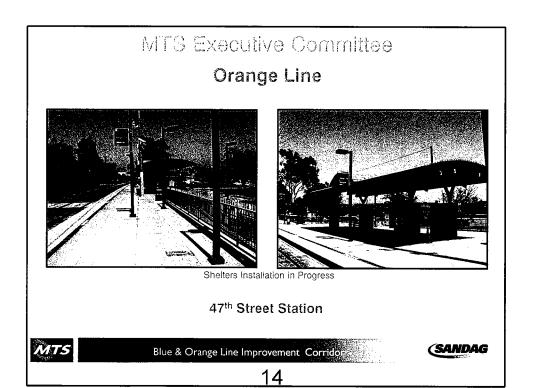


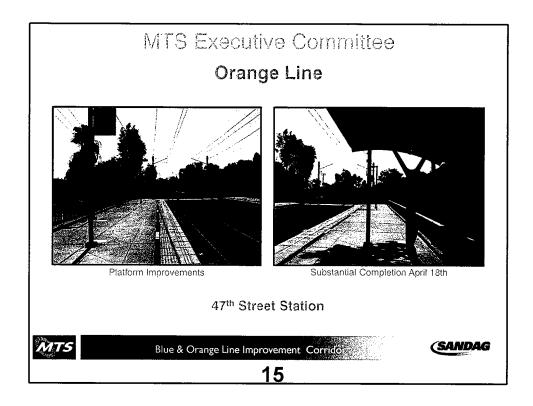
ORANGE LINE STATIONS

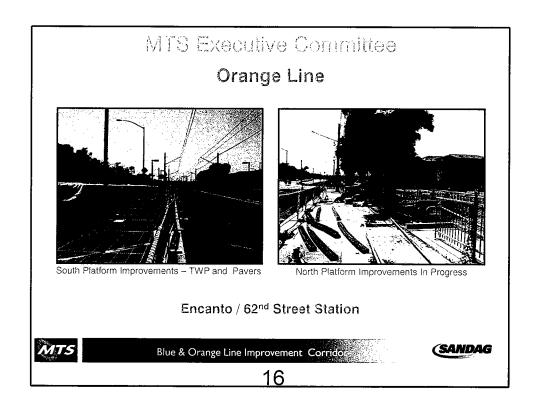
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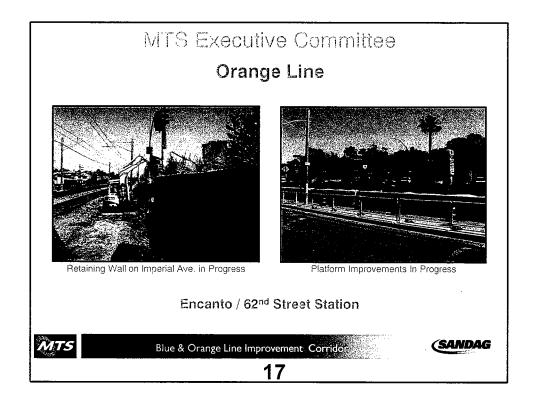
Blue & Orange Line Improvement Corridor

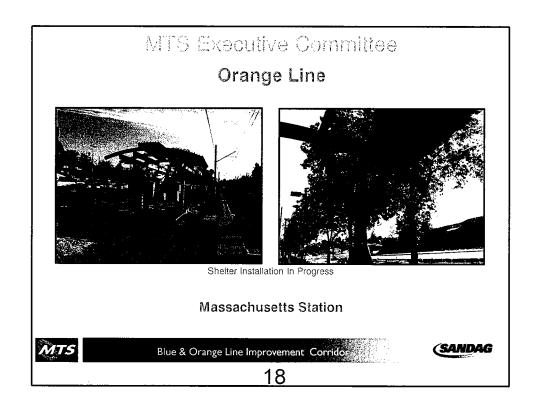
SANDAG

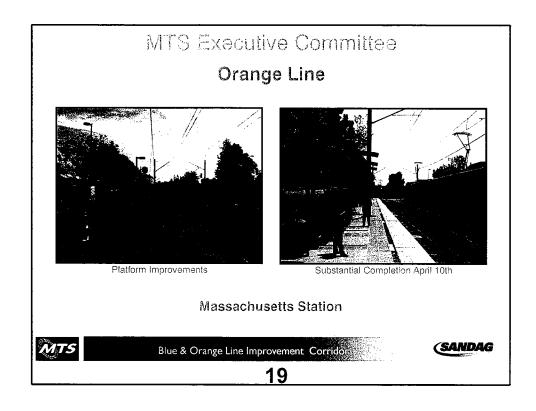


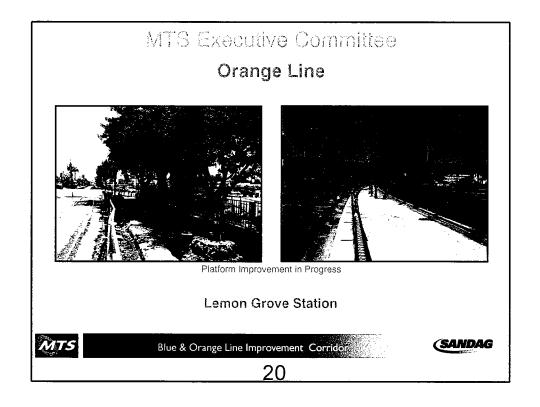


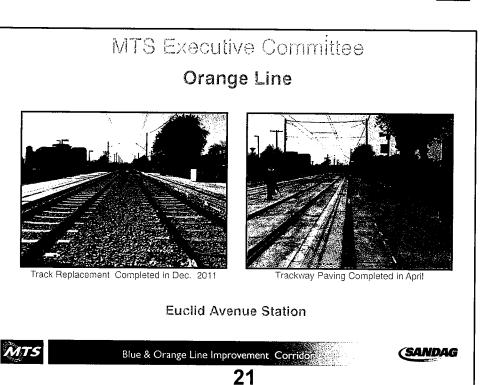


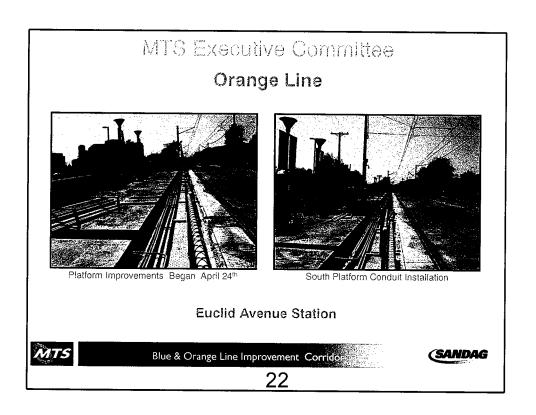




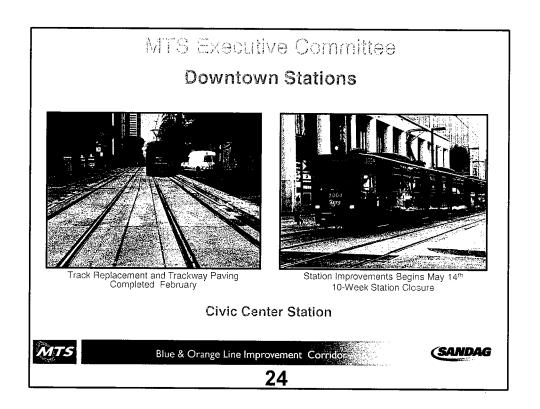








MTS Executive Committee Orange Line Existing Station – Improvement s Begin in May Temporary Platform at 22^{nd + 24th} Street Under Construction 25th Street Station Blue & Orange Line Improvement Corridos SANDAG 23



MTS Executive Committee **Light Rail Procurement Status Production Timeframe:** 2010 to 2013 - Production Status: 60% Delivered: 30 - In Revenue Service: 20 - In Production at the Plant: 10 MTS Blue & Orange Line Improvement Corridor (SANDAG 25



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Agenda Item No. C2

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 10, 2012

SUBJECT:

CITY/PARK STREETCAR FEASIBILITY STUDY UPDATE AND FINAL REPORT (DENIS DESMOND AND SHARON COONEY)

RECOMMENDATION:

That the Executive Committee receive a report for information and provide comments.

Budget Impact

None.

DISCUSSION:

Several American cities have built new or vintage streetcar systems within the past 15 years to spur economic development, reduce parking demands, and enhance pedestrian mobility. Streetcars differ from light rail because they generally feature single-car consists and operate in mixed-traffic. San Diego's last streetcar turned into the barn in 1949, but the recent implementation of the Silver Line by San Diego Vintage Trolley, and the upcoming centennial of Balboa Park, has sparked an interest by many in seeing streetcars once again ply the streets of our area. MTS received a Caltrans planning grant last year to study the feasibility of constructing and operating a streetcar line between Downtown San Diego and Balboa Park. MTS retained Parsons-Brinkerhoff to conduct the technical portions of the study, which is now complete. Staff will provide a final report on the findings of the feasibility study and discuss potential next steps.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Denis Desmond, 619.515.0929, denis.desmond@sdmts.com





May 2012

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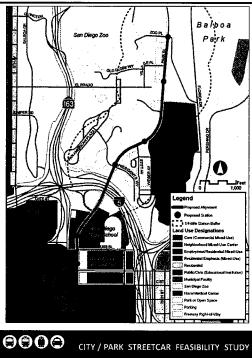
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CITY / PARK STREETCAR FEASIBILITY STUDY



PROPOSED ALIGNMENT

- · Park Boulevard
- Broadway to Zoo Place
- 1.5 mile Corridor



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PURPOSE OF THE FEASIBILITY STUDY

- 1) Assess engineering related to infrastructure
- 2) Identify/evaluate potential alignments & vehicles

3) Develop ridership estimates and conceptual service characteristics

4) Estimate costs & identify possible financing options



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6606 CITY / PARK STREETCAR FEASIBILITY STUDY



PUBLIC PARTICIPATION

- 1) Stakeholder Steering Committee
- 2) Community outreach meeting in Balboa Park (June 2011)
- 3) On-line & outreach session survey
- 4) Project materials available on the MTS website

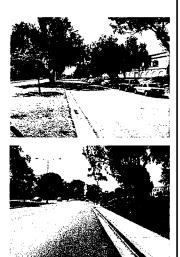


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ALIGNMENT CONCEPTS & EVALUATION

Project alignments included the following:

- In-Street/Mixed Flow Alignment for Streetcar
- Future light rail transit (LRT) right-of-way as defined by SANDAG's 2050 RTP
- Class 2 bicycle facility or better as defined in the City's Bicycle Master Plan
- Pedestrian enhancements to implement the "Bay to Park" link
- Retention of the landscaped median north of Interstate 5 through Balboa Park



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CITY / PARK STREETCAR FEASIBILITY STUDY



ALIGNMENT CONCEPTS & EVALUATION

Alternatives Developed for North of I-5 Segment

- Option 1 Right Lane Mixed Flow w/ Parking
- Option 2 Provides Additional Travel Lane
- Option 3 Right Lane Mixed Flow w/o Parking and Class 2 Bicycle Facility
- Option 4 Curbside Lane Mixed Flow w/o Parking and Class 1 Bicycle Facility *
- Option 5 Median Side Mixed Flow /w Parking and Class 2 Bicycle Facility**

* Ranked the highest

** Note: LRT not provided

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ALIGNMENT CONCEPTS & EVALUATION

Evaluation matrix scored each alternative on:

- Engineering Feasibility
- Operational Feasibility
- Cost Feasibility
- Others Consistency with approved plans, stakeholder comments, complete streets, etc.

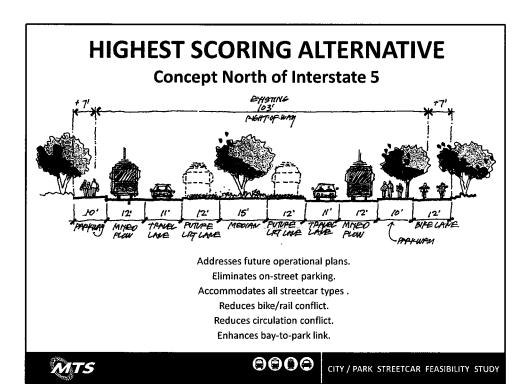


Streetcar at Balboa Park Terminal Near Park Boulevard, c. 1915

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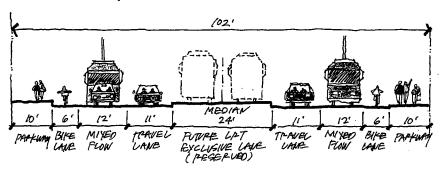
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HIGHEST SCORING ALTERNATIVE

Concept South of Interstate 5 to C Street



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CITY / PARK STREETCAR FEASIBILITY STUDY



BRIDGES

I-5 Bridge

- · Insufficient structural capacity for streetcar.
- · Stray current issues.
- Rebuilding a new bridge possibly best solution.
- Future light rail.

Balboa Park Pedestrian Bridge

- · Insufficient clearance for overhead wire.
- Not ADA accessible, likely not historic.
- · May require at-grade pedestrian crossing.
- · Options: build new bridge or lower street.





MITS

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VEHICLES

Vintage Cars

- Historical charm
- Local availability of vehicles
- More compact size



Historic (PCC)



Historic (SD1)



Replica (SD1 or PCC)

Modern Cars

- · Easy integration with current Trolley
- Low-floor access
- · Availability of additional cars





Modern (United)

Modern (ameriTRAM)





Modern (Siemens)

Modern (Inekon)



CITY / PARK STREETCAR FEASIBILITY STUDY



VEHICLES

Major Considerations

- Accessibility
- Capacity
- Reliability
- System integration
- Expandability into larger streetcar network

Hybrid Model

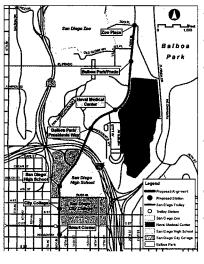
- Modern streetcar as the "workhorse" of the system
- Historic cars operating when their aesthetic appeal would be most appreciated (e.g. special events)

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SERVICE CONCEPT



- 7 stations
- 1.5 miles each way
- Transfers to two Trolley lines and 14 bus routes at **City College Trolley Station**
- Hours: 8 AM 6 PM, 7 days a week
- 15 minute frequency
- 377,000 passengers annually

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CITY / PARK STREETCAR FEASIBILITY STUDY



COSTS

Capital Cost: \$68.8 - \$77.7 Million 1)

• Construction Estimate: \$65.9 Million

• Vehicles: \$2.9 - \$11.8 Million

Operating Cost: \$1.1 Million Annually 2)



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FINANCING OPTIONS

1) Possible funding sources:

- Improvement district funds
- · Parking fees
- Assessment district
- Investment by adjacent private property owners
- Private sponsorships
- TransNet (RTP 10%)

2) Challenges:

- Federal grants drying up for streetcars
- Redevelopment funds in limbo

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CITY / PARK STREETCAR FEASIBILITY STUDY



NEXT STEPS

Estimated timeline once project is identified/funded:

- 1.5 years Conceptual Engineering & Environmental
- 1.0 years Preliminary Engineering/Vehicle Procurement
- 1.0 years Final Design
- 1.5 years Construction/Vehicle Delivery
- 5.0 years Total



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May 2012

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Agenda Item No. <u>C3</u>

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 10, 2012

SUBJECT:

MASTER CONSESSIONAIRE – GASLAMP QUARTER STATION VENDOR SERVICES (WAYNE TERRY)

RECOMMENDATION:

That the Executive Committee receive a report for information.

Budget Impact

Potential revenue.

DISCUSSION:

The MTS Master Concessionaire, Kobey-Bricehouse, LLC (MC), is responsible for advertising and placing vendor services at various locations along the light rail network of stations. Currently, there are vendor services at 13 stations with recurring revenue reported in FY 11, which is up over 300% from FY 10. The MC has prepared a proposed vendor development plan for the Gaslamp Quarter Station, which will provide up to three individual vendor kiosks on MTS property immediately adjacent to Gaslamp Park and the existing Tin Fish restaurant. Staff will provide a presentation of the proposed Gaslamp Quarter Station development area at the Executive Committee meeting.

Paul C. Jablonski Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdmts.com



Master Concessionaire: Gaslamp Quarter Station Vendor Services

MTS Executive Committee Meeting

May 10, 2012



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Master Concessionaire Contract

- Currently vendors service 13 stations
- Annual revenue from previous contract: \$35,000
- Annual revenue from current contract: \$387,000



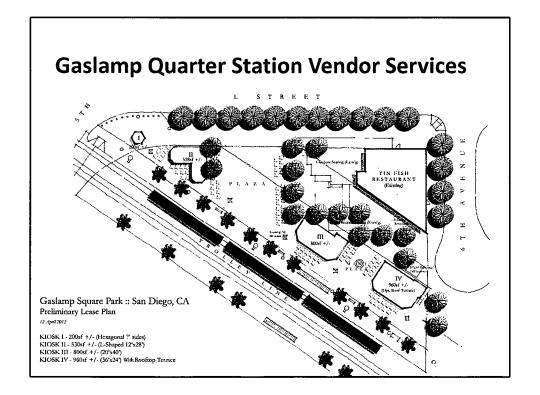


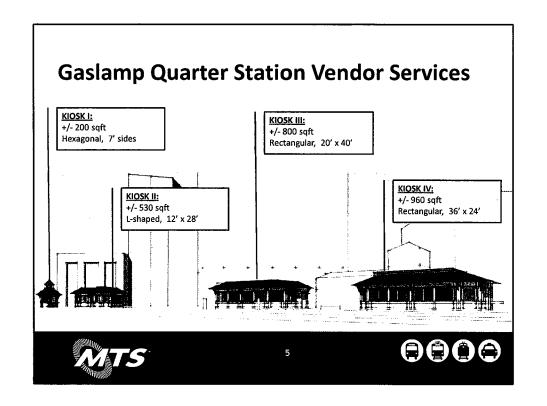
Gaslamp Quarter Station Vendor Services

- Proposal includes up to three (3) individual vendor kiosks and one (1) information booth designed in style of new MTS Gaslamp Quarter station shelters
- Tables, chairs and waste control by Master Concessionaire and paid by tenants
- Management of public areas and public events booking by Master Concessionaire







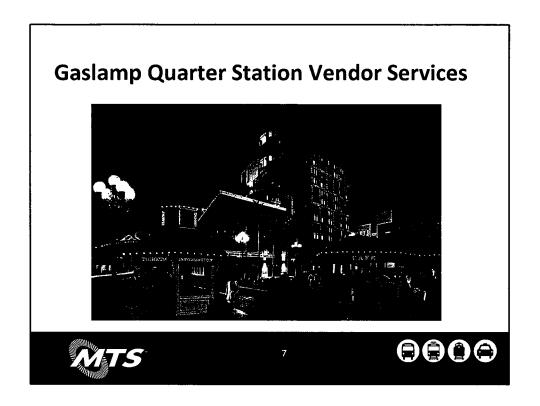


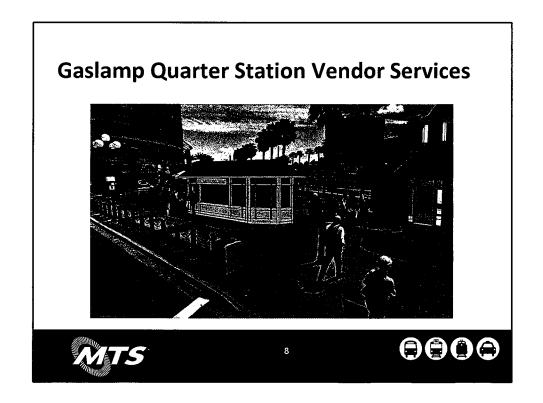
Annual Income Potential

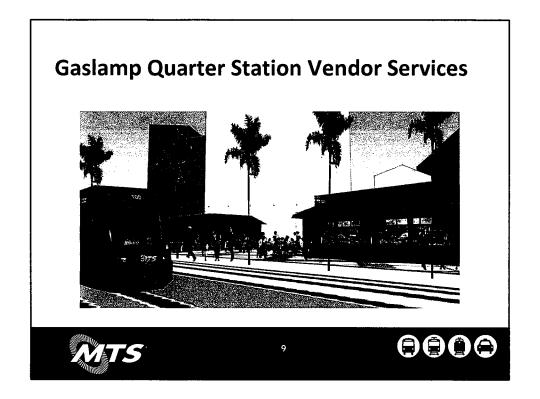
Kiosk	Vendor(s)	Annual Income Potential
1	Information, coffee, and MTS kiosk	\$ 18,000
2	Jamba Juice and Bento, Bowls & Things (Asian cuisine)	\$ 42,000
3	Bronx by the Bay (Bronx Pizza franchise)	\$ 48,000
4	Roadstar: An American Classic (snack shack NYC Atmosphere, rooftop seating)	\$ 72,000
	Advertising	\$ 60,000
	Special Events	\$ 72,000
	TOTAL:	\$ 312,000











Recommendation:

• That the Board receive this report for information







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

Agenda Item No. <u>C4</u>

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 10, 2012

SUBJECT:

NEWSRACKS ON MTS-OWNED OR -CONTROLLED PROPERTY (SHARON COONEY)

RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to approve Policy No. 61 (Attachment A) to regulate newsracks on MTS-owned or -controlled property.

Budget Impact

Permit fees are expected to cover the cost of regulating newsracks in MTS right-of-way.

DISCUSSION:

MTS does not have a policy to regulate the placement of newsracks and other equipment for the dissemination of print media on its property. The result has been the proliferation of this equipment at transit centers and trolley stations. Unregulated access to MTS property has led to the placement of too many newsracks in many locations, which impedes customer use of the facilities and causes potential safety hazards. In addition, the equipment is frequently installed or removed improperly causing damage to the site and potential tripping hazards. Finally, maintenance of the equipment varies from owner to owner, and graffiti removal, cleaning, and repair of equipment often is not up to the MTS standards of care. MTS staff recommends that the Board approve a policy to regulate newsracks on MTS property to include permit fees and guidelines for safe and effective location of this equipment.

Paul C. Jablonski Chief Executive Officer

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

Attachment: A. Proposed Policy No. 61 (Newracks on MTS-Owned or --Controlled Property)



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Policies and Procedures

No. 61

SUBJECT: Board Approval: 05/17/12

NEWSRACKS ON MTS-OWNED OR -CONTROLLED PROPERTY

PURPOSE:

This policy is to preserve and promote the public health, general welfare, and safety of persons using the public transportation system and to foster the aesthetics of public transportation system facilities by providing guidelines for newsrack placement in and around these facilities.

STATEMENT OF INTENT:

The uncontrolled placement and maintenance of newsracks can create a danger to the safety and welfare of the San Diego Metropolitan Transit System (MTS) customers, employees, and assets including the obstruction of safe and efficient flow of pedestrian and vehicle traffic.

POLICY:

61.1 DEFINITIONS

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

- a. "MTS" shall mean the San Diego Metropolitan Transit System and all of its subsidiaries.
- b. "Policy" shall mean and refer to this policy on newsracks on MTS-owned or -controlled property.
- c. "CEO or Designee" shall mean the Chief Executive Officer of MTS or mean every member, officer, employee, or consultant the CEO appoints as his/her representative.
- d. "MTS-owned or -controlled property" means any location designated for bus or rail vehicle operations including loading or unloading of passengers, layover, or maintenance owned, operated, or controlled by MTS.



- e. "Bus stop or bus stop area" means any location designated for passenger loading or unloading of buses owned, operated, or controlled by MTS and any layover location owned, operated, or controlled by MTS.
- f. "Newsrack" means a self-service or coin-operated box, container, storage unit or other dispenser installed, used or maintained for the display and sale or distribution of newspapers, magazines, periodical or other publications to the public.
- g. "Newsrack area" means a defined area of MTS-owned or -controlled property that has been identified and authorized for placement of newsracks.
- h. "Publisher" means the person who publishes a newspaper, magazine, periodical or other publication that is displayed and offered for the sale or distribution in a newsrack.
- i. "Publication" means any newsrack, magazine, periodical, leaflet, or any other document offered for sale or distribution to the public.
- j. "Newsrack slot" means the specific site within a newsrack area that is assigned for the placement of a newsrack.
- k. "Nudity" shall mean the showing with less than a fully opaque covering of the genitals, pubic hair, perineum, anus, or anal region of any person, or any portion of the breast at or below the areola thereof of any female person.
- I. "Sexual conduct" shall mean an act of sexual intercourse, masturbation, homosexuality, sodomy, bestiality, anal intercourse, oral copulation, flagellation, or other act of sexual arousal involving any physical contact with a person's clothed or unclothed genitals, pubic region, pubic hair, perineum, anus or anal region, or, if such person be a female, breast.
- m. "Pictorial material" shall mean any material suggesting or conveying a visual image, and includes, but is not limited to, a photograph, painting, or drawing.

61.2 GENERAL PROVISIONS

Newsracks may not be placed in whole or in part upon MTS-owned or -controlled property except as follows:

a. Newsracks shall only be allowed at MTS-designated and approved newsrack areas. MTS reserves the right to amend or modify its approved newsrack areas as well as accept or reject final placement based on passenger flow, safety, and security issues, emergency evacuations, construction, and other reasons deemed to be in the traveling public's best interest.

-2-

- b. Newsracks shall only be allowed if publisher complies with existing MTS Policies and Procedures No. 50 Engineering and Construction Expense Cost Recovery for Plan Review, Real Estate Action, and Right of Entry Permits. Prior to placement of a newsrack on MTS-owned or -controlled property, the publisher shall request and have received a notice to proceed to access MTS-owned and -controlled property. Newsracks shall not be bolted, affixed, or placed on or to any MTS-owned or -controlled property without prior written permission from MTS. MTS reserves the right to require affixing a newsrack in a newsrack Slot to ensure proper safety of customers, employees, and assets.
- c. Newsracks shall not be placed anywhere that impedes the mobility of customers or inhibits customers protected under any Americans with Disabilities Act (ADA) requirement.

61.3 APPLICATION AND PERMITTING

- a. Prior to placement of a newsrack on MTS-owned or -controlled property, the publisher shall apply for and obtain a permit with MTS. A sample application is attached (Attachment A).
- b. Each newsrack shall have a permit sticker issued by MTS affixed to it in a readily visible place setting forth the name, address, working telephone number, and working e-mail address of the publisher where official correspondence regarding the newsrack will be sent. Each sticker will have a unique permit number for tracking current status.
- c. Publisher shall update information required in this section within five (5) business days of any change of information.
- d. Any violation of any provision of this section may result in removal of affected newsrack(s) pursuant to Section 61.6a below.

61.4 INSTALLATION & MAINTENANCE

- a. Publishers shall ensure that newsrack(s) are stocked with current publications. A newsrack that remains empty for a period of 10 consecutive calendar days shall be deemed abandoned. MTS may summarily remove an abandoned newsrack.
- b. Publishers shall be solely responsible for the maintenance and repair of all newsracks installed on MTS-owned and -controlled property or on behalf of the publisher. Newsracks shall at all times be maintained in a neat and clean condition and in good repair. Specifically, newsracks must be kept free of trash, debris, dirt, grease, and graffiti without chipping, peeling, cracking, or fading paint in visibly painted areas, and without rust or corrosion.
- c. Each newsrack shall have affixed to it in a readily visible place a notice setting forth the name, address, and working telephone number for customers to report a malfunction or obtain a refund.

-3- A-3

- d. Commercial advertising or material dealing with anything other than the name of the publication contained within the newsrack shall not be displayed on the outside of any newsrack.
- e. All newsracks must follow appropriate physical and removal standards for newsracks at the discretion of MTS to provide stability and safety. All newsracks must be appropriately weighted and secured at the discretion of MTS to provide stability and safety to prevent theft. MTS reserves the right to amend or modify physical, removal, or weighted and secured standards to ensure proper safety of customers, employees, and assets.

61.5 MATERIAL DEPICTING NUDITY AND SEXUAL CONDUCT IN PUBLICATIONS

- a. No newsrack will be permitted that knowingly places or maintains in any newsrack which rests in whole or in part, upon, in, or on any portion of MTS owned or controlled property, or which projects onto, into, or over any part of MTS owned or controlled property, any publication or material which while in said newsrack exposes to public view:
 - (1) Any statements or words describing explicit sexual acts, sexual organs, or excrement where such statements or words have as their purpose or effect sexual arousal, gratification, or affront.
 - (2) Any pictorial material depicting nudity where such material has as its purpose or effect sexual arousal, gratification, or affront.
 - (3) Any pictorial material depicting explicit sexual conduct where such picture or illustration has as its purpose or effect sexual arousal, gratification, or affront.

61.6 VIOLATIONS

- a. MTS is authorized to remove, without prior notice, any newsrack placed on MTS owned or controlled property for the following reasons:
 - (1) A newsrack is placed without first obtaining proper MTS Right-of-Entry Permit(s).
 - (2) The placement of the newsrack poses a threat to the public health, safety, or welfare.
 - (3) MTS is unable to contact the publisher via email or written notice for a newsrack based exclusively on information provided in a current permit, related to a current permit.
 - (4) A permitted newsrack remains empty for ten consecutive calendar days.
 - (5) A publisher failed to comply with a Notice of Violation within five business days after notification.

-4-

A-4

- (6) Any newsrack in violation with Section 1.5 of this policy.
- b. If a publisher fails to comply with any of the requirements of this policy, MTS shall notify the publisher and the publisher will have five (5) business days to correct the violation(s).
 - (1) Upon removal, MTS shall notify the publisher that the newsrack has been removed, the reason for removal, and the procedure for reclaiming the newsrack.
 - (2) If the publisher fails to reclaim the newsrack within 30 days of notification of removal and does not pay in full all reasonably incurred removal, storage, and administration fees the newsrack and its contents will be deemed to have been abandoned and may be disposed of by MTS.

61.7 FEES

- a. MTS shall charge fees sufficient to recover the costs of removal, eliminating any potential hazards, cost to maintain facilities related to newsrack storage, and administration of newsrack permitting, and all reasonable fees associated with administering newsracks on property MTS owns or controls. MTS may review and adjust the fees sufficient to recover costs on an annual basis (Attachment B).
- b. A publisher that applies for a permit that has failed to pay any outstanding fees may be denied a newsrack permit for noncompliance with this policy until all fees are paid in full and all other permit requirements are met.

61.8 NEWSRACKS AT BUS STOPS LOCATED IN JURISDICTIONS THAT DO NOT HAVE APPROVED NEWSRACK POLICIES

It is not the intent of this policy for MTS to regulate or require permits for locations where MTS has no easements and no structures other than a bus stop sign; such locations are instead subject to local governmental regulations and control. Notwithstanding the above, MTS provides the following guidance to local jurisdictions regarding newsracks near MTS bus stops:

- a. No newsrack should be installed within the 5 feet ahead of or 65 feet to the rear of any bus sign or anywhere in an a bus stop area along a curb or where there is no curb to the edge of the pavement; and no closer than 10 feet to the curb within this distance.
- Newsracks shall not be placed anywhere that impedes the mobility of customers or inhibits customers protected under any ADA requirement.
- c. If a publisher fails to comply with the requirements of this policy, MTS reserves the right to notify the publisher, and the publisher will have 5 business days to correct the violation(s) or face removal of the newsrack.

-5- A-5

- (1) Upon removal, MTS shall notify the publisher that the newsrack has been removed, the reason for removal, and the procedure for reclaiming the newsrack.
- (2) If the publisher fails to reclaim the newsrack within 30 days of notification of removal and not pay in full all reasonably incurred removal, storage, and administration fees, the newsrack and its contents will be deemed to have been abandoned and may be disposed of by MTS.

Original Policy Adopted on 05/17/12

Attachments: A. Newsrack Permit Application

B. Newsrack Fee Schedule

-6- A-6

Please print clearly all information. Please note publishers must	st comply with MTS Right-of-Entry process	
ORGANIZATION INFORMATION		
Publisher Name		
Street Address		
City, State, and Zip		
Contact		
Phone Number	E-mail Address	
PUBLICATION INFORMATION & WHERE PUBLISHE	R DESIRES TO PLACE THEIR PUB	LICATION(S)
Publication Name	Publication Frequency	Requested MTS Newsrack Area
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
PERMIT FEES		· · · · · · · · · · · · · · · · · · ·
A permit is required for each newsrack, newsbox, she required permit fee(s). Check(s) must be made payable		neck with the completed application for the
Number of Permits Requested	Cost Per Permit	Total Permit Cost
x	=	
NOTICES IN CASE OF NON-COMPLIANCE		
How would you wish to be notified of any notices or o notified via electronic posting will be \$25. Please indica Information listed on this form. Publisher is required to use U.S. Mail/registered/retu	te your preference by checking one. Nupdate the information within 5 days o	lotices will be delivered to the Organizatior
CERTIFICATION		
By submitting this application the publisher/newsrack of in accordance with the rules and policies of the San Diewith the safe and efficient operation of MTS. Furthermorand employees from and against any loss, liability, or property damage sustained by any person as a result of Print Name	ego Metropolitan Transit System (MTS ore the newsrack owner agrees to indor r damage, including expresses and c	 S) and in such a manner as not to interfere emnify and hold harmless MTS, its officers costs, for bodily or personal injury and fo

A-7

Note: All newsrack permits expire one-year from the date of issue. Publishers may renew by submitting a new permit application 30-days prior to expiration. Mail this completed application to: MTS, 1255 Imperial Avenue, Suite 1000, San Diego, CA, 92101.



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NEWSRACK FEE SCHEDULE

Item	Fee
Right-of-Entry Permit (Per private or public party)	\$500.00
Permit Fees (Per Newsrack)	\$200.00
MTS Issued Identifier (Sticker)	\$15.00
Replacement of MTS Issued Identifier (Sticker)	\$65.00
Order to Correct (Paper)	\$35.00
Order to Correct (Electronic)	\$25.00
Graffiti/Sticker/Trash/Dirt Abatement (Per Occurrence)	\$50.00
Impound Fee (Cost to Repair MTS-Owned or -Controlled Property upon removal of newsrack)*1	\$400.00
Removal Fee	\$50.00
Storage Fee (30-Day Period)	\$15.00
Disposal Fee	\$15.00

A-8

¹ Payment may be required in advance through a bond, deposit, or other security instrument.

Newsracks on MTS Property

Executive Committee May 10, 2012





1

Regulation of Newsracks

- Most San Diego municipalities have a policy for regulating newsracks in the public right of way
- MTS has a policy regulating right of entry to MTSowned property but not for newsracks
 - "It is the intention of MTS to recover engineering and construction expenses incurred in support of actions from public agencies and private parties that impact MTS facilities and property." Board Policy 50
 - \$500 fee to cover right of entry permit preparation, approval and administration
- Municipal policies address proximity to bus stops
 - Recognize the need for access and safety at bus stops, and the impact of newsracks and related equipment

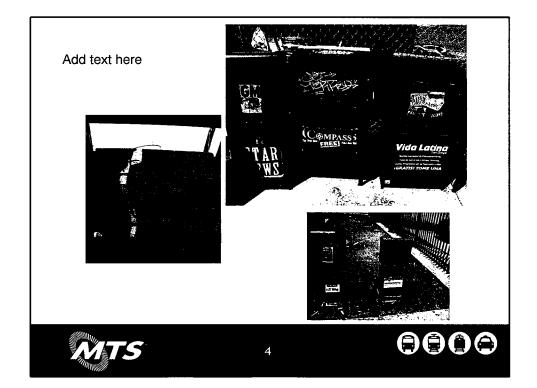


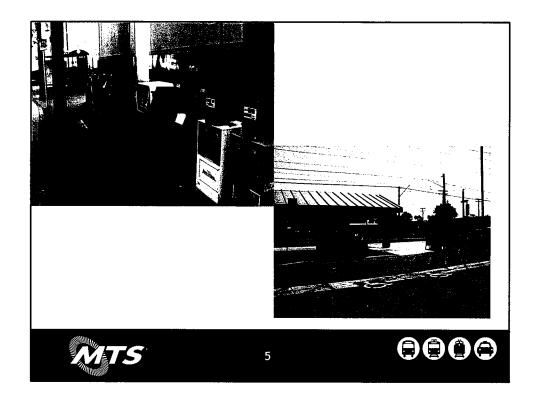
Current Experience with Newsracks

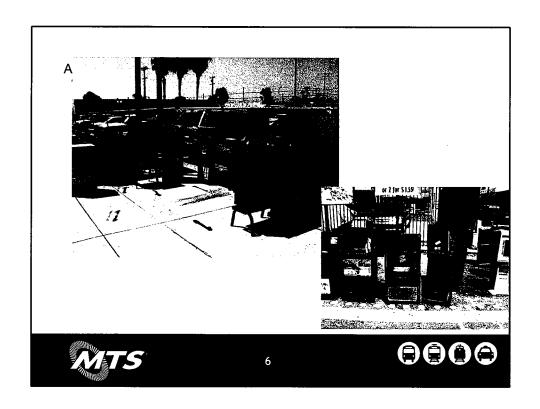
- Removal of safety hazards or abandoned equipment by MTS staff frequently required
- Attempts to reach owners of the boxes to address maintenance/installation concerns
 - Ownership frequently not known
 - Clean up or maintenance of equipment, or resolution of unsafe conditions after removal by owners, often fall to MTS
- Lack of permit fee, waiting crowds, make location on MTS property more attractive than in municipal right of way: proliferation
- Newsrack owners frequently ignore city regulations regarding location near bus stops
 - MTS initiates contact with violators where necessary, and turns cases over to city for enforcement if necessary
- During Trolley Renewal, MTS notified owners to remove equipment and refrain from restoring until further notice

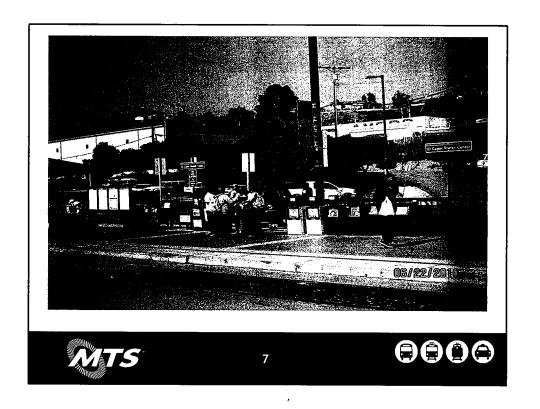


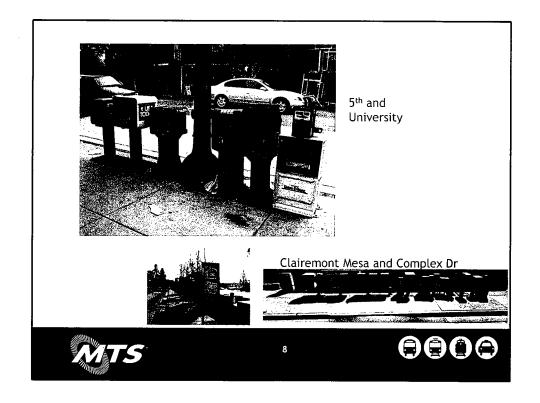












MTS Areas of Concern to be Addressed by Proposed Policy

- Proliferation of newsracks and related equipment on MTS-owned property
 - Prevents unhindered access by the public
 - Safety
 - Damage to MTS property
 - Degradation of the customer experience
- Lack of consistent enforcement in city right of way near bus stops
 - Access issues
 - Poor waiting environment



9

Board Policy 61

- Requires a permit before placing a newsrack
- MTS specifies locations
 - Safety, access for patrons taken into consideration
 - No fare-paid zones
- Compliance with installation/maintenance standards
 - Deposit or bond will be required to address damage
 - Insurance will be required to cover liability
 - Removal for cause
 - · Prohibition against display of nudity/sexual content
- Intent is to have full cost recovery
 - Schedule of fees to be updated regularly
- Recognition of local regulatory authority for bus stops
 - Language to cover locations without a local ordinance



Recommendation

 Recommend that the Board approve Policy 61, "Newsracks on MTS-Owned or -Controlled Property"





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Agenda Item No. C5

MEETING OF THE METROPOLITAN TRANSIT SYSTEM, EXECUTIVE COMMITTEE

May 10, 2012

SUBJECT:

PALOMAR STREET AND PALM AVENUE TRANSIT STATIONS – POTENTIAL SITE DEVELOPMENT (TIM ALLISON AND KAREN LANDERS)

RECOMMENDATION:

That the Executive Committee receive a report on the property and provide direction to staff.

Budget Impact

None at this time.

DISCUSSION:

The Board approved MTS's policy on Joint Use and Development of Property (Policy No. 18) on January 18, 2007. The policy includes the process to consider an unsolicited development proposal. The policy states: "If the Chief Executive Officer recommends the MTS Board of Directors enter into negotiations for an ENA without soliciting additional proposals, justification shall be presented to the MTS Board demonstrating the reasons why competition is not in the best interest of MTS."

Staff has received development proposals for affordable-housing at both the Palomar Street Trolley Station (Palomar) and Palm Avenue Trolley Station (Palm). At Palomar, the current proposal is to construct an 89-unit, affordable-housing development consisting of studios to three-bedroom units (Attachment A). This is within the redevelopment area of the City of Chula Vista. At Palm, the proposal is to construct another 89-unit, affordable-housing development with a similar unit mix (See Attachment B). This site is within the City of San Diego.

Each of the sites is consistent with the Blue Line Rehabilitation Project concepts. At this early stage, the site proposals are for initial negotiation purposes and would be refined as the project progresses considering architecture, unit mix, parking, site layout, and building position to facilitate future development expansion as the economic climates dictate.



The development scenarios were originally proposed by BLT Family Housing, LLC, an entity formed by the Tom Hom Group, LLC as the managing development partner, BriceHouse Starboard, LLC project manager, and The Kobey Corporation as the retail element. The development team is now led by Chelsea Investment Corporation (Chelsea) as the managing development partner. Chelsea is a local real estate development company focused on financing and development of affordable housing. Chelsea has a track record of quality developments in the San Diego region.

The City of Chula Vista staff and staff at the San Diego Housing Commission are being consulted on these proposals as they affect their areas of jurisdiction. There has been support of the project proposals so far as they have been presented.

In order for the CEO to recommend that proposal move forward, Chelsea needs to demonstrate the following per MTS Policy No. 18 (Joint Use and Development of Property):

- a. The proposal should demonstrate compatibility with the goals and development criteria set by the Board.
- b. The proposal shall include information on the entity proposing the development that demonstrates its mission and vision, financial strength, development capability, successful partnerships and projects, and specific experience with transit-oriented development.
- c. The proposed project should be discussed with local agencies having jurisdiction in the project area to determine jurisdictional and community acceptance and support.
- d. Justification shall be presented to the MTS Board demonstrating the reasons why competition is not in the best interest of MTS.

MTS staff was asked to analyze the long-term demographics of the sites to see if affordable housing fits the area in its highest and best use. Keyser Marston performed the analysis regarding the economics of affordable housing versus market-rate housing for the sites. Keyser Marston concluded that the proposals are consistent with the projections of the economic growth in the area. Its key findings included:

- The one-mile ring around the Site has lower growth rates and is almost half the per-capita income of the County.
- Retail, office, and commercial development are slow in the area of the South Bay submarket.
- Home prices are depressed in the area and are expected not to rise significantly until the economic recovery is more advanced.
- Affordable rents are reflective of market rents found in western Chula Vista.
- Land values are not expected to rise substantially in the near future.

Positioning the agency to have projects to submit for any upcoming public-funding program is desirable. Most feedback given from funding agencies is that the properties need to be under some sort of commitment between the developer and the agency/owner of the site to participate for the funding. This development team has a demonstrated track record of developments of this nature and participating with public entities to construct these types of public/private projects.

Staff recommends bringing this proposal to the Board for consideration of entering into Exclusive Negotiating Agreements on the properties with Chelsea Investment Corporation and to authorize continued negotiations that will lead to a ground lease and joint-development projects as proposed.

Jablonski Chief Executive Officer

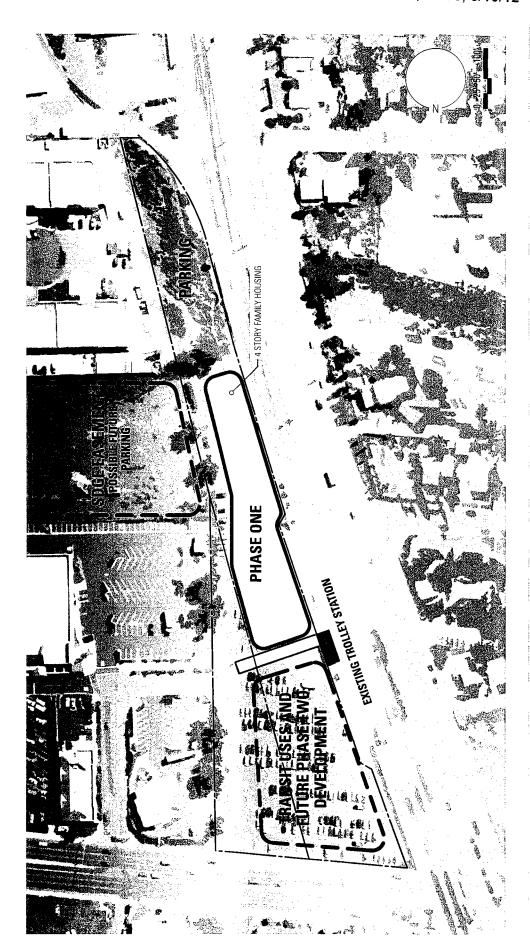
Key Staff Contacts: Tim Allison, 619.595.4903, tim.allison@sdmts.com

Karen Landers, 619.557.4512, karen.landers@sdmts.com

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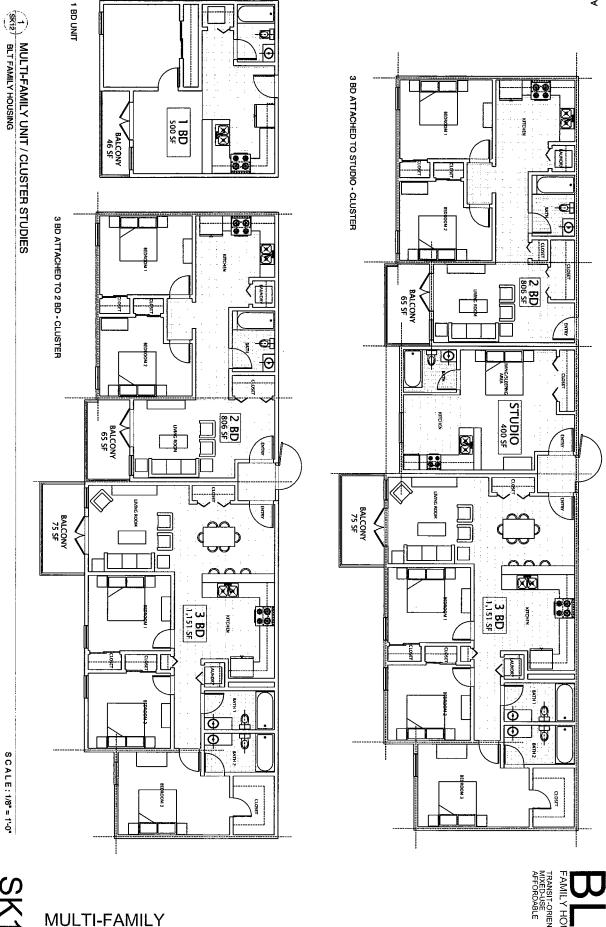
Attachments: A. Palomar Street Trolley Station Site Proposal

For EC Only Due to Volume B. Palm Avenue Trolley Station Site Proposal



Palomar Site Plan - Phasing Diagram scale: 1 - 100

FUTURE DEVELOPMENT SITE SITE PLAN



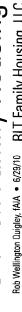
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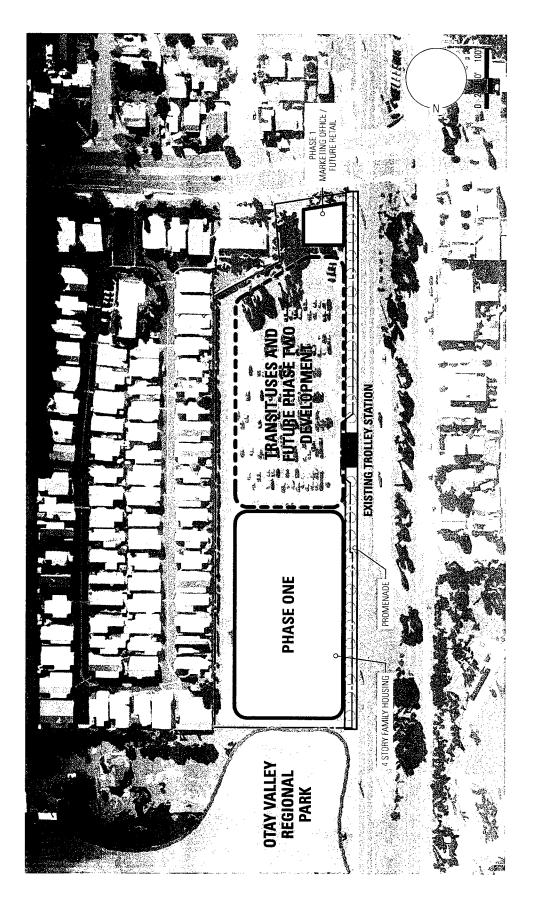
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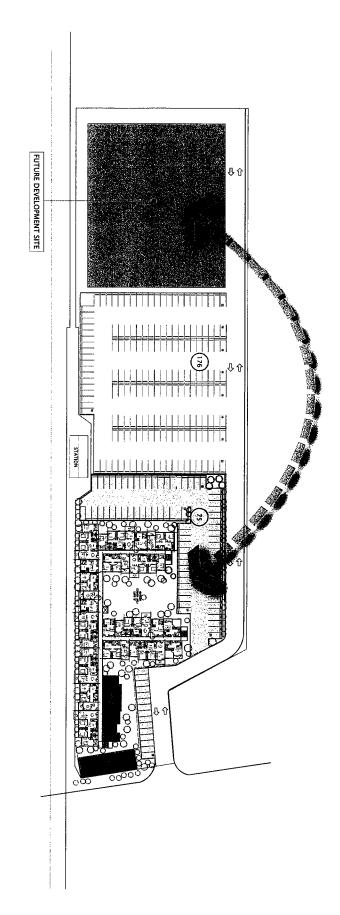
MULTI-FAMILY UNIT-CLUSTER STUDY





Palm Ave. Site Plan - Phasing Diagram scale T - 100

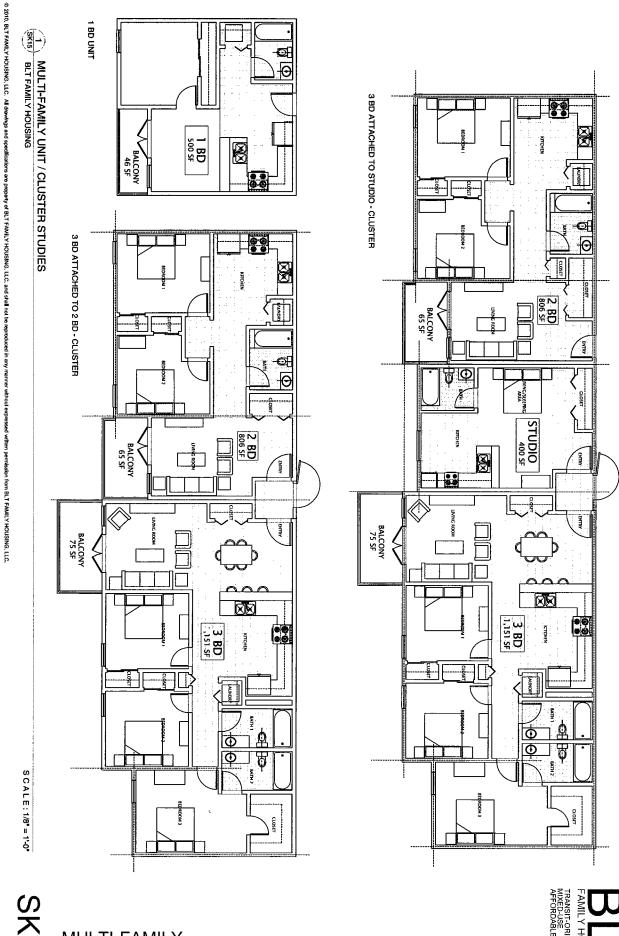




SCALE: 1" = 80'-0"

STE PLAN





SK15

MULTI-FAMILY UNIT-CLUSTER STUDY

Palomar and Palm Avenue Trolley Station Joint Development

May 10, 2012



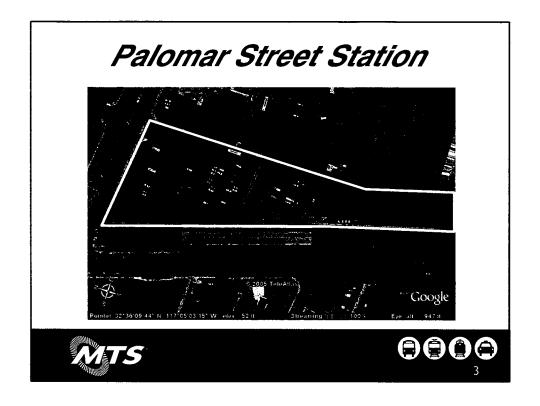


Chelsea Investment Corporation

- Chelsea Managing Development Partner
- BriceHouse Starboard, LLC Project Manager
- The Kobey Corporation Retail Partner

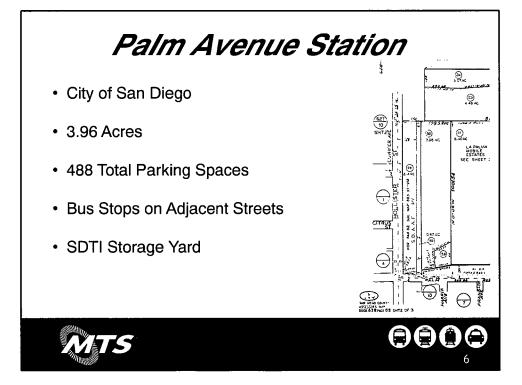


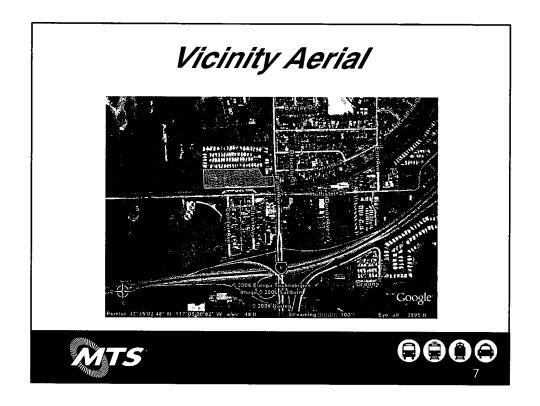


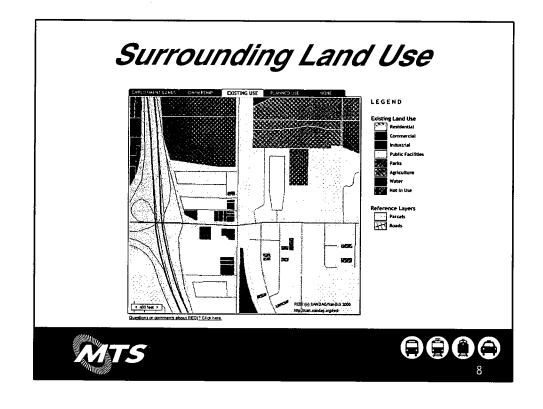


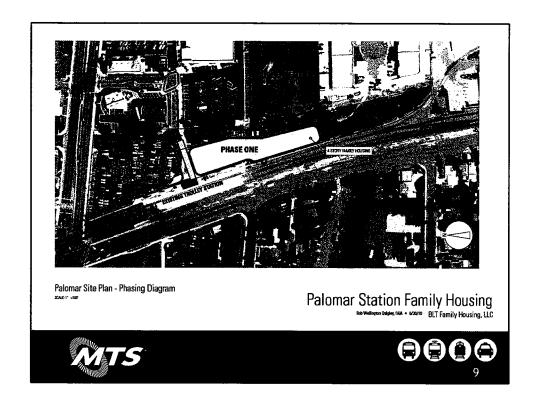
Palm Avenue Station • City of Chula Vista Redevelopment Project Area • 5.01 Acres • 310 Total Parking Spaces • 4 Bus Bays • SDG&E Easement

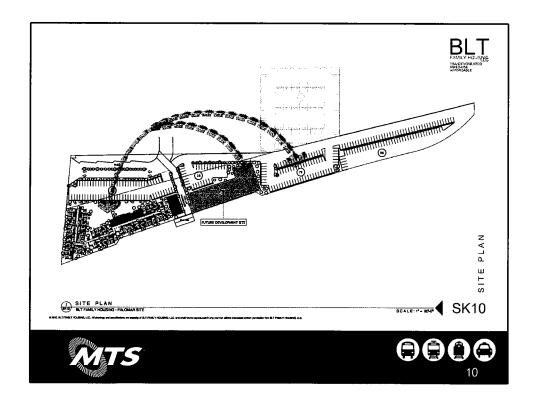


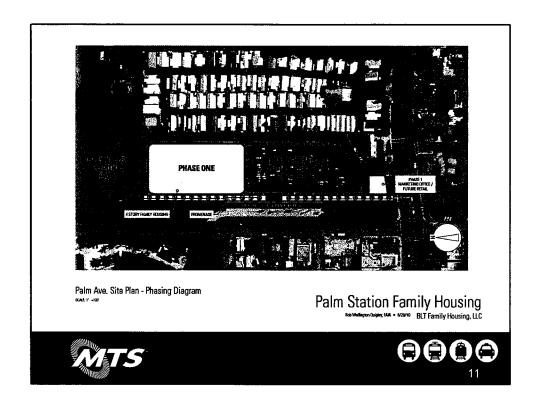


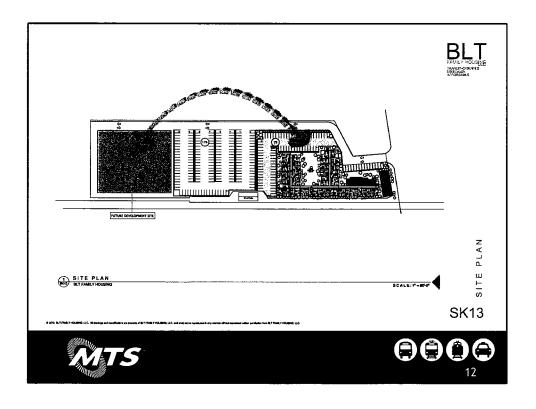


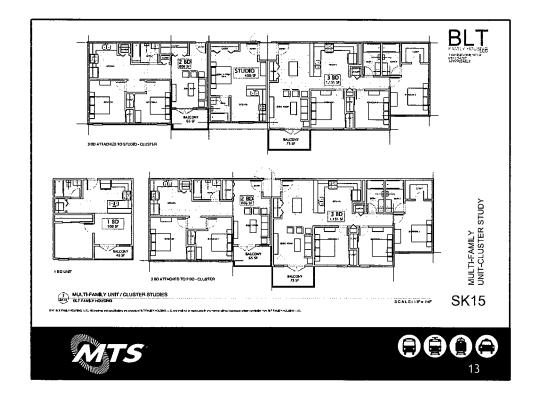












Recommendation:

- Staff recommends that the proposal be forwarded to the Board for consideration of entering into Exclusive Negotiating Agreements for the sites with Chelsea
 - The development team is qualified and has demonstrated experience.
 - Positions MTS to have projects ready to compete for public financing programs for Transit Oriented Development considering most require the project to have agency/developer agreements in place.







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



Agenda

METROPOLITAN TRANSIT SYSTEM

BOARD OF DIRECTORS MEETING & FINANCE WORKSHOP

May 17, 2012

→ → 9:00 a.m. **↔**

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

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

FINANCE WORKSHOP - 9:00 a.m.

ACTION RECOMMENDED

- 1. Roll Call
- 2. <u>Proposed Combined MTS Fiscal Year 2013 Operating Budget and Public Hearing (Larry Marinesi)</u>

Approve

- Action would receive a report on the proposed combined MTS fiscal year 2013 operating budget and recommend that staff hold a public hearing on June 21, 2012, to review the proposed combined MTS fiscal year 2013 operating budget.
- 3. <u>Public Comments</u> Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
- 4. Adjournment

Please SILENCE electronics during the meeting

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.

BOARD MEETING - Meeting will begin when the Finance Workshop ends.

- 5. Roll Call a.
 - Approval of Minutes April 19, 2012

Approve

Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

CONSENT ITEMS

9.

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports Action would receive the San Diego and Imperial Valley (SD&IV) Railroad, Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports for information.

Receive

<u>Unallocated Transportation Development Act Funds for Transit-Related Projects</u> (Santee 7. Trolley Square Clock Tower) Action would approve the use of \$100.000 in unallocated Transportation Development Act (TDA) funds currently held by the County of San Diego for new display panels and a controller computer for the City of Santee's Clock Tower at Santee Trolley Square.

Approve

8. Investment Report - March 2012 Action would receive a report for information. Receive

Assignment of Carrizo Gorge Railway, Inc. Operating Rights to Pacific Imperial Railroad (PIR) Railway, Inc. Action would approve Amendment No. 3 of the Carrizo Gorge Railway, Inc. (CZRY) 2002 Operating Agreement (MTDB Doc. No. S200-02-194) assigning CZRY's rights and obligations to Pacific Imperial Railroad (PIR) Railway, Inc.

Approve

10. Insurance Brokerage and Consulting Services Contract Action would authorize the CEO to award MTS Doc. No. G1397.0-12 to Alliant Insurance Services, Inc. for insurance brokerage and consulting services effective July 1, 2012.

Approve

11. Purchase of Blank Compass Cards Action would authorize the CEO to execute a contract to purchase smart card fare media.

Approve

12. Internal Audit Report on SDTI Revenue Management Action would receive an internal audit report on San Diego Trolley, Inc. (SDTI) revenue management.

Receive

13. Internal Audit Report on Information Technology-Network Access/Security Action would receive an internal audit report on Information Technology (IT)-Network Access/Security for information.

Receive

Exercise Option to Purchase One Light Rail Vehicle from Siemens Industry, Inc. 14. Action would authorize the CEO to exercise an option for one additional SD-8 light rail vehicle (LRV) under MTS Doc. No. L0914.0-10.

Approve

CLOSED SESSION

24. a. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54957.6; Agency-Designated Representative - Jeff Stumbo; Employee Organization - International Brotherhood of Electrical Workers, Local 465

Possible Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. News Racks on MTS-Owned/Controlled Property (Sharon Cooney)

Action would approve a policy to regulate news racks on MTS-owned/controlled property.

Approve

31. San Diego Vintage Trolley - The First Six Months (Wayne Terry)
Action would receive a report for information and approve incorporating President's
Conference Committee (PCC) Car 529 into the regular MTS fare structure.

Approve

REPORT ITEMS

45. <u>Service Enhancement Implementation (Sharon Cooney)</u>
Action would receive a report for information.

Receive

46. <u>Balboa Park Streetcar (Sharon Cooney)</u>
Action would receive a report for information.

Receive

47. <u>Disadvantaged Business Enterprise (DBE) Report (Karen Landers)</u>
Action would receive a report for information.

Receive

60. Chairman's Report

Information

61. Audit Oversight Committee Chairman's Report

Information

62. Chief Executive Officer's Report

Information

- 63. Board Member Communications
- 64. Additional Public Comments Not on the Agenda

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

- 65. Next Meeting Date: June 21, 2012
- 66. Adjournment



AGENDA ITEM NO.

4

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

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

1. INSTRUCTIONS

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

(PL	EASE PRINT)	
	Date	PETER WARNER
	Name	Pro. Bay 270
	Address	Hanfold, CA 93232
	Telephone	619-384-8112
	Organization Represented	
	Subject of Your Remarks	Mews Ractes
	Regarding Agenda Item No.	
	Your Comments Present a Position of:	SUPPORT OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA
Public comment on matters not on the agenda will be limited to five speakers with three
minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at
the end of the Board's Agenda.

<u>REMEMBER: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.</u>



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Agenda Item No. 6

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY QUARTERLY REPORTS

RECOMMENDATION:

That the Board of Directors 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) for information.

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided operations reports during the first quarter of 2012 (Attachment A).

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, Karen Landers@sdmts.com

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 Randy Perry, Chairman Bob Jones Paul Jablonski

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

GENERAL COUNSEL Karen Landers

AGENDA

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

April 10, 2012

9:00 a.m.

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

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

ACTION RECOMMENDED

Approve

Approval of the Minutes of January 24, 2012
 Action would approve the SD&AE Railway Company Minutes of January 24, 2012.

2. <u>Statement of Railway Finances (Linda Musengo)</u>
Action would receive a report for information.

Receive

 Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)
 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. a. Report on the Desert Line (Chas McHaffie)
Action would receive a report for information.

Receive

b. Assignment of Carrizo Gorge Railway, Inc. Operating Rights (Karen Landers)

Approve

See Agenda Item No. 9 of the 5/17/12 Board Agenda for this item (5b) Action would authorize the SD&AE President to consent to Amendment No. 3 of the Carrizo Gorge Railway, Inc. (CZRY) 2002 Operating Agreement (MTDB Doc. No. S200-02-194) assigning CZRY's rights and obligations to Pacific Imperial Railroad (PIR).

- 6. Real Property Matters (Tim Allison) No Report
- 7. Board Member Communications
- 8. Public Comments
- Next Meeting Date: July 17, 2012
- 10. Adjournment

MINUTES

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

January 24, 2012

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on January 24, 2012, at 9:00 a.m.

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

MTS staff:

SANDAG staff: Kimley-Horn:

SD&IV staff:

Pacific Southwest Railway Museum:

Carrizo Gorge Railway, Inc. (Carrizo):

Burlington Northern Santa Fe (BNSF):

Tierra Madre Railway:

Public:

Karen Landers, Tom Tupta

Pete d'Ablaing

Anthony Podegracz

Matt Domen

Diana Hyatt

Chas McHaffie, Sheila LeMire

John Hoegemeier

R. Mitchell Beauchamp

Lorraine Leighton, Bob Nickles

1. Approval of Minutes

Mr. Jablonski moved to approve the Minutes of the October 18, 2011, SD&AE Railway Board of Directors meeting. Mr. Jones seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Linda Musengo presented the financial statement for the 4th quarter of 2011 (attached to the agenda item).

Action Taken

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

3. Report on SD&IV Operations

Matt Domen presented the report of activities for the 4th quarter of 2011 (attached to the agenda item).

Action Taken

Mr. Jones 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

Action Taken

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

Presentation After the Action was Taken (Ms. Hyatt came in during Carrizo's report)

Diana Hyatt presented the 4th quarter of 2011 report (attached to the agenda item) after Carrizo Gorge's report on the Desert Line (No. 5 below). She stated that the Museum had its best quarter in a number of years. Ms. Hyatt informed the Board that February is Black History Month, and the Museum has one of the only Jim Crow restored cars in the United States. She said an invitation to that event on Saturday, February 25, 2012, will be forthcoming.

In response to Mr. Nickles comments (under No. 5 *Public Speaker*), Ms. Hyatt stated that Museum personnel are doing everything they can to assist with the grade-crossings at Highway 94. The Museum contracted with a signal inspector and also did repairs to the crossings. Museum personnel informed Ms. Hyatt that they are in operating condition, and—to her knowledge—the Federal Railroad Administration (FRA) inspections passed. Ms. Hyatt added that the Museum would be willing to hire an inspector on a monthly basis if Marc Langlais (Carrizo Gorge Railroad Police) is not available to inspect them.

Ms. Hyatt distributed an invitation for a community celebration hosted by the Museum and The Chefs de Cuisine (attached).

5. Report on the Desert Line

Chas McHaffie presented the 4th quarter of 2012 report (submitted at the meeting). Mr. Jablonski asked if the environmental issues have been resolved at Jacumba. Mr. McHaffie responded that he is pretty sure that they have been resolved, but he will verify it.

Public Speaker

Bob Nickles: Mr. Nickles stated that he was performing the clerical and FRA reporting for Carrizo last year, but he is no longer employed in that capacity. Mr. Nickles was in the process of learning grade-crossing inspections and maintenance and was in contact with Gary Reedman and Scott Lewis of the FRA. Now that he no longer has that job, he is concerned about who will be responsible for conducting the grade-crossing inspections for FRA compliance. Mr. Nickles added that Carrizo has been issuing track warrants to run trains on the weekends, and he is also concerned that the warrants won't be filed.

Mr. McHaffie confirmed for Board members that Carrizo maintains a crossing inventory list for the FRA database, and he will make it available. Mr. Jones added that it is Carrizo's responsibility to be in compliance with FRA reporting requirements.

Action Taken

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

6. Real Property Matters

- a. Summary of SD&AE Documents Issued Since October 18, 2011
 - <u>S200-12-503:</u> Right of Entry Permit to Kehoe Testing and Engineering to perform field investigations along the Orange and Blue Lines in support of the San Diego Association of Governments (SANDAG).
 - <u>S200-12-508</u>: Right of Entry Permit to Sweetwater Authority to perform facilities maintenance.
 - <u>S200-12-509</u>: Right of Entry Permit to SDG&E to perform utility relocation in San Ysidro.
 - <u>S200-12-510:</u> Right of Entry Permit to JCMS Landscaping to perform slope stabilization near Hill Street in El Cajon.
 - <u>S200-12-512</u>: Right of Entry Permit to Integrated Marine Services to construct improvements near Main Street in Chula Vista.
 - <u>S200-12-513</u>: Right of Entry Permit to American Integrated Services to perform field investigations along the Orange and Blue Lines in support of SANDAG.
 - <u>\$200-12-514:</u> Right of Entry Permit to Project Design Consultants to perform field surveys along the Orange and Blue Lines in support of SANDAG.
 - <u>S200-12-515</u>: Right of Entry Permit to Spectrum Geophysics to perform field investigations along the Orange and Blue Lines in support of SANDAG.
 - <u>S200-12-516:</u> Construction and Maintenance Agreement to the City of Lemon Grove for the Promenade Project.

Action Taken

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

7. Status of SD&AE Main Line Track and San Ysidro Freight Yard Improvements Project

Mr. Jablonski introduced Pete d'Ablaing of SANDAG and Anthony Podegracz of Kimley-Horn. Mr. d'Ablaing and Mr. Podegracz gave a PowerPoint presentation (entitled *TCIF Funded South Line Freight Rail* Projects—attached) on the SD&AE Main Line Track and San Ysidro Freight Yard Improvements Projects. The Trade Corridor Improvement Fund (TCIF) Program is a \$2 billon state-wide project focusing on freight infrastructure improvements and increased capacity in the corridor. There are two separate construction projects—the San Ysidro Yard Expansion Project and the Main Line Improvement Project. Highlights included construction timelines and phases, project elements, expansions, and improvements. Construction is scheduled to begin in January 2013 and to be completed by December 2014.

Mr. Jones expressed support for the project and stated his appreciation for the cooperative efforts involved. He added that the new business model will help the community.

Action Taken

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

8. Old Business

None.

9. **New Business**

None.

10. **Public Comments**

None.

11. **Next Meeting Date**

The next meeting of the SD&AE Railway Company Board of Directors is on April 17, 2012.

12. <u>Adjournment</u>

The meeting was adjourned at 9:30 a.m.

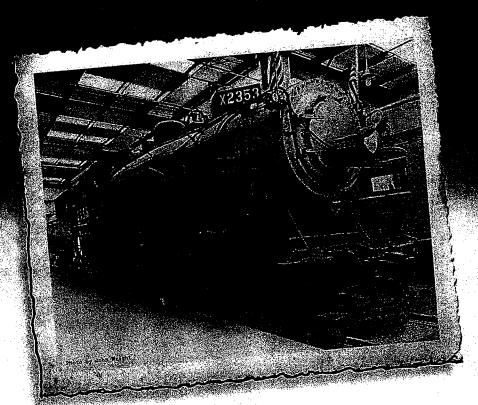
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MINUTES-SDAE.1-24-12.doc

Attachments: Community Celebration Invitation Hosted by the Museum and The Chefs de Cuisine

Carrizo Gorge 4th Quarter Report

TCIF Funded South Line Freight Rail Projects - PowerPoint Presentation



COME AND ENJOY!

CHIPTS IN THE THEFT

MARCH 24, 2012



12:00 - 5:00 PM

PRESENTED AT

THE CAMPO RAILROAD MUSEUM

The Chefs de Cuisine & The Campo RR Museum are celebrating over fifty years of service to the San Diego community together with The San Diego County Vintners Association

GOURMET FOOD SAMPLING • WINE TASTING BEER GARDEN • SILENT AUCTION • LIVE MUSIC

(MUST BE OVER 21)

TICKETS \$25 PER PERSON | \$30 DAY OF EVENT \$20 PER PERSON FOR GROUPS OF 12 OR MORE | TICKETS AT WWW.PSRM.ORG



GOURMET FOOD

Last years selection included...

Seafood Station

Sushi, Seafood Pasta, Ceviche and much more

Bar-B-Que Station

With Grilled Gourmet Sausages, Chili, Bar-B-Que Chicken

The "Iron Horse" Oven

Carved Roasted Pig, and New York Strip Loin

Salads

Caesar Salad

Potato Salad with Cherry Wood Smoked Bacon

Tropical Fruit Salad

Spring Caprice Salad

Dessert Station

Assorted Cookies
Brownies
Assorted Pies

BEVERAGES

Wine provided by the members of The San Diego County Vintners Association

www.sandiegowineries.org

Food prepared by Chefs de Cuisine Association of San Diego

www.sdchefsdecuisine.com

SPONSORS

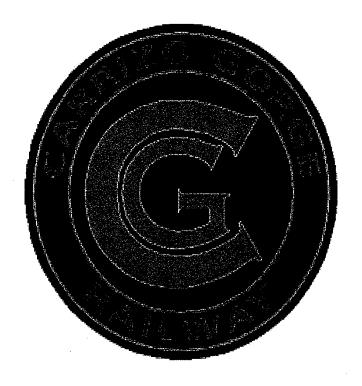
Caffé Calabria Ballast Point Brewery



TRAIN RIDES AVAILABLE

Train fares may be purchased when you place your Iron Horse ticket order or at the Campo Depot on the day of the event.





Periodic Report

To The San Diego & Arizona Eastern Railway Company

Fourth Quarter 2011

The periodic Report to the SD&AE Railway Company is produced quartely 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.

Accomplishments during Fourth Quarter 2011

CONTENTS

FOURTH QUARTER 2011 ACTIVITY

Appendix A- MOW Summary

Appendix B- Desert Line Freigth Revenues
Financial Summary

Fourth Quarter 2011

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 Fourth Quarter activity for 2011.

I. Labor

As of December 31, 2011, Carrizo Gorge Railway has 6 employees to cover the railroad administration and operation in the U.S.

- 3 Administration
- 1 DSL & Engineer
- 1 Train Master & Locomotive engineer
- 1 Track Inspector & Signals

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.

IV. Reportable Injuries / Environmetal Incidents

There were no reportable injuries in the Fourth quarter of 2011.

There were no reportable accidents in the Fourth quarter of 2011.

There were was on environmental incidents in the Fourth quarter of 2011.

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V. Freight Activity

No freight activity in the 4^{th} quarter of 2011 due to the embargo , we are still continuing to store empties, with a total amount of 52 GE cars located in the East end of the line as of this date.

Revenue Storage	52
Revenue Empties	0
Total overall fourth quarter 2011 Carloads Moved	0
Revenue Freight carloads terminating/originating in Mexico to/from San Ysidro via interchange with SD&IV Railroad	0
Non-Revenue Freight carloads moved from UPRR and USG, on the Desert Line	0
Revenue Freight carloads moved to/from Seeley Via interchange with UPRR, on the Desert Line	0
Revenue Sand carloads moved on the Desert Line	0
MOW Sand carloads moved on the Desert Line	0

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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
- 1 Track Supervisor
- 8 Track laborer
- 2 Traffic

Appendix A M.O.W. SUMMARY

DESERT LINE

TRACK

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

Appendix B 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 SD&IV / Rail America payment 6.9 (52 Railcars Storage)	71.76 495.14
Revenue Sand from Dixie to Campo	
SD&AE / MTS 1% payment SD&IV RailAmerica payment(0cars at \$0.00 each)	0.00

8 | Page



Trade Corridors Improvement Fund (TCIF) Program

- » \$2 Billion statewide
- » Focus on freight infrastructure improvements on high volume trade corridors
- » Construction must begin in 2013
- » CTC has approved project scope of work
- » Monitored by California Transportation Commission (CTC) and Caltrans Division of Rail (DOR)

SANDAG 2 2

South Line Freight Corridor Improvements

- » Increased Freight Capacity within corridor
 - Doubles capacity increase freight capacity from 10,000/year to 19.600/year (from 2 to 4 trains/day) Provide freight capacity to potentially eliminate up to 31,800 truck trips/year on regional facilities
- Increase speed of freight traffic along corridor
- Safety improvements through Signal upgrades
- » Potential for improved connectivity with Mexico
- » Leverages rail investments from private operators, TransNet, Port of San Diego, and Mexico
- Also benefits MTS and Port of San Diego



South Line Freight Corridor Details

- » 2 Separate Construction Projects
 - San Ysidro Yard Expansion Project

Cost:

\$25.9M from TCIF \$40.5M total cost

Status:

Environmental Documents Complete Final Design and Right-of-Way Acquisition Underway Construction Expected to Start Early 2013

Main Line Improvement Project

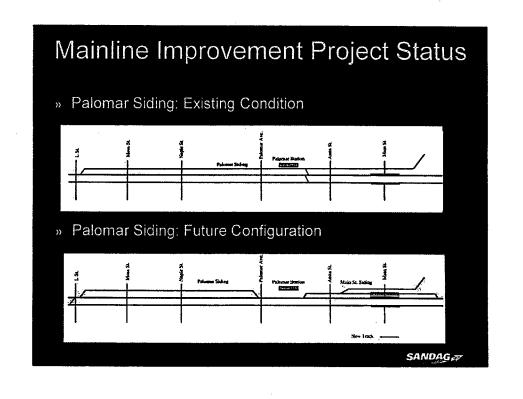
\$98.1M from TCIF for mainline improvements S107.3M total cost

Status:

Environmental Document Complete Broken into 4 Phases for Construction, 2 Phases in Construction

SANDAG





Mainline Improvement Project Status

» Construction Phasing

Broken into 4 Phases to Aid in project delivery and for Efficiency with concurrent Trolley Improvement Program

- Phase 1: Aerial Cable/Fiber Backbone
 Under Construction
- Phase 2: Initial Signal & Track Improvements
 Under Construction
- Phase 3: Palomar Siding Improvements
 Concurrent with Palomar LRT Station reconstruction. Scheduled for Bid in March 2012
- Phase 4: Track, Signal and Grade Separation Improvements

In final design, Construction to commence at completion of Phase 3 & Blue Line Station Completion. Anticipated Construction Start. 3rd Quarter 2013

SANDAGA

San Ysidro Freight Yard Expansion

- » Project Elements
 - Freight Track Improvements
 Storage Tracks

Yard Lead Extension

- Grading & Drainage Improvements
- New Access Road & Circulation
- Now Paved Loading Areas
 Improved Potential for Transloading
- Right of Way Acquisition Required



San Ysidro Freight Yard Expansion

- Environmental Documentation:
 - Complete
- Final Design:
 - Underway, Completion in June 2012
 - 65% Design Completed August 2011
 - 95% Design Due February 2012
- Right-of-Way Acquisition:
 - Underway, Completion in Nov. 2012
- Construction:
 - Begin January 2013
 - Complete December 2014



SANDAG

Conclusion

- » We will continue to work with MTS/SD&AE.
- » We will continue to monitor concurrent Trolley Improvement Projects.
- » Questions?
- » Contacts
 - Pete D'Ablaing (619-699-1906;
 - Anthony Podegracz (619-744-0116;

nulony Podegracz (619-744-0116;

SANDAG 10

Agenda Item No. $\underline{2}$

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

April 10, 2012

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Board of Directors receive a financial report for the quarter ended March 31, 2012.

Budget Impact

None.

DISCUSSION:

Attached are the financial results for the three quarters ended March 31, 2012, and 2011. The current year-to-date results show decreases of \$33,000 in right of entry revenue, a \$20,000 in lease income, and a \$38,000 decrease in SD&IV freight fee compared to the same period last year. These decreases are due to the timing of receipts from SD&IV, greatly reduced demand for right of entry permits, and delays in the calculation of lease income for the quarter. Expenses showed a \$14,000 positive variance due to reduced personnel cost and insurance premiums. The net loss for FY 12 through Q3 was \$16,122 compared to net income of \$61,115 in FY 11.

Attachment: SD&AE Operating Statement 3rd Quarter FY 12

SD&AE operating statement FY2012 and FY2011

				FY2012	012				FY	FY2011	
		o G		02	ဗ		TTD	δ	05	03	YTD
Revenue										}	ļ
Right of entry permits	↔	1,221	69	4,400	₩	\$ 009	6,121	12,250	\$ 5,450	\$ 21,370	\$ 39,071
Lease income		19,155		20,836	10,251	251	50,242	22,072	28,845	19,340	70,257
SD&IV 1% freight fee		-				 	'			38,187	38,187
Total revenue		20,376		25,236	10,751	751	56,363	34,322	34,295	78,897	147,515
Expense											
Personnel costs		20,284		17,151	16,877	377	54,311	19,916	22,595	18.746	61.256
Outside services		•		•			•	. •	260	. '	260
Risk management		5,798		5,974	9,0	6,093	17,865	8,352	8,194	7,771	24.317
Misc operating expenses		309		1			309	303	194	70	567
Depreciation				1		1	•			1	t
Total expense		26.391		23.125	22,970	020	72 485	28 571	31 243	26 587	86 400
								10,01	21.5	100,02	201
Net income/(loss)	49	(6,015)	છ	2,111	\$ (12,219)	319) \$	(16,122)	\$ 5,751	\$ 3,052	\$ 52,310	\$ 61,115

Reserve balance 2011 - actual	↔	919,524
Allocated interest earnings - estimated		5,245
Operating profit (loss)		(16, 122)
Improvement expense 2012		
Reserve balance 2012- estimated	49	908,647

Agenda Item No. 3

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

April 10, 2012

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 1st Quarter of 2012



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

April 2, 2012

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 1st Quarter of 2012 are listed as follows:

1. Labor

At the end of March 31, 2012 the San Diego & Imperial Railroad had 10 employees:

1 General Manager

1 Asst. General Manager

1 Asst. Trainmaster

1 Manager - Marketing & Sales

1 Office Manager

1 Mechanical Officer

1 Roadmaster

1 Maintenance of Way Employee

2 Train Service Employees

2. Marketing

Volume in the 1st Quarter was significantly impacted by border crossing issues of Texas Gas & Oil LPGS. LPG volume was down 71%. Overall, the volume dropped 46% over last year. Bridge traffic was down 49% over last year. Traffic destined or originated on the SDIY was down 431 to last year.

3. Reportable Injuries/Environmental

Days through year to date, March 31, 2012, there were no FRA Reportable injuries or environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 4568

4. Summary of Freight

	2012	2011	2010
Total rail carloads that moved by SDIY Rail Service in the quarter.	757	1418	1501
Total railroad carloads Terminating/Originating Mexico in the quarter.	585	1168	1212
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	172	250	289
Total customers directly served by SDIY in the quarter	10	11	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2573	4821	5103

Respectfully,

Randy Perry-

General Manager

Agenda Item No. 4

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

April 10, 2012

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: First Quarter Report for 2012



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

April 2, 2012

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

Re: First Quarter 2012

Dear SD&AE Board:

During the first quarter of 2012, the Pacific Southwest Railway Museum carried 3,001 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for first quarter 2012 was \$27,281.06; our check for \$545.62 is enclosed. By comparison, PSRM carried:

3.001 passengers during the first quarter of 2012 924 passengers during the first quarter of 2011 1,006 passengers during the first quarter of 2010

2,483 passengers during the first quarter of 2009

2,987 passengers during the first quarter of 2008

Since the fourth quarter of 2009, the museum has been unable to operate trips to Tecate, B.C., Mexico and that is evident by the decline in ridership for the first quarters of 2010 and 2011. We believe a minimum of two factors have come into play with a resultant increase in ridership: 410 Groupon tickets were redeemed during this quarter while the income from their purchase was attributed to fourth quarter 2011 and one day of Bunny Trains fell during this quarter.

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

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

A Federal Tax Exempt 501 (C) 3 California Non-Profit Corporation www.psrm.org

On Saturday, February 25, 2012 PSRM commemorated the completion of the ten year restoration project of its 1886 wooden passenger combine Rockdale, Sandow & Southern number 3, also known as a Jim Crow car. The occasion was celebrated with representatives from a number of organizations including the Vice President of the National Railroad Historical Society who traveled from Pennsylvania, representatives of the Black Storytellers of San Diego, Congress of History, Friends of Allensworth State Park, Los Angeles Railroad Heritage Foundation, Mountain Empire Historical Society, Navy League of San Diego, Railway & Locomotive Historical Society, San Diego African American Genealogy Research Group, and the San Diego Electric Railway Association. A proclamation was also unveiled from the San Diego County Board of Supervisors proclaiming February 25th to be Jim Crow car day. Ours is one of a handful of such cars remaining in the United States and is perhaps the only one that has been restored to its' Jim Crow car era. The Smithsonian National Museum of African American History and Culture recently acquired a steel bodied, un-restored Jim Crow car for their collection.

On Saturday, March 24, PSRM held its' second annual Chefs Fire Up the Iron Horse event on museum property with the San Diego Chefs de Cuisine and the San Diego County Vintners' Association. Security was provided by the Carrizo Gorge Railway Police. This event is an afternoon of wine tasting from local San Diego wineries, food pairing and musical entertainment. It was so successful, that the planning for a third annual event is now in progress.

PSRM made arrangements with a signal inspector currently employed with Transit America/Herzog to assume the monthly signal inspections and training of other signal inspectors for the purpose of complying with FRA regulations for the two grade crossings on Highway 94 in the Campo Valley. The monthly inspections for January, February and March have been performed on time and the quarterly inspection has been completed. PSRM now has two of its own members who are able to perform the monthly signal inspections.

During the first quarter of this year a proposal was sent to MTS personnel requesting permission to install a 36" drain pipe under the mainline just east of MP 66 in Campo. This drain is necessary because of the drainage issues that did not exist prior to the construction of the Campo Hills housing project. Not only does storm water runoff deluge the mainline at this location but there is continual water runoff from the Campo Hills water treatment facility onto the railroad right-of-way. PSRM has attempted to remedy some of the effects to no avail. PSRM has requested that MTS personnel visit the location in question for a visual inspection of the situation.

Very Truly Yours,

Diana Hyatt President

Agenda Item No. <u>5a</u>

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

April 10, 2012

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REPORT ON THE DESERT LINE

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: First Quarter of 2012



Periodic Report

To The San Diego & Arizona Eastern Railway Company

First Quarter 2012

The periodic Report to the SD&AE Railway Company is produced quartely 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.

Accomplishments during First Quarter 2012

CONTENTS

FIRST QUARTER 2012 ACTIVITY

Appendix A- MOW Summary

Appendix B- Desert Line Freigth Revenues

Financial Summary

3 | Page

First Quarter 2012

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 First Quarter activity for 2012.

Labor

As of March 31, 2012, Carrizo Gorge Railway has **6** employees to cover the railroad administration and operation in the U.S.

- 3 Administration
- 1 DSL & Engineer
- 1 Train Master & Locomotive engineer
- 1 Track Inspector & Signals

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.

4 | P a g e

IV. Reportable Injuries / Environmetal Incidents

There were no reportable injuries in the First quarter of 2012.

There were no reportable accidents in the First quarter of 2012.

There were was on environmental incidents in the First quarter of 2012.

V. Freight Activity

No freight activity in the 1st quarter of 2012 due to the embargo , we are still continuing to store empties, with a total amount of 52 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 fourth quarter 2011 Carloads Moved	0
Revenue Empties	0
Revenue Storage	52

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
- 1 Track Supervisor
- 8 Track laborer
- 2 Traffic

Appendix A
M.O.W. SUMMARY

DESERT LINE

TRACK

Ties Installed (6" x 8" x 8')	0	each
(7" x 9" x 9")	0	each
Stringers	0	each
90 lb/yd Rail Change Out	0	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	0	each
Rail Anchors Replaces	0	each
Repair Broken angle bars (60 lb.)	0	each
(75 lb.)	0	each
(90 lb.)	0	each
Track Surfaced	0	ft
Track Spikes Used (new)	0	each
Switch Ties Installed	0	each

Appendix B 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 SD&IV / Rail America payment 6.9 (52 Railcars Storage)	71.76 495.14
Revenue Sand from Dixie to Campo	
SD&AE / MTS 1% payment SD&IV RailAmerica payment(0cars at \$0.00 each)	0.00 0.00

Agenda Item No. 6

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

April 10, 2012

SUBJECT:

REAL PROPERTY MATTERS

No report.



Agenda Item No. 7

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

UNALLOCATED TRANSPORTATION DEVELOPMENT ACT FUNDS FOR TRANSIT-RELATED PROJECTS (SANTEE TROLLEY SQUARE CLOCK TOWER)

RECOMMENDATION:

That the Board of Directors approve the use of \$100,000 in unallocated Transportation Development Act (TDA) funds currently held by the County of San Diego for new display panels and a controller computer for the City of Santee's Clock Tower at Santee Trolley Square.

Budget Impact

The use of unallocated TDA funds set aside by the County of San Diego (County) for transit-related projects in various jurisdictions would have no impact on MTS's operating or capital budgets. The total available unallocated TDA held for the benefit of the City of Santee would be reduced by \$100,000 resulting in a remaining balance of \$136,616 held by the County for future transit-related projects pending Board approval.

DISCUSSION:

On April 10, 2012, MTS received a request from the City of Santee for the use of \$100,000 of unallocated TDA funds held by the County to purchase replacement display panels and a controller computer for the City of Santee's Clock Tower (at the Santee Trolley Square). The panels display the arrival and departure of MTS Trolleys. The existing system was installed in 2004 and has reached the end of its useful life.

Paul C. Jabionski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com





Agenda Item No. 8

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for
Executive Committee
Review Date: 5/10/12

SUBJECT:

INVESTMENT REPORT - MARCH 2012

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of MTS investments as of March 2012. The combined total of all investments has decreased from \$176.3 million to \$174.9 million in the current month. This \$1.3 million decrease is due to normal variations in the timing of operational payments and receipts.

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, which includes employee payroll and vendors' goods and services.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for March 2012

San Diego Metropolitan Transit System Investment Report March 31, 2012

		Restricted	Unrestricted		Total	Average rate of return
Cash and Cash Equivalents		11051110101		-	10001	1000111
Bank of America -						
concentration sweep account	_\$	5,964,592	\$ 13,858,505	\$	19,823,097	0.00%
Total Cash and Cash Equivalents		5,964,592	13,858,505		19,823,097	
Cash - Restricted for Capital Support						
US Bank - retention trust account		4,701,848	-		4,701,848	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds		5,508,446	-		5,508,446	0.38%
Total Cash - Restricted for Capital Support		10,210,294			10,210,294	
Investments - Working Capital						
Local Agency Investment Fund (LAIF)		-	23,481,234		23,481,234	0.38%
San Diego County Investment Pool		-	691,563		691,563	
Total Investments - Working Capital		-	24,172,797		24,172,797	
Investments - Restricted for Debt Service						
US Bank - Treasury Strips - market value (Par value \$39,474,000)		38,684,375	-		38,684,375	
Rabobank -						
Payment Undertaking Agreement		82,053,636	-		82,053,636	7.69%
Total Investments Restricted for Debt Service		120,738,010	-		120,738,010	
Total cash and investments	\$	136,912,896	\$ 38,031,302	\$	174,944,198	

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



Agenda Item No. 9

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

ASSIGNMENT OF CARRIZO GORGE RAILWAY, INC. OPERATING RIGHTS TO PACIFIC IMPERIAL RAILROAD (PIR) RAILWAY, INC.

RECOMMENDATION:

That the Board of Directors approve Amendment No. 3 (Attachment A) of the Carrizo Gorge Railway, Inc. (CZRY) 2002 Operating Agreement (MTDB Doc. No. S200-02-194) assigning CZRY's rights and obligations to Pacific Imperial Railroad (PIR) Railway, Inc.

THE COMPLETE AGENDA ITEM AND ATTACHMENTS WILL BE AVAILABLE WITH THE BOARD MEETING MATERIALS FOR 5/17/12





Agenda Item No. 10

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

INSURANCE BROKERAGE AND CONSULTING SERVICES CONTRACT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award MTS Doc. No. G1397.0-12 (Attachment A) to Alliant Insurance Services, Inc. for insurance brokerage and consulting services effective July 1, 2012.

Budget Impact

Funds have been programmed for the first year of the new contract in the proposed FY 2013 operating budget; each successive year would include sufficient funding as well.

ESTIMATED ANNUAL BUDGET IMPACT						
AGENCY	MTS	SD&AE	SDTC	SDTI	TOTAL	
YEAR 1	\$52,140	\$1,580	\$13,430	\$11,850	\$79,000	
YEAR 2	\$52,140	\$1,580	\$13,430	\$11,850	\$79,000	
YEAR 3	\$52,140	\$1,580	\$13,430	\$11,850	\$79,000	
YEAR 4	\$52,140	\$1,580	\$13,430	\$11,850	\$79,000	
YEAR 5	\$52,140	\$1,580	\$13,430	\$11,850	\$79,000	
YEAR 6 - OPTION	\$54,120	\$1,640	\$13,940	\$12,300	\$82,000	
YEAR 7 - OPTION	\$54,120	\$1,640	\$13,940	\$12,300	\$82,000	
	YEARS)	\$559,000				
SPLIT	66%	2%	17%	15%		



DISCUSSION:

A Request for Proposals (RFP) to provide Insurance Brokerage and Consulting Services was issued on November 18, 2011. A preproposal meeting was subsequently held along with a written question-and-answer period. The following firms submitted proposals by the January 24, 2012, due date:

- 1. Alliant insurance Services. Inc.
- 2. Arthur J. Gallagher Risk Management Services, Inc.
- 3. BB&T John Burnham Insurance Services
- 4. Keenan & Associates
- 5. Willis Risk & Insurance Services

A selection committee consisting of representatives from various MTS departments met several times and rated the proposals. The ratings were based on the following criteria:

1.	Project Experience	25%
2.	Staff Qualifications	20%
3.	Proposed Methodology and Approach to Work	20%
4.	Cost/Price	35%

After evaluating the proposals and conducting interviews of the top-ranked firms, the committee proposed that Alliant Insurance Services, Inc. be awarded the contract to provide the insurance brokerage and consulting services as outlined in the RFP Scope of Work. Services are recommended to commence on July 1, 2012. The contract would be awarded for five years with two 1-year renewal options to be exercised as appropriate.

While cost was only one criterion considered in the selection, it should be noted that the recommended firm, Alliant Insurance Services, Inc. has proposed an \$18,390 per-year (or 18.8%) cost reduction over the insurance brokerage and consulting fees currently being paid to the incumbent contractor. Moreover, Alliant's proposed contract fees shall remain fixed at \$79,000 throughout the five-year base contract.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Lockwood, 619.557.4502, susan.lockwood@sdmts.com

Attachment: A. Draft MTS Doc. No. G1397.0-12

DRAFT

STANDARD SERVICES AGREEMENT

STANDARD SERVICES AGREEMENT				G1397.0-12 CONTRACT NUMBER	
				FILE NUMBER(S)	
THIS AGREEMENT is entered into this _ California by and between San Diego Med and the following contractor, hereinafter r			2012, ИТЅ"), а Са	in the State of lifornia public agency,	
Name: Alliant Insurance Services	Ac	dress: 1	00 Pine Stre	eet, 11 th Floor	
Form of Business: Corporation		San Franci	sco, CA 94	111	
(Corporation, partnership, sole proprietor,		elephone: _	415-403-	1400	
Authorized person to sign contracts:	Dennis Mulqueer	nev	Senio	or Vice President	
	Name			Title	
Provide Insurance Brokerage and Consul Insurance Services' proposal dated April 2 Agreement, including the Standard Condi The base contract will be effective for the to extend two optional years at the sole did The base contract cost will not exceed \$3	2, 2012, in accor tions Services, a period of July 1, iscretion of MTS	dance with and Federal 2012, thro	the Standar Requireme ugh June 30	rd Services nts.), 2017, with an option	
SAN DIEGO METROPOLITAN TRANSIT	SYSTEM	CONT	RACTOR AL	JTHORIZATION	
By:Chief Executive Officer		Firm: _	.,		
Approved as to form:		By:			
Ву:		5	gnature		
By: Office of General Counsel		Title: _	——————————————————————————————————————		
AMOUNT ENCUMBERED	BUDGET	İTEM		FISCAL YEAR	
\$395,000	633-56310			2013-2018	
By:					
Chief Financial Officer				Date	
(total pages, each bearing contract n	umber)		SA-SEF	RVICES REVISED (REV 05-09)	



Agenda Item No. 11

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

PURCHASE OF BLANK COMPASS CARDS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute a contract to purchase smart card fare media.

THE COMPLETE AGENDA ITEM AND ATTACHMENTS WILL BE AVAILABLE WITH THE BOARD MEETING MATERIALS FOR 5/17/12



Agenda Item No. 12

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS Draft for

May 17, 2012

Executive Committee
Review Date: 5/10/12

SUBJECT:

INTERNAL AUDIT REPORT ON SDTI REVENUE MANAGEMENT

That the Board of Directors receive an internal audit report on San Diego Trolley, Inc. (SDTI) revenue management.

Budget Impact

None.

DISCUSSION:

During October 2011, the MTS Internal Auditor performed a review of SDTI Revenue Management's procedures and internal controls. As a result of this review, seven findings and recommendations were made for Management's consideration. Management has reviewed the recommendations and is taking action to address the issues identified.

Based on the sensitive nature of some of the findings, certain information has been redacted from the audit report for public disclosure.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Daniel Madzelan, 619.595.4920; daniel.madzelan@sdmts.com

Attachments: To be provided with the 5/17/12 Board meeting materials





Agenda Item No. <u>13</u>

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

INTERNAL AUDIT REPORT ON INFORMATION TECHNOLOGY-NETWORK ACCESS/SECURITY

RECOMMENDATION:

That the Board of Directors receive an internal audit report on Information Technology (IT)–Network Access/Security for information.

Budget Impact

None.

DISCUSSION:

During January/February 2012, the MTS Internal Auditor performed a review of internal controls governing IT – Network Access/Security. As a result of this review, seven findings and recommendations were made for Management's consideration. Management has reviewed the recommendations and is taking action to address the issues identified.

Based on the sensitive nature of some of the findings, certain information has been redacted from the audit report for public disclosure.

Paul C. Jablonski Chief Executive Officer

Key Staff Contact: Daniel Madzelan, 619.595.4920, daniel.madzelan@sdmts.com

Attachments: To be provided with the 5/17/12 Board meeting materials





Agenda

Item No. <u>14</u>

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 17, 2012

Draft for Executive Committee Review Date: 5/10/12

SUBJECT:

EXERCISE OPTION TO PURCHASE ONE LIGHT RAIL VEHICLE FROM SIEMENS INDUSTRY, INC.

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise an option for one additional SD-8 light rail vehicle (LRV) under MTS Doc. No. L0914.0-10.

THE COMPLETE AGENDA ITEM AND ATTACHMENTS WILL BE AVAILABLE WITH THE BOARD MEETING MATERIALS FOR 5/17/12

